

### Introduction

**Resident Trust Funds is money held by a nursing center for a resident of the center.** The money is specific to be spent by the person or their appointed represented for personal items or services.

**Nursing centers cannot require a resident to set up a trust fund.**

- State and federal laws give individuals the right to manage their finances.

- If a nursing center resident needs assistance managing their finances, nursing centers are required to explain all available options, including a trust fund.

**Nursing centers are required to set up an interest bearing account (trust fund) -- if a resident requests the center manage their funds.**

- The account must be separate from the center's own funds. This applies to any resident funds over \$50.

**A nursing center cannot use a resident's money without specific permission.**

- A resident must give specific permission for each use of funds from a trust fund account. Residents can appoint a patient representative to help manage personal or financial affairs.

- A nursing center must give you access to any or all of your funds within three business days of your request or if you are discharged.

- Centers are required to provide a resident or patient representative with a quarterly accounting of funds.

### Federal and State Laws

There are strict federal and state (varies by state) guidelines on how these trust funds are held, monitored and distributed.

- Nursing centers are required to have a surety bond in case something occurs so the resident never has his or her account threatened if monies are stolen or lost.

- The surety bond provides protection to a resident in the case that funds are misused.

- The restrictions are numerous and typically very regimented.

- Some examples of state regulations include: centers may be audited every year by the state; each center is required to submit monthly activity statements to every resident and/or family.

- Resident trust fund accounts are audited by surveyors.

- Typically, nursing centers reconcile and self-audit these accounts monthly.

### Resident

#### RESIDENT TRUST FUND / PERSONAL FUNDS IN LONG TERM CARE FACILITIES

- THE MANAGEMENT OF RESIDENT TRUST FUNDS, PERSONAL FUNDS AND REPORTING OF VIOLATIONS ARE GOVERNED BY:
- FEDERAL REGULATIONS 483.10(c)(1) – (8); STATE REGULATIONS 306-306.6.5 and ARKANSAS STATE LAWS, ARKANSAS CODES ANN. 12-12-1701, 20-10-210 and 5-36-103.

### Important Points To Know

#### Trust Fund Money Still Belongs to Residents

The list of nursing home resident rights put forth by the Centers for Medicare and Medicaid Services (CMS) explicitly states that individuals are free to manage their money however they wish. Thus, a senior (or their financial power of attorney or appointed guardian/-conservator) can opt to set up a trust fund, but cannot be forced.

#### Nursing Home Trust Fund Accounts Can Earn Interest

Ask what the interest rate is and how it is calculated

#### Ask How the Nursing Home Monitors Residents' Funds

Ask how frequently they issue statements to residents and perform internal audits on the accounts.

#### Facilities Must Take Steps to Safeguard Residents' Money

Most states require nursing homes and assisted living facilities to purchase patient trust surety bonds to protect their residents' finances

#### What Happens to the Trust Fund When a Resident Dies?

Money remaining in their trust fund account, then the facility must surrender those funds to the individual managing the deceased's estate within 30 days.