

**STATE OF DELAWARE
JUDICIAL FINANCIAL SYSTEM**

**POLICIES AND PROCEDURES FOR THE
MANAGEMENT OF NON-APPROPRIATED FUNDS**

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ACCOUNTING POLICY MANUAL

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I. INTRODUCTION

On June 20, 2000, Chief Justice Norman E. Veasey of the Delaware Supreme Court issued Administrative Directive No. 124 in which an Accounting Policy Committee was established. The Committee was directed “to develop uniform accounting policies for all courts and shall produce an accounting policy manual.” The guiding principles in the production of the manual were uniformity in the handling of fiscal transactions, guidelines for safeguarding funds and records, adherence to sound accounting practices and the laws of Delaware, and a basis for the management and collection of court receivables including the development and adoption of standard write-off policies. This policy manual for the management of non-appropriated funds is the result of numerous meetings of the Committee, review and comments by the chief judge of each court and by each court’s administrator with final approval by the Delaware Supreme Court. The manual establishes uniform court policies for the handling of non-appropriated funds. All courts must adhere to the policies established in this manual. However, the Committee predicated its work on the future existence of a court-wide automated financial management and case management system. The planning for this system is currently underway, but the reality of such a system may be several years away. All courts must comply with policies enumerated in this manual where the use of an automated financial management system is not a requirement. When such a system is available, all courts are expected to comply with all aspects of all policies.

The next step in the process of establishing financial uniformity is for the Chief Justice and the Supreme Court to appoint a committee to establish uniform procedures to implement the policies set forth in this manual. The submission of the policy manual concludes the work of the Accounting Policy Committee.

II. STATEMENT OF RESPONSIBILITY FOR PROPER MANAGEMENT OF NON-APPROPRIATED FUNDS

The responsibility of the Judicial Branch in handling non-appropriated funds is defined in terms of the following objectives:

- to ensure proper deposit of court funds and to ensure that such funds are secured;
- to maximize the services and interest provided by depositories;
- to ensure that the cash accounting system meets professional standards and legal requirements;
- to ensure timely and accurate distribution of non-appropriated funds;
- to ensure that internal court funds are administered with the same accountability and safeguards as other public funds;
- to ensure that money owed to the court and to individual payees is collected;
- to provide accurate and timely reports on financial activities and status of accounts;
- to protect the court against losses through negligence or misappropriation;
- to separate vital money-handling functions and to be generally alert to aberrational behavior in the handling of money.

In many courts, management responsibility for the internal control of money is shared by various officials with the result that: (1) responsibility may be poorly defined and (2) some responsibilities go unaddressed. The purpose of this document is to provide a set of policies which managers and staff can use to assist them in carrying out their duties and responsibilities. The goal is to achieve accuracy, efficiency and uniformity in the handling of fiscal transactions throughout the Judicial Branch.

III. FINANCIAL MANAGEMENT POLICY

It is the system of the Judicial Branch to establish and maintain an effective internal control system to ensure that non-appropriated funds are safeguarded, that laws and regulations are followed and that reliable data is obtained, maintained and reported. Additionally, the Judicial Branch will ensure that: (1) all employees comply with applicable laws and regulations pertaining to financial functions and (2) all record keeping systems are instituted and managed in order to achieve compliance with those requirements. Financial auditing must be an important part of each court's accountability process.

IV. FINANCIAL AUDITS

Each court shall keep adequate records to ensure the accurate reporting of financial transactions and to provide sufficient documentation for audit purposes. These records shall identify types of transactions and shall provide proper reference to supporting documents.

Each court shall: (1) promptly evaluate findings and recommendations reported by auditors, (2) determine proper actions in response to audit findings and recommendations, and (3) complete, within established time frames, all actions that correct or otherwise resolve the matters brought to the court's attention.

Financial audits are an important element in financial management because they help ensure:

- Financial Compliance – An audit should provide court management with information on whether financial procedures comply with statutes, rules of the court, and administrative regulations. An audit helps court managers adhere to accepted accounting principles and to internal control procedures.
- Confirmation of the Validity of Financial Reports – An audit serves the purpose of confirming the reliability of the financial information contained in reports and provides a means by which financial officers can measure their ability to meet financial standards.
- Public Trust and Confidence – Courts have a responsibility to make available an open accounting of their financial activities to ensure public trust and confidence.

When an auditor's report is received, the AOC is responsible for preparing a response in conjunction with the court of record. The Committee also recommends that the Supreme Court request the Auditor's Office to conduct all pre-audit meetings with the chief fiscal officer(s) of the court(s) and a representative of the Administrative Office of the Courts prior to conducting an audit. Such a meeting will enable the courts to explain their procedures and the reasons for those procedures which will enable the Auditor's Office to understand some of the unique problems confronted by the courts in financial matters.

V. POLICY STATEMENTS

AP001 FEES/COSTS

The Administrative Office of the Courts shall periodically review fees and costs assessed to assist the courts in determining the proper amounts to be charged and to ensure uniformity throughout the system. Fees and costs shall be published and available.

AP002 CASH RECEIPTS

AP002.1

BAIL

Bail is utilized to secure the personal appearance of a defendant in a court proceeding. Bail can range from unsecured personal recognizance to receipt of a secured personal appearance bond that can be guaranteed by a surety, property, cash or other assets. The bail is held pending final disposition of the case unless otherwise ordered by the court.

CASH RECEIPTS

AP002.2

Bank Deposits

Each court is responsible for the accurate and timely deposit of funds received. All State funds are to be deposited no later than the following business day. When monies are received after the close of normal banking hours, those monies shall be safely secured and deposited on the next business day, except when receipts are of sufficient magnitude to warrant depositing them after normal banking hours. A report of collections with the appropriate approvals as prescribed by the Division of Accounting shall be promptly submitted to the State Treasurer.

CASH RECEIPTS

AP002.3

Multiple Accounts Receiving Schedule

When there are multiple subsidiary accounts owed in a single criminal case, receipts will be credited in the following order:

State Revenue Codes

VCF	Victim Compensation Fund*	45204
RES	Restitution*	49150
CSF	Court Security Assessment	43331
VAF	Voluntary Ambulance Fund*****	45499
DJF	DELJIS Fee	48305
VRF	Victim's Rights Fund	45204
DRG	Drug Fund (15%) & Drug Diversion Fee (\$200)	45005
VPF	Videophone Fund	43716
CC	Court Costs*	43306, 43314, 43315, 43332
CAP	Capias Fees**	43315
TN	Town Fines	49148
PD	Public Defender Fees	43326
	Senior Trust Fund***	
POL	Violent Crimes Fee	45204
SFK	Sheriff – Kent County	49151
SFN	Sheriff – New Castle County	49151
SFS	Sheriff – Sussex County	49151
PPS	Personal Service	43302
	Extradition Costs	43715
DMF	Highway Fines	45101
TTF	Transportation Trust Fund	45101
INV	Custody Investigations	43318
MISC	Miscellaneous Fees	49115
SEX	Sex Offender Fees	45204
PHV	Pro Hac Vice	43304
TR	Transcripts	46108
BDC	Bad Check Fees	45401
ST	State Fines	45002, 45005
	AG Fees	43325
DOC	Supervision Fees	43761

* pursuant to 11 Del.C. § 4106(c)

** Order changed on June 18, 2012

*** Effective on October 1, 2012.

**** Effective on December 23, 2014.

When there are multiple cases, in one or many courts, receipts will be applied to VCF followed by restitution beginning with the oldest case unless otherwise specifically indicated by a judicial officer. Once VCF and restitution payments have been received on all cases, the remaining subsidiary accounts will be credited beginning with the oldest case and working toward the most recent case. Each case will be credited in its entirety before moving to the next oldest case.

Work referrals are case specific and will be applied against the case referenced regardless of age.

Restitution receipts to multiple victims will be prorated pursuant to 11 Del.C. § 4106(d)(2).

NOTE: Civil payments are account specific since civil proceedings are paid for as costs are incurred. Miscellaneous criminal payments, bail, copies, and transcripts as examples, are attributable directly to the specific account regardless of whether or not there are other amounts owed.

CASH RECEIPTS

AP002.4

Change Fund

Court personnel are responsible for the change fund in their possession. The fund shall be counted and documented before and after each shift. It should never be left unattended and may not be used for any other purpose.

CASH RECEIPTS

AP002.5

Reporting of Cash Bail Bonds

Effective February 13, 1995, IRS regulations require that cash posted in excess of \$10,000 for certain offenses is to be reported on IRS Form 8300. The offenses are:

- a) A federal criminal offense involving a controlled substance under § 802 of Title 21 of the United States Code provided the offense is described in Part D of Subchapter I or Subchapter II of that title;
- b) Racketeering as defined in § 1951, 1952 or 1955 of Title 18 of the United States Code;
- c) Money laundering as defined in § 1956 or 1957 of Title 18 of the United States Code; and
- d) Any state criminal offense substantially similar to an offense described above.

- 1 The Delaware equivalents to 21 USC 802 are contained in 16 Del.C. § 4751, 4752, 4753, 4755 (a)(1), 4755 (a)(2), 4755 (a)(3), 4755 (a)(4), and 4756.
- 2 There are no Delaware equivalents to 18 USC 1951 and 1952.
- 3 The Delaware equivalents to 18 USC 1955 are 11 Del.C. § 1401 and § 1403.
- 4 There are no Delaware equivalents to 18 USC 1956 and 1957.

These reporting requirements do not apply when bail is provided by a certified bail bondsman.

CASH RECEIPTS

AP002.6

Escrow Accounts

Courts must deposit escrow funds in interest bearing escrow accounts while the case proceeds through the judicial system. These funds are not State of Delaware revenue, and all accrued interest is credited pursuant to statutory requirements and subject to IRS 1099 reporting procedures. These funds must be kept in such a way as to allow for accrued interest to be credited proportionately. Interest on all bail deposits belong to the State of Delaware while the interest on restitution deposits belong to the Victim Compensation Fund.

CASH RECEIPTS

AP002.7

Methods of Payment

The Judiciary makes every attempt to accommodate all reasonable and customary methods of payment. Courts/Agencies of the Judiciary take payments in the form of cash, personal checks, bank checks, money orders, credit cards and debit cards. Courts/Agencies may accept any combination of payment methods for a single transaction depending on internal procedural and system requirements. Credit card and debit card payments may be taken over the phone as well as in person. Courts/Agencies strongly encourage that payments in the form of cash be made in person only. All other forms of payment may be made in person or via U.S. mail.

AP003 CASH DISBURSEMENTS

AP003.1

Disbursement Schedule

All disbursements will be made no later than the end of the month following the month in which the funds were collected, or according to court rule or court order or where presentment of invoices for services or goods, pursuant to 29 Del.C. § 6516 (d).

In the case of restitution payments, disbursement will be made in accordance with 11 Del.C. § 4106 (d).

When there are multiple subsidiary accounts owed in a single case or across multiple cases, disbursements are made in the same sequence as they were collected. (See *AP002.3, Cash Receipts, Multiple Accounts Receipting Schedule.*)

CASH DISBURSEMENTS

AP003.2

Unclaimed Funds

If funds cannot be disbursed because they are unclaimed or the owner is unknown, and five years have elapsed since an owner was entitled to claim them, the funds are considered abandoned property. The court will publish notice pursuant to the State's escheat statutes for all such abandoned funds other than restitution. Following publication, such funds will be disbursed either to a claimant or the State Escheator in accordance with the statute. Restitution accounts will be handled in accordance with 11 Del.C. § 4106 (d)(3) which calls for unclaimed restitution funds aged five years from date of receipt to the Victim Compensation Fund.

CASH DISBURSEMENTS

AP003.3

Refunds

Refunds are due to overpayment will be issued within sixty (60) days of the date the need for refund becomes known to the Court.

Revenue refunds due to erroneous collections will be processed in accordance with the procedure and format established by the Division of Accounting.

With the exception of credit card or debit card payments, all refunds will be in the form of a State of Delaware check. Refunds for payments originally made by credit card or debit card will be in the form of a reverse charge.

NOTE: *See Bail Policy, AP003.4, at the end of this section for refunds of bail.*

CASH DISBURSEMENTS

AP003.4

Bail

The court will set bail requirements at the first court appearance. Bail may be in the form of property, surety, cash, cash only or the defendant's own recognizance. A receipt must be given to the payor. All bail funds must be deposited in the State's General Account. Upon final disposition of the case, the payor may request refund of the bail in accordance with the court's disposition of the case. All refunds will be issued by the Office of the State Treasurer upon the direction of the court in which the charges were disposed. It shall be the courts' policy to expedite the payment of all approved bail refunds.

When the condition of the appearance bond has been satisfied, the court shall exonerate the obligors and release any bail. If there is a breach of a condition of an appearance bond, the court may declare a forfeiture of the bail unless the court directs that a forfeiture be set aside in whole or in part under conditions ordered by the court. All interest earned on bail accounts is the property of the State Of Delaware. Any bail specifically forfeited in conjunction with a civil or criminal child support proceeding is to be applied to the child support account.

Bail that cannot be returned because of a bad address or similar concern becomes unclaimed funds and shall be processed under the unclaimed funds policy as contained in this manual. *See section AP003.2*

AP004 RECONCILIATION

Courts are responsible for ensuring that the monthly reports, generated by the State accounting system, are in agreement with court records. Reconciliation of these reports is to be completed monthly.

Annually, courts will forward an account reconciliation report to the Director of the Division of Accounting. This report must be mailed within 15 working days after receipt of the end of the fiscal year Statement of Budgetary Activity and Account Balances, and the Statement of Revenue reports.

AP005 ACCOUNTS RECEIVABLE

All courts will maintain an accounts receivable system for the recording of fees, costs fines, restitution and other court ordered assessments. A receivable is created when a judicial officer orders an amount payable, or when a service is provided by the court and full payment has not been made.

a) Full payment:

For all civil and/or administrative services, payment in full will be made at the time the case is filed or the service is provided. For criminal matters, a defendant will be directed immediately following sentencing, to pay in full all imposed assessments. If payment in full is not possible at the time of sentencing, the court will establish a time to pay arrangement.

b) Time to Pay Arrangements:

The courts will establish a payment schedule for collection of all criminal case assessments if full payment cannot be made at the time of sentencing. The arrangement will require the defendant to pay the complete amount by a certain date or agree to a payment plan where the defendant pays a portion of the total due on a periodic basis until the assessment is paid in full. The courts recognize the following types of official payment plans.

Deferred – A pre-agreed one-time payment in full, to be made on a future date that has been mutually agreed to by both the defendant and the court.

Installment Agreements – Payment plan between the defendant and Probation and Parole, OSCCE or the court, whereby terms are set upon mutual agreement. Amount may be court ordered by a judicial officer rather than by mutual agreement.

Work Referral/Work Release – Probation and Parole supervised community service to discharge all or part of the costs by earning credits at the prevailing minimum wage rate.

c) Adjustments:

The administrative action or correction to a recorded accounts receivable record must be supported by the approval, via signature, of a designated judicial officer or administrator, other than the person performing the adjustment. An example of a situation requiring an adjustment is payment credited to the wrong account.

d) Delinquent Accounts:

The courts will consider an account delinquent at 12:01 a.m. of the day following the day on which payment was due.

e) Collection Sanctions:

Courts will monitor accounts to determine ability to collect and initiate collection sanctions on delinquent accounts. The courts will emphasize the use of progressive collection sanctions of accounts receivable that are one day or more past due. Collection sanctions include, but are not limited to, the following options:

Wage Assignment – Voluntary agreement to make payments through automatic deductions from defendant's wages may be activated.

Dunning Notices – Notice regarding failure to satisfy debt shall be automatically generated on the first business day after the payment was identified as delinquent.

Issuance of Capias – After a payment is identified as delinquent, a capias may be issued to bring the defendant back before the court for failure to comply with financial obligations.

Revocation of Driving Privileges – After the payment is identified as delinquent, notice may be assessed to DMV to revoke driving privileges until the assessment is paid.

Revocation of Business License – After the payment is identified as delinquent, notice may be issued to the Division of Revenue to revoke a business license until the assessment is paid.

Wage Attachment – Payments through automatic deduction from defendant's wages may be court ordered.

Violation of Probation Hearings – After being identified as delinquent by Probation and Parole, a hearing will be scheduled, and the defendant will be summoned to appear before the sentencing judge for failure to comply with the original sentencing order.

Contempt of Court Hearings – After being identified as delinquent, a hearing may be scheduled, and the defendant may be summoned to appear before the court to explain why the financial obligation has not been satisfied.

Tax and Lottery Winning Intercepts – Defendant’s State of Delaware tax refund and lottery winnings may be intercepted by the court to satisfy delinquent financial obligations.

Civil Judgments – After being identified as delinquent or if court ordered, a lien may be entered against the defendant to the extent of the outstanding financial obligation which will be publicly recorded and indexed in the Superior Court.

AP006 WRITE-OFF

Courts will remove from the active accounts receivable reporting system each account which has been in delinquent status for a period of three years. An inactive file will be maintained for retention of the records removed from the active files. Court management will periodically review the inactive files for those accounts deemed uncollectible where the assessment, including the penalty assessment under 11 Del.C. § 9012 (a), should be suspended or waived by the court. Courts may waive or suspend assessments against parties known to be deceased as soon as such information is made available to the court.

Judges may waive costs by order in cases in which capiases have been issued for failure to pay court ordered assessments, and the capiases have not been returned. Capiases issued due to delinquent accounts shall be withdrawn if the account has been deemed uncollectible, written off or waived.

AP007 SECURITY

The courts must provide a safe and secure area where court business can be conducted. Access to areas where cash is handled must be restricted, and doors must be closed and locked when possible.

Court staff are responsible for safeguarding the funds they handle. Cash registers, receipt drawers, change boxes, deposit bags, and change envelopes must never be left unattended. Safes must be locked at all times. Custody of court funds must be fully documented. Each court must have the following to safeguard funds and protect court staff:

- A safe in which funds can be secured from one business day to the next.
- A secure area in which to work that discourages potential robbery and physical harm.

AP008 MANAGEMENT REPORTS

Reports are to be issued on a timely basis in a clear and concise format. The information presented must be verifiable and the basic formats must be uniform throughout the court system to facilitate the use of the reports by court system managers.

PROCEDURE for:
POLICY AP001, FEES/COSTS

By January 31st of each year, each Court, through its Court Administrator shall provide the State Court Administrator of the Administrative Office of the Courts (AOC) with a complete schedule of each individual Court's fees and costs with any changes from the preceding year highlighted. However, whenever a Court amends, adds or deletes a fee, the Court shall provide a copy of the change to the State Court Administrator.

The State Court Administrator shall assign an appropriate AOC staff member to review and to compare each Court's fees and costs schedule. The objectives of the review are to assist the Courts in determining the proper amounts to be charged and to ensure uniformity throughout the Court system.

The designated AOC employee shall prepare a report by March 15 of each year depicting the fees and costs that are charged in each Court. The report shall note, in a separate section, the fees or costs charged by each Court for similar services and highlight any disparities in the amounts charged for the services. The report shall be forwarded to the State Court Administrator for distribution to the Council of Court Administrators for discussion. Any recommendation from the Council shall follow the procedures set forth in Administrative Directive No. 122. The Council must submit its recommendation by May 1 of each year.

PROCEDURE for:
POLICY AP002.1, CASH RECEIPTS

Bail

Bail can be posted to secure the personal appearance of a defendant in court in several ways, including unsecured personal recognizance to receipt of a secured bond, surety, property, cash or other assets. Bail may also be posted on behalf of a defendant by a third party.

This procedure speaks only to cash or other guaranteed forms of payment (e.g. money order, treasurer's, cashier's checks). Cash or other guaranteed methods of payment presented to post bail shall be in the exact amount of bail ordered by the court. Documentation of secured or unsecured bonds, property or other assets shall be filed in the case file and recorded in the case management system. When the case is disposed, the party that posted the bail may receive the bail refund, if applicable, at the appropriate time (see AP003.4, Cash Disbursements, Bail).

The Delaware Judiciary shall not accept non-guaranteed methods of payment for court-ordered bail. This means no personal or travelers' checks will be accepted. If allowed by the court that ordered the bail, posting of bail by credit card shall only be made in person and at least 1 picture identification card shall be presented. The picture identification card number shall be noted in an appropriate note field (accounting) in the case management system. There shall be no credit card transactions for the posting of bail via other means (by phone, by mail, by internet).

When cash, money orders, cashier's checks or treasurer's checks are presented to post bail for a defendant, the clerk/cashier verify that bail has been ordered, the amount and the case(s) for which such bail has been ordered. The clerk shall notify the party posting bail of any conditions under which the bail may be applied to outstanding criminal receivables at the end of the case and shall provide a completed bail posting form that shall also indicate such conditions.

Bail may only be posted to a specific case. However, in cases where bail is presented to be posted covers more than one case, at least one receipt is required for each case in which bail is posted. The transaction shall be handled in a manner consistent with the cash receipt and deposit policies outlined in: AP002.2, Cash Receipts, Bank Deposits; AP002.4, Cash Receipts, Change Fund; and, in cases where cash bail to be posted exceeds \$10,000, AP002.5, Cash Receipts, Reporting of Cash Bail Bonds. However, for cash bail in excess of \$5,000, the clerk/court shall attempt to make arrangements for immediate deposit of such bail transactions to the bank.

PROCEDURE for:
POLICY AP002.2, CASH RECEIPTS

Bank Deposits

When handling court receipts it is extremely important not only to safeguard the funds, but also to document the flow of responsibility of individuals handling such funds from initial receipt to final deposit and return of the validated bank deposit slip. Court safes shall be locked at all times. Receipts and moneybags shall never be kept out of the safe or unattended. It is equally important for court receipts to be reviewed and verified by another designated staff member.

Court receipts collected by the Court during a normal business day are deposited the next banking day by 3:00 PM. Cash exceeding \$10,000 in one transaction shall be deposited immediately upon receipt if possible. The following routine functions shall be followed when receiving funds:

1. Each court employee is accountable and responsible for the funds and documentation under his/her control. Each employee must ensure that the amount collected agrees with the court's collections record as documented by the automated financial system daily reports. If there is a discrepancy in a cashier's session, it is to be resolved prior to staff leaving the facility. If it cannot be resolved, the deposit and all of the deposit particulars shall be safeguarded and the supervisor shall be notified immediately. Refer to Policy AP002.2a for reporting cash shortages and overages.
2. Each location as determined by each court shall prepare an individual deposit slip at least daily. The case management system will have the report functionality that will allow the user to print a list of checks, check maker, corresponding check numbers and amount. This report shall be used when preparing the deposit. Each deposit envelope shall reflect the court number or name, bank name, clerk's name, date, shift and amount enclosed. Change requests shall be separate from the regular deposits to avoid confusion. The cash to be changed shall be included in a separate envelope designated "CHANGE". It shall also reflect the bank name, the court number, the requester's name, date, amount and specific change requested.
3. Once the deposit is completed by an employee, it shall then be given to the supervisor for review and verification. If the supervisor is not available, the deposit shall be reviewed, verified and initialed by a second employee on the same shift before it is recorded and dropped or placed in the safe until the next deposit pickup. If the second employee is not on duty, the deposit shall be prepared, recorded and dropped or placed in the safe to be deposited on the next banking day. Every deposit slip shall be initialed by the preparer and the reviewer. Each deposit is to be banded/clipped before being placed in the deposit bag.
4. When a deposit is ready to be taken to the bank on the next banking day, the supervisor, or in their absence a designee, shall remove the deposits from the safe, hand the bags to the Security designee, and record how many deposits are being given.

When the deposits are taken to the bank, the Security designee shall hand the Bank Teller ONE deposit bag at a time. The validated deposit slips shall be placed in the original bags and returned to the originating location. If the Bank Teller encounters a problem, that deposit shall be stopped. The Security designee shall then collect documentation as to what specifically is wrong with the deposit, recording the Bank Teller's name and phone number. The deposit shall then be immediately returned to the particular court and handed to the supervisor or designee for correction. Incomplete deposits and change envelopes shall never be left unattended.

5. Validated Citizen's Bank deposit slips (as well as credit card slips) shall be sent to the accounting office daily so that they can be reconciled to the daily (state-wide) collection records before entering the State's cash receipting process.

IMPORTANT: See Judicial Cash Discrepancy Procedure and Form (Policy AP002.2a) for reporting cash shortages and overages.

PROCEDURE for:

POLICY AP002.2a, CASH RECEIPTS

Judicial Cash Discrepancy Procedure & Form

If there is a discrepancy in a deposit or in the amount of funds collected according to the case management system daily close reports, a Judicial Cash Discrepancy Form shall be filled out by the supervisor and signed by a supervisor and employee. The supervisor must have this form completed and forwarded to their respective Court's Accounting Department, with a copy to the court administrator, within 3 business days of discovering the discrepancy. This form shall be filed in the court with a copy of the validated deposit slip. Another copy shall be retained by the supervisor for use in the employee's development, training or may be used for other actions as appropriate. Both overages and shortages shall be tracked and investigated. The attached form will be used to track and document the shortage or overage. All Judicial Cash Discrepancy Forms shall be kept at the respective Court's Accounting for at least one year after the occurrence.

The Court Administrator or designee will take appropriate follow up actions to address any unresolved shortages, including notifying the appropriate entities, such as the State Insurance Office. (E-mail is sufficient notice to the Insurance Office.)

PROCEDURE for:
POLICY AP 002.3, CASH RECEIPTS
Multiple Accounts Receipting Schedule

The Accounting Procedures Committee has established the hierarchy for disbursement of criminal costs to multiple subsidiary accounts. The APC Disbursement table order will apply to individual cases. If a defendant owes on more than one case within a Court, or owes on cases in more than one Court, the Accounting Policy Manual guideline will apply. Specifically, receipts will be applied to VCF, followed by restitution, beginning with the oldest case (unless otherwise specifically indicated by a judicial officer). After VCF and restitution have been paid in full on all cases across all courts, the remaining receivable categories will be credited, beginning with the chronologically oldest case and working toward the most recent case. Each case will be credited in its entirety before moving to the next oldest case. If a single criminal case involves multiple restitution victims, payments will be prorated pursuant to Delaware Code.

Civil payments are account specific since civil proceedings are paid for as costs are incurred. Escrow deposits are also account specific. Miscellaneous criminal payments, such as bail, photocopies and transcripts are applied to those specific accounts/costs, regardless of whether or not there are other outstanding financial obligations. Traffic violations will be excluded from this hierarchy and payments will be credited to the specific case as presented.

Adjustments: Work referral credits are case specific and will be applied first against the case referenced by the Probation & Parole report for adults only. If more work credits are received than are needed for a specific case, the credits will be applied to other cases beginning with the oldest case. Work referral credits will be calculated at the hourly rate for the state minimum wage or the federally mandated minimum wage, whichever is higher. Work referral credits will be posted to a defendant's case only upon receipt of written verification from the Department of Corrections (DOC) personnel assigned to the Community Work Program. Specifically, the signed letter must list the defendant's name, SBI#, number of hours worked and designate which case in which Court the work referral credits are to be applied. Following posting of credits to the appropriate case, the DOC work referral letter will be retained by the Court in accordance with its record retention schedule.

As new criminal fees, fines or surcharges are enacted and need to be added to the table, unless otherwise dictated by legislation, they will be reviewed in accordance with AP 001 for inclusion in the established table structure. Any fee, fine or surcharge that needs to be deleted from the table will also be reviewed in accordance with AP 001 prior to removal.

PROCEDURE for:
POLICY AP002.4, CASH RECEIPTS
Change Fund

With approval of the respective Court's Fiscal Officer, judicial offices that process cash transactions may establish a change fund. The amount of this change fund will vary based upon the needs of the individual Court or office, as determined by the respective Court's Fiscal Officer. These funds are for the sole purpose of making change for cash transactions during operational hours and shall not be used for any other purpose.

At the beginning of each shift, the personnel responsible for the handling of funds shall count the drawer for accuracy. Any discrepancies in the listed drawer balance and the actual cash on hand shall be documented on a Judicial Cash Discrepancy Form and immediately turned into the unit supervisor. The unit supervisor will be responsible for researching and addressing the discrepancy as appropriate.

All funds are to be secured in a cash drawer (i.e. cash register, cash drawer) during operational hours. For short periods of absence, such as breaks and office errands, the responsible personnel shall secure all funds in a locked cash drawer. When leaving a facility at the end of a shift, or office closing, all funds will be secured in an office safe.

At the end of each shift, the responsible personnel shall pull the change fund amount and secure those funds for the next shift. The change fund shall always balance to the pre-determined amount assigned by the Court's Fiscal Officer. The change fund shall not be used to balance discrepancies with an account(s) deposit report(s). The remaining funds should be secured and used for **Bank Deposits** as outlined in **AP002.2**.

PROCEDURE for:
POLICY #AP002.5, CASH RECEIPTS

Reporting Of Bail

Pursuant to 26 United States Code, 60501 and 31 United States Code, 5331 certain information is reportable to the IRS and the Financial Crimes Enforcement Network when courts receive \$10,000.00 or more in cash as bail. This requirement applies for a single transaction or for two or more related transactions wherein the bail is associated with certain criminal offenses. This reporting requirement is dictated by the amount posted, the method of payment, and the charge(s).

IF the charge(s) is:

- a) A federal criminal offense involving a controlled substance under § 802 of Title 21 of the United States Code provided the offense is described in Part D of Subchapter I or Subchapter II of that title;
- b) Racketeering as defined in § 1951, 1952 or 1955 of Title 18 of the United States Code;
- c) Money laundering as defined in § 1956 or 1957 of Title 18 of the United States Code; and
- d) Any state criminal offense substantially similar to an offense described above.
 - 1. The Delaware equivalents to 21 USC 802 are contained in 16 Del.C. § 4751, 4752, 4753, 4755 (a)(1), 4755 (a) (2), 4755 (a) (3), 4755 (a) (4) and 4756
 - 2. There are no Delaware equivalents to 18 USC 1951 and 1952.
 - 3. The Delaware equivalents to 18 USC 1955 are 11 Del.C. §1401 and §1403
 - 4. There are no Delaware equivalents to 18USC 1956 and 1957

AND, the payment method is by cash,

AND, the amount posted is \$10,000.00 or more,

Report these transactions by completing IRS form #8300 at the time the transaction occurs and file the form with the IRS by the 15th calendar day after the date the cash was received. For multiple transactions, file the form on the 15th day after the receipt that caused the aggregate amount to exceed \$10,000. Form #8300 may be filed voluntarily for any suspicious transactions, regardless of amount. This form is to be transmitted to the IRS by United States mail to the following address:

Internal Revenue Service
Detroit Computing Center
P.O. Box 32621
Detroit, MI 48232

Data elements that must be captured at the time of receipt from both the payer and the defendant are:

- Name
- Address
- Social Security number
- Driver's License Number or alternate ID

If you are unable to acquire the SS# of either party, you must file the report and attach a letter explaining why the taxpayer identification is not included. Incomplete, incorrect or delinquent submissions may result in penalties. Penalties will be the responsibility of the Court in question.

A copy of the form is to be included in the case file and retained by the court for five years from the date it is filed.

The Court is required to provide a written statement to each person named on Form #8300 on or before January 31st of the year following the year in which the cash is received. The statement must be in the form of a statement that the information was furnished to the IRS and must include the name and telephone number of the information contact for the Judiciary and the aggregate amount of reportable cash received.



STATE OF DELAWARE
ADMINISTRATIVE OFFICE OF THE COURTS

NEW CASTLE COUNTY COURTHOUSE
SUITE 11600

500 N. KING STREET,
WILMINGTON, DELAWARE 19801-3704

PHONE: (302) 255-0471

FAX: (302) 255-2230

MANAGER OF SUPPORT SERVICES

_____ , _____

To Whom It May Concern:

Please be advised that the State of Delaware, Administrative Office of the Courts has filed form #8300, Report of Cash Payments over \$10,000 Received in a Trade or Business with the Internal Revenue Service for the calendar year ending December 31, _____. The amount reported for the entire year was \$ _____. If you have any questions, please contact me as indicated above.

Sincerely,

Manager of Support Services

PROCEDURE for:
POLICY AP002.6, CASH RECEIPTS
Escrow Accounts

As defined in the Accounting Policy Manual, Escrow accounts are “special accounts where the funds in the account do not belong to the account holder, but the account holder has fiduciary responsibility for the funds for a given period.” Some courts maintain at least one escrow account and some courts maintain several escrow accounts (Interpleader, Condemnation, Arbitration, guardianship, receiverships, etc). The courts shall hold these funds in accounts in accordance with rules and terms set by each court. These funds are not State of Delaware General Fund revenue. These funds are often referred to as “Passthru” accounts in the State of Delaware Accounting system and are designated in the 8000 series.

When an escrow deposit is received by a court, a receipt should be generated through the accounting system using the assigned case number. The receipt should contain the date and amount of the deposit, case number associated with the deposit, type of deposit (arbitration, guardianship, etc.) type of transaction (cash, money order, certified check or check) and the name of the party making the deposit. The party making the deposit should be advised at minimum verbally by the clerk and optimally through inclusion of language on the receipt to retain the receipt in a safe place, since the receipt may be necessary to obtain the release of the funds at the conclusion of the case, unless release is subject to an order of the Court. This applies primarily to bail. When an escrow account check is disbursed, the party receiving the check may sign a receipt form acknowledging receipt of the check. The receipt form should include name of the party receiving the check, amount of the check, check number and date of receipt.

Escrow funds received by the Courts shall be deposited into an interest bearing account or as designated by the Court promptly, no later than the next business day. Interest earned on these funds will be credited to each case in proportion with that deposit, or as designated by the Court. Disbursement of funds from escrow accounts will be in accordance with the rules of respective courts and may be subject to signed Judicial orders.

All interest earned on escrow funds are subject to the Internal Revenue Service 1099 reporting procedures. If the escrow accounts are maintained through the State of Delaware financial system, IRS reporting will be processed automatically. If the escrow accounts are maintained outside of the State accounting system, each court will be responsible for the IRS reporting requirement.

PROCEDURE for:
POLICY AP002.7, CASH RECEIPTS

Methods of Payment

The Judicial Branch makes every attempt to accommodate reasonable and customary methods of payment, including combination of payment types for a single transaction. The Branch will continue to explore with the State Treasurer's Office and banking services appropriate new technology for assuring timely, convenient and reliable payment methods. This policy/procedure will be updated as such new methods/technology are piloted and implemented within the Branch. As of the effective date of this policy, the following payment methods and handling procedures listed below will be accepted by the various Courts/Agencies within the Branch.

CASH – In order to protect the Judiciary and the State, as well as the ultimate recipients of court assessments (e.g. municipalities, VCF, victims), against fraudulent transactions the following guidelines shall be used to process cash transactions:

- All bill denominations of \$20.00 or greater shall be checked with a counterfeit marker as a “quick” verification of authenticity.
- All bill denominations of \$50.00 or greater shall be reviewed by the accepting clerk for verification of the US Treasury facial watermark and US Treasury paper thread.
- All cash transactions of \$1,000.00 or greater shall be verified by an onsite co-worker, or area supervisor when available, before posting into the financial management system.
- Whenever practicable, cash transactions of \$5,000.00 or greater shall be verified and handled by an onsite supervisor before posting into the financial management system.
- Check all cash transactions of \$10,000 or more against procedures outlined in AP # 002.5, “Reporting of Cash Bail Bonds” as certain offenses trigger special IRS reporting requirements.

CHECKS – These check guidelines cover personal checks, corporate checks, bank/cashier checks and money orders. The following guidelines shall be used to process check transactions:

- All checks should include a pre-printed or written name and address of the issuer presenting the check. When receiving a check in person, the clerk shall request and document on the check the issuer's valid drivers' license number or another form of photo identification that provides at least name and address. If the addresses on the face of the check presented and the photo ID differ, the accepting clerk shall record the current address.

- To assist in processing a financial institution's returned checks/money orders, all checks/money orders shall be notated at a minimum with the system-generated receipt number as a unique identification number.

CREDIT CARDS – These credit guidelines include all credit and debit card transactions:

- All credit and debit card transactions must be processed via equipment approved and programmed by the State Treasurer's Office.
- Credit/debit cards will be accepted in person, via telephone (including IVR), via mail-in and through electronic transactions. For telephone and mail-in acceptance, a standard form to record the transaction information will be utilized (attached). This documentation shall be retained a minimum of eighteen (18) months after the transaction date for potential chargeback disputes. After the minimum retention period, these forms will be destroyed in order to protect credit/debit card information.
- In order to gain the greatest economy relative to the additional fees charged to the State as well as the security and surety of payment, staff will process all dual card transaction (e.g. choice of debit vs. credit) as debit transactions, unless specifically requested by the payer otherwise. This reduces the overall cost to the state both in terms of transaction rate as well as the cost/appeal on chargebacks.

ACH/WIRE TRANSFERS – In certain circumstances, especially when extremely large sums of funds are due, parties may petition the court of jurisdiction to pay via ACH (Automated Clearinghouse) or wire transfer. Acceptance of ACH/wire transfers in such situations is at the discretion of the court and/or judicial officer, based on the merits of the petition.

**Judicial Credit Card
Processing Form**

Date: _____

Name of Defendant: _____ Defendant SBI#: _____

Court/Agency: DOC Sup Fees Superior Crt Family Crt JP Crt Crt of CP
Crt of Chancery Supreme Crt

Defendant Case #: _____

Name on the Credit Card: _____

Billing Street Address: _____

Billing City: _____, State: _____ Zip Code: _____

Credit Card Number: _____

Credit Card Expiration Date: _____

Type of Credit Card: **MASTERCARD** **VISA** **DISCOVER**

Last three digits of number sequence located in the signature box: _____

Amount to be paid with Credit Card: \$ _____

Initials of Person Processing Transaction: _____

How payment was received: Phone Payment in Court

PROCEDURE for:
POLICY AP003.1, CASH DISBURSEMENTS

Disbursement Schedule

All courts shall process disbursements in the same manner. All disbursements will be made:

- 1) no later than the end of the month following the month in which funds become available; and/or,
- 2) in the case of goods and services rendered and presentment of invoice(s) is required pursuant to 29 Del.C. § 6516 (d); and/or
- 3) dictated by court rule or court order.

In criminal cases where the defendant is ordered to pay restitution directly to the court for distribution to the victim(s), payment will be made in accordance with 11 Del.C. § 4106. The court collects the restitution payments that are then deposited into a holding account (also known as “passthru” account). Payments are then prepared and processed through the state accounting system.

When there are multiple criminal cases in one or more courts, payment is applied according to AP002.3 “Cash Receipts, Multiple Accounts Receipting Schedule” and disbursement is made in the same sequence as they were credited. Drug Diversion, Probation before Judgment, and other diversion program cases will take precedence.

In many cases, civil damages are ordered paid by the respondent directly to the other party and, in these instances, the financial obligation is not entered into the court financial management system for collection purposes. However, there are some instances where the court acts as intermediary for collection and disbursement of funds held in a civil matter and, upon court order to disburse those funds, the same process as outlined above under 1, 2 and 3 shall be followed.

As applicable, receivables paid by personal or employer checks will be disbursed no earlier than 45 days after receipt to ensure sufficiency of funds. Once that timeframe is met, disbursement against such checks and all other payment types (including money orders and other secured instruments) will be paid according to a payment schedule to be determined.

PROCEDURE for:
POLICY AP003.2, CASH DISBURSEMENTS
UNCLAIMED FUNDS

If funds can not be disbursed to a payee and 5 years have lapsed since an owner was entitled to claim them, the Court will employ the following measures, in the order presented, to remove such excess funds from all accounts **other than restitution accounts**. Restitution will be handled in accordance with 11 Del.C. § 4106(d), which calls for unclaimed restitution funds aged five years from the date of receipt to be deposited into the Victim Compensation Fund.

Identify all accounts that meet the 5 year timeframe as of December 31st of each year.

On or before February 1 of the following year pursuant to 12 Del.C. §1161(a), publish a notice entitled "NOTICE OF NAMES OF PERSONS APPEARING AS OWNERS OF CERTAIN UNCLAIMED PROPERTY HELD BY (name of court)". Included in the notice will be a statement that a list of the names contained in the notice is on file and open to public inspection at a place designated therein in compliance with 12 Del.C. §1161(c)(3)(a). Each court will make available an area for members of the public to review said list during normal business hours. A statement will also be included to the effect that persons establishing to the court's satisfaction their right to receive such unclaimed funds will be paid on or before the 31st day of March to same and that on or before April 10th any remaining unclaimed funds will be turned over to the State Escheator and that the court shall thereby cease to be liable for such funds See 12 Del.C. §1161(a)(b)& (c).

Publication of property payable in New Castle County is to appear at least once in a daily newspaper published in said county. Publication of property payable in Kent or Sussex County is to appear at least once in a newspaper published at least weekly in the County in which said property is payable. See 12 Del.C. §1161(b) The cost of such publications to be initially borne from the Court's operating budget. Said notice will include the name, in alphabetical order, and last known address of each claimant. In the event it is determined that special circumstances preclude the publication of such information, consent to omit same will be secured from the State Escheator. See 12 Del.C. §1161(c)(1)

By April 10th, the court will complete form(s) required by the State Escheator to file a final report and turn over unclaimed funds to the State Escheator. The amount turned over will be reduced by the cost of the advertising and the Court's operating account will be credited. An affidavit from the newspaper attesting to the placement and cost of the advertisement must accompany the final report.

Place a copy of all related documents in each case file.

In the event that a claimant comes forward at some point thereafter, the claimant will be referred to the State Escheator's office.

PROCEDURE for:
POLICY AP003.3, CASH DISBURSEMENTS

Refunds

Revenue Refunds

Notification of refunds (either in the form of a court order or request from court staff) should be forwarded to the accounting staff of the appropriate court for processing. Such notice should include Payee Name and Address, EI or SS number, the amount of the refund and the date of collection with a brief explanation of reason for refund.

ACCOUNTING PROCESS

If it is determined that a refund is due from the State's general fund (as a result of the monies being deposited as revenue), a request needs to be made to the State Treasurer (via payment voucher), in accordance with 29 Del.C. §2713. Such requests should include why the funds were improperly deposited. All refunds should be processed within 60 business days of receipt; if original method of payment was by check, the refund should be held 60 days to ensure the check has cleared.

For those refunds that are to be paid from Court funds (other than general fund), payment should be made (either by payment voucher or petty cash check) within 60 days of the Court being notified.

Credit cards: if an error was made in processing a credit/debit card payment, then a "refund" should be processed that same day, for the same amount on the same card (and then a third transaction for the correct amount may be processed). If a credit card payment results in an overpayment, the refund will be made by check (per the guidelines below).

Overpayments

Overpayments of \$5.00 or more will be issued within 60 days of the date the need for refund becomes known to the Court. Anything under \$5.00 will not be refunded and will be deposited to the general fund.

Before a criminal overpayment is issued, all criminal court cases (in all courts) should be reviewed by Accounting for any outstanding balances. If monies are due on more than one case, the overpayment should be applied in accordance with AP003.1, *Disbursement Schedule*.

Overpayments made by check are processed at the end of the month following the month in which payment is received provided that the receipt is at least 60 days old. For example, if the overpayment is received October 15th, the overpayment will process at the end of November. Overpayments made by cash, money order, credit or debit card, state checks, certified check or a state contracted vendor shall be issued within 30 days from date of receipt. All refunds will be in the form of a State of Delaware check.

Bail Refunds Refer to Bail Policy AP003.4, Cash Disbursements, Bail.

**PROCEDURE FOR:
POLICY AP003.4, CASH DISBURSEMENTS**

Bail

Cash Bail Refunds:

Criminal court staff will review the case to determine that the cash bail is available for refund prior to submission to accounting staff for processing of a cash bail refund. Specifically, the case will be checked to see that all charges have a final disposition, or that a court order has been entered granting the return of bail prior to final disposition. Each case will be checked to determine if the bail money is to be returned to the party who posted the bail, or if the bail is to be transferred to cover outstanding financial obligations in any court where applicable and/or pursuant to the conditions of bail. Each case will be reviewed to determine the final court of jurisdiction, which is the only court that can authorize the return of cash bail.

After determining that cash bail is available for refund, the criminal court staff will obtain the original receipt from the party that posted the bail, will check a photo identification (such as a driver's license) to determine the correct party is present, prepare a receipt for return of the bail and print a copy of the docket. If the original receipt has been lost, a statement must be signed indicating the receipt was lost, but will be returned to the court if found. Upon completion of these initial steps by criminal court personnel, all this paperwork will then be forwarded to accounting staff for processing.

Accounting Process:

After reviewing the above referenced material, accounting staff will confirm the defendant's name, case number and amount of bail on deposit in the Centralized Bail Account. If everything is in order, a Payment Voucher (PV) will be processed/approved by the Court to generate a bail refund check for mailing from the State Treasurer's Office. All bail refunds will be processed as soon as possible.

If bail funds are to be applied to criminal case costs, a zero Cash Receipt (CR) will be processed to move the bail money to the appropriate court line.

If a bail is to be forfeited (per a court order), a zero CR will be processed to move the bail money to the State of Delaware General Fund revenue line.

PROCEDURE for:
POLICY AP004, RECONCILIATION

The reconciliation process of non-appropriated special fund activities is to be completed monthly. Courts are responsible for ensuring that the monthly reports generated by the State Accounting System are in agreement with court records for accounts held by the State Treasurer.

The reconciliation process is as follows:

- (1) a cash receipt document is coded to pass through accounts by use of object codes that designate the distribution. For example for town fines, restitution, overpayment, sheriff fees, etc.
- (2) monthly, a summary of all payment vouchers and cash receipts is generated
- (3) the fund balance, cash receipts and payment vouchers are reconciled to the monthly statement of activity.

In Superior Court, since their system is internal, their bank statement takes the place of the holding account. The report from the Superior Court financial system is printed and used for their reconciliation.

Annually, courts will forward an account reconciliation report to the Director of the Division of Accounting. This report must be mailed within 15 working days after receipt of the end of fiscal year Statement of Budgetary Activity and Account Balances and the Statement of Revenue Reports.

Monthly, a certification of internal controls is completed by the Courts and submitted to Division of Accounting.

For accounts outside of the State Treasurer's Office, bank statements are reconciled on a monthly basis by the Courts.

PROCEDURE for:

POLICY AP005, ACCOUNTS RECEIVABLE

In civil and administrative matters, payment is due in full at the time of filing and/or services rendered, unless such fees and costs are waived by the court, e.g. *in forma pauperis*, etc. Consistent with Del.C. Title 11 § 4104/4105, payment in full for criminal matters is expected at the time of sentencing. If the sentence does not incarcerate the defendant and the defendant cannot pay in full, one of the following alternative payment options shall be established. Also, according to Del.C. 4101, assessments not paid in full at the time of sentencing shall have a civil judgment entered upon the civil judgment docket of the court which may be executed and enforced or transferred in the same manner as other judgments of the court.

PAYMENT OPTIONS

- **Payment in Full:** will be made in accordance with AP002.7 Cash Receipts, Methods of Payment.
- **Time to Pay Arrangements:**

Installment/Deferred (Payment) Agreements: Monthly payments shall be calculated at minimum of 10% of the total outstanding receivable(s), unless specified otherwise by court order or court rule. This will have to be a manual calculation performed by staff, using either the COTS calculator icon or other calculation methods. According to court policy, payment clerks may have authority to modify within a certain percentage of the amount determined by formula.

Offenders' payment status should be made accessible to the Department of Correction and the Division of Youth Rehabilitative Services. If the offender is not paying their assessments, the probation officer will have the appropriate information to encourage (direct) the offender to ensure that they are meeting their payment plan commitments.

Payments in excess of the monthly payment plan amount shall not be construed as an overpayment and no refund shall be issued unless all financial assessments have been satisfied.

Work Referral/Work Release – Probation and Parole supervised work detail to discharge all or part of the costs and fines by earning credits at the prevailing minimum wage rate. VCF and any surcharges (videophone, forsenic, victims' rights, SARTEP, etc.) cannot be credited in this manner. Pursuant to Del.C. Title 11 Sections 4104 and 4105, the judicial officer may specifically order, in exigent circumstances, that restitution also be worked off and credited in this manner.

Wage Assignment - Voluntary agreement to make payments through automatic deduction from defendant's wages may be activated.

- **Adjustments:** Court clerks are authorized to record financial adjustments supported by appropriate signed judicial orders or other appropriate administrative documentation as indicated. This also covers work referral credit adjustments to eligible cost categories. Only supervisors/managers will be authorized to make/approve financial adjustments correcting accounts after the initial posting of the receivable and/or payments.

DELINQUENT ACCOUNTS

Accounts receivable where payment has not been made by the due date shall be considered delinquent at 12:01 AM following the day on which payment was due.

COLLECTION SANCTIONS

Courts will monitor accounts to determine ability to collect and initiate collections sanctions on delinquent accounts. The courts will emphasize the use of progressive collection sanctions of accounts receivable that are one day or more past due. Collections sanctions include, but are not limited to, the following options:

- **Dunning Notices** – Notice regarding failure to satisfy debt shall be automatically generated on the first business day after the payment was identified as delinquent.
- **Issuance of Capias** – After a payment is identified as delinquent, a capias may be issued to bring the defendant back before the court for failure to comply with financial obligations.
- **Revocation of Driving Privileges** – After the payment is identified as delinquent, notice may be issued to the Division of Motor Vehicles (DMV) to revoke driving privileges until the assessment is paid.
- **Revocation of Business License** – After the payment is identified as delinquent, notice may be issued to the Division of Revenue to revoke a business license until the assessment is paid.
- **Wage Attachment** – Payments through automatic deduction from defendant wages may be court ordered.
- **Violation of Probation Hearings** – After being identified as delinquent by Probation and Parole, a hearing will be scheduled, and the defendant will be summoned to appear before the sentencing judge for failure to comply with the original sentencing order.

- **Contempt of Court Hearings** – After being identified as delinquent, a hearing may be scheduled, and the defendant may be summoned to appear before the court to explain why the financial obligation has not been satisfied.
- **Tax and Lottery Winnings Intercept** – Defendants' State of Delaware tax refund and lottery winnings may be intercepted by the court to satisfy delinquent financial obligations. However, tax and lottery intercept payments in excess of the monthly amount for a given month shall not reduce, forgive or delay the next monthly payment, unless directed by a judicial officer or an authorized clerk. Tax and lottery intercept payments made ahead shall be credited in a manner to shorten the payment plan period.
- **Civil Judgments** – After being identified as delinquent, or if court-ordered, a lien may be entered against the defendant to the extent of the outstanding financial obligation which will be publicly recorded and indexed in Superior Court, consistent with statutory requirements.

PROCEDURE for:
POLICY AP006, WRITE OFF

In order to write off an outstanding accounts receivable, an account must be determined as uncollectible. After exhausting all accounts receivable payment options and/or sanctions applicable to the court having jurisdiction (per AP005 – *Accounts Receivable*), only then should an account be reviewed to be written off.

Prior to the write off, when the account is outstanding, accounts receivable can be classified or docketed as one of several status codes. Although case status is an option in Contexte, it is not known if it can differentiate accounts receivable status. It may be necessary to docket each A/R status, which may or may not provide for a flow of information to A/R. The details of such status information will have to be determined as criminal case flow is tested and/or implemented.

Once an account is determined uncollectible, the account can be written off with a court order signed by a judicial officer.

ADJUSTMENTS TO ACCOUNTS RECEIVABLES

If reasonable efforts at collection are unsuccessful (i.e. tax intercept), the court with last jurisdiction may determine to write the account(s) off. Determination of write off should include whether restitution is still outstanding on the account, along with the length of time the account is delinquent, etc. Depending on the need to write off or delay the collection of accounts receivable, the appropriate reason code should be used when adjusting the accounts receivable record(s) in Contexte.

PROCEDURE for:
POLICY AP007, SECURITY

Each court facility should provide a secure area where payments are made and collections are counted at the end of the shift/day. To ensure accountability for funds, each accounting clerk/cashier shall have their own cash drawer/change box/money bag to place cash, checks, and money orders, which should never be left unattended or shared with another employee.

When the clerk/cashier closes at the end of the shift/day, the monies receipted will only reflect those collected by that individual; thus, each drawer/box/bag will be used as an audit to the individual's receipts of monies collected.

The creation of the deposit for the transactions receipted should be done in a room where no users can view the money being counted and the deposit being prepared. After all clerks balance out, one deposit will be prepared per location and will be placed in safe pending transport to the bank. (For more information on bank deposits, refer to AP002.2, *Cash Receipts, Bank Deposits.*)

PROCEDURE for:
POLICY AP008, MANAGEMENT REPORTS

The COTS financial subcommittee will determine the content and frequency of all standard financial reports so as to meet the minimum reporting needs of the Courts' management. This does not include ad-hoc reports. Reports will be consistent across all courts, whenever possible.

Financial management reports will be produced by Crystal Reports and/or the baseline Contexte system. Those reports will be placed in Mobius (Document Direct) for automatic printing or access as needed by designated personnel.

Retention (paper or electronic) of all financial reports shall follow the State's retention schedule at a minimum.

GLOSSARY

Account – A chronological record of transactions showing receipts, disbursements, and the balance.

Accountable Officer – An authorized disbursing officer, certifying officer, or collecting officer who is an insurer of public funds in the officer's custody.

Accountability – The state of being obliged to explain one's actions, to justify what one does.

Accounting Period – A period of time for which a cost analysis is prepared (for example, a month, quarter, or fiscal year.) **(See Fiscal Period.)**

Accounting Systems – All the records, formal and informal, together with the procedures that have to do with the assembling, recording and reporting of information concerning the financial operations and conditions of an enterprise.

Accounts Payable – A short-term liability account reflecting amounts owed to private persons or organizations for fines, fees, costs, restitutions and other court ordered assessments.

Accounts Receivable – An asset account reflecting amounts due from private persons or organizations for fines, fees, costs, restitutions and other court ordered assessments.

Accounts Receivable Record/Ledger – Original receivable amounts owed are recorded on case papers or disposition screens. Additional supporting/administrative records are maintained on accounts receivable to assist courts in this collection activities.

Adjustment – An administrative action to correct a posting error. Note: This may be an accounting error or error in the entry of text.

Allowance for Uncollectibles – A contra-asset valuation account used to indicate the portion of a receivable not expected to be collected.

Assess – To charge with a cost, fine or other special payment.

Assessment – The amount of the cost, fine or other special payment.

Asset – A probable future economic benefit obtained or controlled by a particular entity as a result of a past transaction or event.

Attachment – A legal proceeding accompanying an action in court by which a plaintiff may acquire a lien on defendant's property as a security for the payment of any judgment that the plaintiff may obtain.

Audit – A systematic examination of resource use concluding in a written report. It is a test of management’s internal accounting controls and is intended to:

- a) ascertain whether financial statements fairly present financial position and results of operations;
- b) test whether transactions have been legally performed;
- c) identify areas for possible improvements in accounting practices and procedures;
- d) ascertain whether transactions have been recorded accurately and consistently;
- e) ascertain the stewardship of officials responsible for governmental resources.

Bail – To effect the release of an accused person from custody, in return for a promise that the accused person will appear at a place and time specified and submit to the jurisdiction and judgment of the court, guaranteed by a pledge to pay to the court a specified sum of money or property if the accused person does not appear.

The money or property pledged to the court or actually deposited with the court to effect the release of an accused person from legal custody.

Bail Bond – a document guaranteeing the appearance of the defendant in court as required, and recording the pledge of money or property to be paid to the court if the defendant does not appear, which is signed by the person to be released and any other person acting in the defendant’s behalf.

These other persons are called “sureties”. A surety can be either a professional bail bondsman or a private individual.

The court may or may not require that the pledge of money or property be secured. Pledges may be secured in several ways. The most common way is by employment of a bail bondsman, to whom a nonrefundable fee is paid. In other cases, the court can require a deposit of money before the person is released. The requirement can be for the full amount pledged, or for a percentage of the amount pledged.

The amount of the bond, that is, amount of property or money pledged to guarantee appearance, can be changed during the course of proceedings. Bail can be reduced when, for example the defendant shows that the defendant’s community ties will ensure appearance in court. Bail can be increased when the likelihood that the defendant might abscond increases, as when the defendant has been convicted and is awaiting sentencing or has been charged with another crime.

Bail Forfeiture is a court decision that the defendant or surety (see **Bail**) has lost the right to the money or property pledged to guarantee court appearance or the fulfillment

of another obligation, or has lost the right to the sum deposited as security for the pledge, and that the court will retain it.

Neither revocation or bail status nor forfeit of bail is automatic upon failure to appear. Each is a court decision requiring a hearing. Such decisions ordinarily will not be taken unless it appears that the defendant permanently intends to avoid prosecution, sentencing, or execution of a sentence. Further, bail forfeiture will often be reversed and the pledged amount minus court costs will be returned to the defendant or surety if the defendant appears in court within a given period of time.

Bail Refund – The removal of the burden, charge, or duty to guarantee the appearance of the defendant at a time and place designated by the court. Bail is released back to the person or surety originally posting it or to another individual as designated by the court upon final disposition.

Bail Revocation – The court decision withdrawing the status of release on bail previously conferred upon a defendant.

Balance Sheet – A statement purporting to present the financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specified date.

Bank Balance Per Bank – The dollar amount shown on a bank statement at the end of a period, after all deposits and receipts for that period have been netted against the previous period's closing balance.

Bank Balance Per Books – The bank balance recorded on the court's accounting records. This may be different from the bank balance per bank because of the following items: deposits not yet recorded at the bank, outstanding checks that have not come through the bank for payment or checks returned for insufficient funds.

Bank Reconciliation – Monthly analysis comparing the ending balance on the bank statement against the ending balance on the court accounting records and identifying deposits in transit, checks outstanding, for example, that have been accounted for on the court records but not by the bank. It also identifies errors or returned checks for insufficient funds that the bank has accounted for that the court's accounting records may not reflect. (See also **Reconciliation**).

Basic Financial Statements – Those financial statements, including notes thereto, necessary for the fair presentation of the financial position and results of operations of an entity in conformity with GAAP (Generally Accepted Accounting Principles).

Basis of Accounting – A term used to refer to when revenues, expenditures, expenses, and transfers -- and the related assets and liabilities -- are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the case or the accrual method.

Special Note – The State of Delaware maintains and reports financial data on two different bases:

- The Budgetary/Cash basis to demonstrate compliance with the legal budget which is prepared and passed by the State Legislature.
- The Generally Accepted Accounting Principles GAAP Basis to present the financial community with statements which are consistent with the common basis of governmental reporting.

Delaware Financial Officers have identified the Budgetary/Cash Basis statements to be the official record of the financial activities of the State.

Book Balance – The cash balance on the books of a local government. The book balance differs from a bank balance on a given day by the amount of float – checks outstanding during the time required for them to clear the bank after they have been written and deposits recorded by the local government and not yet credited by the bank.

Books of Original Entry – The record in which various transactions are recorded formally for the first time (for example, cash journal, check register, or general journal). With automated bookkeeping methods, one transaction may be recorded simultaneously in several records, one of which may be regarded as the book of original entry. Memorandum books, check stubs, files of duplicate sales invoices, on which first or prior business notations may have been made, are not books of original entry in the accepted meaning of the term, unless they also are used as the media for direct posting to the ledgers.

Canceled Check – A check that has been paid by the issuing bank.

Carrying Amount – The amount at which assets and liabilities are reported in the financial statements. Carrying amount also is known as book value.

Case Disposition – The termination of a court case by transfer, consolidation, withdrawal, dismissal, a finding or verdict of not guilty, the imposition of a criminal sentence, or the issuance of a final order or opinion.

Cash – Currency, coins, checks, postal and express money orders, and bankers' drafts on hand or on deposit.

Cash Basis of Accounting – The method of accounting that records revenues only when they are actually received and expenditures only when cash is paid. It is the most common form of governmental accounting. (See **Basis of Accounting**).

Cash Book – A book of original entry used for the recording of all transactions with an indication of the special accounts to which they belong.

Cash Flow – The net of cash receipts and disbursements over time.

Certificate of Deposit – A negotiable or nonnegotiable receipt for funds deposited in a bank for a specified period for a specified rate of interest.

Certified Check – A check drawn on a bank and accepted by it as valid in advance of check negotiation.

Certifying Officer – A person who has been designated to be responsible for the examination of vouchers to determine that:

- the expense has been authorized;
- all supporting documentation, such as bills, invoices, authorizations, receiving reports have been attached;
- the correct accounting classification has been put on each voucher; and
- the claim is proper and is in compliance with all statutes, rules, and regulations.

Change Fund – A fund for a fixed amount of cash on hand that is used only to make change for those persons having official business with the court.

Charge Off – An administrative action which decreases the total balance due. Note: This only happens when a disposed case is re-opened and transferred to a higher court.

Charge On – An administrative action which increases the total amount assessed. Note: An example is the addition of bad check fees.

Check – A bill of exchange drawn on a bank and payable on demand; a written order on a bank to pay on demand a specified sum of money to a named person, to the person's order, or to bearer out of money on deposit to the credit of the maker. A check differs from a warrant (a voucher authorizing the receipt or payment of money) in that the latter is not necessarily payable on demand and may not be negotiable. It differs from a voucher in that the latter is not an order to pay. A voucher-check combines the distinguishing characteristics of a voucher and a check. It shows the propriety of a payment and is an order to pay.

Check Issue Discrepancy - The difference between the amount of a check reported to the treasury and the amount for which the check was actually issued.

Clearing Time - The number of days between the transmission of a check to the payee and the acceptance at the payer's bank.

Coding - A system of numbering or otherwise designating accounts, entries, invoices and vouchers in such a manner that the symbol used reveals quickly certain required information.

Collateral - Security placed with a creditor to assure performance of an obligation.

Collections - All monies received by a court.

Control Account - An account in the general ledger in which is recorded the aggregate of debit and credit postings to a number of related accounts called subsidiary accounts. (See **General Ledger** and **Subsidiary Account**.)

Control Procedures -The policies and procedures in addition to the accounting system that management has established to provide reasonable assurance that specific entity objectives will be met.

Court Costs - Amounts assessed against a party or parties in litigation. In some civil actions, such amounts are determined on a case-by-case basis and vary in relation to the activities involved in litigation. Court costs include fees, miscellaneous charges, and surcharges.

Credit Memo - A document that contains the details concerning a credit granted by the court, including case number, date, amount of credit, and approving signature.

Currency - Lawful money in current circulation. The terms currency and current funds now seem to include not only coins, silver, United States notes, and treasury notes, but also silver certificates, Federal Reserve notes, and national-bank notes.

Deferred Payment - Account receivable where a pre-agreed one-time payment in full on a future date has been established between the defendant and the court.

Delinquent Debt - Any sum due and owing. (See **Past Due**).

Deposit Funds - Accounts used for receipts held in suspense temporarily for distribution at a later date to a government, to other agencies, or to outside parties. Distribution is made pursuant to laws, local rules, or orders of the court.

Deposit Intact - Once money has been counted and removed from the cashier's drawer at the end of the day, it should remain untouched until it is deposited. The amount of checks, currency, and coin should be the same as deposited.

Disbursement - The actual payment of funds. Disbursement refers to the time when a check is issued and recorded.

Disbursing Authority - The disbursing authority of a court official may be either general or specific. Disbursing authority for certain registry funds is provided by court order (see **Registry Funds**).

Docket -A brief, precise history of a civil or criminal proceeding from commencement to termination.

Double Entry - A system of bookkeeping that requires that for every entry made to the debit side of an account, a corresponding entry for that amount be made to the credit side of another account.

Embezzlement - Fraudulent appropriation for one's own use or benefit property or money entrusted to one by another.

Entry - The record of a financial transaction in the appropriate book of account.

Equity Accounts - Those accounts presenting the difference between assets and liabilities of a fund.

Escheat - The reversion of property or funds to the state in the absence of legal heirs or claimants.

Escrow - An agreement under which a grantor, promisor, or obligor places a sum of money, or the instrument upon which the obligor is bound with a third person (called escrow holder) until the performance of a condition or the happening of an event stated in the agreement permits the escrow holder to make delivery of the money or instrument to the grantee, promisee, or obligee (see **Registry Funds**).

Special Note : For the purposes of Delaware Courts, the governing definition is: Escrow accounts are special accounts where the funds in the account do not belong to the account holder, but the account holder has fiduciary responsibility for the funds for a given period. Cash bail is a specialized form of escrow account.

Fees. Amounts charged for the performance of a particular court service which are disbursed to a governing entity. These fees are specified by an authority at a fixed amount.

Fiduciary Fund type - The trust and agency funds used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other government units, or other funds.

Financial Audits

Financial statement audits determine (1) whether the financial statement of an audited entity present fairly the financial position, results of operations, and cash flows or changes in financial position in accordance with generally accepted accounting principles; and (2) whether the entity has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements.

Financial-related audits include determining (1) whether financial reports and related items, such as elements, accounts, or funds, are fairly presented, (2) whether financial information is presented in accordance with established or stated criteria and (3) whether the entity has adhered to specific financial compliance requirements.

Financial Resources - Cash and other assets that, during normal operations, will become cash.

Financial Statements - A presentation of financial data and information (including accompanying notes) derived from accounting records to communicate at a specific time an entity's financial position and, for a period of time, its results of operations and cash flows or changes in financial position.

Fine - A sum of money assessed as part of a penalty for conviction of a particular offense.

Fiscal Period - Any period at the end of which a governmental unit determines its financial condition and the results of its operations and closes its books.

Fiscal Year - A twelve (12) month period to which the annual operating budget applies and at the end of which the state determines its financial position and the results of its operation. Delaware's fiscal year begins on July 1 of each calendar year and ends on June 30 of the succeeding calendar year (29 Del.C. § 6507).

Float - The amount of money making up the difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor creating float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.

Follow-up - Reviewing a transaction to determine its status.

Forfeiture - The automatic loss of cash or other property as a penalty for not complying with legal provisions and as compensation for the resulting damages or losses.

Forfeiture of Bond - (See **Bail**).

Garnishment - A legal proceeding whereby a person's (defendant's) property, money, or credit in the possession of or under the control of a third person (garnishee) is withheld from the defendant and applied to the payment of the defendant's debt to the plaintiff. (See **Wage Attachment**).

General Ledger - A record containing the accounts needed to reflect the financial position and the results of operations of a government. In double-entry bookkeeping, the debits and credits in the general ledger are equal.

Generally Accepted Accounting Principals (GAAP) - Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application but also detailed practices and procedures.

The Government Accounting Standards Board (GASB) establishes accounting principles and financial reporting standards for state and local and government entities.

Installment Payments - Accounts receivable arrangement which calls for periodic payment of a specific sum for each of a stated number of payments.

Interest Rate - The interest payable expressed as a percentage of the principal available for use during a specified time.

Internal Auditing - An independent appraisal of the diverse operations and controls within an organization to determine whether acceptable policies and procedures are followed, established standards are met, resources are used efficiently and

economically, and the organization's objectives are being achieved. The term covers all forms of appraisal of activities undertaken by auditors working for and within an organization.

Internal Control.

(1) A plan of organization for purchasing, accounting, and other financial activities, which, among other things, provides that:

- (a) the duties of employees are subdivided so that no single employee handles a financial action from beginning to end;
- (b) proper authorizations from specific responsible officials are obtained before key steps in the processing of a transaction are completed; and
- (c) records and procedures are arranged appropriately to facilitate effective control.

(2) An entity's internal control structure consists of the policies and procedures established to provide reasonable assurance that the specific entity's transactions are appropriately recorded and to maintain accountability for the related assets and liabilities.

- o Control Environment: The collective effect of various factors on establishing, enhancing, or mitigating the effectiveness of specific policies and procedures.
- o Accounting System: The methods and records established to identify, assemble, analyze, classify, record, and report an entity's transactions and to maintain accountability for the related assets and liabilities.
- o Control Procedures: The policies and procedures, in addition to the control environment and accounting system that management has established, to provide reasonable assurance that specific entity objectives will be achieved.

Investment - Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals, or base payments.

Journal - An accounting record that lists financial transactions chronologically as they occur. It usually organizes these transactions by the object for which they were incurred (for example, personnel salaries, materials, and supplies, or fixed assets).

Journal Voucher - A standard form provided for the recording of certain transactions or information in place of, or supplementary to, journals or registers. The journal voucher usually contains an entry or entries, explanations, references to documentary evidence supporting the entry or entries, and the signature or initials of one or more properly authorized officials.

Judgment - A determination by a court; a judicial decision; an amount to be paid or collected by a government unit as the result of a court decision, including a condemnation award in payment for private property taken for public use.

Judgment Bond – An amount posted by a defendant to secure an appeal (usually the same amount as the Judgment).

Judgments Payable - The liability incurred as the result of a judgment.

Kiting - Occurs when a check on one bank (A) is deposited in another bank (B), and the amount of the check is not shown as a deduction from the balance in Bank A at the date of transfer. This always occurs near the end of the accounting Period. No book entry is made, but the check deposited in Bank B covers the cash shortage and increases the balance of cash in banks per books at the end of the period, as the check has not cleared against Bank A. Kiting is practiced to cover the theft of cash.

Ledger - An accounting record that classifies financial transactions by object or by the organizational unit or service which incurred them.

Legal Opinion - The opinion as to legal aspect of a specific topic by an authorized official, such as an attorney general, county or city attorney.

Legal Tender - Currency or coin, which a government has declared shall be received in payment of duties or debts.

Levy - (1) (Verb) To impose taxes or special assessment. (2) (Noun) The total amount of fines, special assessment, and costs imposed by a court. (3) (Noun) An order for a constable to inventory a defendant's possessions for possible sale in lieu of unpaid rent or an unpaid judgment.

Liabilities - Amounts owed for items received, services rendered, expenses incurred, assets acquired, construction performed (regardless of whether invoices have been received), and amounts received but as yet unearned.

Lien - A charge or security or encumbrance upon real property. Liens may be imposed for failure to pay fines or fees due to a court.

Lock Box - A postal rental box serviced by a commercial bank to minimize the total float associated with collecting a receivable, the processing costs of the user, and the opportunity for misappropriation by the user's employees.

Log Sheet - A page of a court activity journal which reflects the judicial proceeding for a particular period of time.

Misappropriation - A nonviolent criminal taking of property by embezzlement, theft, or fraud. Term is often applied to an employee's taking of an employer's property.

Miscellaneous Charges - Amounts assessed that ultimately compensate individuals or non-court entities for services relating to the process of litigation. These amounts often vary from case to case based on the services provided.

Money - Includes all of the following: coins, bank notes in current use and bearing a face value, traveler's checks, registered checks, and money orders held for sale to the public.

Partial Payment. (See **Under Payment**).

Past Due - Any account receivable for which payment had not been received by the payment due date. (See **Delinquent Debt**).

Payment Voucher - (See **Voucher**).

Petty Cash - A sum of money set aside to pay small obligations for which the issuance of a formal voucher and check would be too expensive and time-consuming. Petty cash accounts are sometimes referred to as petty cash funds.

Posting - The act of transferring to an account in a ledger the data, either detailed or summarized, contained in a book or document of original entry.

Promissory Note - An unconditional written promise (signed by the maker) to pay a certain sum in money, on demand, or at a fixed or determinable future date, either to the bearer or to the order of a designated person.

Property Bond - Property bonded by a bank that is used as a surety for appearance in court.

Receipts - Payment received.

Receipts Journal - A formal record of the receipt of funds.

Reconciliation - A process conducted at the end of a fiscal period to ensure that the records maintained at the site (court) are in agreement with the records maintained at another location (a bank or DFMS). (See **Bank Reconciliation**).

Refund - Partial or total return of a payment received on behalf of a defendant.

Register - A record for the consecutive entry of a certain class of events, documents, or transactions, with proper notation of all the required details. (See **Journal**).

Registry Funds - Monies placed in a court's custody pending case outcome. These funds include criminal cash bail, deposits in land condemnation cases, and funds held in trust (see **Escrow**).

Restitution - Restoration of something to its rightful owner or equivalent compensation for some wrong or injury.

Returned Checks. Deposited checks which are not honored by the bank due to insufficient funds, closed accounts or a stop payment request.

Revenue - Public funds from fines, fees, and costs. All are distributed from the State's general fund revenue account. Monies, collected and disbursed by courts to other parties (including other State agencies and offices) are not revenue.

Revenue Code - A code used to identify a source of revenue or cash receipts.

Seizure - The taking of an object from its possessor or custodian by a law enforcement officer.

Service - A program or activity that does not produce a tangible commodity but which, nonetheless, contributes to the welfare of others.

Shared Revenues - Revenues levied by one government but shared on a predetermined basis, often in proportion to the amount collected at the local level, with another government or class of government.

Source of Revenue - Revenues are classified according to their source or point of origin.

Statute - A particular law enacted and established by the will of the legislative department of government. Also used to designate written law as compared to unwritten law.

Subsidiary Account - One of a group of related accounts supporting in detail the debit and credit summaries recorded in a control account. (See **Control Account** and **Subsidiary Ledger**).

Subsidiary Ledger - A group of subsidiary accounts, the sum of the balances of which should equal the balance of the related control account. (See **General Ledger** and **Subsidiary Account**.)

Surcharges - Amounts added to fines, fees, or court costs that are used for designated purposes.

Surety Bond - A written promise to pay damages or to indemnify against losses caused by the party or parties named in the document, through nonperformance or through defalcation. Surety bonds also include fidelity bonds covering government officials and employees.

Suspend - To hold in abeyance.

Suspension - A temporary abrogation or deferment. Note: This can only be by a judicial action.

Suspense Account - An account that carries charges or credits temporarily pending the determination of the proper account or accounts to which they are to be posted.

Treasury - A place where public revenues are kept recorded in the books of account after depositing them, and the record of where money is disbursed to defray the expenses of government.

Trial Balance - A list of the balances of the accounts in a ledger kept by double entry, with the debit and credit balances shown in separate columns. If the totals of the debit and credit columns are equal or if their net balance agrees with a control account, the ledger from which the figures are taken is said to be in balance.

Underpayment. Payment in an amount less than that which is due and payable.
Unclaimed Funds. Those amounts that cannot be disbursed by the holder because of lack of adequate information concerning the payee.

Uncollectible Funds - Receivables that have gone through the court system's collection cycle and that are proven to be non collectible.

Void Check - A check that has been prepared incorrectly or is mutilated before being issued or is returned uncashed to issuer.

Voucher - A written instrument that bears witness or "vouches" for something. Generally, a voucher is an instrument showing that services have been performed (or goods purchased) and authorizes payment to be made to the vendor.

Voucher System - A system that calls for the preparation of vouchers for transactions involving payments and for the recording of such vouchers in a special book of original entry, known as a voucher register, in the order in which payment is approved.

Voucher Payable - Liabilities for goods and services evidenced by vouchers that have been pre-audited and approved for payment but that have not been paid.

Wage Assignment - The right of a defendant to transfer through automatic deductions from the defendant's wages funds to pay some debt such as child support. This is a voluntary action on the part of the defendant.

Wage Attachment - A court order authorizing automatic deductions from the defendant's wages to pay some debt as determined by the court. This is an involuntary action on the part of the defendant.

Waive. To refrain from enforcing; dispense with.

Waiver - Intentional relinquishment of a claim. Note: This can only be done by a judicial action

Write-off - Accounting procedure for removing uncollectibles from the active records. Note: This procedure does not relieve the debt.

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