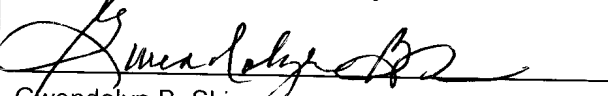


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<b>ODIS Policy:</b> Maintenance of Safety for Division of MHDDAD Consumers and Staff <b>Subject: Management of Personal Needs Spending Accounts for MHDDAD Consumers in the Community</b>	
<b>Applicability:</b> <ul style="list-style-type: none"> <li>• Providers of Community MHDDAD Services</li> <li>• State Operated Community Services</li> </ul>	<b>Effective Date:</b> July 1, 2008 <b>Revised:</b> November 14, 2008 <b>Revised Effective Date:</b> November 21, 2008 <b>Scheduled Review Date:</b> July 2010
<b>References:</b> DHR Rules and Regulations 290-9-37-.18; 290-9-37-.19; 290-5-35-.18; 290-4-9	
<b>Attachments:</b> none	Gwendolyn B. Skinner Director, Division of MHDDAD  11/19/08 Date

## MANAGEMENT OF PERSONAL NEEDS SPENDING ACCOUNTS FOR MHDDAD CONSUMERS IN THE COMMUNITY

### POLICY

It is the policy of DMHDDAD that personal funds of all consumers are to be used and accounted for according to Federal and State laws and these guidelines. Individuals served in residential services contribute to the cost of room and board expenses based on the amount of their benefits (SSI or SSDI, Veteran's and Railroad Retirement benefits) less an amount for Personal Needs Spending. If the individual's benefit exceeds the amount of the room and board costs, benefits may be used for other consumer personal expenses. Provider organizations serving persons with disabilities (also referred to here as Contractors) ensure that these Personal Needs Spending Accounts are properly managed.

### PROCEDURES

#### Consumer Personal Needs Spending Accounts

The Personal Spending Needs amount is set each year by the Division of MHDDAD. In most cases, Contractors become the payee of residential consumers' checks and maintain consumers' personal needs funds. The Contractor keeps all records pertaining to personal needs accounts (including bank statements and bank books) and at least one set of such records is maintained at the consumer's place of residence.

Residents have the right to manage their own funds. Consumers' ability to manage their funds is documented in their respective individual services plan. In instances where a residential services consumer or his/her representative continues as payee and manages his/her own funds, the consumer or his/her representative is responsible for forwarding benefit funds less the established Personal Spending amount to the Contractor.

#### Management and Protection of Consumer Funds

In the event the provider organization has to assume responsibility for the safeguarding or management of any consumer valuables or finances, the following requirements are

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considered minimal and must be fulfilled by the provider organization:

I. The organization must have written and implemented policies and procedures for safeguarding consumer possessions, valuables, and finances. All policies and procedures are in compliance with the guidelines of the Social Security Administration and any other laws or regulations of the federal and state governments. The policies provide for the following:

- A. A strict prohibition, punishable by termination, for any employee, agent or representative of the organization to be listed or designated, either directly or indirectly, as a beneficiary, payee or other recipient of any funds of the consumer, including but not limited to, any insurance, burial or trust benefits;
- B. A procedure in accordance with the guidelines listed below to ensure the timely deposit and accounting of all consumer funds (e.g., trusts, work-related income, Social Security, disability benefits, gifts, etc.) in an account in the individual name of each consumer receiving any such funds;
  1. Funds may not be pooled or co-mingled in any organizational account or other combined accounts, or with other individuals' funds.
  2. Funds not needed for ordinary use by the consumer on a daily basis are deposited in an account insured by agencies of or corporations chartered by the state or federal government and in a form, which clearly indicates that the organization has only a fiduciary interest in the funds.
  3. Funds received from a resident or on his/her behalf may be deposited in an interest-bearing account; provided, however, that any interest earned on such account shall accrue to the consumer.
  4. To the extent that certain funds are properly due the organization for services, goods or donations, funds must first be deposited to the individual consumer account and then subsequently disbursed in accordance with these requirements and the written policies of the organization.
- C. A requirement that consumer funds may only be disbursed upon request or authorization of the consumer and/or his/her family, if appropriate, and, in the case where the organization serves as the designee to receive and disburse funds on behalf of the consumer, upon signature or written authorization of two independent staff members or organizational representatives.
- D. A procedure or set of procedures to assure that at least two people, other than those having authorization to receive and disburse funds on behalf of any consumer, independently reconcile consumer bank and/or account records on a monthly basis.
- E. A procedure for establishing and maintaining a written record of all financial arrangements and transactions involving the resident's funds. This record is made available to the resident, his/her family or guardian, the Regional Office,

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and any other legally authorized representative for inspection and copying upon request.

- F. A method for providing to each consumer on at least a quarterly basis a written statement showing the current balance of any account(s) and an itemized listing of all transactions occurring during that quarter; and
- G. A procedure or set of procedures to account for and inventory consumer possessions to include insurance and other benefits policies (exclusive of consumer funds) on a semi-annual basis to assure clothing, personal effects, memorabilia, and other items of personal value are protected and, as appropriate, remain in the consumers possession during the course of his/her time receiving care and/or services from the organization.

II. The organization that has assumed responsibility for safeguarding and/or managing consumer possessions or finances ensures that monitoring and reporting on the use of personal funds are incorporated into the organization's Quality Improvement Program. Individual financial records are subject to audits by the Social Security Administration and by DHR.

III. In the case of any breach of these procedures or any loss, theft or misappropriation of consumer possessions or funds, the organization must immediately comply with all requirements of the Division's policies regarding incident reporting and investigation, documenting the occurrence(s) and any redress which has occurred. The provider organization bears full liability to replace, either through insurance, bond, surety or cash, any funds illegally or inappropriately taken from a consumer by any employee, agent or representative of the organization.