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Title 22@ Social Security

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Division 6@ Licensing of Community Care Facilities

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Chapter 8@ Residential Care Facilities for the Elderly (RCFE)

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Article 4@ Operating Requirements

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Section 87216@ Bonding

87216 Bonding

(a)

Each licensee, other than a county, who is entrusted to safeguard resident cash resources, shall file or have on file with the licensing agency a copy of a bond issued by a surety company to the State of California as principal. (1) The amount of the bond shall be in accordance with the following schedule: Total Safeguarded Per MonthBond Required \$750 or less..... \$1,000 \$751 to \$1,500..... \$2,000 \$1,501 to \$2,500..... \$3,000 Every further increment of \$1,000 or fraction thereof shall require an additional \$1,000 on the bond.

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(b)

Whenever the licensing agency determines that the amount of the bond is insufficient to adequately protect the money of residents, or whenever the amount of any bond is impaired by any recovery against the bond, the licensing

agency may require the licensee to file an additional bond in such amount as the licensing agency determines to be necessary to adequately protect the residents' money.

(c)

Each application for a license or renewal of license shall be accompanied by an affidavit on a form provided by the licensing agency. The affidavit shall state whether the applicant/licensee will be entrusted/is entrusted to safeguard or control cash resources of persons and the maximum amount of money to be handled for all persons in any month.

(d)

No licensee shall either handle money of a resident or handle amounts greater than those stated in the affidavit submitted by him or for which his bond is on file without first notifying the licensing agency and filing a new or revised bond as required by the licensing agency.

(e)

A written request for a variance from the bonding requirement may be made to the licensing agency. Approval by the licensing agency of a variance shall be in writing. The request shall include a signed statement from the licensee indicating:

(1) That the bonding requirement is so onerous that as a result the facility will cease to operate. (2) The place of deposit in which the resident's funds are to be held. (3) That withdrawals will be made only on the authorization of the resident or his responsible person.

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