

F568

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§483.10(f)(10)(iii) Accounting and Records.

- (A) The facility must establish and maintain a system that assures a full and complete and separate accounting, according to generally accepted accounting principles, of each resident's personal funds entrusted to the facility on the resident's behalf.**
- (B) The system must preclude any commingling of resident funds with facility funds or with the funds of any person other than another resident.**
- (C) The individual financial record must be available to the resident through quarterly statements and upon request.**

GUIDANCE §483.10(f)(10)(iii)

Generally accepted accounting principles means that facility staff employ proper bookkeeping techniques, by which it can determine, upon request, the amount of individual resident funds and, in the case of an interest bearing account, how much interest these funds have earned for each resident, as last reported by the banking institution to the facility.

Proper bookkeeping techniques include an individual record established for each resident on which only those transactions involving his or her personal funds are recorded and maintained. The record should have information on when transactions occurred, what they were, and maintain the ongoing balance for every resident. For each transaction, the resident should be given a receipt and the facility retains a copy.

Quarterly statements must be provided in writing to the resident or the resident's representative within 30 days after the end of the quarter, and upon request.

PROCEDURES §483.10(f)(10)(iii)

Through interviews with the resident or his or her representative, determine how they receive statements regarding the status of their funds and accounts. If concerns arise based on these interviews, review the facility's records to determine if generally accepted accounting principles are followed. Records must show separate accounting for each resident, including the ongoing balance of each account, as well as the date and amount of any transaction. Additionally, the facility's records must include a copy of all account transactions.

Examples of noncompliance may include, but are not limited to evidence that the facility:

- Does not maintain a system that assures a complete and separate accounting of each resident's personal funds.
- Comingles resident funds with facility funds (for example, comingling an activity fund, volunteer fund, and resident personal funds into one account).
- Comingles resident funds with those of someone other than a resident, such as a facility staff member managing a resident's personal funds through the facility staff member's personal bank account.