

Administration of Personal Expenses Allowances (PEAs)

CBC Care Homes for Older People

A great place to live and work.

Administration of People's Monies

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Contents

1.	Introduction	4
3.	Day to Day Administration of PEAs.....	4
4.	Format of the individual resident receipts and payments record.....	5
5.	Disbursement of monies for /on behalf of the resident	6
6.	Monthly Reconciliation and Year End Certification.....	6
7.	Closure of PEA Accounts.....	7
8.	Limits on individual spend and account balances	7
9.	Other considerations	7
10.	Appendices	8

1. Introduction

- 1.1 This guidance policy sets out the responsibilities of staff working within in-house services who have a role in relation to administering personal expenses allowances (PEAs) for residents.

2. Background

- 2.1 The Personal Expenses Allowance (PEA) is the nationally prescribed amount set aside for a resident in a registered care home to allow them some weekly “pocket money” to spend on personal items.
- 2.2 The PEA is private money and any VAT on items purchased is the responsibility of the resident. Most residents will have an appointee* or financial agent who administers their financial affairs. The PEA represents the minimum amount a resident will retain from their benefits for their weekly pocket money to purchase toiletries, pay for hairdressing and other personal items.
- 2.3 For residents with higher levels of income/assets, it is expected that at least the same amount will be available. Additional small amounts can also be administered as part of the Personal Allowance facility i.e. where friends/relatives want to provide some extra funds or where the resident has additional weekly income. The maximum weekly amount however is restricted to an average of £50 per week per resident.

*Some residents admitted to in-house residential care services may already have the local authority as their appointee. This arrangement is covered under a separate financial procedure.

3. Day to Day Administration of PEAs

- 3.1 Where possible prior to admission, the Officer in Charge should discuss with the resident and or their representative the availability of a PEA account for new residents. The Agreement to administer the PEA should set out that the account will be restricted to normal living expenses for a resident in a registered facility i.e. small value purchase of toiletries, clothes, reading materials, paying for services such as hairdressing, chiropody etc. No charge is made for this service. No interest is payable on a working balance.

Banking, Security and Cash Holding Arrangements

3.2. Banking Arrangements

CBC offers an imprest bank account facility to each home required to offer the administration of PEAs. The bank facility includes monthly statements by post, a bank paying in book and a cheque book. The bank account can also be used for direct debits and standing orders and direct credits. The official signatories on the CBC bank account are covered by a bank mandate. There should be three signatories on the account – the Officer in Charge, the admin officer and another. Changes to the signatory arrangements are made via the Central Master Data Team.

3.3. Security and Cash Holding

The following practices should be followed to restrict access to private monies and reduce the risk of misappropriation of funds and to ensure any losses through theft are covered by insurance.

All PEA bank records and financial stationery (receipts and cheque books and cash) should be kept in a safe when not needed for recording transactions, writing out cheques, banking income. The amount of cash held for PEAs should have regard to the total amount of cash held within the home – i.e. including petty cash, amenity fund cash – to ensure that CBC's insurance limits are not exceeded. The amount insured will depend on the security arrangements within the home and the make and model of safe. Changes to security and safe arrangements and questions on insurance issues should be directed to the Insurance Team in the Financial Transaction Team.

3.4. Cash in Transit

Staff going to and from the bank to deposit and withdraw cash should have regard to their personal safety. Current guidance is that up to £2,500 is covered by insurance when in transit by one staff member. The Insurance Team can provide further guidance and advice.

3.5. Financial Records

There will be one CBC PEA imprest bank account per home. Individual PEA accounts for each resident will take the form of subsidiary records in Excel of receipts and payments by resident. Each resident's account will be reconciled monthly to cash and bank balances with an overarching bank reconciliation which takes account of unpresented cheques and cash in transit. These reconciliations need to be prepared by the admin officer in the home and independently checked and certified by the Officer in Charge/their deputy. See Appendix A.

4. Format of the individual resident receipts and payments record

- 4.1 An Excel spreadsheet has been developed by the Service to use as a receipts and payments record. All transactions should be updated as soon as practicable after the event. Residents and their relatives may request a copy of their record at any time, and this must be provided within five working days. Specific requirements apply in the event of resident's departure or death.
- 4.2 A sample Summary Resident Listing is attached at Appendix B. All records included as receipts and payments should be annotated with the relevant identifier (i.e. receipt number, cheque number) so that there is a clear audit trail to the transaction and the authorisers.
- 4.3 The subsidiary records must be stored on the network drive or in Box/SharePoint in an area where there is agreed shared access for the Officer in Charge, their deputy, and the admin officer. The file must not be password protected. Copies of the Excel spreadsheet need to be saved and archived at each monthly reconciliation point to support that reconciliation and a new copy of the spreadsheet created.
- 4.4 The spreadsheet template is owned by the Service – any changes to formats (i.e. additional columns) are to be agreed via the Officers in Charge and the Senior Finance Business Partner ASC.

4.5 Receipt of monies from the resident – this can occur in a few ways:

- Receipt of cash/cheque from resident or relative – a generic (non-CBC) sequentially numbered receipt to be issued to the resident/relative and signed by the resident/relative.
- Direct transfer to the PEA bank account– mandate issue by payee to be signed by the Officer in Charge and copy retained on the resident's file.

5. Disbursement of monies for /on behalf of the resident

5.1. Cheque payments

These need to be made out by the admin officer and signed by the Officer in Charge or Deputy. Maximum cheque amounts apply as set out in the bank mandate.

5.2. Direct Debits and Standing Orders

These can be set up in respect of subscription items such as newspapers, magazines. The officer in Charge is the signatory for any mandates/agreements.

5.3. Cash Payments

Where items are purchased using a resident's cash i.e. by a care worker acting on behalf of a resident, the care worker should sign for receipt of the cash for the named resident and then should return with all purchases evidenced by receipts. The receipts and any change should be handed to the admin officer to enable them to update the resident's record and to retain evidence within the resident's file. The admin officer should give a receipt to the care worker for any change returned.

Cash may be given to residents with capacity so that they can pay for their own purchases/ services within the home i.e. toiletries and hairdressing. The transfer of cash to the resident needs to be signed for by the resident and a receipt issued for any cash returned.

6. Monthly Reconciliation and Year End Certification

- 6.1 Monthly bank statements should be received by the home. A reconciliation of bank and cash balances should be produced shortly thereafter to be reviewed and certified by the Officer in Charge. A copy of the signed reconciliation and the supporting records (bank statement, cheque listing, paying in record and subsidiary summary listing) to be saved to a shared area of the network/Box/SharePoint
- 6.2 At the year end, a copy of the March reconciliation is be forwarded to the Senior Finance Business Partner ASC
- 6.3 A Template for the monthly reconciliation is attached at Appendix A

7. Closure of PEA Accounts

7.1. Returning home/moving home.

A signed declaration form has been developed for the transfer of the agreed balance to the authorised person. This should be independently certified.

7.2. Death of a resident

A signed declaration form has been developed for the transfer of the agreed balance to the authorised person. This should be certified by the Officer in Charge and signed for by the relative/financial agent to acknowledge their agreement to the amount being paid over.

In the event that the balance remains unclaimed after two years by a relative/financial agent, it should be transferred into the home's amenity fund (and documented as such) to be used for the benefit of all residents.

8. Limits on individual spend and account balances

8.1 Where a resident's account balance exceeds or is expected to exceed within 3 months more than £250, this should be notified to the resident and/or their financial agent advising them that a high balance is developing, limited use is being made of the PEA. If the balance exceeds £1k the Customer Finance Money Management Team are to be alerted to ensure that appropriate protocols re Care of Client Monies are followed.

8.2 Where a resident's account balance is in deficit, this should be discussed with the resident/relative/financial agent as appropriate in the first instance.

9. Other considerations

9.1. Handover Process for CBC staff

It is important that incoming managers agree the opening position from their start date in the home for any resident monies held (including any other public or private funds i.e. the bank account imprest and the Amenity Fund). They should be given the relevant reconciliations and supporting evidence. As well as access to the CBC network, ID cards etc., changes to bank signatories need to be actioned.

9.2. Safes and Insurance Retention of Records

In line with the majority of accounting records, all records relating to income and expenditure within a resident's PEA account should be retained for 6 years + the current year.

9.3. Roles and Responsibilities

Staff Member	Responsibility	Frequency
Officer in Charge	Signing of PA account cheques, agreement to Direct Debits. Review and certify PA account reconciliation Submit annual Financial Declaration Advise residents, financial agents of any concerns re low or high balances. Review and authorise individual statements Review and maintenance of resident handbook/agreement.	As and when Monthly Year end As and when
Admin Officer	Issue receipts, write out cheques, cash handling, record transactions, maintain financial records in writing and electronically, obtain financial stationery, obtain signatures, Prepare bank and cash reconciliation for review Deposit cash to maintain adequately insured balances, withdraw cash to make available funds. Prepare the relevant statements of individual balance forms on discharge or death	As and when Monthly As and when

10. Appendices

- Appendix 1: A Reconciliation Statement
- Appendix 2: Sample resident account in Excel

Appendix 1: A Reconciliation Statement

Name of Home:

Pocket Money Reconciliation

Month:

	TOTAL
Balance per Bank Statement	0.00
LESS: Unpresented Cheques	0.00
ADD: Amounts Banked not on statement	0.00
ADD: Amounts on autopost not on BACS	0.00
ADD: Amounts on BACS not on statement	0.00
ADD: Cash Float	
ADJUSTED BANK BALANCE	0.00
LESS: Balance in spreadsheet accounts	0.00
BALANCE – (note 1)	0.00

Cash float should be reconciled monthly and signed by Home Manager

Home Manager should be given copy of balance reports – if any overdrawn balances agree action plan to collect

Note:

1. Please note that the “BALANCE” should be “Nil”. If this balance is not nil then the difference must be investigated and resolved

Signed: (Administrator)

Date:

Certified by: (Officer in charge)

Date:

Appendix 2: Sample resident account in Excel

Personal Allowance - new copy 2015 from 9.7.15 - Microsoft Excel

	A	B	C	D	E	F	G	H	I	J
	Room Number	Resident Name	Month Start	In	Outs	Month End				
1										
2	1	June Grinstead	£63.00	£0.00	£0.00	£63.00				
3	2		£0.00			£0.00				
4	3	Phyllis Johnson	£0.00			£0.00				
5	4		£0.00			£0.00				
6	5		£0.00			£0.00				
7	6	Audrey Webb	-£6.00	£0.00	£0.00	-£6.00				
8	7	Grace Krause	£11.00	£0.00	£0.00	£11.00				
9	8	John Simpson	£4.00	£0.00	£0.00	£4.00				
10	9	Jean Sanderson	£909.67	£0.00	£0.00	£909.67				
11	10	M Rita Gates	£4.70	£0.00	£0.00	£4.70				
12	11	Kathleen Houghton	£89.56	£0.00	£0.00	£89.56				
13	12	Marie Woollard	£5.00	£0.00	£0.00	£5.00				
14	13		£0.00	£0.00	£0.00	£0.00				
15	14	Joyce Place	£8.20	£0.00	£0.00	£8.20				
16	15	Maria Freame	£39.41	£0.00	£0.00	£39.41				
17	16	May Howard	£0.00	£0.00	£0.00	£0.00				
18	17	Irene Maxwell	£0.00	£0.00	£0.00	£0.00				
19	18	Daphne Biggs	-£23.00	£0.00	£0.00	-£23.00				
20	19		£0.00			£0.00				
21	20		£0.00	£0.00	£0.00	£0.00				
22	21	Eva Collard	£5.00	£0.00	£0.00	£5.00				
23	22		£0.00			£0.00				
24	23	Barbara Hare	£0.00	£0.00	£0.00	£0.00				

Individual detail/running balance

Personal Allowance - new copy 2015 from 9.7.15 - Microsoft Excel

	A	B	C	D	E	F	G	H	I	J	K
	NAME	DATE IN	Amount	DATE OUT	AMOUNT	Reason for expenditure/income including invoice number or slip number	total				
1	June Grinstead						£16.00				
2				7.5.15		b98 hair	-£11.00				
3		9.5.15				cb210514	100				
4				29.4.15		hair b100	-£11.00				
5				12.5.15		hair b100	-£20.00				
6				3.6.15		hair c001	-£11.00				
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22			£0.00		£0.00		0	£63.00			