

LR 67.1

INVESTMENT OF REGISTRY FUNDS

~~(a) — Investment of Funds. Registry funds in this court invested in a commercial financial institution shall be placed in either a money market account or a certificate of deposit. Any other order notwithstanding, registry funds shall not be invested in any commercial financial institution until the clerk has determined that the receiving institution has collateralized the deposit according to the Treasury Department regulations current at that time. Until such determination, the clerk shall deposit the funds in the Treasury of the United States.~~

~~(b) — Investment of Funds. Any order for investment of registry funds of the court shall be presented to the Clerk of Court.~~

~~(1) — The order shall specify the amount to be invested and whether the investment is to be a money market account or a certificate of deposit. The order may also leave this determination to the Clerk so that he can maximize the yield on this registry deposit.~~

~~(2) — The order should not name the institution where the investment shall be made nor should it specify the duration of the investment. The clerk shall select a depository institution or institutions and shall invest at such institution(s) at the highest rate paid by the institution selected for the type of investment. The clerk shall exercise his best judgment in locating the institution paying the highest rate of interest.~~

(a) General Provisions.

(1) No money shall be sent to the Court or its officers for deposit in the Court's registry without a court order signed by the presiding judge in the applicable case or proceeding.

(2) Unless provided elsewhere in this Local Rule or Administrative Order No. 2017-20, all monies ordered to be paid to the Court or received by its officers in any case pending or adjudicated shall be deposited with the Treasurer of the United States in the name and to the credit of this Court pursuant to 28 U.S.C. §2041 through depositories designated by the Treasurer to accept such deposits on its behalf.

(3) Funds will be disbursed from the Court's registry only upon entry of an order authorizing disbursement. The order directing disbursement must include: (1) the name and address of each person or other entity to receive funds; and (2) the sum of money to be paid to each person or other entity along with any interest accrued thereon, less the registry fees and taxes provided for herein or as otherwise authorized by the Judicial Conference of the United States.

(b) Investment of Treasury Funds in Interest-Bearing Accounts

(1) When, by order of the Court, funds on deposit with the Court are to be placed in some form of interest-bearing account or invested in a court-approved, interest-bearing instrument in accordance with Rule 67 of the Federal Rules of Civil Procedure, the Court Registry Investment System (“CRIS”), administered by the Administrative Office of the United States Courts under 28 U.S.C. §2045, shall be the only investment mechanism authorized.

(2) Interpleader funds deposited under 28 U.S.C. §1335 meet the definition of a Disputed Ownership Fund (“DOF”), a taxable entity that requires tax administration. Unless otherwise ordered by the Court, interpleader funds shall be deposited in the DOF established within the CRIS and administered by the Administrative Office of the United States Courts, which shall be responsible for meeting all DOF tax administration requirements. The office of the clerk has established specific CM/ECF events for filing motions and proposed orders authorizing the deposit or disbursement of DOF funds as defined under 28 U.S.C. §1335.

(c) Fees and Taxes for CRIS funds

(1) The custodian for all CRIS funds is the Director of the Administrative Office of the United States Courts or his designee. The custodian is authorized and directed by the Court to deduct the CRIS fee of an annualized 10 basis points on Court assets on deposit for all CRIS funds, excluding funds held in the DOF, for management of investments in the CRIS. According to the Court’s Miscellaneous Fee Schedule, the CRIS fee is assessed from interest earnings to the pool before a pro rata distribution of earnings is made to court cases.

(2) The custodian is authorized and directed by the Court to deduct the DOF fee of an annualized 20 basis points on Court assets on deposit in the DOF for management of investments and tax administration. According to the Court’s Miscellaneous Fee Schedule, the DOF fee is assessed from interest earnings to the pool before a pro rata distribution of earnings is made to court cases. The custodian is further authorized and directed by the Court to withhold and pay federal taxes due on behalf of the DOF.

(d) Miscellaneous

(1) Additional information concerning CRIS and DOF registry deposits can be found in the Court’s Administrative Order No. 2017-20.

(2) The effective date of this REVISED FINAL DRAFT of L.R. 67.1 is September 25, 2017.

(3) This revised Local Rule shall only be applied prospectively as of September 25, 2017.