

HEALTHWEST

Policy and Procedure

No. 04-016

Prepared by:  
The Office of Recipient Rights

Effective: April 22, 1983  
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Approved by:

Subject: Personal Property  
And Funds

  
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I. POLICY

HealthWest will allow a recipient to receive, possess, and use all personal property, including funds, except in circumstances and under the conditions outlined below.

II. PURPOSE

To provide for the possession and use of a recipient's personal property and funds.

III. APPLICATION

All mental health facilities or contracted staff with the HealthWest.

IV. DEFINITIONS

- A. **Exclusion:** Restriction of certain personal property items in a facility for all residents.
- B. **Exploitation:** An action that involves the misappropriation or misuse of a recipient's property or funds.
- C. **Funds:** A recipient's money, legal tender, note, draft, certificate of deposit, stock, bond, check, or credit card.
- D. **Limitation:** A time limited restriction of an individual resident.
- E. **Representative Payee Duties:** HealthWest is the representative payee. The individual staff is acting as an agent in the best procedure. To ensure that bills are paid in rent, food and utility bills. To ensure recipient receives personal allowance. If possible, save money. Representative payeeship would be audited internally on a 10% random sample and by Social Security annually.
- F. **Payee:** The person or agency appointed by the Social Security Administration or the judicial system to ensure that a recipient's bills are paid.
- G. **Personal Property:** Anything belonging to a recipient, excluding funds.

- H. **Recipient:** An individual who receives mental health services from HealthWest, or a facility, or from a provider that is under contract with HealthWest.

V. PROCEDURES REGARDING PERSONAL PROPERTY

- A. A recipient is entitled to receive, possess, and use all personal property except in the circumstances and under the conditions set forth in this section.
- B. Each residential facility shall provide a reasonable amount of storage space to each recipient for his/her clothing and other personal property. Residents shall be allowed to inspect his/her personal property at a reasonable time.
- C. Facilities may adopt exclusions of particular kinds of personal property. An exclusion may be appropriate to the mental or chronological age of residents and shall include all of the following:
1. Weapons, such as firearms, knives, other sharp objects, or explosives.
  2. Drugs, whether prescribed or not, unless possession of the drug is specifically authorized by the attending physician.
  3. Alcoholic beverages.
- D. When a facility adopts exclusion of particular kinds of personal property, it shall list and post the specific items excluded and shall notify residents of these exclusions at the time of admission.
- E. A recipient's property or living area shall not be searched by a provider unless such a search is authorized in the recipient's plan of service or there is reasonable cause to believe that the recipient is in possession of contraband or property that is excluded from the recipient's possession by the written policies, procedures, or rules of the provider. The following conditions apply to all searches:
1. A search of the recipient's living area or property shall occur in the presence of a witness.
  2. The recipient shall also be present unless he or she declines to be present.
  3. The circumstances surrounding the search shall be entered in the recipient's record, and shall include all the following:
    - a. The reason for initiating the search.
    - b. The names of the individuals performing and witnessing the search.
    - c. The results of the search, including a description of the property seized.
- F. A limitation adopted under the authority of Section C, the date it expires, and justification for its adoption shall be promptly noted in the record of the resident.

- G. Each facility shall establish procedures for the disposition of excluded property in the possession of the recipient at the time of admission, or thereafter.
- H. A receipt shall be given to a resident and an individual designated by the resident for any of his or her personal property taken into the possession of the facility. Any personal property in the possession of a facility at the time the resident to whom the property belongs is released from the facility shall be returned to the resident.
- I. Each facility shall provide a reasonable amount of storage space to each resident for his or her clothing and other personal property. The resident shall be permitted to inspect personal property at reasonable times.
- J. Limitations on the right to receive, possess, and use personal property, which are imposed by the person in charge of a recipient's plan of service, shall be preceded by documentation of the circumstances which indicate that a limitation is the minimal essential step:
  - 1. In order to prevent theft, loss or destruction of property unless resident signs a waiver.
  - 2. In order to prevent the recipient from physically harming himself or others.
  - 3. Limitations shall be time limited, and the date of expiration shall be documented in the recipient's case record. Any limitation shall be removed when the circumstances that justified its adoption cease to exist.
- K. A recipient may appeal a limitation or the expiration date of a limitation. A recipient shall appeal this to the person or persons who set forth the limitation. If recipient does not reach satisfaction, the resident shall have opportunity to appeal to the responsible Program Manager.
- L. Exploitation is not allowed.

## VI. PROCEDURES REGARDING FUNDS

- A. A recipient is entitled to easy access to the money in his or her account and to spend or otherwise use the money in their accounts except as provided for in this section.
- B. Facility policy on access to and expenditure of funds, and limitations placed on these, shall be consistent with both current needs of the recipient, including basic needs or special purchases, and the use of funds to facilitate release or discharge and normalization, whether within or outside the facility.
- C. Facility staff may counsel recipient's use of funds in line with agency policy.
- D. A residential facility may require that all money, which is on the person of a recipient, that comes to a recipient or that the residential facility received for placement of the recipient under a benefit arrangement or otherwise, be turned over to the facility for safekeeping.
  - 1. The money shall be accounted for in the name of the recipient.
  - 2. The money shall be recorded in the records of the recipient.

3. An official receipt shall be issued to the recipient.
4. If a recipient is admitted with items in his/her possession that require formal attention and that are retained, the Program Supervisor shall, as necessary, petition the Court for the appointment of a guardian. Items such as bank accounts, stocks, bonds, insurance policies and storage receipts shall receive immediate action so as to properly release the facility from liability and provide appropriate protection of a recipient's assets.
5. Upon request, money accounted for in the name of a recipient shall be turned over to the payee of the recipient.
6. Exploitation is not allowed.

## VII. PROCEDURES FOR THE DISCHARGE OF RECIPIENT PERSONAL PROPERTY AND FUNDS

- A. Upon discharge of a recipient, all money and personal property will be returned to the recipient. Each facility will establish procedures for disposition of items that are inadvertently overlooked.
- B. In the event of the death of a recipient, every effort shall be made by the facility to divest itself of a recipient's personal property and monies if they consist of only wearing apparel and up to \$100 in cash. Divestment shall be to the spouse, child, or parent of the deceased. The relative shall furnish identification and an affidavit of such relationship, and evidence that an estate of the deceased is not pending. If such relative does not exist, or if the personal property consists of more than \$100, the disposition shall be handled in accordance with paragraph VII.H.
- C. The facility shall send a list of personal property and money by registered mail to the nearest relative of the deceased. The notice shall also call attention to statutes that provide for disposition.
- D. If there are questions as to rival claims to personal property and money, the property and money may be held by a facility until the claims are determined in a Probate Court.
- E. If the nearest relative cannot be contacted, the facility shall send a list of the personal property and money by registered mail to the person or entity that paid for the funeral expenses.
- F. If there are no claims to personal property or money of a deceased recipient, the property and money shall be considered to be unclaimed (see VII.H).
- G. If a recipient does not return from an unauthorized leave, and if the recipient's property and money are not claimed by the recipient or recipient's relatives, heirs, or personal or legal representative, the facility director shall retain custody of them and handle the matter as unclaimed property (see VII.H).
- H. If personal property or money of recipient's are unclaimed and have been held for two (2) years, the property or money shall be disposed of pursuant to Act No. 63 of the Public Acts of 1949, as amended being 567.20 et seq. of the Michigan Compiled Laws. Delivery of

property and report to the State Board of Escheats shall be on or before the thirtieth (30<sup>th</sup>) day of June each year. The report shall list the property possessed as of the preceding first day of June.

Appropriate property may be disposed of before the end of the two (2)-year period pursuant to Act. No. 238 of the Public Acts of 1957, being 434.151 et seq. of the Michigan Compiled Laws.

#### VIII. REFERENCES

Act 258, Public Acts of 1974, as amended, being MCL330.1728, 330.1730, 330.1732, 330.1734, and 330.1736.

Administrative Rule R330.7229, as amended December 2007.

LS/jec