

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS

IN RE:

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§

Entered September 3, 1992

ADOPTION OF PLAN FOR THE  
ADMINISTRATION OF THE  
ATTORNEY ADMISSIONS FUND

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GENERAL ORDER NO. 92-27

ORDER

The Court meeting in Executive Session on August 29, 1992, adopted the attached Plan for the Administration of the Attorney Admissions Fund for the Southern District of Texas.

DONE at Houston, Texas, this 3rd day of September, 1992.

      \s        
JAMES DEANDA  
CHIEF JUDGE  
UNITED STATES DISTRICT COURT

PLAN FOR THE ADMINISTRATION OF  
THE ATTORNEY ADMISSION FUND FOR  
THE SOUTHERN DISTRICT OF TEXAS  
(A Non-Appropriated Fund)  
(Adopted 8/29/92)

The Court now adopts this plan for the administration and operation of the Attorney Admission Fund ("Fund"). Administrative Manual, Guide to Judiciary Policies and Procedures, transmittal 18, volume I, Chapter VII, part 0, dated 4/16/90.

Source of the Fund: All fees paid by attorneys who apply to join or renew admission to the Bar of the Southern District of Texas and all income derived from the corpus shall be the source of the Fund. Neither the fees nor the increase of the corpus are monies appropriated by Congress.

Expenditures from the Fund: The Fund has been created for the benefit of both the Southern District Bench and Bar in the interest of justice. No expenditures shall be permitted unless approved specifically by a majority vote of the Court or approved by category in Appendix C of this Plan. Appendix D is a list of expenditures considered inappropriate absent specific authorization by the Court.

Custodian of the Fund: Unless a different person is named in writing by the Court, the Clerk of Court shall be custodian of the Fund. The Custodian shall adhere to this Plan.

Power of Custodian: The Custodian shall have the duty of approving expenditures which comply with this Plan. The Custodian may suspend any request for expenditure from the Fund when the Custodian feels that such expenditure might compromise the purposes of the Fund. Upon suspension the Custodian shall immediately submit questioned expenditures to the Committee for approval or disapproval. Appeals shall be to the full Court.

Reporting by the Custodian: Quarterly and annually the Custodian shall submit a report to the Court and the Committee certifying compliance with the Plan including reports of income, expenditures, investments, and balances in the Fund.

Successor Custodian: When a successor custodian is appointed, the outgoing custodian will prepare and sign the following:

1. A report of the financial condition of the Fund as of the last day of service by the outgoing custodian;
2. A statement of operations for the period since the last quarterly or annual report; and
3. A statement of the balance in the Fund as of the outgoing custodian's last day in office.

The Successor Custodian shall review the final reports and issue a receipt to the Outgoing Custodian when satisfied with the accuracy of the final reports.

Funds Controls: The Custodian will:

1. Limit access to funds to individuals authorized by the Plan;
2. Segregate the duties of recording and depositing receipts;
3. Segregate responsibilities for approving preparing and signing checks;
4. Assign responsibility for monthly bank reconciliation to an individual with no other cash responsibilities; and
5. Identify and report unusual reconciling items.

Investment Controls: The Custodian will:

1. Invest funds in excess of planned disbursements in instruments approved by the Court;
2. Retain the investment securities in the financial vault;
3. Title investments: United States District Court Attorney Admission Fund;
4. Periodically inspect and confirm that investment securities are in the vault;
5. Compare the income received on investments with the income specified by the terms of the security; and
6. Report investment income and losses on the quarterly and annual accounting statements.

Expenditures Controls: The Custodian will:

1. Record expenditures in the check book as they occur;
2. Insure that expenditures are authorized by the Plan-
3. Support expenditures with original invoices, receiving reports, and other original documentation; and
4. Make certain that checks contain the signature of an authorized District Judge and the Custodian or a person authorized by the Court;

Revenue Controls: The Custodian will:

1. Prepare a receipt for the previous month's attorney admission collections to the District Financial Section; and
2. Segregate the recording of this receipt from its deposit.

Accounting System Controls: The Custodian will implement an automated accounting system comprised of:

1. a General Journal;
2. a General Ledger; and
3. All transactions will be posted to the General Journal as they occur. General Journal entries contain as a minimum:
  - a. a transaction reference number: (check number, deposit

- ticket number, journal voucher);
- b. a brief description of the transaction;
  - c. a dollar amount of the transaction; and
  - d. the account or account number affected.

Form of Reports: Appendix A exhibits the form of quarterly and annual financial reports. Appendix B provides the chart of accounts for Fund transactions.

Bond: The Custodian will secure a surety bond to be paid from the Fund to protect the Fund from losses.

Audit: The Fund is subject to audit by the Administrative office of the United States Courts. In addition, the Court may appoint an outside auditor or disinterested person to audit the fund. The Court-ordered audit will be paid from the Fund if the auditor is not a government employee acting in an official capacity. The Fund will be audited on an annual basis. The auditor may use as a guide the United States Courts Non-Appropriated Funds Audit Guide prepared by Price Waterhouse.

Attorney Admission Fund Committee: The Chief Judge shall, with the advice and consent of the Court, appoint a Committee, consisting of two judges of the Court and three members of the Bar of the Court. Members shall serve three year staggered terms at the pleasure of the Court and without compensation. The Committee shall advise the Court and the Custodian on matters of policy in administering the Fund; shall review Appendix C & D and recommend such amendments to the Court as the Committee deems appropriate; and shall approve or disapprove questioned expenditures referred to it by the Custodian or the Court.

Appendix A

Statement of Revenues Collected,  
Expenses Paid and Changes in Fund Balance

September 30, 1988

Revenue Collected:

Fees	\$	xxxx
Interest Income		<u>xxx</u>
	\$	xxxx

Expenses Paid:

Printing and Reproduction	\$	xxxx
Supplies and Materials		xx
Attorney Admission Proceedings		xx
Periodicals and Publications		xx
Surety Bond for Fund Custodian		xx
Employee Compensation		xx
Employee Tax		xx
Pro Bono Payments		xx
Miscellaneous Contractual Services		xx
Furniture and Furnishings (Attorneys Lounge)		<u>xx</u>
Total Disbursements	\$	xxxxx
Prior Fund Balance	\$	xxxx
Revenue less Expenses	\$	<u>xxxx</u>
Ending Fund Balance	\$	xxxx

Appendix B

Chart of Accounts

100-199	Assets
110	Cash
120	Short Term Investments
130	Fees Receivable
200-299	Liabilities
210	Accounts Payable
220	Wages Payable
230	Employee Tax Payable
400-499	Revenue
410	Attorney Admissions Fee
420	Interest Income
500-599	Expenses
505	Printing and Reproduction
510	Supplies and Materials
515	Attorney Admission Proceedings
520	Periodicals and Publications
525	Surety Bond for Fund Custodian
530	Employee Compensation
535	Employee Tax
540	Pro Bono Payment
545	Miscellaneous Contractual Services
550	Furniture & Furnishings (Attorneys Lounge)

## Appendix C

### Examples of Appropriate Uses of Attorney Admission Funds

1. Attorney admission proceedings, including expenses of Attorney Admission Committee and admissions ceremonies.
2. Attorney discipline proceedings, including expenses of investigating counsel for disciplinary enforcement, travel expenses and witness fees in disciplinary proceedings.
3. Publications for court libraries in each Division which publications cannot be purchased with appropriated funds.
4. Equipment and material to assist attorneys in the courtroom, including, but not limited to, videotape equipment, anatomical charts and stands, and other audiovisual aids.
5. Lawyer lounge facilities, including convenience equipment.
6. Local telephone service in lawyer lounges.
7. Duplication and copying facilities for use by attorneys.
8. Legal research equipment and facilities for attorneys preparing for trial.
9. Computer equipment and services for use by attorneys preparing for trial.
10. Continuing legal education (CLE) programs.
11. Equipment and materials in support of CLE programs.
12. Law Day programs.
13. Reimbursement of out-of-pocket expenses necessarily incurred by court-appointed attorneys representing indigents in civil cases which expenses are not covered by the Criminal Justice Act.
14. Indexing and/or computerization of library catalogue.
15. Non-cash awards and commendations for members of bar.
16. Educational programs for law students.
17. Fees for services rendered by outside attorneys and other experts in drafting local rules and plans.
18. Surety bond for custodian of the fund.
19. official portraits of retired or deceased district judges.
20. Purchase of bottled water for jury room, courtroom, attorneys' lounge, or divisional libraries.
21. Publication and distribution of district newsletter as well as the payment of salaries of personnel necessary to prepare and edit the newsletter.
22. Travel by court librarians to professional meetings where the agenda is primarily educational.

## Appendix D

Examples of Inappropriate Use of Attorney Admission Funds

1. Supplementing of salary of court personnel, including incentive and performance awards.
2. Salaries for part-time library personnel.
3. Materials purchasable with appropriated funds.
4. Business cards for court personnel.
5. Office supplies for court personnel.
6. Dry cleaning expenses for court personnel.
7. Expenses relating to recruitment of court employees such as travel expenses, payments for classified advertisements, agency placement fees.
8. Social events limited to court personnel.
9. Payment of law students participating in work study programs.
10. Professional dues of librarians and/or court personnel.
11. Seminars for court staff or judges' law clerks.
12. Flowers for court personnel or their families in event of death or illness.
13. Expenses incurred by court personnel for attendance at funerals.
14. Purchase of microwave ovens, refrigerators, and other convenience items for exclusive use of court personnel.
15. Memorial fund donations for court personnel and relatives.
16. Reimbursement for excess costs of travel of court personnel when travel is covered by appropriated funds.
17. Purchases of artwork and decorative items for chambers.
18. Purchases of computer equipment and services primarily for use of court.