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**POLICY TITLE:** RESTRICTED ASSET ACCOUNTS - INTERNAL

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**FOLDER NUMBER:** F2007/00307

**POLICY OWNER / DIVISION:** Corporate Support Division

**POLICY OWNER / BRANCH:** Financial Services

**FUNCTION:** Finance

**RELEVANT LEGISLATION:**

**POLICY ADOPTION/AMENDMENT DATE:** 8 August 2018      **REPORT NUMBER:** CS33/18

**REVIEW YEAR:** 2024

**AMENDMENT HISTORY:** 14 June 2000 (Report CC14/00)  
9 March 2005 (Report CC5/05)  
11 April 2007 (Report CC11/07)  
8 April 2009 (Report CC12/09)  
20 April 2011 (Report CC10/11)  
17 April 2013 (Report GM2/13)  
8 April 2015 (Report CS6/15)

**RELATED POLICIES:**

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**POLICY PURPOSE / OBJECTIVES:**

1. To provide for the discretionary accumulation of funds for significant future projects and commitments, such funds being separately identified and maintained in Council's financial accounting records as nominated discretionary internally restricted asset accounts.

**POLICY STATEMENT:**

1. The allocation of funds to an internally restricted asset account can only occur as a result of an approved budget item or subsequent supplementary vote by Council.
  2. The allocation of funds to internally restricted asset accounts does not constitute a legally binding commitment by Council and can be altered by recommendation of management and resolution of Council. Funds so allocated reduce Net Available Working Capital and are maintained as internally restricted asset accounts until cancelled or amended by resolution of Council or fully expended.
  3. The annual Budget process must include a review of all existing and proposed internally restricted asset accounts.
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4. The June Quarterly Budget Review must revise all transfers to/from Internally Restricted Assets as to their applicability.
5. An internally restricted asset account is not to be established or supplemented with an allocation of less than \$50,000, unless required by Council as a result of extenuating circumstances.
6. It is the responsibility of the relevant Divisional Manager to advise the Chief Financial Officer of the:
  - creation of a new Restricted Asset Account; and
  - addition to an existing Restricted Asset Account;

in accordance with these procedures and provide adequate supporting documentation which in the case of a new account shall include a statement of purpose for the account, the title of the manager responsible for the account and the project to which the account is linked.

7. No interest is allocated to internally restricted asset accounts unless directed by Council.
8. Internally restricted asset accounts are not invested individually but aggregated for investment purposes to maximise Council's total interest returns.
9. The operation of internally restricted asset accounts is to be the subject of supporting procedures to facilitate the accurate and timely management of these accounts.
10. Retrospective adjustments to internally restricted asset accounts for a previous financial year are not permitted and such adjustments can only be processed in the current financial year.