

Collection of Monetary Penalties

Measure



Definition: Payments collected and distributed within established timelines, expressed as a percentage of total monetary penalties ordered in specific cases.

Purpose: Integrity and public trust in the dispute resolution process depend in part on how well court orders are observed and enforced in cases of noncompliance. In particular, restitution for crime victims and accountability for enforcement of monetary penalties imposed on offenders are issues of intense public interest and concern. The focus of this measure is on the extent to which a court takes responsibility for the enforcement of orders requiring payment of monetary penalties.

While court orders establish a wide variety of sanctions, financial obligations are clearly understood and measurable. Financial obligations include child support, civil damage awards, traffic fines, and criminal penalties. However, state courts vary in their responsibility for and control over the full range of monies ordered and received. Therefore, to keep this measure broadly applicable and feasible, the focus is on criminal penalties in misdemeanor cases, including restitution. Once understood and in place for misdemeanor cases, similar measurement methods can be applied to other relevant types of monetary penalties and obligations.

Timely payment of restitution is a significant part of how success is defined for this measure. Collection and disbursement of restitution to victims of crime is particularly emblematic of the court's commitment to public accountability.

Method: The results of this measure should be reviewed on a regular basis (e.g., monthly, quarterly, annually). If reviewed regularly, the court can establish baselines, set performance goals, observe trends as they develop, and aggregate the data for annual reporting.

The first task is to compile a list of all misdemeanor cases in which 1) a financial penalty was ordered and 2) the due date for final payment falls within the reporting period. The term total monetary penalty includes all financial obligations associated with misdemeanor cases, regardless of local terminology and practice (e.g., fines, fees, assessments, restitution, etc). If the case includes an order for restitution, additional information will include the amount of restitution ordered, the amount of money collected and applied to the restitution obligation, and the amount disbursed to the victims. For the purposes of the measure, separate restitution "accounts" (multiple victims/payees) can be aggregated into a single balance.

Why only measure criminal financial obligations?

- All courts with criminal jurisdiction process and account for financial penalties.
- Every jurisdiction has at least one criminal court.
- Responsibility for financial accounting in child support and other civil matters is not universally accepted as a core court function across the states.

Why only measure misdemeanors?

- Accounting for fines, fees, and restitution is a core operational activity of all courts with misdemeanor jurisdiction.
- Most of the money handled by criminal courts originates in criminal traffic and other misdemeanors.
- Due dates are likely to be clearly established and fall within one year from order date.



Other than for restitution payments to victims, compiling a record of all subsequent disbursement activities is not included in this measure (i.e., success in directing/paying out funds received to the appropriate account). This decision reflects the practical reality that there can be numerous funds entitled to a fraction of the total penalty as well as wide variation in local accounting practices governing the timing and allocation of dollars received.

Eight data elements are essential:

1. Case number.
2. Date of the order of sentence.
3. Due date for final payment of the total monetary penalty.
4. Total monetary penalty in the case.
5. Amount of total monetary penalty received (collected) to date.
6. Total amount of restitution ordered in the case.
7. Amount received that is applied by the court to restitution.
8. Amount of restitution received that is disbursed to victims.

Availability of Information

Ease of data collection for this measure will depend on the quality of the court's systems for tracking and monitoring compliance with the terms of sentences and other judgments. For many courts, accessible court records, whether manual or automated, may contain all the required data. In the event data cannot be collected for this measure without inspection of case files, a reliable sampling technique may need to be used. The task will be relatively simple if the clerk's office keeps judgment journals or similar payment bookkeeping records. A sample should not be drawn from bookkeeping records alone unless an entry is created in those records for all cases where an order includes restitution and other monetary penalties. It is possible, for example, that the bookkeeper only creates a record when a payment is made rather than when a penalty is initially ordered. In that instance, sampling from that source would not be representative of all cases in which a monetary penalty is ordered.

Converting Time to Dollars

Accurate measurement of compliance requires a means to convert a monetary penalty into days of community service or jail time when accepted in lieu of fines or as alternatives to payment of restitution. These equity-related practices are used in many cases where the offender is unable to pay the full amount of monetary penalties. This process obliges courts to establish a dollar value when converting monetary obligations to "time served." For example, an order that states "\$200 fine to be paid within 3 days, or one day in jail" establishes an implied conversion formula of "\$200 = 1 day jail time."

More commonly, when circumstances include an inability to pay, community service is imposed. For example, local policy may be that a \$200 penalty is equivalent to the number of hours necessary to pay off the penalty at \$10 per hour.

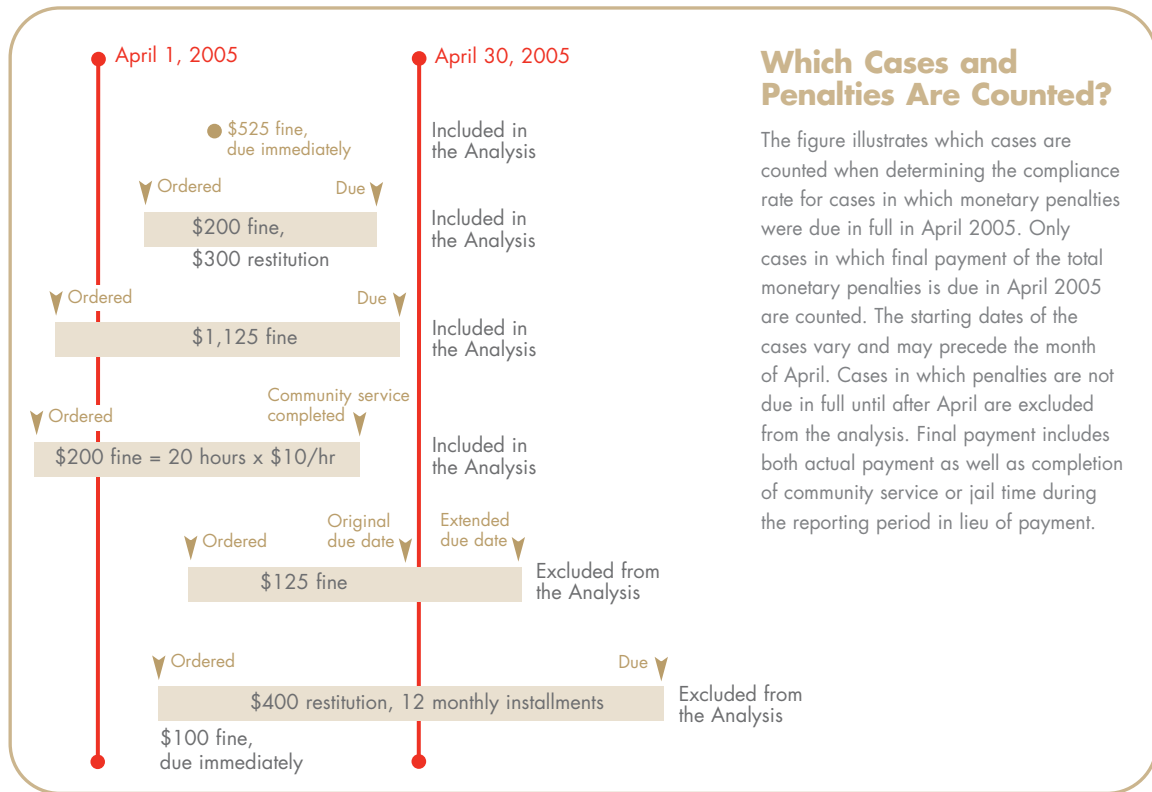
$$\text{Total Penalty} = \text{Hours Necessary to Pay Fine} \times \text{Hourly Rate}$$

Extended Due Dates and Time Payments

Consistent with strategies to improve enforcement of orders without resorting to community service or incarceration, courts may extend the original due dates for monetary obligations, set up payment plans, etc. For this measure, if the original date is extended, the extended due date is used in measuring compliance.

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Data Reporting and Analysis

Total Penalties

This table summarizes compliance on collection of total misdemeanor monetary penalties in one court. The Preliminary Compliance Rate is the percentage of total monetary penalties ordered that were collected as actual dollars. Combining the dollar value of community service or jail served in lieu of payment (Conversion Credit Dollar Value) with Actual Dollars Collected produces Overall Monetary Penalties Collected. Finally, Overall Compliance Rate is calculated by dividing Overall Monetary Penalties Collected by the Total Amount Ordered.

Two examples illustrate the use of conversion credits: Case Three shows the total penalty (penalty and restitution) of \$250 converted, and Case Five shows \$100 of \$1,150 converted. In addition, Cases Two and Four show partial compliance with no conversion credits, which means that preliminary and overall compliance rates are the same. Case One shows full compliance.

Total Penalties

Case	Date Ordered	Date Due	Total Amount Ordered	Actual Dollars Collected	Preliminary Compliance Rate	Conversion Credit Dollar Value	Overall Monetary Penalties Collected	Overall Compliance Rate
One	1/1/2003	4/1/2004	\$400	\$400	100%	—	\$400	100%
Two	2/15/2003	4/15/2004	\$450	\$325	72%	—	\$325	72%
Three	3/5/2003	4/5/2004	\$250	\$0	0%	\$250	\$250	100%
Four	4/15/2003	4/15/2004	\$500	\$125	25%	—	\$125	25%
Five	4/25/2003	4/25/2004	\$1,150	\$375	33%	\$100	\$475	41%
Total			\$2,750	\$1,225	45%	\$350	\$1,575	57%

$1,575 / 2,750 = 57\%$

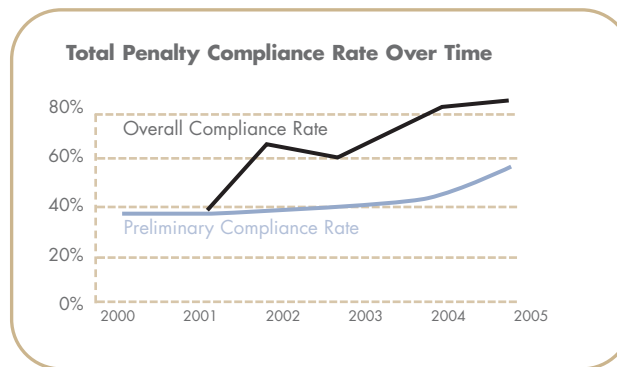


Restitution Collection and Disbursement

In some criminal cases, the monetary penalty will require restitution in the form of payment to the victim for harm that was caused. This measure calls for specific analysis of the amount of restitution ordered, collected, and distributed to victims. In this court, the overall compliance rate is 57%, the restitution collection rate is also 82%, and all restitution has been disbursed (100%). This result occurs because all dollars collected are applied to restitution obligations first, prior to paying any other government revenue penalty accounts, and the court is efficient in making payment to victims. In Case One the total penalty, including restitution, is fully paid. In Case Four, the total monetary penalty of \$500 is not paid, but sufficient funds have been collected to cover full restitution. Once restitution is collected, the court can monitor the actual disbursement of restitution to victims.

Compliance with Monetary Penalties Over Time

Improving compliance rates for collection of monetary penalties as well as for collection and disbursement of restitution is enhanced by monitoring the trend in performance. For example, the figure below compares Preliminary Compliance Rate to Overall Compliance Rate over time. This court had not implemented “conversion credit” practices in 2000, so the two rates are identical. As a result of implementing conversion practices in 2001, the two rates diverge and a more accurate measure of compliance is achieved. Adopting a broader definition of payment, to include both dollars and community service or jail time, allows the court to incorporate the full spectrum of penalty enforcement. Without such adjustments, performance in this area will be misrepresented and misunderstood.



Terms You Need To Know

Misdemeanor: A lesser crime punishable by a fine and/or county jail time generally up to one year.

Restitution: An amount to be paid for the purpose of compensation for an injury, loss, or damage.

Restitution Collection and Disbursement

Restitution Amount Ordered	Restitution Amount Collected	Restitution Collection Rate	Restitution Disbursed	Overall Compliance Rate
\$300	\$300	100%	\$300	100%
—	—	—	—	—
—	—	—	—	—
\$100	\$100	100%	\$100	100%
\$550	\$375	68%	\$375	100%
\$950	\$775	82%	\$775	100%

$775 / 775 = 100\%$

