

September 1998

To: New York State Town and Village Chief Fiscal Officers

From: New York State Office of the State Comptroller (OSC)
Division of Local Government Services and Economic Development

Subject: Accounting for Town and Village Justice Payments

Please give copies of this bulletin to others who need this information. Bulletins are on the OSC web page on the Internet. If you have accounting questions, please call (518) 474-5404. If you have questions on the new program, please contact the Justice Court Fund by calling (518) 473-6438.

Summary

Legislation requested by the State Comptroller (Chapter 465, Laws of 1998) permits town and village courts, who meet certain criteria, to transmit monthly receipts to the Chief Fiscal Officer (CFO) without first sending them to the State for distribution. Previously, courts had to send the moneys they collected to the State Comptroller, who, on a quarterly basis, sent the local share back to the municipalities. 1996 legislation created a temporary pilot program for up to 100 municipalities, but this 1998 legislation makes the program permanent and opens it up to all municipalities who have the capacity to file reports electronically and meet other criteria. This gives localities access to their revenues sooner and improves their cash flow.

Accounting Information

Chief fiscal officers (CFOs) will record payments received from their justice courts in liability account **A690 Overpayments and Clearing Account** (we recently added "Clearing Account" to the account name). The courts will file their monthly report electronically. The Justice Court Fund (JCF) will review monthly reports, determine to whom the moneys should be distributed, and then send a single distribution report to the CFO (each month) that covers all judges in the municipality. The CFO will then keep the locality's share, send a check to the state for the state and county share, make other payments if needed (for example if a town court collected fines that belong to a village), and reimburse the JCF for refunds paid (if any). When the distribution is made, the liability is liquidated and revenues recognized in the appropriate accounts. Amounts held for distribution may be invested, with the general fund recording the revenue in account **A2401 Interest and Earnings**.

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