

TRUSTEE GUIDE: TRUST ACCOUNTING

BUILDING INDUSTRY FAIRNESS
(SECURITY OF PAYMENT) ACT 2017



APRIL 2022

CONTENTS

INTRODUCTION	3	PROHIBITED USE OF TRUST FUNDS	5
WHO SHOULD USE THIS GUIDE?	3	ELECTRONIC RECORD OF ALL TRANSACTIONS	5
FURTHER RESOURCES AVAILABLE	3	PART B—KEEPING COMPLIANT TRUST RECORDS	6
HOW TO USE THIS GUIDE	3	TRUST ACCOUNT LEDGER.....	7
PART A—ENSURING DEPOSITS AND WITHDRAWALS ARE MADE CORRECTLY	4	RECORD OF DEPOSITS AND WITHDRAWALS.....	7
PAYMENTS (DEPOSITS) INTO THE PROJECT TRUST ACCOUNT.....	4	OTHER TRUST RECORDS.....	7
Contracting party deposits.....	4	PART C—RECONCILING TRUST ACCOUNTS	8
Trustee deposits.....	4	TRUST ACCOUNT LEDGER TRIAL BALANCE STATEMENT.....	8
PAYMENTS (WITHDRAWALS) FROM THE PROJECT TRUST ACCOUNT.....	4	BANK ACCOUNT RECONCILIATION.....	8
Trustee withdrawals.....	4	Component 1:.....	9
PAYMENTS (DEPOSITS) INTO THE RETENTION TRUST ACCOUNT.....	5	Component 2:.....	9
Trustee deposits.....	5	PART D—REVIEWING TRUST ACCOUNTS	10
PAYMENTS (WITHDRAWALS) FROM THE RETENTION TRUST ACCOUNT.....	5	PART E—INFORMATION SHARING	11
Trustee withdrawals.....	5	PART F—GLOSSARY OF TERMS	12

INTRODUCTION

Trust accounts were first introduced to Queensland's building and construction industry in 2018, in the form of project bank accounts (PBAs) as a means to protect subcontractor payments. The *Building Industry Fairness (Security of Payment) Act 2017* (the BIF Act) established this trust account framework and its associated requirements.

Changes to the BIF Act from 1 March 2021 introduced a new trust account framework, which requires project trust accounts for certain (eligible) contracts and retention trust accounts for holding eligible cash retention amounts. The requirements expand out to more sectors and more contracts in a phased approach and will be fully implemented by 1 October 2023.

Where a trust account is required, there are specific processes and trust obligations that must be met by various parties including the auditors and financial institutions. The majority of responsibilities lie with the trustee, who is the party responsible for managing the trust account(s).

WHO SHOULD USE THIS GUIDE?

This guide is written to assist trustees, trust account administrators¹ and other delegates² acting on behalf of trustees to understand their accounting and recordkeeping responsibilities for trust accounts.

This guide provides general guidance and information about the trust account requirements of both project and retention trusts. It does not cover all situations and should not be solely relied upon to achieve compliance with the BIF Act. Please seek professional advice if you have any uncertainty around rights and obligations.

FURTHER RESOURCES AVAILABLE

There are other guides available on the QBCC website, including:

- [Trustee guide—project trusts](#)
- [Trustee guide—retention trusts](#)
- [Beneficiary guide—trust accounts](#)
- [Auditor guide— trust accounts.](#)

The accounting and recordkeeping requirements outlined in this guide do not apply to project bank accounts established under the former trust framework. Detailed guidelines and other resources to assist trustees of project bank accounts are available on the [Business Queensland website](#).

HOW TO USE THIS GUIDE

All requirements for project and retention trust accounts are set out in the BIF Act and supporting Building Industry Fairness (Security of Payment) Regulation 2018. The basic accounting and recordkeeping responsibilities relating to trust accounts include:

- ensuring deposits and withdrawals are made correctly
- keeping compliant trust records
- reconciling trust accounts
- reviewing trust accounts.

This guide provides information on these trust accounting requirements.

A glossary of terms is provided in Part F of this guide on page 12.

¹ Trust account administrator means a person who administers the trust on behalf of the trustee. Examples include, but are not limited to, company finance staff or independent accounting firms. When a trustee employs or otherwise engages a person (an agent) to act on their behalf, the trustee remains liable for all acts and any defaults of the agent.

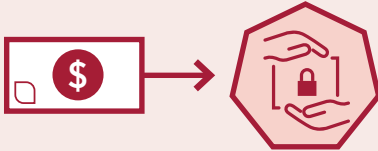
² A trustee may delegate any or all of their trustee powers to another person who resides in Queensland. However, the trustee remains legally responsible for the trust at all times and will be held liable for any breaches, despite any delegation.

PART A—ENSURING DEPOSITS AND WITHDRAWALS ARE MADE CORRECTLY

There are certain requirements for how payments into, and out of, a project trust account and retention trust account may be made. The trustee must ensure that deposits and withdrawals are made using only methods that create electronic records of the transfer.

Cash and cheque methods are not acceptable.

The following information outlines the allowable deposits and withdrawals for each relevant party and for each trust account type.



Payments (deposits) into the project trust account

Only the contracting party and the trustee (or their agents) can deposit amounts into the project trust account in the circumstances outlined below.

The only exception to this is interest that is credited to the account by the financial institution.

Contracting party deposits

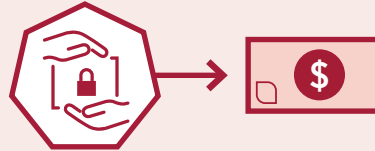
The contracting party must³ deposit into the project trust account any amounts paid to the contracted party:

- in accordance with the contract terms (e.g. in response to a payment claim)
- because of a payment schedule for the contract
- for another reason to reduce the remaining unpaid amount for the contract (e.g. advance/early payment)
- as required by an adjudication decision/dispute/court order in connection with the contract.

Trustee deposits

The trustee must only deposit amounts into the project trust account to:

- repay an incorrect withdrawal
- transfer an amount paid by the contracting party incorrectly (e.g. paid to an incorrect account) into the project trust account or
- top up the project trust account (e.g. in the event of a shortfall of funds), so that an amount due to be paid to a beneficiary is available to be paid from the project trust account.



Payments (withdrawals) from the project trust account

Only the trustee can withdraw or transfer amounts from the project trust account.

The only exception to this is account fees that are deducted by the financial institution.

Trustee withdrawals

The trustee must only withdraw amounts from the project trust account to:

- pay a subcontractor beneficiary⁴ amounts the trustee is liable to pay them in connection with the subcontract
- transfer a cash retention amount withheld from a beneficiary into the trustee's retention trust account
- make a payment relating to the contract in accordance with an adjudication decision or a court order
- claim an amount of interest earned (once per 12-month period or when transferring or closing the project trust account)
- return an amount received in error or paid incorrectly into the project trust account
- pay themselves amounts they are entitled to be paid (not including any amounts subcontractors are entitled to be paid for the same work).

As part of BIF Act requirements for withdrawals from the project trust account, a notification must be provided to the beneficiary the withdrawal relates to within five business days.

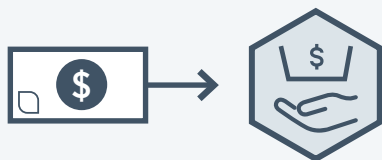
This written notice must include:

- identification of the related payment claim (if any)
- details of the deposit into the beneficiary account and/or retention trust account (including date, amount, and account details)
- total cash retention amounts held for the beneficiary under the contract in the retention trust account (if applicable).

The QBCC has created a [Payment advice—withdrawal from project trust account template](#) to assist with this requirement.

³ Unless the amount was due before the trust was established, or the amount has been paid into court or is subject to a 'payment withholding request' or a 'subcontractor's charge' (see [Industry guide to security of payment laws](#)).

⁴ These payments must be made by transferring the amount into the subcontractor beneficiary's nominated bank account (that is controlled by the beneficiary) or into their project trust account (if they are required to have one).



Payments (deposits) into the retention trust account

Only the trustee can deposit amounts into the retention trust account.

The only exception to this is interest that is credited to the account by the financial institution.

Trustee deposits

The trustee must only deposit into the retention trust account amounts that are:

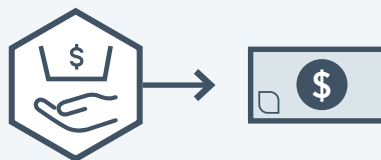
- eligible cash retentions withheld from payment to a contracted party
- to repay an incorrect withdrawal
- to top up the retention trust account (e.g. in the unlikely event of a shortfall of funds) so that an amount due to be paid to a beneficiary is available to be paid from the retention trust account.

As part of BIF Act requirements for deposits into the retention trust account, a notification must be provided to the beneficiary the deposit relates to within five business days.

This written notice must include:

- identification of the related payment claim (if any)
- details of the deposit into the retention trust account (including date, amount and account details)
- total retention amounts held for the beneficiary under the contract in the account after the transaction.

The QBCC has created a [Payment advice—deposit into retention trust template](#) to assist in this process.



Payments (withdrawals) from the retention trust account

Only the trustee can withdraw or transfer amounts from the retention trust account.

The only exception to this is account fees that are deducted by the financial institution.

Trustee withdrawals

Withdrawals by the trustee must be to:

- release a retention amount to the contracted party that the amount was withheld from, and pay it into their bank account (or their project trust account if they are required to have one)
- release a retention amount to the trustee, after the defects liability period, in the event of incomplete or defective work
- release a retention amount to pay another person to correct incomplete or defective work
- claim an amount of interest earned (once per 12-month period or when transferring or closing the retention trust account).

All beneficiaries can only be paid retention amounts from the retention trust account. When a retention amount is released to a contracted party (beneficiary) it must be paid into an account that is controlled by that beneficiary (i.e. that is held in their or their business name).

As part of BIF Act requirements for a withdrawal from a retention trust account, a notification must be provided to the beneficiary the withdrawal relates to within five business days.

This written notice must include:

- identification of the related payment claim (if any) or, if paying a person other than the beneficiary, the reason
- details of the withdrawal from the retention trust account, including date, amount and, if paying a beneficiary, the payment account details.

The QBCC has created two templates to assist in this process:

- [Payment advice—payment to beneficiary from retention trust account template](#)
- [Payment advice—payment to another party from retention trust account template.](#)

Prohibited use of trust funds

Costs incurred for trust account administration or fees related to a trust must **not** be deducted from funds held in trust for a beneficiary other than the trustee. Trust funds must **not** be used for investment purposes or to satisfy a debt.

Electronic record of all transactions

Any method used to deposit into or withdraw amounts from a trust account must create an electronic record for the transfer.

Trustees are responsible for keeping certain trust records and copies of related documents, in accordance with statutory requirements.

These requirements are important to the integrity of the trust and the trust protections and ensure effective oversight, financial transparency and information sharing. The trustee or trust administrator or delegated party should establish mechanisms/procedures to ensure recording of transactions satisfies all legislative requirements.

The five critical elements of compliant trust records are:

1. keeping an individual trust account ledger for each trust
2. keeping a record of deposits and withdrawals for each trust
3. preparing a trust account ledger trial balance statement and bank reconciliation each month
4. keeping copies of other prescribed 'trust records'
5. engaging an auditor to carry out trust account reviews for prescribed review periods and as per QBCC direction.

Trust records must:

- record transactions in Australian dollars
- explain all transactions in English
- record transactions in chronological order
- record all deposits or withdrawals within five business days of the deposit/withdrawal
- be retained for at least seven years
- be accurate and enable convenient and proper audit of the trust account transactions.

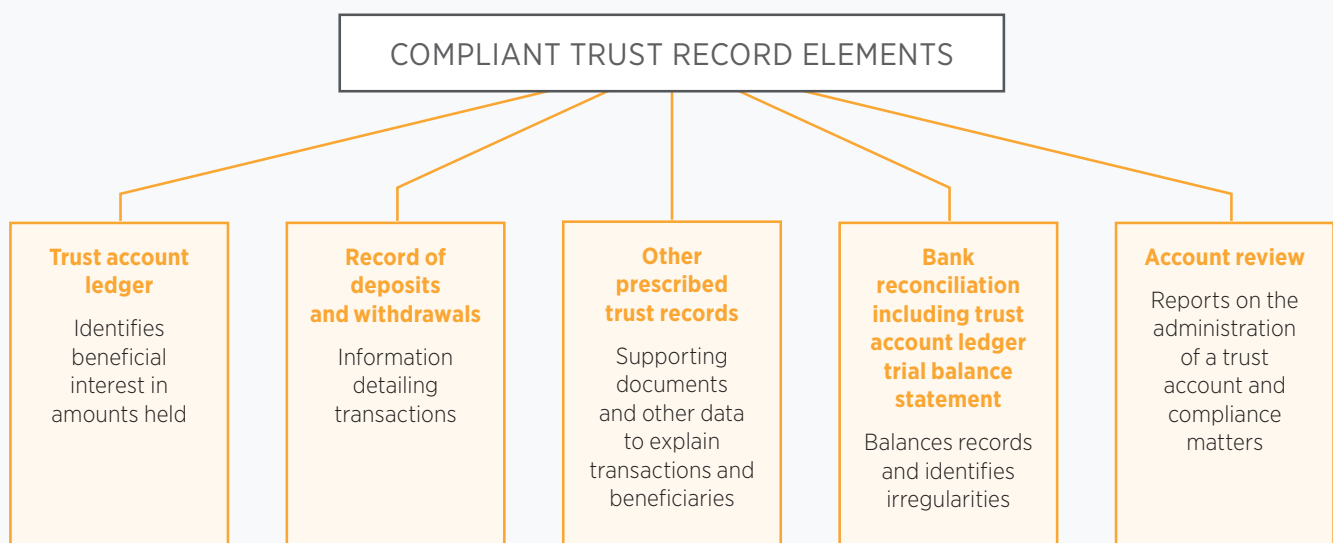
A ledger and other records for a trust account are different to the ledger and records a trustee keeps for its business. A trust account holds money that belongs in a legal sense to someone else. A trust account ledger is designed to record who owns the money in a trust account – that is, it records the beneficial interests in the money that are created by the BIF Act.

This is different to the information recorded in a business ledger, which records the revenue, expenses, assets and liabilities of the trustee's business.

For this reason, a trust account ledger must be a separate ledger to the trustee's business ledger. The trust account ledger will record changes in the beneficial interest ('ownership') of the money in the trust account. A trustee will not be able to use their business ledger as a trust account ledger as well.

Each trust account that a trustee has must have its own separate ledger – a separate ledger for each project trust account and any retention trust account. The trial balance statement and bank reconciliation for the trust account will deal only with the transactions recorded in the separate trust ledger for that particular trust account.

FIGURE 1. COMPLIANT TRUST RECORDS ELEMENTS.



Software platforms for keeping trust records

Computer systems may be used to keep trust records, but must meet certain requirements, including **both** of the following:

- not being capable of deleting all or any part of the trust account ledger or record of deposits and withdrawals
- being capable of producing separate reports for particular trust accounts and/or particular periods and/or particular beneficiaries.

While computerised information systems can make it easier to comply with trust accounting and recordkeeping requirements, some general accounting and spreadsheet software may not meet these requirements.

The QBCC is aware of current challenges with computerised accounting platforms being unable to keep trust records to the requirements of the legislation. With this in mind, the QBCC will exercise discretion when responding to breaches of trust recordkeeping requirements that occur because of software inadequacies. In these cases, the QBCC may choose to take no action or an educative approach where the obligated party has demonstrably taken all the steps they could have taken to keep accurate, auditable trust records that allow effective administration of the account.

It is the trustee's responsibility to ensure the system they use is kept up to date and that all aspects of their recordkeeping comply with the legislation.

Trust account ledger

A separate trust account ledger must be kept for each trust account. It is separate to the trustee's business ledger and must be capable of providing separate information for each beneficiary of the trust.

All transactions affecting the trust account must be recorded in the trust account ledger in chronological order within 5 business days after occurring. For each transaction, the following information must be recorded:

- date of transaction
- transaction number/unique identifier
- amount of transaction
- details of each beneficiary to whom the transaction relates and the amount they are entitled to
- reason for transaction
- balance of the amount held in trust for each beneficiary after the transaction.

The trust account ledger records changes to the beneficial interests of beneficiaries of the trust. The beneficial interests will arise at the times set out in the BIF Act. Please also refer to the QBCC's trustee guides for project and retention trusts for more information, available for download from the QBCC website.

A beneficial interest for a beneficiary will often arise at a different time to when a liability would be recognised in the trustee's business ledger. This is one of the reasons why it is important that trustees keep a trust account ledger for each trust account that is separate to its business ledger. For example:

- A trustee receives a payment claim from a subcontractor beneficiary for a project trust on 30 April for \$10,000
- The contract provides that the payment claim is due for payment on 14 May

- The trustee will record a liability to the subcontractor of \$10,000 in its business ledger on 30 April
- The trustee will record the beneficial interest to the subcontractor of \$10,000 in its trust account ledger on 14 May (the beneficial interest arises when the claim is due for payment under the contract).

Record of deposits and withdrawals

The trustee must keep a record of deposits and withdrawals for each trust account. A record of deposits and withdrawals is a document or computer file that lists or journals all transactions for the account (similar to a deposit book or cash receipts journal). It must be a consolidated record that lists all transactions in a chronological date order, within five business days of the transaction occurring, including the following information for each transaction:

- date of the transaction
- amount of the transaction
- transaction number/unique identifier
- reason for transaction (payment claim details or other reason for deposit/withdrawal)
- for a deposit—the entity making the deposit
- for a withdrawal—the payee (beneficiary or other person), including their payment account name, BSB and account number
- balance of the trust account after the transaction.

Other trust records

The following records must be kept for a project or retention trust:

- copy of each contract for which the trust is required
- all payment claims given by or to the trustee (including supporting statements)
- all payment schedules given by or to the trustee (including all supporting information provided)
- documents relating to any variations or amendments to contracts
- all financial institution statements for the trust account
- all bank reconciliations (including information used for those reconciliations)
- all trust account ledger trial balance statements (including information used for statements)
- records of any changes (and reasons for those changes) to:
 - » trust account ledger
 - » trust account ledger trial balance statement
 - » record of all deposits and withdrawals
 - » bank reconciliation.
- notices given about deposits and withdrawals
- copies of account review reports
- records for completion of retention trust training
- documents explaining any abbreviations or acronyms used in the above records.

PART C—RECONCILING TRUST ACCOUNTS

Trustees must balance their trust accounts and prepare certain statements for each month, which can include:

- a trust account ledger trial balance statement - this reconciles the beneficial interests and money held in the account for the month
- bank account reconciliation for the trust account - this reconciles the bank statements to the record of deposits and withdrawals, **and** reconciles the record of deposits and withdrawals with the trust account ledger trial balance.

These statements must be prepared within 15 business days after the end of each month. Refer to page 9 for more information.

Trust account ledger trial balance statement

The 'trust account ledger trial balance statement' is prepared based on the trust account ledger using the transactions recorded in the ledger for that month. It must:

- state the month to which it relates
- state the date it was prepared
- list the name of each beneficiary for whom money is held in trust in the account (at the end of the month)
- show the total of the balances for each beneficiary at the end of that month.

Bank account reconciliation

The following information is taken into account in the reconciliation process:

- account balances at start and end of the month (as per the financial institution statement)
- account balances at start and end of the month (as per record of deposits/withdrawals)
- balance of all deposits for the month (as per record of deposits/withdrawals)
- balance of all withdrawals for the month (as per record of deposits/withdrawals)
- outstanding transactions not shown in the financial institution statement
- outstanding transactions not shown in the record of deposits/withdrawals
- total of the balances held for each beneficiary at the end of the month, including their names (i.e. the trust account ledger trial balance statement).



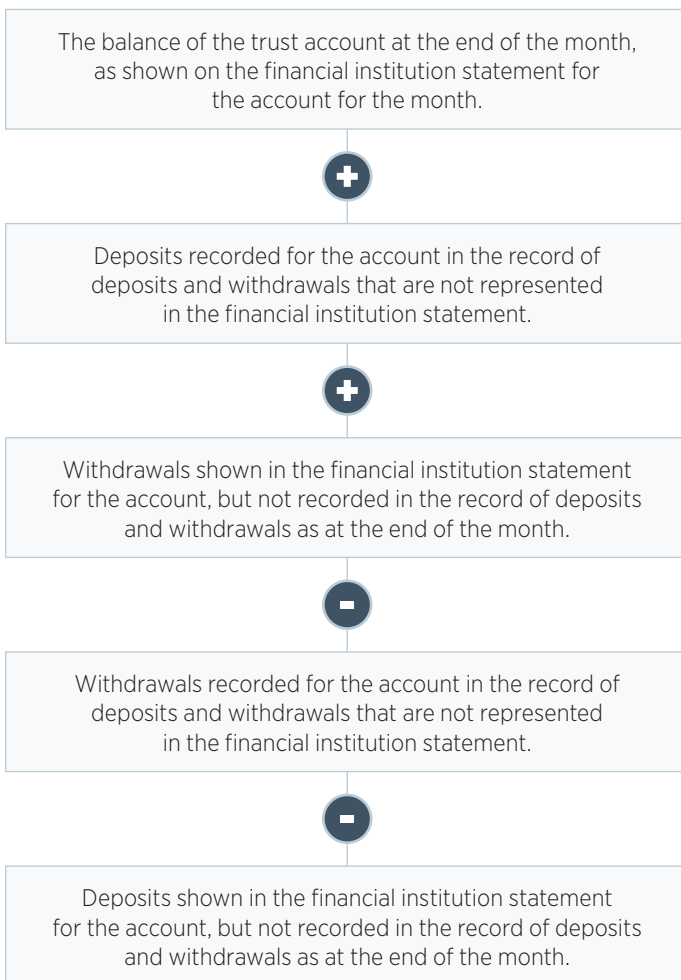
There are two components of a monthly bank reconciliation for a trust account:

1. the financial institution account statement is reconciled with the trustee's record of deposits and withdrawals for the month; **and**
2. the trustee's record of deposits and withdrawals is reconciled with the trust account ledger using the trust account ledger trial balance statement for the month.



Component 1:

Trustees must reconcile the balance of the trust account at the end of the month, as shown in the record of deposits and withdrawals for the account, with the amount worked out by using the method below:



The balance of the account at the end of the month, as shown in the record of deposits and withdrawals for the account should equal the amount worked out using the above formula.

Any difference between the balances means the bank account is **not reconciled**—hence needs to be examined and, if appropriate, rectified. A trustee should use caution and seek appropriate advice before using an adjustment to balance the accounts.

Component 2:

The second component involves reconciling the balance of the trust account at the end of the month (as shown in the record of deposits and withdrawals for the account), with the total balance held on behalf of beneficiaries (as shown in the trust account ledger trial balance statement for the same month).

Any difference between the balances needs to be examined and, if appropriate, rectified. A trustee should use caution and seek appropriate advice before using an adjustment to balance the accounts.


All bank account reconciliations prepared (and information and documents used to conduct them) must be retained for seven years.



PART D—REVIEWING TRUST ACCOUNTS


Trustees must ensure that trust accounts are independently reviewed at certain periods or in particular circumstances. This includes:

- at the end of a *review period* (see inset box below for details) or
- as directed by the QBCC (this type of review will not be covered here, as the requirements of the review will be stated in the direction).



Currently, a review period has only been prescribed for **retention trust accounts**.

The period is:




for a first annual review:
12 months starting from the day the account was opened




for a subsequent annual review:
12 months starting the day after the previous review period ended

for a review upon closure of a retention trust account, the period:



starting on the day the account was opened (if no previous review), or the day after the last review period ended; and



ending on the day the account was closed.

The trustee must engage an auditor, under a reasonable assurance engagement, to carry out the trust account review. The auditor must be:

- independent of the trustee (e.g. not an employee or related entity to the trustee)
- a registered company auditor⁵
- not excluded by the QBCC commissioner.

Once an auditor is engaged, the trustee must give them access to any trust records requested by the auditor to enable them to carry out the review.

The review must be started within 20 business days of the end of the review period (or within 20 business days of the account being closed) and completed within 40 business days after being started. If the review is being carried out as per a direction by the QBCC⁶, the timeframes given in the direction must be followed.

The auditor must prepare an account review report and submit this to the QBCC within 20 business days after completing the review.

A copy of the report is also given to the trustee for their records. If, when completing the account review, an auditor finds that the trustee, has seriously and willfully or repeatedly failed to comply with the requirements for administration of the trust account, this must be reported to the QBCC within 5 business days of their finding. All non-compliance events and irregularities identified for the review period by the auditor whether serious or not, are to be included in the account review report.

Trustees are exempt from the review requirement for a retention trust account if BOTH of the following apply:

- no retention amounts were held in the account during the review period
- QBCC is given a **notice** (advising why the trustee did not engage an auditor to carry out the review) within 10 business days after the end of the review period.

Detailed information is available in the *Auditor guide—trust accounts* to assist independent auditors in completing account reviews.

⁵ Registered company auditors can be found using the [ASIC register](#).

⁶ The QBCC may direct a trustee to carry out an account review for either or both a project or retention trust if the trust contract is terminated; if the trustee becomes an insolvent under administration; if the QBCC suspects the trust account is not being used compliantly; or if a trustee who is a QBCC licensee does not satisfy minimum financial requirements or has their licence suspended or cancelled.

PART E—INFORMATION SHARING

The trustee should ensure their trust accounting procedures and systems allow them to respond to a beneficiary request for information within 10 business days after the request is made. A beneficiary can request any or all of the following from the trustee:

- a statement of balance
- a copy of transactions
- a copy of the trust records
- and for a project trust account only, a copy of 'supporting statements' given with payment claims to the contracting party by the trustee.

The information provided to the beneficiary must be in writing, with any words used in the information to explain a transaction to be in English.

The trustee must only provide the information that is relevant to that particular beneficiary and must not provide copies of transactions/records that relate to other beneficiaries of the account.

The only exemptions to responding to such a request from a beneficiary are:

- the trustee has a reasonable excuse (which cannot include arguing that complying with the request might tend to incriminate the trustee or expose the trustee to a penalty)
- the information is already available to the beneficiary
- the information has not changed since it was previously given to the beneficiary.



PART F—GLOSSARY OF TERMS

These definitions are provided as a summary only, refer to the BIF Act for complete definitions.

Account review report	A report prepared by an auditor following a trust account review, stating their conclusion about whether the trustee complied with the requirements for administration of the trust account.
Approved financial institution	A financial institution approved by the QBCC for providing project trust account and retention trust account products for trustees.
Beneficiary	A person or entity with a beneficial interest in the property held in a trust. For a project trust, beneficiaries include the trustee and relevant subcontractors. For a retention trust, beneficiaries are contracted parties from which eligible cash retention amounts are withheld.
Business day	A day that is not a Saturday or a Sunday, a public holiday, special holiday or bank holiday at the place where work is carried out, or any day between 22–24 December, 27–31 December or 2–10 January.
Contract price	The amount (excluding GST) the contracted party is entitled to be paid (or a reasonable estimate) for the completion of work under the contract.
Contracted party	The party that has been engaged under a contract to carry out work. This is the head contractor for the head contract and the subcontractor for the subcontract.
Contracting party	The party that has engaged another party to carry out work under a contract. This is the owner, developer or principal for the head contract and the head contractor for the subcontract.
Eligible contract	A project trust contract OR a retention trust contract (depending on the context) that requires the establishment of a trust account.
Eligible cash retention amount	Retention amounts withheld by the contracting party in the form of cash. These amounts must be withheld within a retention trust account.
Establishment	A term used when a project or retention trust comes into effect. There are specific steps that must be undertaken for establishment to occur.
Head contract	A contract for work that is not also a subcontract of another contract.
Head contractor	The contracted party for the head contract—can also be the contracting party for a subcontract if they subcontract all or part of the work to be carried out under the head contract.
Hospital and Health Service	A Hospital and Health Service established under the <i>Hospital and Health Boards Act 2011</i> , section 17. This is a consideration for eligibility for a project trust account.
Trust account ledger	A record of transactions for the trust account that identifies each beneficiary's beneficial interests in amounts.
Maintenance work	Work that is required on an ongoing basis to help to prevent the deterioration or failure of a building. It does not include any refurbishments or replacements to enhance or extend the life of a building or testing, taking samples or restoring a sample site.
Project trust	A trust, primarily for the benefit of subcontractors, over (i) amounts paid for a project trust contract by the contracting party to the contracted party, (ii) amounts paid by the contracted party for the project trust contract to subcontractors, and (iii) required deposits into the project trust account.
Project trust account	An account which is held at an approved financial institution and through which a project trust is operated. All payment amounts under a project trust contract and its subcontract/s must be deposited into this account. Withdrawals from this account can only be used to pay beneficiaries amounts they are entitled to.
Project trust contract	A contract for which a project trust is required.
Project trust work	Particular types of work that are taken into consideration when assessing whether a contract requires a project trust.
Protected work	Particular types of work that, if included in a subcontract to the project trust contract, make the subcontractor a beneficiary of the project trust. The definition includes everything that is considered to be 'project trust work' but with additional types of work and some specific exclusions.
Reasonable assurance engagement	Refer to the 'Standard on assurance engagements ASAE 3100 - compliance engagements' (Auditing and Assurance Standards Board).

PART F—GLOSSARY OF TERMS CONTINUED

Reconciliation	A procedure that involves checking the accuracy of transactions recorded for a trust against the trust account bank statement. Monthly reconciliations are required for trust accounts.
Record of deposits and withdrawals	A consolidated record of deposits into a trust account and withdrawals from the trust account. This record forms part of the trustee's record keeping obligations.
Registered company auditor	An auditor registered under the <i>Corporations Act 2001</i> (search ASIC's Professional registers). Trustees are required to engage a registered company auditor to conduct a review of the trust account.
Related entity	A person is a related entity for another person if they have a particular family, corporate, trustee or common land holding trust relationship with the other person.
Related services	Particular types of services that, if included in a subcontract to the project trust contract, make the subcontractor a beneficiary of the project trust. The types of services include architectural, design, surveying or quantity surveying services, building, engineering, interior or exterior design, landscaping advisory services and soil testing services.
Retention trust	A trust over eligible cash retention amounts which protect deposits made on behalf of the party/parties that will be entitled to the retention amounts.
Retention trust account	An account through which a retention trust is operated and held at an approved financial institution. It is the account into which all withheld cash retention amounts under an eligible contract are deposited by the contracting party and held until they are required to be released to the party/parties entitled to the amounts.
Retention trust contract	A withholding contract for which a retention trust is required.
Review period	The prescribed period of time for trust account reviews. For a retention trust, the review period is annually (from when the account was opened) and when the account is closed. There is currently no review period prescribed for a project trust. The QBCC may also specify a review period when directing a trust account review.
Special investigator	An investigator appointed by the QBCC to investigate a trustee's compliance with their legislative requirements in relation to trust accounts.
State authority	An agency, authority, commission, corporation, instrumentality, office or other entity particular established under an Act or by authority of the state for a public or State purpose. A State authority can also be a corporation owned or controlled by the State or local government or a Hospital and Health Service.
Subcontract	A contract that contributes to the completion of work under the head contract.
Subcontractor	A person who is required to carry out the work under a subcontract.
Trust	A relationship that arises when a person or other entity (the trustee) holds property on behalf of and for the benefit of a party/parties with a beneficial interest in the property (that is, the beneficiaries).
Trust account ledger trial balance statement	A record that outlines the balances of amounts held in trust for each beneficiary at the end of each month. This record is used as part of the monthly reconciliation process.
Trust account register	A register available on the QBCC website that displays trust accounts across the state.
Trust account review	A review of the compliance of a trust account carried out by a registered company auditor using the methodology for a reasonable assurance engagement. The auditor completing the review prepares and submits an account review report once the review is completed.
Trust records	Records that must be kept for at least seven years by a trustee in relation to a trust. Trust records must include an individual trust account ledger, a record of deposits and withdrawals and other documents relating to the trust account and trust project.
Trustee	The person or entity responsible for the trust. The trustee for a project trust is the contracted party for the project trust contract. The trustee for a retention trust is the contracting party for the retention trust contract.
Work	A general term used in relation to work performed under a contract. Includes labour, the supply of materials, the manufacture or fabrication of a specific component and the supply of any non-administrative labour for work under a contract. Excludes the delivery of goods, plant or machinery hire (that is not connected to labour under a contract), labour performed under a service contract or labour relating to testing materials or taking measurements.

For more information

Visit qbcc.qld.gov.au or call us on 139 333.

