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FUNDS MANAGEMENT POLICY AND PROCEDURES



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PARTICIPANT 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 participants served by ABLED, Inc. to achieve maximum independent functioning.

It is expected that all participants will participate in their financial affairs to the maximum extent of their abilities. Participants should be involved in developing independent skills in their financial matters including such things as making electronic payments, 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 people we serve. 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 participant accompany a staff person through the drive-up window, signing for their purchases, making a purchase independently, or checking their account balance and activity electronically.

RECORDS FOR EQUAL PROTECTION

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



I. MANAGEMENT OF PARTICIPANT FUNDS

A fiduciary relationship shall exist between ABLED, Inc. and the participant when participant funds are managed by ABLED, Inc. Staff shall have the responsibility to ensure that a participant's interests are fully protected when personal funds are managed by ABLED, Inc. If ABLED, Inc. exercises control of any personal funds or income, accurate records of the receipts and disposition of any personal funds or income shall be established and maintained. ABLED, Inc. may serve as payee if the participant is not capable of managing his/her funds or income.

- A. When ABLED, Inc. is payee, participant cannot have access to the funds.
 - 1. Participants are beneficiaries on the accounts. The Payee is assigned by Social Security to act as the fiduciary controlling the funds on behalf of the beneficiaries. Participants do not have the right to access the account or know the balance therein. Staff must work with the Participants to help them understand that only the Payee has that right on the payee accounts.
 - 2. ABLED, Inc. as payee will send quarterly bank statements to participants' guardians.
 - 3. Guardians may sign the Payee Account Notice - Guardian Consent to waive receiving quarterly statements. Guardian may request any financial records upon request.
 - 4. Payee will always send guardians participants' financial information upon request.
 - 5. Staff names should never appear on the participant's debit card or other account access device.
- B. Participants may have their own funds and accounts separate from the payee accounts. Accounts for participants for whom there is no payee may be set up in the participant's name.
- C. ABLED, Inc. may manage accounts/funds for participants for whom ABLED, Inc. is not payee. ABLED, Inc. encourages participants to manage and control these personal funds.
- D. ABLED will send Petty Cash Journals to the guardians each quarter. Guardians may opt to sign the Petty Cash Journal Waiver. Guardians may request financial records on the payee accounts at any time.
- E. ABLED, Inc. may assist the participant in managing their savings or checking accounts. ABLED, Inc. staff will use this as a teaching program to foster financial independence.
- F. The following parties shall have access to the records concerning the management of participant funds:
 - 1. The participant;
 - 2. The parents (with permission of the person served if adult), spouse, legal guardians, conservators, legal representatives and designated payee;
 - 3. Nebraska Department of Health and Human Services;
 - 4. Any local, state, or federal agency authorized by law to examine the use of participant funds; and
 - 5. Administrative staff



- G. Participant funds are not to be used at any time or for any reason other than for the participant's benefit. **A violation of this common-sense principle, when discovered, may result in immediate dismissal.**
- H. Loaning or borrowing participant funds is strictly forbidden.
- I. The Representative Payee distributes funds by check or bank transfer.
- J. ABLED, Inc. staff is prohibited from selling anything to participants served. Exceptions must be discussed and approved by management prior to sale.
- K. Purchases of single items, over \$100 in value, require prior notification of the ISP Team and approval of the participant, legal representative, and parent (if person is a minor).
- L. All unresolved financial errors, including overdrafts and missing money, will require a completed General Event Report and administrative review.
- M. Any additional requirements necessary to protect participant funds may be implemented at the management level.
- N. All items purchased by the participant with their funds will remain the property of the participant.
- O. **The transfer of control of any participant's funds is temporary.**



II. SETTING UP PAYEE BANK ACCOUNTS

When ABLED, Inc. is payee for participant benefits, staff is responsible for setting up a checking account and savings account. The account is set up as follows:

A. WHAT TO TAKE TO THE BANK

- The Social Security number of the participant.
- Proof that ABLED, Inc. is the representative payee for the benefits. This can be the initial letter indicating that ABLED, Inc. is payee, or any correspondence from Social Security which is addressed to "ABLED, Inc. for..."
- Funds for deposit to open the account.

B. TITLE ON THE ACCOUNT

ABLED Payee Accounts are titled:

- (Participant Name) ABLED, Inc., Rep Payee

C. TYPE OF ACCOUNT / OWNERSHIP

The account must be set up as a participant account--not joint account. (NOTE: The financial institution may have their own requirements. So, follow their instructions.) The bank must identify the participant as the beneficiary of the account.

The participant's Social Security number is put on the account (not staffs').

D. ACCOUNT MAILING ADDRESS

The mailing address is ABLED, Inc.'s address.

E. SIGNATURE CARDS

All payee accounts will be set up as checking accounts with the ABLED, Inc. Representative Payee and/or designated Staff person's signature(s).



F. NOTIFICATION OF RESOURCE LIMITS

For participants receiving government benefits, resource limits may affect their eligibility for these benefits. Resources include the total amount of money that a participant has in the bank. It is the responsibility of staff who manage payee accounts to know what the resource limit is. At no time should total resources exceed the limit.

Financial situations (assets, liabilities, future planning) should be reviewed at the annual ISP meeting, along with information on who manages the accounts.

Contact the Service Coordinator immediately if:

- Fund balance is about to be depleted
- Resource limits are in danger of being exceeded. A team meeting may need to be arranged.

G. NOTIFICATION OF ACCOUNT BALANCE

Account balance and records of transactions are provided to the participant or their fiscal representative as requested.



III. PARTICIPANT FINANCIAL RECORDS

ABLED, Inc. staff will foster financial independence of the participants.

A. INDEPENDENCE

The participant's team should document the degree of independence that the participant has in their financial affairs. Points to consider include:

- Does the person make purchases on his/her own, or with staff assistance?
- How are deposits made? By staff? Direct deposit? Participant?
- What are the petty cash arrangements?
- Who are the authorized signatures on the account? (specify separately for checking and savings)
- What monthly bills are paid from this account?
- Source of funds is helpful to anyone reviewing financial records.

B. THERAP RECORDS

Therap Services may be used to track the following:

- Check and Deposit Records.
- Receipts.
- Checking account statements.
- Savings account statements (if any).
- Signature cards and correspondence.
- Rules and regulations, procedures, instructions, examples, etc.
- Personal possessions inventory (residential services).

C. ELECTRONIC BANKING

Payee account records will be maintained electronically through online banking. Electronic statements will be reviewed by the administrative staff at least quarterly to prevent misuse of participant funds. All confidential access codes to gain access to Electronic Banking are to remain at the main office in a secure location unless other arrangements are made.

D. DEBIT CARDS



ABLED will not have debit cards on the Payee accounts. ABLED will encourage the participants to use debit cards on their personal accounts as they are able.

E. DEPOSITS

Paper checks received should be deposited in the participant's payee account within five banking days. Funds received must be deposited in total. Never cash a check, deposit part of it and take the remainder in cash.

Deposits will be tracked and verified using electronic banking.

Electronic statements will be reviewed by the administrative staff at least quarterly to prevent misuse of participant funds.

F. SAVINGS ACCOUNTS

All savings accounts must have a management-level staff person as one of the required signatures on the account. This includes Enabled Accounts and Trust Accounts.

The same rules for documenting deposits and making withdrawals for checking accounts also apply to savings accounts.

Electronic statements will be reviewed by the administrative staff at least quarterly to prevent misuse of participant funds.

G. BANK STATEMENTS

Statements should be accessed via online banking.

H. RECONCILIATION OF ACCOUNTS

All accounts must be reconciled monthly using electronic means unless special circumstances do not allow.

Electronic statements will be reviewed by the administrative staff at least quarterly to prevent misuse of participant funds.

I. PETTY CASH JOURNAL

When requested by guardian or the participant's team, ABLED may use the Petty Cash Journal.

Staff responsible will make entries to the Petty Cash Journal each time cash is given to the participant.

Cash funds will be reviewed monthly by administrative staff to prevent misuse of participant funds.

Staff will encourage the participant to deposit any excess cash into their personal (non-payee) bank account for security purposes while maintaining the participant's rights.



J. RECEIPTS

Paper receipts for cash purchases will be scanned for inclusion in the appropriate electronic file or maintained in along with the Petty Cash Journal.

Staff must always obtain receipts for all purchases made with participant funds. When receipts are not provided, or staff misplaces the receipt and cannot get a copy, Staff will use the Missing Funds Acknowledgement form found in the Appendix of this policy. Staff and the participant must sign the completed form. Staff will send the signed form to the Representative Payee or designated staff member immediately, no later than the last day of the month.

K. FILING

The participant's financial records must be kept current and for no longer than required the Record Retention Policy.

Any paper records will be scanned and stored with the appropriate electronic file folders.

L. HOME MODIFICATION RECORD

If the participant receiving services 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.

M. USE OF PERSONAL FUNDS

Personal funds received by ABLED, Inc. as representative payee for participants will be used solely for the participant beneficiary for room, board, personal needs, or other items deemed in his/her best interest.

Acceptable Uses of Personal Funds:

- a. Day-to-day maintenance (food, shelter, clothing).
- b. Spending money for the beneficiary.
- c. Personal grooming supplies and services.
- d. Medical, dental, or rehabilitation services or supplies not covered by another source.
- e. Furniture, appliances, etc., which are ordinarily provided in the residence if the participant's ISP reflects that he/she may be living independently in the foreseeable future.
- f. Personal items not ordinarily provided in the residence (i.e., rocker, stereo, etc.).
- g. Personal items ordinarily provided but not to the liking of the participant.
- h. Gifts for the beneficiary (personal).
- i. Transportation for home visits, vacations.



- j. Hobby or recreation supplies, equipment, fees (including vacations, books, magazines, records, etc.).
- k. School expenses.
- l. Shared expenses that will benefit the participant (cable TV, newspaper, etc.), as long as the purchase is of a nature that it can be divided equally if the participant moves, or it is a service that is used by all contributing.
- m. Repairs/replacement for damages caused by the participant.

N. UNACCEPTABLE USE OF PERSONAL FUNDS

The misuse of Participant funds may be reportable to APS/CPS as financial exploitation or theft of property or funds. Exploitation means the wrongful or unauthorized taking, withholding, appropriation, conversion, control, or use of money, funds, securities, assets, or any other property of a participant by any person utilizing undue influence, breach of a fiduciary relationship, deception, extortion, intimidation, force or threat of force, isolation, or any unlawful means or by the breach of a fiduciary duty by the guardian, conservator, agent under a power of attorney, trustee, or any other fiduciary of the participant.

Unacceptable Uses of Personal Funds:

- a. Items for personal use which are ordinarily provided in the participant's residence (except special or additional items preferred by the participant).
- b. Furniture, appliances, TV's, etc. needed in the common area of the residence.
- c. Services to the household which the participant cannot benefit from or enjoy.
- d. Remodeling or repair to the residence, unless the participant is duly charged for repair of damage he/she caused, and then only if paid out of his spending money or in some way so as to be a learning experience.
- e. Paying bank charges or replacing money which results from staff negligence or error.
- f. Paying for training materials without prior approval of the participant, legal representative and parents (if applicable).
- g. Prepared food delivered to a home with multiple individuals.

NOTE: For other personal funds (paychecks, gifts, etc.) the same rules apply.

O. PARTICIPANT TRAINING ACCOUNTS

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



Should a team determine that a participant 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 participant.

The guidelines for such an account are as follows:

1. Set up like any other private account - in the person's name only.
2. 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 participant has funds to meet all obligations first.
3. Person managing a participant's regular account needs to add the participant training account balance when calculating resource limits or reporting resources on redeterminations.
4. The team should regularly re-evaluate the appropriateness of continuing the training account.

NOTE: certain requirements for the management of these funds could be modified at the team's discretion. **The transfer of control of these funds is temporary.**

P. ETHICS STANDARD

ABLED, Inc. requires a high ethical standard from all employees and subcontractors. We will make every effort to ensure no participant's funds are misused.

The use of personal funds indicates the participant's income and expenditures, but they also reflect his/her lifestyle. Entries of a repetitive nature testify to the quality of life that person has or does not have.

Financial audits of personal fund accounts may occur at any time, without prior scheduling, from a variety of sources.

Q. EXCEPTIONS TO POLICIES/PROCEDURES

If exceptions to financial policies/procedures are needed, staff must seek documented prior authorization through the participant's team and management.

If policy/procedure violations occur without prior authorization, a General Event Report must be submitted to explain what occurred and why.

The documented authorization and/or General Event Report will be maintained in the participant's file.



IV. APPENDIX

The Petty Cash Journal on the following page is available in PDF format on our website www.abledinc.com under the **Policies** tab. This form is also available in a Microsoft Excel formatted version. Please contact ABLED, Inc. executive staff if you want to receive that version.

ABLED, Inc. encourages the use of debit cards for participants' personal accounts. This enables the participants to become independent. Debit card usage prevents the account from being overdrawn and creates an automatic electronic record.

[illegible]



PAYEE ACCOUNT NOTICE - GUARDIAN CONSENT

ABLED, acting on behalf of _____ (participant's name), is required to send you quarterly payee account information including bank statements unless you designate otherwise.

By signing below, you authorize ABLED to provide this information only upon your request.

ABLED will provide any and all financial records and supporting documentation you wish to see.

I, THE UNDERSIGNED PARTY, ACKNOWLEDGE THAT I HAVE READ AND UNDERSTOOD THIS CONSENT.

Guardian Signature

Date



PETTY CASH JOURNAL – GUARDIAN WAIVER

ABLED, acting on behalf of _____

_____ (participant's name), is required to send you quarterly petty cash journals unless you designate otherwise. By signing below, you authorize ABLED to provide this information only upon your request.

ABLED will provide any and all financial records and supporting documentation you wish to see if requested.

I, THE UNDERSIGNED PARTY, ACKNOWLEDGE THAT I HAVE READ AND UNDERSTOOD THIS WAIVER.

Guardian Signature

Date



MISSING RECEIPT ACKNOWLEDGMENT

Staff Name _____ Purchase Date _____

Missing receipt reason:

Misplaced/Lost ☐

Not Received ☐

Payment method:

Petty Cash ☐

Debit Card ☐

Check ☐

Item Purchased:	Amount:
	Total:

Staff Signature _____ Date _____

Participant Signature _____ Date _____