

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.

Self-Insurance Program ("Risk") Addendum

Each invoice should contain the following verification statement, signed by the lead attorney (electronic signature is fine; wet signature is not required):

I personally examined this billing statement. All work has been performed in compliance with the self-insurance program guidelines. All billed time and expenses are in accordance with the University's self-insurance program guidelines and other instructions from the TPA and are correct and reasonable for the services performed and costs incurred. No item in this statement has been previously billed to the University of California or any other authorized representative of the University, the University's TPA, or any University insurance policy.

For all invoices submitted for defense fees and expenses

- A. Expense backups are required for any expense over \$25.
- B. No more than two attorneys and one paralegal may bill time for a matter.
 - a. All attorneys must be preapproved in writing; however, paralegals do not need written approval.
 - b. Other occasional timekeepers should not be more than ten percent of total time billed.

- C. UC will not pay for consistent billing of nine hours in a day over five consecutive days or more than 150 hours per month for a single timekeeper without justification (trial and immediate pretrial preparation excluded).
- D. UC reserves the right to not pay for any time spent on research, analysis, drafting, or briefing that does not make use of the UC Defense Counsel Intranet site and knowledge database.
- E. Travel (local or out of town) needs to be preapproved only when greater than 100 miles each way.
- F. UC will not pay for the following paralegal or clerical tasks
 - a. Preparing:
 - i. standard, routine entry of appearance (where applicable—not defined as answer to the complaint)
 - ii. substitution of attorney
 - iii. standard form interrogatories, expert interrogatories, and request(s) to produce
 - iv. standard stipulations to extend time to answer a pleading or discovery request
 - v. medical indices
 - vi. routine records requests
 - vii. subpoenas and summons
 - viii. authorization to secure, release or obtain records – medical, tax, IRS, employment, and military
 - ix. authorization to prepare notice of taking deposition
 - x. routine page/line deposition summaries or routine deposition summaries prepared from transcriptions
 - b. Summarizing:
 - i. medical records (including billing records), except for medical malpractice cases and employment disability cases
 - ii. employment records, except employment liability cases but not including employment chronologies
 - c. Telephone calls or correspondence regarding status of records
 - d. Preliminary research to identify potential experts
 - e. Arranging for photocopying, photocopying, binding, scanning, or faxing
 - f. Transcription
 - g. Retrieving files
 - h. Labeling documents for production to include Bates labeling
 - i. Indexing pleadings
 - j. Updating master case caption
 - k. Making travel arrangements
 - l. Calendaring
 - m. Preparing bills/invoices
 - n. Processing vendor bills to include receipt, review, correspondence, and payment
 - o. Organizing and tab file folders
 - p. Preparing process of service
 - q. Arranging for filing of documents

Any billing questions, including payment statuses or short pay inquiries, should be directed to updates@quovant.com for Risk matters, technology.transfer@ucop.edu for Office of Innovation & Entrepreneurship or patent matters, and legalbilling@ucop.edu for all other matters.

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

Submission Specific Guidelines

All invoices must be submitted electronically. No physical copies should be sent.

Please submit one file per matter or case. Your firm's retention letter will specify how to submit invoices either through Corridor, Quovant, or the Office of Innovation & Entrepreneurship. Secure login information will be provided during the onboarding process, if needed.

Corridor Web Portal

An invoice must have the following, *regardless of fee structure*:

- A. UC matter number – Corridor will only recognize UC matter numbers.
- B. Unique invoice number
 - a. When resubmitting an invoice, please append the original number
 - b. For example, "A", "R", "-revised"
- C. Service start and end dates
- D. Each line item must have
 - a. Date
 - b. UTBMS task or expense code
 - i. Activity and phase codes can be used but are not required.
 - ii. Task codes must be specific as possible, i.e. P210, P220, P230, etc. versus P200
 - iii. If there are no applicable task or expense code, please use C300 for all tasks and E124 for all expenses
 - c. Detailed description
 - i. For AFAs, please state the type of fee arrangement as the line item description.
 - ii. For example, "Flat fee for phase I"
 - d. Units in 0.10 of an hour increments
- E. Narrative or block billing is not permitted
- F. Final bill designation, if appropriate

Quovant Web Portal

Quovant will act as a third party invoice reviewer for all Risk matters.

The monitoring UC attorney must review and verify all invoices before they are submitted to Quovant.

Each invoice must include:

- A. Claim number
- B. Name of the Third Party Claims Administrator
- C. Case Type
 - a. Professional Liability
 - b. Employment Law
 - c. Auto Liability
 - d. General Liability
 - e. Worker's Comp
- D. Law firm name, address, and tax identification number
- E. Date of the bill
- F. Plaintiff(s) name(s)
- G. Patient's name (if a Professional Liability case)
- H. Summary at the end of the bill of the name, initials, hours, and rate of each timekeepers
- I. In chronological order, each billing entry should include
 - a. Name or initials of the timekeeper who performed the task
 - b. Date the work was performed
 - c. Actual time spent (in 0.10 of an hour increments)
 - d. A detailed description of the services performed
 - e. The total amount billed for that entry
 - f. Narrative or block billing is not permitted
- J. Final bill designation, if appropriate

Quovant has a law firm review process, which grants firms the ability to review submitted invoices while they are still being processed. The process enables firms to clarify certain line items that Quovant has adjusted as Bundled (B1), Vague (V1), lack UC approval, or expenses without expense backups or UC authorization. Firms will have ten business days after receiving an email notification to submit any clarifications. There is an additional ninety day appeal period after an invoice has been processed beginning at the print date of the invoice compliance report.

Office of Innovation & Entrepreneurship

Each invoice must include

- A. The UC case number assigned by the responsible technology commercialization office to the invention
- B. The date and a description of each service performed during the billing period
- C. Identification of the country or countries to which the services, fees, or expenses relate
- D. A separated identification of each fee or expense billed
- E. The name, hourly rate, and time spent by each professional providing services
- F. The total cost being billed
- G. The total cost to date for each case