

Fiscal Management

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6-01 FEE SCHEDULES

A. Fee Schedules

Limited fee schedules for the trial courts are published by the State Court Administrative Office. Other bulletins are issued regarding mileage rates for service of process, revisions to accounting procedures, child-care fund collection fee, and various other matters pertinent to fiscal management. For court fee and service of process schedules issued by the State Court Administrative Office, go to <http://courts.michigan.gov/scao/resources/other/ffc.htm>.

B. Limitations on Fees

A judge of any court, sheriff, bailiff, district court magistrate, or other officer, or other person except attorneys at law to whom any fees or compensation shall be allowed by law for any service, shall not take or receive any other or greater fee or reward for his or her service, but such as is or shall be allowed by the laws of this state. (MCL 600.2513)

No fee or compensation allowed by law shall be demanded or received by any officer or person for any service, unless such service was actually rendered by him or her; but this section shall not prevent any officer from demanding any fee allowed for any service of which he or she is entitled by law to require the payment previous to rendering such service. (MCL 600.2516)

A violation of either MCL 600.2513 or MCL 600.2516 shall be deemed a misdemeanor, and the person guilty thereof shall be liable to the party aggrieved for treble the damages sustained by him or her, and such violation shall be a cause for forfeiture of office. (MCL 600.2519)

C. Interest on Civil Judgments

The state treasurer is required to periodically inform the court of any adjustment to the interest rate on civil judgments. For current or historical information, contact the Michigan Department of Treasury.

Michigan Department of Treasury
Treasury Building
Lansing, MI 48922
517-373-3200

The State Court Administrative Office sends a copy of this information to the courts by e-mail twice yearly. See <http://courts.michigan.gov/scao/resources/other/ffc.htm>. The information is also available on the Department of Treasury's website at <http://michigan.gov/treasury>.

6-02 RECOMMENDED FINES AND COSTS SCHEDULE – CIVIL INFRACTIONS

The State Court Administrative Office annually publishes and distributes to each district and municipal court a recommended range of civil fines and costs for first-time civil infractions. For the latest version of this schedule, see <http://courts.michigan.gov/scao/resources/other/ffc.htm>. This recommendation is not binding upon the courts that have jurisdiction over civil infractions but is intended to act as a normative guide for judges and district court magistrates, and as a basis for public evaluation of disparities in the imposition of civil fines and costs throughout the state. (MCL 257.907[8])

Each district and municipal court may establish a schedule of civil fines and costs to be imposed for civil infractions that occur within the respective district or city. If a schedule is established, it must be prominently posted and readily available for public inspection. A schedule need not include all violations that are designated by law or ordinance as civil infractions. A schedule may exclude cases on the basis of a defendant's prior record of civil infractions or traffic offenses, or a combination of civil infractions and traffic offenses. (MCL 257.907[7])

Civil infractions committed by juveniles are under the jurisdiction of the family division of the circuit court. Unless a circuit court waives jurisdiction over these civil infractions within the geographic jurisdiction of the district court, a circuit court should consider adopting a schedule of civil fines and costs similar to those used by the district courts.

6-03 BUDGETING

Budgeting is controlled by Administrative Order 1998-5, which can be accessed on-line at <http://coa.courts.mi.gov/rules/documents/3AdministrativeOrders.pdf>.

If the local funding unit requests that a proposed budget be submitted in line-item detail, the chief judge must comply with the request. If a budget has been appropriated in line-item detail, without prior approval of the funding unit, a court may not transfer between line-item accounts to: (a) create new personnel positions or to supplement existing wage scales or benefits, except to implement across the board increases that were granted to employees of the funding unit after the adoption of the court's budget at the same rate, or (b) reclassify an employee to a higher level of an existing category. A chief judge may not enter into a multiple-year commitment concerning any personnel economic issue unless: (1) the funding unit agrees, or (2) the agreement does not exceed the percentage increase or the duration of a multiple-year contract that the funding unit has negotiated for its employees. Courts must notify the funding unit or a local court management council of transfers between lines within 10 business days of the transfer. The requirements shall not be construed to restrict implementation of collective bargaining agreements.

6-04 AUDITS

Pursuant to the Uniform Budgeting and Accounting Act of 1968, a local unit of government (counties, cities, villages, and townships) with less than 4,000 population is required to "obtain an audit of its financial records, accounts, and procedures not less frequently than biennially." Local units of government with 4,000 or more population are required to obtain an annual audit. The state treasurer prescribes minimum auditing procedures and standards for these audits. Generally, local units of government have retained the services of certified public accountants to perform the required audits.

Current Michigan law, however, is unclear as to the audit requirements for revenues received and disbursed by court operations, including trust and depository accounts maintained and administered by the courts (i.e., friend of the court support account, bond and trust account, depository account used for fines, costs, and fees, etc.). Because most of the annual audits are contracted by the funding unit, the audits performed by certified public accountants in compliance with the Uniform Budgeting and Accounting Act of 1968 generally only include an examination of the operational expenditures of the court at the local funding unit level. An audit of court revenues and expenditures including an examination of trust and depository accounts is generally not included in the scope of these audits.

It is recommended that court revenues, expenditures, and all funds maintained by the court be audited on an annual basis. The Internal Audit Section within the Supreme Court Finance Department periodically performs court audits, but an audit of all courts within Michigan on an annual basis is not possible due to the limited audit staff. The Internal Audit Section also periodically performs one-day internal control and accounting system reviews at courts.

It is recommended that the chief judge communicate the need for an annual audit of all the court's revenue and expenditure accounts, including the trust and depository accounts. Funds for performing these audits should be included within the court's operational budget request, and a written request should be sent to the local unit governing body requesting an audit.

If you would like further information regarding a court audit, contact your SCAO regional administrator or the Michigan Supreme Court Finance Department at 517-373-5542.

6-05 TRIAL COURT FINANCIAL MANAGEMENT GUIDELINES

A. Introduction

The chief judge has the management responsibility to ensure that an adequate accounting and internal control system is in operation to safeguard all court receipts and disbursements. The court administrator, friend of the court, or county clerk should develop, implement, and administer procedures that will provide for an adequate accounting and internal control system. The following financial management guidelines are to be used for the collection, disbursement, and control of court funds.

B. Accounting System

The receipt and disbursement of all court collections should be properly recorded in an accounting system (automated or manual) that provides for source documentation and records of original and final entry. These receipt and disbursement records should provide an audit trail to the source document and case file records. The accounting system should be maintained on a current basis and balanced to subsidiary records monthly.

C. Automated Accounting and Case Management System Security

1. If an automated accounting or case management system is utilized, access to the system should be restricted as to the functions that employees are able to perform. Proper security should be established within the system that will provide an adequate internal control structure.
2. Employee user classifications and security within the system should be established, monitored, and controlled by court management.
3. The system should provide data or reports that reflect user classifications for each employee, which are periodically reviewed by court management (at least annually).
4. Each employee should have a unique password to access the system that is known only to that employee. At a minimum, passwords should be changed every six months.
5. Employees who are involved in opening mail, receipting payments, balancing accounting records, and performing bank reconciliation should not be able to delete case files, make adjustments to payment records, or modify court orders in the automated system.
6. The system should provide reports that reflect case files and case file financial data that have been deleted, adjusted, or modified.

7. Employees who receipt payments should not be able to generate court checks from the automated system.
8. Cases received by the court should be assigned numbers and logged in through an automated or manual process when received. The court should maintain an automated or manual case file management system that provides for the proper accountability of all cases received.
9. Courts are discouraged from purchasing and distributing citations to local law enforcement agencies, while continuing to work with local agencies to eliminate duplicate numbering systems. If a court does purchase and distribute citations, they should be prenumbered and the distribution properly accounted for by the court.

D. Internal Control System

The American Institute of Certified Public Accountants (AICPA) defines internal control as: "Internal control comprises the plan or organization and all of the coordinate methods and measures adopted within a business, government, or department thereof to safeguard its assets, to check the accuracy and reliability of its accounting data, promote operating efficiency, and encourage adherence to prescribed managerial policies."

1. Duties and responsibilities for handling receipts and disbursements should be arranged and separated so an employee does not perform more than one of the following functions.
 - a. Opening mail.
 - b. Receipting payments.
 - c. Balancing receipts to accounting records.
 - d. Performing bank reconciliation.

Court management must realize that a greater risk in safeguarding receipts will exist if duties and responsibilities are not appropriately arranged and separated. In smaller courts, where the number of employees is limited and duties cannot be adequately separated, court management must provide a greater review and supervision of employee functions and procedures.

2. Position descriptions that clearly define the duties and responsibilities of each employee should be developed for employees who are involved in the receipt and disbursement process. These duties and responsibilities should be periodically reviewed by court management.

3. All employees involved in the receipt and disbursement process should be bonded. In addition, employees in positions of trust should be required to take annual vacations during which time their duties are performed by other personnel. In larger courts, employees should be periodically rotated between various job duties.

E. Bank Accounts

1. Type of Accounts

A bank account in the name of the court should be established only when the account is necessary for the proper receipt and disbursement of certain funds. Generally, there are four types of court bank accounts.

a. Trust Accounts

1) Friend of the Court Account

A bank account is established for the receipt and disbursement of certain friend of the court collections.

2) Bond and Trust Account

A bond and trust account is established for the receipt and disbursement of bond and other trust funds, such as restitution, garnishment, and proceeds from the sale of seized property pursuant to MCR 3.106.

3) Court-Ordered Account

An escrow account is established for a specific case as the result of a court order.

b. Depository Account

A depository bank account in the name of the court is established for the receipt and disbursement of funds received that are transmitted on a monthly basis to the local funding unit, state, and other governmental agencies.

c. Bank Accounts Reimbursed by the Funding Unit

Some courts administer and control accounts that are funded through the funding unit, such as jury fee and witness fee bank accounts.

d. Operational Bank Accounts

Court agencies that operate independent of the funding unit(s) may maintain bank accounts in support of the operational costs of the court (payroll, travel, contractual services, supplies, rent, equipment, etc.).

2. Authorized Check Signers

- a. Check signers should be authorized by the chief judge or designated court supervisor. A copy of the bank signature card or letter authorizing the check signers should be on file at the court.
- b. Original signatures should be required on all checks. For larger courts, a facsimile plate or rubber stamp may be used, but proper controls must be in place.

3. Check Registers

An automated accounting system must provide a check register that lists check numbers in numerical order to meet fundamental internal control requirements. Standards regarding check registers have been developed by the State Court Administrative Office and are available at http://courts.michigan.gov/scao/resources/standards/ck_stds.pdf.

4. Bank Reconciliations

- a. Bank reconciliations for all court bank accounts should be completed monthly and maintained on a current basis. The reconciliation should be completed within 10 working days from receipt of the bank statement.
- b. Bank reconciliations should be completed by a person who is not involved in opening mail, receipting payments, or balancing receipts to accounting records. In addition, the person who performs the bank reconciliation should not be an authorized check signer on the bank accounts being reconciled.
- c. Bank statements should be unopened when received by the bank reconciler.
- d. The bank reconciliation process should consist of the following.
 - 1) Checks cleared by the bank should be verified to checks cleared by the court. For automated bank reconciliation programs, this process would consist of verifying the total of cleared checks per the bank statement (total debits less debit adjustments) to the total of cleared checks per the court system total.

- 2) Deposits recorded on the bank statement should be verified to deposit records per the court. This should include a review to determine that deposits were made on the date that the deposit should have been transmitted to the bank. All deposits in transit and any overages or shortages should be properly accounted for.
- 3) All debit and credit memos reflected on the bank statement should be reviewed and properly accounted for in the accounting records and bank reconciliation.
- 4) The ending bank statement balance should be reconciled to the book balance of the court, including the identification of all reconciling items (deposits in transit, outstanding checks, overages, shortages, unrecovered nonsufficient funds (NSF) checks, bank service charges, checks cleared in error, bank errors, credit memos, debit memos, and other items on the bank statement that are not on the court records, and vice versa). Reconciling items should be brought to the attention of the bank and responsible court staff. The items should be properly disposed of, adjusted, and eliminated prior to completion of the following month's bank reconciliation.
- 5) If an unreconciled difference between the bank statement balance and the court book balance exists, the following guidelines can be used to locate the differences.
 - a) Repeat steps 1 through 3 above.
 - b) If the cleared checks total per court records does not agree with the bank total (number 1 above), review the bank statement for checks that may have been cleared by the bank twice or may have been cleared at an amount different than the amount cleared by the court.
 - c) Examine voided checks, making sure that checks voided after the bank reconciliation date (usually the bank statement ending date) but dated prior to the bank reconciliation date are reflected as outstanding on the outstanding check list.
 - d) Make sure that NSF checks have been properly reflected in the bank reconciliation, including those from the prior month that have not been recovered. Trace all NSF debits and credits shown on the bank statement to both the prior bank reconciliation and the current month's listing of unrecovered NSF checks.
 - e) Go back to the prior month's bank reconciliation, cleared checks report and outstanding check listing and make sure that all reconciling items and adjustments from the prior month were either cleared or have been properly brought forward to the current month's bank reconciliation.

- 6) Unreconciled differences between the bank statement balance and the court book balance should be resolved on a timely basis. Should an unreconciled difference exist which cannot be found, the unreconciled difference should be properly adjusted through the local funding unit or court's operational budget on an annual basis.
- e. In order to properly monitor the completion of bank reconciliations on a current basis and to be aware of any unreconciled differences, completed bank reconciliations should be reviewed monthly by court management. This review should be documented with the reviewer's initials and the date of the review.

5. NSF (Nonsufficient Funds) Checks

- a. The payer should be immediately contacted when the NSF check notice is received from the bank.
- b. A procedure should be established for handling checks deposited that are returned NSF. This procedure should include maintaining a listing of all NSF checks received and the proper accountability and enforcement for the recovery of the NSF checks. Accounting and case file records should be reduced or adjusted by the amount of the NSF check at the time the NSF check notice is received from the bank.
- c. Any NSF service fees assessed by the bank should be charged to the payer. The court may charge a service handling fee to the payer for an NSF check even though the bank does not.
- d. No personal checks should be accepted from individuals after two checks have been returned NSF.
- e. NSF checks that have not been collected after 60 days should be referred to the local prosecuting attorney for collection.

6. Counterfeit Money

If the court receives notice of a deposit adjustment and a report of a counterfeit note from its bank, that means the bank has seized suspected counterfeit money. The bank will submit the seized money to the United States Secret Service (USSS) Field Office for verification and will notify the court of the determination of the USSS. If the money is determined to be authentic, the bank will make another deposit adjustment. If the money is determined to be counterfeit and the court cannot track these funds back to the specific payer and case, the court will have to replenish this shortage through its funding unit.

7. Escheating Old Outstanding Checks

The Unclaimed Property Division of the Michigan Department of Treasury requires that all money unclaimed for one year, including undeliverable and outstanding checks, be escheated annually to the State of Michigan. The checks should be reviewed annually. All old outstanding checks should be escheated to the State of Michigan according to prescribed regulations. However, old restitution checks should be forwarded to the Crime Victim's Rights Fund created by 1989 PA 196, MCL 780.904. If the unclaimed property is a cash bond and the property owner is an out-of-state resident, the property must be reported and remitted to the treasurer in the state of the owner's last-known address. (MCL 780.766[21], MCL 780.794[21], MCL 780.826[18])

Before filing a report with the state treasurer regarding the property, the court should send notice of intent to escheat to the owner. See SCAO-Approved form MC 25 at <http://courts.michigan.gov/scao/courtforms/general/mc25.pdf>. Notice must be sent not less than 60 days nor more than 365 days before filing the report. (MCL 567.234, MCL 567.238[5])

If a person entitled to receive restitution that the court has collected cannot be located, refuses to claim it from the court within two years of being eligible to do so, or refuses to accept the restitution, the court must remit the unclaimed amount to the Crime Victim's Rights Fund on its monthly transmittal to the state. That person may subsequently claim the restitution by applying to the court which collected and remitted it. The court must notify the Crime Victim Services Commission of the claim, and the commission must approve a reduction in the transmittal to the Crime Victim's Rights Fund to pay the victim. (MCL 780.766[21], MCL 780.794[21], MCL 780.826[18])

8. Old Court Bank Accounts - Unidentified Balances

The Unclaimed Property Division of the Michigan Department of Treasury requires that all money unclaimed for one year be annually escheated to the State of Michigan. The unclaimed property report is due each November 1. Therefore, any funds that exist in an old court bank account that cannot be identified to a defendant, governmental agency, or other court payee should be escheated to the State of Michigan according to prescribed regulations. However, any funds that exist in an old court bank account that cannot be identified to a restitution victim should be forwarded to the Crime Victim's Rights Fund created by 1989 PA 196, MCL 780.904. (MCL 780.766[21], MCL 780.794[21], MCL 780.826[18])

F. Receipts

1. Centralization of Receipting Function

All payments received by the court should be collected and receipted in one centralized location. The number of employees authorized to receive checks, money orders, and cash should be restricted to a limited number of employees. If possible, one or two employees (or more depending on the size of the office) should be assigned as cashiers and the only employees authorized to collect and receipt both in-office and mail payments. Probation officers and other court employees who are not within the main accounting or cashiering unit should not be allowed to collect any payments.

Any money collected for the payment of fines, costs, restitution, assessments, probation or parole supervision fees, or other payments arising out of the same criminal proceeding or order of disposition must be allocated as provided in statute. (MCL 775.2, MCL 712A.29, MCL 780.766a, MCL 780.794a, MCL 780.826a)

2. Receipting Payments to the Accounting System

All payments received by the court should be receipted and recorded in the court's accounting system and deposited into the court or funding unit bank account.

3. Mail Opening Process

- a. Employees who open the mail should not be involved with receipting payments, balancing the accounting records, or performing the bank reconciliation.
- b. Checks, money orders, and cash received in the mail should be recorded on a mail log prepared by the mail opener or, at a minimum, an adding machine tape should be prepared. This process may not be possible in courts with only a few employees. If a mail log is prepared, it should indicate the date received, payer's name, type of payment (check, money order, or cash), check/money order number, and amount.
- c. Checks and money orders should be endorsed for deposit at the time the mail is opened and after they are properly identified as being payable to the court or, at a minimum, if the court validates checks and money orders, when they receipt them into the system.
- d. All "cash" received in the mail should be verified at the time the mail is opened by another employee and the mail log should identify the receipt of "cash" and the initials of both employees.

- e. Checks and money orders received by the court in error should be noted on the mail log or documented in a separate record. These checks and money orders should be appropriately forwarded to the proper payee or returned to the payer rather than deposited in the bank account.
- f. After all checks, money orders, and cash have been recorded and totaled on the mail log or adding machine tape, the log or tape should be initialed by the mail opener. The mail log or adding machine tape should then be forwarded to the employee who balances receipts to the accounting records, while the checks, money orders, and cash should be given to the employee who performs the receipt function. See page 06-05-13.
- g. All mail payments should be receipted to the accounting records on the day received or no later than the end of the next business day.

4. Receipt Process

- a. Employees who receipt payments should not be involved with opening the mail, balancing receipts to the accounting records, or performing the bank reconciliation.
- b. If the court is on an automated receipt system, each employee should have a separate unique password for receipting payments that is known only to the employee. The system should provide an audit trail tracing each receipt to the employee who entered it in the system.
- c. Each employee authorized to receipt in-office payments should be assigned to a separate cash drawer with access to the drawer being restricted to the assigned employee.
- d. Receipt records should indicate the type of payment (check, money order, or cash), date received, amount received, and case number. The check or money order number should also be indicated. If the court is on a manual receipt system, receipts should be prenumbered. Automated systems should provide a receipt or transaction number.
- e. If the court is on an automated accounting system, the system should not allow a receipt to be written to a lesser amount, edited, or deleted once the receipt has been accepted in the system.
- f. A receipt should be attached to or placed in the case or other permanent file unless an automated financial case management system is in operation that provides receipt information in the automated case file record.

- g. A receipt should be provided to the payer for in-office payments.
- h. Checks and money orders received for in-office payments should be endorsed for deposit or validated for deposit at the time the payment is receipted.
- i. After receipting, undeposited checks, money orders, and cash should be kept in a locked drawer or other locked device during the day.
- j. If the court is closed during the noon hour, undeposited checks, money orders, and cash should be kept in a secure location that is not accessible to the public and court employees.
- k. Cash-on-hand balances used for making change should be kept at a minimum.
- l. Third-party checks should not be accepted.
- m. Overpayments of fines, costs, fees, and restitution should be refunded by check to the payer. If the court has a policy of not returning overpayments below a certain amount, the overpayment should be receipted and transmitted to the funding unit; however, requests for refunds must be processed. However, if the payer requests a refund of the overage, the court must process the refund notwithstanding the court's policy.
- n. Any computer system used by a court office to issue receipts shall be able to identify receipts by cash receipts and check receipts. Furthermore, cash receipts shall periodically be compared to cash deposits by someone not involved in the day-to-day receipt, balancing, and depositing processes. Reasons for differences shall be documented. The person performing the comparison shall report to the chief judge.
- o. Canadian and other foreign currency

If possible, the court should only accept U.S. currency. There are some circumstances, however, where Canadian or other foreign currency is received and must be accepted by the court. The following receipt guidelines should be adhered to when foreign currency is accepted.

- 1) A separate deposit should be prepared for Canadian and other foreign checks, money orders, and cash.
- 2) Payments should not be receipted to a court's accounting records until after the bank has been contacted and an adjustment to U.S. currency has been made.

- 3) The court should maintain accounting records that properly control and provide an audit trail for the receipt and disbursement of Canadian and other foreign funds.
 - 4) Any bank charges for Canadian and other foreign deposits should be adjusted and charged to the payer's account or case.
- p. If the court suspects a payment received is counterfeit, the court should do the following.
- 1) Inform the payer of this and seize the suspected bill(s).
 - 2) Have the payer complete a “Seizure of Suspected Counterfeit Money” form. A sample form is at <http://courts.michigan.gov/scao/courtforms/otherscao/supctfin-cm.pdf>. Give the payer a copy of the completed form.
 - 3) Explain to the payer that the seized money will not be applied to the case, and give the payer a receipt for any payment that is applied to the case.
 - 4) Contact the United States Secret Service Field Office for instructions about the procedure for verifying counterfeit money. The telephone numbers for the Michigan offices are at http://www.ustreas.gov/ussf/field_offices.shtml#m.
 - 5) Notify the payer of the determination of the United States Secret Service. If the money is returned, the court should either: (1) apply the money to the appropriate case if there is a balance remaining, or (2) return the money to the payer, by check, if there is no balance remaining on the case.
- q. The court should not assess or collect fees for services ordered by the court or required by statute or court rule when the services are not performed by the court. Examples include process server fees or counseling, treatment, or educational programs.
- r. If the court accepts credit and debit cards in payment of monies due to the court, proper controls should exist relative to the acceptance of these charges. This includes determining the proper identification of the person paying by credit card, verifying the information with the credit card company, and determining information required for credit card payments made over the telephone, if accepted by the court.
- s. Court employees authorized to waive fines, costs, and fees should attach documentation presented by the defendant to tickets or case file records when fines, costs, and fees are waived.

5. Voided Receipts

Proper security and controls should exist regarding the voiding of receipts as follows.

- a. The original voided receipt should be retained with balancing records. In addition, voided receipts should be marked "VOID," indicate the reason for the void, and reflect the reissued receipt number where applicable.
- b. A review procedure should exist whereby an employee verifies the voided receipt total per the cash register tape or accounting system report to the original voided receipts. This review should ensure that all receipts voided were proper and that the receipts were reentered in the accounting system unless a justified explanation is provided as to why a voided receipt was not reentered. This review should be documented with the reviewer's initials and the date of the review.
- c. The review procedure in a manual receipt system should consist of verifying that all receipt numbers are accounted for in the receipts journal with the proper accountability of all voided receipts. Receipt numbers that have been voided should be marked "VOID" in the receipts journal.
- d. The employee who reviews voided receipt totals and ensures that all voids were proper and justified should be independent of the receipt process. Also, this employee should not be authorized or have the capability to void or edit receipts.
- e. The automated system should not omit voided receipts from daily receipt reports. When a receipt is voided, the transaction should be appropriately posted to payment records in the automated case management system.
- f. The accounting system and cash register should not allow for negative entries to be entered without a case file number also being entered. Otherwise, receipts totals could be reduced while case file payment records are not changed.

6. Manual Receipts

Proper controls should exist regarding the use of manual receipts. These controls are required whether the court uses a manual or automated accounting system.

- a. All manual receipts should be prenumbered, reflect the name of the court and provide at least two copies.
- b. Manual receipt books should be under the control of a supervisor who should maintain a record of all receipt books used and unused.

- c. Manual receipts should not be located in any court offices other than the main cashiering unit.
- d. Unused manual receipts should be kept in a secure location.
- e. Manual receipts should be properly accounted for with verification of the beginning sequence number to the ending sequence number by the employee who balances receipts to the accounting records.
- f. The employee who reviews and accounts for manual receipts should not be involved in the receipt process.
- g. If the court is on an automated accounting system, manual receipts should only be used when the system is not operational and it becomes necessary to write a receipt.
- h. Manual receipts used when the automated accounting system is not operational should reflect the automated receipt number used when the receipt is subsequently entered in the automated accounting system.
- i. Manual receipts used when the automated accounting system is not operational should be reviewed by an employee independent of the receipt process to ensure that the receipts were subsequently entered in the automated accounting system. This review may be done on a periodic basis. This review should be documented with the reviewer's initials and the date of the review.

7. Balancing the Accounting Records

- a. Employees who balance receipts to the accounting records should not open the mail, receipt payments, or perform the bank reconciliation.
- b. If the court has assigned employees as cashiers with separate cash drawers, each cashier should count the cash in his or her drawer at the end of the day. These employees should sign or initial a report reflecting the checks, money orders, and cash counted. The checks, money orders, and cash should then be forwarded to the employee who balances the accounting records.
- c. Checks, money orders, and cash should be counted by the employee who does the balancing and verifies receipts to the total per the accounting records. The process should include verification of total "cash" receipts per the accounting records to actual "cash" counted.
- d. Receipt or transaction numbers should be accounted for with verification of the first

- number of the accounting report or journal following the last number from the previous accounting report or journal to ensure that numbers have not been missed.
- e. If a mail log or adding machine tape of checks, money orders, and cash received in the mail is prepared, a subsequent verification to the receipt records should be performed by someone who is independent of the mail opening function. At a minimum, the verification should consist of a sample of the daily mail log. The employee who performs this verification should sign or initial the log or tape. If a portion or all of the payments are not receipted to the accounting records on the same day they were received, an audit trail of the mail or adding machine tape from the date received to the date receipted should exist.
 - f. The court should not maintain an over/short fund to balance overages and shortages. Overages should be remitted to the local funding unit, while shortages should be replenished through the court's operating budget.
 - g. Overages and shortages should be reported to court management, with any significant overages and shortages being investigated and reported to the chief judge in writing. Court management is responsible for reviewing and monitoring periodic overages and shortages.
 - h. Receipt totals should be summarized on an accounting report, cash register tape, or summary cash receipts report with any overages and shortages being identified.
 - i. The employee who balances receipts should sign or initial the accounting report, cash register tape, or summary cash receipts report as verification that receipts were balanced and that any overages or shortages have been identified.
 - j. If the back side of checks and money orders is receipt validated through the cash register, the balancing and deposit preparation process should include a review of the back of all checks and money orders to be deposited to ensure that they were properly validated. This review should provide verification that the checks and money orders were receipted in the cash register system.
 - k. Checks and money orders to be deposited should be listed on the deposit slip or, at a minimum, there should be an adding machine tape of checks and money orders being deposited that should be retained by the court.
 - l. Checks, money orders, and cash received for unknown cases or cases not yet received by the court should be deposited in the bank within one day from the date of receipt rather than held undeposited. If the court maintains a suspense bank account to deposit these funds, the account should be reviewed monthly and suspense funds properly disposed of. Suspense bank account balances should be kept at a minimum.

- m. Undeposited checks, money orders, and cash should be kept in a locked safe or other locked secure device at night.
 - 1) Access to the safe or secure device should be restricted to a few court employees.
 - 2) The safe or secure device combination or lock should be periodically changed and changed when someone who knows the combination or has a key to the safe or secure device terminates employment with the court.
- n. All court agencies should utilize locked bank bags. The bank should be the only entity that has access to the key for the bank bag.
- o. In no case should employees or other individuals be allowed to cash checks (personal, court, funding unit, etc.) from undeposited cash receipts.
- p. Proper security should be utilized for the transmission of the deposit to the bank or funding unit.
- q. The employee who transmits the deposit to the bank or funding unit should be required to provide a deposit validation slip from the bank or funding unit to a supervisor. The supervisor should verify that the deposit was actually made on the date transmitted and in the amount reflected on daily balancing records.
- r. If the court deposits directly with the funding unit, staff at the funding unit should count and verify the deposit amount in the presence of the court employee who transmits the deposit.
- s. If the court operates separate suboffices that collect and receipt payments, the money should be deposited with the centralized office at least once a week.
- t. If security carriers or law enforcement agencies transmit deposits to the bank, a record showing the date, time, amount of deposit, number of bags (should be locked bags), and carrier signature should be maintained by the court.
- u. Deposits should be made no less frequently than every two days. In smaller courts, deposits should be made whenever the collection total reaches \$1,000 or at least weekly even if the total is less than \$1,000.

G. Disbursements

- 1. All disbursements made by the court should be made through the issuance of a check. In no case should a disbursement be made in cash or should a check be made payable to "cash." A court's automated accounting system must provide a check register that lists check numbers in numerical order.

2. Checks should not be presigned.
3. Blank checks should be stored in a secure area and should not contain any authorized signatures.
4. Any check number missing as the result of an error made by the vendor should be properly documented and accounted for in the court records.
5. The court should provide proper security in the use and control of facsimile signature plates and/or rubber signature stamps.
6. A replacement check should be reissued to a payee only after the payee has signed an affidavit indicating that the original check was not cashed. Documentation should be maintained by the court in support of replacement checks issued.
7. Collections transmitted to the local funding unit should be reconciled to the accounting records and bank account prior to submission of the check to the funding unit.
8. All transmittals and disbursements due to the local funding unit, state and other governmental agencies should be submitted on a monthly basis, or as otherwise required.

Department of Treasury Letters and Department of Treasury Transmittal Advice Forms and Instructions are available at the Department of Treasury website at http://www.michigan.gov/treasury/0,1607,7-121-1751_2164---,00.html. See also a distribution of fines and costs table for civil infraction and misdemeanor violations on the SCAO website at <http://courts.michigan.gov/scao/resources/other/disttbl.pdf>.

9. Collections should be transmitted to the local funding unit within 10 business days following the end of the month, unless some other agreement has been made between the local funding unit and the court.
10. A receipt from the local funding unit should be obtained and retained with the court copy of the transmittal advice.
11. If the court receives garnishment checks and endorses the checks to the plaintiff rather than depositing the checks in the trust account, an accurate record of receipts and disbursements should be maintained and checks held in a secure area prior to release.

H. Bonds, Restitution, and Other Trust Funds

1. A subsidiary ledger should be maintained for bonds, restitution, and other trust funds held by the court. The ledger should reflect receipts, disbursements, and the outstanding balance for each case.

2. The total outstanding balance in the bond, restitution, and trust ledger(s) should be reconciled to the applicable trust bank statement balance or local funding unit trust account balance on a monthly basis. The reconciliations should be retained for audit.
3. Open bonds, restitution, and other trust funds reflected in the subsidiary ledger should be reviewed annually for lack of progress. Open bonds and other trust funds, with the exception of restitution, should be escheated as prescribed in treasury regulations to the Unclaimed Property Division of the Michigan Department of Treasury. Unclaimed bonds should not be forfeited to the funding unit unless the defendant has not complied with the conditions of bail.

If a person entitled to receive restitution the court has collected fails to claim it from the court within two years of being eligible to do so, the court must remit the unclaimed amount to the Crime Victim's Rights Fund on its monthly transmittal to the state. The person may subsequently claim the restitution by applying to the court that collected and remitted it. The court must notify the Crime Victim Services Commission of the claim, and the commission must approve a reduction in the transmittal to the Crime Victim's Rights Fund to pay the victim. (MCL 780.766[21], MCL 780.794[21], MCL 780.826[18])

4. All payments received for bonds, restitution, and other trust funds should be receipted and deposited through the accounting system of the court.
5. Receipts should be provided to police agencies at the time bonds are received by the court. If receipts are not issued at the time bonds are received, the employee who receives bonds from police agencies should maintain a record or log that reflects all bond monies received and provides an audit trail to receipt records in the accounting system.

An employee who is not involved in receiving bonds from the police agencies should receipt the bonds to the accounting system or otherwise periodically review bond records and verify that bonds received were appropriately receipted to the accounting system.

6. A copy of the bond receipt and a record of the bond disposition should be filed and recorded in the case file or noted in the automated case management record.
7. When the full amount of an appearance bond is to be applied to fines, costs, fees, and restitution, a check should be drawn payable to the court and appropriately receipted to the accounting system in accordance with the judgment.

If only a portion of the appearance bond is to be applied as fines, costs, fees, and restitution, a check should be drawn payable to the court for the amount to be applied, appropriately endorsed, and receipted to the accounting system. The balance should be

refunded to the defendant or person who posted the bond through the issuance of a check. In no case should only one check be issued that is payable to the court for the full bond amount, resulting in a cash refund for the difference.

As an alternative, one daily check may be written payable to the court covering all bonds applied as fines, costs, fees, and restitution. This procedure is allowed provided there is an acceptable process and documentation for applying the bonds. If a bond release form is used that requires the signature of the defendant or person who posted the bond, the form should be prenumbered and properly reviewed and accounted for daily.

All bond checks or supporting documentation for a daily check applied to fines, costs, fees, and restitution should reflect the case number(s).

8. All bond refunds should be made by check and reflect the case number. Bond refund checks should not be cashed by the court.
9. When a defendant does not comply with the conditions of bail and the bond deposit is ordered forfeited, a check should be drawn payable to the court and appropriately receipted to the accounting system. Bond forfeitures should be disposed of between 28 and 45 days from the forfeiture order date. Bond forfeiture checks should reflect the case number.
10. Restitution should be deposited in a trust account and all disbursements should be made by check with the case number being properly reflected. Restitution should be disbursed to victims within one week from receipt of the restitution payment unless the defendant makes weekly or biweekly payments, in which case monthly disbursements can be made. Restitution disbursements to victims should be made at least once a month.
11. Friend of the Court (FOC) posting errors – There may be instances where a support payment is misapplied or otherwise sent to a recipient in error. If a custodial parent is overpaid, the FOC may attempt to recover the erroneously-disbursed funds from the custodial parent.
 - a. A payment is inappropriately disbursed to a custodial parent, which MiSDU staff back out and repost to the proper IV-D account. When completing the back out for some reason other than the county's request, MiSDU staff will send an e-mail to the FOC regarding the action.
 - b. The overpaid custodial parent is contacted by the FOC and agrees to repay the inappropriately disbursed support payment.

- c. The custodial parent makes a payment to the FOC. The FOC receipts the payment via “CP recoup receipt source,” which places the payment on hold.
 - 1) The FOC will manually distribute this receipt to the Recovery – State (RS) debt type and reduce it to zero when paid in full.
 - 2) The FOC manually increases the noncustodial parent’s child support (CS) arrears on the “Obligation Arrears Adjustment” (OBAA) screen in an amount equal to the custodial parent’s payment. (The noncustodial parent never paid this money and the custodial parent has now returned the money; the noncustodial parent still owes the child support to the custodial parent.)

- d. If the custodial parent elects to have the overpayment collected out of future support, FOC staff may work with suspense management staff to place a hold on the case and then request reallocation after the noncustodial parent makes future support payments.
 - 1) An FOC must have the custodial parent’s express consent before withholding future support payments.
 - 2) In the absence of express consent, the FOC may withhold from future support payments if the custodial parent has failed to respond to no fewer than three direct written requests to the custodial parent to repay the overpayments. All actions taken to recover overpayments from a custodial parent must be documented in case notes.

Note: Failure to respond means that the custodial parent has not responded, in writing or by other method, to the FOC’s request. If the custodial parent responds and refuses the FOC the authority to withhold the overpayment from future support, this is not considered failure to respond. The FOC, in that instance, cannot withhold the payment from child support.

- e. If it is determined that the error is the FOC’s liability, the money has disbursed and the county level agency wishes to make whole (through whatever authority – funding or otherwise – granted within the county), then the FOC can fund the make whole through the following procedures.
 - 1) The FOC mails, in a blue envelope provided by MiSDU, the DHS-307 indicating the FOC decision to back out and repost and a check to cover the make whole.

- 2) MiSDU staff will back out and repost the payment funded by the FOC's payment.
- 3) The FOC will monitor the recovery to the state account of the IV-D case to determine when the noncustodial parent has made a payment toward the recovery to the state account. This is a manual process tracked by the FOC outside MiCSES.
- 4) If a payment applies to the recovery of the state account, the FOC will notify MiSDU of the payment via e-mail at holmsa@michigan.gov and ask MiSDU to forward the payment to the FOC.
- 5) MiSDU will verify the recovery account has been paid and forward the collection to the entity designated by the FOC.

For details, refer to Michigan IV-D Action Transmittal 2003-04. (Note: This is not a public document; only persons with access to Mi-Support can retrieve it.)

I. Receivables

1. Fines, Costs, Fees, and Restitution Due from Defendants

- a. For each defendant authorized to make time or installment payments of fines, costs, fees, and restitution, the records should be maintained and indicate the case number, defendant name, address, date of sentence, amount assessed, payment terms, receipt date, receipt number, receipt amount, and balance due.
- b. The court should have a procedure that enforces and monitors the collection of fines, costs, fees, and restitution.
- c. Fines, costs, fees, and restitution received from defendants in installment payments should be distributed in accordance with applicable statutes.
- d. All case file balances should be paid in full prior to closing a case where fines, costs, fees, and restitution have been ordered unless otherwise closed by a court order.

2. Court-Ordered Parental Reimbursements

- a. For parental reimbursements due to the court as a result of a court order, the records should be maintained and indicate the case number, payer name, address, amount due, payment terms, receipt date, receipt number, receipt amount, and balance due.
- b. The court should have a procedure that enforces and monitors the collection of parental reimbursements.

- c. The court should have a policy regarding the priority for application of installment payments received for parental reimbursements in accordance with applicable statutes.
- d. All account balances should be paid in full prior to closing a case where parental reimbursement has been ordered unless otherwise closed by a court order.

J. Suspected Embezzlement

1. If embezzlement is suspected, or if irregularities appear in court financial records, the chief judge of the court should immediately contact the State Court Administrative Office regional administrator. The regional administrator will contact the appropriate law enforcement agencies (usually the Michigan Attorney General's Office and Michigan State Police) to begin a criminal investigation, if such action is deemed necessary. In addition, the State Court Administrative Office may arrange for an audit (typically conducted by the Supreme Court Internal Audit Section), if necessary. The law enforcement agencies and audit section will work with local court employees, management, and judicial staff to expeditiously complete the investigation and audit. During the investigation and audit, court staff should not talk to any suspect (if known), any other court staff or others until given permission by the aforementioned agencies.
2. Complaints alleging embezzlement from citizens, support recipients, and defendants should be reviewed by court management. Special attention should be paid to (1) complaints about payments not being properly credited to case records or (2) complaints that payments made to the court that were payable to another individual or organization were not received by that individual or organization.

6-06 FUNDING PROBLEMS FOR MULTI-LOCATION COURTS

Multi-location trial courts experience unique funding problems. In many cases, the chief judge and court administrator must perform budgetary responsibility with the governing body of the local governmental unit at each court location.

The following statutes allow local governmental units to agree to share court expenses.

A. District Court Act

Pursuant to the District Court Act, one or more district control units within any district may agree among themselves to share any or all of the expenses of maintaining, financing, or operating the district court. (MCL 600.8104[3])

B. Intergovernmental Transfers of Functions and Responsibilities Act

Pursuant to the Intergovernmental Transfers of Functions and Responsibilities Act, two or more political subdivisions are authorized to enter into a contract with each other providing for the transfer of functions or responsibilities to one another or any combination thereof upon consent of each political subdivision involved. (MCL 124.532 *et seq.*)

6-07 FUNDING UNIT DISPUTES

A. Introduction

In the area of fiscal management, disputes between trial courts and their local funding units concerning adequate funding for the operation of the trial court can create a very trying situation for the court and local governmental officials. See also Section 5-04.

1. Obtaining Funding from Local Government

Through Administrative Order (AO) 1985-6, adopted contemporaneously with issuance of the judgment in 2nd *District Court v Hillsdale County*, 423 Mich 705 (1985), the Michigan Supreme Court established the procedure trial courts must follow to obtain funding from the local governmental unit to properly perform its duties. Administrative Order 1998-5, which replaced AO 1985-6, reiterates the procedures and can be found at <http://courtofappeals.mijud.net/rules/documents/3AdministrativeOrders.pdf>. See also Section 5-04.

2. General Procedure Regarding Disagreement on Funding

In the *Hillsdale* case, the Michigan Supreme Court generally held that when an agreement cannot be reached between a court and a funding unit, the court may initiate suit and shall bear the burden of proof regarding expenditures in excess of appropriations. Pursuant to the procedure in AO 1998-5, the state court administrator will assign a disinterested judge to preside over the action.

Before initiating legal action, however, the trial court must notify the state court administrator pursuant to AO 1998-5. During the prescribed 30- to 60-day waiting period, the state court administrator, through the regional state court administrator, will attempt to aid the court and the local funding unit to resolve the dispute.

B. How to Avoid Funding Disputes

The most effective method of handling funding disputes is to avoid them. However, this is not to suggest that courts should concede to inadequate resources. It does mean that cooperatively establishing appropriate funding levels with the executive and legislative branches is the best guarantee that the court will consistently obtain required resources.

1. Fundamentals in Establishing Favorable Relationships with Funding Authorities

There are two fundamentals in establishing a favorable relationship with funding authorities: (1) realistic requests and (2) continuous, effective communication.

a. Realistic Requests

Whether a request is realistic must be defined on a case-by-case basis and must be assessed in the context of the local fiscal situation. Requesting or demanding substantial budgetary outlays at times when a funding unit is in financial crisis, particularly if the need for the outlays is not well substantiated, may not be realistic.

b. Continuous and Effective Communication

Communication is the key to public understanding of the business of the courts and, therefore, an appreciation of its needs. Too many of the public and those in other branches of government see courts as an agency like any other in the executive branch or solely as a criminal justice agency or enforcement agency. It is the responsibility of the court to ensure that the public and other branches of government have an understanding of the constitutional independence of courts. Furthermore, the courts must help others understand the critical responsibilities the courts have for (1) managing records and information, (2) making decisions and (3) enforcing their decisions. The court must help the funding unit understand which resources the court must have in order to manage its workload and carry out its constitutional and statutorily-mandated responsibilities.

Studies of the budget decisionmaking process in state governments show that the most important factors influencing legislative decisionmaking on budget matters are not demonstrated need or workload statistics, but rather the availability of funds and credibility of the entity requesting funds.

Communication with the funding unit should be ongoing, not just when budgeting, and not just at times when the court is asking for additional resources. Courts have accomplished ongoing communication in a variety of ways, including issuing annual reports (with data regarding workload) and conducting regular meetings with the funding unit or a court advisory body.

C. Early Negotiation

At the earliest sign of disagreement over funding levels for court operations, the chief judge and/or court administrator should attempt negotiations with key executive and legislative officials. It is recommended that both the chief judge and court administrator be closely involved in all such negotiations. The chief judge is, by rule, ultimately responsible for operation of the court and, therefore, the chief policymaker. In the absence of a court administrator, the chief judge is the chief policy implementer. Where a court administrator exists, the court administrator should be a policymaker as well, and is primarily responsible for policy implementation.

D. Involve Your Regional Administrator

The regional administrator of the State Court Administrative Office should be notified immediately upon the first sign of any difficulty in budget negotiations (if not involved up to that point). The earlier the regional administrator can become involved, the easier it will be for the State Court Administrative Office to provide assistance in budget negotiations. Accordingly, it is advisable to keep the regional administrator informed of all proceedings relating to the budget, even though that office may have no direct involvement in the budget preparation or negotiation process until a later time, or not at all if problems do not develop.

The chief judge or court administrator of a local trial court may request direct assistance or intervention by the SCAO regional administrator at any time during the process. The regional administrator will respond based on the analysis of the specific situation. This could include information meetings, direct mediation, outside mediation, or negotiation.

E. Third-Party Mediation

1. Resources

The State Court Administrative Office and the Michigan Association of Counties have established a network of volunteer judges and county commissioners who, upon request of the State Court Administrative Office and the Michigan Association of Counties, will act as mediators to assist in resolving disputes that cannot be resolved otherwise. This procedure has been employed prior to legal action and upon agreement of the parties after a lawsuit has been commenced. This procedure can be started by a request from the chief judge to the regional administrator.

2. Selection, Expenses and Procedures

a. Selection of Mediators Based on Voluntary Participation

The procedure requires voluntary participation by the trial court and the funding unit. The regional administrator will select a judge-mediator and the Michigan Association of Counties will select a commissioner-mediator.

b. Expenses

Mediation expenses will be paid by the funding unit.

c. Procedures

Procedures for the mediation will be established on a case-by-case basis by agreement of the parties and the mediators. Any recommendations or decisions by the mediation panel are not intended to be binding unless the parties stipulate otherwise. No procedural rules exist relating to the admissibility of the mediators' findings or

recommendations in any subsequent or pending lawsuit. Accordingly, to the extent that those issues are important to the parties, they should be addressed at the beginning of the mediation process. Mediation can be invoked at any time by agreement of the parties involved, and the procedures can be adjusted to fit the circumstances of the dispute under consideration. However, since mediators are volunteers and must take time from their regular duties, third-party mediation should not be overused.

F. Lawsuit as Last Resort

1. Notice to State Court Administrator of Intent to File Lawsuit

If a trial court determines that no other recourse is available, it may choose to file a lawsuit against the funding unit. Prior to doing so, the trial court must provide 30 days' notice (which can be extended another 30 days by the state court administrator) to the state court administrator, in writing, of the intention to file a lawsuit. The letter providing notice should be directed to the state court administrator, with a copy provided to the regional administrator. The letter should indicate what efforts have been made to resolve differences over budget matters and a summary of the substance of the dispute that will be the subject of the lawsuit, as well as any other matters the trial court deems relevant. The state court administrator, in turn, will acknowledge receipt of the notice indicating the critical dates for the 30-day notice and indicating the type of action that the State Court Administrative Office will undertake to attempt to resolve the dispute.

2. Intervention

In most cases, the matter will be referred to the appropriate regional administrator for intervention. The regional administrator may employ one of several methods, including an analysis and opinion regarding the budget request and the response from the funding unit, attempts at informal negotiation, and/or mediation, and/or referral to third-party mediation.

G. Case Law

1. *Judges of the 74th Judicial District v Bay County*, 385 Mich 710 (1971)

In this case, the Supreme Court held that employees of the district court are employees of the judicial district, an administrative unit of the state's one district court, which in turn is a subdivision of Michigan's one court of justice; they are not employees of the county, city or other district control unit even though they are paid by the district control unit. A collective bargaining agreement, executed by a county board of commissioners, as an employer cannot and does not bind a judicial district.

2. *Livingston County v Livingston Circuit Judge*, 393 Mich 265 (1975)

In this case, the Supreme Court stated that "the best practice, in general, especially at initial bargaining sessions, is for the local judiciary to invite a representative of the commissioners to appear personally at such sessions. The commissioners' representative cannot actively bargain, of course, but such representative may present relevant data as to other county employees, *e.g.*, wage levels for comparable jobs, provisions in other labor contracts, general county benefits, and county budget information."

3. *2nd District Court v Hillsdale County*, 423 Mich 705 (1985)

In this landmark case, the Supreme Court held that a trial court has the authority to set salaries for court personnel that, if reasonable and "within appropriations," must be approved by the control unit.

The Supreme Court also held that a local funding unit may not refuse to provide adequate funding to fulfill a function of the court where the Legislature has, by statute, granted authority or created a duty for the court.

However, the Supreme Court ruled that: (1) the district control unit had authority to decline to fund salary increases for district court employees who were not alleged or proven to be necessary to maintain statutory function of the court or to provide for overall administration of justice, and (2) the trial court was not authorized to issue administrative orders to compel appropriations for salaries of court employees.

The Supreme Court said that when an agreement cannot be reached between a court and a funding unit regarding a court's budget, the court may initiate suit and shall bear the burden of proof regarding expenditures in excess of appropriations.

Administrative Order 1985-6 set forth the requirements for a trial court before it could file suit against its funding unit. This order was replaced by Administrative Order 1998-5 and can be found at <http://coa.courts.mi.gov/rules/documents/3AdministrativeOrders.pdf>.

4. *17th District Probate Courts v Gladwin and Clare County Boards of Commissioners*, 155 Mich App 433 (1986)

These consolidated cases stand for the proposition that a probate court has the authority to set salaries of its employees who, if reasonable and within the appropriations of the local funding unit, must be paid by the unit. In addition, where the probate court and the funding unit are unable to agree on such expenditures, the court may institute suit and shall bear the burden of proving that the appropriation it seeks is necessary to the performance of its statutorily-mandated function.

5. *Ottawa County Controller v Ottawa Probate Judge*, 156 Mich App 595 (1986)

In this case, the Supreme Court held that, despite statutory language that might be construed as empowering a county board of commissioners to set the salaries of certain probate court employees, it is the probate judge who has the authority to set salaries of probate court employees, so long as the court's total budget remains within the total budget appropriation set by the county board.

The 17th *District Probate Court* and *Ottawa County* cases involved nonunion situations where the court had determined the appropriate salary levels it wanted to pay certain employees. In cases likely to result in litigation, consultants are useful in establishing the foundation required to prove that the court's proposed salary levels are reasonable and necessary.

6. *Judicial Attorneys Association v State of Michigan and the County of Wayne*, 459 Mich 291 (1998)

In this case, unions representing the trial court employees brought suit to challenge the validity of statutory provisions designating the county, or county judicial council, as "employer" of court employees and dividing personnel responsibilities between the county and chief judge. The Supreme Court held the statutory provisions designating county, or county judicial council, as "employer" of court employees and dividing personnel responsibilities between county and chief judge violated, on their face, the separation of powers doctrine. The court said that the judicial branch's powers necessarily included the administrative function of controlling those who worked within the judicial branch, and the legislatively-prescribed sharing of personnel functions was not sufficiently limited and specific so as to not encroach on the judicial branch.

7. *Lapeer County Clerk v Lapeer Circuit Court*, 469 Mich 146 (2003)

In this case, the Supreme Court quoted *Allor v. Board of Auditors of Wayne County*, 43 Mich 76 (1880), where the Supreme Court held, “[N]o court, in the exercise of its functions, can be lawfully subjected to the control or interference of any executive or ministerial authority, or can receive directions for any purpose except from such other courts as are authorized by the Constitution to have ‘superintending control over inferior courts.’” The Supreme Court added, “No court has a right to allow any other interference or to submit to it.”

8. 46th *Circuit Trial Court v Crawford County*, 476 Mich 131 (2006)

This case involved a funding dispute and can be accessed on-line at http://courtofappeals.mjud.net/DOCUMENTS/OPINIONS/FINAL/SCT/20060728_S128878_190_46thcircuit3may06-op.corrected.pdf.

6-08 ALTERNATIVE FUNDING SOURCES – GRANTS

A. Introduction

The principal funding source for most court operations is a general appropriation from the court's funding authority. However, occasionally there is an opportunity to obtain funds for court operations or projects for research on improvement of court operations from alternative sources. These alternative sources may well be another governmental entity or, in some cases, a foundation or charitable institution. Alternative funds will be categorized for purposes of this discussion into entitlements and grants.

B. Entitlement Funds

1. Administration

Entitlement funds are administered by other government units, usually the state or federal government, and are earmarked for the subsidization of specific activities of the local government. Often, a state government agency will administer federal entitlement funds according to specific guidelines set by the federal agency responsible for administration and distribution of funds.

2. Restrictions in Use

Typically, entitlement funds are suitable for reimbursement of governmental activity based on the character and nature of the recipient agency or based on the nature of the activity alone. In either case, use and performance restrictions or guidelines apply. This is because entitlement funds are almost always intended to encourage an activity or activities of a specific nature (i.e., child-support enforcement) or to benefit a class of persons or organizations (i.e., local government).

3. Eligibility

Rules relating to eligibility for these funds are promulgated, distributed, and enforced by administering agencies, usually a state agency (with guidance from federal agencies, if federal funds are involved). If the potential recipient fails to meet performance, record keeping or eligibility criteria for any given funding period, funds will be withheld or in some cases must be returned. Rules change frequently, often with each funding period, and recipients should make sure they are aware of the current rules.

4. Contacts

Some of the agencies that may have available entitlement funds are listed below. The list is not exhaustive, and you may wish to contact your State Court Administrative Office regional administrator for further information.

a. Office of Child Support

The Office of Child Support administers federal funds for reimbursement of a percentage of administrative costs associated with the collection of child support. In addition, the office (1) administers funds paid as incentives for efficient collection of child support, and (2) reimburses prosecuting attorneys and the probate court, juvenile division, for costs incurred in complying with the victim's rights statutes. (MCL 780.751 *et seq.*) See also Section 6-09.

Department of Human Services
Office of Child Support
235 South Grand Avenue, Suite 1215
PO Box 30037
Lansing, MI 48909
517-373-7570
http://www.michigan.gov/dhs/0,1607,7-124-5453_5528---,00.html

b. Individual and Family Services

Individual and Family Services administers the Child-Care Fund, State Ward Board and Care, and Aid to Dependent Children in Foster Care, which are used to reimburse counties for the placement of children in foster care or other residential programs. See also Section 6-09.

Department of Human Services
Individual and Family Services
235 South Grand Avenue, Suite 510
PO Box 30037
Lansing, MI 48909
517-373-2083
<http://www.michigan.gov/dhs/0,1607,7-124-5452---,00.html>

c. Michigan Department of Corrections

The Michigan Department of Corrections' Finance Division administers a state-mandated program to reimburse circuit courts and prosecutors for costs associated with the prosecution of inmates of state prisons located within the jurisdiction of the court in which the prosecution takes place. See also Section 6-12.

Michigan Department of Corrections, Finance Division
PO Box 30003
Lansing, MI 48909
517-335-1426
<http://www.michigan.gov/corrections>

The offices listed should be contacted for specific guidelines relating to the funds cited.

The State Court Administrative Office makes periodic announcements regarding the availability of and rules pertaining to funding. If court officials would like assistance in determining the existence of entitlement funds for a specific purpose, contact the SCAO regional office. See <http://courts.michigan.gov/scao/services/dirs/scao.htm>.

C. Grants

1. Introduction

Grant funding can be an excellent source of funding to supplement local general fund appropriations and entitlement funds. However, general appropriations (and service-related revenues) should always be viewed as the primary source of funding for basic operations. Entitlement funds can usually be viewed in the same manner.

2. Administration

Grant funds are typically awarded for specific activities or projects upon application for limited periods of time, and are often restricted to new or experimental activities. Restrictions on use and application requirements vary widely depending upon program and funding sources. Grant funds available to judicial agencies from the federal government are often administered by state agencies pursuant to annual plans submitted by those state agencies.

3. Eligibility

Most federally-supported programs require contributions by grantees of a resource "match" for the grant project, either in the form of the use of existing resources for the project or the use of added local resources. Grant funds available from private foundations, on the other hand, do not universally require matching resources to be contributed by the recipient, but the restrictions applicable to private foundation grants vary widely and should be considered carefully prior to application.

4. Restrictions in Use

In almost all cases, grant funds are available for limited periods for individual projects. Many governmental grant programs require periodic legislative renewal and may, therefore, exist for only a few years.

Because of these restrictions, grant funds should never be viewed as a source for funding basic or ongoing operations. Rather, grants are best used as resources for testing new programs, evaluating existing programs or funding research and planning activities. Managers should anticipate that, at the end of a grant period, general appropriation funds must be obtained to continue project activities if it is determined the project is worthwhile and that activities of the project should be maintained over a period of time.

5. Contacts

a. Private Sources

Grant funds are also available from private sources, usually foundations set up specifically to provide resources to worthy programs in specific substantive areas. For example, the Michigan State Bar Foundation awards grants for projects that benefit the legal system, while the Edna McConnell Clark Foundation has funded many projects in the area of juvenile justice.

Another resource is *The Michigan Foundation Directory*, which is available through the Council of Michigan Foundations. This guide contains a complete list of all Michigan Foundations and Michigan Corporate Giving Programs.

Council of Michigan Foundations
One South Harbor Ave., Suite 3
Grand Haven, MI 49417
616-842-7080

http://www.michiganfoundations.org/s_cmf/index.asp

Most foundations have annual goals for targeting the available funds in that year to certain projects. Some foundations have limits on the amounts available per grant, and some have geographic limitations. Each foundation should be contacted by letter to determine the rules for application for funding. There are numerous directories and guides regarding private foundation funding. One resource is the *Foundation Directory*, available from the Foundation Center in New York. This publication can be accessed at <http://fconline.fdncenter.org/>.

b. State and Federal Sources

Several state and federal offices have offered grant funding of justice system improvement activities. Some of those offices are listed below. Each office should be contacted to obtain current information regarding grant programs.

1) Michigan State Police

The Michigan State Police administers the Michigan Justice Training Fund, which provides grants for the in-service training of criminal justice personnel in law enforcement, prosecution, correction, defense, and the judicial branch.

Michigan State Police
Michigan Commission on Law Enforcement Standards
7426 N. Canal Road
Lansing, MI 48913
517-322-1417

http://www.michigan.gov/msp/0,1607,7-123-1593_26646---,00.html

2) Department of Human Services

The Department of Human Services administers grant funds available from the Office of Juvenile Justice and Delinquency Prevention through the Juvenile Justice and Delinquency Prevention Act.

Department of Human Services
Juvenile Justice Grant Unit
235 South Grand Avenue, Suite 404
PO Box 30037
Lansing, MI 48909
517-335-6128
http://www.michigan.gov/dhs/0,1607,7-124-5452_34044---,00.html

3) Office of Child Support

The Office of Child Support is responsible both for certain entitlement funds for reimbursement of activities relating to child-support enforcement, and is also a conduit for federal grant programs relating to child-support activities.

Department of Human Services
Office of Child Support
235 South Grand Avenue, Suite 1215
PO Box 30037
Lansing, MI 48909
517-373-7570
http://www.michigan.gov/dhs/0,1607,7-124-5453_5528---,00.html

4) Office of Highway Safety Planning

The Office of Highway Safety Planning administers federal highway safety fund grants. The office has funded several projects for courts and prosecutors relating to the improved operations of court handling of traffic cases, particularly OUIL cases.

Michigan State Police
Office of Highway Safety Planning
4000 Collins Road
PO Box 30633
Lansing, MI 48909-8133
517-333-5324
http://www.michigan.gov/msp/0,1607,7-123-1593_3504---,00.html

5) State Justice Institute

The State Justice Institute was created by the State Justice Institute Act of 1984, Public Law 98-620, and is authorized to award grants, cooperative agreements and contracts to state and local courts and others to improve the administration and quality of justice in state courts.

State Justice Institute
1650 King Street, Suite 600
Alexandria, VA 22314
703-684-6100
<http://www.sji.gov/>

6) Office of Drug Control Policy

This office is responsible for administering Anti-Drug Abuse Act law enforcement grants to provide funds to assist state and local governments to carry out specific programs that offer high probability of improving operation of the criminal justice system and enhancing drug control efforts. Funds are administered under the Edward Byrne Memorial Justice Assistance Grant.

Michigan Department of Community Health, Office of Drug Control Policy
Lewis Cass Building, 5th Floor
320 South Walnut
Lansing, MI 48913
517-373-4700
http://www.michigan.gov/mdch/0,1607,7-132-2941_4871---,00.html

7) Bureau of Justice Assistance

The Bureau of Justice Assistance was created to help state and local governments reduce violence and restore security in neighborhoods and improve the efficiency and effectiveness of the criminal justice system. The bureau provides a variety of grant opportunities related to local crime initiatives and drug issues.

Bureau of Justice Assistance
810 Seventh Street, NW
Washington, DC 20531
202-616-6500
FAX 202-305-1367
<http://www.ojp.usdoj.gov/BJA/>
E-mail: AskBJA@usdoj.gov

8) Michigan Justice Training Commission

The Michigan Justice Training Commission provides funding to state and local agencies in the fields of law enforcement, adjudication, corrections, prosecution, defense and state supported colleges and universities to provide in-service criminal justice training for its employees or employees of eligible agencies.

Michigan Justice Training Commission
7426 Canal Road
Lansing, MI 48913
517-322-6627

6-09 COOPERATIVE REIMBURSEMENT PROGRAM

A. Definition and Purpose

The Cooperative Reimbursement Program (CRP) is a contractual agreement between the Office of Child Support (OCS), the Michigan Department of Human Services, and the county and circuit court for the provision of federally mandated (IV-D) child-support services through the friend of the court office. In general, IV-D child-support services include activities to establish, enforce, account for, and collect child support in cases where a party to a domestic relations case has requested IV-D services. The contract specifies the responsibilities of each party for services, reporting requirements, and financial participation. (45 CFR 302.34, MCL 400.233)

B. General Procedures

Each year the friend of the court, upon authorization of the county board of commissioners and the circuit court, submits an application to OCS for reimbursement of IV-D related activities. The application sets forth the activities to be performed, the personnel needed, the other IV-D related office activities and a budget which estimates IV-D expenses, along with a breakdown of state and local shares of those expenses. After review and negotiations, if necessary, by OCS and the local signatories, a contract is prepared that outlines services to be provided, expenses to be reimbursed, and the respective parties' shares of those expenses. Upon execution of the contract, the friend of the court performs the services as provided and submits monthly reports to OCS for reimbursement of expenses as provided in the contract.

C. Contract Terms and Development

Due to the ever-changing laws in the child-support enforcement field, terms of the contract change periodically to reflect those changes. The minimum level of state reimbursement of IV-D expenses is established by federal regulation. That level has gradually reduced since the inception of the program, with present regulations providing for a floor of 66 percent state funding as of 2008. The State of Michigan can, and has, subsidized that level, which reduces the financial contributions of the county.

D. Financial Benefits to County and Court

The CRP assists the local jurisdiction in the funding of friend of the court offices. Reimbursements made pursuant to the contract offset specific friend of the court expenditures. The federal IV-D program also provides incentives to child-support enforcement agencies through the payment of an incentive based upon the cost effectiveness of the state IV-D program. The incentives are passed through to the county

based upon a formula developed and promulgated by OCS. These incentive payments serve as another friend of the court generated revenue which may be used by the local jurisdiction to offset the local costs of the IV-D program and other friend of the court mandated services. (45 CFR 303.52)

6-10 FUNDING SOURCES AND COLLECTIONS FOR COURT AND STATE WARDS

A. Funding Sources

There are currently four funding sources for the care of children and youth. A combination of the child's legal status, family financial circumstances, and placement needs strictly determines which funding source is used to pay for placement and other related services. For further information, see the DHS *Children's Foster Care Manual*, CFF 901 *et seq.*, which can be accessed at <http://www.mfia.state.mi.us/olmweb/ex/cff/cff.pdf>.

The following are explanations of each fund.

1. County General Fund

The primary source of funds for care of minors who are in court custody is the local county general fund.

a. County Child-Care Fund

The county treasurer is specifically designated to be the custodian of the Child-Care Fund and must deposit in it all funds raised by the county (general fund) for the care of children. This includes costs for minors not under the jurisdiction of the court but served by the local Department of Human Services office, and minors who are under the jurisdiction of the court. Money returned to the court for foster care of children by the state or the parent must also be deposited in this fund. (MCL 400.117c)

2. State Child-Care Fund Account

This account is not used for direct payment of child-care expenses. Its use is limited to reimbursement of county Child-Care Fund expenditures after they have been incurred and reported.

a. Reimbursable Expenditures

1) Child Care

Reimbursable Child-Care Fund expenditures fall into the following categories.

a) Post-Termination Care

These include foster care costs, not including administrative costs, incurred by

the placing agency for up to 30 days after termination, while the foster parent decides whether he or she will request to adopt the child

b) County Operated Child-Care Facilities

Reimbursement is limited to the operating cost of the facility. There is no reimbursement for capital expenditures.

c) Out-of-Home Care for Court Wards

Cost for the direct services to court wards placed in foster care, institutional care, or independent living are generally reimbursable. Judicial or court administrative costs are not reimbursable.

d) In-Home Care

Most costs are reimbursable, except judicial costs incurred in reducing out-of-home days of care through an approved program. These costs are limited to services which prevent the need to place a youth out of the home or to facilitate the early return of a youth to his or her home.

b. Basic Grant (Juvenile Justice Service)

Counties having a population of less than 75,000 are eligible for a Basic Grant of \$15,000. The Basic Grant Program must be approved annually by the Michigan Department of Human Services. The program must be a new or expanded service for youth who are within or likely to come within court jurisdiction. The grant is a state reimbursement for up to \$15,000 of county expenditures for approved programs.

c. Cost Share

The cost share for preadoptive care and the Basic Grant is 100 percent state. The cost share for certain costs incurred for county operated child-care facilities, out-of-home care for court wards and in-home care is 50 percent state and 50 percent county. Expenditures that qualify for state reimbursement of 50 percent are detailed and described in the Child-Care Fund Rules (R400.2001-400.2048) and the *Handbook for the Child-Care Fund*. For more information, contact your local county DHS funding specialist.

d. Billing/Payment Procedure

In each of the above types of care or service, county funds are used to pay the

provider. The county must electronically submit Form DHS 207 for state reimbursement in the ratios stated above.

3. Aid to Dependent Children in Foster Care (Title IV-E)

This federal funding source is administered by the Michigan Department of Human Services. Payment is made by the state.

a. Eligibility

For a child's case to be eligible for Title IV-E funding, all of the following criteria must be met.

- 1) The child must meet specific Title IV-E eligibility criteria as determined by the Department of Human Services under former AFDC program eligibility requirements.
- 2) If the child is a court ward (not committed to the state through Act 150, Act 220 or Act 296, MCL 803.301 *et seq.* or MCL 400.201 *et seq.*), the court order must place the child under the "care and supervision" of the Michigan Department of Human Services.
- 3) The court order must state that:
 - a) it is contrary to the welfare of the child to remain in the home of the parents (required at first court order), and
 - b) reasonable efforts have been made to prevent removal or return the child to the home, or that reasonable efforts are not required due to aggravated circumstances (required within 60 days of the child's removal from the home).
- 4) The child must be placed in a Title IV-E fundable placement. Title IV-E fundable placements are licensed family foster homes (including licensed relative homes), private nonprofit child-caring institutions, and small treatment facilities operated by the Michigan Department of Human Services. A child returned home for trial visits remains eligible for Title IV-E funding.

b. Cost Share

The cost share depends on the type of placement. For licensed foster homes and private child-caring institutions, the cost share is approximately 50 percent state and 50 percent federal. For Arbor Heights Center and Michigan Department of Human

Services' operated residential care center placements, the cost share is 50 percent federal, 25 percent state, and 25 percent county.

c. Billing/Payment Procedure

- 1) For children in placement eligible for 50 percent federal, 50 percent state funding, the state pays costs and claims federal reimbursement. There are no county costs.
- 2) For children in placement eligible for 50 percent federal, 25 percent state, and 25 percent county, the county is charged back 25 percent of the costs.

4. State Ward Board and Care (Non-Title IV-E)

This is the primary funding source for state wards. Payment is made by the Michigan Department of Human Services (DHS).

a. Eligibility

This is the fund used for youth committed to the state and accepted through MCL 803.301 *et seq.* for delinquency proceedings (also known as Public Act 150 wards) or MCL 400.201 *et seq.* for child-protection proceedings (also known as Public Act 220 or Public Act 296 wards) when the youth is not eligible for Title IV-E or is not in a Title IV-E fundable placement.

b. Cost Share

The cost share is 50 percent state and 50 percent county.

c. Billing/Payment Procedure

The state incurs the cost of care if it is provided by state staff and pays for the care if it is provided by a family foster home or private agency. The state then charges the county back 50 percent of the cost.

B. Collections

1. Collections from Parents, Guardians, and Custodians for Reimbursing Cost of Care

a. Authority

The court has the authority and the responsibility for collecting the cost of care or service for all minors served by the court or placed by the court with the state in its orders. Applicable SCAO-Approved court forms include, but are not limited to, JC

17, Order of Disposition (Child-Protective Proceedings), which can be found at <http://courts.michigan.gov/scao/courtforms/juvenile/jc17.pdf> and JC 38, Order for Reimbursement, at <http://courts.michigan.gov/scao/courtforms/juvenile/jc38.pdf>. (MCL 712A.18[2],[3])

b. Collection Fee

In most instances, the court may retain 25 percent of the amounts collected as a result of court-ordered reimbursement for Child-Care Fund expenditures. The 25 percent administration fee does not apply to collections received from Social Security, veterans benefits, child support/Title IV-D funds, or other government benefits. (MCR 3.973)

c. Collection Share

Money collected by the court for Child-Care Fund expenditures must be shared with the state in the same ratio as the cost of care is shared.

1) Child-Care Fund

Money collected by the court for youth funded through the Child-Care Fund is retained by the court. The 25 percent administration fee is deducted from the amount collected and the remaining 75 percent is reported as revenue on the monthly reporting form for state reimbursement (DHS 207).

2) State Ward Board and Care

Nongovernmental money collected for youth funded through the State Ward Board and Care account may be either all retained by the court and reported to the state, or the court may retain the 25 percent administration fee plus 50 percent of the remaining amount and send the remaining 50 percent to the state.

3) Title IV-E

Money collected by the court for youth funded through Title IV-E may be retained and reported in the same manner as described under State Ward Board and Care. The 25 percent administration fee is retained and the remaining 75 percent is either retained and reported or submitted to the state in the same ratio as costs are shared. The county's share of the costs is either 25 percent or nothing, depending on the type of placement.

C. Accounting Procedures

Instructions on handling Child-Care Fund disbursements and collections are in the *Uniform Accounting Procedures Manual for County Probate Court Child-Care Fund*.

6-11 STATE GRANTS FOR COUNTY JUVENILE OFFICERS

A. Introduction

The powers, duties, and compensation of county juvenile officers of the probate courts are prescribed in MCL 400.251. Pursuant to the statute, funding for the employment of county juvenile officers and assistant county juvenile officers is available through: (1) state salary and state fringes, (2) state salary (county fringes), and (3) state grant payments. Each county is allowed one county juvenile officer. The number of assistants is based on county population.

B. Authority

Payment policies and procedures for county juvenile officers and assistant county juvenile officers have been developed by the Michigan Department of Human Services. Persons employed as county juvenile officers or assistant county juvenile officers as of October 1, 1980 were required to choose one of the three funding options; however, individuals employed after October 1, 1980 can be paid by state grants only. (MCL 400.251-400.252)

C. Payment System

The amount of the grants for county juvenile officers and assistant county juvenile officers is set forth in statute and is based on the population of the county. The population is defined as the most recent population projection issued by the Department of Management and Budget for the state. The grants are adjusted annually by the same percentage as the annual salary adjustment made for state civil service employees who are excluded from representation under civil service rules. The grant payments constitute full payment of the state obligation for the salary, expense and fringe benefits of the county juvenile officer or assistant. (MCL 400.253)

County juvenile officers employed prior to October 1, 1980 who initially selected funding under the salary options may change to funding under state grants. However, once funding under state grants has been assigned, funding may not be reverted back to the salary options.

D. Reporting Use of Grant Money

Grant payments are made in advance on a quarterly basis. At the end of each quarter, the county treasurer must submit a certified expenditure report (DHS 56) to the Michigan Department of Human Services, Payment Document Control Division. This form identifies the amount paid and the position(s) or individual(s) under the grant during the quarter. This report is used to certify that the full amount of the grant was applied to salaries, expenses, and fringe benefits for only those individuals designated as county juvenile officers or assistants.

If in any quarter the full amount of the grant was not applied to salaries, fringes, and expenses of the designated individuals, appropriate adjustments will be made during the following quarter.

The Michigan Department of Human Services, Bureau of Planning and Fiscal Oversight will supply reporting forms to county treasurers.

See also Section 4-17.

6-12 STATE REIMBURSEMENT FOR PRISON CASES

A. Felonies Committed by State Prisoners

1. Counties Entitled to Reimbursement (MCL 800.452)

In the following cases committed by inmates of state correctional facilities during a period of state incarceration:

- a. new felony offenses,
- b. new felonies committed during escape, and
- c. escape from custody,

counties in which a state correctional facility is located are entitled to reimbursement for the reasonable and actual costs incurred by the county for:

- a. juror fees,
- b. witness fees,
- c. fees of attorneys appointed by the court for the defendant, and
- d. transcript fees.

2. Determination of Reasonableness of Expenses

After the Michigan Department of Management and Budget determines the reasonableness of the amount to be paid, payment shall be made in accordance with the accounting laws of the state. This determination of reasonableness shall be conclusive.

3. Requesting Reimbursement

Counties must submit monthly itemized costs to the Michigan Department of Corrections Finance Division, which provides forms and instructions for requesting reimbursement.

Michigan Department of Corrections
Finance Division
PO Box 30003
Lansing, MI 48909
517-335-1426
<http://www.michigan.gov/corrections>

B. Mentally Ill State Prisoners

1. Counties Entitled to Reimbursement

For implementing the jurisdictional duties in the probate court imposed on a county by Chapter 10 of the Mental Health Code, MCL 330.2001 *et seq.*, with respect to proceedings involving allegedly mentally ill state prisoners within a state correctional facility in that county:

- a. for transfer of the prisoner to the center for forensic psychiatry for treatment, or
- b. for treatment of the prisoner within a state correctional facility,

the county is entitled to reimbursement for the reasonable and actual expenses incurred by the county for:

- a. the expense of legal counsel appointed to represent an indigent prisoner in the proceeding,
- b. compensation for each juror who is either summoned for voir dire or impaneled on a jury, if a jury trial is demanded in the proceedings,
- c. compensation paid to each witness subpoenaed to the proceeding by the prisoner, and
- d. the expense of the preparation of a transcript of the proceeding.

2. Determination of Reasonableness of Expenses

Each county shall submit quarterly its itemized costs for these proceedings to the chief probate judge of the county. After determination by the chief probate judge of the reasonableness of the amount to be paid, payment shall be made in accordance with the accounting laws of the state. The determination of reasonableness by the chief probate judge shall be conclusive.

(MCL 800.455[2])

6-13 REIMBURSEMENT FROM LITIGANTS

A. Reimbursement for Cost of Appointed Counsel

1. Criminal Cases

If a defendant (in a criminal felony case) is able to pay part of the cost of a lawyer, the court may require contribution to the cost of providing a lawyer and may establish a plan for collecting the contribution. (MCR 6.005[C])

If a court requires a probationer to pay costs, the costs shall be limited to expenses specifically incurred in prosecuting the defendant or providing legal assistance to the defendant and supervision of the probationer. (MCL 771.3[5])

In criminal actions where juveniles are charged with life offenses subject to the jurisdiction of the district and circuit court, the court may assess cost of legal representation, or part thereof, against a juvenile or against a person responsible for the support of a juvenile, or both. (MCR 6.905[D])

2. Juvenile Cases

If the family division of the circuit court appoints an attorney to represent a child, parent, guardian, or custodian, an order of disposition entered pursuant to MCL 712A.18 may require the child, parent, guardian, or custodian to reimburse the court for attorney fees. (MCL 712A.18[5])

If an attorney is appointed for a party pursuant to MCL 712A.17c(2), the court may enter an order assessing attorney costs against the party or the person responsible for the support of that party. An order assessing attorney costs may be enforced through contempt proceedings. (MCL 712A.17c[8])

When an attorney is appointed for a party pursuant to MCR 3.915, the court may enter an order assessing costs of the representation against the party or against a person responsible for the support of that party, which order may be enforced through contempt proceedings. (MCR 3.915[D])

If the court appoints an attorney to represent a juvenile, an order entered under this section may require the juvenile or person responsible for the juvenile's support, or both, to reimburse the court for attorney fees. (MCL 769.1[8])

See also Section 15.

B. Reimbursement for Care of a Child

1. Required Reimbursement

The family division of the circuit court is required to include in any order of disposition placing a juvenile in or committing a juvenile to care outside the juvenile's own home and under state or court supervision, a provision for reimbursement to the court by the juvenile, parent, guardian, or custodian for cost of care or service. (MCL 712A.18[2])

2. Discretionary Reimbursement

An order of disposition placing a juvenile on probation in the juvenile's own home may contain a provision for the reimbursement by the juvenile, parent, guardian, or custodian to the court for the cost of service. (MCL 712A.18[3])

3. Guidelines for Reimbursement

The State Court Administrative Office, under the direction and supervision of the Supreme Court and in consultation with the Michigan Department of Human Services and the Michigan Probate Judges Association, created guidelines and a model schedule that may be used by the court in determining the ability to pay the costs of care and service. The guidelines and model schedule take into account the income and resources of the child, parent, guardian, and custodian. The "Guidelines for Court-Ordered Reimbursement and Procedures for Reimbursement Program Operations" are currently being developed. (MCL 712A.18[6])

4. Collection and Disbursement of Reimbursement

The court shall provide for the collection of all amounts ordered to be reimbursed, and the money collected shall be accounted for and reported to the county board of commissioners. Collections to cover delinquent accounts or to pay the balance due on reimbursement orders may be made after a juvenile is released or discharged from care outside the juvenile's own home and under state, county juvenile agency, or court supervision. Twenty-five percent of all amounts collected pursuant to an order entered under this subsection shall be credited to the appropriate fund of the county to offset the administrative cost of collections. The balance of all amounts collected pursuant to an order entered under this subsection shall be divided in the same ratio in which the county, state, and federal government participate in the cost of care outside the juvenile's own home and under state, county juvenile agency, or court supervision. The court may also collect benefits paid for the cost of care of a court ward from the government of the United States. Money collected for juveniles placed by the court with or committed to the Michigan Department of Human Services or a county juvenile agency shall be accounted for and reported on an individual juvenile basis. (MCL 712A.18[2])

C. Reimbursement for Cost of Court-Appointed Guardian Ad Litem

The court may assess the cost of providing a guardian ad litem against the party or a person responsible for the support of the party, and may enforce the order of reimbursement through contempt proceedings. (MCR 3.916[D])

D. Reimbursement of Filing Fees/Costs and Restitution from Prisoner Accounts

1. Filing Fees and Costs

- a. On a claim of indigency (pursuant to MCR 2.002), if a prisoner submits for filing a civil action or an appeal in a civil action, the prisoner must include a certified copy of his or her institutional account showing the current balance and a 12-month history of deposits and withdrawals. The Department of Corrections (DOC) certifies the account. The court shall order the payment or partial payment of fees and costs. (MCL 600.2963[1]) For more information, see SCAO-Approved form CC 20a at <http://courts.michigan.gov/scao/courtforms/felonycriminal/cc20a.pdf>.
- b. The filing shall be suspended by the court until payment, or partial payment, as ordered by the court is received. All documents are to be returned to the prisoner, plus two certified copies of the court order for payment of fees and costs. The court shall also send the DOC facility a copy of the certified order. (MCL 600.2963[1])
- c. The prisoner has 21 days after the court order to resubmit the documents for filing, the filing fee (or partial filing fee) and one certified copy of the order. If the filing fee is not received within 21 days after the day it was ordered, the court shall not file the action and all documents are to be returned to the prisoner by the court. (MCL 600.2963[1])
- d. The full filing fee shall be ordered by the court if there are sufficient funds in the account upon filing. (MCL 600.2963[2])
- e. If the account is less than the full filing fee, the court shall require payment of an initial partial fee in an amount equal to 50 percent of the greater of:
 - 1) the average monthly deposits for 12 months preceding the date of filing.
 - 2) the average monthly balance in the account for 12 months preceding the date of filing.(MCL 600.2963[3])

- f. The court shall disregard amounts in the institutional account that are required by law or by another court order to be paid for any other purposes when determining the balance under subsections (2) or (3). (MCL 600.2963[4])
- g. In addition to an initial partial filing fee under subsection (3), the court shall order the prisoner to make monthly payments in an amount equal to 50 percent of the deposits made to the account and shall continue in this manner until the full filing fee is paid. (MCL 600.2963[5])
- h. Collection and remittal of payments is to be done by the DOC pursuant to MCL 791.268, which calls for DOC to remove the amounts from the account and, when the court-ordered amount is received, submit it to the court. (MCL 600.2963[5])
- i. If costs are assessed against a prisoner and there are insufficient funds in the account, the court shall order payments in the same manner as provided in this section. (MCL 600.2963[5])
- j. The total amount collected shall not exceed the full amount of fees and costs required by law. (MCL 600.2963[6])
- k. The fact of incarceration cannot be the sole basis for determination of indigency. However, this section shall not prohibit a prisoner from starting an action if the prisoner has no assets and no means by which to pay the initial partial filing fee. If payment of fees and costs is waived or suspended, the court shall order the fees and costs paid in the manner provided by this section when the reason for waiver or suspension no longer exists. (MCL 600.2963[7])
- l. A prisoner who has failed to pay outstanding fees and costs as required under this section shall not commence a new civil action or appeal until the outstanding fees and costs have been paid. (MCL 600.2963[8])
- m. If a prisoner is ordered by a court to make monthly payments for the purpose of paying the balance of filing fees or costs pursuant to MCL 600.2963, the agency having custody of the prisoner shall remove those amounts from the institutional account of the prisoner subject to the order and, when an amount equal to the balance of the filing fees or costs due is removed, remit that amount as directed in the order. (MCL 600.2963[9])
- n. DOC Policy - Director's Office Memorandum 1997-55 (effective 6/1/97)
 - 1) Court orders supersede policy where the court order is inconsistent with policy.

- 2) Priority for payments:
 - a) Victim restitution.
 - b) Child support only if by court order.
 - c) Filing fees or costs.
 - d) Other court-ordered payments.
 - e) Fees for medical services.
 - f) Other institutional debts in chronological order.

- 3) Once funds ordered to be removed from prisoner's account have been collected in full or when the prisoner transfers to residential and electronic programs, paroles, discharges from DOC jurisdiction, or dies, the funds collected shall be sent to the court that issued the order with an explanation of the circumstances for sending the funds.

2. Victim Restitution

- a. Establishes the Crime Victim Services Commission (abolishes criminal assessments commission). (MCL 780.901 *et seq.*)

- b. Adds reference to definition of juvenile to include family division of circuit court for offenses where the juvenile is not tried as an adult. (MCL 780.901 *et seq.*)

- c. If restitution is ordered and the DOC receives a copy of the restitution order from the court, the DOC shall deduct 50 percent of the funds received by the prisoner in a month over \$50 for payment of restitution. The DOC is to forward the money to the crime victim when the amount exceeds \$100 or the entire amount if the prisoner is paroled, transferred to community programs or discharged on the maximum sentence. The DOC is to notify the prisoner in writing of all deductions and payments. This requirement remains in effect until all restitution is paid. (MCL 791.220h)

- d. Restitution orders are nonmodifiable by the DOC. (MCL 791.220h)

- e. The court shall not order restitution to be paid to a victim or a victim's estate if they are to receive compensation for that loss, and the court shall state on the record with specificity the reasons for its action. (MCL 769.1a[8])

- f. If an entity entitled to restitution cannot or refuses to be reimbursed, the money is to be deposited into the state treasury in the Crime Victim's Rights Fund. (MCL 769.1a[8], MCL 780.766[21], MCL 780.794[21], MCL 780.826[18])

- g. A defendant may petition the sentencing judge to modify restitution; if the court determines that payment under the order will impose a manifest hardship on the defendant or his or her immediate family, the court may modify the method of payment. (MCL 769.1a[12])
- h. An order of restitution is effective until satisfied in full. An order of restitution is a judgment and lien against all property of the defendant for the amount specified in the order of restitution. The lien may be recorded as provided by law. (MCL 769.1a[13])
- i. The court shall provide a copy of the order of restitution to DOC on SCAO-Approved form CC 219b, Judgment of Sentence/Commitment, to DOC when the defendant is remanded to the jurisdiction of the DOC. The court form can be accessed on-line at <http://courts.michigan.gov/scao/courtforms/criminaldisposition/cc219b.pdf> (MCL 769.1a[16])

6-14 CRIMINAL ASSESSMENTS

A. Authority and Purpose

Criminal assessments are authorized by MCL 780.905 to pay for crime victim rights services under the Michigan Constitution (Const 1963, art 1, § 24) and are collected by the district and circuit courts. Based on a formula determined by the Department of Community Health, Crime Victim Services Commission, courts are compensated for the costs associated with collection of criminal assessments. (MCL 780.906)

B. Responsibilities of Circuit and District Court

1. Collecting Assessments

Pursuant to MCL 780.905(1), the court shall order each person charged with an offense that is a felony, a serious misdemeanor, or a specified misdemeanor, that is resolved by conviction, by assignment of the defendant to youthful trainee status, by a delayed sentence or deferred entry of judgment of guilt, or in another way that is not an acquittal or unconditional dismissal, to pay an assessment as follows:

- a) If the offense is a felony, \$60.
- b) If the offense is a serious misdemeanor or a specified misdemeanor, \$50.

The family division of the circuit court shall order each juvenile for whom the court enters an order of disposition for a juvenile offense to pay an assessment of \$20. A juvenile offense is defined as an offense, that if committed by an adult, would be a felony, serious misdemeanor, or a specified misdemeanor. (MCL 780.905[3])

The court shall order a person to pay only one assessment for each criminal case. If the court allows the payment of victim payments and any combination of other fines, costs, assessments, probation supervision fees, or other payments to be paid in installments, the assessment shall be a condition of a probation order. Fifty percent of all money collected from the person shall be applied to payment of victim payments and the balance shall be applied toward payments of fines, costs, assessments, probation supervision fees, or other payments.

The court may not waive payment or offset payment in lieu of jail or prison time served, or community service performed.

2. Transmitting Assessments

The clerk of the court shall, on the last day of each month, do the following:

- a. Transmit 90 percent of the assessments ordered by MCL 780.905 to the Department of Treasury, Account # 228.37, with the approved transmittal advice form.
- b. Transmit a written report to the Department of Community Health, Crime Victim Services Commission on form CVR-606 (Crime Victim Rights Assessment Report) containing all the following information for that month:
 - 1) the name of the court,
 - 2) the total number of assessable convictions obtained in that court,
 - 3) the total number of defendants against whom an assessment was imposed by the court,
 - 4) the total amount of assessments imposed by that court,
 - 5) the total amount of assessments collected by that court, and
 - 6) other information required by the Crime Victims Services Commission. (MCL 780.905)

Mail the CVR-606 report to: Crime Victim Services Commission, Crime Victim Rights Assessments, Department of Community Health, 320 South Walnut, Lansing, MI 48913. For more information, go to http://www.michigan.gov/treasury/0,1607,7-121-1751_2194-7642--,00.html.

C. Compensation for Administrative Costs

Circuit and district courts are compensated for the administrative costs involved in collecting the criminal assessments and for providing the Crime Victim Rights Assessment Report (CVR-606). Each court retains a percentage, determined by the Crime Victim Services Commission, of the total assessments based on the level of reporting made on CVR-606. (MCL 780.906)

The court may assess, after a determination of ability to pay, all or part of the costs and reasonable fees of a lawyer-guardian ad litem against one or more of the parties involved in a minor guardianship proceeding. (MCL 700.5213[5][b])

6-15 FRIEND OF THE COURT OFFICE FUNDS

The Friend of the Court Act provides that the chief judge shall set the salaries and expenses of the friend of the court and they shall be paid from the county general fund and the friend of the court fund. (MCL 552.527)

A. County General Fund

The county general fund receives revenue which may be used to offset the expenses of the friend of the court from a number of sources.

1. Statutory Fees

Fees currently amount to \$2 per month per case in which a support order is in effect. The fee is collected in a variety of ways by the state disbursement unit or the friend of the court and deposited with the county treasurer. It is becoming more common for the fees to be paid monthly or weekly through income withholding orders. (MCL 552.457 [Family Support Act], MCL 722.729 [Paternity Act], MCL 780.173 [RURESA])

2. Processing Fees

A fee of \$1.50 is collected by the state disbursement unit or friend of the court every month from every person required to make payments of support or maintenance. Of this fee, \$.25 is transmitted to the county treasurer (general fund), \$.25 is collected and deposited in the state attorney general fund, and \$1 is transmitted to the state treasurer for deposit in the state court fund. (MCL 600.2538)

3. Cooperative Reimbursement Program (CRP) Payments

A percentage of office expenses are reimbursed to the county. All circuit courts have contracts with the State of Michigan to receive federal reimbursement for activities conducted by friends of the court on IV-D cases. The federal government pays 66 percent of the costs of services performed on IV-D cases. This is referred to as “federal financial participation” (FFP). Federal law provides that the state’s child-support agency may contract with courts to provide child-support services and receive federal reimbursement for those services. The CRP will not fund traditional court services, but will fund nonjudicial activities related to child support. See Section 6-09.

4. Program Income

The CRP requires that certain costs and fees a court receives must be used to reduce the amount the court can bill under the CRP. These costs and fees are referred to as “program income.” 42 USC 655(a)(1)(D) requires fees to be deducted from a request for reimbursement. See Section 6-09.

5. Federal Incentives

Federal incentives are paid to the county based on a formula adopted and revised periodically by the Michigan Department of Human Services. Although incentives are paid to the funding unit, the funding unit is required to use all the incentives for child-support services. These incentives should be deposited into the 215 fund for child-support services. Beginning in 2008, these incentives cannot be used as local match for federal CRP funding and must be deducted from any amount billed under the CRP.

B. Friend of the Court Fund

The friend of the court fund was established by the Legislature to provide funding for new services and expenses created by the adoption of the Friend of the Court Act in 1982. Each county is required to establish this fund pursuant to MCL 600.2530. The fund has been designated as 215 in the uniform chart of accounts issued by the Michigan Department of Treasury. (MCL 600.2530) Revenue for the fund comes from the following sources.

1. State Incentives

State incentives are paid pursuant to MCL 400.18a. These incentives are determined to be 3 percent of the collections on support assigned to the state under AFDCs (now known as TANF) that are made to the friends of the court. Although these payments have not been funded in the state budget in the last several years, the statute providing for the incentives has not been repealed. To the extent the payments are made, they are required to be deposited into the 215 fund.

2. Judgment Fees

Judgment fees in divorce cases involving children are as follows.

- a. *Action in which custody or parenting time of minor children is determined.*
An \$80 fee is assessed. Of this amount, \$70 must be deposited into the 215 fund to enforce custody or parenting time. The remaining \$10 is paid by the county to the state treasurer. The county treasurer credits the state’s

\$10 to the county trust and agency fund for monthly remittance to the state treasurer to be deposited in a special bench warrant fund.

- b. *Action in which support of minor is determined or modified.* A \$40 fee is assessed. Of this amount, \$30 must be deposited into the 215 fund for general support enforcement activities. The remaining \$10 is paid to the state treasurer through the county trust and agency fund to be deposited into a special bench warrant fund. (MCL 600.2529[1][d])

3. Sanctions (includes fines and bench warrant costs)

MCL 552.644(6) permits a court to impose sanctions against a party who has acted in bad faith regarding custody or parenting-time matters.

- a. *Sanctions* – \$250 for a first offense; \$500 for a second offense; \$1,000 for third and subsequent offenses. When sanctions are collected, they should be deposited in the appropriate custody and parenting-time revenue account in the 215 fund.
- b. *Fines* – Fines can be imposed for custody and parenting-time violations and for nonpayment of support.
 - (1) Custody and parenting time violations – Upon finding a person in contempt for violating a parenting-time order, the court may assess a \$100 fine. This fine, when collected, should be deposited in the appropriate custody and parenting-time revenue account in the 215 fund. (MCL 552.644[1])
 - (2) Nonpayment of support – Upon finding a person in contempt for violating a support order, the court may assess a \$100 fine. This fine when collected, should be deposited in a separate revenue account within the support enforcement activity in the 215 fund. (MCL 552.633[1][g], MCL 552.635[2][d])
- c. *Bench Warrants* – The court must assess the costs of issuing a bench warrant to the party being brought before the court for failure to appear. (MCL 552.631, MCL 552.644) Half the costs collected is deposited in the 215 fund and half is paid to the law enforcement agency that made the arrest.
 - (1) When costs are collected as a result of an arrest on a warrant issued pursuant to MCL 552.644, they should be deposited in the custody and parenting time revenue account within the 215 fund. When the costs collected result from a warrant issued pursuant to MCL 552.63 for a support-order violation, those costs should be deposited into the 215 fund

for child-support activity. For the remaining one-half of the costs, if the officer making the arrest is paid from the 215 fund, the costs should be deposited into the 215 fund. Otherwise, the costs should be paid to the law enforcement agency.

- (2) Because the law enforcement agency is not known until the arrest, it may be impossible to pay the costs as provided in the statute. A court may enter a local administrative order (LAO) that presumes the agency making the arrest is a particular agency, unless a bill is presented to the FOC from another agency. When most of the arrests are in-county, money from the bench warrant costs goes to the same funding unit that funds both friend of the court and sheriff activities. Any method of accounting for bench warrant costs should be well-documented for future audits.

4. Other Costs and Fees

- a. *Punitive costs* – MCR 3.206(C) permits the court to award attorney fees and expenses of an action to a party when the attorney fees and expenses were incurred because the other party refused to comply with a previous order, despite having the ability to comply.
- b. *Other fees* – No court should assess a fee for a court or friend of the court service unless it has been authorized by statute or court rule. If a fee is assessed pursuant to a statute or court rule concerning a friend of the court activity and the statute or court rule does not specify where it should be deposited, the court should direct the fee be deposited into the 215 fund to increase the funds available for providing FOC services. The prohibition on fee for services does not prevent a court from assessing costs that are otherwise appropriate based on the specific facts of the case.
- c. *Contempt* – The court may assess a fine up to \$250 when a person is found in contempt. Any money paid to the court as a result of a IV-D activity may need to be deducted from expenses billed under the CRP contract. Thus, fines resulting from a IV-D-related action should be deposited into a separate revenue account within the 215 fund.

Fines assessed for contempt concerning a non-IV-D matter or custody and parenting-time matter may be paid to the court or the friend of the court. If paid to the friend of the court, the fines must be deposited into a separate revenue account within the 215 fund. If the fines concern custody or parenting time, they should be deposited into the custody and parenting time subaccount within the 215 fund.

6-16 OTHER FUNDS

A. Court Equity Fund (MCL 600.151b)

The Court Equity Fund was established in October 1996 to provide limited funding for trial court operations. The fund is disbursed quarterly within the state fiscal year to county governments, based on a statutory formula that establishes each county's share. The formula includes two factors: the caseload activity of the circuit and probate courts and the number of judgeships in each county. The first factor, caseload, takes into account new cases filed for the most recent three years in the circuit and probate courts in the county and compares the county's proportion of these filings for the three years to the total filings for the state for the three years. The second factor, number of judgeships, compares the number of judgeships within the county to total judgeships for the entire state.

The revenue sources to the Court Equity Fund include state general fund appropriations and multiple sources of restricted revenue that originate from local trial court fees, costs, and assessments. Each payment from the fund within the state fiscal year will reflect the revenue deposits to the Court Equity Fund for the preceding quarter. Therefore, quarterly payments will vary, reflecting fluctuations in court revenues received.

B. Drug Case Information Management Fund (MCL 257.323d)

The Drug Case Information Management Fund was created by statute effective September 1, 1994. The fund was created to provide a source of funding for timely management and new reporting to the Secretary of State of specific cases. The case types include an attempt to violate, a conspiracy to violate, or a direct violation of the Public Health Code for drug-related offenses. Offenses can be charged under either state statute or local ordinance.

The fee to reinstate the individual's driver's license is \$125, payable to the Secretary of State. Of this amount, \$30 of each license suspension fee for a drug-related conviction is deposited by the Secretary of State into the Drug Case Information Management Fund.

Revenue deposited in the Drug Case Information Management Fund is dependent upon the number of new drug-related convictions that carry the license suspension, and the payment of the \$125 fee to the Secretary of State to remove the license from suspension status.

The State Court Administrative Office is responsible for the annual distribution of the fund to circuit and district courts. Each court receives a proportion of the fund based upon its drug-related caseload and the statewide caseload for each calendar year. The fund is distributed each year for the previous year's fund revenue based on the previous year's trial court caseload.

Examples of the manner in which funds have been allocated locally include: (1) staff positions – clerical support, (2) equipment – computers and technology enhancements, and (3) training – new or existing staff for reporting requirements and electronic systems reporting.

Revenue received from the Drug Case Information Management Fund should be deposited in a revenue account set up within the State Grants Section (539-579) of the local Uniform Chart of Accounts.

C. Drunk Driving Caseflow Assistance Fund (MCL 257.625h[5])

The Drunk Driving Caseflow Assistance Fund was created by statute effective January 1, 1992. The fund was created to provide a source of funding for implementation of new case processing time guidelines that would promote the timely disposition of cases in which the defendant was charged with a qualifying drunk driving offense. Offenses can be charged under either state statute or local ordinance.

The timeline instituted for these cases is as follows: (1) arraignment to be processed within 14 days of arrest, (2) pretrial to commence within 35 days after arrest, or 42 days in single-judge, multi-location courts, and (3) adjudication of the case within 77 days after arrest. The cases that qualify for this timeline are all OUIL-related offenses (Operating a Vehicle Under the Influence of Liquor) where the vehicle is a motor vehicle, snowmobile, or boat.

At the same time the new case processing times were established, the Driver's License Reinstatement Fee, payable to the Secretary of State, was raised from \$60 to \$125. Of the new, higher fee, \$30 of each license suspension for an OUIL-related offense is deposited by the Secretary of State into the Drunk Driving Caseflow Assistance Fund.

Revenue deposited in the Drunk Driving Caseflow Assistance Fund is dependent upon the number of new OUIL-related offenses filed that carry the license suspension, and payments by the individuals of the \$125 fee to the Secretary of State to remove their licenses from suspension status.

Annually, each district and municipal court receives a proportion of the fund based upon its OUIL-related caseload and that of the statewide caseload for each calendar year. The fund is distributed each year for the previous year's fund revenue and the previous year's trial court caseload.

Examples of the manner in which funds have been allocated locally include: (1) staff positions – magistrate, clerical support, probation, or alcohol screening officer, (2) equipment – computers and technology enhancements, vehicles for intensive probation, preliminary breath tests (PBTs), alcohol screening and/or assessment materials, and (3) training –

substance abuse causes and treatments, probation officers.

Revenue received from the Drunk Driving Caseflow Assistance Fund should be deposited in a revenue account set up within the State Grants Section (539-579) of the local Uniform Chart of Accounts.

D. Juror Compensation Reimbursement Fund (MCL 600.151d, MCL 600.151e)

The Juror Compensation Reimbursement Fund was created January 1, 2003 to provide a source of reimbursement funding to trial courts for legislated increases in juror attendance compensation. Beginning October 1, 2003, jurors were compensated at new, higher rates (see MCL 600.1344) and trial court funding units can claim reimbursement biannually from the fund for the increased expense. Claims are requested in the months of April and October each year and are submitted into a web-based application at the Michigan Court Application Portal (MCAP). Disbursements from the fund are made by June 1 and December 1 each year. If total claims exceed the funds available in the Juror Compensation Reimbursement Fund, claims will be prorated.

To file a claim with the Juror Compensation Reimbursement Fund, access the Michigan Court Application Portal (MCAP) at <http://courts.mi.gov/mcap/>.

For general fund information, see <http://courts.michigan.gov/scao/services/finance/fiscal.htm>.