

TRUST FUNDS POLICY

Section	Finance
Contact	Chief Financial Officer
Last Review	May 2014
Next Review	May 2022
Approval	C14/71 – July 4.3.2
Effective Date	2 May 2014

Purpose:

To ensure that Trust Funds established and administered by the University are managed:

- In accordance with the wishes of the settlors/testators
- In compliance with legal, Audit and good governance/ best practice requirements
- And in a manner that minimises the potential liability or loss by the University or its Council and its staff.

Trust Funds include the following:

- Intervivos Trusts;
- Charitable Trusts; and
- Testamentary Trusts.

Policy:

Trust Funds must only be accepted, transferred to the University or otherwise established with the approval and resolution of the University's Council. This may be delegated to the Vice-Chancellor, AVC Operations & University Registrar, or AVC Strategy, Finance, Information Technology and Commercial Operations.

All Trust Funds accepted must be administered in accordance with the terms of the Will or the Trust Deed as the case may be so as to properly and fully meet the wishes of the settlor and/or testator and which govern the obligations and responsibility of the trustees and Massey University.

Procedures must be implemented, followed and audited to ensure compliance with settlor's wishes, Trust Deeds and legal and financial reporting requirements.

Trust Funds and their administration, including disbursements, must be in compliance with University policies and procedures.

Trust Funds and their administration may be audited from time to time in accordance with their respective Trust Deed.

Trust Funds may be administered by the Massey University Foundation Trust (MUF), a charitable trust established by the University.

The University will maintain restricted cash reserves, to an amount equal to the value of the Trust, other than those administered by MUF.

Audience:

All staff, council members and the University's professional advisors and potential benefactors/settlers.

Relevant Legislation:

Crown Entities Act 2004
Public Finance Act 1989
The Trustees Act 1956
The Friendly Societies and Credit Union Act 1982,
Charities Act 2005

Legal Compliance:

The Crown Entities Act 2004 and ss 203 of the Education Act 1989 states that every tertiary institution is a "Crown Entity" for the purposes of the Public Finance Act 1989. All monies received by a crown entity must be banked into its bank account as soon as practicable.

The Trustee Act 1956 details the powers and obligations of Trustees in respect of managing trust funds. Trustees are legally obligated to invest prudently, and may be sued for breach by beneficiaries if negligence can be proven. The Courts have power to amend trusts in certain circumstances.

Where the trust funds are provided for the establishment of a friendly society or credit union, the obligations of the Friendly Societies and Credit Union Act 1982 will apply. In these circumstances, appointment of trustees must be by way of a majority resolution of the members.

Related Procedures and Documents:

[Delegations Document](#)
[Treasury Policy](#)
[Compliance Policy](#)

Document Management Control:

Prepared by: Chief Financial Officer
Owned by: Assistant Vice-Chancellor, Strategy, Finance, IT and Commercial Operations
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