

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

APPENDIX D

**PLAN FOR THE ADMINISTRATION OF
THE DISTRICT COURT FUND**

The Plan was initially adopted by the Court on Wednesday, 16 March 1983. It was subsequently amended on Thursday, 20 June 1985 and on January 12, 2001. A technical amendment was added on April 16, 2004.

A. Creation of the Fund; Purpose of Plan

A District Court Fund was created by the General Rules of this court promulgated on April 13, 1965. Rule 6 A (iii) of those rules required newly admitted attorneys to pay to the clerk a fee in addition to that established by the Judicial Conference of the United States pursuant to 28U.S.C.§1914. On July 12, 1982 new practice rules were promulgated including General Rule 3.02. General Rule 3.02 replaced the earlier General Rule 6 A (iii) and required in addition to the fee for new attorneys, a fee for attorneys admitted to the trial bar of the court, the receipts from both fees to be deposited in the District Court Fund. The Local Rules and Internal Operating Procedures were amended in September 1999. LR83.36 and LR 83.40, in addition to IOP32 govern the administration of the District Court Fund. This plan is adopted to provide procedures for the administration of funds deposited in the District Court Fund.

B. Advisory Committee

There shall be an advisory committee to advise the court on matters of policy relating to the administration of the fund. The committee shall consist of three judicial officers of the district, the clerk of the court, and three attorneys. The judicial officers, one of whom shall serve as chairperson, shall be designated by the chief judge and shall include the district judge designated as liaison judge to the William J. Campbell Library. The three attorneys shall be designated by the chairpersons of the District Admissions and the District Performance Assistance Committees.

C. Custodian of the Fund

Pursuant to Internal Operating Procedure 32 the clerk of the court is the custodian of the District Court Fund. In the event of the death, retirement, or resignation of the clerk, the chief deputy clerk, or such other person as the chief judge designates, shall become the custodian until such time as the next clerk assumes office.

D. Duties and Responsibilities of the Custodian

The responsibilities of the custodian are as follows:

- (1) to receive, safeguard, deposit, disburse, and account for all funds in accordance with the law, this plan, and the policies established by the court;
- (2) to establish an accounting system for the fund;
- (3) to insure that financial statements and operating reports are prepared in a timely fashion and to sign such statements and reports, thereby certifying that they accurately present the financial condition of the fund;

- (4) to sign checks drawn on the fund, which checks shall be countersigned by the chief judge or a judge designated by him/her;
- (5) to invest funds in accordance with the provisions of this plan; and
- (6) to perform such other functions as may be required by the court.

E. Responsibilities upon Appointment of a Successor Custodian

When a successor custodian is appointed, the outgoing custodian should prepare and sign the following statements in conjunction with an exit audit or inspection conducted by an auditor or disinterested inspector designated by the chief judge:

- (1) a statement of assets and liabilities;
- (2) a statement of operations or of receipts and disbursements since the end of the period covered by the last statement of operations and net worth; and
- (3) a statement of the balance in any fund accounts as of the date of transfer to the successor custodian.

The successor custodian will execute a receipt for all funds after being satisfied as to the accuracy of the statements and records provided by the outgoing custodian. Acceptance may be conditioned upon an audit and verification where circumstances warrant.

F. Audits and Inspections

The District Court Fund is subject to audit by the appropriate staff of the Administrative Office of the United States Courts or their contracted auditors. The chief judge may appoint an auditor or disinterested inspector (who may be a government employee) to conduct such audits as the court determines to be necessary. The written results of such audit or inspection will be provided to members of the advisory committee, each district judge, and, upon request, any member of the bar of the court.

In the event that the court orders a dissolution of the fund, a terminal audit or inspection will be performed and a written accounting rendered to the court.

G. Protection of the Fund's Assets

Except as otherwise provided in this plan, all receipts will be deposited in banks or savings institutions where accounts are insured by F.D.I.C. or F.S.L.I.C. Where practical and feasible the custodian shall place any substantial sums into interest bearing accounts, government securities, or a money market fund invested in government obligations. Such investment shall be at the direction of the advisory committee. Efforts should be made to maximize the return on investments consistent with the requirements of convenience and safety.

Funds held by the custodian must be segregated from all other monies in the custody of the clerk of the court, including other non-appropriated funds, if any.

H. Limitations on Use of Funds

Monies deposited in the fund must not be used to pay for materials or supplies available from statutory appropriations. Under no circumstances are such monies to be used to supplement the salary of any court officer or employee.

I. Uses of the Funds

In general the monies deposited in the fund are to be used for the benefit of the bench

and bar in the administration of justice. Monies deposited in the fund may be used to pay for any of the following:

- (1) the expenses related to attorney admission proceedings including expenses of the District Admissions Committee and expenses incurred in admissions ceremonies;
- (2) the expenses of the District Performance Assistance Committee;
- (3) the expenses related to attorney disciplinary proceedings, including the expenses of investigating counsel, and travel and witness fees in disciplinary proceedings;
- (4) the cost of periodicals and publications purchased for the William J. Campbell library if appropriated funds are not available;
- (5) the cost of anatomical charts and stands for courtroom use;
- (6) the expenses associated with computerization of the library catalogue if appropriated funds are not available;
- (7) the expenses associated with creating lawyer lounge facilities;
- (8) the expenses of the plan's Advisory Committee;
- (9) the expenses incurred by the custodian in performing his/her duties under the plan including the expense of a surety bond covering monies in the fund;
- (10) the fees for services rendered by outside auditors or inspectors in auditing or inspecting the records of the fund;
- (11) pursuant to the provisions of section J of this plan, the out-of-pocket expenses of attorneys appointed to represent indigent parties in civil proceedings in this court; and
- (12) such other expenses as may from time to time be authorized by the full court or the Advisory Committee for the use and benefit of the bench and bar in the administration of justice.

J. Out-of-pocket Expenses in Pro Bono Cases

In a civil case where an attorney is appointed to represent an indigent party, reasonable out-of-pocket expenses not otherwise recoverable may be paid for out of the fund, pursuant to LR83.40, and in accordance with regulations adopted by the full court or the Advisory Committee. Application to incur the expense or for reimbursement shall be on a form approved by the Executive Committee and available from the clerk.

Limits on the amounts to be reimbursed from the fund under this section for classes of expenses may be established in regulations adopted by the full court or the Advisory Committee. Except as provided in such regulations, no counsel appointed under LR83.36 of this court shall be reimbursed more than \$3,000.00 for expenses incurred on behalf of any single party he or she was appointed to represent and no more than \$7,000.00 shall be reimbursed for expenses incurred on behalf of multiple parties. Only the expenses incurred by court appointed counsel on behalf of specific individuals are covered by this section.

K. Dissolution of the Fund

Should the court decide to dissolve the fund, the custodian will liquidate all outstanding obligations prior to the dissolution, including making provisions for the payment of any fees and expenses resulting from the required terminal audit or inspection. The court will direct the disposition of the assets of the fund in ways which fulfill the purpose of the fund.