
RESOURCES

TYPES OF RESOURCES

**A. CASH/
FINANCIAL
ACCOUNTS**

Cash consists of money which is on hand in the form of currency or coin. Foreign currency or coins are cash to the that they can be exchanged for U.S. currency. However, coin collections are not considered to be cash even though they are a resource. The value of coin collections is based on collector's value and is determined by a knowledgeable source. Refer to the discussion of Personal Property for the treatment of hobby collection.

While an individual's allegation of actual cash on hand is accepted without verification, he/she must be made aware that cash on hand includes amounts he has on his person, at home, or being held elsewhere.

**1. Checking/
Savings
Accounts**

Funds maintained in checking and savings accounts are usually payable on demand. When an individual has unrestricted access to an account, all of the funds in the account are considered as a resource to the owner of the account regardless of who deposited the funds.

Savings accounts pay interest unless the financial institution has a minimum balance requirement and the account does not meet this requirement.

NOW (Negotiable Order of Withdrawal) accounts are interest-bearing checking accounts. Super NOW accounts are money market checking accounts. They have higher rates than NOW accounts.

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Money Market Deposit Accounts allow banks to compete with mutual fund money markets. They are interest-bearing checking accounts.

a. Development/Verification of Bank Accounts

Because of the high potential for error, it is important to fully investigate all of a client's allegations about bank accounts. Unless eligibility is being denied for another reason, a worker must search for leads into the possible existence of bank accounts. Skillful interviewing may produce leads which the interviewer can use to detect undisclosed resources. The interviewing process should include the following explanations to the applicant or his/her representative.

- (1) Information about all savings, checking or time deposits which show the client's name or the name of someone whose resources must be deemed to the client must be furnished regardless of the amount on deposit or in what capacity the name of the client or devisor appears on the account.
- (2) The client or representative is responsible for providing the needed information regarding bank accounts and this information is required even if the client does not consider any of the funds in the account to be his/hers.

Request the client's own records as verification of activity on the account and to establish account balances. If the client's records are unavailable, complete DOM-330 (Bank Clearance Form) and obtain an authorizing signature so the bank can be contacted.

Do not consider as a resource any amounts counted as income for the same month.

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b. Special Development - Applicants

In the event an applicant fails to claim ownership of any type of bank account, either currently or within the previous two years, or if only one type of account is claimed, a special development is necessary to obtain additional information concerning the applicant's banking activities and determine whether there are undisclosed accounts through direct contact with financial institutions.

The first step in the special development is to question the applicant and/or representative concerning the applicant's past and present business activities.

1. Where does the applicant cash his/her checks?
2. Where does the applicant buy money orders?
3. Where has the applicant borrowed money in the past 2 years?
4. Where does the applicant pay his/her home mortgage or rental payment?
5. Where are the applicant's checks deposited?
6. Where does the applicant have a special account, such as a Christmas Club?
7. Where has the applicant set aside money for a special purpose or for an emergency?
8. Does applicant's name appear on any account which he/she considers to be someone else's?

If a financial institution is identified through questioning, verify the account by the client's records or DOM-330.

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c. Banking Activity Handled Through Accounts Not Owned By Client

In cases where a client's funds are deposited and/or held in an account that does not belong to the client, i.e., the client's name does not appear on the account, a determination must be made as to whether the client has access to the funds. In so doing, it is necessary to obtain a statement from the account holder(s) regarding ownership of the funds on deposit. If the funds on deposit, or a portion thereof, are acknowledged as belonging to the client, the account is treated as a countable resource to the extent the funds belong to the client.

If the funds are not acknowledged as belonging to the client yet evidence indicates that funds belonging to the client are deposited and retained in the account, the possibility of a transfer of resources exists.

Note: Entitlement income deposited into an account which is not owned by a client does not alter the fact that the income belongs to the client and is used to determine eligibility and Medicaid Income (if applicable). Funds belonging to the client (including non-entitlement income) that are deposited into another account and not accessible to the client are subject to the transfer penalty.

2. **Joint
Checking/
Savings
Accounts**

When only one holder of a joint account is a client who has unrestricted access to the funds in the account, all of the of the funds in the account are presumed to be the client's. This presumption is made regardless of the source of the funds. If more than one account holder is a client, the joint account is divided equally among the eligible account holders.

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If one or more account holders is a deemor (none of the account holders is a client), assume all of the funds in the account belong to the deemor(s) (equal shares if more than one deemor is on the account).

A joint account holder has the right to provide evidence rebutting the ownership assumption of a joint checking/savings account if he/she disagrees with it.

a. **Rebuttal Statement**

If an individual wishes to rebut the applicable ownership assumption, document the following:

- who owns the funds;
- why there is a joint account;
- who has made deposits to and withdrawals from the account; and
- how withdrawals have been spent.

b. **Required Evidence**

In addition, inform the individual that he or she must submit the following evidence:

- a corroborating statement from each other account holder (if the only other account holder is incompetent or a minor, have the individual submit a corroborating statement from anyone aware of the circumstances surrounding establishment of the account);
- account records showing deposits, withdrawals and interest in the months for which ownership is at issue;

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- if the individual owns none of the funds, evidence showing that he or she can no longer withdraw funds from the account;
- if the individual owns only a portion of the funds, evidence showing removal from the account of such funds, or removal of the funds owned by other account holder(s), and redesignation of the account.

c. **Determination**

Any funds that the evidence establishes were owned by the other account holder(s) , and that the individual can no longer withdraw from the account, were not and are not the individual's resources. However, such funds can be deemed available to the individual if the account holder to whom they belong is a deemor. Document the determination in file.

3. Time Deposits

A time deposit is a contract between an individual and a financial institution whereby the individual agrees to leave funds on deposit for a specified period (six months, two years, five years, etc.) and the financial institution agrees to pay interest at a specified rate for that period. Certificates of Deposit (C.D.s) and savings certificates are common forms of time deposits.

Withdrawal of a time deposit before the specified period expires incurs a penalty, which usually is imposed against the principal. This penalty does not prevent the time deposit from being a resource, but does reduce its value as a resource.

On rare occasions, the terms of a time deposit will prohibit early withdrawal altogether.

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The assumptions regarding ownership of bank accounts apply to time deposits.

a. **Principal**

If the owner of a time deposit cannot under any circumstances withdraw it before it matures, it is not a resource. It becomes a resource (not income) on the date it matures, and may affect countable resources for the following month.

b. **Interest**

If the owner has no access to the interest before the deposit matures, accrued interest is not a resource and is income in the month the deposit matures (not before then).

c. **Resource Value**

The resource value of a time deposit at any given time is the amount the owner would receive upon withdrawing it at that time, excluding interest paid that month. Generally, this is:

- the amount originally deposited;
- plus accrued interest for all but the current month;
- minus any penalty specified on the certificate for early withdrawal.

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- 4. Patient Accounts** When a patient enters a nursing facility, it is probable that the patient will establish an account with the facility similar to a checking and/or savings account whereby the facility "holds" funds belonging to the patient. These accounts are referred to as patient accounts, accounts receivable or credit accounts. These accounts are treated in the same manner as a checking and savings account when the patient is a Medicaid client.
- 5. Retirement Funds** Retirement funds include annuities or work related plans providing income when employment ends, such as a pension, disability or retirement plan administered by an employer or union. It also includes funds held in individual retirement accounts (IRA's) or plans for self-employed individuals, such as Keogh plans.

Note: The terms IRA and Keogh accounts refer only to retirement plans and do not identify the underlying investment vehicle, which can be a bank account, CD, mutual fund, etc. Develop IRA's and Keogh accounts in accordance with the policy that deals with the underlying investment vehicle.

If an applicant owns a retirement fund and is eligible for retirement benefits, the applicant **must** apply for those benefits under the utilization of other benefits provision. Retirement benefits are payments made to an individual at some regular interval (such as monthly) which result from entitlement to a retirement fund. The payments must be of uniform rate, principal and interest. These payments are counted as unearned income.

If an individual owns a retirement fund and is not eligible for periodic payments but has the option of withdrawing the funds, the retirement fund is counted as a resource the month the funds become available for withdrawal. The value of a retirement fund is the amount of money an individual can currently withdraw from the account. If there is a penalty assessed for early withdrawal, the value is the amount available after any penalties are deducted. If taxes are owed on the funds, any taxes are due are not deducted in determining the value of the retirement fund.

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If an individual owns a retirement fund, as defined above, and is eligible for or is already receiving periodic payments from the funds, the value of the funds is not a resource.

If an individual must terminate employment in order to file for a retirement fund, the funds is not a resource.

If a claim for periodic payment is denied, and the client can withdraw the funds from his/her retirement fund, the value of the retirement fund is counted as a resource effective the month after the month of the denial notice for periodic payments.

**6. Contents
of a Safe
Deposit
Box**

Although not a financial account, safe deposit boxes are located at financial institutions and contents of a safe deposit box must be verified if the contents belong to an applicant or recipient. The applicant or recipient is responsible for listing the contents and a bank official's witness in writing serves as sufficient documentation of the contents. The treatment of the contents is contingent upon the type of item stored in the safe deposit box.

If a client has possessions stored in a safe deposit box belonging to another person, the worker must determine whether the client has access to the safe deposit box. A statement from the owner of the safe deposit box is required to determine access of the client. The worker must request that the owner state whether or not the client would be allowed access to the client's belongings in the safe deposit box. If so, handle as outlined above.