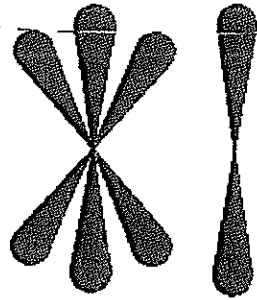


Region V Services



MANAGEMENT

OF

PERSONAL

FUNDS

2018

## MANAGEMENT OF PERSONAL FUNDS

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## MANAGEMENT OF PERSONAL FUNDS

### INDIVIDUAL CENTERED PHILOSOPHY

Managing personal funds places a great deal of responsibility on staff to ensure that those funds are handled appropriately. The following rules, procedures, and guidelines form a system of safeguards to protect funds from potential mismanagement. They do not eliminate the need for meeting another responsibility: that of providing training to all individuals served by Region V Services (RVS) to achieve maximum independence.

It is expected that all individuals supported will participate in their financial affairs to the maximum extent of their abilities. Individuals should be involved in developing independent skills in their financial matters including such things as writing checks, managing petty cash, making deposits and withdrawals, having money on their person, and making choices. These expectations are naturally individualized, based on the skills of the individuals we support. Staff must always search for ways to teach another step toward independence, thereby providing a better quality of life. This may be as simple as having the staff person accompany an individual to the bank, making a purchase independently, or balancing their checkbook.

### RECORDS FOR EQUAL PROTECTION

These procedures are designed to allow maximum involvement for the individual while offering protection against misuse of their funds. They are also designed to leave a documentation "trail" which will protect staff from accusations of wrongful management.

## MANAGEMENT OF PERSONAL FUNDS

The management of personal funds shall be in compliance with the following policies and procedures:

1. RVS will not exercise control over personal funds (or support as payee for these funds) unless the individual is not capable of managing his/her funds or income.
  - a. RVS shall not agree to support as payee for personal funds if parents or legal guardians of the individual are available, able and willing to support as payee, and the individual supported wishes for them to do so.
  - b. A fiduciary relationship shall exist between RVS and the individual when personal funds are managed by RVS. Administrative personnel and program personnel shall have the responsibility to ensure that an individual's interests are fully protected when personal funds are managed by RVS.
  - c. RVS will not become a payee for the convenience of its employees or as a substitute for habilitation.
2. The individual's ISP team must determine and document in the ISP the following regarding the temporary transfer of control of an individual's finances to the provider:
  - a. The extent in which the individual can participate in management of his/her financial resources;
  - b. The individual's informed choice;
  - c. The rationale for the transfer of control;
  - d. The support plan that leads to returning control of the finances to the individual;
  - e. The frequency in which the ISP team will review the temporary transfer of control and support plan, but at least annually.
3. When RVS is a Social Security required payee, individuals may not have access to their managed funds.
4. Under no circumstances will a RVS staff person be personal payee for any individual receiving RVS services.
5. RVS may manage non-payee accounts/funds for individuals. This occurs with written consent of the individual, family members or guardian.
  - a. Accounts for individuals for whom there is no payee may be set up in the individual's name.

- b. The individual's name will be printed on the check. Staff names should never appear on the individual's printed checks.
6. All personal funds which are managed by RVS as payee shall be managed through savings or checking accounts, which may include a debit card, for each individual. All funds managed by RVS as payee shall be accounted for initially by deposit in either the individual's checking or savings account.
  - a. When RVS is payee for funds, accounts should be set up as "Region V Services, Payee for (individual's name)".
  - b. The individual's name will be printed on the check. Staff names should never appear on the individual's printed checks.
7. If RVS exercises control of any personal funds or income, accurate records of the receipts and disbursement of any personal funds or income shall be established and maintained. Records shall include:
  - a. Copies of all deposits or withdrawals made in the individual's savings or checking account.
  - b. Copies of all checks (if they are returned), either written to pay for items on behalf of the individual, or checks written directly to the person, utilizing their personal funds.
  - c. Copies of all bills incurred by the individual which are paid with their funds, including room and board billings from RVS agencies.
  - d. Copies of all receipts for purchases which are made on the individual's behalf. (This does not include purchases made by the individual without help. If staff accompanies the individual when purchases are made, receipts must be obtained for items costing more than \$20.00).
8. An individual ledger shall be kept for each person whose funds are managed, showing a record and the dates of all funds received and disbursed, and the current balance of the account.
  - a. When deposits are recorded, information should include: the kind of deposit (i.e., SSI), the check date and check number of all checks deposited to the personal account, in addition to the date the deposit was made and the amount of the check.
  - b. When checks are recorded or a debit card is used, a brief notation, including vendor, should be made of the purpose of the expenditure, in addition to the date, number and amount of the transaction.
  - c. When checks are direct deposited, a notation on the check and deposit record "SSA, direct deposit" is sufficient documentation for the record.

- d. Automatic withdrawals will be recorded on the ledger.
9. Checking accounts and savings accounts will be reconciled within fourteen calendar days of statement receipt with the initials of the individual who reconciled the account and date listed on the front of statement.
10. All receipts should be maintained to match the monthly bank statement or check images in the appropriate month that the transaction occurred at the time the account is reconciled. This can be done by stapling the receipts to the statement, placing receipts in an envelope or other organized fashion attached to the monthly statement.
13. Routine reviews of each individual's Cash Funds Record and/or Check and Deposit Record will be made by the Community Support Coordinator or other designated staff.
14. The following parties shall have access to the records concerning the management of personal funds:
  - a. The individual;
  - b. The parents (with permission of the individual, if adult), spouse, legal guardians, conservators, legal representatives, service coordination, and designated payee;
  - c. The State Division of Developmental Disabilities;
  - d. Any local, state or federal agency authorized by law to examine the use of personal funds;
  - e. Administrative staff;
  - f. Account balances and records of transactions will be provided to each individual or legal representative at least quarterly, unless otherwise requested.
15. Personal funds are not to be used at any time or for any reason other than for the individual's benefit. A violation of this common-sense principle, when discovered, may result in immediate dismissal per the Personnel Policy Manual. See "Use of Personal Benefits" section for specifics (page 12).
16. At no time will the finances or personal property of an individual supported by RVS be used for the benefit of RVS or its employees. An employee may not borrow money or receive a loan from an individual supported. An employee may not borrow, or otherwise use the personal property of an individual in services.
17. Checks and/or Debit Card should be used for purchases over \$20.00. (see page 12 – Debit Card)
18. Checks should not be made out to staff or staff family members, without prior approval of agency director/coordinator.
19. Purchases from Avon, Pampered Chef, or other private dealers where jewelry, home décor, makeup and other products are sold are generally discouraged. **If the dealer is also a Region V Services staff—purchases are prohibited.** Exceptions must be discussed and approved by your supervisor prior to purchase. An individual cannot host a home party that financially benefits a RVS employee.

20. Purchases of single items, over \$100 in value, require prior notification of the ISP Team and approval of the individual, legal representative, and parent (if person is a minor). The ISP team can document that on occasion the purchase of multiple items totaling over \$100 can occur.
21. No checks should be made out to "CASH" for more than \$60.00. Exceptions must be approved by appropriate supervisor. The use of a Debit Card to receive petty cash is typically discouraged due to the fees charged at an ATM. Printed receipts are required for all debit card withdrawals.
22. The use of "whiteout" on personal funds records is prohibited. To correct errors, draw a single line through the incorrect entry.
23. All unresolved financial errors, including overdrafts and missing money, will require a completed Individual Report Form (IRF) and/or General Events Report (GER) and supervisory review. Employees found negligent in these situations will be required to make restitution. Disciplinary action may be taken as stated in the Personnel Policy Manual. RVS will take all reasonable measures to restore the credit history of an individual supported when the damage is the result of staff negligence or intentional acts that damage the person's credit history.
24. Any additional requirements necessary to protect personal funds may be implemented at the agency level.
25. All items purchased by the individual with their personal funds remain the property of the individual.
26. RVS will notify individuals and their guardian/family members when there is a cost associated with receiving services including room and board, additional cable services, long distance phone charges, damages, and non-habilitative transportation. This notification will include date, location, type of charge, amount and frequency of payment. The notification will be provided prior to the implementation of services and when changes occur. Individuals will not be charged when other funding is available.
27. RVS will make every attempt to reimburse or replace items that are missing or damaged.
  - a. If the damage is caused by the individual, it is their own responsibility to replace the items unless the damage or loss was caused by staff neglect.
  - b. If the damage is caused by another individual receiving services, efforts will be made to have the individual compensate the other person.
  - c. When staff are responsible, RVS will make every effort to collect for the damages from staff. In the event that the staff fails to reimburse the individual, RVS will make restitution.
28. RVS will not co-mingle individuals' funds in a common account, but will establish individual accounts as indicated in the manual.
29. Reimbursement for guests in room and board arrangements: RVS owns, rents and leases homes and provides staff as living arrangements for individuals the agency

supports. Individuals pay room and board to cover expenses, including food, utilities, rent and maintenance of the home.

An individual may purchase additional food items for their personal use from their personal funds. Staff and housemates will not use those items unless the individual purchaser offers of their own free will.

When an individual rents, leases, or owns their own home, RVS and/or its employees will provide their own food, or a reimbursement arrangement will be agreed upon between the individual and the agency, if eating in that person's home.





- b. All savings accounts must be set up so that all transactions require the signature of a management level staff person, or designee.
- c. A copy of the signature card must be on file in the local agency main office. Since there is personal information on each signature card, having signature cards in the financial book is not allowed.
- d. Staff should sign signature card and checks with name and title.

## 6. ORDERING THE CHECKS

Staff will be responsible for maintaining a supply of personal checks for individual accounts. An order blank/form is attached to the last pad of checks. This should be mailed early enough to insure a continued supply of checks.

Checks may also be ordered via the internet, newspaper ads, or other means with management approval.

## 7. NOTIFICATION OF RESOURCE LIMITS

For individuals receiving government benefits, resource limits may affect their eligibility for these benefits. Resources include the total amount of money that an individual has. It is the responsibility of staff who manage personal accounts to know what the resource limit is. Financial situations (assets, liabilities, future planning) should be reviewed at the annual ISP meeting, along with information on who manages the accounts.

Contact RVS Supervisor immediately if:

- Fund balance is about to be depleted
- Resource limits are in danger of being exceeded

## 8. NOTIFICATION OF ACCOUNT BALANCE

Account balance and records of transactions are provided to the individual or their fiscal representative or guardian at least quarterly, or when requested.

## 9. DEBIT CARDS

Individual's account may have a Debit Card attached (see page 12).

## PERSONAL FINANCIAL NOTEBOOKS

1. A written explanation in the front of the individual's financial notebook is recommended indicating the degree of independence that person has in their financial affairs. Points to mention include:
  - a. Does the individual make purchases on his/her own, or with staff assistance?
  - b. How are deposits made? By staff? Direct deposit? Individual?
  - c. What are the petty cash arrangements?
  - d. Who are the authorized signatures on the account? (specify separately for checking and savings)
  - e. What monthly bills are paid from this account?
  - f. Source of funds (SSI, SSA, VA, employment, etc.)
  - g. Any electronic withdrawals/deposits?


This is helpful to anyone reviewing your financial notebooks or filling in for you.

2. The financial file should include the following at a minimum:
  - a. Check/Debit and Deposit record including receipts
  - b. Checking account statements
  - c. Cash funds records including receipts
  - d. Savings account records including receipts (if any)
  - e. Savings account statements (if any)
  - f. Correspondence
  - g. Personal possessions inventory (residential services). Mark furniture and other large items with enough information to show ownership.

## WRITING OUT PERSONAL CHECKS

1. Be sure that the individual has enough money in their checking account. Accounts must always maintain a positive balance. Additionally, the ledger page should **NEVER** reflect a negative balance. Any overdraft or service charges due to staff error will be paid by the person responsible. All unresolved financial errors, including overdrafts and missing money, will require a completed IRF and/or GER and supervisory review. Employees found negligent in these situations will be required to make restitution. Disciplinary action may be taken as stated in the Personnel Policy Manual.
2. Date the check with the current date. Do not post-date or back-date checks.
3. Enter the correct name of the vendor, or let the vendor imprint their own name.
4. Write the amount of the check legibly, using numerals (i.e. 19.27) and spelling out the dollar amount, indicating the cents amount as a fraction of 100 (i.e. nineteen and 27/100).
5. In the event the vendor uses the check as part of an electronic transaction, then the following would apply:
  - a) Fill out the check as listed above.
  - b) After the check is "run" through, file the check and attach the receipt to the appropriate bank statement.

Exhibit 1.

SUMMER S. OVER 123 SOUTH STREET LINCOLN NE 68500	August 1 2009	184 43-3 1040
PAY TO THE ORDER OF <u>Local Agency</u> \$ <u>310.00</u>		
<u>Three Hundred Ten and No/100</u> ..... DOLLARS		
 <b>HAVELOCK BANK</b>		
MEMO <u>August R &amp; B</u>		
:104900970: 489 078 0184		

6. If an error has been made on a check, write "VOID" across the check and file it with the appropriate month's bank statement. Enter the number and "VOID" in the Check and Deposit Record.
7. After writing the check, or debit transaction record the check number, date (include the year), description and the amount in the check & deposit record.
8. Balance the check & deposit record after each entry to prevent any overdrafts.

9. All checks and checkbook registers, including balances must be written in ink.
10. Checks must be made for the amount of the purchase or payment, and never for an additional amount to be returned in cash.

### CHECKBOOKS DEBIT TRANSACTIONS

It is not necessary to maintain both the checkbook ledger and the check & deposit record. Only the Check & Deposit Record is required. However, staff must be sure to check the balance in the Check & Deposit Record prior to writing checks, shopping, etc.

### DEPOSITS

1. All personal funds received by the agency need to be logged as received and dispersed.
2. Funds received must be deposited in total. Never cash a check, deposit part of it and take the remainder in cash.
3. Deposits must be itemized in the Check and Deposit Record (i.e., if three checks made up the deposit, each one must be recorded). Show where the check was from (i.e., SSI, SSA, Veterans, paycheck, etc.), the check date, the check number, and enter the amount. Staff making the entry must initial in the column provided.
4. Deposit receipts should reflect all sources of funds and be filed with the appropriate bank statement.

<b>DEPOSIT TICKET</b>	
SUMMER S. OVER 123 SOUTH STREET LINCOLN NE 68500	pay AABD
DATE <u>August 1</u> 2009	
<small>DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL</small>	
_____ <small>SIGN HERE FOR CASH RECEIVED (IF REQUIRED)</small>	
<b>HAVELOCK BANK</b> <small>LINCOLN NEBRASKA 68507</small>	
:104900970: 489 078	
<small>Checks and other items are received for deposit subject to the provisions of the uniform commercial code and any applicable collection agreement.</small>	

5. All deposit entries in the Check and Deposit Record are to be recorded in ink.
6. All cash received (including gifts), must be deposited in either the savings, checking, or cash funds account and recorded appropriately.

## DEBIT CARD

Debit Cards are now more than ever becoming a routine financial transaction. Many vendors refuse to take Checks and will only allow individuals to use cash or a Debit Card. The card may be "run" as either a debit transaction or a credit transaction.

1. The use of a Debit Card will require Management Level (Area Director, Coordinator) or designee to set up a Personal Identification Number (PIN). Once the PIN number has been acquired, the number is kept in the individual's personal financial book. PIN numbers should **not be written** on the Debit Card.
2. When using the Debit Card staff or the individual must know the PIN number to make the transaction. **Receiving "cash back" is not allowed when completing the transaction.**
3. When the Debit Card is used, **EVERY RECEIPT** must be kept. The receipt is placed in the financial book and the appropriate information is entered into the check and deposit record.
4. Debit Cards may be used to make purchases online. The same rules apply to the amount of the purchase. Any transaction over \$100.00 requires team notification. A printed receipt from the transaction must be kept like all other receipts.
5. Staff are responsible for overdrafts for failure to follow these procedures.

## ONLINE BANKING

Electronic or online banking is the ability to manage an individual's accounts over the internet. Electronic banking, when appropriate, is a function of management/designee. All confidential codes to gain access to electronic banking are to remain at the agency office in a secure location unless other arrangements are approved by the Area Director/Payee.

For the purpose of this section, there are two specific functions to online banking. They are:

1. The ability to access a person's supported account to review information, i.e.: balances, to determine if a check has "cleared" the bank, etc.
2. The ability to access a person's account to transfer funds or make electronic payments.

When online banking is utilized, the following must occur:

1. Only management/designee has the information to access the account.
2. All transactions that occur via electronic banking need to have supporting documentation recorded in the financial book in the appropriate section.
3. Any transaction requiring the transfer of funds from saving to checking or checking to savings can only be done by management/designee.

### **SAVINGS ACCOUNTS**

1. All savings accounts must have a minimum of two management-level staff persons as signers on the account.
2. The same rules for documenting deposits and making withdrawals for checking accounts also apply to savings accounts.
3. Savings accounts must also be reconciled, and interest additions accounted for, within fourteen calendar days of statement receipt.
4. All withdrawals from savings accounts must be approved by management/designee and deposited into checking account for disbursement.

### **BANK STATEMENTS**

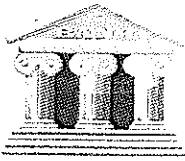
1. There are many varieties of bank statements. Exhibit 5 on the next page is one example.
2. File all account statements in the financial notebook.

### **RECONCILIATION OF ACCOUNTS**

1. All accounts must be reconciled monthly (or when statements are available, such as quarterly for many savings accounts). This should be accomplished within 14 calendar days after the statement is received by the individual responsible for reconciliation.
2. Reconcile accounts using the form provided on the reverse of the statement. See Exhibit 5.
3. Note on the front of the statement "Reconciled", with the date and your initials.
4. Note on Check and Deposit Record that the reconciliation has taken place by underlining the balance to the point of reconciliation and initialing.
5. After reconciling, file the statements and receipts.



EXHIBIT 5



**FIRST NATIONAL BANK**  
 LINCOLN NE 68502  
 (402) 471-1231

000 00001 01 Page: 1  
 Account: 783 962 11-03-2009

Summer S. Over  
 Region V Services Rep Payee 38-0  
 1430 South Street 0  
 Lincoln NE 68502 2

First National Bank  
 PO Box 12345  
 Lincoln NE 68500

TELEPHONE: 402-400-4000

SIMPLY FREE CHECKING ACCOUNT

DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
BALANCE LAST STATEMENT .....			10/03/09	331.31
N1*1U* REGION V SERVICES \N1*BE*SUMMER S. OVER *22*123456789\		417.85	10/03/09	748.98
CHECK # 195	4.20		10/05/09	747.78
CHECK # 196	310.00		10/05/09	434.78
CHECK # 197	41.75		10/14/09	393.03
DEBIT	96.10		10/17/09	296.93
N1*1U* REGION V SERVICES \N1*BE*SUMMER S. OVER *22*123456789\		200.00	10/19/09	496.93
ACH	104.45		10/21/09	395.48
CHECK # 198	78.87		10/20/09	316.61
DEBIT	25.00		10/20/09	291.61
TOTAL CREDITS	(1) 617.85			
TOTAL DEBITS(2)	660.37			
		MINIMUM BALANCE		308.06
		AVG AVAILABLE BALANCE		
		AVG BALANCE		

YOUR CHECKS SEQUENCED

DATE	CHECK #	AMOUNT	DATE	CHECK #	AMOUNT
10/05	195	4.20	10/05	196	310.00
10/14	197	41.75	10/20	198	78.87

--- ITEMIZATION OF NSF PAID AND RETURNED ITEM FEES ---

	THIS PERIOD	YEAR TO DATE
NSF PAID ITEM FEE:	.00	.00
NSF RETURNED ITEM FEE:	.00	.00
OVERDRAFT FEES:	.00	.00



### CHECK AND DEPOSIT RECORD

1. Staff responsible for assisting in managing personal funds must keep this record current. Record all checks written, debit card transactions, deposits made, other debits and credits (such as bank charges, printed check charges, stop payment orders, automatic deposits and withdrawals, interest, etc.) and any corrections. See Exhibit 7.
2. Balance must equal reconciled checking account balance.
3. All entries should be made in ink. The entry must include the vendor and a brief description of the purchase.
4. Initial the entries in the appropriate column.
5. Be sure to include the year at the top of each page.
6. If a mistake is made, make a single line through the mistake and re-write the correct information. **NEVER USE WHITE-OUT.**

### CASH FUNDS RECORD

1. A maximum of \$100.00 per person can be kept in cash funds at any one time. The ledger needs to reflect total deposit and source. This amount can be higher if approved by management level staff.
2. Staff responsible must make entries on this form each time cash is given to the individual. See Exhibit 6.
3. All entries should be made in ink. The entry must include the vendor and a brief description of the purchase.
4. Initial the entries in the appropriate column.
5. When possible, also have the individual initial that the cash was received, somewhere in the "Description" column.
6. If a mistake is made, make a single line through the mistake and rewrite the correct information. **NEVER USE WHITE-OUT.**

**EXHIBIT 6: Cash Funds Record**

Name Summer S. Over

	DESCRIPTION	DATE	INIT.	WITHDRAWALS	DEPOSITS	BALANCE	√
1	Balance brought forward from previous page	11/1/09	DJ	:	:	21:94	
2	Pop money for work for 3 days	11/3	RB	1:50	:	20:44	
3	Dairy Queen for ice cream	11/5	PR	1:00	:	19:44	
4	Deposit from line #3	11/5	PR	:	:15	19:59	
5	Out to lunch at work	11/6	RB	5:00	:	14:56	
6	Deposit change from line #5	11/6	DJ	:	:60	15:10	
7	Deposit cash from checking #345	11/6	DJ	:	20:00	35:10	√
8	ARC trip to KC baseball game	11/7	RB	20:00	:	15:10	
9	Deposit cash from parents	11/9	PR	:	10:00	25:10	
10	Pop money for work for 5 days	11/10	RB	2:50	:	22:60	
11	Movie at Plaza with friend	11/14	PR	7:00	:	15:60	
12	Deposit change from line #11	11/14	PR	:	1:20	16:80	
13	Wal-Mart for shirt, see receipt	11/16	RB	9:00	:	7:80	

**EXHIBIT 7: Check and Deposit Record**

**CHECK and DEPOSIT RECORD**

Name Summer S. Over Bank Name & Account # Money Minds 4716400

CHECK NO.	DESCRIPTION	DATE	INIT	AMOUNT OF CHECK	AMOUNT OF DEPOSIT	BALANCE	√
1	1973 Petty Cash for 3/9 thru 3/16	3/7/09	SH	25:00	:	184:77	SH √
2	1947 Dolliar General food	3/7	SH	53:98	:	130:79	SH √
3	1975 Gerry's Market food	3/7	SH	59:92	:	70:87	SH √
4	Math Error pg 3 Line 31 27.00	3/8	MN	27:00	:	43:87	√
5	1976 Galaxy Bowl (League)	3/10	PB	10:00	:	33:87	√
6	1977 Sun Mart (Groceries)	3/13	PB	9:04	:	24:83	√
7	D Armstrong #1234567	3/14	SH	:	282:21	307:04	√
8	1978 Petty Cash for 3/17 thru 3/23	3/14	SH	32:00	:	275:04	√
9	1979 Galaxy Bowl (League)	3/17	PB	10:00	:	265:04	√
10	1980 Harry Badger (Pest Control)	3/19	PB	32:00	:	233:04	√
11	1981 Sun Mart (Groceries)	3/19	PB	51:19	:	181:85	√
12	1982 Breeze Line (Phone Bill)	3/20	PB	45:79	:	136:06	√
13	D Armstrong #1234567	3/21	PB	:	328:90	464:96	√
14	1983 Petty Cash for 3/24 thru 3/30	3/21	SH	25:00	:	439:96	√
15	1984 Wal-Mart food/personal items	3/23	SH	92:22	:	347:74	√
16	1985 IGA (Food)	3/23	SH	37:49	:	310:25	√
17	1986 Galaxy Bowl (League)	3/24	PB	10:00	:	300:25	√
18	D Transfer from savings	3/25	PB	:	450:00	750:25	√
19	1987 Soc. Sec. Admin. (Payback)	3/25	PB	325:00	:	425:25	√
20	1988 VOID	3/28	PB	---:--	---:--	425:25	√
21	1989 Dracula Blood Hosp. (Bill)	3/28	PB	127:68	:	297:57	√
22	1990 Blue Valley (Bill)	3/28	PB	62:14	:	235:43	√

## **RECEIPTS**

1. Receipts are required on all purchases over \$20.00.
2. Receipts include handwritten sales slips, cash register tapes, cash receipts forms, statements, invoices, and various other forms of documentation.
3. Receipts should include: the store name, date of purchase, total amount paid, and the check number. Staff should include any information not already on the receipt.
4. When making a purchase, there must be individual receipts (do not have, for example, clothing purchases for two or three individuals co-mingled on one sales ticket).
5. If items are returned, a detailed description of the transaction must be included in the record.
6. File receipts temporarily in the receipts envelope. When the bank statement arrives, attach the appropriate receipt to the back of the bank statement.

## **FILING**

1. Keep the notebooks current, generally having no more than 1 year of records in them. Transfer the old files to the permanent storage at the agency's office annually (January 1 to December 31). Records may be destroyed after seven years.
2. File all bank statements in chronological order, with the supporting documentation included.

## **HOME MODIFICATION RECORDS**

If the individual receiving supports is the lessee (name appears on the lease) they may choose to pay for modifications with personal funds. Records must be kept documenting these expenditures, and modifications must follow the lessee when he/she moves, as allowed by law.

## USE OF PERSONAL BENEFITS

Personal benefits received by RVS as representative payee (SSA, SSI, AABD, RR, VA monies) for individuals will be used solely for the individual beneficiary for room, board, personal needs, or other items deemed in his/her best interest.

It is acceptable to use personal benefits for:

- Day-to-day maintenance (food, shelter, clothing)
- Spending money for the beneficiary
- Personal grooming supplies and services
- Medical, dental, or rehabilitation services or supplies not covered by another source
- Furniture, appliances, etc., which are ordinarily provided in the room and board situation if the individual's ISP reflects that he/she may be living independently in the foreseeable future
- Personal items not ordinarily provided in the residence (i.e. rocker, stereo, etc.)
- Personal items ordinarily provided but not to the liking of the individual (i.e., decorative bedspread, waterbed, objects d'art, etc.)
- Gifts for the beneficiary (personal)
- Transportation for home visits, vacations
- Hobby or recreation supplies, equipment, fees (including vacations, books, magazines, records, etc.)
- School expenses
- Shared expenses that will benefit the individual (cable TV, newspaper, etc.), as long as the purchase is of a nature that it can be divided equally if the individual moves, or it is a service that is used by all contributing.
- Repairs/replacement for damages caused by the individual with ISP approval

It is NOT acceptable to use personal benefits for:

- Items for personal use which are ordinarily provided in the individual's residence (except special or additional items preferred by the individual)
- Furniture, appliances, TV's, etc. needed in the common area of the residence, if those items are RVS's responsibility.
- Services to the household which the individual cannot benefit from or enjoy
- Remodeling or repair to the group residence, unless the individual is duly charged for repair of damage he/she caused, and then only if paid out of his/her spending money or in some way so as to be a learning experience.
- Paying bank charges or replacing money which results from staff negligence or error.
- Charitable contributions, churches, etc.
- Paying for reinforcers/training materials without prior approval of the individual, legal representative and parents (if applicable).
- Raffle tickets, pickle cards, bingo etc.
- Prepared food delivered to a group home
- Personal funds and property will not be used as rewards or punishment.
- An individual will not be assessed for damages when there is a lack of staff supervision or failure to provide programmatic intervention.

- Personal funds will not be used for the purchase of inventory or services for RVS.
- At no time will the finances or personal property of an individual supported by RVS be used for the benefit of RVS or its employees. An employee may not borrow money or receive a loan from a person supported. An employee may not borrow, or otherwise use the personal property of an individual in services.

## **INDIVIDUAL TRAINING ACCOUNTS/DEBIT ACCOUNT**

When an individual has a representative payee for their benefits, the Social Security office has determined that they are incapable of handling their own funds, thus the individual is not allowed unrestricted access to these funds.

Should the ISP team determine that an individual is ready to begin learning to manage their own funds, it is allowable to set up a "training account." The account must have a corresponding training program for teaching financial skills to the individual.

The guidelines for such an account are as follows:

- The account is set up like any other private account - in the individual's name only. Balance will be determined by the Payee and generally will not exceed \$150.00.
- The individual pays for any overdrafts he/she causes. Staff are responsible for overdrafts when caused by their negligence or failure to provide appropriate teaching as outlined in the ISP.
- The first priority for use of personal funds is room, board, and any bills owed. A training account should not be set up unless the individual has funds to meet all obligations first.
- The person managing an individual's regular account needs to add the individual training account balance when calculating SSI/AABD resource limits or reporting resources on redeterminations.
- The team should regularly re-evaluate the appropriateness of continuing the training. NOTE: Certain requirements for the management of these funds (for example, receipts), could be modified at the team's discretion.
- Refer to the Debit Card section for additional information. See page 12.



## TRANSFERRING/CHANGING PAYEE AND CLOSING OF ACCOUNTS

When necessary, checking and/or savings accounts may need to be closed. The reasons for this may include fraud, identity theft, leaving services and death.

1. The bank needs to be notified of the account closing as soon as it is determined that it is appropriate. The bank may need to leave the account open, for a short period of time, to let any unpaid checks clear the bank and to ensure the last benefits have been received. In the event of fraud or other criminal activity the bank may close the account immediately.
2. The individual and all signers on the account may need to sign corresponding documents to close the account.
3. Any funds that may be left over need to be deposited into a new account as soon as possible. This may include checking, savings, any cash, and training funds.
4. All funds need to be accounted for as with any other financial transaction.
5. In case of an individual's death, contact SSI, SSA, SSDI, RR, VA, etc., for appropriate instructions.
6. All remaining checks need to be shredded.

## MISCELLANEOUS

### **FILING INCOME TAXES**

Typically, an individual who receives benefits from the government as their only source of income does not need to file an Income Tax Return.

Individuals who receive outside sources of income from: an employer, investment income, unemployment compensation, tips, income from being self-employed, inheritance, or other sources of income, will need to determine if they must file an Income Tax Return. It is the responsibility of the Representative Payee to determine if an individual must file a Tax Return. Even if an individual does not have enough income to qualify to file a Tax Return, they may still need to file, to receive a refund if federal, state or local taxes were withheld or a rebate is due.

If it is determined that an individual needs to file a return, the Payee needs to decide who will file the return.

It is encouraged to use a local CPA or free/volunteer community preparer. The cost of this service needs to be evaluated on a cost benefit approach.

### **LOANS AND LINES OF CREDIT**

As more individuals begin to purchase vehicles, homes or other large items, the use of a "Loan" may be needed. The individual, with the assistance of the Payee and the team, needs to determine if and when this is necessary. As always, some things to think about when considering a loan are:

1. Does the individual truly desire the purchase? *For example, if the individual wants to purchase a home is it based on research and knowledge of what is involved in the purchase and maintenance of a home, or has someone else they know just purchased a home and they now think that they should own one as well? Making major purchases requires research and discovery and a true desire for the purchase.*
2. Does the individual have the resources to repay the loan?
3. How may the purchase affect their benefits?
4. Does the individual have the resources to maintain the purchase after it is made?
5. Any other consideration relevant to the loan.

If and when it is determined that a loan is appropriate for the individual, then the team moves forward to assist the individual in applying for the appropriate credit. Since there are a variety of financing options/programs available, having the individual meet with a personal banker is recommended, as they are experts in this area. They will be able to assist the individual in the process of securing the appropriate financing. From this point the team may/will assist to move the process forward.

### **WORDS OF WISDOM**

1. When you're handling other people's money, you not only have to be honest, you have to be able to prove you are.
2. When dealing with personal finances, you are guilty until proven innocent.
3. Not only do the personal funds document the individual's income and expenditures, but they also mirror to a great extent that person's life style. Very few entries of a repetitive nature testify to the quality of life that individual has or does not have. It doesn't take a Systems Review team to determine this -- someone looking at a ledger sheet gets a good picture in a hurry.
4. Financial audits of personal fund accounts may occur at anytime, without prior scheduling, from a variety of sources. Staff are well advised to keep all records current and accurate.
5. Various financial entities have recommended that you maintain your W-2's for your entire life.

### **EXCEPTIONS TO POLICIES/PROCEDURES**

1. If exceptions to financial policies/procedures are needed, staff must seek prior written approval by individual's Payee and RVS management.
2. If policy/procedure violations occur without prior approval, an Individual Report Form (IRF) must be written to explain what occurred and why.
3. A copy of the written approval for exceptions and Individual Report Form (IRF) regarding finances must be filed in the individual's financial book and unit file.

