I. PURPOSE: To provide the guidelines for all applicable Trust Fund use and accounting.

II. POLICY: Regulations and practices for the budgeting and disbursement of Trust Funds are guided by the guidelines established within each trust account, State of Delaware Budget and Accounting Policy Manual, the Generally Accepted Accounting Principal, DSCYF, and the State of Delaware fiscal policies.

III. DEFINITIONS: As used in this document, the following definitions shall apply:

A. Ferris Trust: John Ferris left the residue of his estate to Dr. Caleb Harlan suggesting that he establish "a place for bettering wayward youth".

B. Carpenter Trust: Bequeathed by Addie C. Carpenter to the Woods Haven School with no restrictions on the use of the funds. Woods Haven School was one of many beneficiaries of this trust fund.

C. Miller Trust: Bequeathed by Ida S. Miller to the Woods Haven School with restrictions on the use of the funds. Woods Haven School was one of many beneficiaries of this trust fund.

D. Bellah Trust: In his will in 1941, Thomas Bellah left $13,500 to Ferris School stipulating that the principal be invested and the income be expended for appropriate school purposes. The Bellah Trust principal is invested in a CD.

E. Woods Haven-Kruse Trust: In a trust agreement in 1959, the Woods Haven School for Girls transferred its assets to the State of Delaware’s “Youth Services Commission” now the Division of Youth Rehabilitative Services. Some of the land assets were sold and the funds were invested. Funds received from Woods Haven-Kruse Trust can only be used for capital expenditures benefiting girls.

IV. PROCEDURES:

A. Budgeting

1. Two state accounts have been established for the Ferris, Carpenter, Miller, and Woods Haven-Kruse Trust funds. The first account contains the principal or original bequeathed funds for each trust fund and the second is for the interest that is earned for each trust account. The Bellah principal is deposited in a $13,500 CD deposited at Sun National Bank. The interested earned from this CD is deposited into a state account established for the Bellah Trust interest.
2. The monthly or quarterly interest that is earned on the Carpenter, Miller, and Bellah Trust accounts is deposited into each designated trust interest account and is later budgeted for annual spending. The monthly interest that is earned on the Ferris and Woods Haven-Kruse Trusts is divided with twenty percent of the interest being deposited back into the principal account and eighty percent of the interest being deposited into the interest account, which is later budgeted for annual spending.

3. During the last quarter of each calendar year, the fiscal offices will distribute to the DSCYF Cabinet Secretary and YRS Director an Interest Income Statement for the YRS Trust Funds. This statement reports the principal balances for each Trust account, the interest earned during the prior state fiscal year for each Trust account and any prior budgeted funds that were not spent during the prior calendar year. The interest earned during the prior state fiscal year and the prior budgeted funds that were not spent during the prior calendar year determine the amount of trust funds that are available for budgeting during the next calendar year.

4. After receiving the Interest Income Statement, the Deputy Director of YRS submits to the DSCYF Cabinet Secretary a budget request detailing how the available funds will be budgeted to the various YRS programs/facilities describing the proposed spending by each program/facility.

5. Upon review of the Interest Income Statement and the YRS Budget Request, the DSCYF Cabinet Secretary will approve the Budget Request and forward the approval to the fiscal office or will return the Budget Request for revisions.

6. The approved budget is available for spending upon approval by the DSCYF Cabinet Secretary but not prior to January 1st of the Trust Fund calendar year.

B. Disbursement of Funds

1. Trust principal accounts can only be spent under the DSCYF Cabinet Secretary's direction, except the Bellah Trust principal, which cannot be spent, under the terms of the Trust.

2. The Woods Haven-Kruse Trust can only be disbursed for capital expenditures benefiting girls.

3. Requests for funds are to be originated by authorized DYRS staff only on the "YRS Trust Fund Request" form (Attachment A). Forms are to be forwarded and approved by the superintendent or assistant superintendent, Chief of Community Services, Deputy Director or Director and then forward to the fiscal offices for final approval.

4. Disbursement of funds shall follow and be in accordance with the procedures established by the YRS Procurement Policy.
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