

Justice Court Fund Back to Basics for Town & Village Justice Courts

Presented by

The Justice Court Fund



NYS COMPTROLLER

THOMAS P. DiNAPOLI

Today's Presentation

- Changes in Justice Assignments
- Responsibilities for Outgoing Justices
- Monthly Reconciliation and Accountability
- Unclaimed vs. Unidentified Funds
- Common Reporting Issues
- Refunds



Changes in Justice Assignments

- JCF must be sent Official Notification
 - Letter from Municipal Clerk
 - Judicial District Assignment Order
- Important Information for Required Reporting
 - New Justice Term Start and End Dates
 - Change in Term Start or End Dates
 - Temporary Assignments
 - Resignations



Responsibilities of Outgoing Justices

Prior to completing and certifying final monthly report:

1. Reconcile and identify all funds
2. Transfer remaining open cases
3. Investigate outstanding (unclaimed) checks
4. Report unidentified funds, if applicable
5. Typically, ONLY pending bail money should be transferred to new justice



Responsibilities of Outgoing Justices (cont.)

- A monthly report is due to JCF for each month in a justice's term.
 - Even if a Justice holds office for only part of a month, a report is due for the entire month.
- When all responsibilities have been fulfilled, the bank account should be closed.



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 your 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



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



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 your accounting records.**



Reconciling Your Bank Account (cont.)

CASH BOOK BALANCE AT JANUARY 31, 20XX

TOTAL CASH BOOK BALANCE **\$1,883.50**

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) +227.00

Add - Credit Card Transaction (Received 1/31, Posted 2/1) +100.00

Subtotal **\$1,908.50**

Deduct - Outstanding Checks:

Check #3 \$10.00

Check #8 \$15.00

Total Outstanding Checks **-\$25.00**

ADJUSTED BANK BALANCE **\$1,883.50**



Reconciling Your Bank Account (cont.)

Potential reasons for a variance:

- Forgetting to add in transit items or subtract outstanding checks
- Payment(s) entered in the cashbook in error
- Bank Service Charges & Returned Items
- Reconciling from a check register kept separate from electronic cashbook



Monthly Accountability Analysis

Monthly comparison of Court's assets to Court's liabilities

- Court's assets (Justice's available cash)
 - should equal
- Court's liabilities (bail, unremitted fines and fees).
- Document the analysis - (See Appendix 9: Monthly Checklist - Handbook for Town & Village Justices and Court Clerks)



Performing the Monthly Accountability Analysis

NOTE:

Before starting your monthly accountability, you **MUST** complete your bank reconciliation.

- Your adjusted bank balance **MUST** equal your 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 Analysis (cont.)

Assets:

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

Note: Total is carried over from “reconciling your 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**



Reconciling Reminders

- Collected a payment (credit card or otherwise) on 1/31/XX,
- But doesn't show in your bank account until 2/1/XX,
- It's a January Receipt & must be included on the January Report.

This is called a “Deposit in Transit”



Reconciling Reminders

- Deposit slips will usually match receipts in the cashbook each month
- Exceptions:
 - Forfeited Bail
 - Bail Poundage
 - Bail Applied



Unclaimed vs. Unidentified Funds

Unclaimed Funds

- Able to identify who and/or what – Unable to locate individual
- Good faith effort
- Reasonable amount of time
- Next Steps:
 - Pay to CFO
 - Do NOT report to JCF on Monthly Report



Unclaimed vs. Unidentified Funds

Unidentified Funds

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

Please refer to page 52 of the Handbook



Common Reporting Issues

- Unpaid Case
- Statute and Sections
- Local Ordinances
- Civil Compromises
- Bail
- Fees



Common Reporting Issues - Unpaid Case

Unpaid case included on Monthly Report

- If this occurs, call the Justice Court Fund for guidance on proper handling

Note: Preparing your Monthly Bank Reconciliation and Accountability Analysis **BEFORE** submitting your report will help prevent this common error.



Common Reporting Issues - Stat/Section

Statute, Section and Offense Description

- Not sufficiently reported
 - For Example: Statute and/or Section field is blank
- Inconsistent with each other
 - For Example: Statute = VO (local ordinance)
Section = 1201a (Section of the V&T Law)



Common Reporting Issues

- Local Ordinances

Reporting Local Ordinances of your municipality

- Dog ordinances, noise violations, etc.
- Must report local Ordinance Indicator
 - “T” for Town Ordinance
 - “V” for Village Ordinance

NOTE: See Handbook pages 49 -51 for additional guidance



Common Reporting Issues

- Local Ordinances (cont.)

- Town reporting for a village (no village court)
 - Example: Dog at large village ordinance – case heard and disposed in town court
 - Town court reports violation
 - **Must indicate village ordinance violation**
 - **Ensure reported Ordinance Indicator = V**

NOTE: If town also has local ordinances - proper identification is required to ensure proper distribution



Common Reporting Issues

- Local Ordinances (cont.)

Towns Reporting for more than one Village

- Must Identify the Village to ensure proper distribution
- How to Report: *Town of Anywhere* reporting for *Village of Anywhere* & *Village of Somewhere*
 - VOA 12-7 (for Village of Anywhere Code)
 - VOS 12-7 (for Village of Somewhere Code)



Common Reporting Issues - Local Ordinances – (cont.)

Town or Village reporting a local ordinance of another town or village due to transfer of the case

- *For Example: Town of Anywhere reporting Town of Nowhere local code*
- Notify our office for guidance prior to reporting the case



Common Reporting Issues

- Civil Compromises

Environmental Conservation (ENCON) violations disposed of as a Civil Compromise

- \$2.50 fee is incorrectly reported
 - As a Surcharge
 - In same field with civil penalty amount
- **Should be reported as a Fee and separate from civil penalty amount**



Common Reporting Issues - Bail

Report:

- Forfeited bail
- Related bail fees (poundage)

Poundage is not reported with the proper fee type indicator



Common Reporting Issues – 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 still within jurisdiction of local court



Common Reporting Issues - Fees

- Fees incorrectly reported
 - Termination of Suspension (Scoff Law)
 - DNA Fees
 - Sex Offender Registry
 - Bail Poundage

Should be reported with proper fee indicator

Should not combine multiple fees in one line



Common Reporting Issues – Fees (Continued)

| Fee Type | Fee Type Indicator |
|----------------------------------|--------------------|
| Bail (Poundage) | 1 |
| Sex Offender Registration | 2 |
| DNA Data Bank Registration | 3 |
| Termination of Suspension | 4 |
| Supplemental Sex Offender Victim | 5 |



Common Reporting Issues – Adjustments

- Adjustments are incorrectly reported as case with negative amount
- First contact The Justice Court Fund for guidance on how to report the adjustment. (1-866-321-8503)
- Next contact your software vendor for help placing the adjustment on your report.

Should be reported as an adjustment entry



Common Reporting Issues

- Defendant Overpayments

Do **NOT** report the overpayment portion to JCF

Scenario: Defendant owed \$175 (\$150 Fine, \$25 Surcharge). Defendant paid \$200 by mail.

Court Should:

- Receipt full payment
- Record:
 - \$150 as fine
 - \$25 as surcharge
 - \$25 as other
- Write a check to payer for \$25

Note: If the overpayment amount is not recorded, finding the variance in your reconciliation may be difficult.



Refunds

- Dollar Amount
 - Reporting issues of **\$250.01 or more** must be processed as a **Refund**.
 - Reporting issues totaling 250.00 and under can be placed on monthly report as an **Adjustment**.
- Today we'll discuss Refund Requests



Refunds Requiring a Court Order

- Local or Superior Court Order Required
 - Vacation of judgment
 - Payment of restitution (surcharge may be refunded)
 - Reversal on appeal
- Superior Court Order Only
 - Remission of forfeited bail (see Criminal Procedure Law, §540.30)



Court Order Refund Required Documentation

- Requests by
 - Court on Behalf of Defendant
 - Defendant
- Certified copy or Original Court Order
- Refund Request Letter



Court Order for Refund Request

- **Elements required by the Justice Court Fund**
 - Defendant Name
 - Date of Arrest
 - Date of Conviction
 - Original conviction
 - Fine, fee, and surcharge
 - Substitute charge (if applicable)
 - New fine, fee, and surcharge
 - **Language ordering State Comptroller's Office to refund a specified amount**
 - **Payee name, and address to send the refund**
 - Signed by judge



Court Order Refund Required Refund Request Letter

- Court on Behalf of Defendant
 - Request letter signed by judge on court letterhead
 - No signature stamps
 - Brief reason for request
 - Name of original court and justice
 - Month and Year of Report (AC1030) conveying the funds to OSC
 - Name of payee
 - If refund by a Superior Court Order - address where to send refund



Court Order

- Original or certified copy required
 - Recommend a certified copy
 - Faxed court order will not be accepted

NOTE:

If the court order is missing any of the OSC required elements or is not original/certified copy, it will cause a delay in processing the refund



Superior Court Order Required

- Restoration of forfeit bail
- Refund of forfeit bail
- Case overturned/disposed of on Appeal
 - Case not returned to Town or Village Court



Both Local and Superior Court Orders Required

- Superior Court overturns conviction and returns case to lower court – Local court then dismisses or reduces the charge.
- Superior Court overturns conviction, finds the defendant guilty of new charge but returns the case to town or village court for sentencing.



Court Order

Generally, we only refund the defendant or person who posted the bail unless we have an affidavit assigning the funds to someone else.



Don't Be Confused

- Not a refund or an adjustment
 - Change in conviction but no change in funds
 - Send the a certified copy of Coram Nobis to our office
 - Path of funds may have changed
 - No adjustment on the AC1030
 - Change in conviction but additional monies due
 - Same as above, except you need to report additional funds collected.



Refund Requests

Common Reporting Errors

- Returned Items
- Credit Card Items
- Defendant Overpayment
- A Case Reported in Error
- A Case Reported Twice (or More)
- A Case Reported under Wrong Defendant



Reporting Error Refunds

Standard Letter Requirements

- Court letterhead
- Signed by the Judge (no signature stamps)
- Total Refund Amount
- Reason for the request:
 - Description of the issue
 - How the issue was identified by the court
- Month and year of the report (AC1030) that originally reported the funds
- Defendant's name
- Statute & Section of Reported Conviction
- Docket Number & TSLED (if applicable)
- A detailed monetary breakdown (fine, fee, and/or surcharge) for each refund
- State to send refund to the court or directly to defendant; if defendant, state the address to send the refund.



Returned Items

Scenario:

Defendant owed \$375 (\$250 Fine, \$25 Surcharge). Defendant paid \$375 by check. It was reported as \$375 on the January monthly report (AC1030). The court received a returned item notice from the bank in February.

How to handle returned checks/money orders:

- Occurred in different month:
 - **Over \$250.00 – Refund request** submitted to JCF
 - Less than or equal to \$250.00 – Adjustment on Report



Avoiding a Returned Item Issue

How to avoid needing a refund or adjustment:

- Occurred in same month:
 - Update Records
 - Remove the defendant / payment from report
- Create a Court Policy that does not allow checks as payment (will not eliminate all returned item issues).



Credit Card Items

Scenario:

Defendant owed \$375 (\$350 Fine, \$25 Surcharge). Defendant paid \$375. It was reported as \$375 on the January monthly report (AC1030). The court received a chargeback notice from the credit card company in February.

How to handle a credit card chargeback:

- Occurred in different month:
 - **Over \$250.00 – Refund request** submitted to JCF
 - Less than or equal to \$250.00 – Adjustment on Report



Avoiding Credit Card Item Issues

How to avoid needing a refund or adjustment:

- Received chargeback notice within the same month:
 - Update Records
 - Remove the defendant / payment from report
- Establish a Court Policy that only allows credit card transactions in person as payment (will not eliminate all chargebacks).



Credit Card Items – Other Tips

Other Credit Card Tips:

Duplicate Credit Card Transaction:

- If same day - caught prior to batching:
 - Cancel the duplicated transaction
- If processed:
 - Refund the payer by check for the amount court received
 - Contact credit card company to return service fee to payer

Note: OCA's Justice Court Manual, page 67 provides guidelines on best practices and procedures when accepting credit cards:

<http://www.nycourts.gov/courts/townandvillage/FinalJusticeCourtManualforUSCsite.pdf>



Defendant Overpayment

Scenario:

Defendant owed \$175 (\$150 Fine, \$25 Surcharge). Defendant paid \$500. It was reported as \$500 on the January monthly report (AC1030) and not identified until the February.

How to handle a defendant overpayment:

- Occurred in different month:
 - **Over \$250.00 – Refund request** submitted to JCF
 - Less than or equal to \$250.00 – Adjustment on Report



Avoiding Defendant Overpayment Issues

How to avoid needing a refund or adjustment:

- Verify what is actually owed by the defendant at the time of receipting the payment.
- If overpayment is identified in same month:
 - Update Records
 - Write check to defendant for overpaid amount
 - Do **NOT** include the overpayment on the monthly report (AC1030)



Defendant Overpayment – Other Tips

If overpayment is identified upon receipt:

- If payment occurs in person, ask for correct amount.
- If payment is received by mail or payment occurred in person but noticed later within same month:
 - Receipt Actual Payment
 - Record:
 - \$150 as fine
 - \$25 as surcharge
 - \$25 as other
 - Write a check to defendant for \$25

Note: If the overpayment amount is not recorded, finding the variance in your reconciliation may be difficult.



A Case Reported In Error

Scenario:

Defendant owed \$375 (\$282 Fine, \$93 Surcharge). Defendant did not pay. However, somehow it was included on the January monthly report (AC1030) as paid, and not identified until February.

How to handle a case reported in error:

- Occurred in different month:
 - **Over \$250.00 – Refund request** submitted to JCF
 - Less than or equal to \$250.00 – Adjustment on Report



A Case Reported in Error – Refund Letter Template

ABC Justice Court
123 Letter Street
Alphabet, NY 00000

March 1, 2016

The court would like to request a refund in the amount of **[\$XXX]** be paid to the court at the address above.

[Defendant Name] was found guilty of **[Statute & Section]**and owed **[\$XXX]** (**\$XXX Fine, \$XX Surcharge, \$XX Fee**). The Docket number for his/her case is **[XXXXXXXXXX]**. The defendant did not pay; however, it was included on my **Month YYYY** monthly report (AC1030) as paid: **\$XXX Fine & \$XX Surcharge**. This occurred due to **[details of how the error occurred]**. **[Current disposition of the case reported in error]**.

We discovered this error **[details of how error was found]**.

Justice Signature
(no signature stamps)



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Avoiding Reporting a Case in Error Issues

How to avoid needing a refund or adjustment:

- Performing the bank reconciliation **BEFORE** the monthly report (AC1030) is submitted
- If identified within same month:
 - Update Records
 - Remove the defendant / payment from report



Avoiding Reporting a Case in Error Issues

CASH BOOK BALANCE AT JANUARY 31, 20XX

| | |
|--|--------------------------|
| Total Due to CFO (monthly collections reported to JCF) | \$1,708.50 |
| Bail for Pending Cases | +100.00 |
| TOTAL CASH BOOK BALANCE | <u>\$1,808.50</u> |

BANK RECONCILIATION AT JANUARY 31, 20XX

| | |
|--|--------------------------|
| Bank Balance at End of Month (per statement) | \$1,331.50 |
| Add - Cash In Transit (Received 1/31, Deposited 2/1) | 227.00 |
| Add - Credit Card Transaction Posted 2/1 | 100.00 |
| <i>Subtotal</i> | <u>\$1,658.50</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>\$1,633.50</u> |

Variance
= \$175
due to
more
recorded
in cash
book
than
amount
in bank
account



A Case Reported Twice (or More)

Scenario:

Defendant owed and paid \$375 (\$350 Fine, \$25 Surcharge) in January 2016. The Court reported the \$375 on the January 2016 monthly report (AC1030). The defendant paid \$375 for the same charge again in March 2016. The court didn't realize it was paid at the time of taking the payment and reported it again on the March 2016 monthly report (AC1030).

How to handle a case reported twice:

- Occurred in different month:
 - **Over \$250.00 – Refund request** submitted to JCF
 - Less than or equal to \$250.00 – Adjustment on Report



Avoiding Reporting a Case Twice (or More)

How to avoid needing a refund or adjustment:

- Verify the defendant, docket number/case information, and dollar amount PRIOR to receipting the payment.
- If identified within same month:
 - Update records
 - Remove the duplicate payment from report



A Case Reported Under Wrong Defendant

Scenario:

Defendant Will Taykoff paid \$375 (\$350 Fine, \$25 Surcharge). However, the court applied the payment to Mae Taykoff and reported her on the January monthly report (AC1030) as paid. When Will Taykoff received a scoff notice in March he presented his receipt to the court.

How to handle a case reported under the wrong defendant:

- Occurred in different month:
 - **Over \$250.00** – Refund request submitted to JCF
 - Less than or equal to \$250.00 – Adjustment on Report



Avoiding Reporting a Case under Wrong Defendant

How to avoid needing a refund or adjustment:

- Verify the correct defendant, docket number, and dollar amount PRIOR to receipting the payment.
- If identified within same month:
 - Update records
 - Remove the incorrect defendant / payment from report
 - Add the correct defendant / payment to report



Refund Notes

- Refunds may take several weeks to process
- If your letter is missing any of the required elements, or if any required supporting documentation is not submitted, it will delay the processing of your refund.

Note: We may contact the court for additional documentation regarding a refund.



Resources

- OSC website – Justice Court Fund page:
www.osc.state.ny.us/localgov/finreporting/jcef/index.htm
- Handbook for Town and Village Justices and Court Clerks (Updated January 2019):
<http://www.osc.state.ny.us/localgov/pubs/jch.pdf>
- Office of Court Administration (OCA):
1-800-232-0630
- OSC Training Unit contact information:
Phone: 518-473-0005 or
Email: localtraining@osc.state.ny.us



JCF Contact Information

Email: Courtfund@osc.ny.gov

Phone: 866-321-8503, **option 2** or 518-486-3137

Fax: 518-486-9899

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



Questions?



Thank You!



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