

Trust Funds

SUMMARY

This procedure (policy) establishes guidelines for the administration and oversight of trust funds, ensuring they are used exclusively for their intended purpose and in compliance with all applicable rules, regulations, and fiscal standards. The administration of each trust fund may require additional requirements as dictated by the specific resolutions and policies governing each trust fund which go beyond the guidelines provided within this procedure.

SCOPE

This procedure applies to all trust funds established and approved by the Board of County Commissioners (BCC) through resolution or other effectuating action. These funds are designated for specific purposes as outlined in their establishing resolutions and must be accounted for separately to track income, expenses, assets, and liabilities. Each trust fund is restricted to its designated purpose, and no funds may be used outside of their specified mandates.

PROCEDURE

1. Departmental Management:

Trust funds are to be managed by the department designated by the BCC's resolution or other effectuating action. Each department is responsible for the day-to-day management of funds and must adhere to the following:

- **Fund Establishment:**

- Whenever the BCC takes action to create a new trust fund, the managing department shall take steps to create the needed fund structure in INFORMS. To establish the new fund within the General Ledger in INFORMS, the managing department must make a chartfield request for the new fund code. (Refer to INFORMS End-User Training Guide – FIN 301: Managing the General Ledger: <https://www.miamidade.gov/technology/library/informs/guide/fin-301-managing-general-ledger.pdf>.)
- The managing department shall also contact the director of the Office of Management and Budget (OMB) summarizing the Trust Fund's purpose, restrictions on the use of its funds, and expected financial activity over its lifetime.

- **Compliance:**

- All financial reporting and management of trust funds must adhere to the Governmental Accounting Standards Board (GASB) principles and Generally Accepted Accounting Principles (GAAP), as well as any additional reporting requirements specified by state regulations and/or establishing resolution where applicable.
- Department Directors are responsible for ensuring that monies from the trust funds are disbursed only for the purposes outlined in the establishing resolution. Any expenditure outside the scope of the resolution is not allowed.
- Whenever the BCC adopts subsequent legislation that impacts existing trust funds, the managing department will notify the director of OMB and the Clerk of Court and Comptroller (COCC).

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2. Annual Review and Documentation:

Each trust fund must undergo an annual review to ensure compliance and proper usage. Departments managing the trust funds must:

- **Documentation Requirements:**
 - Maintain proper documentation and records for all disbursements, including receipts, invoices, and any other relevant backup documentation.
 - Ensure documentation and disbursements align with the trust fund's purpose and that all information is readily available for reviews, audits or inquiries.
- **Annual Internal Review:**
 - Conduct an internal review of the fund at least once per fiscal year to verify compliance and identify any discrepancies ensuring transparency and accountability in the oversight of the trust funds. Departments will provide a copy of the internal review results to the COCC Comptroller Audit Operations Department.
- **Inactive Funds:**
 - Seek input from the County Attorney's Office for required actions if changes to permissible uses are necessary, or to close out trust funds that are deemed to be inactive and to determine how any remaining funds are to be used. The managing department shall notify OMB and COCC when these actions are taken.
- **Signature Authorization:**
 - As part of the year-ending closing process, provide the COCC with the authorized signature form for trust funds. This form will include the individuals in the department who are authorized to approve expenses for the trust fund.
- **Training:**
 - Ensure trust fund staff are trained on trust fund compliance and record-keeping.

3. Accountability and Oversight:

Accountability is essential in the management of trust funds. The Department Director is responsible for the following:

- **Internal Controls:**
 - Establish internal controls to prevent misuse of funds.

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- **Compliance Reporting:**

- Annual reports on fund activities, disbursements, and the fund status are submitted as required to the governing authorities and are accurate and comprehensive.

- **Audit Cooperation:**

- The department will cooperate fully with any internal or external audits related to the trust fund, providing all necessary documentation and information in a timely manner.

Additionally, all trust funds are subject to audit by the COCC Comptroller Audit Operations Department. COCC Comptroller Audit Operations Department will assess the adherence to policies and procedures, ensure compliance with the original intent of the trust fund, and provide recommendations to address any risks or irregularities discovered during the audit.

4. Trust Fund Investment and Reporting:

OMB, in conjunction with the managing departments, will work in collaboration with the COCC to ensure that trust fund balances are invested in accordance with the County's investment policy and relevant state statutes (*Section 218.415, Florida Statutes, Local Government Investment Policies*) and request quarterly reports regarding fund performance. In addition:

- **Investment Priorities:**

- Investments should prioritize the safety of principal, liquidity, and return on investment in that order. All investments must be made with prudence and in consideration of market conditions to safeguard the trust funds.
- Investments will be subject to an annual attestation engagement by the County's external auditors to ensure compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies*.

- **Reporting:**

The COCC Comptroller Finance Operations Department will prepare interim financial statements for the trust funds and will review the trust funds cash report (Report Name: GLR010: Trust Fund Cash Balances by Managing Department) on a quarterly basis. The GLR010 Report is available in INFORMS. The funds are tracked by Fund and Department combinations.

CONTACT(S):**Department/Division**

Office of Management and Budget