

**GUIDELINES FOR CHAPTER 11 CASES**

**OPERATING INSTRUCTIONS AND REPORTING REQUIREMENTS**

**NORTHERN & EASTERN DISTRICTS OF TEXAS**

**REGION 6**



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## I. GENERAL REQUIREMENTS

The United States Trustee Program is a component of the Department of Justice charged with supervisory and administrative responsibilities in cases filed under the Bankruptcy Code (11 USC). The duties and responsibilities of the United States Trustee includes supervising the administration of chapter 11 cases within the region the United States Trustee is appointed. Accordingly, the United States Trustee for Region 6, composed of the Federal judicial districts in the Northern and Eastern Districts of Texas, has promulgated these Operating Instructions and Reporting Requirements (i.e., OIRR or Chapter 11 Guidelines) to assist you in performing the functions and duties of a debtor-in-possession or trustee of the estate and to aid in case administration. Information about the United States Trustee Program and its responsibilities can be found on our website at <https://www.justice.gov/ust>. (See [28 USC § 581\(a\)\(6\)](#); [28 USC § 586](#); and [11 USC § 1107](#)).

The United States Trustee reserves the right to modify these guidelines from time to time. Any request for a waiver of any requirement must be in writing and state the reason for the request. The United States Trustee will determine whether a waiver should be granted or denied based upon the circumstances of the case.

In addition to the following requirements, all applicable provisions of the Bankruptcy Code (11 USC), the Federal Rules of Bankruptcy Procedure (FRBP), Local Bankruptcy Rules<sup>1</sup> (LBR), General Orders, and other court orders must be observed.

**Failure to timely comply with any requirement is cause for the United States Trustee or another party to seek dismissal of the case, conversion to another chapter of the bankruptcy code, appointment of a chapter 11 trustee or examiner, or other applicable relief.**

## II. CERTAIN TYPES OF CHAPTER 11 DEBTORS

Your attorney will determine whether you qualify as one of the following types of debtors and will check the appropriate boxes on your bankruptcy petition. It is important that you understand which, if any, designations were indicated on your petition as they may affect certain requirements.

- Small Business – Defined at [11 USC § 101 \(51D\)](#)
- Subchapter V (whether or not small business) – Defined at [11 USC § 1182](#)
- Single Asset Real Estate – Defined at [11 USC § 101 \(51B\)](#)

## III. DEBTOR-IN-POSSESSION RESPONSIBILITIES

With the filing of a Chapter 11 petition, you become a new and separate entity called a “Debtor-in-Possession”. You, as the Debtor-in-Possession, have fiduciary and statutory responsibilities to preserve and maintain the bankruptcy estate and to operate as efficiently as possible to maximize ultimate payments on pre-petition debts while keeping post-petition debts current. (See [11 USC § 1106](#) and [11 USC § 1107](#)).

Some of these obligations are as follows:

- A. You may not pay obligations arising before the date of filing of the petition ("pre-petition"), except as allowed by the Bankruptcy Code, Local Bankruptcy Rules, or a court order.

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<sup>1</sup> Local Bankruptcy Rules for the Northern District of Texas may be found at [www.txnb.uscourts.gov/court-info/local-rules-and-orders/local-rules](http://www.txnb.uscourts.gov/court-info/local-rules-and-orders/local-rules) and the Local Bankruptcy Rules for the Eastern District may be found at [www.txeb.uscourts.gov/court-info/local-rules-and-orders](http://www.txeb.uscourts.gov/court-info/local-rules-and-orders).

- B. You must comply with various requirements regarding the use of cash collateral. Questions regarding cash collateral should be directed to your attorney. (See [11 USC § 363](#)).
- C. You must pay, in full when due, all obligations arising after the filing of the petition (“post-petition”). This includes statutory quarterly fee payments to the United States Trustee. (See [QUARTERLY FEES](#)).
- D. You may not make any new loan, give a post-petition guarantee, or borrow funds without a court order unless otherwise permitted by the Bankruptcy Code.
- E. You may not sell, transfer, or lease property outside the ordinary course of business without a court order unless otherwise permitted by the Bankruptcy Code.
- F. You must file all Federal, state, and local tax returns when due or obtain an extension from the appropriate taxing authority, unless otherwise provided by the Bankruptcy Code or a court order. You must timely pay all post-petition taxes.
- G. You must not employ or pay any professionals without a court order (e.g., attorneys, accountants, realtors, appraisers, business consultants, etc.). Be sure to consult with your attorney if you intend to employ the services of a professional. (See [EMPLOYMENT AND PAYMENT OF PROFESSIONALS](#) and [11 USC § 327](#) and [11 USC § 330](#)).
- H. You have a duty to maintain appropriate books and records during the pendency of the case. You must close your books and records as of the date of filing and open a new set of books and records so that a clear demarcation is established between financial transactions that occur before the filing of the petition (“pre-petition”) and those that occur after the filing of the petition (“post-petition”).
- I. You must send notices and copies of pleadings to the United States Trustee as required by the Federal Rules of Bankruptcy Procedure (see [FRBP 2002](#)) and by the applicable Local Bankruptcy Rules in your District.
- J. You must promptly notify the United States Trustee, in writing, of any changes in your mailing address during the pendency of the case.
- K. You must promptly notify the United States Trustee, in writing, of any significant change in your business (e.g., casualty or theft losses; cessation of operations; changes in insurance coverage; allegations of violations of laws, ordinances, or regulations, etc.).
- L. If you are a subchapter V case, you also have a duty to cooperate with the subchapter V trustee in the trustee’s performance of his/her statutory duties. (See [11 USC § 521\(a\)\(3\)](#)).

#### **IV. BANKRUPTCY SCHEDULES**

You must file bankruptcy schedules and a statement of financial affairs (“SOFA”) with the Clerk of the Bankruptcy Court within 14 days of the filing of the petition. (See [FRBP 1002](#) and [FRBP 1007](#)).

You must file the schedules or a complete list of all creditors and their addresses with the petition.

You must also file a separate list containing the name, address, phone number and amount of claim of the twenty largest unsecured creditors (see [FRBP 1007\(d\)](#)). This list must not contain the names of any creditors who are defined as "insiders". (See [11 USC § 101\(31\)](#)).

You must file a list of all equity security holders of the debtor including complete names, addresses and telephone numbers.

If you are in the Northern District, your attorney must contact our office before you file any motion for extension of time to file the Schedules and SOFA. (See [LBR 1007\(b\)](#)).

### **Small Business and Subchapter V Cases**

If you qualify as a small business and/or subchapter V case, you must additionally file with the voluntary petition a copy of your most recent balance sheet; statement of operations, i.e., income statement or profit & loss report; cash flow statement; and federal income tax return. You may also file a statement under penalty of perjury that no balance sheet, statement of operations, or cash-flow statement has been prepared and no federal tax return has been filed. If an involuntary petition was filed, you must file these documents not later than 7 days after the date of the order for relief is entered. (See [11 USC §1116](#)).

## **V. UNSECURED CREDITORS' COMMITTEE**

We will contact the 20 largest unsecured creditors for the purpose of forming an unsecured creditors' committee. You and your attorney may be asked to give a brief overview of the case in connection with the formation of the unsecured creditors' committee. (See [11 USC § 1102](#)).

### **Small Business and Subchapter V Cases**

Unless otherwise ordered by the court, a committee of creditors will not be appointed in a small business case or a case under subchapter V. (See [11 USC § 1102\(a\)\(3\)](#)).

## **VI. INITIAL DEBTOR INTERVIEW (IDI)**

You and your attorney must attend an initial debtor interview (IDI) that is scheduled by the United States Trustee shortly after filing your bankruptcy petition and prior to the meeting of creditors. The purpose of the meeting is for our office to obtain a general understanding of the case and to review your chapter 11 administrative requirements (which includes financial reporting and other requirements specific to the case). Accordingly, the debtor representative(s) at the initial debtor interview must (a) have personal knowledge regarding the debtor's operations and accounting records and (b) must be an officer or hold an interest in the debtor.

You should review the information contained in these OIRR or Chapter 11 Guidelines thoroughly before your initial debtor interview so that any administrative questions can be addressed at that time.

If you speak a language other than English or require accommodation for a hearing impairment or physical disability, contact our office immediately so that reasonable accommodations can be arranged.

You must print, complete, and bring certain documents to the initial debtor interview. If attending telephonically, you will need to provide those documents to the Bankruptcy Analyst/Auditor conducting the interview at least 2 days before the interview has been scheduled. All forms referenced below are available on our website at [www.justice.gov/ust/r06/reg\\_info.htm](http://www.justice.gov/ust/r06/reg_info.htm) under "Initial

Debtor Interview (IDI) Information” and must be completed beforehand as no time will be allotted for this task during the meeting.

Failure to attend meetings or timely provide information reasonably requested by the United States Trustee is cause for the dismissal or conversion of the case. (See [11 USC § 1112\(b\)\(4\)\(H\)](#)).

#### **REQUIRED DOCUMENTS CHECKLIST**

- ☐ *Obligations of Chapter 11 Cases Acknowledgement of Receipt* (to be signed at the IDI).
- ☐ *Information for Initial Debtor Interview*, i.e., IDI Information Worksheet.
- ☐ *Sufficient proof of insurance coverage*. See [INSURANCE REQUIREMENTS](#).
- ☐ *Statements Regarding Compliance with 11 USC § 345(b)*, i.e., DIP Bank Designation form. See [BANK ACCOUNT REQUIREMENTS](#).
- ☐ A voided check, bank statement, or other bank documentation that contains the full account number for each DIP bank account and proof that all pre-petition accounts were closed. See [BANK ACCOUNT REQUIREMENTS](#).
- ☐ *Direction of Debtor Attorney Concerning U.S. Trustee Contact with Client*, i.e., McDade Authorization form. See [COMMUNICATION WITH REPRESENTED PARTIES](#).
- ☐ *Group/Pension Information Form* (must be completed even if not applicable).
- ☐ Copies of the two most recently filed tax returns (note that attachments sent via e-mail are limited to 10MB in total size).
- ☐ Chart of Accounts, Listing of Accounts, or General Ledger (if available)
- ☐ If you are an entity that is indirectly or directly affiliated, related, or shares common ownership with other entities (a “layered” entity structure, for example), you must provide us with an entity flowchart or detailed statement that explains the relationship. Clearly identify non-debtor and debtor entities and provide federal identification numbers (FEINs).
- ☐ Other documents reasonably requested by the United States Trustee.

## **VII. INSURANCE REQUIREMENTS**

You must maintain and provide the United States Trustee with sufficient proof of adequate insurance that protects both the assets of the estate and the public during the pendency of the case. What is deemed adequate will depend upon the facts and circumstances of each case, but typically at least property insurance for all tangible assets (for at least the value reported on the bankruptcy schedules) and general liability insurance will be required. Other types of insurance commonly required include worker’s compensation, product liability, malpractice or professional liability, and liquor liability.

Sufficient proof of insurance consists of an insurance binder and/or declaration pages that contains the debtor as named insured (exactly as on the petition), the type of insurance policy, the insurance policy period, the amounts of coverage, and the property or location to be insured. **Certificates of insurance are not considered sufficient proof of insurance.** Additional proof of insurance is

required when there is a renewal, a change of policy, or a lapse of coverage.

You must instruct the insurance company to list the United States Trustee on each of your policies as a notified party, i.e., we must receive notification if the policies lapse, are changed or terminated, or if there is a claim against the policy. **The United States Trustee must not be listed as additional insured or in such a way that would indicate we hold an interest in the debtor or the assets of the debtor.**

Failure to maintain adequate insurance or provide sufficient proof of coverage is cause for the dismissal or conversion of the case. (See [11 USC § 1112\(b\)\(4\)\(C\)](#)).

## VIII. BANK ACCOUNT REQUIREMENTS

Immediately upon filing your petition, any funds in your existing bank accounts become property of the bankruptcy estate. This includes individual debtors (see [11 USC § 1115](#)). Accordingly, you must close all existing pre-petition bank accounts and move the funds to a debtor-in-possession (“DIP”) bank account(s) at an approved financial institution. Outstanding checks that have not cleared pre-petition bank accounts at the time of filing should not be permitted to clear without court approval.

The investment and protection of bankruptcy estate funds is governed by the Bankruptcy Code. Unless the court orders otherwise, all financial institutions in which estate monies exceeding federal deposit insurance limits are deposited or invested, must either post a bond or pledge securities of a type specified in the statute. This requirement ensures that all estate fund balances exceeding federal deposit insurance limits are protected against loss in the event of the failure of the financial institution. (See [11 USC § 345\(b\)](#)).

We maintain a listing of all approved financial institutions in Region 6 that have agreed to pledge securities with the Federal Reserve or post a bond to insure their bankruptcy accounts and we monitor these institutions to ensure the requirements of the Bankruptcy Code are met. The most current *Authorized Depository Listing* is available on our website at [www.justice.gov/ust/r06/reg\\_info.htm](http://www.justice.gov/ust/r06/reg_info.htm) under the heading “Initial Debtor Interview (IDI) Information”. Note that this list is dynamic and changes frequently.

Additional banking requirements are as follows:

- A. You must ensure that checks are imprinted with the full name of the Debtor-in-Possession exactly as shown on voluntary petition (Official Bankruptcy Form B-101 for Individual Debtors and B 201 for Non-Individual Debtors). If you are filing individually or filing a joint petition, the check must include the first, middle and last names (not initials) of all petitioners. If use of a d.b.a. (“doing business as”) is desired in the styling of the check, the d.b.a. must be listed on line 2 of the petition under “All other names debtor used in the last 8 years (including married, maiden, assumed, and trade names).”
- B. You must provide a completed *Statements Regarding Compliance with 11 USC § 345(b)*, i.e., DIP Bank Designation form. In addition, you must provide a voided check, bank statement, or other bank documentation that contains the full account number for each DIP bank account and proof that all other pre-petition accounts were closed. (See [REQUIRED DOCUMENTS CHECKLIST](#)).
- C. All financial transactions involving property of the estate must be made through the debtor-in-possession account(s). Any funds exceeding those required for current operations should be invested in accordance with the provisions of [11 USC § 345\(a\)](#).



- D. Once the Bankruptcy Court confirms the Chapter 11 plan, the debtor-in-possession bank account(s) must be closed and regular accounts re-established. To close these accounts, you must present a copy of the Bankruptcy Court's confirmation order to the financial institution. Closing the bank accounts is your responsibility.
- E. The United States Trustee is not responsible for monitoring bank accounts once a plan of reorganization is confirmed, or the case is dismissed or converted.

## **IX. COMMUNICATION WITH REPRESENTED PARTIES (MCDADE AMENDMENT)**

All legal questions must be directed to your own counsel. However, United States Trustee personnel is available to assist with administrative issues (e.g., questions pertaining to reporting requirements, insurance, banking, or quarterly fees). To ensure that direct contact with a represented party is authorized, your attorney must complete and submit the *Direction of Debtor Attorney Concerning United States Trustee Contact with Client* (the "McDade" Authorization form). If your attorney does not authorize it, we cannot respond to any of your inquiries directly during the pendency of your case unless your attorney updates this form. (See [REQUIRED DOCUMENTS CHECKLIST](#)).

## **X. MEETING OF CREDITORS**

You and your attorney must attend a meeting of creditors, sometimes referred to as a 341 meeting, and submit to examination under oath. Accordingly, the debtor representative(s) at the meeting of creditors must (a) have personal knowledge regarding the debtor's operations and accounting records and (b) must be an officer or hold an interest in the debtor. (See [11 USC § 341](#)).

Our office will schedule this meeting and a notice will be prepared by the Bankruptcy Clerk.

- In the Northern District of Texas your attorney must timely serve the notice of the meeting to all creditors (see [LBR 2002-1](#)). We strongly recommend that your attorney file a certificate of service simultaneously with the notice of the meeting of creditors. After your attorney sends notice, we cannot cancel or reschedule the meeting to accommodate scheduling conflicts of parties or attorneys.
- In the Eastern District of Texas your attorney does not need to serve the notice of the meeting. The Bankruptcy Clerk will serve the notice of the meeting to all creditors. (See [LBR 2002](#)).

If you are an individual, you must bring to this meeting (a) proof of your identity and (b) proof of your Social Security number. Permissible forms of identification include a valid driver's license, government issued photo identification card, U.S. Passport, or resident alien card. Proof of Social Security number may include a Social Security card, current Form W-2, or payroll check stub. If attending telephonically, you will need to provide those documents to our office at least 2 days before the meeting has been scheduled.

If you speak a language other than English or require accommodation for a hearing impairment or physical disability, contact our office immediately so that reasonable accommodations can be arranged.

To reschedule a meeting, your attorney must contact the United States Trustee to obtain approval. If approved, your attorney is responsible for notifying all interested parties of the rescheduled meeting of creditors and must certify that notice of the rescheduled meeting has been sent to all parties in



interest. Except in extraordinary situations, the United States Trustee will not reschedule a meeting after the Clerk's Office has sent notice of the meeting.

At the conclusion of the initial meeting of creditors, we may decide to adjourn the meeting and continue the examination at another date and time. The presiding officer will announce the adjourned date and time and no additional written notice to creditors need be provided.

Failure to attend meetings reasonably requested by the United States Trustee is cause for the conversion or dismissal of the case. (See [11 USC § 1112\(b\)\(4\)\(H\)](#)).

## **XI. STATUS CONFERENCES**

Subsequent to the meeting of creditors, the Bankruptcy Court or the United States Trustee may conduct status conferences with the debtor, their counsel, or the creditors' committee and their counsel. The purpose of these conferences is to ascertain your financial status, determine what progress is being made with respect to formulating a plan of reorganization, and to determine when a plan may be filed.

### **Subchapter V Cases**

The Bankruptcy Court will hold a mandatory status conference not later than 60 days after the case is filed to further the expeditious and economical resolution of the case. (See [11 USC § 1188\(a\)](#)).

Not later than 14 days before the status conference, you must file with the court, and serve on the trustee and all parties in interest, a report that details the efforts the debtor has undertaken and will undertake to attain a consensual plan of reorganization. (See [11 USC § 1188\(c\)](#)).

## **XII. PERIODIC FINANCIAL REPORTING REQUIREMENTS**

You must prepare and file periodic operating reports detailing your financial condition and status of operations. Reports must be filed even if no financial activity occurred during a reporting period. The form of the required report varies, depending on the type and status of the case.

These reports must be filed electronically with the Clerk of the Bankruptcy Court via Mandatory Electronic Filing (CM/ECF) (see [General Order 2003-04](#)). Your attorney will typically handle electronic filing for you. If you are a pro se individual debtor, i.e., you do not have an attorney representing you, you should consult the bankruptcy court where the case is pending to obtain information on how to properly file the reports.

You must file all operating reports not later than the 21<sup>st</sup> day of the month following the end of the period covered by the report. For example, the pre-confirmation monthly operating report for April must be filed by May 21 and the post-confirmation quarterly operating report for 3<sup>rd</sup> Quarter must be filed by October 21.

Your attorney must maintain original copies of all reports, i.e., with original "wet" signatures, for evidentiary purposes and may be required to produce them upon request. If you are a pro se debtor, i.e., you do not have an attorney representing you, you must mail hard copies of the operating reports to our office in addition to filing them with the court. If a trustee has been appointed to your case, they will be responsible for maintaining original copies of all reports.

Your reporting capabilities and the supplemental documentation that you will be required to file with your operating reports will be discussed at the initial debtor interview (see [INITIAL DEBTOR](#)).

[INTERVIEW](#)). When filing supplemental documentation, you must comply with Federal Rule of Bankruptcy Procedure 9037 regarding redaction of personal information. Failure to submit required supporting documentation will render the operating report incomplete.

Failure to file the operating reports timely and properly is cause for conversion or dismissal of the case. (See [11 USC § 1112\(b\)\(4\)\(F\), and \(H\)](#)).

#### **A. Regular Cases (non-small business and non-subchapter V) and Single Asset Real Estate Cases**

On June 21, 2021, the United States Trustee Program’s rule entitled *Uniform Periodic Reports in Cases Filed Under Chapter 11 of Title 11*, published at [28 C.F.R. § 58.8](#) (the “Final Rule”) became effective. The Final Rule, mandated by [28 USC § 589b](#), requires that chapter 11 debtors-in-possession and trustees, other than in small business and subchapter V cases, file monthly operating reports and post-confirmation reports using streamlined, data-embedded, uniform forms in every judicial district where the U.S. Trustee Program operates.

*UST Form 11-MOR*, Monthly Operating Report (“MOR”), is the periodic financial report that must be filed on a calendar monthly basis from the petition date to the earlier of the effective date of a confirmed plan, the conversion date of the case to another chapter, or the dismissal of the case.

*UST Form 11-PCR*, Post-confirmation Report (“PCR”), is the periodic financial report that must be filed on a calendar quarterly basis once the effective date of a confirmed plan occurs by any post-confirmation entities, which would include the reorganized debtor and any other “authorized parties” charged with administering the confirmed plan, until the earlier of the date the case is closed, dismissed, or converted to another chapter.

Report filers must refer to the Final Rule and instructions for the MOR and PCR forms for important information, including who must file each report, when the reports must be filed, who the reports must be served upon and what documentation must be filed along with each report.

To access the latest version of the MOR and PCR forms, instructions for their use and filing, and other important information related to periodic reporting under the Final Rule, please navigate to <https://www.justice.gov/ust/chapter-11-operating-reports>. While at that webpage, please subscribe to the “Chapter 11 Operating Reports E-mail Updates” feature to automatically receive email updates about periodic reporting under the Final Rule.

#### **B. Small Business and Subchapter V Cases**

If you have a small business or subchapter V case, you must use Official Form B 425C, *Monthly Operating Report for Small Business Under Chapter 11*, for your periodic financial reporting.

Reports must be filed on a calendar monthly basis as of the petition date. If the order for relief is within the first 15 days of a calendar month, a report shall be filed for the portion of the month that follows the order for relief. If the order for relief is after the 15th day of a calendar month, the period for the remainder of the month shall be included in the report for the next calendar month.

You must attach required supporting documentation, which will be reviewed at the initial debtor interview, and copies of bank statements to each operating report.

The obligation to file reports terminates on the effective date of the plan, or conversion or dismissal of the case. (See [FRBP 2015\(a\)\(6\)](#)).

Official Form B 425C is available at [www.uscourts.gov/forms/bankruptcy-forms](http://www.uscourts.gov/forms/bankruptcy-forms).

Once the plan is effective, consult the United States Trustee Office in the district in which the case is pending for post-confirmation reporting requirements.

### **C. Entities in Which the Debtor’s Estate Holds a Substantial or Controlling Interest**

If you hold a substantial or controlling interest in another entity, in addition to the operating reports outlined above, you must also file periodic financial reports of the value, operations, and profitability of each entity that is not a publicly traded corporation or a debtor in another bankruptcy case. (See [FRBP 2015.3](#)).

The first report shall be filed not later than seven days before the first date set for the meeting of creditors. Subsequent reports shall be filed no less frequently than every six months thereafter, until the effective date of a plan or the case is dismissed or converted.

Official Form B 426 must be used for these periodic reports and is available at [www.uscourts.gov/forms/bankruptcy-forms](http://www.uscourts.gov/forms/bankruptcy-forms).

## **XIII. CHAPTER 11 QUARTERLY FEES**

Under [28 USC § 1930\(a\)\(6\)](#), a quarterly fee must be paid to the United States Trustee in each case under chapter 11 (except small business cases under subchapter V) for each calendar quarter, or portion thereof, between the date a bankruptcy petition is filed and the date the court enters a final decree closing the case, dismissing the case, or converting the case to another chapter.

### **A. Quarterly Fee Calculation**

The quarterly fee is calculated by totaling the reported disbursements for the three-month calendar quarter, or portion thereof, according to the appropriate fee schedule published on the United States Trustee Program’s website at [www.justice.gov/ust/chapter-11-quarterly-fees](http://www.justice.gov/ust/chapter-11-quarterly-fees).

The quarterly fee amount will be estimated if disbursements for all of the months of a calendar quarter that the case is open have not been reported to the United States Trustee. The estimated fee is based on (a) the reported disbursement history, (b) the debtor’s initial financial data submitted when the case was filed, or (c) the United States Trustee’s estimate. If there is a disagreement with the estimated quarterly fee noted on the billing statement, then operating reports or actual disbursement reports supporting a different calculation must be filed with the bankruptcy court and served on the United States Trustee office.

The applicable minimum fee is due even if there were no disbursements during a calendar quarter. The fee is not prorated.

The term “disbursements” is construed broadly to mean all payments made by, or on behalf of, a debtor or estate during the chapter 11 case. In post-confirmation cases this includes a reorganized debtor and any other post-confirmation entities created under the plan (e.g., litigation trust, creditors’ trust, or equity trust).

### **B. Fee Due Date**

Quarterly fees are due not later than one month following the end of each calendar quarter. Failure to pay quarterly fees is cause for conversion or dismissal of the case under [11 USC §](#)

1112(b)(4)(K). Payment of quarterly fees and any past due fees and interest, if applicable, must be made before the effective date of a confirmed plan of reorganization and quarterly fees will continue to accrue until entry of the final decree, or until the case is converted or dismissed.

Quarterly fees must be paid timely. Failure to receive a billing statement does not excuse timely payment.

### **C. Remitting Payment**

A billing statement from the United States Trustee Program is mailed to address on the petition (or other party you may have designated) for each calendar quarter before the payment due date.

As of September 30, 2025, the United States Trustee Program no longer accepts checks or money orders as forms of payment for chapter 11 quarterly fees.<sup>2</sup> Any checks or money orders received on or after this date will be returned to the sender. All quarterly fee payments must be made electronically through the United States Trustee Program's Pay.gov site located here:

<https://www.pay.gov/public/form/start/672415208>

The party paying quarterly fees will need the ten-digit account number (xxx-xx-xxxxx) and bank account information (account and routing number) to remit quarterly fee payments via Pay.gov. You should follow the instructions on Pay.gov for remitting payment.<sup>3</sup> Please note that you will be required to complete the box requesting your Taxpayer ID on Pay.gov to complete their payment. If a debtor does not have an EIN, you may enter all 9's in this box. Pay.gov allows the use of PayPal as a payment method, thereby enabling parties to make payments without sharing bank account details directly with Pay.gov. However, PayPal has transaction limits, which vary based on account verification status and payment method. Parties wishing to use PayPal to pay quarterly fees should check with PayPal.com directly for more information regarding the monetary cap.

Failing to make acceptable electronic payments of quarterly fees through Pay.gov could result in delays in payment and the accrual of interest and other penalties, and legal action for failure to timely remit payment.

Anyone who has questions about the payment of chapter 11 quarterly fees should contact their local United States Trustee office.

### **D. Change of Address**

If you have a change in address or would like the billing statement to be mailed to an address other than that which is provided on the petition, your attorney must provide a written statement to our office requesting the address change and providing the updated information.

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<sup>2</sup> On March 25, 2025, President Donald J. Trump signed Executive Order 14247 titled "Modernizing Payments to and From America's Bank Account" (EO 14247). This order aims to modernize the government's payment processes by mandating a transition from traditional paper-based payments to fast and secure electronic payments. In accordance with EO 14247, the United States Trustee Program will no longer accept checks or money orders as forms of payment for chapter 11 quarterly fees.

<sup>3</sup> Automatic debits to business or checking accounts may be blocked by a security feature called ACH Fraud Prevention Filters. ACH Fraud Prevention Filters works by having an allowed list of ACH Company ID's, thereby enabling debits. The agency identification for the United States Trustee Program is 1501000502. This will allow payments being presented for payment to process and not blocked by your banks ACH Fraud Prevention filters.

## E. Interest

Interest will be assessed on unpaid Chapter 11 quarterly fees. The interest rate assessed is the rate in effect as determined by the Treasury Department at the time the account becomes past due. If payment of the full principal amount past due is received within thirty (30) days of the date of the notice of initial interest assessment the interest assessed will be reversed. (See [31 USC § 3717](#)).

## F. Collection Action

If quarterly fees are not paid timely, we must refer the matter to the Department of the Treasury to attempt collection. **Note that the debtor's Taxpayer Identification Number ("TIN") will be provided to the Department of Treasury for purposes of collecting overdue debts.** Treasury Department collection efforts will include: (a) sending dunning notices to the debtor; (b) withholding any government payment to the debtor, including tax refunds, in the amount of the indebtedness; (c) employing collection agencies to enforce collection, and (d) reporting the indebtedness to credit bureaus. Collection costs will be added to the total amount of the debt. (See [31 USC § 3711\(g\)](#) and [31 USC § 3716\(c\)](#)).

## XIV. EMPLOYMENT AND PAYMENT OF PROFESSIONALS

Attorneys and other professionals (e.g., accountants, brokers, real estate agents, etc.) who assist you in connection with your chapter 11 bankruptcy case must obtain court authority to represent you. Applications to employ these persons should be filed with the Bankruptcy Court promptly after the filing of your case and should conform to the requirements of the Bankruptcy Code (see [11 USC § 327](#)), Bankruptcy Rules (see [FRBP 2014](#)), and the Local Rules for your district.

If an employment application is not filed with the Bankruptcy Court within thirty days of the date the attorney or other professional began rendering services to you in connection with your chapter 11 case, a more detailed application must be filed with the Bankruptcy Court to obtain retroactive approval for the professional's services. In the Northern District you will need to comply with the requirements of [LBR 2014-1\(b\)](#) and in the Eastern District you will need to comply with the requirements of [LBR 2014\(d\)](#).

You may not pay professional persons without court authority. In order to pay a professional person for services rendered you must file a fee application with the Bankruptcy Court, and the court must approve the fees and other expenses requested. Fee applications must comply with the Bankruptcy Code (see [11 USC § 330](#)), Bankruptcy Rules (see [FRBP 2016](#)), and the Local Rules for your district.

Attorneys in larger chapter 11 cases must comply with "Appendix B – Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 USC § 330 for Attorneys in Larger Chapter 11 Cases". A larger chapter 11 case is defined as having \$50 million or more in assets and \$50 million or more in liabilities, aggregated for jointly administered cases and excluding single asset real estate cases.

The U.S. Trustee Program has published guidelines for the filing of fee applications that can be found at [www.justice.gov/ust/eo/rules\\_regulations/guidelines/index.htm](http://www.justice.gov/ust/eo/rules_regulations/guidelines/index.htm)

## XV. DISCLOSURE STATEMENT & PLAN

You have an exclusivity period, where only you as the Debtor-in-Possession can file a disclosure statement and plan of reorganization after the petition date or order for relief. The length of this exclusivity period depends on the type of case:

- Regular Cases (non-small business and non-subchapter V) = 120 days
- Small Business Cases = 180 days (see note below)
- Subchapter V Cases = 90 days (see note below)
- Single Asset Real Estate Cases = 90 days

To request an extension of the exclusivity period in the Northern District, you must comply with [LBR 3016-1\(a\)](#) and file the reports that are required. The motion for an extension needs to be filed by the exclusivity deadline. Note that in small business cases the court order approving the extension must also be entered by the exclusivity deadline.

For additional information on disclosure statements and plans of reorganization, please review [11 USC § 1121](#) and [LBR 3016-1 through 3022-1](#) for the Northern District and [LBR 3016 through 3019-1](#) for the Eastern District.

### **Small Business Cases**

If you qualify as a small business case, you must file a disclosure statement and proposed plan of reorganization (which can be combined) within 300 days of the after the order for relief and it must be confirmed 45 days after the plan has been filed. We will attempt to enter into an agreed scheduling order which may provide for shorter deadlines.

Official Forms B 25A and B 25B have been promulgated pursuant to § 433 of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 and provide an illustrative format for disclosure in small business cases.

### **Subchapter V Cases**

Only the debtor may file a plan in a subchapter V case, but you must do so within 90 days of the petition date unless otherwise permitted by the court.

You are not required to file a disclosure statement unless the court orders otherwise. (See [11 USC § 1181\(b\)](#)).

### **Single Asset Real Estate Cases**

You must file a disclosure statement and plan of reorganization within the 90-day exclusivity period, or the automatic stay will be lifted. (See [11 USC § 362\(d\)\(3\)](#)).

## **XVI. ADDITIONAL INFORMATION**

We encourage you to review the resources available on our websites for updated information about chapter 11 requirements. Please contact your attorney if you have any additional questions. If your attorney has allowed you to contact our office directly regarding administrative matters (see [COMMUNICATION WITH REPRESENTED PARTIES](#)), you may contact our office. Our contact information is available on our regional website.

- United States Trustee Program: [www.justice.gov/ust](http://www.justice.gov/ust)
- Region 6: [www.justice.gov/ust/ust-regions-r06/region-6-northern-district-texas](http://www.justice.gov/ust/ust-regions-r06/region-6-northern-district-texas)