

**Special Revenue Fund: Client Security Fund
FY2022-2023 Proposed Budgeted Programs and Activities**

The Client Security Fund (the Fund) is a special revenue fund that is governed by Section 3.08.02 of the State Bar of Texas Board of Directors Policy Manual. The Fund is administered through the Office of the Chief Disciplinary Counsel and the Client Security Fund Subcommittee. The Client Security Fund Subcommittee operates as a standing subcommittee of the Discipline and Client Attorney Assistance Committee of the State Bar Board of Directors. The Fund is a key piece of the State Bar’s public protection mission. It supports the regulation of the legal profession by providing meaningful assistance to clients who have been victimized by attorney misconduct—attorneys who have stolen money intended for the client or failed to refund an unearned fee. The Fund’s purpose carries out this mission by ameliorating financial losses suffered by clients through the dishonesty of Texas attorneys acting in their capacity as the clients’ attorney.

Expenditures are primarily grant payments which are processed pursuant to individual grants approved by the Client Security Fund Subcommittee in an amount not to exceed the maximum individual reimbursement limits set at a maximum claim payout of \$40,000 per claim. The revenues of the funds include: (1) amounts transferred each year from the State Bar’s General Fund; (2) interest earned on the Fund’s corpus; and (3) restitution collected from attorneys whose clients have been paid from the Fund. Section 3.08.02 of the State Bar Board of Directors Policy Manual provides that the Fund’s corpus may not fall below \$2,000,000. As of May 31, 2021, the fund balance of the Client Security Fund was \$3,335,456.

**Client Security Fund
Proposed Detailed Budget
Fiscal Year 2022-2023**

	Budget
Revenues:	
Investments	\$6,000
Other Revenue	5,000
Total Revenues	11,000
Expenditures:	
Administrative	711,000
Total Expenditures	711,000
Transfers (In)/Out	(500,000)
Total Expenditures & Transfers	211,000
Excess (Deficit) of Revenues Over Expenditures & Transfers	(200,000)
Board Commitments	1,000,000
Total YTD Increase in Fund Balance	800,000