

1 **Rule 3-407. Accounting.**

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3 **Intent:**

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

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7 **Applicability:**

8 This rule applies to the judiciary.

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10 **Statement of the Rule:**

11 **(1) Manual of procedures.**

12 (1)(A) **Manual of Procedures.** The administrative office shall develop a manual of
13 procedures “Accounting Manual” to govern accounts receivable, accounts payable,
14 trust accounts, the audit thereof, and the audit of administrative procedures generally.
15 The procedures shall be in conformity with generally accepted principles of budgeting
16 and accounting and shall, at a minimum, conform to the requirements of this Code and
17 state law. Unless otherwise directed by the Judicial Council, the Accounting Mmanual of
18 procedures and amendments to it shall be approved by the majority vote of the Budget
19 and Fiscal Management Committee (“BFMC”) following the procedures in (1)(D), state
20 court administrator, the court administrators for each court of record, and the finance
21 manager.

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23 (1)(B) **Accounting Manual Review Committee.** There is established an accounting
24 manual review committee responsible for making and reviewing proposals for repealing
25 accounting policies and procedures and proposals for promulgating new and amended
26 accounting policies and procedures. The committee shall consist of the following
27 minimum membership:

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

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

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34 (1)(B)(iii) two accountants or clerks with accounting responsibilities from each of
35 the trial courts of record who will serve a three year term, and may repeat;

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37 (1)(B)(iv) a trial court executive who will serve a three year term;

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

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

43 (1)(B)(vii) one court services field specialist, who has an indefinite term;

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

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47 | (1)(B)(~~viii~~) the director of the state division of finance or designee, who shall not
48 vote.

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50 (1)(C) **Member Appointments.** Unless designated by office, members of the committee
51 shall be appointed by the state court administrator, or designee. The AOC department of
52 finance shall provide necessary support to the committee.

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54 (1)(D) **Trial Court Executives and Clerks of Court Review.** New and amended
55 policies and procedures recommended by the majority vote of the accounting manual
56 review committee shall be reviewed and approved by the trial court executives and
57 clerks of court of all courts of record. The trial court executives and clerks of court
58 may endorse or amend the draft policies and procedures or return the draft policies and
59 procedures to the committee for further consideration.

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61 Once approved by the trial court executives and court clerks, prior to being the new and
62 amended policies and procedures will be submitted to the Budget and Fiscal
63 Management Committee (“BFMC”) for approval as noted in (1)(A). Judicial Council or to
64 the vote of the administrators and the finance manager. The Court Executives may
65 endorse or amend the draft policies and procedures or return the draft policies and
66 procedures to the committee for further consideration.

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68 **(2) Revenue accounts.**

69 (2)(A) **Deposits; transfers; withdrawals.** All courts shall deposit with a depository
70 determined qualified by the administrative office or make deposits directly with the Utah
71 State Treasurer or the treasurer of the appropriate local government entity. The
72 Supreme Court, Court of Appeals, State Law Library, administrative office, district court
73 primary locations and juvenile courts shall deposit daily, whenever practicable, but not
74 less than once every three days. The deposit shall consist of all court collections of state
75 money. District court contract sites and justice courts having funds due to the state or
76 any political subdivision of the state shall, on or before the 10th day of each month,
77 deposit all funds received by them in the preceding month in a qualified depository with
78 the appropriate public treasurer. The courts shall make no withdrawals from depository
79 accounts.

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81 (2)(B) **Periodic revenue report.** Under the supervision of the court executive, the clerk
82 of the court shall prepare and submit a revenue report that identifies the amount and
83 source of the funds received during the reporting period and the state or local
84 government entity entitled to the funds. Juvenile courts and primary locations of the
85 district courts shall submit the report weekly to the administrative office. District court
86 contract sites shall submit the report at least monthly, together with a check for the state
87 portion of revenue, to the administrative office. Justice courts shall submit the report

88 monthly, together with a check for the state revenue collected, to the Utah State
89 Treasurer.

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91 (2)(C) **Monthly reconciliation of bank statement.** The administrative office shall
92 reconcile the revenue account upon receipt of the weekly revenue report from the courts
93 and the monthly bank statements.

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95 **(3) Trust accounts.**

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

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100 (3)(B) **Accounts required; duties of a fiduciary.** District court primary locations and
101 juvenile courts shall maintain a trust account in which to deposit monies held in trust for
102 the benefit of the trustor or some other beneficiary. Under supervision of the court
103 executive, the clerk of the court shall be the custodian of the account and shall have the
104 duties of a trustee as established by law. All other courts of record and not of record may
105 maintain a trust account in accordance with the provisions of this rule.

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107 (3)(C) **Monthly reconciliation of bank statement.** Each court shall reconcile its ledgers
108 upon receipt of the monthly bank statement and submit the reconciliation to the
109 administrative office.

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

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

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

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

123 | ~~Accounting Manual of procedures in (1)(A), adopted by the administrative office.~~

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125 | Effective ~~March 11~~ November 1, 2020