

HANDLING OF CONSUMER FUNDS HELD IN TRUST

1. **Fiduciary Relationship**- created when a care provider is entrusted with consumer's cash resources, personal property and valuables.
2. **Representative Payee**- may be San Diego Regional Center (SDRC), parent or guardian.
3. **Responsibilities of the care provider** are governed by Federal and California State laws.
4. **Sources of Consumer Funds:**
 - a. Supplemental Security Income (SSI)
 - i. Board and Care portion- payment to care providers
 - ii. Personal and Incidental (P&I) allowance-belongs to the consumer
 - b. Social Security Benefits (SSA)
 - i. Beneficiaries of SSA
 - c. Other Sources
 - i. Veteran's Administration
 - ii. Federal Employee annuities or pension allotments
 - iii. Railroad Retirement
 - iv. Child Support Payments
 - v. Parent/Guardian
 - vi. Workshop Income- may affect SSI & SSA benefits
 - vii. Trust Funds, gifts of money and property- may be handled by the State or a state chartered agency.
5. An accurate accounting of P&I money and conscientious safeguarding is a very strict requirement by Federal/State Regulators/San Diego Regional Center from home care providers to avoid misuse and abuse of public funds. **Section 11006.9 of the Welfare and Institution (W&I) Code provides that misuse of P&I money is a cause for revocation of a license.** Misuse includes acquiring P&I funds from a resident as an additional cost of care or failing to deliver P&I to the resident.

ACCOUNTABILITY AND SAFEGUARDING OF CONSUMER'S CASH RESOURCES, PERSONAL PROPERTY, AND VALUABLES: [REF. TITLE 22, SECTION 80026 & TITLE 17, SECTION 50605 & 56054 (a) (6)]

1. Consumer's cash resources, personal property, and valuables must be kept separate and intact, and **shall not be commingled** with facility funds or petty cash.
2. Each care provider shall maintain **current and accurate** records of the following consumer accounts entrusted to his/her care:
 - Cash Resources (P&I Ledger Accounting)
 - Personal Property, Valuables (Inventory Listing of Items costing \$50 or more)

P&I ledgers should be reconciled to cash on hand and/or in a financial institution at least once a month. This step may identify income and purchases which have occurred but have not been recorded. Corrections to ledgers should be made on the next line available and cross referenced to the actual date of the original transaction. A statement identifying the correction should be included in the "Description" column of the ledger.

3. Accounting for receipts and disbursements of consumer's funds must be maintained through detailed documentation and recording. **Receipts for individual purchases must be retained in order by dates and kept separately** for each consumer. Group receipts should be kept in a separate file in chronological order.
4. Receipts for cash provided to any consumer from his/her account shall include the **consumer's full signature or mark**, or authorized representative's full signature or mark to attest to the validity of the disbursement. Facility representative must also sign on the P&I ledger to verify a cash transaction per CCL Form LIC 405 (9/92) revision.
5. Cash resources entrusted to the licensee and kept on the facility premises, shall be kept in a **locked and secure location**. The maximum amount of cash which can be kept in the facility is **\$150 per consumer**. If SDRC is the representative payee, the excess cash must be returned back to SDRC. If SDRC is not the representative payee, the excess cash must be deposited in an interest bearing account. **A consumer's cash maintained in a checking or savings account will be accounted for on one consumer's ledger along with any cash safeguarded at the facility.** (see sample ledger) Cash resources not kept in the facility shall be deposited in any type of bank, savings and loan, or credit union account meeting the following requirements:
 - a. The account shall be maintained as a trust account separate from the personal or business accounts of the licensee.
 - b. The account title shall clearly note that the account contains consumer cash resources.
 - c. The licensee shall provide access to the cash resources upon demand by consumer or his/her authorized representative.
 - d. The account shall be maintained in a local bank, savings and loan, or credit union authorized to do business in California, the deposits of which are insured by a branch of the Federal Government.
6. The licensee or employee of a licensee shall not make expenditures from consumer's cash resources for any **basic services** identified in a contract/admission agreement between the consumer and licensee.
7. Upon discharge of a consumer, all his/her cash resources, personal property, and valuables which have been entrusted to the licensee shall be surrendered to the consumer or his/her authorized representative. The licensee shall **obtain and retain a receipt** signed by the consumer or his/her authorized representative.
8. All service providers' financial and service records, including source documentation (ledgers/receipts) shall be retained for a minimum of three years from the date of final payment for the State fiscal year.