**Section 146.310 Facility Management of Resident Funds**

a) The SLF may manage a resident's personal funds only upon written authorization from, in order of priority, the resident, the resident's guardian, the resident's representative, or the resident's immediate family member. The authorization shall be attested to by a witness who has no pecuniary interest in the facility or its operations and who is not connected in any way to facility personnel or the manager. If the SLF manages residents' personal funds, it shall:

1) Deposit funds in excess of $50 in an interest bearing account;

2) Establish a separate, written record of each resident's account;

3) Provide a written record of the account at least quarterly to each resident or authorized representative included in the account;

4) Retain all records of managed funds for three years for residents currently residing in the facility and for residents who have died or been discharged from the facility;

5) Report changes in circumstances to the Department of Human Services (DHS) local office;

6) Notify the DHS local office of any lump sum payment received;

7) Keep resident funds in an account or accounts that are separate from any facility operating funds or the funds of any person other than another resident. The facility shall establish and maintain a system that assures a full, complete and separate accounting of each resident's account balance. For resident funds that are commingled with the funds of other residents, all interest earned on the residents' funds shall be prorated and properly credited to each resident's account balance. The system shall contain documents identifying all transactions made by the facility on behalf of the resident. All deposits and withdrawals are to be shown by date and amount, and identifiable receipts for all purchases must be retained; and

8) Notify each Medicaid-eligible resident when the amount in the resident's account reaches $200 less than the asset limit for one person or a couple.

b) SLFs that choose to manage resident funds shall purchase a surety bond to assure the security of all personal funds of residents deposited with the facility. The purpose of the surety bond is to guarantee that the facility compensates residents for any loss of funds that the facility holds, safeguards, manages and accounts for. Any resident funds that are entrusted to the facility for the resident must be covered by the surety bond, including refundable deposit fees.

c) SLFs that choose not to manage resident fund accounts, but arrange for a resident's monthly income to be direct-deposited into a facility account or name themselves as representative payee, shall deposit those funds into an account that is separate from any facility operating funds or the funds of any person other than another resident.

(Source: Added at 33 Ill. Reg. 11803, effective August 1, 2009)