



Patient Trust Monies Policy

1. Background

Hospitals and nursing homes of the WA Country Health Service receive monies from patients. Some of these monies relate to safekeeping of cash and valuables belonging to admitted patients while some relate to aged care residents. For the latter, the monies are to be used for their upkeep and wellbeing and to meet the accommodation cost incurred at the nursing homes.

Currently, trust accounts are used to account for these patient monies which are outside the Public Banking System. The people of Western Australian have a legitimate expectation that the public health system will manage these 'trust' monies with integrity and credibility and that there will be no fraud or misappropriation of these funds.

2. Policy Statement

This policy is prescribed to ensure that the patient trust monies received by the WA Country Health Service are recorded and disbursed correctly in accordance with the patient's wishes and procedures and policies set out henceforth.

In particular, the policy focuses on ensuring:

- the proper use, administration and management of trust accounts
- that all statutory requirements with regard to the operating of the trust accounts are met
- that there is clear accountability with the process owners for proper governance of these funds
- compliance with all internal policies and processes as well as those imposed from external sources.

This policy is an interim arrangement until such time the Department of Health advocates a policy via the Financial Management Manual to streamline and improve the existing practices with regard to the management of patient trust monies.

Receipts

2.1 All monies received at the hospitals from patients are to be recorded on a register. The register must contain the following details:

- date of receipt
- name of person receipt in favour of
- amount
- payer name
- mode of receipt – cash or cheque (including cheque number, date and bank)
- date of banking

The above details must also be recorded for direct credits into the bank account.

- 2.2 The funds can be received in the form of cash or cheque. Banking of these funds must take place within the following criteria whichever comes first:
- the funds received are in excess of \$500, or
 - the funds have been with the hospital for 10 days.
- 2.3 Copies of all deposit slips must be filed and maintained in date order to facilitate the updating of individual patient trust records and for reconciliation purposes.
- 2.4 Regarding direct credits such as pension paid by the Centrelink to nursing home residents, advices, receipts or any other form of formal communication received in this regard must be filed and kept on record for verification.
- 2.5 All details of patient receipts must be updated on the patient's individual trust record within two days from receipt of monies. This is important to ensure an up-to-date patient statement is available to facilitate required disbursements.

Disbursements

- 2.6 Disbursements from patient accounts may be required to cover one or more of the followings:
- return of monies to the patient or estate if the patient passes away
 - accommodation fees
 - pharmacy expenses
 - dental care
 - spectacles
 - tobacco
 - haircuts and other incidental expenses.
- 2.7 The officer raising the payment must first check with the individual trust record to ensure the patient has sufficient funds. Once this is established, preparation for payment can begin. (Note: If there are inadequate funds then the request must be rejected unless it is in relation to pharmacy needs.)
- 2.8 If funds available are adequate then a payment voucher and cheque must be prepared and submitted together with supporting documents.
- 2.9 The payment voucher must reflect the following information:
- date of payment
 - amount
 - payee name
 - description of reason of disbursement
 - cheque number.

- 2.10 All vouchers must be accompanied by a supporting document. For example, accommodation or pharmacy fees must be supported by a statement or invoice detailing the patient name and amount. Requests for tobacco must be supported by an e-mail or request from the nurse or carer of the patient. Payments to a hairdresser must be backed by an invoice or statement from the hairdresser indicating the name of the patient and amount charged.
- 2.11 The voucher must be approved by the Operations or Business Manager after ensuring the legitimacy of the payment. The preparer or incurring officer of the voucher must sign on the voucher prior to the manager's sign off.
- 2.12 It is imperative that the preparer of the voucher can at no time be also the person approving the voucher.
- 2.13 All disbursements are to be made by cheque signed by two authorised signatories
- 2.14 When a patient makes a request for cash for other purposes, he or she must make the request via the administrative officer who in turn, is to forward it to the officer responsible for preparing the disbursements.
- 2.15 Details of disbursements must be updated on the patient's individual trust record within two days from date of disbursements.

Updating Patient Trust records

- 2.16 Patient records must at all times reflect:
- patient's name
 - date of admission
 - details of receipts
 - details of disbursements
 - date of receipt and disbursement transactions
 - a column that reflects the closing running balance.

Maintenance of cash Book

- 2.17 A cash book must be maintained by the site detailing all the payments and receipts made to and from the trust accounts.
- 2.18 The cash book must reflect the date of transactions, details of receipts and disbursements, associated patient's name, payee name and amount.
- 2.19 The cash book must reflect an opening balance for the month and a closing balance.

Reconciliation of Bank Accounts

- 2.20 Bank reconciliations must be performed on a monthly basis. It is imperative that the officer performing this task must be independent of the disbursement and approval process relating to trust monies.
- 2.21 The transaction details in the cash book for the preceding month must be checked against the bank statement to ensure all transactions are recorded in the bank account.
- 2.22 Cheques issued and not presented to the bank need to be made a note of and entered into the bank reconciliation.
- 2.23 The bank reconciliation must reconcile the balance as per the cash book and that per bank statement.
- 2.24 There is to be no unreconciled differences.
- 2.25 The reconciliation must be prepared by an administrative officer and checked and reviewed by the site manager by no later than day 15 of the subsequent month.
- 2.26 A copy of the signed bank reconciliation must be forwarded to Regional Finance Manager who in turn must review and check the accuracy of same.

Deceased Residents Funds

- 2.27 When a patient is deceased there should be an adequate legally justifiable process and appropriate supporting documentation to ensure full accountability is discharged in the manner in which each case is dealt with.
- 2.28 Any claimant seeking access to the funds of a deceased resident should provide evidence of their entitlement.
- 2.29 Where the deceased possessed a valid will a Grant of Probate must be produced by their kin. In the absence of a will, Letters of Administration must be provided to support the claim.
- 2.30 In all cases where funds are released to representatives of a deceased resident's estate, an indemnity form should be obtained from the claimant indemnifying WACHS in the event of a claim contesting the claimant's entitlement to receive the funds.
- 2.31 All payments in respect of deceased estates to be made by cheque payable to "Executor/Administrator, Estate of ...".
- 2.32 Any petty cash held on behalf of deceased residents should be paid into the Trust account and held in credit to the resident's estate.

3. Definitions

Trust	Monies belonging to a third party that is held at the hospital on behalf of the third party.
--------------	--

4. Roles and Responsibilities

The site must appoint different officers to handle the above functions and to ensure a clear segregation of duties ensuring the following:

- The officer preparing the disbursements cannot be a cheque signatory.
- The officer reviewing and approving the bank reconciliation must be independent of the handling the receipt and disbursement function.

Regional Finance Managers are to ensure compliance and monitoring of the policy and procedures stipulated herein.

Local sites are to ensure that the daily operations of the trust accounts are carried out in line with the procedures stipulated above. Any issues and discrepancies are to be brought to the attention of the site manager in charge immediately, who in turn must inform the Regional Finance Manager and take appropriate action to remediate it.

5. Compliance

Failure to comply with this policy document may constitute a breach of the WA Health Code of Conduct (Code). The Code is part of the [Employment Policy Framework](#) issued pursuant to section 26 of the [Health Services Act 2016](#) (WA) and is binding on all WACHS staff which for this purpose includes trainees, students, volunteers, researchers, contractors for service (including all visiting health professionals and agency staff) and persons delivering training or education within WACHS.

WACHS staff are reminded that compliance with all policies is mandatory.

6. Evaluation

This interim policy will be evaluated against the new policy of the Financial Management Manual upon its completion.

7. Standards

[National Safety and Quality Health Service Standards](#)- 1.1

8. References

Treasurer's Instruction 806 – [Accounting for Specific Purpose and Other Money \(Money Held in Trust\)](#)

9. Related WA Health System Policies

[Financial Management Manual \(FMM\) S400 – Classifying and Accounting for Funds](#)

10. Policy Framework

[Financial Management](#)

**This document can be made available in alternative formats
on request for a person with a disability**

Contact:	Manager, Financial Accounting, Analysis and Reporting (D.Lee)		
Directorate:	Business Services	EDRMS Record #	ED-CO-17-64948
Version:	2.00	Date Published:	12 August 2019

Copyright to this material is vested in the State of Western Australia unless otherwise indicated. Apart from any fair dealing for the purposes of private study, research, criticism or review, as permitted under the provisions of the *Copyright Act 1968*, no part may be reproduced or re-used for any purposes whatsoever without written permission of the State of Western Australia.