

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

2 **Intent:**

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

5 **Applicability:**

6 This rule applies to the judiciary.

7 **Statement of the Rule:**

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

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

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

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

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

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

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

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

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

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

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

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

36 (1)(C) Member Appointments. Unless designated by office, members of the committee
37 shall be appointed by the state court administrator, or designee. The department of
38 finance shall provide necessary support to the committee.

39 (1)(D) Court Executive Review. New and amended policies and procedures
40 recommended by the committee shall be reviewed by the court executives prior to being
41 submitted to the Judicial Council or to the vote of the administrators and the finance
42 manager. The Court Executives may endorse or amend the draft policies and
43 procedures or return the draft policies and procedures to the committee for further
44 consideration.

45 **(2) Revenue accounts.**

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

57 (2)(B) **Periodic revenue report.** Under the supervision of the court executive, the clerk
58 of the court shall prepare and submit a revenue report that identifies the amount and
59 source of the funds received during the reporting period and the state or local
60 government entity entitled to the funds. Juvenile courts and primary locations of the
61 district courts shall submit the report weekly to the administrative office. District court
62 contract sites shall submit the report at least monthly, together with a check for the state
63 portion of revenue, to the administrative office. Justice courts shall submit the report
64 monthly, together with a check for the state revenue collected, to the Utah State
65 Treasurer.

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

69 **(3) Trust accounts.**

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

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

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

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

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

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

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

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93 | *Effective November 1, ~~2018~~2020*