

Logan City Council

Trust Accounting Procedure

Logan City Council

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Amendment History

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1 Operation of Trust Account

1.1 Trust bank account

A Trust bank account will be maintained to hold trust money received by Council in accordance with policy.

1.2 Trust QTC account

A Trust QTC account will be maintained to hold trust money received by Council in accordance with policy.

Finance branch shall transfer interest earned to the Council's operating account monthly, unless otherwise required by law.

2 Maintenance of records of trust money

2.1 Trust Administration Finance branch

Finance branch shall record all movements into and out of the trust account in the Trust ledger promptly and fully with appropriate controls including:

- (a) Recording all provided contact methods for the trust account owner in the trust ledger;
- (b) Reconciling the Trust bank account and Trust QTC account to the Trust ledger monthly;
- (c) As a minimum, distributing the Trust ledger to responsible business units annually for their review;
- (d) Administer the trust fund in accordance with Sections 200-201 Local Government Regulation 2012

2.2 Trust Administration Business units

Business units shall ensure that complete information is recorded in corporate systems or provided to Finance branch for effective management of the trust account including:

Establishment of Trust Fund

- (a) Cashiers shall clarify who is making payment when recording the receipt of trust money in Pathway. The receipt shall record the 'payee' as the entity the payment is made on behalf of.
- (b) Business units shall retain all known contact methods within corporate systems for the trust account owner on establishment of the trust account.

Maintenance of Trust Funds

- (a) Review the trust ledger provided by the Finance branch annually within the requested timeframe.
- (b) Advise Finance of the status of accounts past due date.
- (c) Advise revised review date.

Closing the Trust Fund – Returning funds to owner

- (a) When funds held in trust can be returned to the owner, using the following methods, contact the owner to confirm bank account details or mailing address for the cheque by:
 - i. Contacting the owner via e-mail;
 - ii. Contacting the owner via phone;
 - iii. Contact the owner via letter to postal address;
 - iv. If methods i – iii are unsuccessful, contact the Trust officer in Finance to determine if there is a current known bank account that could be used to return the funds.
- (b) Advise promptly when funds held in trust can be returned to the owner by completing a Trust Payment Form with approval as per delegation of authority expenditure.
- (c) If the funds are to be refunded to a party other than the 'payee', either of the following must be provided with the trust payment form
 - i. Authorisation in writing from the payee that the funds can be refunded to another party; or
 - ii. Proof the other party paid the amount to be refunded, such as a bank statement.

Closing the Trust Fund – Council retaining trust money

- (a) When funds held in trust will not be returned to the owner, contact the owner to inform them.
- (b) Advise promptly when funds held in trust will not be returned to the owner and will be retained by Council by completing a Trust Payment Form with approval as per delegation of authority expenditure.

3 Classification of unclaimed money

3.1 Classification of unclaimed money

Once advised by the business unit that the funds can be returned to the owner, the finance branch shall attempt to return the funds by method on the Trust Payment Request Form.

If this method is unsuccessful, and either the Electronic Funds Transfer is returned, or the cheque is returned or not banked within 3 months, then Finance will advise the business unit to reattempt contact with the Trust Account Owner.

If these contact methods are unsuccessful, the trust funds will be classified as 'unclaimed moneys'.

4 Processing of unclaimed money

4.1 Public Trustee Qld

Unclaimed moneys will be transferred to the QLD public trustee in accordance with section 98-102 of the Public Trustee Act 1978 on an annual basis.

5 Definitions

Definitions for terms used within the procedure can be found in the *Trust Accounting Policy* (DM: 15305394)

6 References

Local Government Regulation 2012
Public Trustee Act
Delegation of authority expenditure
Trust Payment Form