

**Nova Scotia Department of Health
Continuing Care Branch**

Subject: Resident Trust Account Policy

Effective Date: January 1, 2005 Revised Date: May 1, 2009

Original Signed by Keith Menzies

Approved By: _____

Keith Menzies, Executive Director,
Continuing Care Branch, Department of Health

1. Introduction

- 1.1. Where possible, a resident's financial arrangements prior to admission should continue, if this is the resident's wish.
- 1.2. Residents should be encouraged to:
 - manage their own assets or personal funds and/or
 - arrange for a system to have their funds managed by their families/authorized representatives or
 - arrange to have their funds managed by a financial institution such as a trust company or bank.
- 1.3. The Office of the Public Trustee may also be contacted as a last option, if the resident's situation meets the criteria for involvement of that office.
- 1.4. The purpose of a resident trust account is for the convenience of residents who need to have funds maintained in a safe place and readily available for use in the long term care facility.

2. Policy Statement

- 2.1. All long term care facilities are required to provide a resident trust account for residents' "personal funds", for those residents who may wish to use this service.
- 2.2. "Personal funds" may include funds from income or from a statutory benefit (e.g. OAS, CPP) and any funds that are deposited by the resident or by the resident's representative for the resident's personal use.

3. Application of the Policy

This policy applies to licensed and approved long term care facilities that are under the mandate of the Department of Health (i.e. nursing homes, residential care facilities, and community based options).

4. Management of Resident Trust Accounts

- 4.1 Residents can voluntarily choose whether to use a resident trust account.
- 4.2 Residents can choose the amount of personal funds they would like to deposit, withdraw, and maintain in the resident trust account.
- 4.3 The long term care facility must establish policies for the management of the resident trust accounts, including but not limited to the following:
 - A system to record authorization for charges that the resident/authorized representative directs the facility to be paid from his/her resident trust account,
 - A separation of staff responsibilities for cash handling and cash recording functions,
 - Posted hours when resident trust account funds are available,
 - Amounts that may be withdrawn in cash, and notice that is required for larger withdrawals, and
 - Records management.
- 4.4 Where the resident/authorized representative requests that the resident's money be deposited in the resident trust account, the administrator shall, prior to making such deposit, require the resident/authorized representative to sign a statement acknowledging that they have read the resident trust account policy and understand it.

5. Records Management

- 5.1. The administrator shall maintain a separate, detailed record for each resident's trust account showing the dates and amounts of all withdrawals and deposits.
- 5.2. Upon request, the administrator shall make available to the resident/authorized representative written receipts for all monies received for deposit in the resident trust account. The resident/authorized representative shall provide the administrator with a written receipt for all monies withdrawn from the account.

- 5.3. A monthly itemized statement of money held by the facility on behalf of the resident, charges made to the resident, and the balance of the account shall be made available to each resident/authorized representative upon request.
- 5.4. Computer records must have back-up records, as required in normal business practice.

6. Complaints

Any complaints from the resident/authorized representative or other person, about the handling or residents' personal funds should be directed to the facility's administrator. If the complaint is not resolved at the facility level, the person may refer the complaint to the Department of Health for investigation.

7. Withdrawals from Resident Trust Accounts

- 7.1. Resident' trust accounts cannot be billed for any charges that are not authorized by the resident/authorized representative in writing.
- 7.2. Each withdrawal from a resident trust account must be authorized in writing by the individual resident/authorized representative. This can be done at the time each withdrawal is requested by the resident/authorized representative, or via a pre-authorized withdrawals agreement for such items as accommodation charges.

8. Charging of Fees for Management of Resident Trust Accounts

There shall be no charge to the resident for resident trust account services.

9. Interest Earned by Residents' Resident Trust Accounts

- 9.1. All resident trust account funds are required to be maintained in an interest-bearing account in a Canadian financial institution that is CDIC (Canadian Deposit Insurance Corporation) insured. The financial institution shall be a bank listed in Schedule I or II of the *Bank Act* (Canada), a credit union under the *Credit Union Act*, or a trust corporation registered under the *Trust and Loan Corporations Act*. The account should:
 - provide the highest interest rate,
 - allow the minimum amount of service charges reasonably available during the period the funds are maintained, and
 - ensure the funds are accessible on short notice without a significant loss of interest.

- 9.2. The resident trust account shall only contain money held for the residents in trust.
- 9.3. If a resident maintains a quarterly balance of more than one thousand dollars (\$1,000.00) in the general resident trust account, disposition of the excess funds should be discussed with the resident or authorized representative. The excess funds should be transferred to a separate interest earning savings account established in the resident's name or elsewhere in accordance with the resident's wishes.
- 9.4. If at any time a resident does not maintain a minimum quarterly balance of one thousand dollars (\$1,000.00) or more, the facility may retain the interest on monies in the general resident trust fund account if the resident or authorized representative is previously advised and understand that this is the policy of the facility. Any interest on monies in the general resident trust fund that are retained by the facility may be used to pay associated bank charges and the residual interest shall be used for the benefit of all the residents in the facility as approved by the Residents' Council.
- 9.5. The administrator shall ensure that, as part of the facility auditor's regular year end procedures regarding resident trust accounts, the auditor verifies that interest earned on trust account balances is allocated in accordance with approved policy of the facility and the Department of Health.

10. Inactive or Closed Accounts

This record shall be retained for at least seven (7) years from the date the resident trust account is closed or becomes inactive.

11. Management of Trust Funds when a Resident is Financially Incapable

- 11.1. On admission, if the resident is capable of granting an Enduring Power of Attorney and if there is a person to whom the resident wishes to grant it, the resident should be encouraged to do so.
- 11.2. If a resident has been managing his/her financial affairs and becomes unable to do so, or when there is concern that a resident may be mentally incapable of managing his/her finances, a number of steps can be taken, as follows:
 - 11.2.1. If there is an Existing Enduring Power of Attorney, the attorney shall:
 - be immediately responsible for managing the resident's financial affairs if the enduring power of attorney document is of the type that is valid immediately upon being signed; or
 - be responsible only after a determination of the resident's capacity has been made (ie. a Certificate of Incapacity completed by the attending physician).
 - 11.2.2. If there is no Enduring Power of Attorney,

- A family member or other appropriate third party may apply to the court to be appointed legal guardian, or in the absence of guardianship order, may assume responsibility for the management of the mentally incapable resident's affairs if they are willing and capable to do so, or
- If there is no family member or other appropriate third party, the Public Trustee may make application to the court to become guardian, or
- In any instance where a family member, an appropriate third party, or the Public Trustee is unable or unwilling to assume responsibility for the management of the mentally incapable resident's financial affairs, the Administrator of the facility in which the resident resides may assume responsibility for managing the residents funds limited to the deposit of funds in the resident trust account and the payment of accommodation charges and items for the resident's personal need or enjoyment. In doing so, the Administrator must act in the best interests of the personal needs of the resident, and must, upon request, provide the Department of Health a documented accounting of the resident trust account including receipts.

12. **Accountability**

The Executive Director, Continuing Care Branch is responsible for ensuring compliance with this Policy.

13. **Monitoring**

The implementation, performance, and effectiveness of this Policy will be monitored by the Executive Director, Continuing Care Branch.

14. **References**

Not applicable.

15. **Enquiries**

Director, Service & Business Support
Department of Health
PO Box 488
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16. **Appendices**

Not applicable.