

Every agency is expected to have a policy on managing funds whenever their employees handle any portion of the personal funds for the individuals they serve.

It is every provider's responsibility to assure that their policy is in compliance with applicable federal and state rules regarding the management of these funds.

For providers who are Social Security representative payees, the policy should include applicable rules from the SSA. These rules specify the duties of a representative payee and specific accounting practices that must be utilized by payees. The SSA Publication on this topic is available at www.ssa.gov.

For individuals in licensed facilities, the agency must assure that their policy adheres to DODD regulations regarding personal funds. The current DODD regulation for licensed facilities is 5123:2-3-14. It is highly recommended by CCBDD that providers incorporate these regulations into their policies regarding all community/residential settings, including unlicensed living arrangements as the licensure rules help safeguard against abuses and misappropriation.

Agencies should train employees on their personal fund policy, and maintain in personnel records a signed acknowledgement that each employee has received this training. Each provider's policy should designate how often this training is to occur.

Policy Recommendations

It is recommended that the following areas are addressed in each agency's personal funds policy:

1. The provider's policy should address how bank accounts are established for an individual.
2. The provider's policy should specify procedures to be followed when an agency is responsible for recording monetary transactions for an individual or assisting the individual with recording such transactions.
3. The provider's policy should specify the procedures for reviewing and reconciling all accounts for served individuals.
4. The provider's policy should specify the procedures for paychecks, subsidy, allowance and benefit checks deposits.
Note: If a hard copy check is received, it should be deposited in the bank account rather than cashed.
5. The provider's policy must identify the general agency controls in place if an ATM or Debit/Credit card is used by, or on behalf of, an individual.
6. The provider's policy should address procedures for gift cards.
Note: If an individual served does receive a prepaid card, a separate ledger

must be maintained just for that card and all receipts must be stapled to the ledger to document the use and declining balance on the card. This ledger should be reconciled in the same manner as all other accounts for the individual. Gift cards should be secured in the same manner as cash.

7. The provider's policy should address procedures for assisting individuals to safeguard their personal belongings. The policy should specify how and when inventories are completed and who will review them for accuracy or to investigate discrepancies.
8. The provider's policy should address procedures for provider not lend or advance money to consumers.
Note: If a provider enters into this practice, their policy should include specifics regarding the amount advanced, and the arrangements for determining informed consent to this loan as well as the process for reimbursement. At no time should any individual served loan money to roommates or staff.
9. The provider's policy should address procedures for one person's money not to pay the expenses of another served individual.
Note: In a group setting, expenses that are for all members of the household, typically food and utilities should be divided equally. For individuals receiving the food stamp card, their portion of the food bill should be reduced by the food stamp value.
10. The policy should inform staff that any fees or fines assessed to the individual as a result of staff error or late payment of bills will be reimbursed by the provider.
11. The provider's policy should address procedures for burial insurance policies purchased with individual's funds must be "irrevocable burial" type policies and would typically list a funeral home as the beneficiary.
12. The provider's policy should address procedures for excess funds.
Note: Providers should not "hide" money to get personal funds below the \$1,500 limit for Medicaid. Purchasing prepaid VISA cards, moving excess monies to corporate funds, and writing checks out of the individual's bank and not processing the checks are all inappropriate.
13. The provider's policy should address procedures for the individual receiving a large amount of money from an inheritance or retroactive benefit payment, the team should consider establishing a trust that is designed to not be included in the person's assets for determining Medicaid eligibility.
14. The provider's policy should address procedures for a violation of the provider's personal funds policy results in the loss of personal funds, the provider shall restore those funds to the individual.