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 Administrative Office ~~will~~must develop a manual of procedures ~~(Utah Judiciary Accounting Manual) to govern). The manual ~~governing all accounting matters, including accounts receivable, accounts payable, trust accounts, cash receipts, disbursements, separation of duties, and all relevant procedures needed to comply with generally accepted accounting principles (GAAP) and generally accepted auditing standards (GAAS) ("Accounting Manual"). The ~~Utah Judiciary ~~Accounting Manual ~~will apply~~applies to personnel in Courts of Record and Courts not of Record~~, and will, at~~. At a minimum, the manual must conform to the requirements of this Code and state law. Unless otherwise directed by the Council, the Budget and Fiscal Management Committee ("BFMC") must approve the ~~Utah Judiciary ~~Accounting Manual ~~will be approved ~~by ~~a ~~majority vote~~ of the Budget and Fiscal Management Committee~~.

(1)(B) **Utah Judiciary Accounting Manual Review Committee.** The Utah Judiciary Accounting Manual Review Committee ("Accounting Committee") ~~responsible for making~~proposes, repeals, and ~~reviewing proposals to promulgate, repeal, and amend~~amends accounting policies and procedures. The Accounting Committee ~~will consist~~consists of the following members:

(1)(B)(i) the F~~f~~inance D~~d~~irector, who ~~will serve~~serves as chair;

(1)(B)(ii) four support services coordinators;

(1)(B)(iii) two accountants or ~~clerks ~~court employees with accounting responsibilities from ~~each of the trial Courts of Record~~a district court, two accountants or court employees with accounting responsibilities from a juvenile court, one accountant from the Business and Chancery Court, and one court employee with accounting responsibilities from an appellate court;

(1)(B)(iv) a Court Executive;

(1)(B)(v) a C~~c~~ourt C~~c~~lerk;

(1)(B)(vi) ~~a clerk with accounting responsibilities from an appellate court;~~

~~(1)(B)(vii) ~~two members of the Justice Court Judges' Education Committee ("JCEC");

(1)(B)(~~viii~~vii) the audit director or designee; and

(1)(B)(~~ix) the director of the~~viii) the Utah Division of Finance Director or ~~designee~~other independent person with similar experience.

(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 will be appointed by the~~ must appoint the JCEC members. The ~~state court administrator~~SCA, or designee~~.~~, will appoint all other Accounting Committee members and ~~T~~the finance department 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~~ The ~~state court administrator~~SCA, or designee~~.~~, must approve additional terms. The F~~f~~inance D~~d~~irector ~~will vote~~votes only ~~in the event of a~~if there is a tie. The A~~a~~udit D~~d~~irector or designee and the ~~director of the~~ Utah Division of Finance Director or other individual filling the independent person position are nonvoting members.

(1)(E) **Trial Court E~~e~~xecutives and ~~court~~ Court C~~c~~lerks.** ~~New~~ Trial Court Executives, Court Clerks of ~~Court of all~~ Courts of Record, and the JCEC, must review and approve new and amended policies and procedures recommended by a majority ~~vote~~ of the Accounting Committee~~ will be reviewed and approved by the Court Executives and court clerks of all Courts of Record and the JCEC.~~. Trial~~he~~ Court Executives, ~~court clerks~~Court Clerks, and the JCEC may endorse or amend the draft policies and procedures or return them to the Accounting Committee for further consideration.

Once approved by the Trial Court Executives, ~~court clerks~~Court Clerks, and ~~the~~ JCEC,~~,~~ the Finance Director must submit the new and amended policies and procedures~~ will be submitted~~ to the ~~Budget and Fiscal Management Committee~~BFMC for approval.

(2) Revenue accounts.

(2)(A) **Deposits, transfers, and withdrawals.** ~~All courts~~Every court will ~~make deposits~~deposit funds with a depository deemed qualified by the Administrative Office, with the Utah State Treasurer, or with the ~~treasurer of the~~ appropriate local government ~~entity~~entity's treasurer. The Supreme Court, Court of Appeals, State Law Library, Administrative Office, district court primary locations, and juvenile courts will deposit every business day whenever practicable, but at least once every three business days. The deposit ~~will consist~~consists of all court collections. District court contract sites and justice courts having funds due to the state or any political subdivision of the state will, on or before the ~~10th~~tenth day of each month, remit all funds receipted in the preceding month to the appropriate public treasurer. ~~The courts will make no withdrawals~~A court may not withdraw funds from a depository ~~accounts~~account.

(2)(B) **Periodic revenue report.** Under the Trial Court Executive's supervision, the Court Clerk~~ of the Court Executive, the court clerk~~ or designee will prepare and submit a revenue report~~ that~~. The report 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 district court primary locations ~~of the district courts~~ will submit the report weekly to the Administrative Office.

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

(2)(B)(iii) Justice courts 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 Administrative Office will reconcile the revenue account upon receipt of the monthly bank statements and weekly revenue reports from the district and juvenile courts. The ~~justice~~ C~~c~~ourt Level A~~a~~dministrator for justice courts, 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~~must reconcile the bank statements to the general ledger.

(3) Trust accounts.

(3)(A) **Definition.** A “Trust A~~a~~ccount”~~s~~ ~~are accounts~~ is an account established by ~~the courts~~a court for the benefit of third parties. Examples of funds ~~which are~~ held in a T~~t~~rust ~~accounts~~Account include restitution, attorney fees, and monetary bail amounts.

(3)(B) **Accounts required; duties of a fiduciary**. District and juvenile court primary locations ~~and juvenile courts~~ will maintain a T~~t~~rust A~~a~~ccount in which to deposit monies held in trust for the benefit of the trustor or some other beneficiary. Under the Trial Court Executive’s supervision, the Court Clerk ~~of the Court Executive, the court clerk will be~~is the custodian of the account and ~~will have~~has the duties of a trustee as established by law. ~~All Courts not of Record~~Justice courts may maintain a T~~t~~rust A~~a~~ccount in accordance with ~~the~~this rule, ~~provisions of this rule. Justice courts may deposit~~which includes depositing monies held in trust ~~funds~~ into a trust bank account maintained by the justice court and the Court Clerk is the custodian of the account. A justice court may also 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.** Each court will reconcile its ledgers upon receipt of the monthly bank statement.

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

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

(3)(D) **Accounting to trustor.** ~~Courts~~A court will establish a method of accounting that ~~will trace~~traces the debits and credits attributable to each trustor.

(3)(E) **Monetary bail forfeitures and other withdrawals.** ~~Transfers~~A transfer from a T~~t~~rust ~~accounts~~Account to a revenue account may be made ~~upon an~~on a court order of ~~forfeiture of~~ monetary bail forfeiture or other court order ~~of the court.~~. Other withdrawals from a T~~t~~rust ~~accounts~~Account will be made ~~upon the~~on a court order ~~of the court~~ after a finding of entitlement.

(3)(F) **Interest bearing.** ~~All~~A T~~t~~rust ~~accounts~~Account will ~~be~~bear interest ~~bearing~~. The disposition of interest is governed by Rule 4-301.

Effective: ~~*11/1/2025*~~*November 1, 2026*