

# Reviewing Personal Funds

OAC 5123-2-07

DODD Office of Compliance

Reviewer Office Hours

Julie Gregg, Compliance Manager

Persons are presumed to be capable of handling their own money until they have been assessed to need assistance.

# Presumed Competence

- ▶ What are personal funds?
  - ▶ Any financial resources, including but not limited to, earned income, unearned income, bank accounts, investment accounts, and monies distributed from a trust fund or inheritance.
- ▶ Who must follow this rule?
  - ▶ The personal funds rule applies to a provider when the ISP for an individual served by the provider indicates the provider is responsible for managing the individual's personal funds



If a provider is assisting a person with funds while being paid by the waiver, they must follow the Personal Funds rule

- ▶ ADS provider that receives \$50 from the home provider to be used for community activities for Henry
- ▶ HPC provider that receives money from the payee for Maureen's groceries and 'allowance'
- ▶ Parent who helps Jill pay her bills and budget her money on days the parent/provider is also providing Shared Living to Jill
- ▶ ICF provider that helps Bridgette with her personal needs allowance
- ▶ Licensed waiver facility that helps Jordan with his \$100 personal funds he retains

Does this  
apply to  
this  
provider?

# Personal Funds vs. Money Management

## Personal Funds

- ▶ OAC 5123-2-07
- ▶ Provider is providing another service that requires them to assist an individual with managing personal funds (e.g., HPC, ADS)

## Money Management

- ▶ OAC 5123-9-20 and 5123:2-2-07
- ▶ **Service** paid for by the Individual Options and Level One waivers
- ▶ Agency cannot provide HPC and Money Management to the same person
- ▶ Providers of the service must also follow the Personal Funds rule

# What's the difference?

## Payee

- ▶ Person or entity appointed by Social Security to manage benefit payments for someone unable to do so on their own
- ▶ Oversight by Social Security

## Provider assisting with Personal Funds

- ▶ Agency or Independent Provider, Licensed Facility, or ICF/IID that is licensed or certified by DODD and
- ▶ Has been identified in the ISP as being a paid provider responsible for helping a person with their money
- ▶ Oversight by DODD

# Individual Service Plan

- ▶ When someone has been assessed to need assistance managing personal funds, the ISP needs to identify:
  - ▶ Name of person or entity responsible for assisting the person with managing personal funds and the specific personal funds to which the person or entity will have access;
  - ▶ Dollar amount anticipated to be available to the individual upon request
  - ▶ Specific type of supports to be provided (e.g., bill-paying, shopping budgeting, or increasing independence in managing his or her personal funds)
  - ▶ Maximum dollar amount individual may independently manage at any one time
  - ▶ Maximum dollar amount the provider may spend on behalf of the individual for any one expenditure without team approval
  - ▶ Name of person or entity responsible for providing payee services

# The ISP and Receipts

- ▶ An individual's team will determine, through development of the ISP, when a provider is required to maintain receipts for expenditures of the individual's personal funds
- ▶ When required, receipts will include the date, item or items purchased, and amount of the expenditure; other documentation or written explanation will be obtained if a receipt is unavailable

**RECEIPT**

[Company Name]  
Address  
City, State, Zip Code  
Phone

Date: \_\_\_\_\_  
Invoice #: \_\_\_\_\_

DESCRIPTION	QUANTITY	PRICE	TOTAL

Subtotal: \_\_\_\_\_  
Tax: \_\_\_\_\_  
Total: \_\_\_\_\_

PAID TO:  
Company Name  
Address  
City, State  
Phone

**Thank You!**



# Additional Record Requirements

- ▶ The SSA or QIDP must also maintain the following information in the person's plan or official record:
  - ▶ The name of the person responsible for the estate of the person in the event of their death; and
  - ▶ When applicable, the name of the person or entity assigned as guardian of the estate

# Provider Requirements

- ▶ An individual's personal funds must be retained, safeguarded, and accurately accounted for by the provider who is responsible for managing them
- ▶ A provider must deposit the personal funds in the person's account within five calendar days of receipt and make them available to the person within three calendar days from the date of request
- ▶ A provider must provide an accounting of the person's funds to the individual, guardian, team, or the Department upon request

# Team Notifications

- ▶ Ensure that the team is notified when:
  - ▶ An individual's funds exceed the maximum amount allowed for the individual to maintain eligibility for medicaid, supplemental security income, or social security disability insurance
  - ▶ An individual receives a lump sum payment (e.g., benefits back payment) or inheritance.

# Prohibitions

- ❑ Providers cannot require a person to use personal funds to pay for items or services that are reimbursed by Medicaid or other funding source of the provider
- ❑ Providers, immediate family members of providers, employees of providers, and immediate family members of employees of providers:
  - ❑ Cannot ask for or accept loans in any amount from an individual the provider or employee services
  - ❑ Cannot sell items to an individual the provider or employee serves unless the transaction is authorized in writing in advance by the team
  - ❑ Cannot buy items from an individual the provider or employee serves unless the transaction is authorized in writing in advance by the team

## Additional Limitations

- ▶ A provider cannot co-mingle the individual's personal funds with the provider's funds
- ▶ A provider cannot use the individual's personal funds to supplement or replace funds of the provider or another individual on a temporary or permanent basis except in situations where a practical arrangement (e.g., individuals taking turns purchasing household supplies) is agreed upon and documented in writing

# Policy Requirements

for any agency provider or residential facility that is responsible for managing an individual's personal funds

- ▶ Includes a system of accounting principles by which the agency provider or facility retains, safeguards, and accounts for the individual's personal funds;
- ▶ Requires the agency provider or facility to deposit an individual's personal funds in the individual's account within **five** calendar days of receipt;
- ▶ Prohibits an individual's funds to be co-mingled with the agency provider or facility's funds;
- ▶ Prohibits use of an individual's funds to supplement or replace the personal funds of another individual or the agency provider or facility on a temporary or permanent basis except in situations where a practical arrangement (e.g., individuals take turns purchasing household supplies) is agreed upon and documented in writing

# Policy Requirements

Continued

- ▶ Requires a summary of financial transactions be made available to the individual, the individual's guardian, team, or the department upon request;
- ▶ Describes how the provider will ensure that the individual has access to his or her personal funds upon request, but no later than **three** calendar days from the date of request; and
- ▶ Outlines the system for monitoring and reporting alleged acts of misappropriation and exploitation in accordance with rule 5123-17-02 of the Administrative Code.

# Training

All employees responsible for managing a person's personal funds must be trained on the requirements of the Personal Funds rule and follow the agency provider or facility's policy on personal funds





# Accounts established for individuals' personal funds

- ▶ When the provider has possession of an individual's personal funds, the provider may establish a banking account on behalf of the individual or the individual may establish their own account.
- ▶ A cash account may be maintained by the provider as identified in the individual plan or individual service plan

- ▶ Provider may have separate banking accounts for each individual's personal funds, combine multiple individuals' personal funds in one account, or have a combination of both
  - ▶ For accounts with multiple individuals' personal funds, the provider must
    - ▶ Separately account for each person's funds and
    - ▶ Allocate any interest earned proportional to the amount of funds each individual has in the account
- ▶ The individual's personal funds may be maintained in a checking account or a savings account or a combination of both.
- ▶ The provider will do so in a manner that minimizes banking fees paid by the individual.

Bank Accounts  
established on  
behalf of an  
individual

# Account Transaction Record/Ledger

For each type of account established for the individual, the provider shall maintain a written or electronic system of accounting which must contain:

- ▶ Individual's name
- ▶ Source, amount, and date of all funds received
- ▶ Signature of person depositing funds, unless electronically deposited
- ▶ Amount, recipient, and date of all funds withdrawn
- ▶ Signature of person withdrawing funds, unless electronically withdrawn



# What is a Reconciliation?



- ❑ Balancing the checkbook
- ❑ Reconciliation is an accounting process that compares two sets of records to check that figures are correct and in agreement.
- ❑ Reconciliation also confirms that accounts in the general ledger are consistent, accurate, and complete.

# Reconciliations

- ▶ Checking and savings accounts:
  - ▶ Current account balance reconciled to the most recent bank statement
- ▶ Cash accounts, including gift cards or gift certificates belonging to a person:
  - ▶ No less than once every thirty calendar days
  - ▶ Verification of the reconciliation of the documented balance to the actual funds available
- ▶ Signed and dated by the person conducting the reconciliation
- ▶ For Agencies, completed by someone other than the person(s) who directly help the person with managing personal funds or the person who maintains the ledger (written or electronic)
- ▶ For Independent Providers, reconciliations are still required, but the IP can conduct these themselves

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*Always*

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MANAGER DAVID KINMAN  
( 816 ) 224 - 4800

ST# 4058 DP# 00002825 TE# 39 TR# 03366	
HAMBCOMBO 007874235055K	3.17 X
SLC OF CHEES 007874223757K	0.20 X
** VOIDED ENTRY **	
HAMBCOMBO 007874235055K	3.17-X
** VOIDED ENTRY **	
SLC OF CHEES 007874223757K	0.20-X
SUBTOTAL	0.00
CHEESEBURGER 007874223303K	2.17 X
MED DRINK 007874223281K	0.98 X
SUBTOTAL	3.15
TAX 1 3.000 %	0.09
TAX 3 3.475 %	0.11
TOTAL	3.35
CASH TEND	20.35
CHANGE DUE	17.00

**4-21 ORDER #666**

TC# 3680 8362 6229 1132 7028



Ready for the Weekend?  
Check Out Lawn and Garden  
04/21/05 12:25:25

# Receipts

- ▶ The team will determine when a provider is required to maintain receipts
- ▶ When required, the receipt shall identify
  - ▶ The item purchased,
  - ▶ The date, and
  - ▶ The amount of the expenditure.
- ▶ If a receipt is unavailable (e.g., laundromat, county fair), other documentation or written explanation should be maintained in lieu of a receipt

2	CLIENT'S NAME:		<b>Imelda Marcos</b>									February-22
3												
4						HOME CASH ACCOUNT			BANK ACCOUNT			
5	DATE	STAFF INTL.	P.C. SLIP #	TRANSACTION	DESCRIPTION	DEPOSIT	AMOUNT W/D	CASH BAL.	DEPOSIT	AMOUNT W/D	BANK BAL.	
6												
7	Balance Forward							\$176.04			\$234.56	
8	1-Feb-22	JG		Social Security			\$176.04	\$721.00			\$955.56	
9	1-Feb-22	JG	201	Rent - Check #561			\$176.04		\$500.00		\$455.56	
10	3-Feb-22	JG		Transfer for monthly spending - Check #562		\$150.00	\$326.04		\$150.00		\$305.56	
11	3-Feb-22	VP	202	Applebee's		\$29.18	\$296.86				\$305.56	
12	10-Feb-22	JG	203	Electric			\$296.86		\$50.00		\$255.56	
13	10-Feb-22	JG	204	Cable - Check #563			\$296.86		\$50.00		\$205.56	
14	14-Feb-22	VP	205	Target		\$75.15	\$221.71				\$205.56	
15	15-Feb-22	LB	206	Pocket money		\$50.00	\$171.71				\$205.56	
16	17-Feb-22	AM	207	Door Dash/Aladdin's			\$171.71		\$45.10		\$160.46	
17	25-Feb-22	JG	208	Cell phone			\$171.71		\$90.00		\$70.46	
18	25-Feb-22	VP	209	Aldi		\$25.14	\$146.57				\$70.46	
19	26-Feb-22	AM	210	Laundry		\$15.00	\$131.57				\$70.46	
20	28-Feb-22	LB	211	Money to work for activities		\$50.00	\$81.57				\$70.46	
21	28-Feb-22	AM	212	Snip & Curl		\$45.00	\$36.57				\$70.46	
22							\$36.57				\$70.46	
23							\$36.57				\$70.46	
24							\$36.57				\$70.46	
25							\$36.57				\$70.46	
26							\$36.57				\$70.46	
27							\$36.57				\$70.46	
28							\$36.57				\$70.46	
29							\$36.57				\$70.46	
30							\$36.57				\$70.46	
31	ENDING BALANCE							\$36.57			\$70.46	
32												
33												
34	Prepared by:	Julie Gregg									Date:	2/28/2022
35												
36												
37	Reviewed/Reconciled by:	Kristi Williams									Date:	3/5/2022



1  
 2 CLIENT'S NAME **Imelda Marcos** March-22

					HOME CASH ACCOUNT			BANK ACCOUNT		
DATE	STAFF INTL.	P.C. SLIP #	TRANSACTION	DESCRIPTION	DEPOSIT	AMOUNT W/D	CASH BAL.	DEPOSIT	AMOUNT W/D	BANK BAL.
Balance Forward							\$36.57			\$70.46
1-Mar-22	JG		Social Security				\$36.57	\$721.00		\$791.46
1-Mar-22	JG	301	Rent - Check #564				\$36.57		\$500.00	\$291.46
3-Mar-22	VP		Transfer for monthly spending - check # 565		\$150.00		\$186.57		\$150.00	\$141.46
4-Mar-22	JG		Paycheck				\$186.57	\$345.00		\$486.46
7-Mar-22	AM	302	Kohl's			\$64.25	\$122.32			\$486.46
							\$122.32			\$486.46
							\$122.32			\$486.46
							\$122.32			\$486.46
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							\$122.32			\$486.46
							\$122.32			\$486.46
ENDING BALANCE							\$122.32			\$486.46

34 Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
 35  
 36  
 37 Reviewed/Reconciled by: \_\_\_\_\_ Date: \_\_\_\_\_  
 38

A provider is responsible for reimbursing lost funds if the loss of individual's funds results from:

- ▶ Provider not following their policy
- ▶ Provider not following the ISP
- ▶ Provider or employee of provider is subject of substantiated misappropriation or exploitation

Or if the Individual experiences a loss of personal funds managed by the provider and provider failed to maintain adequate documentation

## Provider responsibility for lost funds



# Inducements

- ▶ Providers are prohibited from offering or transferring any remuneration to a Medicaid beneficiary that the person knows or should know is likely to influence the beneficiary's selection of a particular provider
- ▶ Inexpensive gifts of nominal value are permitted
  - ▶ Retail value of no more than \$15 per item or \$75 in the aggregate per person on an annual basis
  - ▶ Items may not be cash or cash equivalents

# Inducements

- ▶ What is not permitted
  - ▶ Payment at all in Adult Day programs
  - ▶ Guaranteed pay regardless of whether work is available or performed in a VH program
  - ▶ Reduced rent at a provider-controlled setting if the person chooses a specific provider
  - ▶ Provider paying utilities, rent, food, etc. because a person does not have any income
  - ▶ Provider paying majority of costs associated with a large group vacation they take as an agency (e.g., provider pays admission to Disney while individual pays airfare)
  - ▶ Providing cash or gift cards based on days of attendance at the service location
- ▶ If you find evidence of possible inducements, contact the DODD Group Manager
  - ▶ If cited, it will be included under the 'all-applicable rules' citation

# Exploitation/Misappropriation

- ▶ Exploitation means the unlawful or improper act of using an individual or an individual's resources for monetary or personal benefit, profit, or gain.
- ▶ Misappropriation means depriving, defrauding, or otherwise obtaining the real or personal property of an individual by any means prohibited by the Revised Code, including Chapters 2911. and 2913. of the Revised Code.

# Release of funds when provider has possession of personal funds

Within **five calendar days** of the termination of services, the provider is to release any **balance of cash** to the individual or the individual's guardian, as applicable, after deducting for actual or estimated expenditures owed by the individual,

Within **fourteen calendar days** of termination of services, the provider is to prepare a **final itemized statement** of the individual's personal funds accounts and **release any remaining personal funds** to the individual or the individual's guardian, as applicable, with the itemized statement.

# Stay Up to Date

- ▶ Subscribe to DODD Communications
  - ▶ New rule notifications
  - ▶ Memo Mondays
  - ▶ Important information
  - ▶ OhioISP Updates
- ▶ <https://dodd.ohio.gov/your-family/all-family-resources/Subscribe>

# Compliance Questions?



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