3.21 Trust Funds and Other Settlements
Effective 1/1/88

PURPOSE

On occasion the Department of Human Services, as legal custodian for a child, receives monies from estate settlements or insurance settlements from the child's family, or from an accident where the child is found to have funds over and above the incurred medical expenses. The Department receives all such funds and establishes a trust fund for the child. Access by the Department to the trust funds or settlements already in existence at the time child enters custody is usually sought.

These funds are not applied to expenditures for the child while in custody.

These funds are considered in eligibility determination for certain programs, such as Medicaid, unless based on the terms of the trust, its value is excluded in accordance with the program's policy.

PROCEDURES

1. At the time the child enters custody and at subsequent six month reviews, the child's caseworker will indicate to the Financial Resources Specialist whether a trust fund or other settlement exists, and whether the child is named a beneficiary in a will or insurance policy of a deceased person.
2. The child's caseworker will assist the Financial Resource Specialist to complete any paperwork required related to establishing a trust or transferring a trust to the Department as trustee.
3. The child's caseworker will notify the Financial Resource Specialist when a child with a trust fund or settlement is dismissed from custody or turns 18.
4. When the child is dismissed and the trustee is not changed from the Department, a check is drawn in the amount of the trust plus accrued interest. The child's caseworker will personally give the check to the child or legal custodian and obtain a signed and dated statement that the check was received and when, or, if the child or legal custodian is out-of-state, the check and a receipt form will be sent to the child or custodian by certified mail, return receipt requested asking the child or legal custodian to sign the receipt and return it.