

DOMESTIC RELATIONS COMMISSIONER



ACCOUNTING POLICIES AND PROCEDURES MANUAL

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Commonwealth of Kentucky
Domestic Relations Commissioner Accounting Procedures

Section Number: 100.1

Subject: **Authority of Administrative Office of the Courts**

Authority: FCRPP 4, Section (8)

1. The Administrative Office of the Courts shall:
 - a) establish audit and accounting standards;
 - b) prescribe bookkeeping and accounting practices and procedures;
 - c) perform audits; and
 - d) oversee the financial accounts of domestic relations commissioners.
2. A copy of any audit report shall be submitted by the Administrative Office of the Courts to the chief judge of the circuit.
3. In the event the audit reveals a serious bookkeeping, accounting, procedural or other irregularity, a copy of the audit report shall also be submitted to the Chief Justice.
4. All deviations from this manual must be approved in advance by the Manager, Division of Audit Services. Failure to do so may result in financial sanctions.

Commonwealth of Kentucky
Domestic Relations Commissioner Accounting Procedures

Section Number: 100.2

Subject: **Compensation of Domestic Relations Commissioner**

Authority: FCRPP 4, Section (6)

1. The compensation of domestic relations commissioners shall be by fee charged upon the parties, or paid out of any fund or subject matter of the action which is in the custody or control of the circuit court.
2. This compensation shall be paid to the circuit court clerk, who shall issue payment to the commissioner.

**Commonwealth of Kentucky
Domestic Relations Commissioner Accounting Procedures**

Section Number: 100.3

Subject: **Authorized Fees**

Authority: FCRPP 4, Sections (5) and (9)

1. For any case assigned, the domestic relations commissioner shall receive a fee of \$60 per hour, assessed at a rate of \$15 for each quarter hour or part thereof.
2. Such fees shall be paid through the office of circuit court clerk to the commissioner and shall be due on the fifth working day following the conclusion of the hearing.
3. No more than \$600 shall be assessed in any case regardless of the number and length of hearings unless recommended by the circuit judge and approved by the Chief Justice for extraordinary circumstances shown.
4. If a case is reopened additional fees totaling not more than \$200 may be assessed. No more than \$15 shall be assessed in any uncontested divorce.
5. The commissioner shall not retain his or her recommendations as security for his or her compensation. When the party ordered to pay the compensation allowed does not pay it after notice and within the time prescribed by the court, that party may be subject to civil contempt.

Accounting Procedure

6. Fees shall be paid through the office of the circuit court clerk to the commissioner. All fees shall be deposited into the fee checking account (see Section 100.6).

Commonwealth of Kentucky
Domestic Relations Commissioner Accounting Procedures

Section Number: 100.4

Subject: **Limits on Annual Compensation**

Authority: FCRPP 4, Section (7)

1. All domestic relations commissioners shall be limited in their total personal compensation derived from fees to not more than \$48,000 per annum unless approved by the Chief Justice.
2. This limitation on compensation shall be prorated on a monthly basis where the domestic relations commissioner serves less than the entire year.

Accounting Procedure

3. Compensation of the domestic relations commissioner shall be prorated over a 12-month period, with the domestic relations commissioner earning no more than 1/12 of his or her annual compensation per month. (For example, compensation of \$48,000 per annum entitles the domestic relations commissioner to a salary of \$4,000 per month.)
4. The domestic relations commissioner shall disburse the prorated allowable compensation monthly in an amount not to exceed the accumulated allowable salary proportionate to the time served.

Commonwealth of Kentucky
Domestic Relations Commissioner Accounting Procedures

Section Number: 100.5

Subject: **Excess Fees and Interest**

Authority: FCRPP 4, Section (7)

1. Fees in excess of the personal compensation of the domestic relations commissioner shall be remitted to the Administrative Office of the Courts with the annual accounting for all amounts received.

Accounting Procedure

2. The Administrative Office of the Courts, Division of Audit Services, provides the Annual Report of Domestic Relations Commissioner form to each domestic relations commissioner.
3. Excess fees shall be remitted to the Administrative Office of the Courts, Division of Audit Services, with the Annual Report of Domestic Relations Commissioner on or before March 1st of the following year. Any questions regarding the completion of the annual report should be directed to the Manager, Division of Audit Services.
4. Excess fees shall be remitted by check along with the Annual Report of Domestic Relations Commissioner. In addition, the domestic relations commissioner should also remit all interest earned during the year on a separate check. Checks are to be made payable to the "Kentucky State Treasurer."

Commonwealth of Kentucky
Domestic Relations Commissioner Accounting Procedures

Section Number: 100.6

Subject: **Fee Checking Account**

Authority: FCRPP 4, Section (8)

1. The domestic relations commissioner shall maintain one or more separate interest-bearing fee checking accounts for all proceeds received and shall maintain an itemized accounting of same.
2. Proceeds relating to the office of the domestic relations commissioner shall not be co-mingled with any other accounts or funds held by the domestic relations commissioner in his or her personal or professional capacity.
3. Where a domestic relations commissioner also acts as a master commissioner, the fees generated by the office of master commissioner shall not be co-mingled with the fees generated by the office of domestic relations commissioner
4. Interest earned on the account shall be remitted to the Administrative Office of the Courts with the Annual Report of Domestic Relations Commissioner.

Accounting Procedure

5. The domestic relations commissioner fee account(s) are to be set up under the Commonwealth of Kentucky, Federal ID (61-0600439). All interest earned shall be remitted with each year's Annual Report of Domestic Relations Commissioner. A separate check is to be made payable to the "Kentucky State Treasurer."
6. For fee accounts that exceed the FDIC insured amount, the master commissioner is required to get the bank to pledge securities for all amounts over the FDIC amount. Therefore, an AOC approved collateral security agreement is required from the bank. A copy of a sample collateral security agreement may be obtained from the Manager, Division of Audit Services. If any collateral security agreement other than the pre-approved copy supplied by AOC is proposed, the domestic relations commissioner shall submit a copy to the Manager, Division of Audit Services for approval prior to the execution of the agreement.

7. The domestic relations commissioner is the only person authorized to sign checks unless prior approval is received in writing from the Manager, Division of Audit Services.
8. Checking accounts shall be reconciled on a monthly basis. The reconciliation must be performed within thirty days of the date of the bank statement. If the account agreement with the bank calls for a period of less than thirty days, then the reconciliation shall be performed in accordance with the agreement with the bank. The reconciliation shall be performed by an individual without check signing authority. The monthly bank statements shall be mailed to and opened by the individual performing the reconciliation. The domestic relations commissioner shall review and approve each month's reconciliations and denote such approval by signing and dating each month's reconciliation.
9. Blank checks may not be signed in advance. Unused check stock shall be maintained in a locked container when not in use. Only those with check signing authority shall have access to the check stock. Facsimile signatures are not allowed unless approved by the Manager, Division of Audit Services.

Commonwealth of Kentucky
Domestic Relations Commissioner Accounting Procedures

Section Number: 100.7

Subject: **Accounting of Domestic Relations Commissioner**

Authority: FCRPP 4, Section (8)

1. Only authorized salaries may be deducted from any fees generated by the office of a domestic relations commissioner. There are no costs or expenses authorized to be deducted from the domestic relations commissioner fee checking account.

Accounting Procedure

2. Each domestic relations commissioner shall maintain a ledger control balance by case for all funds received for executing the duties of domestic relations commissioner. Failure to maintain a detailed ledger card balance per case (inflows and outflows) results in a lack of “book balance.”
3. Ledger control cards shall be balanced with the fee account bank reconciliation to identify all funds held and case number associated with said funds. This will enable the domestic relations commissioner as well as the Administrative Office of the Courts to track all funds handled by the office of domestic relations commissioner by case.
4. Implementation of a ledger system shall be as follows:
 - a) by manual ledger cards; or,
 - b) by an electronic accounting system where each case is identified separately.
5. All fees earned by the domestic relations commissioner shall be deposited in an interest-bearing fee checking account.
6. Excess fees and interest earned during the year shall be remitted by separate checks, along with the Annual Report of Domestic Relations Commissioner, to the Administrative Office of the Courts, on or before March 1st of each year.
7. The domestic relations current month’s compensation is to be reported monthly to the Finance Cabinet on the Commonwealth of Kentucky form SS-16 or 16-A, as directed by the Division of Local Government Services.

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