***Justice System Funding Reporting Schedules (Act 87) – Frequently Asked Questions***

The following frequently asked questions (FAQs) are based on feedback received from local officials and practitioners after the Louisiana Legislative Auditor (LLA) issued the Act 87 - Justice System Funding Reporting Schedules on January 4, 2021. We will continue to update these FAQs periodically as we receive additional feedback.

***Introduction/General Requirements and General Comments***

* Should the school board report on the fees they pay to the District Attorney for legal services not related to fines/fees?
	+ No, only amounts related to fines and fees and the collection of those fines and fees should be reported.
		- Examples of amounts that should be reported are probation fees, crime lab fees, garnishments, traffic fines, credit card processing fees, amount retained by the collecting entity, etc.
		- Examples of amounts that should **not** be reported are grants, entity legal counsel expenses, retirement expenses, dues and subscriptions, etc.
* Are the Act 87 reporting schedules applicable to justices of the peace and constables reporting under sworn financial statements?
	+ Yes, justices of the peace and constables are required to report as part of Act 87; however, we feel the current sworn financial statements used by these entities provide sufficient information to meet the requirements of the statutes. Therefore, no additional schedules will be required for justices of the peace and constables.
* Are those entities that submit all other sworn financial statements required to report under Act 87?
	+ Yes, on December 28, 2020 new sworn financial statements were added to the Local Government Audit Guide, the new forms contain the required schedules. We ask that entities, other than justices of the peace and constables, required to submit sworn financial statements use the new forms found at <https://lla.la.gov/local-government-entities/justice-system-funding/index.shtml>
* Most District Attorneys serve as legal counsel for other governments in the parish. In some cases, the DA is paid a fee by the other governments for these legal services, should these fees be included in the schedules?
	+ No, this payment is not the type of fee that is to be included on the schedules.
* With regards to City Courts, it appears that the Collecting/Disbursing Schedule would apply to the Courts Agency (Custodial) Funds (i.e. funds received from general public and then disbursed to various entities, including the Court’s governmental funds), while the Receiving Schedule would pertain to the Court’s Governmental funds (i.e. funds received from the City Marshal or Court’s agency/custodial funds). Is that correct?
	+ No, the Collecting/Disbursing Schedule is used for the initial collection of a fine/fee from an individual or government agency outside of your client's reporting entity. Interfund transactions within the same reporting entity would simply be recorded as “Self-Disbursed" within the "Amounts Retained by Collecting Agency" section of the Collecting/Disbursing Schedule.
	+ The Receiving Schedule is used for the receipt of funds that were initially collected by an agency outside of your client's reporting entity and subsequently disbursed to your client. The Receiving Schedule would not be used for interfund transactions within the same reporting entity, as noted above.
* My client has a June 30, 2021 year end, does that mean this report is not due until the June 30, 2021 audit is complete?
	+ Yes, the schedules are to be submitted as part of your audit report; therefore, they are due when your audit report is due.
* Are the new schedules for the fiscal year ending June 30, 2021 financial statements to be reported from this date forward?  Or do I have to complete the new reporting schedules retroactive to the fiscal year beginning date of July 1, 2020?
	+ You will need to complete the information retroactively to include the entire fiscal year. A collecting/disbursing and/or receiving schedule should then be submitted as part of your annual audit report.
* Should we only report One Collecting/Disbursing Schedule for each entity?
	+ Yes, only one Collecting/Disbursing Schedule and/or one Receiving Schedule per entity.
* We oversee a court in which the Sheriff collects all criminal court fines/fees assessed by the court then disburses the collections to the various entities entitled to a share of the revenue (including the court). Should the court only record the share they receive from the Sheriff on the receipt template? Or should they “gross up” the collection and record the total fine/fee collected on the collection/disbursing schedule and then show the disbursements by the Sheriff?
	+ To avoid duplication, we would like to only see the amounts you receive recorded on the schedules you submit if the payments are collected by someone other than yourself. The collection agency will be showing the total collections and disbursements on their schedule.
* How should a Clerk of Court report advance deposit funds as these amounts are collected for current and future period expenses with over collections refunded once the case is closed?
	+ These amounts would be reported as Civil Fees when collected. Any amount retained by the clerk for current period expense would be reported in the “Less: Amounts Retained by Collecting Agency” "Self-Disbursed" (example: Caddo Parish Clerk of Court, Civil Fees.) Any remaining amounts would be shown in the “Total: Ending Balance of Amounts Collected but not Disbursed/Retained.”
	+ For subsequent reporting periods the remaining amounts would be shown in the “Beginning Balance of Amounts Collected.” Amounts used by the Clerk for the reporting period would be shown in the “Less: Amounts Retained by Collecting Agency” "Self-Disbursed" (example: Caddo Parish Clerk of Court, Civil Fees) with any remaining funds again reported in the ending balance.
	+ Once a case is closed and the remaining balance is refunded to the individual/business that submitted the advance deposit, the refunded amount should be reported under “Less: Disbursements to Individual/3rd Party Collection or Processing Agencies - Civil Fee Refunds.”
	+ See <https://lla.la.gov/local-government-entities/justice-system-funding/index.shtml> for an example demonstrating the reporting of one advance deposit over a 3-year period.
* What is Asset/Forfeiture/Sale?
	+ This is for items that are forfeited/seized as part of a criminal or civil case and sold by your office to pay court related cost such as fines/fees or reparations.
* Is there a deadline to have the schedules completed?
	+ The schedules are due as part of your next submitted audit report.

***Collecting/Disbursing Schedule***

* Regarding the Court’s Probation Fund, sometimes the Judge orders certain defendants to take a “Life Skills” course. Sometimes the Judge orders the defendants to pay for the course, while other times they may not have to pay if deemed indigent or other reasons. For the individuals who do pay, the Court deposits those funds into the Court’s Probation Fund. Should those receipts be classified as “Probation Fees” on the Collecting/Disbursing Schedule?
	+ As this would be a condition of probation, it should be classified as Probation/Parole/Supervision Fees on the collecting/disbursing schedule. The amount retained by the court would then be reported as Probation/Parole/Supervision Fees in the Amounts "Self-Disbursed" to Collecting Agency under the Amounts Retained by Collecting Agency.
* The Court pays an individual for teaching the “Life Skills” courses which are sometimes ordered by the Judge. Should those payments be reported on the Collecting/Disbursing Schedule as Disbursements to Individuals?
	+ As described, this appears to be a normal expense of the court, so disbursement to the individual teaching the class would not be part of the schedules.
* Will you explain what the “Ending Balance of Total Amounts Assessed but not yet Collected” in the “Other Information” box of the collecting/disbursing schedule should include?
	+ This is a modified cash basis for amounts that an entity has a legally enforceable right to collect but have not yet collected.
* The City pays all salaries of Court employees. From time to time, the City requests funds from the Court to supplement salaries. Should these transfers to the City be reported on the Collecting/Disbursing Schedule as Disbursements to Governments, even though the amounts transferred have nothing to do with fines/fees collected? (i.e.
They are just flat transfer amounts requested from time to time, maybe once or twice a year.)
	+ This appears to be a normal expense of the court; therefore, it would not be part of the schedules.
* On Civil and Small Claims suits filed, plaintiffs pay advance deposits-court costs. I know that these will be reported on the Collecting/Disbursing Schedule as Civil Fees. In addition, the Court collects funds from plaintiffs to pay for Service Fees. These fees are paid to various governmental agencies for serving papers, such as the Shreveport City Marshal, Bossier City Marshal, etc. My question is: Are these Service Fees required to be reported separately in the Collections section of the Collecting/Disbursing Schedule as Service/Collection Fees? It is uncertain at this time whether the Court’s software is able to generate a report which would separate Service Fee receipts from other Civil Fees.
	+ These "service fees" appear to be part of the civil filing and not a separate fee related to cost of collections (credit card fees, etc.); therefore, they would be reported as civil fees.
* We will have several Villages, Towns, etc. that will have what we know as Mayor’s Court. These Towns will collect Police Tickets that have been written and then disburse 5-10 amounts to various other entities. Would this type activity be reported on the Collecting/Disbursing Entity Schedule?
	+ Yes, in this instance the mayor's court would need to submit the collecting/disbursing schedule for those amounts they collect and distribute to other agencies. If they receive amounts from other collecting agencies (sheriff's offices, courts, etc.) they will also need to submit the receiving schedule for those amounts that they would be receiving from the other collecting agencies.
* Would the payments of the Service Fees to the City Marshal and other governmental agencies be reported in the Disbursements section as Disbursements to Governments – Service Fees?
	+ No, these would be reported under the Disbursements to Governments & Nonprofits section as civil fees (example: Shreveport City Marshal, Civil Fees).
* We used a collection agency for our ticket processing that charges a fee on top of the court fines/fees assessed from the ticket, should this be included on the template?
	+ Yes, all amounts charged by processing agent/collection agencies should be reported in the individual/3rd party collection or processing agencies section.
* On the Violations Fund, the Court collects Reinstatement Fees from individuals whose drivers’ licenses have been suspended. Should the collection of these fees be reported in the Collections section of the Collecting/Disbursing Schedule as Criminal Fines – Other?
	+ No, this would go under criminal court costs/fees.
* Should disbursements to individual/3rd party collection or processing agencies be broken out by each agency to which an amount is disbursed or only broken down by the total in each sub-category shown on the schedule?
	+ Amounts reported within the disbursements to individuals/3rd party collection or processing agencies should only be broken down by the total amount distributed within each sub-category.
* Can you explain the difference between Criminal Fines-Contempt and Criminal Fines-Other? The Court’s software does not appear to separate between these two categories.
	+ Criminal Fines are those in statute specific to an offense, whereas contempt is as it states, a fine a judge imposes for contempt of court. Each court may have individual statues that allow for contempt fines for that court. The court should be able to tell you what contempt statutes they use when imposing this particular fine.
* For the Collection/Disbursement Schedule, if an entity has two fiduciary custodial funds that collect and disburse these funds, are these funds to be combined into the same schedule?
	+ Yes, a single collection/disbursement schedule is required.
* For the Other Information to be reported at the bottom of the Collecting/Disbursing Schedule (Ending Balance of Total Amounts Assessed but not yet Collected and Total Waivers During the Fiscal Period, if this information is not available, do we add these lines and state “Not Available”?
	+ The court should have a record of what was assessed to know what amounts should be collected. If the court has not been tracking assessed amounts, for the first year this would be acceptable; however, the court must begin tracking this information from this point forward.
* It appears that amounts received by the Court’s Agency/Custodial funds and then retained by the Court itself (and transferred into the Court’s Governmental Funds) would be reported on the Collecting/Disbursing Schedule as “Less: Amounts Retained by Collecting Agency.” Would those amounts also be reported on the Receiving Schedule since they are “received” by the Court’s Governmental Funds from the Court’s Agency funds?
	+ No, funds collected by a court’s agency/custodial fund and then retained by the Court itself (i.e. transferred into the Court’s Governmental Funds) would be reported on the Collecting/Disbursing Schedule as “Less: Amounts Retained by Collecting Agency” only and not shown on the Receiving Schedule.
* I am not following the difference in/distinction between the following categories under *Amounts Retained by Collecting Agency*: Collection Fee for Collecting/Disbursing to Others (based upon percentage or fixed amount), and Amounts Self-Disbursed to Collecting Agency. Will you clarify the difference?
	+ The examples below may better illustrate the distinction:
		- The parish sheriff collects a $50 criminal fee from an individual and the related statute says that $25 should be distributed to the clerk of court, $25 should be distributed to the parish government, and 2% of the amount collected on behalf of other agencies may be retained by the sheriff as a collection fee. In this case, the sheriff would keep $1 as a "collection fee" and would distribute $24.50 to the clerk of court and $24.50 to the parish government. The Collecting/Disbursing Schedule would reflect $50 in Criminal Court Costs/Fees under the "Collections" section, $1 retained under the "Collection Fee for Collecting/Disbursing to Other Based on Percentage of Collections" line, and $24.50 each to the clerk of court-Criminal Court Costs/Fees and the parish government-Criminal Court Costs/Fees under the "Disbursements to Governments & Nonprofits" section.
		- However, if a sheriff collects a $50 fee and the related statute says that the sheriff retains the fee to cover the cost of operating a program, then the $50 is "self-disbursed" to the sheriff. The Collecting/Disbursing Schedule would reflect $50 in Criminal Court Costs/Fees under the "Collections" section and $50 retained as Criminal Court Costs/Fees under the "Amounts 'Self-Disbursed' to Collecting Agency" line/section. Under this same scenario, if the sheriff were to use a credit card processing contractor in its collection efforts, who charged a $2 service fee for credit card payment processing, then the $2 fee would be included as Service/Collection Fees under the "Collections" section and as Payments to 3rd Party Collection/Processing Agencies under the "Disbursements to Individuals/3rd Party Collection or Processing Agencies" section.
* The Collecting/Disbursing Schedule has a box at the bottom for noting Amounts Assessed but not yet Collected (i.e. receivables). Though the subsidiary software systems of the Courts may be able to provide a printout of fines which have been entered into the software but not yet collected, I don’t think it is possible to verify that population. For example, fines are entered as tickets are turned in from the City Police Department. Those tickets are written by numerous officers from numerous ticket books, and although they are used sequentially by each officer, the time frame of each officer’s use of a ticket book will not be comparable to another officer’s timeframe for using all tickets in a ticket book. As a result, there will always be gaps in the sequence of the tickets remitted to the Court and entered into the subsidiary software by the Court. Bottom line: How are we to give an in-relation-to opinion on this amount on the schedule when we are unable to account for the entire population of Amounts Assessed (i.e. tickets issued but not yet collected)? From a different viewpoint, perhaps the fine amount is not technically “due” until the defendant either pleads guilty or goes to Court. In those instances, the ticket information would indeed be entered into the software and could be included on a report of amounts not yet collected?
	+ If there is not a legally enforceable right to collect the amounts, then they are not "assessed." In your example, the traffic tickets are not assessed until the defendant pleads guilty or goes to court.
* My client, a city Marshal, collects probation fees from individuals that the Court orders. Would the probation fees be listed as City Court-Probation Fees in the receipts from section of the Receiving Entity schedule or does it even have to be listed on the collection schedule due to the collections being from individuals?
	+ Because the Marshal is the initial collecting agency, the probation fees should be included on the Collecting/Disbursing Schedule as Probation/Parole/Supervision Fees under the "Collections" section and as Amounts Self-Disbursed to Collecting Agency under the "Amounts Retained by Collecting Agency" section.
* A city Marshal collects garnishments of wages from individuals-businesses in accordance with the order-judgement from the Judge of the City Court. The Marshal then disburses the collections to various businesses-creditors. The Marshal also keeps a fee from the collections. Would this activity be required to be reported on the Collecting/Disbursing schedule? If so, would we report the collection of garnished wages on the “Other” line and specify garnishments in the collection section? Would we report the fees earned by the Marshal in the collection fee for collecting/disbursing line? Finally, where would we report the disbursements to the businesses or creditors?
	+ The garnishments collected by the Marshal should be included on the Collecting/Disbursing Schedule as Civil Fees under the "Collections" section. The disbursements the Marshal makes to the various businesses-creditors should be reported as Civil Fee Refunds under the "Disbursements to Individuals/3rd Party Collection or Processing Agencies" section. And, the collection fees earned by the Marshal should be reported as “Collection Fee for Collecting/Disbursing to Others Based on (either) Percentage of Collection or Fixed Amount” under the "Amounts Retained by Collecting Agency" section.

***Receiving Schedule***

* If the Sheriff's Office collects revenue in June and disburses funds to my client in July, do you count the income in June or July for the receiving entity?
	+ As the templates are on a cash-basis, the receiving entity would report receipt when they receive the funds (July in this instance).
* Should we submit separate Receiving Schedules for each Governmental Fund of each entity? (i.e. separate schedules for Court Operating Fund, Building Fund, Probation Fund, Pro Bono Fund, etc.).
	+ Separate Receiving Schedules are only required if the funds are legally required to be separated (not just a GAAP separation). This would typically apply to courts.
* The city Marshal receives fees for serving suits-paper (Civil) from the City Court, Parish Police Jury and numerous other court systems that reside outside of the City limits. Is it required to report each court system that the Marshal receives fees from in the receipts section on the Receiving Entity schedule or can we group together into one line item?
	+ Each court system/agency must be separately reported on the Receiving Schedule (e.g. rather than aggregated on one line.)
* On the receiving schedule the reporting of an Ending Balance of Total Amounts Assessed but not yet Received, is this applicable to all agencies?
	+ This only applies to those agencies that assess on behalf of themselves, such as courts.