

September 19, 2008

CHIEF FINANCIAL OFFICER MEMORANDUM NO. 03 (2008-2009)

**SUBJECT: CLERKS OF COURT ACCOUNTING METHODOLOGY FOR
CHAPTER 2008-111, LAWS OF FLORIDA**

Chapter 2008-111, Laws of Florida, requires that the new funds generated by increased court-related fees be remitted to the State for deposit in the General Revenue Fund (GR). All new increased fees attributable to Chapter 2008-111, Laws of Florida (2008) must be recorded as liabilities for accounting purposes. This accounting methodology is referenced in Generally Accepted Accounting Principles (GAAP).

This accounting methodology will allow a Clerk of Court, who is certified by the Clerk of Courts Operations Corporation (CCOC) as being in a budgeted deficit position and receiving a monthly stipend from the State, to offset the need for the stipend by using the increased fee collections attributable to Chapter 2008-111 to pay for his or her current certified budget expenditures. The amount of funds scheduled to be received from the Clerks of Courts Trust Fund administered by the Department of Revenue (DOR) pursuant to Section 28.36, Florida Statutes, will be reduced or eliminated depending on the amount of increased fees collected by such a Clerk. If a Clerk of Court, who is certified by the CCOC as being in a budgeted deficit position, collects funds in excess of his or her deficit stipend, all such excess funds shall be remitted to the State.

Implementation of this accounting methodology will create three classes of Clerks.

- Surplus Clerks:
 - Surplus Clerks shall record any receipts attributable to fees increased by Chapter 2008-111 as a liability. Payments shall be remitted as specified in the DOR Payment System.
- Full Offset Deficit Clerks:
 - Full offset deficit Clerks shall record any receipts attributable to fees increased by Chapter 2008-111 as a liability. The Clerk shall then reclassify as revenue from the State that portion of such liability equal to his or her monthly certified stipend from DOR and forego any payment due from DOR.

The Clerk shall notify CCOC in writing that he or she has declined the deficit stipend. Any remaining funds attributable to fees increased by Chapter 2008-111 shall be remitted on the lines specified in the DOR Payment System.

- Residual Deficit Clerks:
 - Residual deficit Clerks shall record any receipts attributable to fees increased by Chapter 2008-111 as a liability. The Clerk shall then reclassify as revenue all such liability and offset it against the amount due the Clerk in his or her monthly certified stipend from DOR. The Clerk shall notify DOR and CCOC in writing of the adjusted amount of monthly stipend necessary to pay for his or her current certified budget expenditures.

This accounting methodology will ensure that new State court-related revenues will not be included in the revenue calculations used by the CCOC to determine annual budgets for individual Clerks of Court. Section 47 of Chapter 2008-111 specifically prohibits the use of these funds as the basis for increases in court-related budgets for Clerks of Court.

A powerpoint presentation referencing the accounting methodology for Chapter 2008-111, Laws of Florida (2008) (GR) is available on the Local Government's website at:
http://www.myfloridacfo.com/aadir/localgov/article_v.htm