

CASH RESOURCE GUIDELINES

San Gabriel/Pomona Regional Center's (SG/PRC) Cash Resource Guidelines (previously referred to as P & I Guidelines) are primarily derived from the duties associated with being Representative Payee for the majority of clients living in residential care. These guidelines are also based on sections of Title 22 of the California Code of Regulations:

- **Section 80026** for Community Care Facilities (CCF), specifically Adult Residential Facilities (ARF), Group Homes (GH), Small Family Homes (SFH);
- **Section 87227** for CCF - Residential Care Facilities for the Elderly (RCFE);
- **Section 76569** for Intermediate Care Facilities for the Developmentally Disabled (ICF/DD);
- **Section 76931** for Intermediate Care Facilities – Habilitative (ICF/DD-H);
- Draft Regulation **Section 73932** for Intermediate Care Facilities - Nursing (ICF/DD-N).

These guidelines have been developed to provide consistent information on the use and maintenance of clients' cash resources. SG/PRC expects that these guidelines will be implemented by residential service providers located in SG/PRC's service area.

CASH

A resident should have access to his/her cash resources upon reasonable demand. If cash is maintained on the facility grounds, even if a trust account is maintained, this money must be safeguarded. For CCFs this means that money must be stored in a locked and secured location. For ICFs, any money kept on the premises must be in a fireproof safe.

TRUST ACCOUNT

If a resident's cash resources are not maintained at the facility, these resources shall be deposited in a bank account. This bank account may be an individual client account or a trust account for all residents for each facility. In either case, the bank must be authorized to do business in California. For ICFs, this account must be a non-interest bearing demand trust. SG/PRC recommends that providers consider the maintenance of a trust account for residents. If a client has an individual checking account (usually identified as a client "trust account"), a debit card and/or checks can be used to make purchases for that client. If a group trust account is maintained, a debit card which is linked to this account may be used for client purchases.

FACILITY FUNDS MUST ALWAYS BE KEPT SEPARATE FROM RESIDENT FUNDS

Facility representatives must not commingle the cash resources of residents with the facility funds. This also means that client P & I checks sent by the regional center cannot be cashed against a facility account, or it would appear as if commingling of funds has taken place. The provider shall not use personal or business credit cards to make purchases for clients.

□ **RESIDENTS' CASH RESOURCES SHALL NOT BE COMMINGLED WITH RESIDENTS' FUNDS FROM ANOTHER FACILITY**

Providers who have more than one facility shall not commingle cash resources of residents with those of another facility. Licensees who have more than one facility must keep separate trust accounts for each facility.

□ **CASH RESOURCE RECORDS SHOULD BE KEPT AT THE FACILITY**

Cash resource records should be kept at the location where the resident resides. Facility administrator or designee should have access to cash resource records in order to document residents' expenditures as well as cash given to the resident. Additionally, facility liaisons and/or service coordinators are to review the cash resource balances at least semi-annually for each resident, necessitating that these records be at the facility. If records cannot be kept at the facility, there must be a means to get them there within a reasonable time. For regularly scheduled visits, such as an annual or semi-annual IPP meeting or the Annual Residential Facility Review, these records shall be present. Copies of the most recent P & I ledgers and/or bank statements shall be provided to the service coordinator or facility liaison/QA Specialist. A provider also needs to provide documents in response to a request from an SG/PRC Client Benefits Coordinator.

□ **CASH RESOURCES FOR INDIVIDUAL CLIENTS SHOULD NEVER BE OVER \$250.00**

Residents' cash resources maintained by the facility may include the following: P & I money; cash on hand; money kept in a client trust account; money in a client savings account; or workshop earnings. The total sum of monies should never go over \$250.00. SG/PRC operates under this requirement as a means to maintain clients' SSI and Medi-Cal benefits. When clients' cash resources exceed a certain cash amount, their SSI and Medi-Cal benefits can be adversely affected. For clients where SG/PRC is the payee, a trust account is maintained and SG/PRC keeps a current running balance to assist in ensuring that clients do not lose their benefits.

Exceptions to the cash resource limit include the following: SSI/SSA retroactive payments, and clients in CCFs who receive SSA only.

When any SG/PRC representative discovers that these balances are over \$250.00 for a given client, the regional center representative may request that a check for the amount over the \$250.00 for each resident be provided to him/her at the completion of the visit. Alternatively, SG/PRC staff may request that the provider forward the amount over \$250.00, per client, to SG/PRC's Client Benefits Coordination Unit within five (5) working days. If monies are not returned within five (5) working days, SG/PRC will hold future client Personal and Incidental monies until the balance at the facility falls below \$250.00. SG/PRC recommends that when a client's cash resources go above \$250.00, that the provider **independently** returns the amount over the \$250.00 to SG/PRC's Client Benefits Coordination Unit.

□ **FOR CCFs, WITH RARE EXCEPTION, CASH RESOURCES SHOULD NEVER BE A NEGATIVE BALANCE**

In general, cash resource balances should never be in the negative unless first authorized by the client's service coordinator. If money needs to be advanced to a resident in a CCF, the provider must receive written authorization to do so from an SG/PRC representative. In addition, SG/PRC recommends that in these cases a written agreement with the client, with approval of the service coordinator, be developed with a repayment schedule included as part of this agreement. The repayment by the client must be done in such a manner that the client would not be denied needed clothing or items needed for personal hygiene (does not include items facility is required to provide). If a resident is in need of an item, a facility representative needs to discuss the possibility of obtaining trust account money with the service coordinator prior to -- and rather than -- allowing the resident's account to be negative.

If a facility has negative balances for residents without prior written approval from SG/PRC, these will be considered business expenses. The facility should record the client's balance as zero and write off the negative balances as a business expense. If a resident leaves the facility with a negative balance, the regional center will not reimburse these monies.

FOR ICFs, CASH RESOURCES CAN NEVER BE A NEGATIVE BALANCE

For ICFs, at no time may the balance in a client's drawing account be less than zero. However, if this did occur, and a client leaves the facility with a negative balance, the regional center will not reimburse these monies.

CLIENT EARNINGS

Residential providers should include "client earnings" in the cash resource ledger. The planning team should meet to discuss this expectation with the client. Documentation of how earnings will be handled is to be documented by the service coordinator and the provider. It is crucial that client earnings be reported accurately for those clients receiving SSI, as earnings can affect benefits, including P & I monies and SSI board and care monies. Therefore, SG/PRC requests that providers, for their residents for whom SG/PRC is payee, send check stubs documenting earnings to SG/PRC's Client Benefits Coordination Unit as soon as these are received from the client.

ORIGINAL RECEIPTS MUST BE KEPT FOR ALL EXPENDITURES

The original receipt for purchases made with resident's cash resources must be kept for each client. The receipt must have the date of purchase, as well as the name of the store or provider of service. These receipts must be made available to SG/PRC representatives when requested. Receipts are not needed for authorized cash transactions (see "Cash Given to Client" below).

CASH RESOURCE LEDGERS MUST BE KEPT CURRENT

Records of each resident's cash resources must include a current ledger with columns for income, disbursements, and balance. Residential providers should log in entries, such as expenditures or cash received, no later than two (2) weeks after such transactions have taken place. However, when cash is given to a resident for his/her personal use, he/she must sign for these monies upon receipt. A facility representative must also sign as a witness when cash is given to a client. Clients can sign a daily log for small amounts used for day program, which can be entered into the main cash resource ledger at the end of each month.

CASH GIVEN TO CLIENT

Facility administrator, service coordinator, and client shall meet to determine the cash amount that a client can responsibly handle. Once this amount is determined, it must be documented. SG/PRC highly recommends that the provider use the "Cash Handling Form" (SG/PRC Form # 820) to document this amount for each resident of the home.

For ICFs, the Human Rights Committee (HRC) should convene to determine the cash amount each resident can handle. SG/PRC's Form # 820 may also be used to document the cash-handling ability of an ICF resident.

Once this amount is determined, the client cannot be given, at any one time, cash over the amount agreed upon. This would also include money provided to clients for day program expenditures, for leisure activities, or for souvenirs. Clients must sign or put their mark each time they receive any cash amount from the provider. A facility representative must sign as a witness when cash is given to a client. If it is determined that a client cannot handle any cash amount, receipts are

required for every expenditure. Clients should not be signing for transactions other than those described above.

EMERGENCY PLACEMENTS

When a resident is placed in a facility on an emergency basis and is in need of personal items, the provider may advance him/her an amount equal to one month of P & I allowance. However, the provider must keep copies of all receipts used for this purpose. The provider should receive verbal authorization from the regional center in order to do this.

TRAVEL/TRIPS

For special trips away from the facility, including overnight trips, arrangements should be made with the service coordinator prior to departure. Transportation costs, such as bus fares, car rental and mileage (only for trips over 100 miles one way), are considered expenses that can be paid by client funds. These costs must be prorated among all who are attending the trip, including direct care staff. Hotel rooms and meals can also be charged against client monies, but these must also be prorated among all attending (including staff). These costs require verification in the form of a receipt, an invoice or a purchase order. Cash provided to clients for souvenirs cannot exceed the cash amount that particular client can handle, as documented. For each trip, a maximum amount of cash to be spent by the client is to be agreed upon by the service coordinator, client, family member (if applicable), and provider prior to any travel taking place. If a client does not have the ability to handle any cash amount, receipts for all purchases are required.

PRO-RATING OF MEALS

SG/PRC expects all CCFs and ICFs that serve persons with developmental disabilities to provide meals as part of the resident's living arrangement. As such, meals are funded through payment for a resident's placement (SSI, Regional Center, and Medi-Cal). SG/PRC expects that when purchasing food or a meal out in the community, resident money shall be used only to cover the cost in excess of the facility's expense for providing that meal. For example, if a lunch meal is purchased out in the community, the client's cash resource ledger would include the total cost of the meal (with a receipt as verification), and an additional entry would be made reflecting the reimbursement to the resident funds in the amount of the cost for the facility to provide this meal. As a result, the difference between the cost of the meal and the facility's responsible portion of that meal would be the amount that would be deducted from the resident cash resource record. In this situation, receipts for the purchase of the food item would need to be maintained to verify that an accurate amount of money has been deducted from the resident's funds.

FURNITURE/ELECTRONIC EQUIPMENT

If furniture/electronic equipment is purchased for or by a client with the client's cash resources, this furniture/equipment becomes the property of the client, and as such, must be entered on the client's Personal Inventory. SG/PRC representatives have the right to review the inventory to assure that these items have been included on the Personal Possessions Inventory (SG/PRC's Form # 642- Personal Possessions Inventory can be utilized for this purpose). For the protection of clients' personal property, SG/PRC suggests that electronic equipment be engraved/labeled with the client's name. Furniture, such as dressers, headboards, or recliners, should be purchased only at the request of the client and is for the exclusive use by the client. If furniture purchased for the client is substituting facility furniture, the facility furniture must be kept on the facility premises.

¹ References: Title 22, Section 80026 (CCF-SFH, GH, and ARF) and Section 87227 (CCF-RCFE)
Title 22, Section 73932 (ICF/DD-N), Section 76569 (ICF/DD) and 76931 (ICF/DD-H)

ALLOWABLE EXPENSES

Below are guidelines to be followed when purchasing items for your residents. These guidelines were originally developed in 1991 and are the only guidelines to be used for Community Care and Intermediate Care Facilities. If it is questionable as to whether an item can be purchased with client monies, it is recommended that the provider discuss the item with the service coordinator prior to purchase. Also, for clients receiving SSI only, any one item purchased for or by a client cannot be in excess of \$500.00. Otherwise, this item can be considered a monetary resource. However, this \$500 restriction does not apply to clients who receive SSA, only.

Items that may be paid for with client cash resources:

- **Bank Fees**
- **Barber & Beauty Shop services** (does not include trims required at ICFs)
- **Batteries** (may be purchased only if appropriate and for use by the resident.)
- **Bicycles** (upon resident's request)
- **Camp Fees**
- **Candy/Sodas** (limited, non-nutritional, not to include drinks provided during meals)
- **Clothing** (must be in good repair, good taste and appropriate size)
- **Co-pays for medical expenses not covered by Medi-Cal or other insurance**
- **Cosmetics** -- e.g., nail polish, lipstick, makeup (upon resident's request only)
- **Entertainment** -- e.g., movies, ball games (not including the total cost of meals provided at these activities. The client's funds should only cover the cost in excess of facility's expense for providing that meal.)
- **Furniture** (must be purchased only at resident's request and for exclusive use by the resident. It is the personal property of the resident and must go with the resident when he/she leaves the facility. Prior written approval must be obtained from the Service Coordinator. The facility furniture that it replaces must also be kept on the premises).
- **Glasses or Eye Care** (only if not covered by Medi-Cal/Medicare/Managed Care HMO)
- **Hair Curlers, Hair Pins, Barrettes** (for the exclusive use by the resident and to be kept with the resident's personal hygiene items)
- **Hair Dye/Coloring**
- **Medication** (if one-time expense and if not covered by Medi-Cal/Medicare/Managed Care HMO)
- **Orthodontia**
- **Perfume/Cologne/Aftershave** (to be kept with the resident's personal hygiene items)
- **Personal Hobby Materials/Games/Crafts** (only upon resident's request and for the exclusive use by the resident)
- **Vitamins** (only at CCFs)

¹ References: Title 22, Section 80026 (CCF-SFH, GH, and ARF) and Section 87227 (CCF-RCFE)
Title 22, Section 73932 (ICF/DD-N), Section 76569 (ICF/DD) and 76931 (ICF/DD-H)