

POLICY AND PROCEDURE CONCERNING FINANCIAL RESOURCES OF PERSONS SERVED

I. PURPOSE

This policy and procedure is implemented to provide responsible financial assistance to the people served by the agency. This policy and procedure applies to all agency employees. It is implemented to assure compliance with Regulations: Title 175 Chapter 3 005.05 and Title 205 Chapter 5 005.06D.

II. AUTHORITY

This policy and procedure has been implemented with the approval of the agency's Governing Board and/or its designee.

III. PROCEDURAL DIRECTIVES

A. Financial Assistance

1. This procedure applies to all financial accounts for which the agency is payee or provides financial assistance.
2. The amount of financial assistance provided by the agency's staff members to the person served is to be defined in the IPP per the *Policy and Procedure Concerning Individual Program Plan*.
3. The person served will have access to his/her funds unless restricted by the IPP Team.
4. As payee, it is the responsibility of the agency to be aware of and adhere to all requirements of all methods of financial support (food stamp review, SSA/SSI reporting, resource limits, burial trust funds, etc.)

B. Petty Cash

1. A petty cash account for each person may be established on the authorization of the person's IPP Team. The maximum balance of this fund will be determined by the IPP Team. A maximum balance of \$15.00 per person is recommended.
2. Debit and credit entries will be recorded for each transaction in a petty cash account. A running balance will be documented after each entry. See Appendix A for the *Petty Cash Sheet* and instructions.
3. Whenever possible, the person served will pay for purchases in excess of \$7.50 by check rather than petty cash.
4. When possible, receipts will be obtained for petty cash purchases and filed with the Petty Cash Sheet.

5. Verification counts for all petty cash balances will be conducted at least once weekly and documented on the person's Petty Cash Sheet. The same person may not verify their own transaction.

C. Storage of Cash and Financial Records

All cash in excess of the amount authorized to be in the person's possession, all checkbooks and original financial records are to be kept under lock unless **specifically** stated otherwise in the IPP.

The IPP Team will determine the amount of cash a person may carry on his/her person.

D. Income Records

1. If the agency is payee, all checks the person receives **must** be deposited into the checking or savings account. Direct deposits are encouraged whenever possible.
2. All checks received are tracked on the Income and Expense Sheet. Photo copies are made at the discretion of the area program.
3. Small amounts of cash received (up to \$15.00) may be placed directly into petty cash and will be recorded on the Petty Cash Sheet and the "income" section of the Income and Expense Sheet. Larger amounts of cash will be deposited into the person's checking or savings account, unless otherwise authorized by the IPP Team.

E. Bank Account Guidelines

1. All persons should be encouraged and supported to sign their own checks and to be involved in their finances.
2. When establishing accounts, the area program is to take advantage of the best services available.
3. Duplicate checks will be used when detailed accounting information is not provided by the bank (including who the check is written to, the amount, the date and the check number).
4. It is the responsibility of staff members to maintain accurate records, prevent overdrafts and service charges due to insufficient funds. It is the staff person's responsibility to maintain any minimum balance requirements. Losses incurred by the person served due to a staff person's error will be reimbursed by the staff person responsible. See Section H for specific recovery methods.
5. All check register entries will be made in ink and the person making the entry will initial the entry.

6. Debit and ATM cards are allowed, as authorized by the IPP Team.
7. Credit cards are prohibited if the agency is payee or responsible for the finances of a person served.
8. If the agency is payee, routine balances in excess of \$500.00 must be in a savings account, unless otherwise stated in the IPP.
9. When opening a savings account, the area program needs to set up the account to require two signatures for withdrawals.
10. Transfers from the savings account require the authorization of the person served and one of the following people: Area Director, Support Supervisor(s) or Office Manager. Transfers are not to exceed six per month. The area program needs to inform the legal representative (guardian and/or conservator) of the person served of the transfer.
11. Withdrawals from the savings account require the authorization of the person served and the signatures of two of the following people: Area Director, Support Supervisor(s) or Office Manager. A copy of the bank's withdrawal slip needs to be kept with the person's financial records. The area program needs to inform the legal representative (guardian and/or conservator) of the person served of the transfer.

F. Miscellaneous Spending Guidelines

1. Staff members will assist a person served to take advantage of sales, coupons, and discounts as available. It is important to make wise purchases based on price, value and quality to help the person served make the most economical use of his/her available resources.
2. If a person served wishes to sell to or buy a personal item from a staff person in an amount over \$10.00, the Area Director, IPP Team and legal representative (if applicable) need to be notified.
3. A person served who wishes to contribute toward the purchase of a gift, memorial, flowers, etc., for a staff member may do so as long as that staff member does not assist in making the purchase. It is recommended the amount not exceed \$5.00 per purchase.
4. A Possessions Inventory will be kept for each person who receives assisted residential services. All items with an initial value over \$100 or an expectancy of use for at least three years and any materials/equipment for training/therapy purposes regardless of the initial cost, will be recorded. See Appendix B for the *Possessions Inventory* form and instructions.
5. A Clothing Inventory will be kept for each person who receives assisted residential services. An inventory will be done at the time of the intake, and then annually each April and September. See Appendix F for the *Clothing Inventory* form and instructions.

6. The agency pays for reinforcements per support program and/or IPP directives. If a person served purchases materials/equipment for training/therapy purposes, it becomes his/her property and is recorded on the Possessions Inventory form, regardless of the initial cost.
7. A person served will not loan money to or borrow money from other people in services or staff members.
8. The agency's staff members are responsible for assisting a person served with the use of his/her food stamp card. Food stamps will be documented on page 2 of the Income and Expense Sheet.
9. Unplanned expenditures exceeding \$50.00 shall not be authorized without prior notification of the IPP Team and prior approval of the person served and the legal representative (if applicable).
10. For information on reimbursements made for leisure activities, see Appendix E *Reimbursement Guidelines*.

G. Income and Expense Sheet

1. It is the responsibility of the Support Supervisor to ensure that an accurate Income and Expense Sheet is completed each month, for each person for whom the agency has financial responsibility. This also includes ensuring that the balances of the checking account register, bank statement/on-line bank account record and Income and Expense Sheet match.

The *Reconciliation Sheet* (Appendix H) may be used to assist in reconciling the three balances.
2. An Income and Expense Sheet need not be completed for petty cash accounts only. See Appendix C for the *Income and Expense Sheet* and instructions.
3. When the bank statement is received, it is to be reconciled.
4. At the end of the month, all receipts, Petty Cash Sheets, paid bill stubs, cancelled checks, bank statements, Income and Expense Sheets will be forwarded to the area office and filed in a central location.
5. All financial records must be maintained for seven (7) years. Once a person has terminated services, his/her records are maintained for seven (7) years after the date of termination.
6. A member of the Area Management Team or the Office Manager will verify and document that an Income and Expense Sheet is completed each month for each person.

7. Once a month, a member of the Area Management Team or the Office Manager will randomly choose a minimum of one person's financial record and conduct an in-depth review.

The in-depth review will include verifying each step of the Income and Expense Sheet process. A person cannot review his/her own work.

At least once a year, every person will have an in-depth review.

8. A copy of the Income and Expense Sheet, bank statement and Petty Cash Sheet(s) will be sent to the legal representative at least quarterly or more often if desired or requested. Additional materials will be sent if the legal representative requests it.

H. Staff Accountability for Handling Finances and Recovery of Funds

It is the responsibility of the staff person(s) involved to replace money missing or lost due to staff negligence, theft, or error; e.g., overdraft charges, service charges from creditors, late charges.

1. Incidents involving possible theft or misuse will be investigated by the Area Director and reported to the CEO. A Financial Incident Report will be completed.
2. The Financial Incident Report will be used to document any incidents resulting in a loss of monies for the person served. See Appendix D for the Financial Incident Report form and instructions.
3. If it is determined that a staff person is in fact responsible for the loss of funds, the staff person will be asked to repay the money within a week.
4. If it is not possible to recover the money within a week, the agency will make the payment to the person served and will continue to take steps to recover the money in a timely manner from the staff person involved.
5. The agency will report incidents of theft or misuse per the *Policy and Procedure Concerning Abuse and Neglect*.
6. At the request of the person served, the legal representative or the IPP Team, the agency will assist the person served with filing criminal charges against the staff person responsible for the theft or misuse.

I. Quality Assurance

Once a year, the Fiscal Analyst will check financial records of people served in each Area Program.

8/95; 4/03; 9/05; 10/06