

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF IOWA**

**IN THE MATTER OF**

**RECEIPT, DEPOSIT,  
INVESTMENT AND  
DISBURSEMENT OF  
REGISTRY FUNDS**

**PUBLIC  
ADMINISTRATIVE ORDER**

**No. 17-AO-0013-P  
(Supersedes No. 16-AO-0011-P)**

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The Court, having determined under Local Rule 67 that it is necessary to adopt local procedures to ensure uniform administration of the Court's registry, hereby orders that the following procedures shall govern the receipt, deposit, investment, tax administration, and subsequent disbursement of registry funds:

**I. Receipt of Funds**

- a. No money shall be sent to the Court or its officers for deposit into the Court's registry without a court order signed by the presiding judge in the case or proceeding.
- b. The party making the deposit or transferring funds to the Court's registry shall provide a copy of the order permitting the deposit or transfer to the Clerk of Court.
- c. Unless otherwise specifically provided for in the court order, all monies ordered to be paid to the Court or received by its officers in any case 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 Treasury to accept such deposits on its behalf.

## **II. Investment of Registry Funds**

- a. Where, 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 authorized investment mechanism.
- b. Interpleader funds deposited under 28 U.S.C. § 1335 meet the IRS definition of a Disputed Ownership Fund (DOF), a taxable entity that requires tax administration. Unless otherwise specifically 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, whom shall be responsible for meeting all DOF tax administration requirements.
- c. The Director of the Administrative Office of the United States Courts is designated as custodian for all CRIS funds. The Director or the Director's designee shall perform the duties of the custodian. Funds held in the CRIS remain subject to the control and jurisdiction of the Court.
- d. Money from each case deposited in the CRIS shall be pooled together with those on deposit with Treasury to the credit of other courts in the CRIS and used to purchase government account series securities through the Bureau of Public Debt, which will be held at Treasury, in an account in the name and to the credit of the Director of the Administrative Office of the United States Courts. The pooled funds will be invested in accordance with the principles of the CRIS investment policy as approved by the Registry Monitoring Group.

- e. An account will be established in the CRIS liquidity fund titled in the name of the case giving rise to the deposit invested in the fund. Income generated from fund investments will be distributed to each case based on the ratio each account's principal and interest earnings has to the aggregate principal and income total in the fund after the CRIS fee has been applied. Reports showing the interest earned and the principal amounts contributed in each case will be prepared and distributed to each court participating in the CRIS and made available to litigants and/or their counsel.
- f. For each interpleader case, an account shall be established in the CRIS Disputed Ownership Fund, titled in the name of the case giving rise to the deposit invested in the fund. Income generated from fund investments will be distributed to each case after the DOF fee has been applied and tax withholdings have been deducted from the fund. Reports showing the interest earned and the principal amounts contributed in each case will be available through the FedInvest application for each court participating in the CRIS and made available to litigants and/or their counsel. On appointment of an administrator authorized to incur expenses on behalf of the DOF in a case, the case DOF funds will be transferred to another investment account as directed by court order.

### **III. Fees and Taxes**

- a. The custodian is authorized and directed by this administrative order to deduct the CRIS fee of an annualized 10 basis points on assets for all CRIS funds, excluding the case funds held in the DOF, for the management of CRIS investments. 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.

- b. The custodian is authorized and directed by this order to deduct the DOF fee of an annualized 20 basis points on assets for management of DOF 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 this order to withhold and pay federal taxes dues on behalf of the DOF.

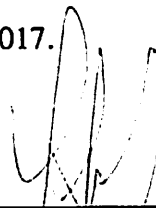
**IV. Disbursement of Registry Funds**

- a. To withdraw money deposited in the CRIS a party must file a motion for withdrawal of the funds, which includes addressing the disposition of interest earnings. To protect the personal identifiers contained therein, the party must simultaneously email the Clerk of Court the name, address and social security number (or employer identification number) as well as a completed IRS form W-9, for each recipient for the purpose of issuing a 1099-INT.
- b. No money will be disbursed from the Court's registry without order of the court.

This order supersedes 16-AO-0011-P and abrogates all prior orders of this Court regarding the deposit and investment of registry funds.

**IT IS SO ORDERED.**

DATED the 29<sup>th</sup> day of September, 2017.



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LEONARD T. STRAND, CHIEF JUDGE  
UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF IOWA