



**Policy and Procedure Concerning Finances and  
Personal Possessions of Individuals Served (8.609.5)**

**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 Contractor's 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.

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. The individual's family and/or guardian shall have input in the managing of personal funds through the Interdisciplinary Team process.

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 for 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.

## 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.
- B.** The duty to act always 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 has been 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 or PNF-3 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 Community 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 primary family member's or legal guardian's verbal approval will be obtained prior to making an expenditure for a single item in excess of \$75.00 that is a non-routine purchase. The time and date of this approval will be notated on the Client Account Record. The Resource Coordinator/Case Manager will be informed.
- G. Gift purchases totaling greater than \$30 in a month will require documented approval from legal guardian (or a primary family member) as well as from the case manager.

### **III. Tracking and Documentation of Individual's Funds**

Employees will document on the forms described below all financial activities, as they occur, for each individual served. 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, via certified mail, 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. A copy of the stubs should be retained by the Provider.
  - 2. Unearned income will be documented in the individual's financial chart. The Employee must send the following unearned income checks to the administrative office:

- a. 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.
      - b. 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.
    3. All income should also be documented on the Community Account Record form at the point that it is deposited into the savings account or is being held as 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. Community Account Record
    1. Each individual served will have an option to have a checking and/or savings account in the community 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 by individual served, and closely monitored by the Employee. In the event that a client who is 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 Community Account Record form.
    2. All activity for the individual's community account and cash-on-hand will be documented by the Employee, as the activity occurs, on the Community Account Record form. 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 Community Account Record shall be audited monthly by ABLE Residential.
  - D. Audit of Individual's Monies
    1. The Program Manager will regularly spot check the documentation on the above forms and compare it to the individual's actual income, savings balance, and cash-on-hand to assure that they balance. The Program Manager will also assure 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 Community Account Record form and submitted to the President. The audit will include:

  - a.** Assurance that all (except spending money retained by the individual served) expenditures are appropriate, documented, and have receipts.
  - b.** Assurance that all money is documented, accounted for, balanced, and being properly managed.
  - c.** Assurance 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, or, 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 amount is a shortage 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 President. The individual's account will be reimbursed from the business office.
  - b.** For any overage or shortage, the Program Manager will submit a copy of the individual's Community Account Record with a request for expenditures to the President. The Program Manager will document on the Community 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 President of any individual's accounts that did not balance accurately throughout the month so the President can monitor the Employee's handling of money. Should the Employee's accounts not balance for three consecutive months, the President 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.
- B.** Purchase personal items from an individual served.
- C.** Sell merchandise or personal service to an individual served.

**V. Personal Possessions**

- A.** Upon admission, each individual served, the family and/or the guardian will be advised of available space for personal possessions and clothing. Each individual served will be provided with an area that contains at least four drawers and one closet with shelf space. An individual served may keep as many possessions in his or her room as space will allow. An individual served may not overcrowd or take up space allotted to a roommate. Depending on available space in the home, storage of limited amounts of additional seasonal clothing, as well as some personal possessions (i.e. bikes), will be provided. Employees will give guidance to the individual served in decorating his or her room so as not to cause damage or infringe on the personal space, taste, or rights of his or her roommate.
- B.** Upon admission to an ABLE Residential Host Home, and as changes occur thereafter, an individual's personal belongings that have a value of \$25.00 or more each, or that are stored outside of the individual's bedroom, will be labeled discreetly. Such items, plus the individual's clothing (with the exception of socks and underwear), will be recorded on the Personal Belongings Inventory of Individual Served form by the Employee. The inventory will be audited annually. Individuals who reside in the home of a family member under the Family Caregiver model will not be required to maintain a Personal Belongings Inventory of Individual Served form. Completion of the Personal Belongings Inventory of Individual Served form will be required before and after an individual changes residence to a Host Home setting.
  - 1.** The inventory includes things such as televisions, fans, stereos, furniture, suitcases, bikes, etc. Employees, family, Resource Coordinators/Case Managers, or individuals served may make the list more inclusive than what this policy requires.
  - 2.** Clothing will be labeled only if:
    - a.** The functioning level and/or behaviors of the individual served deem it necessary to assure the maintenance of each individual's own clothing. The labeling will be done inconspicuously so that it

does not affect the appearance of the garment while it is being worn.

- b.** The clothing is stored outside of the individual's bedroom. Seasonal items stored in a box do not need to be individually labeled, as the labeling of the box will be sufficient.
- C.** Individuals served and/or family members wishing to have items belonging to the individual kept in the general living areas shall be informed that other individuals served will have access to the items.

The Employee will monitor the items and instruct other individuals served on proper care; the home will not be held responsible for damage that may result to the item(s) or theft of the item(s), unless there is evidence of carelessness or disregard by the Employee.

- D.** Should personal possessions be in need of repair (such as television, stereo, etc.), Employees will assist the individual served in obtaining the needed repairs, with the ensuing costs being charged to the individual served.
- E.** Should individuals served want to make joint purchases; the Employee will counsel them on the advantages and risks. Should the individuals served still choose to make the purchase; the Employee will assist the individuals served in developing a plan, preferably in writing, prior to making the purchase that includes the following:
  - 1.** How much each individual will contribute to the initial cost and any upkeep expenses.
  - 2.** How the item is to be cared for and used.
  - 3.** What will be done in the event that one of the co-owners damages or ruins the item.
  - 4.** What will happen with the item in the event that the owners no longer live together.
  - 5.** If the individual has a guardian/conservator, approval is necessary prior to making a joint purchase.
  - 6.** Completion of a PNF-4 Form is required.
- G.** When SSI funds are used for a "Group Purchase", prior approval by SSA may be necessary.

**VI. Discharge of an Individual Served**

Upon discharge, the consumer's cash-on-hand and community bank accounts will be released to his/her legal guardian. A summary of the information and money released will be documented. Signatures that acknowledge and authorize the transfer of the information and money will be obtained from the individual served, legal guardian, person receiving the money, the Employee, and the ABLE Residential employee making the transfer.

**VII. Service Rates, Billing, and Payment**

Specific services provided and the PCA / Host Home fees will be negotiated and agreed upon with CCB, Colorado Department of Health Care Policy and Finance (HCPF), or the local county for all other homes or programs. Billing and payment will be completed according to the county's and/or HCPF's instructions. Should HCPF or the county require that the individual served pay a portion of his/her fees with his/her resources; the individual's portion will be collected as outlined in Section III.A. of this policy.