

**Government of the District of Columbia
Department on Disability Services**



Title/Subject: **Personal Funds Procedures**

Effective Date: **April 23, 2012**

Policy (cross-referenced to): Incident Management and Enforcement Unit Policy, Individual Support Plan Policy, Personal Funds Policy

All underlined words/definitions can be found in the **Definitions Appendix**.

PROCEDURES FOR IMPLEMENTATION OF DDS PERSONAL FUNDS POLICY

1. RECORDKEEPING REQUIREMENTS FOR INDIVIDUAL FUNDS

A. Individual Records must be maintained for each individual and available for review immediately upon request by the individual, conservator, DDS staff member or duly authorized person.

1.) If the residential provider chooses to maintain hard copy records, it may do so in a separate binder for each individual with a copy of the most current IFP. A binder may contain records for more than one year, but each year must be separate within a binder. Once a binder is full, it can be stored in a location where it is retrievable upon request.

2.) If the provider chooses to maintain electronic files, the files must be immediately available in the residential provider's established electronic system.

3.) Records should be divided into sections as follows:

- Bank Statements
- Monthly Summary Sheet
- Supporting Documents for Deposits
- Supporting Documents for Disbursements, including Petty Cash
- Correspondence and Additional Documents

B. The residential provider must be able to account for all of each individuals' monies, including personal needs allowance ("PNA") money, stipends and wages, unless otherwise specified in the individual's Individual Financial Plan ("IFP").

C. All bank statements for individuals must be maintained in the individual's binder or electronic file.

D. Each individual must have a summary sheet that identifies the deposits, disbursements, and running balance which must correspond to the bank balance. This document is maintained in the individual's binder or electronic file.

E. When an individual transfers from one residential provider to another residential provider, the individual's financial records must accompany the individual.

F. Residential providers must review and document that it reviewed, an individual's financial activities (e.g., deposits, withdrawals, account balance) on a quarterly basis with:

- a) an individual who has capacity, or;
- b) an individual and his or her court-appointed guardian or conservator when the individual lacks capacity.

G. Residential providers must ensure that individuals retain their Social Security and Medicaid benefits. This is an important part of the regular review of the individual's financial activities. (If an individual is determined to be over the allowable resource limits it will make the person ineligible for Medicaid benefits and impact all waiver services' provider billing and payments.) If an individual is over the allowable limit, the residential provider must contact the the individual's assigned DDA service coordinator so that a spend-down plan is developed.

H. Residential providers must enter current information about an individual's financial accounts into the MCIS data system. (In MCIS, see the Consumer Tab/Finance Subject/New information, and identify the appropriate account in the drop-down menu.) Residential providers must update financial information in MCIS at least quarterly or as often as individual accounts change and/or are updated. The DDS/ DDA Waiver Unit will provide technical assistance upon request.

2. DEPOSITS INTO INDIVIDUAL BANK ACCOUNTS

A. Deposits to an individual's account may be made in several ways, including electronic payments and manual deposits.

B. In order to be considered timely, deposits must be made within 10 business days of receiving the funds.

C. All deposit information must be identified in detail (copies of checks are preferred) in the individual's financial records including referencing the source of funds. The criteria used in this review for the deposit of individual funds are:

- 1) The PNA funds must be deposited into the individual's bank account;
- 2) If the deposit is comingled with other funds being deposited at the same time, the provider must maintain adequate records to identify the source of funds for each amount deposited;
- 3) The deposit should be made within a reasonable time after receiving the funds from DDS. For purposes of this review, residential providers are expected to

deposit the funds in the account within 10 business days of receiving the funds;

- 4.) When an individual manages his or her own finances, the funds may be paid directly to the individual. This designation must be in the individual's IFP. The residential provider must issue a check or cash to the individual within 10 business days of the request and the individual must sign for the check or funds.

3. ESTABLISHMENT OF COMMUNITY/FDIC INSURED FINANCIAL INSTITUTION ACCOUNTS

A. Residential providers must, consistent with the individual's IFP, establish an individual consolidated, interest bearing to the extent possible, bank account for each individual receiving residential services. Residential providers should attempt to negotiate the option for accounts that have the least service fees allowable by their banking institution. PNA funds from benefits or entitlements, and money from other sources, such as estates, gifts, settlements, and wages (if the individual desires) may be deposited in the individual's account. All accounts must be FDIC Insured.

B. When an individual lacks the necessary capacity to participate in establishing an individual consolidated, interest bearing bank account, and does not have family involved to assist in this process, less restrictive alternatives to court-appointed guardians should be considered, e.g., Social Security representative payees. DDS, as a matter of last resort, shall initiate a request through the Office of the Attorney General for the court appointment of a guardian.

4. TRANSFERS FROM ONE PROVIDER TO A NEW PROVIDER

When an individual transfers from one residential provider to another residential provider, the transfer of fund balances belonging to the individual must be handled as follows:

A. If the person chooses to change banking institution, or their money is maintained in a consolidated account, the following procedures apply:

- a. The former residential provider must transfer all funds to the new residential provider within 10 business days of the individual's transfer to the new provider;
- b. The funds transferred must include the balance in the individual's bank account and any petty cash funds on hand at the time the individual leaves the former residential provider;
- c. The former residential provider must issue a cashier's check for all payable amounts to the individual. When the new residential provider opens a new individual account, the cashier's check is used as the beginning balance;
- d. The former residential provider must keep a copy of the final disbursement;
- e. the new residential provider must keep a copy of the check showing the transfer.

B. DDA Service Planning and Coordination Division (SPCD) will verify that an individual's consolidated interest bearing bank account was established within 15 business days of the move-in date. SPCD shall also verify that any money transferred

from a former residential provider is deposited within five business days of receipt of the transferred money.

5. PETTY CASH

- A. When the residential provider maintains petty cash (less than \$50) within the residential setting, the petty cash must be kept in a secured location.
- B. All individual petty cash shall be maintained separately from the funds of the residential provider.
- C. As per IMEU reporting policy and timelines, the residential provider is responsible for reporting incidents of theft or missing funds or property to DDA. The residential provider shall be responsible for following recommendations of the IMEU investigation.
- D. DDA will verify that documentation of petty cash activities is maintained consistent with the recordkeeping requirements of this procedure.

6. FINANCIAL DISBURSEMENTS

- A. All disbursement information should be summarized to correspond to the amount withdrawn and must have detailed backup documentation to support all disbursements.
- B. Residential provider staff must keep records of all disbursements greater than \$50.00, with authorization by the residential provider's designated staff prior to disbursement. The person making the request for disbursement must sign the check request.
- C. Day and vocational providers who issue stipends must provide a receipt to the individual receiving the stipend, and to that individual's residential provider that reflects the stipend amount and when it was paid. Day and vocational providers must maintain records of all stipend disbursements.
- D. All funds remaining from a cash dispersal must be accounted for either through a petty cash fund or by being re-deposited into the individual's bank account.
- E. The requirements to support disbursements from the individual's accounts are:
 - 1) All disbursements greater than \$50.00 must have receipts and must be supported by an approved check request. To comply with this requirement, disbursements greater than \$50.00 cannot be made with an ATM card unless there is an approved check request form in place prior to the purchase;
 - 2) Individuals may receive funds designated as a 'personal allowance.' It is permissible for the residential provider to request the funds in one properly approved check request for the month, and then disburse the money to the individuals as needed, documenting the spending through the petty cash ledger. Receipts for individual expenditures from allowance funds are still required if the designation on the check request is 'weekly budget';
 - 3) Receipts should identify the purchase and should be from a commercial establishment. A handwritten 'form' receipt is not valid if another form of receipt

is available. A handwritten 'form' receipt is acceptable for purchases from street vendors, hairdressers, and other businesses that do not have formal receipts, but the information on the receipt must be sufficient to identify the vendor;

- 4) Funds of an *Evans* class member may not be used to cover costs associated with medical care, including copayments. Funds for all other individuals can be used to cover costs associated with medical care, including copayments;
- 5) If an individual uses funds to pay for monthly cable TV bills, cell phone bills, or other regular expenses, the monthly bill must be attached. A single individual cannot pay the entire cable bill for a residential home, but can pay the entire bill if the cable is only installed in the individual's bedroom. Any situation where the cable bill is split among residents must be split evenly unless there is a written description of why the bill is not an even split;
- 6) A cash advance for clothing purchases must have the receipts attached. The clothing should be appropriate for the individual and not purchased for someone else, unless as a documented gift. All remaining funds from the cash advance must be accounted for either through a petty cash fund or by being deposited into the individual's bank account;
- 7) If an individual uses funds to purchase a private burial contract, the contract must identify that the funds are adequately safeguarded in a secure bank account;
- 8) Individuals may purchase life insurance and name their own beneficiary. Life insurance that is payable to a residential provider or host home family member is expressly prohibited;
- 9) Vacation planning should be done with the ISP team and the specific detail of the trip including the estimated cost and length of the trip should be specified in writing. The following rules apply to funds designated for vacation purposes:
 - a) The planning document must support the amount of the required deposit, but it is not sufficient as the only receipt. Additional documentation is necessary to show that the individual actually went on the trip, such as a hotel or rental house bill, and spending money receipts. If the records indicate that an individual made a deposit and did not go on the trip, the deposit must be refunded.
 - b) When a security deposit is required for a vacation rental home, the provider must pay the security deposit. The staff is responsible for the condition of the house and the provider gets the security deposit back. The planning document should show the amount of the security deposit separately and must indicate that the individual did not pay any portion of it.
 - c) The planning document should show the total amount of the rental charges or hotel bill and how the funds were allocated.
 - d) The individual may not pay the portion allocated to staff, unless the ISP team recommends that the cost of staff support come from the individual funds. When such a team recommendation is made, the DDA/SPCD Director or designee must approve use of the individual's funds for this purpose.
 - e) When the trip is completed and actual hotel bills, or a finalized billing on a vacation rental home are available, these receipts must be attached to the vacation-planning document to support the final

allocation of funds. When a hotel bill indicates that the room was occupied by more than one person, the amount of the bill should be equally shared by all occupants.

- f) Funds for an individual's spending money while on vacation must be issued in a separate check. Staff is responsible for obtaining receipts for funds spent, and all reporting detailed to the residential provider. All remaining funds from the vacation must be accounted for either by re-depositing the funds, or through a petty cash fund.

- 10) DDA/SPCD, in connection with the DDA Medicaid Waiver Unit shall monitor a random sample of individuals on a quarterly basis to ensure: (a) that the expenditure of funds is in accordance with the IFP; and (b) that the community account is interest bearing.

7. ACQUISITION AND MAINTENANCE OF BENEFITS/ENTITLEMENTS

A. DDA/Medicaid Waiver Unit shall make application for benefits/entitlements (e.g., SSI, Medicaid, Medicare, VA, SSA, Railroad Retirement) for individuals in residential settings that are not receiving benefits or who may be eligible for benefits/entitlements, but applications have not been filed.

B. DDA/Medicaid Waiver Unit shall establish and maintain contacts within the various benefit entitlement agencies to promote collaborative relationships so that information relative to procedures and changes in entitlements/benefits regulations is shared expeditiously and that DDA staff have contacts to help in the timely resolution of problem cases.

C. DDA/Medicaid Waiver Unit shall follow-up with the appropriate agencies (federal, District, or private) on the status of all applications filed until the benefits/entitlements are received or denied.

D. DDA/Medicaid Waiver Unit shall maintain a case folder for each individual for whom application for benefits/entitlements is made. The case folder shall include, but should not be limited to, documentation concerning efforts to complete the application and filing of the recertification documentation to the appropriate agency to ensure no interruption in benefits.

E. DDA/Medicaid Waiver Unit shall, in cases where there is an interruption in the benefit/entitlement, make diligent effort to have the benefits/entitlements reinstated as quickly as possible.

F. DDA/Medicaid Waiver Unit shall make application for the District to become representative payee for individuals residing in government funded residential settings with the exception of persons who have court-appointed conservators, guardians who are legally responsible for the person's funds, or who reside in a Host Home. In consultation with SPCD, the Medicaid Waiver Unit shall file appeals of denials of representative payee to the District when deemed in the best interest of the individual. Results of the

application/appeal to become representative payee shall be documented in the Medicaid Waiver Unit case folder.

G. DDA/Medicaid Waiver Unit shall maintain an automated database that contains all demographic and placement information on each individual relative to the specific type of benefits/entitlements, start of benefits/entitlements, interruptions in receipt of benefits/entitlements, restart dates, representative payee information (i.e. date District applied for representative payee, date District approved/denied as representative payee, changes of representative payee), and other pertinent information.

H. Upon transfer from one residential provider to another residential provider, the DDA Service Coordinator will ensure that the change of representative payee form is signed by the individual, or the individual's court-appointed guardian and current residential payee prior to the move-in date if needed.

I. DDA/Medicaid Waiver Unit shall provide financial information to the residential providers concerning the balance of the DDA interest bearing accounts for the persons they support/serve for the purpose of recertification for benefits/entitlements.

J. DDA's Intake and Eligibility Determination Unit shall provide technical assistance and information concerning benefits/entitlements to individuals and families applying to receive services through DDA. Technical assistance may include help with completing applications, setting up appointments, assembling documentation, and making referrals to appropriate agencies.



Laura L. Nuss, Director



Approval Date