



# ADMINISTRATIVE OFFICE OF THE COURTS

FINANCE DIVISION

## TRIAL COURT FINANCIAL POLICIES AND PROCEDURES MANUAL 7th EDITION

### Policy No., FIN 4.02, Budget Monitoring and Reporting

#### EXECUTIVE SUMMARY OF UPDATE

#### POLICY ISSUE(S)

The notable updates to this policy were made to clarify statute and the budget monitoring and reporting process.

#### Significant Revisions

1. Sub-section 6.2, Paragraph 1. The policy was clarified by replacing “recommended that” with the words “**to facilitate management control of financial operations**”, and to specify that certain information is required. Paragraph 3 was eliminated since it was unnecessary and paragraph 4 was renumbered.
2. Sub-section 6.2.1, Item c, By way of clarification, eliminate “year to date” in order to remove any ambiguity in the sentence.
3. Sub-section 6.3.2. The title of the section was changed from “Report of Revenues” to “**Quarterly Financial Statements (QFS)**”, which this section addresses. 6.3.2 (e), was revised to clarify that budget transfers among PECT areas and between expenditure objects are required to net to zero. Paragraph 2 was replaced with the requirement to designate fund balance in the QFS at the end of the fourth quarter into specified categories.
4. Sub-section 6.3.3. The section on the Report of Revenues (ROR) was changed to clarify the need for, and the reporting requirements of, the quarterly ROR.
5. Sub-section 6.3.4. Technical and clarifying changes were made to specify the review requirements of the QFS and ROR, and the need to certify the QFS. Paragraph 3 was

added to specify that copies of both reports are to be retained in both paper and electronic forms.

6. Sub-section 6.5.1., Budget Transfers. Revised the wording from “not to exceed \$400,000 or ten percent whichever is less” to “**not to exceed \$400,000 or ten percent of the total trial court budget, whichever is greater**” to correspond with CRC 10.620. Specified that the written notification is to the AOC Finance Director. In paragraph 4 simplified the language and specified that funds received for specific purposes cannot be transferred to other programs in violation of grant terms, conditions and agreements.
7. Sub-section 6.6.1. Given recent developments in the state budgeting process, the following text was deleted; “SAL is the primary funding source for trial court operations. However, in the event there are nondiscretionary costs that are imposed upon the courts as a result of legislative or other changes to operations and programs that are not funded by the SAL funding adjustment,” and new text was added as follows; “**The Judicial Council submits Budget Change Proposals (BCP(s)) on behalf of the courts to request additional funding through the annual State budget process to address costs. Funds provided to the trial courts through the BCP process must be used for the purpose requested.**”
8. Section 6.7. Changed “budget” to “**funds**”, which is more accurate, and specified that a court is to advise the AOC Finance Director in writing as soon as practicable when a court projects that its funds will be exhausted before the end of the year.