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Title 22@ Social Security

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Division 6@ Licensing of Community Care Facilities

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Chapter 8.5@ Residential Care Facilities for the Chronically III

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Article 3@ Application Procedures

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Section 87825@ Bonding

## 87825 Bonding

### (a)

The licensee shall submit an affidavit, on a form (Surety Bond -- LIC 402 (1/87)) provided by the Department, stating whether he/she safeguards or will safeguard cash resources of residents and the maximum amount of cash resources to be safeguarded for all residents or each resident in any month.

### (b)

All licensees who are entrusted to care for and control residents' cash resources shall file or have on file with the Department, a bond issued by a surety company to the State of California as principal.

### (c)

The amount of the bond shall be according to the following schedule:

AMOUNT SAFEGUARDED PER MONTH	BOND 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.

### (d)

The licensee shall submit a new affidavit and bond to the Department prior to the licensee safeguarding amounts of residents' cash resources in excess of the current bond.

**(e)**

Whenever the Department determines that the amount of the bond is insufficient to provide necessary protection of residents' cash resources, or whenever the amount of any bond is impaired by any recovery against the bond, the Department shall have the authority to require the licensee to file an additional bond in such amount as the Department determines to be necessary to protect the residents' cash resources.

**(f)**

The provisions of this section shall not apply if the licensee handles money of residents in amounts less than fifty dollars (\$50) per person and less than five hundred dollars (\$500) for all residents in any month.