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Office of Finance
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**MEMORANDUM TO: CIRCUIT EXECUTIVES
 DISTRICT COURT EXECUTIVES
 CLERKS, UNITED STATES COURTS**

SUBJECT: Historical Society Funds (INFORMATION)

During recent audits conducted at various courts, it has come to the Administrative Office's attention that many courts are holding funds characterized as funds for the court's historical society. In several instances, the clerk of court or another court employee collects, maintains and disburses these funds on behalf of the society. Many courts have established their historical societies as not-for-profit corporations and have been granted section 501(c)(3) status by the Internal Revenue Service. The purpose of this memorandum is to recommend strongly that court personnel cease handling the money of historical societies.

Several of the courts' historical societies collect membership dues, receive donations and gifts from outside sources, as well as sell commemorative items and maintain the sales receipts. In response to questions from the auditors concerning the permissibility of the courts holding these funds, the Office of the General Counsel has advised that any funds belonging to the court's historical society should be received, maintained and disbursed by a non-court employee to avoid triggering the Miscellaneous Receipts Statute, 31 U.S.C. § 3302(b). This statute requires that a government official receiving money from any source deposit that money into the Treasury unless there is other specific statutory authority permitting an agency to retain the receipts.

As you know, the Judicial Conference has authorized only two non-appropriated funds, the attorney admission funds and the circuit judicial conference funds. Thus, collecting and maintaining funds for the historical society would not constitute a permissible non-appropriated fund. To avoid violating the Miscellaneous Receipts Statute, historical society funds should be held by an outside entity, such as a member

of the local bar association or a law firm on behalf of the historical society.

We wanted to inform you of these issues now, prior to having a potential concern raised for the first time during an audit of any court.

One other caution with respect to historical societies relates to fund-raising. Canon 4B of the Code of Conduct for United States Judges imposes limitations on judges' involvement in fund-raising for law-related organizations.

If you have questions related to these issues, you may contact the Office of the General Counsel at 202-502-1100.

A handwritten signature in black ink, appearing to read "George H. Schafer". The signature is written in a cursive style with a prominent initial "G".

George H. Schafer

cc: Chief Judges, United States Courts