



MENTAL RETARDATION BULLETIN

COMMONWEALTH OF PENNSYLVANIA • DEPARTMENT OF PUBLIC WELFARE

DATE OF ISSUE

October 5, 1988

EFFECTIVE DATE

November 7, 1988

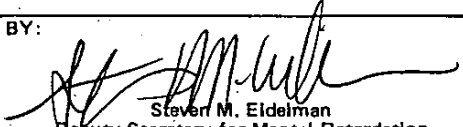
NUMBER

6000-88-08

SUBJECT:

ADMINISTRATION AND MANAGEMENT OF
CLIENT FUNDS

BY:


Steven M. Eideiman
Deputy Secretary for Mental Retardation

SCOPE:

County Mental Health/Mental Retardation Administrators
Base Service Unit Directors
Community Residential Mental Retardation Facility Directors

PURPOSE:

The purpose of this Bulletin is to establish policies and procedures for the administration and management of client funds in order to ensure the protection of persons with mental retardation who reside in community residential facilities.

BACKGROUND:

Persons with mental retardation should have the opportunity to manage personal funds, receive training in the management of personal funds and be guaranteed protection of those funds.

Reviews and audits conducted by the Department of Public Welfare have indicated a need for policies and procedures on the administration and management of client funds.

POLICY:

(a) The County Mental Health/Mental Retardation Administrator is responsible for compliance with the policies and procedures required in this bulletin.

(b) The County Mental Health/Mental Retardation Administrator should ensure that community residential facilities with which they contract establish policies and procedures on the administration and management of client funds consistent with this bulletin. Administrators should review and approve the policies and procedures on client funds and monitor the implementation of these policies and procedures.

COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:

APPROPRIATE REGIONAL MENTAL RETARDATION PROGRAM MANAGER

(c) Policies and procedures should include provision for a financial plan to be integrated into each client's Individual Program Plan to insure the satisfaction of all current and future needs. The financial plan should include at a minimum:

- (1) Documentation that a client has received assistance in applying for all funds and benefits which he/she is entitled by establishing residential intake procedures that identify client eligibility for benefits from all resources and annually reviewing each client's eligibility for programs (e.g., rent rebate, food stamps, etc.). A decision not to access benefits must be approved by the County Mental Health/Mental Retardation Administrator.
- (2) A forecast of cash flow, a budget plan and a review of proposed cash needs.
- (3) A review and analysis of the client's investments, insurance policies, burial accounts, and any conserved resources identified by family (burial plots, etc.).
- (4) Development of a room and board contract where applicable in accordance with 55 Pa. Code CH. 6200, titled, "Room and Board Charges".
- (5) An assessment of the client's need for supervision and/or training in money management.
- (6) Documentation of the client's desire to receive oversight/training in the management of personal funds.
- (7) An assessment of the individual client's need for a representative payee based on the client's ability to manage his/her own monies.

(d) Policies and procedures should include provision for training clients in the management of personal funds. Training should include at a minimum:

- (1) Assessing the client's skills in the management of funds and the need for specific skill training.
- (2) Specifying goals related to training in the management of personal funds. Goals should be included in the client's Individual Program Plan, if appropriate.
- (3) Monitoring of the training program via the client's Individual Program Plan.

(e) Policies and procedures should include provision for the creation of irrevocable burial accounts. The policies and procedures should include:

- (1) Review of individual client balances and spending patterns to determine if the client has adequate funds to meet present and projected financial needs.
- (2) Consultation, if appropriate, with the client/the client's family/interdisciplinary team about other available resources and whether a burial fund or other appropriate arrangements are in the client's best interests.
- (3) Review of the client's insurance records to assure that the burial reserve plus cash surrender value of any insurance policies would be adequate to meet anticipated client burial costs.
- (4) Discussion of the nature of irrevocable burial funds (money can be withdrawn only for burial purposes).
- (5) Establishment of a separate irrevocable burial reserve, interest-bearing account in the client's name ensuring the following:
 - (A) Burial reserve funds are deposited either on a one-time basis or through periodic deposits.
 - (B) Bank statements are received no less than annually.
 - (C) The bank is notified of all client address changes.
 - (D) All pertinent information on the existence of the burial reserve account is filed with the Case Management Unit and provider offices.
 - (E) The client's family is notified about the existence of the burial reserve account, if appropriate.
 - (F) For SSI beneficiaries:
 - (I) The Social Security field representative is notified of plans to establish an irrevocable burial account.
 - (II) A brief memorandum is sent to the Social Security Administration field representative stating the client's name, referencing the initial discussion and attaching a copy of the irrevocable burial agreement.
 - (III) A standard agreement which meets the language requirements of the benefit-issuing agency is used.

(f) Policies and procedures should include provision for safeguarding client funds. The policies and procedures should include:

- (1) A monitoring system to assure continuing eligibility of client benefits.
- (2) Reporting changes in client income or living situations to the appropriate benefit-issuing agency.
- (3) Prompt deposit of client-funds in bank accounts. Client funds in excess of immediate financial obligations should be deposited in interest-bearing accounts where interest is allocated to individual client accounts on at least a quarterly basis.
- (4) A monitoring system of the client's checking account, savings account and cash on hand.
- (5) Setting policies for client expenditures such as personal needs, movie tickets, vacations, newspaper, toll calls, cable TV, and shared costs for fixed assets. A written rationale should be developed for any client-shared costs.
- (6) Establishing procedures, including maintenance of an inventory, to safeguard client personal property.
- (7) Maintaining client funds in a secure manner.
- (8) Meeting client financial obligations and assuring that client charges are made accurately and fairly.
- (9) Documenting (by receipt, invoice, or expense record) client fund use.
- (10) Maintaining, on an ongoing basis, client financial records including, at a minimum, all account balances, receipts, expenditures, and reconciliations of client account balances.
 - (A) A client financial reconciliation should be completed monthly.
 - (B) A periodic review of client funds should be conducted at least once a year.
- (11) Establishing criteria to determine and recommend payeeship responsibility and review individual assignment annually or as needed.
- (12) Establishing representative payee responsibility regarding documentation of money spent on client's behalf.

- (13) Prohibiting the commingling of client funds with agency operational funds, the borrowing of funds between clients and staff and the use of client's money for rewards in behavior management programs.
- (14) Establishing procedures to be followed in the event of misappropriation or theft of clients funds or property as defined in Mental Retardation Bulletin #6000-88-04, Issued August 1, 1988, titled "Preventing, Managing, and Reporting Unusual Incidents and Deaths".

(g) Each County Mental Health/Mental Retardation Administrator should:

- (1) Insure that Mental Retardation Bulletin #99-87-18, Issued November 23, 1987, titled "Case Management Services" is being followed in the area of safeguarding the use of client funds.
- (2) Insure all policies and procedures specified in subsections (b) through (f) are in place and include reporting and auditing requirements.
- (3) Monitor by random sampling no less than 10% of client inventories against actual existence of such items.
- (4) Ensure that as part of the annual audit requirement for each provider the system of internal control over client funds is evaluated and that a representative sample of individual client accounts are tested as part of the process.