

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS

IN THE MATTER OF §
 §
CHAPTER 7 TRUSTEE EXPENSES § GENERAL ORDER NO. 2004-02
 §

GENERAL ORDER AUTHORIZING CHAPTER 7 TRUSTEES TO PAY EXPENSES

By Standing Order No. 94-1, the court authorized Chapter 7 trustees to advance from bankruptcy estate funds expenses payable to unrelated third parties, subject to subsequent court approval for reasonableness after notice and hearing, provided no single expense exceeded \$100, and the aggregate amount of expenses did not exceed \$500. The court also authorized the Chapter 7 trustees to advance from estate funds adversary proceeding filing fees.

The court recognized that relatively de minimis expenses should be paid by the Chapter 7 estate without the necessity of notice and hearing in advance of payment. A Chapter 7 trustee who has not been authorized to operate the business of a debtor pursuant to 11 U.S.C. § 721 may incur expenses in the administration of an estate. Under 11 U.S.C. §§ 330 and 331, the court may award the trustee reimbursement for actual, necessary expenses after notice and hearing. The guidelines of the Office of the United States Trustee do not permit a trustee to pay any expenses of administration from the funds of an estate without prior court approval. Standing Order No. 94-1 authorized the trustees to pay the de minimis expenses of administration of an estate without the necessity of notice and hearing in advance of payments.

The court reaffirms the authorization for the Chapter 7 trustees to pay de minimis expenses without the necessity of notice and hearing in advance of payments. Recognizing the impact of inflation since the court entered Standing Order No. 94-1, the court has increased the authorized limits.

IT IS THEREFORE ORDERED that the Chapter 7 trustees are authorized to pay from bankruptcy estate funds:

1. Expenses to unrelated third parties, subject to subsequent court approval for reasonableness after notice and hearing, provided no single expense exceeds \$200, and the aggregate amount of expenses does not exceed \$1,000; and
2. Adversary proceeding filing fees.

IT IS FURTHER ORDERED that this order is effective upon entry and supercedes Standing Order No. 94-1.

The court has authorized the Chief Bankruptcy Judge of the district to enter this order on behalf of the court.

Signed this 3rd day of May, 2004.

/s/Steven A. Felsenthal

Steven A. Felsenthal, Chief
United States Bankruptcy Judge