

## CHAPTER 7

---

### RESIDENTS' PROPERTY AND FINANCES

---

#### 7.A. Authority and Responsibility

##### 7.A.1. Presence of Resident

The admission of a resident to a facility shall not confer on such facility or its owner, administrator, employees or representatives any authority to manage, use or dispose of any property of such resident, nor shall such admission or presence confer on any of the aforementioned persons any authority or responsibility for the personal affairs of the resident, except insofar as may be necessary for the safe and orderly management of the licensed facility.

##### 7.A.2. Guardian, Trustee or Conservator

No facility, and no owner, administrator, employee or representative thereof or their relative shall act as guardian, trustee or conservator for any resident of such facility or any of such resident's property. Exceptions to this requirement may be considered by the Department for residents who are relatives of the owner, administrator, employee or representative of the licensed facility or their spouse within the third degree of kinship.

##### 7.A.3. Safekeeping

A licensed facility shall provide for the safekeeping of personal effects, funds, and other property of the resident. For the protection of valuables, or in order to avoid unreasonable responsibility thereof, the facility may require that they be excluded or removed from the facility and kept at some place not subject to the control of the facility. Any removal or exclusion shall be done only after reasonable notice is given to the resident or his/her guardian.

#### 7.B. Protection of Resident Funds

The facility may not require residents to deposit their personal funds with the facility.

#### 7.C. Management of Personal Funds

Upon written authorization of a resident, the facility must hold, safeguard, manage and account for the personal funds of the resident deposited with the facility under a system established and maintained by the facility in accordance with this Chapter.

##### 7.C.1. Permission to Manage Personal Funds

No operator or agent of any nursing care facility shall manage, hold or deposit in a financial institution the personal funds of any resident of the facility, unless the operator or agent has received written permission thereof from:

- a. The resident; or

## CHAPTER 7

---

### RESIDENTS' PROPERTY AND FINANCES

---

- b. The resident's guardian, trustee, or conservator, if such person exists and can be reached; or
- c. The Department, if a guardian, trustee, or conservator exists, but cannot be reached.

#### 7.D. Deposit of Funds

##### 7.D.1. Funds in Excess of \$50

The facility must deposit residents' personal funds in excess of \$50 in an interest bearing account (or accounts) that is separate from any of the facility's operating accounts, and that credits all interest earned on those accounts to the respective residents.

##### 7.D.2. Funds Less Than \$50

The facility may maintain residents' personal funds that do not exceed \$50 in a non-interest bearing account or petty cash fund which is readily available upon request during normal business working hours.

#### 7.E. Accounting and Records

The facility must establish and maintain a system that assures a full, complete and separate accounting, according to generally accepted principles, of each resident's personal funds, regardless of source, deposited with the facility on the resident's behalf.

7.E.1. A written quarterly accounting must be given to the resident or responsible party.

7.E.2. The system must preclude any commingling of resident funds with facility funds or with the funds of any person other than another resident.

7.E.3. The individual financial record must be available upon request to the resident or legal representative during normal business working hours.

#### 7.F. Notice of Certain Balances

7.F.1. The facility must notify each resident who receives Medicaid benefits:

- a. When the amount in the resident's account reaches \$200 less than the Social Security Supplemental Income resource limit for one person, and
- b. That, if the amount in the account, in addition to the value of the resident's other nonexempt resources, reaches the Social Security Supplemental Income resource limit for one person, the resident may lose eligibility for Medicaid or Social Security Supplemental Income.

#### 7.G. Conveyance Upon Death

## CHAPTER 7

---

### RESIDENTS' PROPERTY AND FINANCES

---

Upon death of a resident with a personal fund deposited with the facility, the facility must, within thirty (30) days, convey the resident's funds, and a final accounting of those funds, to the individual administering the resident's estate; in the case of a resident with no responsible person, to the Public Administrator of the County.

#### 7.H. Assurance of Financial Security

The facility must purchase a surety bond, or provide self-insurance to assure the security of all personal funds of residents deposited with the facility.

#### 7.I. Limitation on Charges to Personal Funds

The facility may not impose a charge against the personal funds of a resident for any item or service for which payment is made, or could be made, under Medicaid or Medicare or other third party insurance.