

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY**

DEPT: Auditor-Controller

BOARD AGENDA:5.B.3
AGENDA DATE: February 6, 2018

SUBJECT:

Approval of a Memorandum of Understanding Between the County and the Superior Court of California, County of Stanislaus, Regarding the Receipt and Distribution of Criminal Fines, Fees and Forfeitures

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2018-0067

On motion of Supervisor Chiesa , Seconded by Supervisor Monteith
and approved by the following vote,

Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

ATTEST:



ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Auditor-Controller

BOARD AGENDA:5.B.3
AGENDA DATE: February 6, 2018

CONSENT:

CEO CONCURRENCE: YES

4/5 Vote Required: No

SUBJECT:

Approval of a Memorandum of Understanding Between the County and the Superior Court of California, County of Stanislaus, Regarding the Receipt and Distribution of Criminal Fines, Fees and Forfeitures

STAFF RECOMMENDATION:

1. Approve a Memorandum of Understanding between the County and the Superior Court of California, County of Stanislaus regarding the Receipt and Distribution of Criminal Fines, Fees and Forfeitures.

2. Authorize the Chairman of the Board to sign the Memorandum of Understanding.

DISCUSSION:

The Stanislaus County Superior Court (Court) deposits criminal fines, fees and forfeitures in the County Treasury. The Court is responsible for providing the County Auditor-Controller with the TC-31 report to certify and report trial court collections monthly in accordance with Government Code (GC) Section 24353.

Upon deposit in the County Treasury, under Government Code (GC) Section 68101, the County Auditor-Controller is responsible for remitting total collections due to the State and for certifying and remitting the TC-31 report on a monthly basis. In addition, the Auditor-Controller distributes the collections to the County, Court and local cities.

The Court is proposing that criminal fines, fees and forfeitures be deposited into a bank account established by the Administrative Office of the Courts and outside of the County Treasury. GC Section 68085.9 permits the Court to maintain a bank account outside of the County Treasury with the consent of the County and the Judicial Council of California (JCC) Administrative Director. Approval from the JCC Administrative Director was received on November 28, 2017.

The Court will be implementing a new case management system that includes a financial component which will allow check writing capability to process refunds, a responsibility currently absorbed by the Auditor-Controller's Office. Once the bank account is established, the Court will submit, on a monthly basis, payment to the County for distribution to the State, County and local cities. The monthly payment, TC-31 report and necessary documents will be submitted to the County within 15 business days following the calendar month end. Upon receipt of the payment and documents, the County will continue to perform its responsibilities in accordance with the law.

POLICY ISSUE:

Government Code Section 68085.9 permits the Court to maintain a bank account separate from the County Treasury with the consent of the County and the JCC Administrator Director.

FISCAL IMPACT:

There is a potential impact to interest income as less cash balance will be available to leverage maximum interest rates; any impact will be immaterial since money coming in and leaving the Treasury is equal with the exception of timing differences.

BOARD OF SUPERVISORS' PRIORITY:

The recommended action is consistent with the Board's priority of *Delivering Efficient Public Services and Community Infrastructure* by allowing the Court to maintain a bank account separate from the County Treasury and increasing the amount of time existing County staff has to perform the business of the County.

STAFFING IMPACT:

The proposed bank account will reduce workload of County staff as the receipts and payables associated with the Court fines, fees and forfeitures will be handled by the Court.

CONTACT PERSON:

Kashmir Gill, Assistant Auditor-Controller (209) 525-6579

ATTACHMENT(S):

1. Memorandum of Understanding between County and Stanislaus County Superior Court

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE COUNTY OF STANISLAUS AND
THE SUPERIOR COURT, COUNTY OF STANISLAUS
REGARDING
ESTABLISHING A SEPARATE COLLECTIONS BANK ACCOUNT FOR
CRIMINAL FINES, FEES, AND FORFEITURES**

1. PARTIES

The parties to this Memorandum of Understanding (“MOU”) are Superior Court of California, County of Stanislaus (“Court”) and the County of Stanislaus (“County”).

2. SCOPE OF AGREEMENT

The purpose of this MOU is to set forth the understanding between the Court and the County on the scope of service, method of service delivery, terms of agreement, anticipated service outcomes, and the cost of service to deposit of criminal fines, fees and forfeitures into a Judicial Council of California (“JCC”) bank account, in lieu of the County Treasury.

3. TERMS OF AGREEMENT

The term of this MOU shall commence on February 6, 2018, and will remain in effect until terminated by either party pursuant to the provisions of Paragraph 9 of this MOU. The Court and the County will agree on exact cutover date.

4. COUNTY CONSENT FOR SEPARATE BANK ACCOUNT

As authorized by California Government Code sections 68085.9 and 77009(b), the parties agree that a trial court or officer of a trial court will deposit into a bank account, which has been established by the JCC and which is separate from the County Treasury (“Court Account”), all money received by the Court that is otherwise required by law to be deposited into the County Treasury or with the County Treasurer (“County Money”).

County Money provisions of law include, but are not limited to, Sections 24355, 68085, 68085.5, and 68101 of the Government Code and Section 1463.001 of the Penal Code. Money collected pursuant to Government Code section 69085.1 shall be deposited as provided in that section.

The separate bank account was approved by the Administrative Director of the JCC on November 28, 2017.

5. PAYMENT TO THE COUNTY

No later than the 15th business day following the calendar month end, the Court will remit payment to the County the portions of County Money due to the State, County and local Cities, after deduction for any Court Enhanced Collections costs allowed under the Memorandum of Understanding for Collection Services, County of Stanislaus, Revenue Recovery Division and the Superior Court, County of Stanislaus effective July 1, 2013 (also known as “Court/County Collection Services MOU”).

- A. The Court will
 - 1) Execute an electronic funds transfer amount equal to the sum of the distribution due to the State, County and local Cities, as required by law. The funds will be deposited in Stanislaus County Treasury bank account
 - 2) Submit the completed TC-31 report for certification
 - 3) Submit all necessary balancing reports and documentation

- B. The County will
 - 1) Remit the certified TC-31 forms and the amount due the State to the State Treasurer
 - 2) Distribute amount due the local Cities
 - 3) Distribute amount due the County

6. DELINQUENT PAYMENTS AND ERRORS

The Court accepts responsibility for interest and penalties due the State, County, and local Cities in the event of a distribution error or delinquent payments to the County. The Court's liability is limited to County Money the Court collects and deposits into the Court Account. The County agrees to accept responsibility for interest and penalties for distribution errors or delinquent payments related to fines and fees collected by the County.

Within 15 days of notice from the County of an error in a distribution, the Court will advise the County of the correct distribution amounts and adjust the TC-31 forms accordingly. The revised forms will be submitted by the County.

7. BANKING, ADMINISTRATIVE, AND COLLECTIONS COSTS

It is agreed that the Court will be responsible for all costs and liabilities associated with its use of the bank account established with the JCC. The Court solely is responsible for administering the Court Account, including its monitoring and reconciliation.

8. AMENDMENTS

Neither party shall make changes to this MOU without the other's written consent. Such changes shall be incorporated into a MOU Amendment, which shall not become effective until signed by both the County and the Court.

9. TERMINATION

Either party may terminate this MOU, with or without cause. Any such termination shall be effected by delivery to the other party of a written Notice of Termination including the date upon which such termination will become effective. The termination date must be at least ninety days after the delivery date of the Notice of Termination.

10. NOTICE

Correspondence concerning this MOU will be sent to:

Court: Court Executive Officer
Superior Court of California, County of Stanislaus
800 11th Street
Modesto, CA 95354

County: Stanislaus County, Auditor-Controller
1010 10th Street, Suite 5100
Modesto, CA 95354

11. ENTIRE AGREEMENT

This MOU contains the entire and complete understanding of the parties and supersedes any and all other previous agreements, oral or written, with the exception of the Court/Collection Services MOU.

WHEREFORE, the Parties hereto have executed this Memorandum of Understanding in the County of Stanislaus.

COUNTY OF STANISLAUS, a political
subdivision of the State of California

By: [Signature]
Chairman of the Board of Supervisors

Date: 2/16/18

SUPERIOR COURT OF CALIFORNIA,
COUNTY OF STANISLAUS

By: [Signature]
Title: CEO

Date: 2/1/18

ATTEST:
ELIZABETH A. KING, Clerk of the Board of
Supervisors of the County of Stanislaus,
State of California

By: [Signature]
Deputy Clerk of the Board

APPROVED AS TO CONTENT:

By: [Signature]
Lauren Klein, Auditor-Controller

APPROVED AS TO FORM:
JOHN P. DOERING, County Counsel

By: [Signature]
Deputy County Counsel