

Rule 3-407. Accounting.**Intent:**

To establish uniform procedures for the processing, tracking, and reporting of accounts receivable and trust accounts.

Applicability:

This rule applies to the judiciary.

Statement of the Rule:**(1) Manual of procedures.**

(1)(A) **Manual of procedures.** The ~~a~~Aadministrative ~~o~~Office ~~shall~~will develop a manual of procedures ("Utah Judiciary Accounting Manual") to govern all accounting matters, including accounts receivable, accounts payable, trust accounts, cash receipts,~~the audit thereof, and~~ disbursements, separation~~the audit of~~ duties, and all relevant~~administrative~~ procedures needed to comply~~generally. The procedures shall be in conformity~~ with generally accepted accounting principles (GAAP) and generally accepted auditing standards (GAAS). ~~of budgeting and accounting and shall, at a minimum, conform to the requirements of this Code and state law. The Utah Judiciary Accounting Manual will apply to personnel in Courts of Record and Courts not of Record, and will, at a minimum, conform to the requirements of this Code and state law.~~ Unless otherwise directed by the ~~Judicial~~ Council, the Utah Judiciary Accounting Manual ~~and amendments to it shall will~~ be approved by ~~the~~a majority vote of the Budget and Fiscal Management Committee ("BFMC") ~~following the procedures in (1)(D).~~

(1)(B) **Utah Judiciary Accounting Manual Review Committee.** There is established a Utah Judiciary~~an A~~ccounting Manual Rreview Committee (Accounting Committee) responsible for making and reviewing proposals to promulgate, for repeal, and amending accounting policies and procedures ~~and proposals for promulgating new and amended accounting policies and procedures.~~ The Accounting Committee ~~shall will~~ consist of the following ~~minimum~~ membership:

(1)(B)(i) the finance director~~of the AOC finance department,~~ who ~~shall will~~ serve as chair~~and shall vote only in the event of a tie;~~

(1)(B)(ii) four support services coordinators~~who will serve a three-year term, and may repeat;~~

(1)(B)(iii) two accountants or clerks with accounting responsibilities from each of the trial Courts of Record~~who will serve a three-year term, and may repeat;~~

(1)(B)(iv) a trial Court Executive~~who will serve a three-year term;~~

(1)(B)(v) a court clerk ~~of court who will serve a three-year term~~;

(1)(B)(vi) a clerk with accounting responsibilities from an appellate court ~~who will serve a three-year term, and may repeat~~;

(1)(B)(vii) two members of the Justice Court Education Committee (JCEC);

(1)(B)(viii) the audit director or designee, ~~who shall not vote~~; and

(1)(B)(ix) the director of the ~~state~~ Utah Division of ~~F~~finance or designee, ~~who shall not vote~~.

(1)(C) **Member appointments.** The JCEC members will be appointed by the Board of Justice Court Judges. Unless designated by office, all other members of the Accounting Committee ~~shall~~ will be appointed by the state court administrator, or designee. The ~~AOC department of~~ finance department ~~shall~~ will provide necessary support to the committee.

(1)(D) **Terms and voting.** Accounting Committee members not designated by office will serve three-year terms. Additional terms must be approved by the state court administrator, or designee. The finance director will vote only in the event of a tie. The audit director and the director of the Utah Division of Finance are nonvoting members.

(1)(~~E~~) **~~Trial Court~~ eExecutives and court clerks ~~of Court Review~~.** New and amended policies and procedures recommended by athe majority vote of the Accounting ~~manual review c~~Committee ~~shall~~ will be reviewed and approved by the trial Ccourt Executives and court clerks ~~of court~~ of all Ccourts of Record and the JCEC. The ~~trial c~~Court Executives, ~~and court clerks of court~~, and JCEC may endorse or amend the draft policies and procedures or return the m draft policies and procedures to the Accounting eCommittee for further consideration.

Once approved by the ~~trial c~~Court Executives, ~~and court clerks~~, and the JCEC, the new and amended policies and procedures will be submitted to the Budget and Fiscal Management Committee for approval ~~as noted in (1)(A)~~.

(2) Revenue accounts.

(2)(A) **Deposits, transfers, and withdrawals.** All courts ~~shall~~ will make deposits with a depository ~~determined~~ deemed qualified by the Aadministrative Office, ~~or make deposits directly~~ with the Utah State Treasurer, or with the treasurer of the appropriate local government entity. The Supreme Court, Court of Appeals, State Law Library, Aadministrative Office, district court primary locations, and juvenile courts ~~shall~~ will deposit ~~daily every business day~~, whenever practicable, but at least ~~but not less than~~ once every three business days. The deposit ~~shall~~ will consist of all court collections ~~of state money~~. District court contract sites and justice courts having funds due to the state

or any political subdivision of the state ~~shall~~will, on or before the 10th day of each month, ~~remit deposit~~ all funds received ~~by them~~ in the preceding month ~~to in a qualified depository with~~ the appropriate public treasurer. The courts ~~shall~~will make no withdrawals from depository accounts.

(2)(B) **Periodic revenue report.** Under the supervision of the ~~C~~court ~~E~~executive, the court clerk ~~of the court or designee shall will~~ prepare and submit a revenue report that identifies the amount and source of the funds received during the reporting period and the state or local government entity entitled to the funds.

(2)(B)(i) Juvenile courts and primary locations of the district courts ~~shall~~will submit the report weekly to the ~~A~~addministrative ~~O~~office.

(2)(B)(ii) District court contract sites ~~shall~~will submit the report at least monthly, together with a check for the state portion of revenue, to the ~~a~~Addministrative ~~O~~office.

(2)(B)(iii) Justice courts ~~shall~~will submit the report monthly, together with a check for the state revenue collected, to the Utah State Treasurer.

(2)(C) **Monthly reconciliation of bank statements.** The ~~A~~addministrative ~~O~~office ~~shall will~~ reconcile the revenue account upon receipt of the monthly bank statements and weekly revenue reports from the district and juvenile courts, ~~and the monthly bank statements~~. The justice court administrator or designee will reconcile the monthly bank statements for justice courts with a revenue bank account. For all other justice courts, the local government will reconcile the bank statements to the general ledger.

(3) Trust accounts.

(3)(A) **Definition.** Trust accounts are accounts established by the courts for the benefit of third parties. Examples of funds which are held in trust accounts include restitution, attorney fees, and monetary bail amounts.

(3)(B) **Accounts required; duties of a fiduciary.** District court primary locations and juvenile courts ~~shall~~will maintain a trust account in which to deposit monies held in trust for the benefit of the trustor or some other beneficiary. Under the supervision of the ~~C~~court ~~E~~executive, the court clerk ~~of the court shall will~~ be the custodian of the account and ~~shall will~~ have the duties of a trustee as established by law. All ~~other c~~Courts ~~of record and~~ not of ~~R~~record may maintain a trust account in accordance with the provisions of this rule. Justice courts may deposit trust funds through the local government into a revenue or trust bank account. Justice courts may also deposit trust funds directly into a trust bank account maintained by the court.

(3)(C) **Monthly reconciliation of bank statements**s. Each court ~~shall~~will reconcile its ledgers upon receipt of the monthly bank statement ~~and submit the reconciliation to the administrative office.~~

(3)(C)(i) **Courts of Record.** Courts of Record will submit reconciliations to the Administrative Office.

(3)(C)(ii) **Courts not of Record.** Justice courts that deposit trust funds into a court trust bank account will submit reconciliations to a person in the local jurisdiction who is independent of court operations. For justice courts depositing trust funds with the local government treasurer, the local government will reconcile monthly bank statements to the general ledger and CORIS trust account reports.

(3)(D) **Accounting to trustor.** ~~C~~The courts ~~shall~~will establish a method of accounting that will trace the debits and credits attributable to each trustor.

(3)(E) **Monetary ~~b~~Bail forfeitures ~~and~~; other withdrawals.** Transfers from trust accounts to a revenue account may be made upon an order of forfeiture of monetary bail or other order of the court. Other withdrawals from trust accounts ~~shall~~will be made upon the order of the court after a finding of entitlement.

(3)(F) **Interest bearing.** All trust accounts ~~shall~~will be interest bearing. The disposition of interest ~~shall be~~is governed by Rule 4-301.

~~(4) **Compliance.** The administrative office and the courts shall comply with state law and the Accounting Manual.~~

Effective: ~~3/11/2022~~November 1, 2025