



JUDICIAL COUNCIL OF CALIFORNIA

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REPORT TO THE JUDICIAL COUNCIL

For business meeting on December 16, 2016

Title	Agenda Item Type
Trial Courts: <i>Trial Court Financial Policies and Procedures Manual</i> , 8th Edition	Action Required
Rules, Forms, Standards, or Statutes Affected	Effective Date
<i>Trial Court Financial Policies and Procedures Manual</i>	December 16, 2016
Recommended by	Date of Report
Judicial Council staff	November 30, 2016
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Executive Summary

Judicial Council staff recommends adoption of the *Trial Court Financial Policies and Procedures Manual* (TCFPPM), 8th edition (Attachment A). The manual was last updated in 2011. The TCFPPM requires non-substantive revisions due to the unification of the Judicial Council and its staff under one name, as well as substantive changes for clarity and improvement of the existing system of internal fiscal controls.

Recommendation

Judicial Council staff recommends the Judicial Council, effective December 16, 2016, adopt the 8th edition of the *Trial Court Financial Policies and Procedures Manual*, which:

1. Changes all references to “Administrative Office of the Courts” to “Judicial Council of California.”
2. Changes all references to “Administrative Director of the Courts” to “Administrative Director.”
3. Retires Section 6, Procurement, and Section 7, Contracts, because those policies and procedures are now contained in the *Judicial Branch Contracting Manual*.

4. Makes other substantive changes for clarity and improvement of the existing system of internal fiscal controls.

Previous Council Action

Effective January 1, 2001, the Judicial Council adopted rule 10.804 (then numbered 6.707) of the California Rules of Court, which required that staff to the council adopt a financial policies and procedures manual for the trial courts. The need for the TCFPPM arose following enactment of the Lockyer-Isenberg Trial Court Funding Act of 1997 (Stats. 1997, ch. 850), which provided for state funding of the trial courts, removing from counties the responsibility for budget control and financial management of trial courts. The manual was developed to assist trial courts in performing the fiscal management services formerly provided by the counties. Subsequent revisions were made to the manual with the latest, the 7th edition, being adopted by the council in 2011.

Rationale for Recommendation

The last revision of the TCFPPM occurred five years ago. Required changes have since been identified in the 8th edition of the manual based on financial system enhancements, feedback from trial courts and Judicial Council staff, audit findings, best practices, and evolution of Generally Accepted Accounting Principles. The manual provides a system of fundamental internal controls that will enable the trial courts to monitor their use of public funds, provide consistent and comparable financial statements, and demonstrate accountability.

Comments, Alternatives Considered, and Policy Implications

Rule 10.804 of the California Rules of Court requires Judicial Council staff to make amendments to the TCFPPM available to the superior courts, the California Department of Finance, and the State Controller's Office for 30 days for comment. The 8th edition revisions to the TCFPPM were provided to these entities on October 6, 2016, with comments due on November 14, 2016. Comments were received from 12 superior courts and the State Controller's Office. The top five comment topics included:

1. Cash Handling
2. Meal/Hotel rates
3. Bank card conversion from American Express to Citibank
4. Providing water during events
5. Grammar and formatting

All comments were reviewed and changes were incorporated where appropriate.

Alternatives

Staff did not consider any alternatives because the existing manual requires updates to accurately reflect the unification of the Judicial Council and its staff under one name and to update the manual for clarity and to improve internal controls.

Implementation Requirements, Costs, and Operational Impacts

Implementation will require informal discussion of the revisions in various monthly conference calls. No costs or operational impacts are expected. Documented alternative procedures will continue to be considered and must be approved by Judicial Council staff.

Attachments and Links

1. Attachment A: *Trial Court Financial Policies and Procedures Manual*, 8th edition.

Trial Court Financial Policies and Procedures Manual, 8th edition

Trial Court Administrative Services staff is currently finishing the final formatting and revisions based on court/stakeholder feedback. The PDF file for this attachment and corresponding JC report will be posted to S:\JCBINDER by Friday, December 9, 2016.