SESSION J

Objectives

- Continue budget discussions from Session D
- To provide basic information regarding the trust funds assessment of a service charge to General Revenue
- To provide basic information regarding state trust funds and cash; their use and some reporting requirements
Money, Money, Money, Money, Moneeee Trust Funds!

Trust Funds Within Justice Administration

SARTF

PDRTF

ICrimDTF /ICivDTF

FISTF

GDTF

RICO TF

CSTF

CCRTF
### Trust Fund Titles, Statutory Authority & Fund ID #s

#### State Attorneys
- **State Attorneys Revenue TF** (s. 27.367, F.S.)
  - FID #2058
- **Child Support TF** (ch 2002-88, LF)
  - FID #2084
- **State Attorneys RICO TF** (s. 27.345, F.S.)
  - FID #2095
- **State Attorneys Forfeiture and Investigative Support TF** (s. 27.3451, F.S.)
  - FID #2316
- **Grants and Donations TF** (s. 27.54 & s. 29.008, F.S.)
  - FID #2339

#### Public Defenders
- **Public Defenders Revenue TF** (s.27.61, F.S.)
  - FID #2059
- **Indigent Criminal Defense TF** (s. 27.525, F.S.)
  - FID #2974
- **Grants and Donations TF** (s. 27.54 & s. 29.008, F.S.)
  - FID #2339

### Trust Fund Titles, Statutory Authority & Fund ID #s (CONTINUED)

#### Capital Collateral Regional Counsels
- **Capital Collateral Regional Counsel TF** (s. 27.715, F.S.)
  - FID #2073
- **Statewide Guardian ad Litem**
  - **Grants and Donations TF** (s. 27.54 & s. 29.008, F.S.)
  - FID #2339

#### Offices of Criminal and Civil Conflict Regional Counsels
- **Indigent Civil Defense TF** (s. 27.5111, F.S.)
  - FID #2976
- **Grants and Donations TF** (s. 27.54 & s. 29.008, F.S.)
  - FID #2339
General Revenue Service Charge on Trust Funds

- "Section 215.20 F.S., requires a General Revenue service charge of 8% to be appropriated from all income of a revenue nature deposited into trust funds except for specific trust funds in the Department of Agriculture and Consumer Services, Department of Citrus, trust funds or revenues exempt per Section 215.22, F.S., and other General Revenue service charge exemptions as provided in law. State agencies may submit a General Revenue service charge exemption request to the Office of Policy and Budget (OPB) for private grants or federal matching funds and contributions received in state trust funds that would result in a loss of federal or private assistance."

- Prior to FY 2011-2012, the revenue category as determined by the Department of Financial Services, dictated whether or not the source of receipts deposited into a trust fund was exempt. This is no longer the "rule of thumb." Exemptions must be evidenced by an exemption letter.

- Requests for a SCGR exemption requires the submission of a budget amendment to OPB. Upon their approval, a letter of exemption will be issued to the requesting entity.

Sample Request for SCGR Exemption

<table>
<thead>
<tr>
<th>Budget Amendment Request Fiscal Year: 2022-23</th>
<th>Justice Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status: Approved</td>
<td>Agency Log Number: 12345</td>
</tr>
<tr>
<td>Exempt Log Number:</td>
<td></td>
</tr>
<tr>
<td>Request Summary:</td>
<td>Reestablish exemption from the Service Charge to GR County IT reimbursement funds.</td>
</tr>
<tr>
<td>Submitted By:</td>
<td></td>
</tr>
<tr>
<td>Signature:</td>
<td></td>
</tr>
<tr>
<td>Justice Administration</td>
<td>Date: 12/31/2022</td>
</tr>
</tbody>
</table>

**Agency Problem Statement**

Pursuant to s. 39.906(1)(f), Florida Statutes, the [Judicial Circuit] in the [County] receives reimbursement from the [County] for the salaries and benefits of the Information Technology (IT) personnel. Reimbursement for the seven IT personnel is done monthly through the [County] and deposited into the Grants and Donations Trust Fund. The local [County] is a member of the [Florida State] Technology Network (FTN) for the period of [January 1 to September 30 each year]. The [County] currently has the [Series and Benefit] budget authority of [X] within the Grants and Donations Trust Fund for this program.

**Agency Request**

The [Judicial Circuit] is requesting an exemption from the 8% service charge to General Revenue within the Grants and Donations Trust Fund for the county funds received for IT personnel reimbursement pursuant to s. 215.22 (2), Florida Statutes. This section states "Moneys and income of a revenue nature shared with political subdivisions or received from taxes or fees authorized to be levied by any political subdivision shall be exempt from the deduction required by s. 215.20 (1)."
Sample Service Charge Exemption Letter

October

The Honorable Jeff Atwater  
Chief Financial Officer  
21st Century Capitol  
Tallahassee, FL 32399-0300  

Dear Chief Financial Officer Atwater:

Subsections 215.22(9) and 215.24(3), Florida Statutes, allow the Executive Office of the Governor to exempt any income from the General Revenue Service Charge when federal contributions or private grants or contributions to any trust fund would be lost to the state. The Office of the Executive in the Grants and Donations Trust Fund 215.290-335.009-000830-000 for funds received through agreement with the Department of Law Enforcement shall reimburse the County for any amounts paid pursuant to Section 29.008, Florida Statutes. These funds are a reimbursement for costs and are not revenue in nature.  

Therefore, the Executive Office of the Governor hereby exempts the receipts deposited into the Grants and Donations Trust Fund From the General Revenue service charge.

Mr. Rick Cohin, Executive Director of the Justice Administrative Commission, will have staff from the Office contact the Department of Financial Services as necessary to implement this exemption. If you have any questions regarding this matter, please contact Robert Schulte at (850) 737-9363.
What is a Trust Fund?

- A Trust Fund serves as a depository for funds that are earmarked for a specified purpose which may not be used for anything to the contrary. It is created by law and remains in existence and active for a period of four (4) years and then undergoes Legislative review. At that time the trust fund may be re-created, retained, terminated, or modified at the request of an agency during the LBR process via the submission of a Schedule 1D Form.

- Trust Funds must have specific sources of receipts/revenues [state, federal, municipal, etc.] and can have certain restrictions or prohibitions as to allowable expenditures from the trust fund or types of receipts deposited thereto.

- There are nine primary trust funds within Justice Administration, and the combined FY 16/17 appropriations account for $145,285,896, or approximately 0.279% of the overall State of Florida’s $52.0 Billion Trust Fund Budget.

- All agencies that are administratively served by JAC are required to report their trust funds activities annually via submission of the LBR Schedule I Series of Reports.

Trust Fund Cash vs Budget Authority

**Cash**

Cash is money $$$$ or actual dollars equating to a bank account that is given or donated by a public or private entity that is deposited into the State Treasury and credited to a specific TF.

*Special Note:* For trust funds only, there must be sufficient cash available in order to use the budget authority that is provided and available at the time a disbursement is made.

*Example:* If there is $100,000 in budget authority but only $75,000 available in trust fund cash, you will only be allowed to use up to $75,000 in budget authority. You must wait until additional cash is received in order to spend the remaining $25,000 that you have in budget authority.

*Having more budget authority available than cash is referred to as “Unfunded Budget.”*
Trust Fund Cash vs Budget Authority (cont’d)

CASH

- JAC entities receive cash from various sources that include federal, state & municipal contracts and grants; forfeitures, judgments, restitution, traffic fine assessments, application fees and private donations.
- The cash is deposited into the State Treasury and credited to the entity’s respective trust fund accounts.
- In order to spend the cash, an entity must have sufficient budget authority available at the time an obligation is incurred or during disbursement processing.

BUDGET AUTHORITY

- Budget authority is the ability or right to expend the appropriations that have been provided by the Legislature via the General Appropriations Act (GAA), other legislative Bills, or budget amendments approved by the EOG.
- The term budget authority is quite often used interchangeably with the term spending authority.
- Having more budget authority than available cash constitutes “unfunded budget.”

Trust Fund Cash Balances

Trust fund cash balances change during the fiscal year as the result of cash being received and disbursements that are made.

Example:

<table>
<thead>
<tr>
<th>FISCAL YEAR 2016-2017</th>
<th>ADD</th>
<th>Deduct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$500,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Cash Received from all sources</td>
<td>$100,000</td>
<td>$325,000</td>
</tr>
<tr>
<td>Total Disbursements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$275,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Trust fund cash balances at June 30, 2017 will be brought forward into the next fiscal year (FY 2017-2018) on July 1, 2017, and will be included in the total cash available at any point during the fiscal year. Unlike budget authority, June 30th cash balances are not certified forward and do not revert. Budget authority is CF’d based on obligations of the prior fiscal year and reversions result if there are none. When the CF disbursements are made for those prior year obligations, it is done against the total cash that is available at the time of disbursement with no distinction between prior year cash and current year cash.
Trust Fund Cash Balances (continued)

EXAMPLE: FISCAL YEAR 2017-2018

<table>
<thead>
<tr>
<th>Balance</th>
<th>Add</th>
<th>Deduct</th>
</tr>
</thead>
<tbody>
<tr>
<td>$275,000</td>
<td></td>
<td>$100,000</td>
</tr>
</tbody>
</table>

Cash Bal @ 6/30/17 - Brt F’wd 7/1/17
Cash Received July 15, 2017
Total Cash Available @ 7/15/17

Disbursements:
- warrants 7/20/17 $200,000
- journal transfers 7/31/17 $50,000
- Certified forward disbursements $85,000

Total Cash Available @ 7/31/17 $40,000

As noted in a previous slide, you cannot utilize more budget authority than there is cash available. For example, if the available budget authority is $65,000, you will only be allowed to use up to a maximum of $40,000 because that’s the total amount of cash that is currently available. In order to use the remaining $25,000 budget, more cash must be received into the trust fund.

Trust Fund Cash Balance vs Unreserved Fund Balance

<table>
<thead>
<tr>
<th>CASH BALANCE</th>
<th>UNRESERVED FUND BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Cash Balance is the amount of money that is on hand, uncommitted and available in a trust fund at any point in time</td>
<td></td>
</tr>
<tr>
<td>Cash balances change in “real time” as disbursements are made from a trust fund and money is deposited into the trust fund</td>
<td></td>
</tr>
<tr>
<td>In order to spend the cash, an entity must have sufficient budget authority available at the time an obligation is incurred or during disbursement processing</td>
<td></td>
</tr>
<tr>
<td>The Unreserved Fund Balance is the summation of total cash on hand plus estimated receipts, minus actual disbursements, minus outstanding obligated expenditures for which a disbursement has not yet been made, plus the prior year’s unreserved fund balance that was brought forward into the current period</td>
<td></td>
</tr>
<tr>
<td>The Unreserved Fund Balance is only calculated and used in the preparation of the annual LBR Trust Fund Schedule series of reports, and is not to be misconstrued to be the same as cash</td>
<td></td>
</tr>
</tbody>
</table>
Avoid Showing Negative Unreserved Fund Balances On The Trust Fund Schedule I Reports

In any reporting period (current or requested fiscal year), the estimated receipts combined with the prior year carry forward unreserved fund balance amount must be sufficient to support the total estimated operating and non-operating expenditures/budget authority as noted on Lines “D” and “E” of the Schedule I Report.

Any negative unreserved fund balances must be eliminated by either increasing the estimated receipts (where feasible) or reducing estimated expenditures/budget authority before final submission into LASPBS and upload of the Schedule I Reports to the Florida Fiscal Portal.

Strategies To Eliminate Negative Unreserved Fund Balances On The Schedule I Report

**OPTION 1**
Increase Estimated Receipts (Revenue)

For the current FY or LBR Request Year, increases in receipts can only be made if the amount can be substantiated by contracts, memorandums of agreements, or reasonable projections.

All receipt projections must be justified in the Schedule I Narrative document which provides the methodology as to how the estimated figures were determined.

**OPTION 2**
Decrease Expenditures/Budget Authority

If the decrease is for the current year, notify JAC of the exact amount to reduce and a line item adjustment called "UNFUNDED BUDGET" will be entered in Section II. This will in effect reduce Line “D” (estimated expenditures /budget authority) for purposes of balancing the Schedule I Report only. An agency’s actual current year budget authority will not be reduced by this action.

If the decrease is for the request year, then an LBR issue should be considered requesting the deletion or reduction in budget authority that is not supported with sufficient estimated receipts or that is no longer needed.
Please Help Us To Better Serve You

Please always carefully review any data that is sent to you or that you are submitting to the Budget Office, and notify us immediately of any discrepancies.

Use the designated budget@justiceadmin.org mail group (or lrpplbr@justiceadmin.org during LRPP & LBR processing season only) to submit all documents electronically. This will ensure that your information is distributed to all staff within the JAC Budget Office.

Complete and submit all documents within the time frames requested to avoid delays in processing or approval.

Budget Office Contact Information

Email Addresses:
- budget@justiceadmin.org
- yvonne.enoch@justiceadmin.org
- kelly.jeffries@justiceadmin.org
- frank.coleman@justiceadmin.org

Local: (850) 488-2415
Additional Questions and General Discussion

Helpful Links

- **Florida Fiscal Portal (FFP):**
  [http://floridafiscalportal.state.fl.us/](http://floridafiscalportal.state.fl.us/)

- **JAC Website:** (contains link to FFP and OPB Budget Instructions and forms)
  [https://www.justiceadmin.org/Client Agencies/budget.aspx](https://www.justiceadmin.org/Client Agencies/budget.aspx)

- **Florida Senate:**
  [http://flsenate.gov](http://flsenate.gov)

- **Florida House of Representatives:**
  [http://myfloridahouse.gov](http://myfloridahouse.gov)
JUSTICE ADMINISTRATIVE COMMISSION TRUST FUNDS

27.367  State Attorneys Revenue Trust Fund.—FID #2058
The State Attorneys Revenue Trust Fund is created within the Justice Administrative Commission. Moneys credited to the trust fund shall be used for the purpose of funding the activities of the state attorneys. [History.—s. 1, ch. 2009-8; s. 2, ch. 2011-16]

27.61  Public Defenders Revenue Trust Fund.—FID #2059
The Public Defenders Revenue Trust Fund is created within the Justice Administrative Commission. Moneys credited to the trust fund shall be used for the purpose of funding the activities of the public defenders. [History.—s. 1, ch. 2009-9; s.2, ch. 2011-17]

27.715  Capital Collateral Regional Counsel Trust Fund-- FID #2073
(1)  The Capital Collateral Regional Counsel Trust Fund is created within the Justice Administrative Commission. Moneys credited to the trust fund shall be used for the purpose of funding the activities of the capital collateral regional counsel.

(2)  In accordance with s. 19(f)(2), Art. III of the State Constitution, the Capital Collateral Regional Counsel Trust Fund shall, unless terminated sooner, be terminated on July 1, 2013. Before its scheduled termination, the trust fund shall be reviewed as provided in s. 215.3206(1) and (2). [History.—s. 1, ch. 2009-62]

Child Support Trust Fund – FID #2084
CHAPTER 2002-88 SENATE BILL No. 736
An act relating to trust funds; re-creating the Child Support Trust Fund within the Justice Administrative Commission without modification; carrying forward current balances and continuing current sources and uses thereof; providing an effective date.

WHEREAS, the Legislature wishes to extend the life of the Child Support Trust Fund within the Justice Administrative Commission, which is otherwise scheduled to be terminated pursuant to constitutional mandate, and

WHEREAS, the Legislature has reviewed the trust fund before its scheduled termination date and has found that it continues to meet an important public purpose, and
WHEREAS, the Legislature has found that existing public policy concerning the trust fund sets adequate parameters for its use, NOW, THEREFORE,

Be It Enacted by the Legislature of the State of Florida:

Section 1. (1) The Child Support Trust Fund within the Justice Administrative Commission, FLAIR number 21-2-084, which is to be terminated pursuant to Section 19(f), Article III of the State Constitution on November 4, 2004, is re-created.

(2) All current balances of the trust fund are carried forward, and all current sources and uses of the trust fund are continued.

Section 2. This act shall take effect November 4, 2004.

Approved by the Governor April 23, 2002.

Filed in Office Secretary of State April 23, 2002.

27.345 State Attorney RICO Trust Fund-FID #2095

authorized use of funds; reporting.--

(1) Subject to the provisions of s. 895.09, when a state attorney files an action pursuant to s. 895.05, funds provided to the state attorney pursuant to s. 895.09(2)(a) or, alternatively, attorneys' fees and costs, whichever is greater, shall be deposited in the State Attorney RICO Trust Fund.

(2) There is created for each of the several state attorneys a trust fund to be known as the State Attorney RICO Trust Fund. The amounts awarded to a state attorney pursuant to this section shall be deposited in the trust fund for that state attorney. Funds deposited in such trust fund shall be used, when authorized by appropriation or action of the Executive Office of the Governor pursuant to s. 216.181(11), for investigation, prosecution, and enforcement by that state attorney of civil or criminal causes of action arising under the provisions of the Florida RICO (Racketeer Influenced and Corrupt Organization) Act.

(3) Each state attorney that has established a State Attorney RICO Trust Fund shall report to the Executive Office of the Governor annually by November 15 the amounts recovered pursuant to this section for the previous fiscal year. [History.--s. 3, ch. 84-249; s. 2, ch. 86-277; s. 3, ch. 89-102; s. 7, ch. 95-196; s. 3, ch. 95-280; s. 16, ch. 2001-56; s. 12, ch. 2002-1; s. 1, ch. 2002-70.]
27.3451 State Attorney's Forfeiture & Investigative Support Trust Fund-FID#2316

There is created for each of the several state attorneys a trust fund to be known as the State Attorney's Forfeiture and Investigative Support Trust Fund. Revenues received by a state attorney as a result of forfeiture proceedings, as provided under s. 932.704, shall be deposited in such trust fund and shall be used, when authorized by appropriation or action of the Executive Office of the Governor pursuant to s. 216.181(11), for the investigation of crime, prosecution of criminals, or other law enforcement purposes.

[History.--s. 1, ch. 89-307; s. 4, ch. 95-280; s. 17, ch. 2001-56]

Grants and Donations Trust Fund –FID #2339

CHAPTER 2002-91 SENATE BILL No. 744

An act relating to trust funds; re-creating the Grants and Donations Trust Fund within the Justice Administrative Commission without modification; carrying forward current balances and continuing current sources and uses thereof; providing an effective date.

WHEREAS, the Legislature wishes to extend the life of the Grants and Donations Trust Fund within the Justice Administrative Commission, which is otherwise scheduled to be terminated pursuant to constitutional mandate, and

WHEREAS, the Legislature has reviewed the trust fund before its scheduled termination date and has found that it continues to meet an important public purpose, and

WHEREAS, the Legislature has found that existing public policy concerning the trust fund sets adequate parameters for its use, NOW, THEREFORE,

Be It Enacted by the Legislature of the State of Florida:

Section 1. (1) The Grants and Donations Trust Fund within the Justice Administrative Commission, FLAIR number 21-2-339, which is to be terminated pursuant to Section 19(f), Article III of the State Constitution on November 4, 2004, is re-created.

(2) All current balances of the trust fund are carried forward, and all current sources and uses of the trust fund are continued.

Section 2. This act shall take effect November 4, 2004.

Approved by the Governor April 23, 2002.

Filed in Office Secretary of State April 23, 2002.
27.525 Indigent Criminal Defense Trust Fund.—FID #2974

The Indigent Criminal Defense Trust Fund is created, to be administered by the Justice Administrative Commission. Funds shall be credited to the trust fund as provided in s. 27.52, to be used for the purposes of indigent criminal defense as appropriated by the Legislature to the public defender or the office of criminal conflict and civil regional counsel. The Justice Administrative Commission shall account for these funds on a circuit basis, and appropriations from the fund shall be proportional to each circuit's collections.  [History.—s. 1, ch. 96-376; s. 7, ch. 2007-62]

27.5111 Indigent Civil Defense Trust Fund.—FID #2976

(1) The Indigent Civil Defense Trust Fund is created within the Justice Administrative Commission. Moneys credited to the trust fund shall be used for the purpose of funding the activities of the offices of criminal conflict and civil regional counsel as provided in s. 27.511.

(2) In accordance with s. 19(f)(2), Art. III of the State Constitution, the Indigent Civil Defense Trust Fund shall, unless terminated sooner, be terminated on July 1, 2012. Before its scheduled termination, the trust fund shall be reviewed as provided in s. 215.3206(1) and (2).  [History.—s. 1, ch. 2008-110]