



Alta California
Regional Center

**PERSONAL
AND INCIDENTAL
FUNDS
INSTRUCTION
MANUAL**

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I. INTRODUCTION

A. Purpose of P&I Monies:

The California Welfare and Institutions Code, Section 4501, states that “The State of California accepts a responsibility for persons with developmental disabilities.” As part of this responsibility, Personal and Incidental (P&I) funds are distributed for consumers’ personal use. Funding sources included but are not limited to the Supplemental Security Income/State Supplemental program (SSI/SSP), cash gifts, and wages. [*Title 17, California Code of Regulations, Section 56002 (28)*].

B. Planning Team

The Planning Team shall consist of the client, Residential Service Provider (RSP), ACRC Service Coordinator, and/or the client’s authorized representative. The Planning Team will discuss and determine how the client’s P&I monies should be handled, if the client is unable to do so themselves. The licensee must keep accurate and current records. ACRC may terminate all purchases of service for any facility operator who improperly uses consumer funds. [*California Welfare and Institutions Code, Section 4648.1 (d)*]

1. Representative Payee

[*Title 22, California Code of Regulations, Section 80001 (a)(7)*]

The authorized representative is a person or entity who is allowed by law to act in the client’s behalf. A minor’s parent, legal guardian, conservator, or a public placement agency are examples of authorized representatives.

2. Regional Center Representative

[*Title 17, California Code of Regulations, Section 56002 (38)*]

“Regional Center Representative” means a person who is employed or designated by the regional center to represent that agency.

II. REGIONAL CENTER RESPONSIBILITIES

1. ACRCs Facility Liaison is responsible to complete one monitoring visit, which may be unannounced to each facility each year. [*Title 17, California Code of Regulations, Section 56048 (d)(1)*]
2. Regional Center Representatives have the authority to perform no less than two unannounced visits per year. [*California Welfare and Institutions Code Section 4648.1 (a)*]
3. ACRC may review the facility’s records and accounts of the clients’ cash

resources, personal property and valuables for compliance. [*Title 22, California Code of Regulations, Section 80026 (e-1)*]

4. ACRC may issue a Substantial Inadequacy for deficiencies or irregularities in the handling of the consumer's cash resources, personal property, and valuables. [*Title 17, California Code of Regulations, Section 56054 (a)(6)*]
5. ACRC Best Practice on checking P&I funds is a support to the RSP and the frequency is dependent on the service level of the home. The assigned Service Coordinator (SC) of the client checks the P&I every quarter in the IPP cycle of a service level 4 home. In a service level 2 and 3 home the assigned SC of the client is to check the P&I semi-annually based upon the IPP cycle, at minimum.

III. RESIDENTIAL SERVICE PROVIDER'S (RSP) RESPONSIBILITIES

[*Title 22, California Code of Regulations, Section 80026 (c-1)*]

1. The residential service provider is responsible for safeguarding the cash resources of all residents.
 - a. "Cash Resources" Means:
[*Title 22 California Code of Regulations, Section 80001 (c)(4)(A-F)*]
 - 1) Monetary gifts
 - 2) Tax Credits and/or refunds
 - 3) Earnings from employment or workshops
 - 4) Personal and incidental need allowances from funding sources including but not limited to SSI/SSP.
 - 5) Allowances paid to children
 - 6) Any other similar resources as determined by the licensing agency.
 - b. ATM/Debit/Credit Cards shall be monitored by the RSP the same as cash.
 - 1) Receipts and documentation are required for purchases made with a card.
 - 2) In instances where a client receives services from a payee that utilizes money cards (ATM, Credit, etc.), the RSP is responsible for tracking the balance on the card and monitoring the clients spending according to that individual's abilities, cash resources, and IPP goals.
 - c. RSP shall send each client's Record of Client's/Resident's Safeguarded Cash Resources form (LIC 405) to the authorized payee once the balance reaches \$50.00 for reimbursement of funds and to prevent negative balances from occurring.

IV. RESOURCE LIMITS

- A. Clients receiving SSI have a resource limit of \$2,000 in order to continue receiving benefits from Social Security. This amount includes all resources, including the Regional Center Trust accounts, monies maintained by payees, consumer bank accounts, and cash kept at the care facility.
- The maximum cash a client should have in the facility and/or bank accounts is \$250. Any other amount depends on the spending habits of each individual client which should be specifically addressed in the IPP. If a client's balance goes over the specified amount, the RSP shall immediately notify the clients' regional center representative immediately to assess whether a spend-down plan is needed. This process is critical to ensure that consumers will not be cut off of Social Security and Medi-Cal due to exceeding resource limits.

V. BONDING

[Title 22, California Code of Regulations, Section 80025]

A. Bonding Amount

1. The residential service provider must be bonded according to the following schedule:

<u>Amount Safeguarded Per Month</u>	<u>Bond Required</u>
\$750 or less	\$1,000
\$751-\$1,500	\$2,000
\$1,501-\$2,500	\$3,000

Every further increment of \$1,000 or fraction thereof shall require an additional \$1,000 on the bond.

2. RSP's who handle consumer funds are responsible for reimbursing consumers for losses due to robbery, burglary, fire, employee error or dishonesty.

VI. BASIC SAFEGUARDS FOR CONSUMER RESOURCES

[Title 22 California Code of Regulations, Section 80026]

A. Requirements of Residential Service Providers (RSPs)

1. Cash resources, personal property, and valuables of clients handled by the licensee are to be free from any liability the licensee incurs. [Title 22 Section 80026 (d)]
 - a. Loans to Consumers: The RSP may loan *small* amounts of money to consumers. Documentation must be maintained in the facility.

- b. Negative Balances: A negative balance is considered a loan from the RSP.
 - c. Consumer resources cannot be used as collateral.
2. Cash resources, personal property, and valuables of clients shall be separate and intact, and shall not be commingled with facility funds or petty cash. [Title 22 Section 80026 (e)]
3. The licensee or employee of a licensee shall not make expenditures from clients' cash resources for any basic services, or for any basic service identified in a contract/admission agreement. [Title 22 Section 80026 (f)]
4. The licensee shall not commingle cash resources and valuables of clients with those of another community care facility of a different license number regardless of joint ownership. [Title 22 Section 80026 (g)]
5. Cash resources entrusted to the licensee and kept on the facility premises, shall be kept in a locked and secure location. A safe or locked strong box qualifies as a secure location. [Title 22 Section 80026 (j)]

B. Residential Service Providers (RSPs) Responsibilities Upon Discharge of a Client

1. All cash resources, personal property and valuables shall be surrendered to the client, or the authorized representative. [Title 22 Section 80026 (k)]
 - a. The client or the authorized representative shall sign for all the cash, property, and valuables upon discharge. The licensee will retain a signed receipt as prove.
2. Upon the death of a client, all cash resources, personal property and valuables need to be immediately safeguarded. [Title 22 Section 80026 (l)]
 - a. All cash resources and personal property shall be surrendered to the executor or administrator of the estate and a signed, itemized receipt must be obtained by the RSP in exchange for consumer valuables.
3. Records: The RSP shall retain all client records for a minimum of five years from the date of final payment of services rendered. [Title 17, Section 50605 (a)]

C. Access to Client Records

[Title 17 Section 50603]

1. The following person or persons are authorized to review consumer records:
 - a. Client
 - b. Authorized representative payee
 - c. Regional Center personnel (liaison, fiscal monitor, or other authorized Regional Center employees)
 - d. California State Department of Health, Social Services, and Developmental Services
 - e. Parent (if client is under 18)
 - f. Legal guardian or conservator
 - g. Social Security Administration

VII. BOOKKEEPING REQUIREMENTS

A. Maintain Accurate Records: Records for clients' cash resources shall be maintained as a drawing account that includes columns for income, disbursements, and a balance for each client. [Title 22 Section 80026 (h)(1)]

1. The RSP must keep the following records:
 - a. Client ledgers which are current at all times
 - b. Store receipts reflecting expenditures
 - c. Check stubs from earnings
 - d. School calendars or other documents to substantiate expenses
2. Bank records to be retained:
 - a. Bank statements: If bank statements are not mailed to the client by the bank, the RSP is to obtain statements either by request or online.
 - b. Cancelled checks

B. Client Acknowledgment: Cash given to any client from his/her account shall include the client's full signature or mark. [Title 22 Section 80026 (h)(1)(A)] The Planning Team shall decide the amount of monies and the frequency that the client will receive and this will be documented in the IPP (i.e., once a week).

C. LIC 405 Record of Client's/Resident's Safeguarded Cash Resources form: this form will be use to track the client's P&I and spending; this form support the RSP maintain accurate records of all money received and disbursed

1. Each entry will identify the following:
 - a. The date of cash withdrawal
 - b. The description
 - c. Amount Received, if any
 - d. Amount spent or withdrawn
 - e. Balance
 - f. Signature of facility representative
 - g. Signature of client

D. Receipts: The original store receipt shall be kept with the consumer's P&I files. [Title 22 Section 80026 (h)(1)(A-C)]

1. Supporting receipts for purchases shall be filed in chronological order in the consumers P&I files. [Title 22 Section 80026 (h)(1)]
2. Missing Receipts:
 - a. RSP's handwritten notes are not acceptable substitutes for receipts. If the RSP fails to keep a receipt to support any expense, then the RSP is responsible for either replenishing the funds spent or for proving the expenditure by other means.
 - b. In instances where a receipt cannot be obtained, it is the RSP's responsibility to obtain an alternate form of documentation verifying

the purchase.

1) For example, a receipt book may be used by the RSP for purchases made at yard sales. The RSP will indicate on the receipt the items purchased along with the price. When the yard sale transaction takes place the seller is asked to sign the receipt.

c. If a consumer makes *frequent* purchases from locations where receipts are generally not given, such as a yard sale or flea Market, then that client must have an IPP goal addressing a spending plan for such purchases. To have this added to the IPP a Planning Team meeting needs to be held to discuss this goal.

3. Purchase listing:

The items purchased should be listed on the receipt. If the store receipt does not indicate specific items purchased, then the RSP shall list the items on the receipt.

4. Shared receipts:

A receipt that includes purchases for more than one resident shall be copied and a copy shall be placed in each consumer's P&I file. The filed copy shall indicate the items purchased by that specific client by some form of mark or highlighter indicating which item(s) on that receipt was purchased by that client. Tax should be included as well. RSP is required to maintain a copy of the original receipt.

E. Bank Accounts [Title 22 80026 (i)(1-4)]

1. Trust Account: Any Bank account containing client funds shall be maintained as a trust account separate from the personal or business accounts of the licensee.

a. The account title shall clearly note that the account contains client cash resources.

2. Access: The licensee shall provide access to the cash resources upon demand by the client or his/her authorized representative.

a. The above requirement does not excuse the RSP from documentation procedures, or budgetary monitoring responsibility

3. Bank accreditation: Deposits shall be kept in a bank authorized to conduct business in California, and the deposits should be insured by the federal government.

4. Bank/Ledger Reconciliation: For bank accounts that contain more than one

client's monies, the bank statement should be reconciled to the client ledgers

on a monthly basis. The ledger balance must equal the bank balance plus any cash on hand.

5. Bank Charges: Bank service charges are not deductible from consumer P&I funds.
 - a) Talk to the banks account manager to identify the type of facility the client resides in and that client has limited funds to get fee waived.
 - b) If the fee is unable to be waived look to utilize a different banking institution.

VIII. DISALLOWED EXPENSES

A. Basic Services: Expenses incurred in the normal day-to-day care of a consumer are basic services. The client's P&I funds may not be used for basic services. The following non-exhaustive list consists of items defined as basic services.

1. Bath towels
2. Blankets/bedspreads
3. Chairs
4. Coins/tokens for washers and dryers or telephones
5. Comb/Hairbrush
6. Dental floss
7. Denture Cleanser
8. Drapes
9. Feminine hygiene products
10. Fire extinguishers
11. First aid medication
12. Games played by all consumers
13. Lamps
14. Laundry
15. Lines
16. Mattress/mattress springs
17. Meals/snacks
18. Newspaper
19. Nightstand
20. Pillows and bed sheets
21. Shampoo
22. Hair Conditioner
23. Shaving cream/razor
24. Shoe care, polish, and laces
25. Silverware and dishes
26. Soap for hands and bathing (non-medicated)
27. Stationary (letter writing materials, including stamps)
28. Telephone calls (local)

29. Tissue wipes/Kleenex
30. Toilet tissue
31. Toothbrush
32. Toothpaste/toothpowder
33. Deodorant
34. Lotions for face, hands, and body (non-prescription)
35. Transportation for medical and dental care

B. Brand Preference: If a client requests a product that differs from the facility provided product, then the RSP may purchase the specialty brand with the client's P&I funds. However, only the difference in price from the facility product and the client-requested product may be paid for with P&I funds.

1. For example, if the facility brand of toothpaste costs \$2 and the client prefers a \$3 brand, then the client may be charged \$1 for toothpaste.

C. Other Disallowable Expenses: ACRC has determined that the expenses listed below must not be paid with client's P&I Funds. The RSP receives a residential rate reimbursement from the State of California that includes monies to purchase the following items. Using P&I funds would be a duplication of funding. Any exception must be approved by the Planning Team and/or Community Care Licensing.

1. Bank service Charges (The licensee should consult with the branch manager in order to get service fees waived.)
2. Birthday Cakes/Holiday Celebrations
3. Bond Insurance
4. Damages (clients are not financially responsible for damages they cause to the facility)
5. Diapers (may be funded by Medi-Cal)
6. Furniture
7. Haircuts or permanents by facility operator or staff
8. Loans to RSP and/or other individuals
9. Property damage
10. Rent
11. Restaurant meals in excess of once a week
12. Televisions, stereos, and radios intended for use by all clients
13. Transportation other than for vacations
14. Utilities
15. Cable service
 - a. Any basic package including local channels are the responsibility of the provider.
 - b. If a client would like cable in his/her room then the client will only be charged the cost of the additional receiver, if any.

- c. If a client would like additional channels/package outside of Section V (C)(15)(a) of the P and I Instruction Manual, then the client will be responsible for that additional amount.
- d. Information regarding the additional charges will be included in the client's IPP to ensure that the planning team and client are aware of the expense.

IX. ALLOWABLE USE OF CLIENT FUNDS

A. Appropriate Expenditures

1. P&I monies cannot be used for the purchase of any basic services as defined by ACRC and Title 22, California Code of Regulations. [*Title 22, 80026 (f)*]
2. Individual Benefit: The expense must be to the benefit of the client or requested by the client. A DVD movie purchased at the request of a specific client for his/her own individual use is an allowable expense. A video game purchased by the RSP for use by all clients is considered a facility expenditure.
3. Large Purchase: Prior to a large purchase being made with client funds a Planning Team meeting/discussion must be held for approval and to discuss the appropriateness of the item. If the client would like to purchase an item or attend a vacation/camp and they do not currently have the funds to do so, then the Planning Team shall establish a budgeting/savings plan to ensure that the client will have enough money.
4. Medical Services: Medical and dental services should be paid for through insurance or Medi-Cal. Once all funding sources have been exhausted and discussed with the Planning Team then client funds can be used. Other funding sources must be exhausted prior to using client funds.
5. Meals: Client funds may be used to eat at a restaurant only once per week. Meals eaten out that are in excess of one time per week shall be paid for using both client and facility funds. The breakdown of cost shall be according to the following:
 - a. The RSP shall determine the average cost of each meal prepared in the facility. Client P&I funds may pay for the portion of cost of restaurant meals above the average facility meal cost. For example, if the estimate average cost of a facility meal is \$2.00 and the restaurant meal is \$6.00, then each client may pay for \$4.00 of the meal and the RSP will be responsible to pay the \$2.00.
 - b. The RSP must provide documentation to support the average meal cost if it appears unreasonable to the authorized representative. The RSP may be required to furnish receipts, cancelled checks, or other accounting records as deemed necessary by the Planning Team or

fiscal auditors.

6. Cash Withdrawals:

- a. Clients may receive cash from their P&I balance upon request. Each client may withdraw and spend up to the predetermined amount by the Planning Team for which no receipt is required. The predetermined amount will be IPP specific. Utilization of LIC 405 is required when cash is withdrawn.
- b. Clients who are learning to manage their own money and have demonstrated the ability to handle larger sums of money appropriately may receive disbursements of more than \$10 per week for which no receipt is required. The Planning Team shall determine each client's ability to manage money and develop a money management training plan accordingly. An IPP goal addressing money management shall be established through the Planning Team prior to a client managing more than the allotted \$10 per week amount.

B. Allowable Expenses

Clients may purchase items for personal use. If the client is conservator then be sure to discuss with the Planning Team for approval, prior to purchasing items. If a client wishes to purchase an item normally provided by the facility (bedspread, drapes), the purchase must be approved by the Planning Team. The aforementioned does not relieve the facility of providing basic care or furnishings for all clients.

The following is a non-exhaustive list of items that may be paid for with client P&I funds:

1. Barber and beauty shop services
2. Batteries
3. Bicycles
4. Body powder
5. Camera
6. Camp Fees
7. Candy and Soda (within reason)
8. Cigarettes
9. Clothing
10. Concerts
11. Cosmetics (lipstick, make-up, nail polish)
12. Dry Cleaning
13. Educational games
14. Electrical Shaver
15. Entertainment
16. Film and developing
17. Furniture for consumer's personal use
18. Games (for personal use)
19. Glasses (if not covered by Medi-Cal)
20. Hair Cream
21. Hair Curlers, pins, barrettes
22. Hair dye
23. Magazines subscriptions

24. Medications (non-prescription or those not covered by Medi-Cal after a TAR has been submitted and denied)
25. Mouthwash

X. ICF/DEVELOPMENTALLY DISABLED-HABILITATIVE (ICF/DD-H), IFC/DD-NURSING (ICF/DD-N)

A. Authority

The following guidelines were established by the Department of Developmental Services, Medi-Cal Benefits, Medi-Cal Audits and Investigations, and Medi-Cal Rate Development.

B. Allowable Use of P&I Funds

The aforementioned rules for P&I funds also apply to ICF/DD's, ICF/DD-H's and ICF/DD-N's. The following are additional guidelines for these facilities.

1. Loans

Consumer cash resources are not allowed to go below zero; therefore, RSP's are precluded from loaning money to consumers.

2. Frequent activities

Activities engaged in frequently (ex., movies, sodas, snacks) may be approved for a specific consumer on a quarterly basis. Approval must be consumer specific and indicate the maximum frequency of the activities (ex., once a week).

3. Allowances

The same procedures apply as with non-ICF facilities. Clients who are learning to manage their money may spend up to \$10 a week for incidental items for which not receipts are required, but the consumer must sign for each disbursement. The IDT must determine if the consumer is able to manage his/her money.

C. Disallowed Use of P&I Funds

In addition to the items restricted for other Community Care Facilities, the following items are prohibited from being purchased with P & I funds.

1. Analgesics and laxatives
2. Antiseptics
3. Applicators

4. Audiology services

5. Autoclaves
6. Beds
7. Bed rails
8. Bedside utensils (bed pans, basin, irrigating cans, and drinking tubes)
9. Canes
10. Catheters
11. Charting supplies
12. Cradles
13. Crutches
14. Dental services
15. First Aid supplies
16. Flashlights
17. Footboards
18. Forceps
19. Gauge tubing
20. Gauze dressing
21. Hypodermic syringes & needles
22. Ice bags
23. Incontinent supplies
24. Lifts
25. Lubricants
26. Mattresses
27. Nail files
28. Nursing services
29. Occupational therapy
30. Oral cleansing swabs
31. Over the counter medications
32. Oxygen (administration of)
33. Physical therapy
34. Psychological therapy
35. Rectal tubes and other rubber goods
36. Rubbing compounds
37. Scissors
38. Social and speech therapy
39. Soft restraints
40. Thermometers
41. Tongue depressors
42. Trapeze bars
43. Walkers
44. Wheelchairs

XI. GOOD CAUSE FOR DENIAL

Every individual with a developmental disability who resides in a community care facility or health care facility has the right to keep and be allowed to spend his/her own money for personal and incidental needs as specified in Title 17, Section 50510. This right may only be denied by instituting the procedures defined in Title 17, Section 50530.

Only the professional person in charge of the facility or his/her designee may deny for good cause the residents right to have access to his/her P&I funds. If a designee or professional person in charge of the facility is authorized to deny rights for good cause, a written formal designation naming that individual shall be signed by the professional person in charge of the facility and shall be on file at the facility.

Good cause for the denial of this right exists only when the professional person in charge of the facility or their authorized designee specifically finds that:

1. The exercise of the specific right would be injurious to the individual otherwise entitled to exercise it; or
2. There is evidence that the exercise of this right by the individual would seriously infringe on the rights of others; or
3. The institution or facility would suffer serious damage to the physical plant if the specific right is not denied; and
4. There is no less restrictive means of protecting the specific interest listed in (1), (2), or (3) as stated above.

The reason used to justify the denial for good cause of any right must be related to the specific right denied. A resident's access to P&I funds shall not be withheld or denied as punitive measure, or shall this access be considered a privilege to be earned. A treatment modality, approach or plan shall not constitute good cause for the denial of the resident's right to keep or spend his/her own P&I money.

Before any right may be denied to a resident who is lawfully entitled to leave the facility at will, the resident must be informed that he or she may elect to leave, rather than submit to the denial, and that they may appeal the denial whether or not they choose to leave the facility.

To appeal the denial, either the complaint process established by Title 17, Section 50540 or the Fair Hearing process provided in Welfare & Institutions Code, Section 4700-4725 may be utilized. If the resident is unable to comprehend the information, the notification of this right to appeal shall be made to the individual's parent or guardian, if a minor, conservator, personal or legal representative. When the RSP determines there is good

cause to deny the residents right to keep/spend P&I money, the RSP must notify the

individual as specified above, of his or her right to leave the facility, complete the Denial or Rights Report (page 18), and obtain the approval and signature of the regional center Consumers' Rights Advocate prior to implementing the denial.

The RSP should consult with the consumer's regional center Service Coordinator prior to implementing the good cause for denial to ensure that all other less restrictive alternatives have been explore. The RSP should have documentation in the facility files regarding previous actions implemented to address the situation. In the event of an emergency necessitating in the immediate denial of a residents right to his or her P&I money, the RSP must document the good cause for denial and submit a Special Incident Report to the regional center Consumers;' Rights Advocate within 24 hours from the time of denial. A right shall not continue to be denied when good cause no longer exists, and each denial shall be reviewed at a minimum of 30 days (Title 17, Section 50530(f)). Further instructions for completing the required Good Cause for Denial form are on page 17.

XIII. P&I REIMBURSEMENT

- If a resident has a POS for P&I, the vendor will receive an invoice in the E-Billing system for the prior service month on the 2nd to last business day of the month.
- Invoices submitted by the 8th calendar day of the month will have a payment issued no later than the 15th of the month.
- Invoices submitted after the 8th calendar day of the month will have a payment issued no later than the last business day of the month.
- The invoice will remain available for 3 service months on the E-Billing system.
- A vendor may not run negative balances month to month.
- If the resident is not eligible for SSI benefits, ACRC can maintain the active P&I authorization as described above. If SSI is in the application process, the resident will be required to refund the regional center for P&I paid out by ACRC once SSI is approved.
- If a resident is eligible for SSI they will not have an ACRC POS for P&I – seek guidance from their authorized payee regarding reimbursement.

Resources: [E-Billing - Service Provider Electronic Billing System - Alta California Regional Center](#)