

SAM—TRUST AND AGENCY FUNDS—OTHER

INTEREST BEARING PRIVATE TRUST ACCOUNTS

19420.3

(New 6/83)

Except where prohibited by law, State Departments will deposit private trust moneys (e.g., money held for State hospital residents) in interest bearing account at federally insured financial institutions. Of course, this principle will not apply to trust moneys which must be maintained to meet day-to-day cash needs.

Departments will credit interest earnings to trust accounts when earnings are credited by the depository institutions and at the time trust accounts are closed.

In some instances, individual trust accounts may be consolidated for investment purposes. For example, Treasury Bills or Certificates of Deposit may be purchased with consolidated funds to produce greater interest earnings for each trust account. Interest on such investments will be credited to individual accounts when the earning are made available and at the time trust accounts are closed.

Departments are responsible for maintaining accountability for each private trust account. Any program to consolidate individual trust funds must be approved by the Fiscal Systems and Consulting Unit, Department of Finance.