

PLAN FOR THE ADMINISTRATION OF NON-APPROPRIATED FUNDS¹
(as of March 19, 2014)

The following plan shall guide the administration and operation of the court's Non-Appropriated Fund (the "Fund") pursuant to the Guide to Judiciary Policies and Procedures, Vol.I, Chapter VII, Part O.

I. Source of the Fund: Fees paid by attorneys who apply to join or renew admission to the Bar of the Eastern District of Texas in excess of the basic fee set by the Judicial Conference 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.

II. Expenditures from the Fund: The Fund has been created for the benefit of both the Eastern District bench and bar in the interest of justice. The Fund shall not be used to supplement appropriated funds or to supplement the salary of any court officer or court employee. Expenditures shall be approved by the Chief Judge (or designee) and the Custodian of the Fund in accordance with the general principles specified in the Guide to Judiciary Policies and Procedures, Vol.I, Chapter VII, Part E.

III. 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 follow this Plan.

IV. Reporting by the Custodian: The Custodian shall submit an annual report to the Court certifying compliance with the Plan including reports of income, expenditures, investments, and balances in the Fund.

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

- A. A report of the financial condition of the Fund as of the last day of service by the outgoing custodian;
- B. A statement of operations for the period since the last annual report; and
- C. 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.

VI. Fund Controls: The Custodian will:

¹This plan has been in effect since December 23, 1993 and was memorialized as Appendix O by General Order 05-21 on December 5, 2005. It was further amended by General Order 07-7 on August 28, 2007. The original plan was enacted by General Order 93-20, and amended by General Order 04-4.

- A. Segregate responsibilities for approving, preparing and signing checks;
- B. Assign responsibility for monthly bank reconciliation to an individual with no disbursing authority; and
- C. Identify and report unusual reconciling items.

VII. Investment Controls: The Custodian will:

- A. Invest funds in excess of planned disbursements in interest bearing accounts, government securities, or money market funds invested in government obligations;
- B. Title investments: United States District Court Non-Appropriated Fund;
- C. Compare the income received on investments with the income specified by the terms of the security; and
- D. Report investment income and losses on the annual accounting statements.

VIII. Expenditures Controls: The Custodian will:

- A. Record expenditures as they occur;
- B. Insure that expenditures are authorized by the Plan;
- C. Support expenditures with original invoices and other original documentation; and
- D. Make certain that checks contain the signature of an authorized District Judge and the Custodian or a person authorized by the court.

IX. Accounting Systems Controls: All transactions will be posted as they occur. Entries shall contain at minimum:

- A. a transaction reference number: (check number, deposit ticket number, journal voucher);
- B. a brief description of the transaction; and
- C. a dollar amount of the transaction.

X. Audit: The Fund is subject to audit by the Administrative Office of the United States Courts. The Fund will be audited on an annual basis by a disinterested person or outside auditor appointed by the Court.

XI. Non-Appropriated Fund Committee. The chief judge shall appoint a committee

consisting of at least one attorney from each of the divisions that (a) advises the court and custodian on matters of policy in administering this plan, (b) recommends amendments to this plan as it deems appropriate, and (c) advises the chief judge and custodian as to appropriate uses for plan funds as well as the propriety of any proposed expenditures referred to it by the chief judge or the custodian. The committee shall serve at the pleasure of the court and without compensation.