

University of California Office of General Counsel Billing Guidelines

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All invoices need to be submitted electronically. Physical invoices will not be accepted.

A penalty of 5 percent of the invoice's total value will be applied to all invoices submitted 60 days after the due date. An additional 5 percent will be applied to invoices submitted between 90 and 120 days after the due date. Invoices submitted 120 or more days after the due date will not be accepted.

Alternative Fee Arrangements

University of California (UC) cannot process payment without an invoice. Therefore, firms will still need to submit invoices for alternative fee arrangements, even when the arrangement appears on its face to be self-executing.

Hourly Arrangements

Absent an alternative invoicing schedule approved in writing by the monitoring UC attorney, invoices for work completed during a calendar month are due by the end of the following calendar month, including final invoices. All invoices for work performed during UC's fiscal year (July 1st through June 30th) must be received no later than July 15th.

UC will not pay for the following:

- A. Timekeepers that are not:
 - a. Approved by the monitoring UC attorney *before* they begin work (in exceptional circumstances documented in writing, the monitoring UC attorney may provide post-hoc approval).
 - b. Direct employees of the firm (i.e., subcontractors). Work of non-employees may only be billed as expenses.
- B. Unapproved rate increases
 - a. Increase requests must be submitted to our billing department for review with a business justification at least 60 days before they are proposed to be effective.
 - b. Approved rate increases are *not retroactive*. New rates are only applicable to future retentions, not existing or panel retentions, unless specified in the applicable retention letter.
- C. Time spent due to staffing inefficiencies caused by a change or departure of a firm's personnel

- D. Consistent billing of more than eight hours in a day, or more than 150 hours per month, for a timekeeper without justification (trial and immediate pretrial preparation excluded)
- E. Overtime charges
- F. Commuting time or any other travel time not spent performing University business
- G. Clerical, secretarial, and administrative work, regardless of who performs it, including but not limited to: case administration, scheduling, budget preparation, conflicts clearance procedures, data organization
- H. Multiple billers for a single task or event
- I. Basic legal research – please indicate in the line item description when research is requested by the monitoring UC attorney.
- J. Development or drafting of internal research memos or other material attorney work product that is not requested, approved by, or produced to the monitoring UC attorney or other supervising attorney(s)
- K. Vague line item descriptions like “attend meeting”, “participate in client call”, “trial preparation”, “research”, etc. – Required level of description: “Telephone call with J. Smith and J. Doe re: oral argument preparation”.
- L. Time spent working with UC or state auditors

Expenses

UC will only pay the actual cost of expenses. Markups are prohibited and will not be reimbursed.

Firms must have the monitoring UC attorney’s written approval before retaining a third party vendor or consultant (e.g., experts, mediators, court reporters, subcontractors, eDiscovery vendor). Third party vendor invoices less than or equal to \$5,000 will be paid by the law firm and rebilled to UC.

All expenses over \$75 require a receipt or invoice copy directly from the vendor attached to the invoice submission. Credit card statements will *not* be accepted.

UC will pay for new technology when it is installed and utilized expressly and solely for UC’s benefit. Prior written approval from the monitoring UC attorney is required, along with a certification that the purchase will be made consistent with applicable law and UC policy governing procurement and competitive bidding processes.

Disallowed expenses

- A. Overhead expenses
- B. Routine postage expenses – Any necessary postage charges (certified mail, overnight service, or oversized packages) must include an explanation and to/from addresses.
- C. Any library related expense, including but not limited to LexisNexis, Westlaw, AI-assisted legal practice tools, or other database legal research expenses
- D. Billing more than once for documents which are reproduced for multiple witnesses, such as subpoenas
- E. Expenses derived from overtime (i.e., transportation or meals)
- F. Photocopying (B&W and color)
- G. Billing software charges
- H. Meals unrelated to overnight travel
- I. Private car services or taxi fares (including rideshare services) when more economical options are possible
- J. Interest charges

Travel

The following is in accordance with UC's travel guidelines (Policy G-28). Please be as frugal as possible. UC reserves the right to adjust any travel expenses in excess of UC's travel guidelines.

- A. All travel (local or out of town) must be preapproved by the monitoring UC attorney. Out-of-town travel requests must be accompanied by justification, including an explanation of why videoconferencing or other telecommunications options are not feasible or appropriate.
- B. UC will only pay for time spent explicitly working on UC business during out of town travel.
- C. Travel expenses should identify the person who traveled and the reason for the travel (e.g. "Airline ticket to San Diego for Jane Smith to attend 12/02 court hearing").
- D. Mileage will be reimbursed at the current IRS rate. Please indicate the number of miles driven.
- E. UC will not pay for rental car and airfare higher than economy or coach rates. Basic baggage and ticketing fees are permitted when accompanied by appropriate justification.
- F. The following overnight travel expenses are disallowed:
 - a. Nightly hotel rate greater than \$275 before taxes and mandatory hotel fees
 - b. In flight, hotel, or other third party WiFi charges
 - c. Meal costs exceeding the then-current UC travel meal allowance
 - d. Alcohol or any other entertainment expenses

Audits

UC retains the right to audit all files related to any past invoice. Within reason, the firm will produce any documentation that would support invoices submitted and provide contact information for any individual who submitted invoices on behalf of the firm, would have knowledge regarding any billing, or could answer any or all questions regarding invoices. UC may utilize its own personnel or a UC designated third party to perform such audits. Firms should expect the possibility of the California State Auditor contacting them for audit related questions.

Any billing questions, including payment statuses or short pay inquiries, should be directed to legalbilling@ucop.edu for all matters.

The monitoring UC attorney must be included on all correspondence with campus departments and aware of all tasks being completed.