

Part:	<b>Public Money and Property</b>	Number:	<b>3410</b>
Section:	<b>Special Purpose Funds and Trust Money</b>	Date:	<b>2016-04-06</b>
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Policy:	<b>Cash Management of Special Purpose Funds and Trust Money</b>		

## Cash Management of Special Purpose Funds and Trust Money

- Objectives** *The objectives are to specify requirements for the cash management of special purpose funds and trust money and to outline the policy for accepting and allocating interest.*
- Authority** *The Financial Administration Act, 1993, clauses 5(a) and 5(e), subsection 10(2) and section 22*
- Applicability** This policy applies to special purpose funds and trust money that are administered by ministries. See [Appendix C Public Money](#).
- Treasury Board Policy**
- .01 In the interests of good cash management practice, public money that belongs to a special purpose fund or trust fund should be held in the General Revenue Fund (GRF) in accordance with section 20 of *The Financial Administration Act, 1993*.
  - .02 Investments are made in accordance with any direction provided by Treasury Board.
  - .03 Interest and investment earnings on these moneys are deposited to, and form part of the fund, and are available to pay any expenses associated with the operation of the fund (unless contrary to enabling legislation).
  - .04 Where a person or party has an individual claim against the assets of the fund, any material interest and/or investment earnings is/are allocated to the credit of the person or party, according to the proportionate claim of the person or party against the assets.
- Provincial Comptroller Directives**
- .05 Special purpose funds and trust money can be grouped with GRF moneys to facilitate more efficient cash management, providing the money is managed by a ministry or agency responsible to Treasury Board and there are no administrative or legislative restrictions that prevent the deposit of these moneys to the GRF. Refer to [Section 3300 Holding Money in the GRF](#) for more information.
- Investments**
- .06 Where there is legislative authority to invest special purpose fund and trust money, the following applies to investments:

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- Approval for investments or investment renewals is required from the director or equivalent for institutional collective benefit accounts and from the permanent head or delegate of the responsible ministry or agency for other funds.
- Overall approval is required from Treasury Board. Prior approval of Treasury Board is required for investments other than:
  - securities issued by a major chartered bank;
  - securities issued by Saskatchewan credit unions;
  - guaranteed investment certificates issued by a trust company approved by Treasury Board; and
  - securities as specified in legislation governing the operation of the fund.
- The maximum amount that may be deposited per depositor in any one trust company or credit union is \$100,000.
- Where investments are held on behalf of individuals, the deposits with financial institutions should be insured up to \$100,000 by depositor.
- Investment inquiries should be made to the Treasury Management Branch, Ministry of Finance.
- Investment securities must be placed for safekeeping and if retained by a ministry or agency, they must be kept in a safety deposit box. The box must be opened in the presence of two officials.
- A record of investments is to be maintained that provides the following information:
  - name of investment;
  - name and address of vendor;
  - date of purchase, purchase price, interest rate and date of maturity;
  - termination date, if other than the date of maturity; and
  - value realized on maturity or termination.
- A report of the portfolio of investments is to be submitted to Treasury Board every six months.

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- Proceeds are to be deposited to an appropriate bank account when the investment matures or terminates.
- Investments held on behalf of individuals must be recorded.

## References

- [3300 Holding Money in the GRF](#)
- [3400 Control of Special Purpose Funds and Trust Money](#)
- [3405 Establishment and Control of Special Purpose Funds and Trust Money](#)
- [3415 Financial Statements and Accounting for Special Purpose Funds and Trust Money](#)
- [3420 Disposition of Unclaimed Trust Money](#)
- [3500 Control of Public Money](#)
- [3610 Controls over Bank Accounts](#)