

FISCAL RECORDKEEPING & REPORTING

Presented by

Justice Court Fund



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THOMAS P. DiNAPOLI

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Today's Presentation

- Fiscal Responsibilities of:
 - Town & Village Justices & Clerks, if delegated
- General Recordkeeping Requirements:
 - Banking, Receipts, Bank Deposits and Disbursements
- Other Recommended Procedures & Records
- Monthly Reconciliation and Accountability
- Reporting Requirements & Common Issues
- Annual Audit Requirement
- Administrative Items
- Court Clerk FAQs



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Fiscal Responsibilities of Town and Village Justices

- Accounting and recording of financial activities
 - Some tasks may be delegated to the court clerk
- Ensuring accurate, timely, & complete accounting records
- Reporting court transactions to OSC
 - Submission should NOT be delegated to the court clerk
 - Preparation may be delegated to the court clerk
- Disbursements
 - Preparing checks may be delegated to the court clerk
 - Signing checks should NOT be delegated to the court clerk



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Fiscal Responsibilities of Town and Village Justices

- Justices are responsible for moneys received by court
- All monies paid to a Justice Court must be received by justice or personnel under their supervision and control



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General Recordkeeping Requirements Bank Accounts

- Each Justice Maintain Official Bank Account in **bank** or **trust company** in the State.
 - **Generally allowed** - Commercial banks
 - **Not authorized** - Savings banks, savings and loans associations, credit unions
- Town or Village Taxpayer ID Number
- Notify OCA – account information



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Banking - Service Charges

- Banks can impose service charges on justice accounts.
- The justice is entitled to be reimbursed by the municipality upon submission of a claim/voucher.



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Banking - Foreign Currency

- Should not be accepted for payment
- If accepted:
 - **First**, receive advice from bank indicating discount amount
 - **Then**, report actual amount credited to account - Do NOT report “PAID IN FULL” (may need to pursue collection)



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Banking - Accepting Credit Cards

- Authorized to accept payments by credit card
- OCA Credit Card Program
 - Fees charged directly to Credit Card Holder
 - *Do not enter fees in courtroom software*
- *Any questions regarding the credit card machine or supplies should be directed to OCA*



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Banking - Accepting Credit Cards

- Compare daily credit card transactions to courtroom receipts
- Any discrepancies should be immediately investigated



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General Recordkeeping Requirements Accounting Process and Records

- Account for cash receipts and disbursements from month to month
- Cash book that chronologically identifies **all** receipts and disbursements
- Computerized accounting software programs or Manual cash book accounting records
- In accordance with various statutes and regulations



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General Recordkeeping Requirements Receipts

- Justices are required to issue a receipt for all monies paid to the court.
 - Duplicate form
 - One to person paying
 - One retained by court
 - Numbered consecutively
- Record receipts in the accounting system promptly
- Justices' should regularly review transactions



General Recordkeeping Requirements Receipt Forms

- Acceptable Receipt forms
 - Pre-numbered and in at least duplicate form
 - Document date, person paying, amount paid, form of payment and purpose
 - Sufficient information to accurately identify the category and type of collection
 - Fine, Civil Fee, Surcharge, Bail, other
 - Signed or initialed by person issuing
- Issued consecutively



General Recordkeeping Requirements Computerized Receipt Forms

- If computerized accounting software receipt forms are used:
 - Print receipt for person paying
 - Print the receipt to retain for court records



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Question

**Who is responsible for the Monthly
Report?**



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Answer

The court clerk can prepare the Justice's report, if delegated.

The Justice is responsible for submitting their report.



Question

What information should be included on the receipt?



Answer

Receipts should contain:

- Pre-numbered
- Document date,
- Person paying,
- Amount paid,
- Form of payment
- Purpose
- Type of collection
 - Fine, Civil Fee, Surcharge, Bail, other
- Signed or initialed by person issuing



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General Recordkeeping Requirements Preparing Bank Deposits

- Deposit money within 72 hours of receipt
 - Excluding Sundays and holidays
- Detailed deposit slip (pg. 77 in Handbook)
 - Duplicate form; retain validated copy
- Checks and money orders should be endorsed “For Deposit Only”



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General Recordkeeping Requirements Depositing Intact

- Deposit in same amount as received
 - Do not split amounts between days
 - Do not group into lump sum amounts
- Deposit in same form as received
 - Cash, check or money order
- What is received and recorded = amount deposited



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General Recordkeeping Requirements Disbursements

All disbursements must be made by
CHECK and SIGNED by the JUSTICE

Checks should:

- Be pre-numbered
- Be issued in consecutive numerical sequence
- Contain sufficient information, i.e., court, payee, amount and purpose of payment



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General Recordkeeping Requirements Cash Disbursements Book

- Disbursements must be recorded promptly and accurately
- Record must be clear and concise
 - Purpose
 - Date
 - Payee
 - Check number
 - Amount
 - Other pertinent details



Other Recommended Procedures & Records - **Bail**

- Cash bail (cash, check, money order)
 - Deposit in justice's official bank account (within 72 hours)
 - Justice may have two bank accounts
 - Fine account
 - Bail account (not required)
 - may be joint (two justices)



Other Recommended Procedures & Records - **Bail**

Essential each justice maintain a record of all bail

- Bail Receipts – note bail poundage
- Bail Records - Complete list of all bail held
 - Chronological
 - Detailed
 - Current
- Pending Bail list should agree with cash summary



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Other Recommended Procedures & Records - **Partial Payments**

If court accepts partial payments:

- Record receipt promptly
- Issue receipt for each partial payment
- Deposit all payments within 72 hours
 - Partial or full



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Other Recommended Procedures & Records - Partial Payments

- Maintain complete, detailed, current record
 - Original amounts owed
 - Amounts collected
 - Balance due at month end



Reconciling Cash Book Balances with Adjusted Bank Balances

- Bank account balances should be reconciled to cash book balances at the end of each month.
- Accounting records show how much money court should have at end of month.
- Bank accounts show how much money court does have at end of month.

THESE AMOUNTS SHOULD ALWAYS AGREE!



Reconciling Cash Book Balance – Monthly Cash Summary

- Determine how much money the court should have at end of month (cash book balance)
 - Existing balance from the preceding month
 - Plus receipts for the current month
 - Less disbursements for the current month
 - Equals new balance as of the end of the current month.
- Monthly cash summary may be available from courtroom software



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Monthly Reconciliations – Reconciling Bank Balances

- Reconcile bank accounts to compute how much money court does have
- Account for all transactions that have cleared the bank account
- Account for all transactions that have not cleared the bank account



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Reconciling Bank Balances - Adjusted Bank Balance

As soon as the bank statement comes in:

- Verify deposits, deposit dates and amounts
- Verify that checks have cleared, amounts are correct
- Verify other charges or credits
- Identify deposits not posted to the account (in transit)
- Identify checks that have not cleared (outstanding)

**The adjusted bank balance
should always agree with amount in checkbook
and month-end amounts in court accounting records.**



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Reconciling the Bank Account (cont.)

CASH BOOK BALANCE AT JANUARY 31, 20XX

TOTAL CASH BOOK BALANCE	<u>\$1,883.50</u>
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BANK RECONCILIATION AT JANUARY 31, 20XX

Bank Balance at End of Month (per statement)	\$1,681.50
Add - Cash In Transit (Received 1/31, Deposited 2/1)	+127.00
Add - Credit Card Transaction (Received 1/31, Posted 2/1)	+100.00
<i>Subtotal</i>	<u>\$1,908.50</u>
Deduct - Outstanding Checks:	
Check #3 \$10.00	
Check #8 \$15.00	
<i>Total Outstanding Checks</i>	<u>-\$25.00</u>
ADJUSTED BANK BALANCE	<u>\$1,883.50</u>



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Monthly Accountability Analysis

- Monthly comparison of assets to Court's liabilities
- Court's liabilities (bail, unremitted fines and fees) should equal the court's assets (Justice's available cash).
- Accountability should be prepared prior to Justices' report submission
- Document the analysis
 - If prepared by the clerk – Justice should review and sign off



Performing the Monthly Accountability

NOTE:

If delegated:

Before starting the monthly accountability, you **MUST** complete the bank reconciliation. The adjusted bank balance **MUST** equal the month end cash book balance. If it doesn't, **STOP** and investigate the differences. Only proceed to the monthly accountability when those balances equal.



Performing the Monthly Accountability (cont.)

Assets:

Adjusted Bank Balance/Matching Cash Book Balance: **\$1,883.50**

Note: Total is carried over from "reconciling the bank account" slide

Liabilities:

Total Due to CFO (monthly collections reported to JCF) \$1,708.50

Bail for Pending Cases 175.00

Total Liabilities **\$1,883.50**



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Question

Why should bank reconciliations be performed?



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Answer

To identify any irregularities in a timely manner (i.e., missing deposits, errors in payments, errors in the cashbook and/or on monthly report).



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Question

When MUST court monies be deposited?



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Answer

Court Personnel MUST deposit all moneys received within 72 hours of collection, exclusive of Sundays and holidays.



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Monthly Reporting Requirements to OSC Justice Court Fund

Within 10 days after end of month collected:

- The Justice must submit their monthly report to the Justice Court Fund
 - Clerk may assist in preparing
- The Justice must submit monthly remittance to the Chief Fiscal Officer (CFO) of the local government
 - Clerk may assist in preparing, Justice MUST sign



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Reporting Bail

Report to the Justice Court Fund:

- Forfeited bail
- Related bail fees (poundage)



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Reporting Bail (cont.)

Do **NOT** Report to the Justice Court Fund:

- Pending bail
- Exonerated bail
- Unclaimed exonerated bail
- Felony bail (transferred to a Superior Court),
unless forfeited while in town jurisdiction



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Reporting Partial Payments

- The Justice should report partial payments to Justice Court Fund for the month they are collected.
- Select the Partial Payment Indicator



Annual Audit Requirements

UJCA § 2019-a

Every justice is required to present records and docket at least once a year to the town or village to be examined by the auditing board.



Reporting to JCF - Common Issues

Reporting cases that are not disposed (i.e., defendant has not paid).

Note: Preparing the Monthly Bank Reconciliation and Accountability BEFORE the Justice submits the report will help prevent this common error.



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Reporting to JCF - Common Issues

Statute, Section and Offense Description are:

- Not sufficiently reported
 - e.g. statute and/or section are blank
- OR**
- Inconsistent with each other
 - e.g. statute = VO, section = 1201a



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Reporting to JCF - Common Issues

- ENCON violations disposed of as a Civil Compromise - \$2.50 fee is incorrectly reported as a Surcharge
 - **Should be reported as a Fee**
- DNA fees are incorrectly reported in same entry as the offense
 - **Should be reported in a separate entry as a Fee**



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Reporting to JCF - Common Issues

- Termination of Suspension Fee (Scoff Law) incorrectly reported in same entry as the offense
 - **Should be reported in a separate entry as a Fee**
- Adjustments are incorrectly reported as case with negative amount
 - **Should be reported as an adjustment entry**



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Email Communications

- All Judges and Court Clerks are assigned an email address by the Office of Court Administration (OCA)
- All email communications from the Justice Court Fund (JCF) will be sent the justice's or your OCA issued email account
- Any email communication to JCF should be sent from your OCA issued email account



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Changes in Justice Assignments - Notifications

NOT a court clerk responsibility!

- Elected or Appointed by Municipality
 - **Municipal Clerk**
- Judicial District Assignments
 - Typically Judicial District
 - If not, Municipal Clerk



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Changes in Justice Assignments - Notification Requirements

- Municipal Letterhead,
- Signed by Municipal Clerk,
- Justice's name,
- Term start date,
- Expected term end date (if known),
- Official court mailing address,
- Court phone number, and
- Judge's best contact number.



Court Clerk FAQs

- The Justice is retiring what do we need to do?
- There is an outstanding check for many years what do we do with it?
- There is money in the Justice's account for many years that no one knows what it's related to, what do we do with it?



Court Clerk FAQs – The Justice is retiring what do we need to do?

- Notification must be made to OSC (see slides 49 & 50)
- **PRIOR** to the Justice completing their final monthly report:
 - 1.Reconcile and identify all funds
 - 2.Transfer remaining open cases
 - 3.Investigate outstanding (unclaimed) checks
 - 4.The Justice should report unidentified funds, **if applicable**
- If a Justice holds office for only part of the month, a report is due for the **ENTIRE** month and the Justice **CANNOT** report early (i.e., retired 5/15/XX report must be submitted 6/1/XX or later)
- When **ALL** responsibilities have been fulfilled, the bank account should be closed by an appropriate municipal official



Court Clerk FAQs – There is an outstanding check for many years what do we do with it?

Unclaimed Funds (i.e., outstanding checks)

- Able to identify who and/or what – Unable to locate individual
- Good faith effort
- Reasonable amount of time
- Next Steps:
 - Do NOT include on Monthly Report
 - Justice should NOT report this to JCF
 - Justice should pay to CFO by check



Court Clerk FAQs –

There is money in the Justice’s account for many years that no one knows what it’s related to?

Unidentified Funds

- Unable to identify who and/or what
- Good faith effort
- Next Steps:
 - Include on Monthly Report
 - Justice should report this to JCF
 - Retained by the State until the court can identify the funds.



Resources

- OSC website – Justice Court Fund (JCF) page:
www.osc.state.ny.us/localgov/finreporting/jcef/index.htm
- Handbook for Town and Village Justices and Court Clerks: www.osc.state.ny.us/localgov/pubs/jch.pdf
- Previous JCF Webinars:
<http://www1.osc.state.ny.us/localgov/academy/webinars/index.cfm>
- Office of Court Administration (OCA):
800-232-0630



Questions?



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JCF Contact Information

Email: courtfund@osc.state.ny.us

Phone: 866-321-8503 or 518-408-4934, **Option 2**

Fax: 518-486-9899

Mail: Office of the State Comptroller
Justice Court Fund
110 State Street, 12th Floor
Albany, NY 12236



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Thank You!



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