

**ORC 3721.15 - Authorization to Handle Residents' Financial Funds
Surety Bonds and Interest Bearing Accounts**

1. *Can the operator of a nursing home who also operates a residential care facility have one surety bond?*

No. Section 3721.15(D) of the Ohio Revised Code (ORC) requires that “each home that manages the financial affairs of residents shall purchase a surety bond or otherwise provide assurance satisfactory to the director of health, or, in the case of a home that participates in the medicaid program, to the director of job and family services, to assure the security of all residents’ funds managed by the home. (Emphasis Added)

“Home” is defined to include a nursing home or a residential care facility. *See* ORC 3721.01 (A)(1)(a). The statutory language “each home” implies that each individual nursing home or residential care facility is required to purchase a surety bond to cover the funds managed by the individual home.

2. *Can the operator of multiple nursing homes (or RCFs) have one surety bond that covers all the nursing homes?*

No. See response to previous question.

3. *Can the operator of a nursing home who also operates a residential care facility have one interest-bearing account for resident funds?*

No. The statutory language in ORC 3721.15 (B) (“a home”- singular) implies that each residential care facility and nursing home will manage the funds of their own residents.

4. *Can the operator of several nursing homes (or RCFs) have one interest-bearing account for resident funds?*

No. See response to previous question.

5. *Can an operator of a home “pool” multiple residents’ funds (each resident having more than \$100) into one account in order to meet the minimum threshold for an interest bearing account with separate accounting for each resident?*

Yes, provided that the facility can ensure proper management of resident funds.

ORC 3721.15 (B) requires that a home have an interest-bearing account for a resident’s funds when in excess of 100 dollars. The statute does not specifically require a separate account for each resident, but does require that interest earned on the resident’s funds be credited to the resident’s account. Additionally, rule 3701-17-61 (C) (5) requires that a residential care facility allow a resident access to his or her funds during normal bank business hours within the community.

Therefore, managing a pooled account may present some challenges (i.e., tracking and dividing interest, providing accountings, providing account access, etc). While a pooled account is legally permissible, facilities should evaluate their internal resources and consult with banking experts to discuss options that will ensure the proper management of funds.