

Interest Bearing Account

Resources:

- [UCJA Rule 4-301](#)
- IBA Form ([located on the Intranet](#))
- For specific CORIS instruction, District [DCJUST Document](#)

Policy:

1. "For trust amounts in excess of \$5,000, the court may order or the litigant may request that such funds be deposited in an interest bearing trust account." - UCJA Rule 4-301(2)(a)
2. "The interest bearing trust account shall be at an institution designated by the administrative office unless otherwise ordered by the court. The account shall be maintained in the name of the court, and the State tax identification number of the litigant(s) depositing the funds shall be used." - UCJA Rule 4-301(2)(c)
3. "An administrative fee, in an amount established by the Council, shall be assessed." - UCJA Rule 4-301(2)(d)
4. The court will assess an administrative fee of \$50 or 45 days worth of interest on the principal amount (based upon the overnight investment rate as of the first of the month multiplied by a factor of 45 days), whichever is greater.
5. If multiple deposits are held in trust for one case, the \$50 minimum will apply only to the first deposit. Subsequent deposits will be assessed 45 days worth of interest on the deposit amount (as calculated in Policy 4).
6. An Interest Bearing Trust Agreement will be initiated by the court each time a deposit is made. The litigant or authorized agent must sign the Agreement.
7. Generally, the amount held in trust will be the litigated amount, less the administrative fee. However, unless otherwise stated by court order, litigants have the option of submitting the administrative fee in addition to the principal amount to keep the litigated amount the same as the amount held in trust.
8. There will be a single Central Court Interest Bearing Account into which funds for all interest bearing accounts requested by litigants and/or court order are deposited, unless otherwise specified by court order.
9. Monies deposited into the Central Court Interest Bearing Account will be tracked by court location, case number and litigant name(s).

10. Interest information will be supplied to parties involved in the case upon request to the AOC Finance Department.
11. An attorney may request a court order stating that monies be placed in an interest bearing account to act as a blanket bond for all cases of a particular type which the attorney or the attorney's designee may have at any given time (e.g.; evictions).
12. If at any time the funds of a blanket bond fall below the ordered amount, the court may order a time frame in which the funds are to be replenished.
13. Accrued interest earned on blanket bond interest bearing accounts will be released only upon court order.
14. The AOC Finance Department will act as a liaison between the local court and the Depository Bank. All Interest Bearing Trust Agreement forms will be routed through the AOC Finance Department.
15. Upon court order, local courts shall issue checks drawn on the court trust account to the ordered recipient(s) for the net amount held in trust, plus interest accrued.
16. If a court orders that an interest bearing account be established in a bank other than the Depository Bank, the Clerk of Court is responsible for establishing the ordered account, but all other procedures remain the same as if the interest bearing account were being established at the Depository Bank.
17. Litigants may, with the court's authorization, stipulate to the funds being held at an institution other than the Depository Bank. The court assumes no liability or responsibility for the funds in such instances and no administrative fee will be charged.
18. Funds of less than \$5,000 may be placed in the Central Court Interest Bearing Account only if court ordered.

Procedures:

Responsibility Action

All Courts

1. When the court orders any amount or a litigant requests that a litigated amount in excess of \$5,000 be placed in an interest bearing account and the litigant presents the litigated amount, initiate an Interest Bearing Trust Agreement.
2. If the monies being placed in an interest bearing trust account are for a blanket bond, fill out the Interest Bearing Trust Agreement using language similar to "Any Plaintiff represented by [said attorney] vs. any defendant in [type of case] cases filed by [said attorney]."
3. Compute the administrative fee:
 - a. Open the Interest Bearing Account (IBA) Worksheet and enter the amount litigated on page 2.

- b. If the result is greater than \$50, then the result is the amount of the administrative fee. If the result is less than \$50, then the administrative fee is the \$50, minimum.
 - c. **Remember:** if this is an addition to monies already being held in trust, then just use the IBA Worksheet to determine the administrative fee.
There is no \$50 minimum charged on additional amounts.
4. The worksheet automatically calculates the fee including the litigated amount as well as the fee minus the litigated amount. Enter one set of these figures, based on whether the fee is to be included or not, as well as the other information requested on the Agreement.
 - Example 1: If the total amount litigated is \$14,500, then enter the amount into the IBA Worksheet page 2 that indicates "enter amount ordered by the court". If the rate for the month (entered by AOC monthly) is 0.6200 percent, the sheet will calculate the fee as \$50 and the amounts including or less the fee are \$14,500 and \$14,450 respectively.
 - Example 2: If the total amount litigated is \$100,000, then enter the amount into the IBA worksheet page 2 that indicates "enter amount ordered by the court". If the rate for the month (entered by the AOC monthly) is 0.6200 percent, the sheet will calculate the fee is \$77.50 and the amounts including or less the fee are \$100,000 and \$99,922.50 respectively.
5. Print 3 copies of the agreement. Have the litigant sign the completed Interest Bearing Trust Agreement. Give the litigant the appropriate copy of the Agreement.
6. Establish two separate trust receivables on the computer, using trust types: Interest Bearing Trust and Admin Fee – IBA. The first receivable is for the net amount to be held in trust; the second receivable is for the Administrative fee. Accept the trust payment. Multiple deposits may be added to the original trust accounts receivable set up.
7. If a Blanket Bond Interest Bearing Account is being established, set up an "NA" case in the attorney's name.
8. Deposit the entire amount received into the local court trust account.
9. The preferred method is to have the litigant/attorney write the check directly to the AOC. If the administrative fee is to be subtracted from the deposited amount then write a check from the local court trust account to the AOC for the amount of the administrative fee collected. (Note: The 21 day hold requirement does not apply when issuing this type of check.)
10. Within 10 days of signing the form, forward a copy of the agreement and the check for the administrative fee to the AOC Finance Department for processing. Give one copy to the depositor.
11. Retain a hard copy of the original Interest Bearing Agreement until the court orders the money released.
12. Write a check from the local court trust account to the AOC for the amount of the administrative fee collected. (Note: The 21 day hold requirement does not apply when issuing this type of check.)

13. Retain a copy of the original Agreement. Forward a copy and the check for the administrative fee to the AOC Finance Department for processing. Give one copy to the depositor.

INCREASING FUNDS HELD IN AN INTEREST BEARING ACCOUNT

1. Initiate an Interest Bearing Trust Agreement.
2. Follow Procedures 1 through 10 above.

Contract Court Sites

1. When a contract court requires an interest bearing account be established, the court must work with the County/Municipality to site up the interest bearing bank account.
2. The administrative fee associated with setting up and maintaining the interest bearing account shall be assessed by the County/Municipality.