

DEPARTMENT OF SOCIAL SERVICES**Community Care Licensing Division****Sierra-Cascade Adult Care Licensing office M.S. 29-02**
770 East Shaw Ave. Suite 330, Fresno, California 93710

June 12, 2007

To: Providers licensed through Community Care Licensing
Re: Direct Deposit of Central Valley Regional Center funds

Central Valley Regional Center has provided Licensees with the opportunity for the direct-deposit of checks into accounts. There will be two direct deposit checks: one for the services to the residents and a second for clients Personal and Incidental (P&I) funds.

The check for services for the residents would be direct deposited into your business/personal account. The P&I check, which is issued for all clients in one facility, would be direct deposited into a separate trust account identified for the P&I funds for the clients of one facility. P&I funds cannot be deposited into an account for more than one facility; you must have one such pass-through account per facility.

CVRC has developed a P&I Fund Business Model document to explain the various business models that can be used with direct deposit. Based on the Business Model, once P&I funds are direct deposited, they can be disbursed in 3 possible ways:

1. Maintained in a central, identified trust account for the clients of a specific facility
2. Transfer the funds into individual trust accounts for each client
3. Withdrawn and maintained as cash at the facility

In each of the above cases, an individual accounting of each clients receipt and disbursement of funds must be maintained in the clients file.

As a refresher, the following is the regulation section that addresses client P&I trust accounts:

80026 (i) Safeguards for Cash Resources

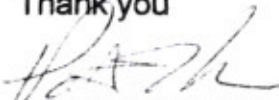
- (i) Immediately upon admission of a client, all of his/her cash resources entrusted to the licensee and not kept in the licensed facility shall be deposited in any type of bank, savings and loan, or credit union account meeting the following requirements:
- (1) The account shall be maintained as a trust account separate from the personal or business accounts of the licensee.
 - (2) The account title shall clearly note that the account contains client cash resources.
 - (3) The licensee shall provide access to the cash resources upon demand by the client or his/her authorized representative.
 - (4) The account shall be maintained in a local bank, savings and loan or credit union authorized to do business in California, the deposits of which are insured by a branch of the Federal Government.

At each facility, each clients file must have an accounting of receipt and disbursements of their P&I and other funds. Regulation section 80026 (h) Safeguards for Cash Resources identifies the individual accounting requirements for each client's funds:

- (h) Each licensee shall maintain accurate records of accounts of cash resources, personal property, and valuables entrusted to his/her care, including, but not limited to the following:
- (1) Records of clients' cash resources maintained as a drawing account, which shall include a current ledger accounting, with columns for income, disbursements and balance, for each client. Supporting receipts for purchases shall be filed in chronological order.
 - (A) Receipts for cash provided to any client from his/her account(s) shall include the client's full signature or mark, or authorized representative's full signature or mark, and a statement acknowledging receipt of the amount and date received, as follows: "(full signature of client) accepts (dollar amount) (amount written cursive), this date (date), from (payer)."
 - (B) The store receipt shall constitute the receipt for purchases made for the client from his/her account.
 - (C) The original receipt for cash resources, personal property or valuables entrusted to the licensee shall be provided to the client's authorized representative, if any, otherwise to the client.
 - (2) Bank records for transactions of cash resources deposited in and drawn from the account.

In closing, each licensee can have their monthly checks Direct Deposited into their business Accounts; you can have one or more business accounts, based on what works for you. You must have one P&I trust account for the Direct Deposit of P&I funds per facility license number. Once the checks are deposited, you may leave the P&I funds in this account, disburse the P&I funds to individual P&I accounts for each client, or maintain the P&I funds as cash at the facility. Each clients file must have an individual accounting of receipts and disbursements for all in-coming funds and out-going expenditures.

Thank you



PATRICK SMITH
Regional Manager
Sierra-Cascade Adult Care Licensing office