

SAM—TRUST AND AGENCY FUNDS—NON-TREASURY

SPECIAL PURPOSE TRUSTS

19440

(Revised 5/97)

Individuals, associations, corporations, public agencies, etc., may make gifts or grants to the State for specific purposes such as conducting research in a particular field, providing assistance to deserving students, providing money or other assets for the education or recreation of an institution's inmates, etc.

Sections 16305 through 16305.3 of the Government Code require that all money in the possession of or collected by any state agency be deposited in trust in the custody of the State Treasurer, except when otherwise authorized by the Director of Finance, or unless deposited directly in the State Treasury.

Gifts of money will be credited to the State School Fund unless the donor, at the time of making the donation, specifies in writing (1) that the gift is for another fund or appropriation or (2) the purposes of the trust without specifying any fund or appropriation. See Government Code Sections 11005 and 16302.

If the written designation states the purposes of the trust without specifying any fund or appropriation, the money will be deposited in the Special Deposit Fund unless statutes provide for keeping the money in depositories other than the State Treasury. See Government Code Section 16371.

See SAM Section 8634 for procedures to follow in accepting gifts of real and personal property.

In some cases, specific provisions of law permit trusts to be maintained in accounts in the centralized State Treasury System or in bank accounts instead of in a fund in the State Treasury. A few statutes provide that special purpose trusts outside the State Treasury will receive the income from certain sources. For example, Welfare and Institutions Code Section 4125 provides that a benefit trust for the education or recreation of patients will receive the income from the investment of a hospital's cash trust moneys.

Special purpose trusts outside the State Treasury normally will be deposited in an account in the centralized State Treasury System and accounted in Accounts No. 1120, Agency Trust Fund Cash, and 5530, Fund Balance—Unappropriated. If necessary, agencies may maintain a separate self-balancing group of General Ledger accounts for each special purpose trust.