



Policy and Procedure
Concerning Finances of Individuals Served
(8.609.5B)

Purpose

The purpose of this policy is to establish guidelines and procedures that protect an individual's right to manage his/her own money and that protect an individual served from loss. It identifies the Employee's, Independent Contractors, and ABLE Residential's responsibilities in monitoring, providing training, and assisting the individual served in the management of money. It sets forth procedures that will protect Employees, Independent Contractors, and ABLE Residential from liability and avoid the appearance of impropriety in handling money. In addition, the policy summarizes how the program's service fee is established, billed, and paid. For the remainder of this policy, "Employee" will refer to ABLE staff as well as Independent Contractors.

Policy

Each individual served will have the right to manage and maintain his/her own money. Any restrictions will be for the purpose of preventing the misuse of an individual's money by the individual or abuse by other persons. A restriction must be documented and approved by the case manager and the legal guardian as part of the *Admission Agreement* or the Individualized Plan.

Each individual served will be guided and trained for the normal possession and use of his/her money to the extent of his/her capabilities. An attempt will be made to provide protection against misuse of the individual's funds when skills are not yet developed by the individual served. Employees who manage money on behalf of an individual served shall do so in a responsible and reasonable manner. Upon admission, the individual and his/her family or guardian will be informed of the Employee's procedures for handling personal funds.

ABLE Residential and each of its Employees and Independent Contractors have a fiduciary responsibility to each individual served in the management of the individual's money as defined by state and federal laws. A fiduciary is any person or corporation that holds something in a trusting relationship with another person. In this case, it is the money of the individual served.

Each individual's monies will be maintained separate from those belonging to the company, home, Employee, or other individuals served. Labeling of items belonging to the individual is encouraged.

Procedure

I. Fiduciary Responsibility of ABLE Residential and Providers

Each ABLE Residential staff person has the following fiduciary duties, as outlined by state and federal laws:

- A.** The duty to maintain the highest standards of honesty and fairness when dealing with the property of the individual served.

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- B. The duty to act in the best interest of the individual served.
 - C. The duty to maintain complete and absolute separation between the property of the Provider and the property of the individual served.
 - D. The duty to maintain complete and accurate records of the property of the individual served (including income and expenses).

II. Management of Individual's Funds

Guidance and assistance in managing personal funds shall be provided to each individual served, based on the individual's level of need as determined by the Interdisciplinary Team.

- A. Within 30 days following admission and annually thereafter the Interdisciplinary Team members shall determine the individual's ability to manage his/her personal funds and any need for assistance. The team will determine to what extent, if any, the Employee should provide safekeeping and/or assistance with finances and valuables to the individual served. This will be documented in the Individual Plan. Authorization from the Case Manager, individual served, and/or legal guardian will be obtained. The Individual Plan shall document specific training programs and ongoing assessment of the individual's abilities and needs. A PNF-1, PNF-2 or PNF-3 Form will be completed as appropriate.
- B. Assistance, counseling, and training provided by the Employee may include one or all of the following, as deemed appropriate by Sections II.A. and B.: budgeting, purchasing, usage of large sums of accumulated savings, managing checking and saving accounts, bill payments, and transportation to and from banks.
- C. In situations where an individual served independently manages portions (i.e. weekly spending money) or all of his/her personal funds, the Employee will be available for assistance and allow for proper storage of funds and transaction documents. However, the Employee will not be responsible for the accounting of the receipts and spending made by the individual served with the portion of the funds that he/she manages independently. A PNF-3 Form needs to be signed.
- D. In situations where it is determined that the individual served lacks sufficient skills to manage his/her personal funds, and it may be agreed that the Employee shall assume such responsibility. The Employee shall actively assist the individual served and/or make on his/her behalf expenditures and deposits. In such cases, the Employee shall be responsible for documenting the purpose of such transactions and retaining receipts and records of such. Records of transactions shall be maintained by the Employee following the procedures outlined in this policy. A PNF-2 Form is required if ABLE Residential is the individual's Authorized Representative.
- E. Documentation of the individual's account(s) activity and balances will be listed on the Client Account Record. The individual served, his/her legal guardian, or the Resource Coordinator/Case Manager shall be given a more detailed explanation of financial transactions (as outlined in this procedure) within one working day of making the request to the Provider.
- F. A legal guardian's verbal approval will be obtained by the Program Manager prior to making an expenditure for a single item in excess of \$75.00 that is a non-routine purchase. The Resource Coordinator/Case Manager will be informed.

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- G. Gift purchases totaling greater than \$30 in a month will require documented approval from the legal guardian and interdisciplinary team.

III. Tracking and Documentation of Individual's Funds

Employees will document financial activity for the individual served as described below. By reviewing the forms, the Program Manager will be able to track all activity of an individual's total income, savings, and cash-on-hand.

A. Income

1. Earned income paystubs will be faxed and mailed to the local Social Security Office. A copy of the paystub shall be forwarded to ABLE accounting with fax confirmation and certified mail confirmation. A copy will also be retained in the client's financial chart. Additionally, the Provider should retain a copy of the paystubs.
2. Unearned income will be documented in the individual's financial chart.
 - a. The Employee must send the following unearned income checks to the administrative office:
 - 1) Those that contain monies for more than one individual served (i.e. a county check). The administrative office will immediately return the individual's checks to each individual served for his/her portion of the lump sum check.
 - 2) Those that contain any cost of care money. The administrative office will retain all cost of care money and will immediately return personal monies to the individual served via an individual check.
 - b. The Employee is to document when an unearned income check is forwarded to the administrative office. The Employee is to ensure and document the return of the personal needs money.
3. All income should also be documented on the Client Account Record form at the point that it is deposited into the savings account or is being held with cash-on-hand.

B. Expenditures

Receipts will be maintained by the Employee for all expenditures except those made with cash maintained by the consumer.

C. Client Account Record

1. Each individual served will have the option to have a savings account in his/her own name. In addition, the individual served may keep cash-on-hand in the home for ready access. This will be kept in a secured location, separated from other individuals served, and closely monitored by the Employee. In the event a client financially represented by ABLE does not have a bank account, all Personal Needs income and expenditures will be tracked with receipts and recorded on the Client Account Record.
2. The employee will record all client account activity on the client account record as the activity occurs. This includes additions, expenditures, and balances. The Employee will balance the cash-on-hand monthly to assure that the actual cash amount matches the

balance on the form. The Client Account Record shall be audited monthly by ABLE Residential.

D. Audit of Individual's Monies

1. The Program Manager will regularly review documentation on the above forms and compare it to the individual's actual income, savings balance, and cash-on-hand to ensure accuracy. The Program Manager will also ensure that he/she can account for all money received on the individual's behalf.
2. The Program Manager will conduct a formal audit of each individual's finances monthly. The results of the audit will be documented on the Client Account Record. The audit will:
 - a. Ensure that all (except spending money retained by the individual served) expenditures are appropriate, documented, and have receipts.
 - b. Ensure that all money is documented, accounted for, balanced, and properly managed.
 - c. Ensure that the bank reconciliation matches the activity documented on the forms.
3. Should an overage or shortage be revealed, the Program Manager will immediately investigate to determine an explanation. If none can be determined, the individual's account will be immediately reimbursed for shortages. If an overage exists, the money will remain in the individual's account and the balance will be adjusted to reflect the actual balance.
 - a. If the under \$5.00, the Employee will reimburse the individual's account. If the shortage is \$5.00 or more, a Request for Expenditure form must be sent to the Executive Director. The individual's account will be reimbursed from the business office.
 - b. For any shortage, the Program Manager will submit a copy of the individual's Client Account Record with a request for expenditures to the Executive Director. The Program Manager will document on the Client Account Record all steps taken to resolve the problem and related information.
 - c. If the overage or shortage amount is \$20.00 or more, an Incident Report form must also be completed.
 - d. Each month the Program Manager will inform the Executive Director of any individual's accounts that did not balance accurately. The Executive Director and Residential Team will take appropriate measures to monitor the Employee's handling of money. Should the Employee's accounts not balance for three consecutive months, the Executive Director will complete an Incident Report form, conduct an investigation, and document the steps being taken to remedy the situation.

IV. Employees and Independent Contractors Are Not Permitted To:

- A. Borrow money from an individual served.

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- B. Purchase personal items from an individual served.
 - C. Sell merchandise or personal service to an individual served.

V. Discharge of an Individual Served

Upon discharge, the consumer's cash-on-hand and bank accounts will be released to their legal guardian. A summary of the information and money released will be documented on the Release of Finances form. The form will also document where any money received after discharge should be sent. Signatures that acknowledge and authorize the transfer of information and money will be obtained from the individual served, legal guardian, the recipient of the money, the Employee, and the ABLE Residential employee facilitating the transfer.

VI. Service Rates, Billing, And Payment

Specific services provided and PCA/Host Home fees will be negotiated and agreed upon with CCB, Department of Human Services, or the local county for all other homes or programs. Billing and payment will be completed according to the county's and/or DHS's instructions. Should DHS or the county require that the individual served pay a portion of their fees with their resources, the individual's portion will be collected as outlined in Section III.A. of this policy.