

# § 76931. Safeguards for Client's Monies and Valuables.

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(a) Each facility to which a client's money or valuables have been entrusted shall comply with the following:

(1) No licensee shall mingle clients' monies or valuables with that of the licensee or the facility. Clients' monies and valuables shall be maintained separately and intact and free from any liability that the licensee incurs in the use of the licensee's or the facility's funds and valuables. The provisions of this section shall not be interpreted to preclude prosecution for the fraudulent appropriation of clients' monies or valuables as theft, as defined by Section 484 of the Penal Code.

(2) Each licensee shall maintain adequate safeguards and accurate records of clients' monies and valuables entrusted to the licensee's care, including the maintenance of a detailed inventory.

(A) Records of clients' monies which are maintained as a drawing account shall include a control account for all receipts and expenditures, supporting vouchers and receipts for all expenditures of monies and valuables entrusted to the licensee, and an account for each client and supporting vouchers filed in chronological order. Each account shall be kept current with columns for debits, credits and balance. All of these records shall be maintained at the facility for a minimum of three years from the date of transaction. At no time may the balance in a client's drawing account be less than zero.

(B) Records of clients' monies and other valuables entrusted to the licensee for safekeeping shall include a copy of the receipt furnished to the client or to the client's authorized representative.

(3) Clients' monies shall be kept within the facility in a fireproof safe or deposited in a noninterest bearing demand trust account in a local bank authorized to do business in California, the deposits of which are insured by the Federal Deposit Insurance Corporation or in a federally insured bank or savings and loan association under a plan approved by the Department. All banking records related to these funds, including but not limited to deposit slips, checks, canceled checks, statements and check registers, shall be maintained in the facility for a minimum of three years from the date of transaction. Identification as a client trust fund account shall be clearly printed on each client's trust account checks and bank statements.

(4) A separate list shall be maintained for all checks from client accounts which were returned uncashed to the account within the preceding three years.

(5) Expenditures from a client's account shall only be for the immediate benefit of that particular client. No more than one month's advance payment for care may be received from a client's account.

(6) A person, firm, partnership, association or corporation which is licensed to operate more than one health facility shall maintain a separate demand trust account as specified in (3) above for each facility. Records relating to these accounts shall be maintained at each facility as specified in (2) above. Client funds shall not be commingled from one facility with another.

(7) Upon discharge of a client, all money and valuables of that client which have been entrusted to the licensee shall be surrendered to the client or authorized representative in exchange for a signed receipt. Money and valuables kept within the facility shall be surrendered upon discharge and those kept in a demand trust account shall be made available within three banking days. Upon discharge, the client or authorized representative shall be given a detailed list of the client's valuables as required by Section 76927(e)(20) and a current copy of the debits and credits of the client's monies.

(8) Within 30 days following the death of a client, except in a coroner or medical examiners case, all money and valuables of that client which have been entrusted to the licensee shall be surrendered to the executor, the administrator or guardian of the client's estate in exchange for a signed receipt, or to any person or that person's authorized representative having the right by law to succeed to the decedent's property, upon presentation of a statement signed under penalty of perjury declaring such person's right to receive the property. Whenever a client without known heirs dies, immediate written notice shall be given by the facility to the public administrator of the county as specified by Section 1145 of the California Probate Code and a copy of the notice shall be filed with the Department.

(9) Upon a change of ownership of a facility, an audit by a public accountant of all client's monies, which are being transferred to the custody of the new owners shall be obtained by the new owner in exchange for a signed receipt.

(10) Upon closure of a facility, an audit by a public accountant of all client's monies shall be submitted to the Department and all client's monies shall be transferred with the client.

(11) The facility shall have written policies and procedures that protect the financial interest of clients and shall provide for counseling in management of their funds.

Note: Authority cited: Sections 208.4 and 1267.7, Health and Safety Code. Reference: Section 1276, Health and Safety Code.

22 CCR § 76931, 22 CA ADC § 76931