

## **Registry Fund Investments**

### **Deposit of Funds with the Court**

Occasionally, it may be necessary to deposit funds into the Court. In a civil case, a Court Order is required before funds will be receipted into the registry. The instrument to be deposited into the Court should be made payable to Clerk, U.S. District Court. Funds must be paid in U.S. currency drawn on a U.S. bank. Cash, personal checks and third party checks are not accepted. The funds will be deposited into the registry fund of the Treasury unless governed by Fed.R.Civ.P 67, directing funds to be deposited into an interest-bearing account.

### **Funds Held in the Treasury**

Funds deposited directly into the Treasury will be held by the Court referencing the case number and title. No interest is earned or accrued when held in the Treasury. Upon Order of the Court, the funds are disbursed as directed through the Clerk's Office.

### **Investment of Registry Funds**

Funds deposited under Rule 67, to be deposited into an interest-bearing account, will be invested in the Court Registry Investment System (CRIS). An account will be opened for each deposit by the Court referencing the specific case number and title.

Funds are disbursed from an investment account only upon Order of the Court and are subject to a Registry Fee at an annual rate of 10 basis points from interest earnings.

### **Disputed Ownership Fund (28 U.S.C. Section 1335)**

To comply with IRS regulations, courts must track Disputed Ownership Funds pertaining to 28 U.S.C. Section 1335. The IRS requires that quarterly taxes be withheld and remitted on the interest earned in such cases. The tracking of these funds in CM/ECF and the Court Registry Investment System (CRIS) will enable courts to utilize the tax administrator hired by the Administrative Office to satisfy IRS requirements for all courts participating in centralized reporting and administration of these funds.

To capture this data, the court has added two motion relief types in CM/ECF. They are located in Civil Events in the Motions and Related Filings category. The specific reliefs are:

Interpleader Deposit (28 U.S.C. Section 1335)

Interpleader Disbursement (28 U.S.C. Section 1335)

When filing a motion to deposit interpleader funds or a motion for disbursement of interpleader funds, please use the applicable relief as noted above. If you have questions, please contact the Clerk's Office at 716-551-1711.

Funds are disbursed only upon Order of the Court and are subject to a Registry Fee at an annual rate of 20 basis points from interest earnings.

### **Disbursement of Funds**

A proposed Order for Disbursement of the funds must contain the following information:

1. The principal sum initially deposited and date in which it was deposited;
2. The amount(s) of principal to be disbursed;
3. The percentage of accrued interest payable with each principal amount (after the Clerk deducts from the total accrued interest the applicable registry fee as described above);
4. To whom exactly each disbursement check should be made payable; and
5. Full mailing instructions for each disbursement check, including complete street address and zip code.

**NOTE:** The social security number or tax ID number of each recipient of accrued interest, which will be used to issue 1099's at year end, must be provided directly to the Financial Department by each recipient via either an IRS W-9 or W-8BEN form.

Disbursements from the investment accounts will be made by check from Treasury as the business of the Clerk's Office allows; no wire transfers are permitted. You may contact the Financial Department of the Clerk's Office at (716) 551-1730.