

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

2 **Intent:**

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

5 **Applicability:**

6 This rule applies to the judiciary.

7 **Statement of the Rule:**

8 (1) Manual of procedures.

9 (1)(A) The administrative office shall develop a manual of procedures to govern accounts receivable,
10 accounts payable, trust accounts, the audit thereof, and the audit of administrative procedures generally.
11 The procedures shall be in conformity with generally accepted principles of budgeting and accounting and
12 shall, at a minimum, conform to the requirements of this Code and state law. Unless otherwise directed by
13 the Judicial Council, the manual of procedures and amendments to it shall be approved by the majority
14 vote of the state court administrator, the court administrators for each court of record, and the finance
15 manager.

16 (1)(B) There is established an accounting manual review committee responsible for making and reviewing
17 proposals for repealing accounting policies and procedures and proposals for promulgating new and
18 amended accounting policies and procedures. The committee shall consist of the following minimum
19 membership:

20 (1)(B)(i) ~~the finance manager and the budget manager~~ director of the finance department, who shall serve
21 as ~~co-chairs~~ chair and shall vote only in the event of a tie;

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

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

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

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

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

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

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

31 (1)(B)(ix) the director of the state division of finance or designee, who shall not vote.

32 (1)(C) Unless designated by office, members of the committee shall be appointed by the state court
33 administrator. The department of finance shall provide necessary support to the committee.

34 (1)(D) New and amended policies and procedures recommended by the committee shall be reviewed by
35 the court executives prior to being submitted to the Judicial Council or to the vote of the administrators
36 and the finance manager. The Court Executives may endorse or amend the draft policies and procedures
37 or return the draft policies and procedures to the committee for further consideration.

38 (2) Revenue accounts.

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

48 (2)(B) Periodic revenue report. Under the supervision of the court executive, the clerk of the court shall
49 prepare and submit a revenue report that identifies the amount and source of the funds received during
50 the reporting period and the state or local government entity entitled to the funds. Juvenile courts and
51 primary locations of the district courts shall submit the report weekly to the administrative office. District
52 court contract sites shall submit the report at least monthly, together with a check for the state portion of
53 revenue, to the administrative office. Justice courts shall submit the report monthly, together with a check
54 for the state revenue collected, to the Utah State Treasurer.

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

57 (3) Trust accounts.

58 (3)(A) Definition. Trust accounts are accounts established by the courts for the benefit of third parties.
59 Examples of funds which are held in trust accounts include restitution, child support, and bail amounts.

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

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

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

69 (3)(E) Bail forfeitures; other withdrawals. Transfers from trust accounts to a revenue account may be
70 made upon an order of forfeiture of bail or other order of the court. Other withdrawals from trust accounts
71 shall be made upon the order of the court after a finding of entitlement.

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

74 (4) Compliance. The administrative office and the courts shall comply with state law and the manual of
75 procedures adopted by the administrative office.

76

77 Effective November 1, 2018