

## 2.4

**Policy Title:** 2.4 Special Purpose Funds

**Section:** 2.0 Financial Reporting

**Last Approved:** January 2020

### BACKGROUND

The purpose of this policy is to establish the maintenance and safekeeping of funds provided for a special purpose.

**Third-party trust funds** are funds where the trustee recognizes an obligation with respect to the use and disposition of the fund assets for those who benefit from the fund operation and who have a claim on the fund assets. Third-party trust funds are considered trust money. The fund's assets belong to individuals or parties and the use of trust fund money is restricted to specific purposes.

### APPLICATION

This policy applies when funds, not including membership fees, are sent to the Association for a specific purpose. Examples include Specific Land Claims and Mosaic Extreme Makeover Challenge awards.

### POLICY STATEMENT

1. The Association may segregate special purpose funds from normal operations.
  - 1.1. The Association may hold a separate bank account or investment to segregate the money. Appropriate authorization as per existing financial policies is required for the creation of these separate accounts.
2. All special purpose funds are properly administered and reported as per the Association's financial policies.
  - 2.1. The Association must maintain accounting records in a manner that accurately reflects the financial activities of the special purpose funds and facilitates preparation of financial reports.
  - 2.2. Appropriate and timely reporting on these special purpose funds is required. Separate audited financial statements are not required unless specified in the agreement.
3. Any financial policies that conflict with the special purpose funds agreement, will defer to the specific agreement.

### REFERENCES

SSBA Bylaw 4.2 - Executive – Powers and Duties