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**Safeguarding Resident's Personal Funds Handled by
Licensed Homes for the Aged**

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Safeguarding Resident's Personal Funds Handled by Licensed Homes for the Aged

Sec. 17-109a-1. Definitions

For the purposes of Regulations Section 17-109a-2, the following definitions apply:

(a) "Home" shall mean a licensed home for the aged, and the person or persons authorized by the home to handle residents' personal funds.

(b) "Resident" shall mean a resident of such home who is a recipient of the State Supplement for the Aged, Blind or Disabled program.

(c) "Department" shall mean the Department of Income Maintenance.

(d) "Legally Liable Relative" shall mean the husband or wife of any resident, as defined above, of a licensed home for the aged, and the father and mother of any resident under the age of eighteen years.

(Effective July 29, 1993)

Sec. 17-109a-2. Safeguarding of residents' personal funds

(a) Purpose

This regulation provides safeguards for residents' personal funds which are handled by licensed homes for the aged.

(b) Cashing Checks

When a home cashes a resident's check and funds are returned to the resident, the home shall require the resident to sign a receipt showing the date and the amount received.

(c) Resident's Authorization

(1) When a home assumes responsibility for a resident's funds, there shall be a statement on file signed by the resident authorizing the home to handle the personal funds.

(2) If the resident has been determined by a physician to be mentally incapable of understanding the terms of the authorizing statement, the statement shall be signed by a conservator, guardian or legally liable relative.

(d) Resident Accounts

(1) The home shall not commingle the resident's personal funds money with other funds. Personal funds for residents may be held in a single aggregate trust account or in individual accounts for each resident. If an aggregate trust account is used, it shall be clearly titled as such, and the owner or administrator of the home shall be a trustee of the account.

(2) Survivorship accounts with the home are prohibited.

(3) An account established with the home as trustee need not be interest bearing, but if it is, interest shall accrue for all the residents in an equitable manner.

(e) The Accounting System

(1) The home shall maintain an accounting system which reflects the activity of funds in and out of the bank account. The accounting system shall at a minimum provide for all of the following:

(A) Receipts register or acceptable equivalent as determined by the department

(B) Disbursement vouchers

(C) Resident's ledger

(2) The bank account statements and the resident's ledger shall be in agreement and reconcilable at any point in time. All bank statements and canceled checks of the trust account shall be kept in the home for at least three years.

(3) All of the personal fund portion of checks or cash received on behalf of the resident shall be deposited into the bank account within one week.

(4) Each resident for whom the home handles funds shall be listed in the receipts register, or its acceptable equivalent. All disbursements (cash or check) shall be charged directly to the resident's account.

(5) All payments to a third party made on a resident's behalf shall be authorized by the resident or the resident's conservator, guardian or legally liable relative. The authorization shall be signed by the resident, conservator, guardian or legally liable relative and shall show the date and amount authorized. All payments to a third party on behalf of a resident shall be consistent with the resident's needs and desires.

(6) Whenever goods or services are purchased on behalf of a resident, a receipt for the goods or services shall be obtained and signed by the resident.

(7) When cash is given to the resident from his or her account, he or she shall sign a receipt showing the date and amount received.

(8) A receipt is not required when funds are given to a resident in the form of a check. However, canceled checks shall be retained.

(9) All authorizations, receipts and canceled checks shall be retained for a period for at least three years to allow for audits of individual resident accounts, unless at the end of the three years there is an audit in progress, in which case such records shall be retained until the audit is completed.

(10) Authorizations, receipts and canceled checks shall be kept in individual envelopes or folders with the resident's name on the outside.

(11) All cash receipts and disbursements shall be recorded in the related registers as follows:

(A) Cash Receipts

- (i) Date of Entry
- (ii) Resident Name
- (iii) Resident Account Number
- (iv) Amount

(B) Cash Disbursements

- (i) Date
- (ii) Check Number
- (iii) Payee
- (iv) Amount
- (v) Resident Account to be charged
- (vi) Specific Item

(C) Resident's Ledger

- (i) Date of Entry
- (ii) Specific Item
- (iii) Amount
- (iv) Copy of resident's signature is kept on file. Whenever the resident signs a receipt or an authorization, his or her signature shall be verified.
- (v) Date or number of authorization, receipt, or check.

(12) Resident's ledger records shall be updated at least once a month.

(13) Funds shall be available to residents no less than fifteen (15) hours a week and no less than five (5) days a week, except for weeks that contain a bank holiday. In those weeks, funds shall be available no less than twelve (12) hours a week and no less than four (4) days a week. The residents shall be fully informed of the time when they may receive their money.

(f) Distribution of Cash

(1) For residents with sufficient funds, the home shall honor requests for withdrawals of petty cash up to \$10 per person per day.

(2) For residents with sufficient funds, the home shall honor requests for withdrawals of cash of more than \$10 by the end of the banking day following the date of the request. The resident shall have the choice of receiving this payment in cash or by check.

(g) Availability of Records

(1) All resident account records, including the accompanying bank statements, canceled checks and invoices, shall be kept in the facility at all times and must be available to the department personnel and the regional ombudsman upon request. The request may be made in person or by mail.

(2) A resident's account records shall be available to the resident, a conservator of the resident, or a person authorized by the resident to examine the records.

(h) Use of Funds

(1) A resident's funds are the property of the resident. They may be spent or saved, as the resident sees fit.

(2) The home may not charge the resident separately for items included in the monthly room and board rate, or for items covered by Medicaid.

(i) Balances At or Above the Asset Limit

Whenever the balance in a resident's account reaches two hundred dollars (\$200.00) less than the asset limit set by the Department of Income Maintenance, the home shall inform the resident that if his or her assets reach the maximum, the resident will not remain eligible for the State Supplement to the Aged, Blind or Disabled program. If the resident has been determined by a physician to be mentally incapable of understanding, the conservator, guardian or legally liable relative shall be notified whenever the balance in a resident's account reaches two hundred dollars (\$200.00) less than the asset limit set by the Department of Income Maintenance. This shall be done within the month the asset limit is reached.

(j) Restriction

At no time may any funds be withdrawn from the resident's accounts for use in the business or operating expense of the facility, or for the personal use of any employee, administrator, owner, or relative thereof. The personal funds are not available for loan to anyone.

(k) Resident Moves From the Home

When a resident moves from a home, all funds in his or her account shall be returned to him or her. Any bank account in the resident's name shall be closed and the canceled book returned to the resident. The resident's name shall be removed from an aggregate trust account.

(l) Death of a Resident

Upon the death of a resident, the home shall notify the District Office Resources Supervisor within 10 days. Any funds in the resident's account shall become part of his or her estate.

(m) Annual Accounting

(1) Each year an accounting shall be made to the Department reflecting the balance of the resident account for each resident for whom the home has handled funds. Also bank statements on all resident accounts shall be presented annually. The accounting shall consist of the following:

- (A) Recipient's name
- (B) D.I.M. number

- (C) D.I.M. district office
- (D) Petty cash held in the home for the resident
- (E) Balance held in a bank book for the resident
- (F) Balance held in a trustee account for the resident
- (G) Any other money being held for the resident for whom the home is trustee
- (H) If the home is not trustee for any resident's money, it shall so state by each June 1st to the Department of Income Maintenance.

(2) The accounting to the Department shall be submitted by June 1st of each year on a form designated by the Department and shall be dated, signed by the administrator of the facility, and mailed to the following address:

State of Connecticut
Dept. of Income Maintenance
Internal Audit Division
110 Bartholomew Avenue
Hartford, Connecticut 06115

(n) Accounting of Residents Funds Upon Sale of a Home

(1) If the home is sold, an accounting shall be made to the Department of the balance in the residents' accounts which are to be transferred to the new owner. This accounting shall be made on a form designated by the Department and shall be signed and dated by both the seller and the buyer. In the case of corporations, it shall be signed by a person authorized on behalf of the corporation. In a partnership, one or both partners may sign. The accounting shall be accompanied by the most current bank statement and must be reconciled accurately with this statement. The W-411 form shall be mailed to the address listed in subdivision (2) of subsection (m) of this section.

(2) If the home does not handle any recipient's funds, it shall so state upon sale of the facility.

(3) Should changes occur in personnel responsible for residents' funds accountability, appropriate changes in authorized signature for checking accounts or designated trustee for savings passbooks shall be made at financial institutions and documented. The supporting data shall be made available for review purposes.

(o) Quarterly Reports to the Residents

The home shall provide to the resident, in writing, a quarterly accounting of monies handled on his or her behalf.

(Effective July 29, 1993)