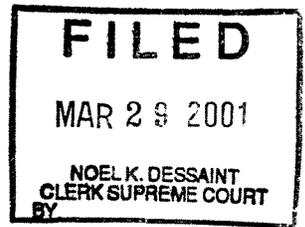


IN THE SUPREME COURT OF THE STATE OF ARIZONA



In the Matter of:)
)
ARIZONA CODE OF JUDICIAL)
ADMINISTRATION § 6-102:)
FINANCIAL REQUIREMENTS)
_____)

Administrative Order
No. 2001- 40

The above captioned provision having come before the Arizona Judicial Council on March 15, 2001, and having been approved and recommended for adoption,

Now, therefore, pursuant to Article VI, Section 3, of the Arizona Constitution, and Arizona Revised Statutes (A.R.S.) §§ 12-267(C) and 12-268 (C),

IT IS ORDERED that the above captioned provision, attached hereto, is adopted as a section of the Arizona Code of Judicial Administration.

Dated this 29th day of March, 2001.



THOMAS A. ZLAKET
Chief Justice

ARIZONA CODE OF JUDICIAL ADMINISTRATION

Part 6: Probation

Chapter 1: General Administration

Section 6-102: Financial Requirements

A. Definitions. In this section the following definitions apply:

“Administrative director” means the administrative director of the Administrative Office of the Courts (AOC) and the director’s designee.

“Court” means superior court.

B. Applicability. Article VI, Section 3 of the Arizona Constitution and A.R.S. §§ 12-267(C) and 12-268(C) authorize the supreme court to establish guidelines for the use of state monies for probation services.

C. Purpose. Outline and clarify financial requirements for all courts wishing to receive and use state funds for probation services and to ensure consistency in financial practices.

D. Budget Request Preparation.

1. Any presiding judge wishing to receive state funds for probation services shall submit a proposed plan and budget request for the subsequent fiscal years to the AOC. The administrative director shall establish the date for submission, as well as the forms to be used and the corresponding instructions.
2. The administrative director shall review each request, and may modify the request based on appropriate statewide considerations. The AOC shall include the court’s request or the modified request in the supreme court’s annual budget request. The administrative director shall allocate to the court the monies appropriated by the legislature for state-funded probation programs based on the proposed plan, availability of funds, caseload population, past year use and program effectiveness.
3. If a court does not agree with the allocations and requests further review, the chief justice shall make the final determination.
4. Each participating court shall support the budget request with written justification and explanation as required by the administrative director.

E. Program Plan and Financial Management.

1. Each participating court shall submit an expenditure plan to the administrative director for each probation program for which state funds are requested. The expenditure plan shall outline how the participating court shall use the requested state funds in accordance with statutory and supreme court requirements for the operation of each state-funded probation program. The participating court shall submit the plan within the prescribed time frame and on forms required by the administrative director.
2. Each presiding judge shall submit, in writing, all requests to modify expenditure plans on a form approved by the administrative director.
3. On request, the administrative director may approve a plan permitting an expenditure of allocated funds outside supreme court expenditure limits for that particular fund. The participating court shall file the request with the AOC on a form prescribed by the administrative director.
4. In the event that the administrative director disapproves a plan or plan modification submitted by a court, the presiding judge of the court may request that the administrative director submit the plan to the chief justice for consideration and final determination.
5. Pursuant to A.R.S. § 12-263, on approval of a plan as submitted or modified and the availability of funds, the administrative director shall enter into a written funding agreement with the submitting court for the distribution of funds. The administrative director may amend or terminate funding agreements due to lack of funds, lack of financial need, or the court's failure to comply with applicable statutes, the approved plan, funding agreement or this code.
6. The administrative director may reallocate funds during the year based on documented need, current use of funds and approved plan or budget modifications.
7. In accordance with A.R.S. §§ 12-267 and 12-268 the chief fiscal officer shall:
 - a. "... establish and administer . . ." adult and juvenile probation services funds consisting of all state, county, federal and other monies provided for adult and juvenile probation services.
 - b. "... establish and maintain separate accounts in the fund showing receipts and expenditures of monies from each source . . ." Any interest earned on the monies in the adult and juvenile probation services funds shall accrue to the separate accounts within those funds.

8. Each participating court shall document and maintain within the corresponding fund account all interest earned on each account established with state funds.
9. The participating court shall use allocated state funds and interest earned on those monies only for the specified purpose of each approved and funded plan.
10. On agreement with a participating court, the administrative director may withhold funds allocated to the court and may authorize direct expenditures for the benefit of the court. The administrative director may also reallocate these funds during the fiscal year.
11. The presiding judge of each participating court shall submit to the AOC, by January 31 of each year, a mid-year financial and program activity report related to the court's plan for each state-funded probation program through December 31. Failure to submit the report in a timely manner may result in financial sanctions.
12. The presiding judge of each participating court shall submit to the AOC, by August 31 of each year, a closing financial and program activity report related to the court's plan for each state-funded probation program through June 30. Failure to submit the report in a timely manner may result in financial sanctions.
13. The presiding judge of each participating court shall return to the AOC, by August 31 of each year, all state funds distributed to the court for probation programs which are unencumbered as of June 30 and unexpended as of July 31. Failure to revert the unencumbered funds in a timely manner may result in financial sanctions.
14. The administrative director shall determine how the funds are used in the event that a court experiences a decreased need for funds or declines to participate after the legislature has appropriated funds for probation programs.
15. Each participating court and its probation department shall maintain and provide to the AOC data and statistics as may be required by the supreme court to administer state-funded probation programs.
16. On request of the AOC, the chief probation officer and juvenile court director shall conduct hand counts of the county's probation population. The chief probation officer and juvenile court director shall submit the results of the hand counts to the AOC on a form prescribed by the administrative director.

F. Financial Sanctions Status.

1. The administrative director is authorized to establish, impose and terminate financial sanctions on a participating court.

2. Financial sanctions include, but are not limited to:
 - a. Written warning with request for immediate compliance,
 - b. Withholding all or any portion of state funds or equipment disbursements,
 - c. Withholding all disbursements from all state funds,
 - d. Requiring monthly submission of costs incurred prior to disbursement,
 - e. Requiring monthly submission of expenses for reimbursement of actual costs incurred,
 - f. Recovery of funds or equipment already disbursed, and
 - g. Not authorizing any new personnel.
3. The administrative director may place the court on a financial sanctions status for deficiencies including, but not limited to:
 - a. Delinquent budget request or plan submissions;
 - b. Delinquent midyear, closing or other reports requested by the AOC;
 - c. Inaccurate reporting of probation population statistics;
 - d. Unauthorized allocation of personnel;
 - e. Expenditures in excess of the approved amounts;
 - f. Expenditures not authorized within the current funding agreement;
 - g. Failure to ensure that the level of county funding and the same number of case-carrying officers as required by the Legislature is maintained; or
 - h. Failure to adhere to the administrative code governing each state fund for probation services.
4. If a court is placed on a financial sanctions status, the administrative director may take any appropriate action necessary and as outlined in the funding agreement.

G. Records Retention. Each participating court and its probation department shall retain all financial records, applicable program records and data related to each approved plan for a period of at least 5 years from the close of each fiscal year.