

FILED

APR 10 1984

CLERK, U.S. DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
BY _____ DEPUTY CLERK

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

RE:)
PLAN FOR ADMINISTRATION *)
OF NONAPPROPRIATED FUNDS)

GENERAL ORDER NO. 154

Pursuant to the "Guidelines for Non-appropriated Funds Maintained by the Courts of the United States" issued by the Director of the Administrative Office of the United States on October 1, 1981, the United States District Court for the Eastern District of California has adopted the following plan for the administration and operation of the funds derived from attorney admission fees and court imposed sanctions for violation of the local rules and court orders not amounting to contempt. These funds shall be held by the court in appropriate depositories in Sacramento and Fresno, separate from other monies received by the court. They shall be expended at the direction of the chief judge in Sacramento or the senior active district judge in Fresno, in accordance with guidelines set forth in Section 1 of this plan, below, and in subsequent orders of the court. Unreasonable accumulations to the Attorney Admission Fee Fund shall be avoided.

Section 1 - Guidelines for Use

a. The Fund shall be used for purposes approved by the court, that inure to the benefit of members of the public, bench and the bar of the court, including, but not limited to the following for which appropriated funds are not available:

- 1) Expenses of the district library for which appropriated funds are not available at the time the expense is incurred (such as payment for publications and periodicals, filing services, temporary assistance with special projects and the computerization of library catalog);
- 2) Expenses related to attorney admission proceedings;
- 3) Expenses related to attorney discipline enforcement and proceedings;
- 4) Equipment and materials to assist attorneys in the courtroom;
- 5) Expenses of the annual law clerk orientation;
- 6) Expenses for printing of court rules, manuals on practice and procedure, a slip opinion index, and other documents related to court operations given to attorneys upon admission to the bar;
- 7) Attorney expenses for court committee meetings;
- 8) Expenses in connection with court memorial and commendation services;

* These monies have been known formerly as the Library Fund.

9) Court projects and programs that interest or benefit the bar or which enhance the quality of advocacy in the court;

10) Expenses of the collection and preservation of court records of historical value;

11) Expenses for the development of historical and educational materials describing the court for use by the bar;

12) Costs of special projects or acquisitions to further the administration of justice in the court;

13) Training and professional dues for court personnel designed to enhance the administration of justice and to benefit the bar for which appropriated funds are not available;

14) Expenses, which should not have been required and which were incurred by counsel by virtue of administrative mishap, may be reimbursed by the court, good cause having been shown.

15) Reimbursement for costs in actions in which the court, by virtue of statute or judicial precedent, is required to appoint counsel and for which funds have not been appropriated.

16) Surety bonds for the custodian of the Fund, appointed by the court under Section 2, below, and

17) Fees for services rendered by outside auditors in auditing the fund, in accordance with Section 4, below.

b. The Fund shall not be used to pay for materials or supplies available from statutory appropriations nor to supplement the salary of any court officer or employee.

c. The Fund may be used as a revolving account to pay for expenses for which the Fund will be entirely reimbursed.

Section 2 - Custodian of the Fund

a. The clerk shall act as custodian of the Fund and shall be responsible for receiving payment of attorney admission fees and for safeguarding, depositing, disbursing and accounting for all assets of the Fund in accordance with pertinent guidelines and statutes. Monies paid into the Nonappropriated Fund and the accounts therefor shall be kept separate and distinct from any other monies received by the court.

In particular, the custodian shall:

1) Prepare an annual fiscal plan. Line item limits should be established for each of the authorized expense categories, and expenses each year should not exceed the amount set for that line item without the authorization and approval of the chief judge in Sacramento or the senior active judge in Fresno. It should not be deduced from this fiscal plan that the allocated amount must be expended during that year or at all.

2) Make payments from the Fund for purposes authorized in accordance with Section 1 and the fiscal plan. Checks must be countersigned by the chief judge or his designee;

3) Secure a bond, to be paid for from assets of the Fund;

4) Establish an appropriate accounting system for the Fund and maintain proper records of receipts and disbursements;

5) Prepare and submit to the court a quarterly report on Fund Activities, setting forth the balance, receipts, disbursements in accordance with the fiscal plan, and the estimated earnings for the Fund, and any other reports that the

court, from time to time, may require;

6) Invest funds in accordance with the guidelines set forth in Section 5, below, and

7) Perform such other duties as the court may direct.

b. Upon appointment by the court of a successor custodian, the outgoing shall prepare and sign the following statements in conjunction with an exit audit or inspection conducted by an auditor or disinterested inspector as designated by the court:

1) A statement of assets and liabilities;

2) A statement of operations or of receipts and disbursements since the end of the period covered by the last statement of operations and net worth, and

3) A statement of the balance in any fund accounts as of the date of transfer to the successor custodian.

The successor custodian shall execute a receipt for all funds after being satisfied as to the accuracy of the statements and records provided by the outgoing custodian. Acceptance may be conditioned upon audit and verification when the circumstances warrant.

Section 3 - Court Clerk

Consistent with the foregoing, the Court Clerk or his designee with the approval of the chief judge in Sacramento or the senior active judge in Fresno may authorize expenditures up to \$500 per item, not to exceed \$10,000 per fiscal year.

Section 4 - Audits and Inspections

Funds are subject to audit by the Administrative Office of the U.S. Courts. The court may appoint an outside auditor or disinterested inspector (who may be a government employee) to conduct such additional audits as the court determines may be necessary or appropriate. The written results of each such audit or inspection shall be provided to the court. Reasonable compensation may be provided from Fund assets if the auditor or inspector is not a government employee acting in an official capacity.

A terminal audit or inspection shall be performed prior to the dissolution of the Fund and a written accounting rendered to the court.

Section 5 - Protection of the Fund

All receipts shall be deposited only in federally insured banks or savings institutions and whenever practical and feasible, all substantial sums shall be placed in secured interest-bearing accounts, government securities, or money market funds invested in government obligations. Efforts shall be made to maximize the return on investments consistent with the requirements of convenience and safety.

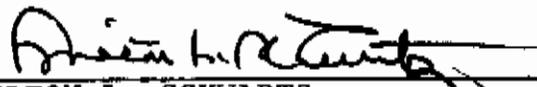
Section 6 - Dissolution of the Fund

The court may dissolve the Fund or any portion thereof whenever considered appropriate. Care shall be taken to ensure that all

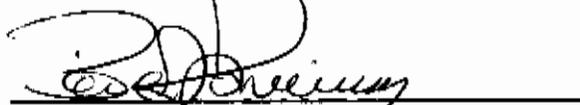
outstanding obligations are liquidated prior to dissolution of the Fund, including any expense resulting from the required terminal audit or inspection. In addition, efforts shall be made to dispose of the assets of the Fund in ways which fulfill the purposes of the Fund, as set forth in Section 1(a), above.

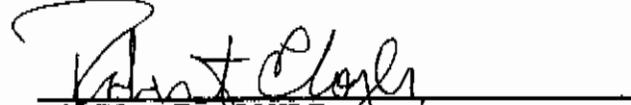
DATED: April 4, 1984

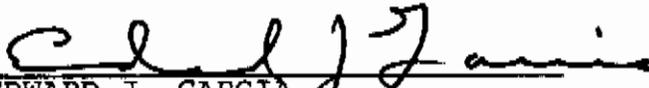

LAWRENCE K. KARETON, CHIEF
UNITED STATES DISTRICT JUDGE


MILTON L. SCHWARTZ
UNITED STATES DISTRICT JUDGE


E. DEAN PRICE
UNITED STATES DISTRICT JUDGE


RAUL A. RAMIREZ
UNITED STATES DISTRICT JUDGE


ROBERT E. COYLE
UNITED STATES DISTRICT JUDGE


EDWARD J. GARCIA
UNITED STATES DISTRICT JUDGE