

Washington State Department of Social and Health Services

Transforming
Lives

Resource Guide

Managing finances for

people in Supported

Living programs

A resource guide compiled by
DDA Residential Quality Assurance



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Contents

Purpose:	3
Involving people in managing their finances to the greatest extent possible	4
Making and Documenting a Plan – the IFP	6
Setting Up Accounts Signers, On-line Access, Debit Cards Overdraft Protection, Social Security Regulations	9
Ledgers	12
Reconciling, Verifying and Non-Involved Parties	14
Using and securing cash, debit cards and EBT Cards	17
On-line Security	19
Creating and Sticking to a Budget	21
Starting off Right Financially with Supported Living Services	25
Keeping it Fair – Splitting rent, utilities, household goods and shared food	28
When There Isn’t Enough – finding, requesting, going without and/or borrowing	30
Records – WAC and Social Security Requirements	32
Other partners – DDA, Guardians, Representative Payees and Social Security Administration	34
Staff Costs for Client Vacations and Special Events	35
Resources and Tools	38

Purpose:

This document is intended to be used by Supported Living Providers as a resource guide and to share some best practices for:

- 1) Increasing person-centered practices and habilitation around financial management for the people they support
- 2) Implementing reasonable safeguards against theft and mismanagement
- 3) Supporting people to live within their means
- 4) Meeting documentation requirements of [WAC 388-101D](#)

This guide is *not* intended to be an exclusive list of how to manage finances. It *is* intended to provide ideas and guidance for real challenges that you may be facing.

“... This may be more time consuming in order to carefully track expenditures but also allows our people the dignity of using their money in a way that integrates them into their communities.”

- Stephanie Pratt, Service Provider

Involving people in managing their finances to the greatest extent possible

Why this is Important:

- Aligns with DDA Guiding Values of Competence and Power and Choice
- Aligns with values for habilitation in Supported Living
- Increases sense of ownership and responsibility for living within budget
- Decreases risk for staff mismanagement or dishonesty with funds

Challenges

- It takes more time to teach and assist someone to manage their finances than it does to do it for them
- Agency policies (which may be well-intended) may override client choice (for example – if the agency defines which stores to use for shopping, which banks to use, what type of accounts to set up or what type of payments can be used).
- On-line banking is convenient, however if the person you support doesn't have computer access or skills then it gives them less involvement than writing checks and going to the bank

You need to ensure

That you support people to manage their money, or portions of it, as independently as possible considering their level of abilities and potential risks



Some options and ideas

- Use debit cards associated with a spending account or pre-loaded debit or gift cards to reduce the risk of going over budget. Load a card with only the budgeted amount for the day / week / month for specific purposes such as food and personal spending money.
- Develop charts and other visual aids that help clients save for things like a vacation or special item.
- When you have a designated financial person, have them go out to the client home once a week to review their petty cash, collect receipts, and talk with clients about upcoming needs (to the extent that they can participate)
- Color-code the budget for fixed expenses, flexible and discretionary expenses, or by wants & needs to make it easier to understand
- Hold money management classes for your clients and staff to participate in together to learn the basics of budgeting
- Try these on-line, easy & interactive resources for individual or group training on basic money management:
 - www.handsonbanking.org – there are on-line trainings that people can take on their own or with support, as well as free downloadable instructor guides if you want to extend or modify the lessons.
 - The [Adult trainings](#) on Controlling Finances with a Spending Plan & Being a Smart Shopper are especially helpful
 - The [Teen resources](#) education on budgeting are a little more animated with more relevant examples and easy to understand, but the exercises involve a lot of math. In this section you will find lessons on making a deposit, using the ATM, keeping a register, and balancing a checkbook.
 - The [Kids' training](#) is even more simple and covers the concept of sales tax



Why this is Important:

[WAC 388-101D-0240](#)

Individual financial plan.

(1) The service provider must develop and implement an individual financial plan with client participation when the client's individual support plan:

- (a) Identifies that the client needs support to manage funds; and
- (b) Designates the service provider as responsible for that support; or
- (c) Indicates the service provider manages any portion of the client's funds.

(2) The service provider must obtain signatures from the client and the client's legal representative on the individual financial plan.

(3) The service provider must include the following in the client's individual financial plan:

- (a) Client funds and income managed by the service provider;
- (b) Client funds and income managed by the client and the client's legal representative;
- (c) The type of accounts containing client funds;
- (d) A description of how the client's funds will be spent during a typical month;
- (e) Money management instruction or support provided to the client; and
- (f) If applicable, asset management including such things as personal property, burial plan, retirement funds, stock, and vehicles.

(4) The service provider must review the individual financial plan with the client at least every twelve months.

(5) The service provider must send a copy of each client's individual financial plan to:

- (a) The client's legal representative; and
- (b) The client's case manager upon request.

Challenges

- Because the IFP needs to be *individualized*, it takes time to write well
- The plan and budget needs to be kept up to date when significant changes occur
- Clients may have limited ability to understand the plan when it is reviewed with them, so their signature does not necessarily indicate an understanding
- Guardians may not want the client to sign the IFP if they do not understand the agreement they are signing

You need to ensure

The IFP is *individualized* to the person's abilities, preferences, and budgetary constraints

The plan is updated as needed, at least annually



Some options and ideas

- Be specific to the individual client – (not his/her or if he/she has a housemate...)
- Be accurate – give a true, current financial story for the client
- By customizing the IFP for each person, it will clearly delineate roles, responsibilities and documentation requirements
- A clear IFP is especially important to establish at the beginning of a provider-client relationship
- IFP should document financial responsibilities of client, agency, Representative Payee and guardian (if applicable)
- Discuss the IFP with the client using visual aids as needed
- If you use a standardized template, make sure that you fill out all sections and tell a customized story
- Don't cut and paste into pre-filled forms without changing necessary details
- Sample IFP form that meets WAC requirements [click here](#)
- The budget in the IFP, should be the typical expected budget; track monthly budget expenditures outside of the IFP
- Include language in the IFP regarding how you will manage things such as cash on hand, check writing and signing processes
- Describe client's skill
- Describe the where, when & how the client uses and manages their money
- Describe how shared household expenses are managed
- Describe the staff roles and who does what with and for this person; list names of specific positions that are responsible for different roles
- Identify the 2 job titles, one who is not involved in financial transactions, which will reconcile and verify each of the client's accounts (may be different for bank and cash accounts)
- Identify steps necessary to protect client from exploitation
- Clarify how the person's funds flow from guardian or Rep Payee (if applicable)
- Consider if person can manage some of their cash or change and how they are learning to handle money

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for



More options and ideas

- Include specifics such as how much spending cash is in the home, where it is kept and instructions for using ledger
- Describe how client will be involved in managing their money and paying their bills – this is important and could point to a habitation goal in the IISP
- Reference the client's skills and preferences – what are the instructional components? Where is the money kept? Does the person's guardian have any influence over purchases? How can the person be given more control and learn skills?
- Where are the typical places that the person spends money? What are typical purchases and preferences?
- Spend-down contingency plan – include what the limitations are per SSA and Medicaid rules and how to prevent the client's resources from going over the limits
- Identify Medicaid information and what role the agency or guardian takes in ensuring the client's benefits are intact (such as quarterly reviews, monitoring resources, filing renewals and appeals)
- Identify cash or food assistance amounts
- Include person's current employment and income
- Identify exactly where things are kept such as ledgers, locked boxes and financial books
- Remember to list who manages other assets such as
 - personal property
 - burial plans
 - special needs trusts
 - accounts or funds managed by client or others on their behalf
 - other assets such as stocks, retirement funds, vehicles
- Update the IFP at the beginning of the year when income typically changes, and refer to IISP for habilitative support around finances where applicable
- Send IFP to guardian and CRM when sending the IISP
- Review and revise IFP when client has any significant changes such as
 - new source of income (job, change of benefits type or amount)
 - changes in expenses (due to household changes, rent increase)
 - changes to the funds the client or provider manages (due to increased skill, change of involvement of other parties, new or closed accounts)



Setting Up Accounts – Signers, On-line Access, Debit Cards Overdraft Protection, Social Security Regulations

Why this is Important:

[WAC 388-101D-0285](#)

Client reimbursement

The service provider must pay the client the total amount involved when:

- (1) The service provider or staff has stolen, misplaced, or mismanaged client funds; or
- (2) Service charges are incurred on a trust account that the service provider manages for the client.

There is a balance to ensuring that enough people have access to the account so that funds can be accessed during vacations, etc., while not having so many people with access that it lessens accountability.

The provider is responsible for overdraft fees and for replacing any mismanaged funds. Mismanaged funds can include purchases that are unsupported by documentation (such as a receipt), loans that are made without a loan agreement, or debt incurred that the client cannot afford.

Challenges

- The process of establishing a Representative Payee account with a bank can be cumbersome
- Different banks or bankers will have different interpretations of how an a Representative Payee account can be set up
- Having too few authorized signers on an account can create issues when signers are unavailable
- Having too many authorized signers
- Access to debit cards linked to main client account has potential for someone to drain whole account
- Checks can be stolen, altered, or mis-used; this could be undetected for a period of time due to time it takes for checks to clear
- On-line access has the potential for staff with access to steal funds virtually
- Overdraft protection avoids fees, but may allow the account to go into larger deficit before it is noticed



Setting Up Accounts – Signers, On-line Access, Overdraft Protection, Social Security Regulations

You need to ensure

You must take reasonable precautions to prevent misuse of client funds and financial exploitation

If you are the Representative Payee, the account must be set up according to Social Security Guidelines ([click to see more](#))

Some options and ideas

- Establish a relationship with a bank and banker who will work with you
- The bank where the provider has a business relationship may be more willing to work with you to meet needs, minimize fees, and maximize communication
- In general, small or mid-sized banks and credit unions may be easier to work with to set up accounts that meet the needs
- Keep documentation of who the approved signers are on each account. This should be changed any time that a signer leaves the provider, and reviewed at least annually (any signer on the account can drain the account!)
- Keep a record of who has on-line access to accounts, change passwords regularly and when staff with access leave
- Have staff sign acknowledgement of acceptable and unacceptable on-line transactions
- On-line access to accounts has the benefit of allowing person(s) responsible for financial oversight to have real-time information about account transactions without waiting for a paper bank statement to come in the mail. It also allows for easy transfer of funds between accounts if the client has multiple accounts set up
- Set up 2 accounts for each client and use the secondary account as the funds which client will manage (with or without staff support); transfer funds from primary account to this account for weekly spending money and discretionary spending and grocery purchases as outlined in the IFP

More options and ideas

- If you set up 2 accounts, do not include overdraft protection on 2nd account or allow it to automatically draw from the primary account
- Funds can be transferred to secondary account weekly or monthly as person learns how to budget
- Write “not to exceed” on checks’ memo line for budgeted amount to remind the staff and client of the budgeted amount for the purchase
- Have staff sign debit, EBT, and gift cards out for each use when they are managed by agency
- Have staff document purchases on ledger and attach receipts when signing card(s) back in
- Review ledger, purchases and receipts regularly
- Set up notification alerts from the bank for low balances and large expenditures
- Check accounts on-line regularly for abnormalities



Ledgers

Why this is Important:

[WAC 388-101D-0245](#)

Managing client funds.

(2) For any client funds managed by the service provider, the service provider must:

(a) Separately track each client's money, even when several clients reside together;

(b) Maintain a current running balance of each client account;

(c) Make deposits to the client's bank account within one week of receiving the client's money;

(d) Prevent the client's bank account from being overdrawn;

(e) Ensure that client cash funds do not exceed seventy-five dollars per client unless specified differently in the individual financial plan; and

(f) Retain receipts for each purchase over twenty-five dollars.

Challenges

- Staff don't always have skills to accurately maintain a ledger
- This may require multiple ledgers per client
- If there are errors in math or redeposited funds, the ledger will not match actual balance
- Ledgers can become messy or difficult to read when mistakes need to be corrected

You need to ensure

There is an accurate, running balance for each account that is managed by the agency – this includes bank, cash, EBT cards, pre-paid cards and gift cards

Receipts required for purchases (more than \$25 unless otherwise specified)

Cash funds cannot be too high (more than \$75 unless otherwise specified in the client's IFP)



Some options and ideas

- Have a calculator accessible near ledgers that staff maintain
- Keep paper ledger physically with the card / cash in a pouch or envelope in which receipts will also be stored
- Color-code the envelopes and/or ledger sheets by clients or type of fund when there are multiple ledgers in a home
- Even when staff ledger is a working/draft ledger; it should be regularly checked against the actual cash or card balance
- Train staff who check ledger against balance on procedure when they find an error
- Remember EBT and gift cards need ledgers kept
- Print maximum allowable amount at top of cash account ledger
- Make all entries in ink, and don't use white out to correct errors. Draw a single line through errors and initial the correction
- The \$75.00 cash account limit includes all cash accounts – so in cases where a client has multiple cash accounts, keep the *total* limit under \$75
- Have a process for weekly review of accounts and collection of receipts so that any issues can be promptly noticed and addressed
- Weekly review is a great time for financial staff to discuss budget and upcoming needs with clients



Reconciling, Verifying and Non-Involved Parties

Why this is Important:

[WAC 388-101D-0255](#)

Reconciling and verifying client accounts.

(1) For any client funds managed by the service provider, the service provider must:

- (a) Reconcile the client's bank accounts to the client's bank statements each month;
- (b) Reconcile the client's cash account each month; and
- (c) Verify the accuracy of the reconciliation.

(2) The service provider must not allow the same staff person to do both the verification and reconciliation of the client's account.

(3) The service provider must ensure that the verification or reconciliation is done by a staff person who did not:

- (a) Make financial transactions on the client's behalf; or
- (b) Assist the client with financial transactions.

Challenges

- Two separate processes (reconciling and verifying) for each account is time consuming
- For smaller agencies, having 2 people and one of them not involved in financial transactions may be difficult to find
- Person who is reconciling or verifying may not understand what exactly they are checking

You need to ensure

Any accounts managed by the provider (for example: bank, cash and cash-equivalent such as EBT, pre-paid and gift card) are reconciled and verified at least monthly
Either the person who reconciles or verifies must not be involved in financial transactions for the client



Some options and ideas

- Remember that if the client has the skills to manage funds independently and this is documented in the IFP, the agency will not need to reconcile and verify those funds
- Verify ledgers by entering into computer program or running an adding machine tape, which gets signed and attached to ledger
- Staple receipts and ledgers associated with cleared transactions to bank statement in order listed on statement
- If using computer program to reconcile, the reconciliation report should be printed.
- Ensure the signatures of the reconciler and verifier should both be on either the report or the statement.
- Have the staff who assist with cash and card transactions check the math of the transaction and then check the actual balance of the cash/card against the running balance by either physically counting cash or looking at balance of card on the receipt)
- If you have more than one group or team of people responsible for managing different clients' funds; they can be the non-involved party for verification of other team's reconciliations
- Since the words "reconcile" and "verify" are used in WAC – use those words instead of balancing, double-check or audit unless referring to an additional process
- Both the reconciler and verifier should check for required receipts and signatures

Reconcile

The balancing of all accounts managed by agency. Comparison of two numbers to demonstrate the basis for the difference between them

Verify

Double checking the balancing to prove, show, find out or state that the reconciliation is true or correct

What the person who reconciles and verifies should do:

	Checking account	Cash ledgers	EBT/ Quest/ Food	Gift Cards
Reconcile	Balance the checkbook ledger to the bank statement Ensure required receipts are attached	Checking the math on the cash ledgers and balancing the cash ledger to the actual cash Ensure required receipts are attached	Checking the math on the ledger and confirming balances on the ledger are correct (ending balance on receipt or call to get balance) Ensure required receipts are attached	Checking the math on the ledger and confirming balances on the ledger are correct (ending balance on receipt or call to get balance) Ensure required receipts are attached
Verify	Double checking each step of the balancing performed by reconciler	Double checking each step of the balancing performed by reconciler	Double checking each step of the balancing performed by reconciler	Double checking each step of the balancing performed by reconciler



Using and securing cash, debit cards and EBT Cards

Why this is Important:

[WAC 388-101D-0265](#)

Client bankbooks and bankcards.

(1) For clients who manage their own funds, the service provider must document in the client's record when the client asks the provider to hold the client's bankbooks and bankcards.

(2) When the service provider holds the client's bankcards or bankbooks as requested by the client:

(a) It is not assumed that the service provider is managing the client's funds; and

(b) The client must continue to have access to his or her own funds.

Challenges

- As costs increase and client activities and outings get more expensive, it is more and more unrealistic to stick to a \$75 maximum for cash on hand
- Hard to stay under \$75 max for vacations, start up shopping, garage-sale purchases and spend-downs
- It is challenging to keep the PIN number both accessible and secure
- In order to verify balance, it needs to be checked on-line or over the phone
- If staff access is too limited; client doesn't have access to their own funds
- If staff access is too broad; security and accountability is more challenging

You need to ensure

If cash accounts will exceed \$75, even for vacations and one-time purchases, that it is documented in the IFP

That staff don't start holding cards or cash for "safekeeping" without accurately reflecting if provider is managing funds in the IFP



Some options and ideas

- The ledger should stay in the house when the cash / card leave the house so that if it is misplaced there is a record of the missing amount
- Use pre-paid cards rather than cash for vacations and large shopping trips with multiple stores. For more information on pre-paid cards, [click here](#)
- Count cash and verify presence of cards when staff change shifts
- If the client can learn and remember their own PIN number, then do not share the PIN number with staff to reduce likelihood of theft
- If you do share the PIN with staff, change it regularly or at least each time that there is turnover in staff who had access to the card and PIN
- Purchase similar zippered pouches in different colors for clients where checkbook, debit card, register, ID, and receipts were safely kept during outings
- When staff and clients return from outings and shopping, have staff initial the receipt and write the check number or “debit” on the receipt
- Errors are more likely to occur when clients go out to eat and forget to write in the tip amount on the receipt; make a special effort to ask staff if there was no mention of tip amount on dining receipts
- Use the same register for any spending, whether check or debit card was used, so that there is always an accurate running balance in the register
- At the end of each month, staple receipts to the ledger and then verify and transfer the balance to the new month's ledger
- When using cash, keep the money in a special envelope with the client name, date, amount of cash taken out and what/where it was spent. Have staff return the change and the receipt with CASH written on the top of the receipt in the envelope. Have the client and the staff involved in the transaction initial the receipt
- When larger amounts of cash are necessary, ensure that it is written in the IFP and that there is a plan for security, prompt spending of funds, return of receipts and re-deposit of any excess funds
- Use pre-paid VISA card for vacations and other large expenditures where a check isn't feasible to reduce need for cash

On-line Security

Why this is Important:

On-line banking and financial management is convenient – however it also provides dishonest people with access to the means to quickly and remotely drain resources

Challenges

- Banks often have “hardened” password requirements that make passwords difficult to remember
- If staff all use the same login and password, it will be more difficult to determine who made a fraudulent transaction
- On-line banking can be done from any location with internet, so it is more difficult to monitor and secure

You need to ensure

You must take reasonable precautions to prevent misuse of client funds and financial exploitation



Some options and ideas

- One important way to safeguard client funds is to hire very honest and responsible staff
- Good internal controls are essential
- Regularly monitor activity: review bank statements as soon as you receive them
- Set up on-line alerts for certain transactions to catch fraud
- Only designated staff can access on-line banking information
- Document, review & update who has on-line access
- Ensure that each employee with access has separate login information to trace who made transactions
- Change passwords regularly
- If possible, set up an agency on-line account that allows you to give individual users specific permissions; do not give permission to transfer or spend funds unless necessary
- Have staff sign acknowledgement of their responsibility to maintain security of their password (not share with others, write on a sticky note on desk, etc.)
- You use a random password generator such as [this](#) and then send the password to current employees who should have on-line access (or have employees use to change their own password if they are responsible to change their own password)
- Contact your bank immediately if you notice unauthorized access or use
- Remember your mandated reporter obligation to report suspected financial exploitation



Creating and Sticking to a Budget

Why this is Important:

Budgeting and living within your means are important habilitative life skills that are essential to Supported Living.

Involving the person with their finances and budget helps to reduce power struggles over money and can create a sense of urgency for working and/or bargain shopping.

Challenges

- It takes time to budget with people
- Budgets can be hard to understand
- It takes self-discipline to stick to a budget
- Often the staff supporting people may not be familiar with budgeting
- Clients and guardians may have expectations that are outside of their budget

You need to ensure

As Representative Payee, you must spend benefits to help create a stable living environment for the beneficiary and ensure that the basic current needs of food, shelter, clothing, and medical care are met (Social Security Administration requirement)

You must prevent the client's bank account from being overdrawn when managing a client's funds (WAC requirement)

When an individual does not have sufficient resources to pay for essential expenses, the service provider and CRM are expected to assist the client to explore all possible resources prior to requesting support funded with state dollars (DDA [Policy 6.11](#) requirement)

The IFP should identify if the client does not routinely have sufficient income to cover basic expenses

You should not be loaning funds that the client has no reasonable ability to repay



Some options and ideas

- Use pictures and color-coding to make budget easier to understand and look more appealing
- You can create an annual budget
- Use on-line tools or applications if the person has computer access - there are many free resources available
- When the person has a paying job, look at ways to design the budget that helps them see that their job pays for the things they most want. For example, SSI/SSA covers rent and utilities, and the work income pays for food, entertainment and vacations.
- Print the monthly budget and have the person fill in the amounts they spend with their staff. Keep a running total of how much is left for things like groceries, household items, and entertainment. You can have this as a part of your IISP goal documentation if the person has a goal to manage their finances. You can also use this as a part of your documentation on how you manage client funds if the receipts and ledgers are attached.
- When possible, have a line in the budget to save for something the person is working toward (such as a vacation, a new bike), and saving for unexpected expenses (such as a broken washing machine or moving)
- Consider a reward system to celebrate progress with budgeting and saving money



More options and ideas

Increasing income:

- 
- Apply for assistance and benefits as soon as you are aware of potential need, and complete all required updates and notifications to maintain current status
 - Start working, go to work more often, and/or work more hours
 - Earn more when you work – look for a better paying job, ask for more responsibility or ask for a raise
 - Take on a second job or odd tasks such as doing yard work or cleaning for others, dog walking, delivering fliers, or temporary day labor jobs. (Be sure to attend to safety, resources and potential conflicts – for example don't respond to unknown people over the internet, agencies and staff cannot pay clients for work unless they pay minimum wage ([WAC 388-101D-0290](#)))
 - Look at unique ways to earn extra \$: image reviewer for Shutterstock, survey taker (Inbox Dollars, Vip Voice, Ipsos Panel), sell unwanted / unneeded household items (make sure that they are yours!), get paid to watch movie previews and tv (Swagbucks, RewardTV), start a blog, sign up for Nielsen Consumer Panel (these and more were found on www.thepennyhoarder.com)
 - Ensure that the person is receiving all Social Security benefits that they are due. Find more about maximizing Social Security benefits [here](#)
 - When deciding whether to apply as an individual or a group assistance unit (household) for food benefits, your answer needs to reflect how food is or will be purchased and prepared. If you apply as a group assistance unit/household; then all income and resources will be used when determining the benefit. When food is purchased and prepared separately, then individuals may be eligible for more food benefits. The increased benefits may be worth changing how food is purchased and prepared if the client(s) choose to do this.

Decreasing expenses:

- 
- Rent is typically the biggest expense – so it makes sense to focus on that first! Apply for Section 8, HUD or any other subsidies available, find a household configuration of rent and housemates that make the rent affordable – ideally less than 50% of income
 - For big expenses that happen once per year such as filling oil or propane tanks used for heating, anticipate the expense and save some money each month toward that expense if possible



More options and ideas

Decreasing expenses (continued):

- Reduce utility bills by doing things such as turning off unused lights and electronics, shutting windows and doors, turning down the heat, reducing water usage. Many utility companies will do a free consultation to show you how to conserve, and may even provide freebies such as LED lightbulbs and water-saving shower heads. Ask about and apply for any discounts for senior/disability/low income
- If you are paying for expanded cable and internet – those are luxuries and aren't allowable expenses for an insufficient income allowance, which means that the person cannot live within their means if they need an allowance from DDA and continue to pay for expanded cable or internet
- Groceries: Clip coupons and buy things when they are on sale. Shop at stores that tend to have overall lower prices. Reduce the amount of prepared-foods you buy and make more from scratch. Bake your own bread. Make larger meals such as soups or casseroles that are nutritious but low-cost and can be divided and frozen for future meals. Buy larger packs of meat and divide into labeled zip-lock bags
- Dollar Store: know what to get at the dollar store! There are many things that are a good value there (such as shampoo, shaving cream, and some kitchen items). The other great thing about the dollar store is that it is an easy place to learn budgeting (don't forget to calculate the sales tax)
- Stop or reduce smoking. Smoking is an extremely expensive habit that is hard for anyone to afford, let alone on a fixed income. If you can't quit, consider learning to roll your own to reduce costs. Cigarettes are not allowable expenses for an insufficient income allowance, which means that the person cannot live within their means if they need an allowance from DDA and continue to pay for cigarettes or other tobacco products
- Eat out less (or not at all). Pre-prepare meals or have easy to eat things around such as fruit so that you won't be tempted to eat out as often. Look up recipes for how to make your own home-made version of your favorite fast-food item
- Work out for free. Even if you can afford a gym membership, you may enjoy walking around your neighborhood or playing basketball down the street more. If the gym is important to you, ask about and look for low-income/senior/disabled discounts or free/trial memberships



Starting off Right Financially with Supported Living Services

Why this is Important:

Establishing a household can be expensive. If it is not managed correctly, the person may begin their community living experience with debt that they have no foreseeable way to repay.

Budgeting and living within your means are important life skills that should be taught and modeled from the very beginning of Supported Living services.

Challenges

- It can be very expensive to establish a household, especially when someone is entering Supported Living Services from an institution and does not have household furnishings or savings
- The standard allowable rates for start-up won't typically cover deposits and furnishing the household with new furnishings
- It isn't always easy to get receipts or to know the items and costs ahead of time when shopping for used items at garage sales, thrift stores, and internet sites
- Buying used items often takes more time since it generally involves going multiple places and making contacts. Items need to be inspected to ensure that they are clean and in good condition

You need to ensure

Requests for start up allowance must be submitted and approved prior to making purchases ([DDA Policy 6.11](#))

Request must include itemized list of purchases and estimated costs, amount of available income and resources, and written justification for additional items and expenses if they will exceed the maximum



Some options and ideas

- Whenever possible, coordinate new moves into supported living with housemates who will contribute their share toward deposits and household furnishings. This could be two or three people moving into a new household at about the same time, or someone joining an established household.
- *Before* people move, do a realistic budget for the moving and the on-going expenses. If the person does not have the resources needed, look at potential ways to address the shortfall or change the plans.
- For most furniture and household items, consider these no cost or low-cost alternatives:
 - Furniture banks (like a food bank, available in many communities for low-income people – be sure to check for bedbugs – look [here](#) for more information)
 - Free, or for sale groups such as: Buy Nothing, Freecycle, Offer Up, Craigslist – you can find many good things for free or for a very low price
 - Thrift stores
 - Garage / Estate sales
 - Have the person talk with their family to see if they have any used furniture or household goods that they would be willing to donate to help them get established
 - Hand-written receipts are acceptable for purchases made outside of businesses. You can get a book of blank receipts to use at a store such as Cash-and-Carry, or make up your own. Ensure that the date, item purchased and amount are included along with the signature of the seller and purchaser if possible
 - Remember to record items of value in the client’s property record



More options and ideas

- Use start-up shopping as an opportunity to teach and practice skills such as setting and sticking to a budget, comparison shopping, and using the internet to find resources. Utilize transition time for these activities.
- Discuss proposed budget with CRM before you start shopping. Even if you are not sure of the exact budget because you will be bargain shopping, find out your options before beginning to spend.
- Organize your list in two groups: must have's (such as a bed) and wants (such as a microwave). Put the most expensive items at the top and start with looking for those items to get donated or buy used so that you are spending time bargain shopping for the items that will save you the most money. Don't buy anything new off of the wants list unless or until you have gotten everything from the needs list.
- When sending staff out bargain shopping – you can send them with a list of things to get with a total budget, or with amounts not to exceed for individual items. Give them a ledger and the amount of cash that they may spend during the day along with blank receipts to use if needed with independent people who are selling items to complete. Have them bring back the ledger, all receipts and change at the end of their shopping day. Repeat as needed.



Keeping it Fair – Splitting rent, utilities, household goods and shared food

Why this is Important:

[WAC 388-101D-0235](#)

Shared expenses and client related funds.

(1) For purposes of this section "common household expenses" means costs for rent, shared food and household supplies, and utilities, including but not limited to water, garbage, cable television/radio, telephone, and electricity.

(2) The service provider must ensure that common household expenses are shared equitably among all clients living in the household.

Challenges

- Many stores, landlords and utility companies won't want to take multiple checks for purchases or bills
- When the split doesn't come out evenly, who pays the "extra penny" needs to be alternated
- Extra's on utility bills such as long distance calls or additional cable boxes need to be paid by the person using the service, and taxes calculated based on each person's share when splitting bills
- If internet or other services are set up exclusively for the use of the agency; the agency needs to pay for these services
- If the agency utilizes live-in staffing, the agency needs to pay their portion of rent and utilities
- When food benefits are awarded based on clients purchasing and preparing food separately, then food needs to be labeled and stored in a way to prevent sharing
- When clients change households; rent, damage deposits, utilities, food and household expenses need to be prorated for each person's portion



You need to ensure

Long-term care, HUD and other regulations are followed when applying for and receiving assistance

Clients are not paying more than their fair share

Reimbursements occur promptly and accurately

Some options and ideas

- If housemates shop, purchase and prepare food together; have each pay their share at check-out and document who paid what amount on each receipt. This will take longer at the check-out, but will make it equitable without the need to do reimbursements
- Ensure the name(s) of clients who paid for purchase and form of payment (check number / EBT / Debit / Cash) is written on each receipt
- When housemates purchase and prepare foods together but don't shop together; alternate who purchases groceries on a weekly basis and at the end of the month compile all receipts and total it up to come up with a per-person amount; then do housemate reimbursements as necessary *See sample forms*
- When housemates purchase food and/or household supplies together, they can each contribute equal amounts to an account (cash, pre-paid, debit or checking) that is used to purchase those items, then there is no reimbursement needed
- If clients purchase and prepare food individually, purchase shared household supplies such as toilet paper and paper towels separate from food so that household supplies can be shared equitably. Either have each person pay their share at check-out, or do monthly housemate reimbursements
- If household items are all purchased at the dollar store, each client can purchase an equal number of shared household items per month to ensure an equitable split
- If people move to a different household within the same provider, do move-out inspections even when the homes will be rented by other clients. This will allow you to ensure that damage is attributed to the responsible party in a timely manner and that people get their fair share of deposits back
- Even better, address damage as it occurs and follow the policy and request process as needed for client damage as outlined in DDA [Policy 6.11](#)



When There Isn't Enough – finding, requesting, going without and/or borrowing

Why this is Important:

[WAC 388-101D-0280](#)

Client loans.

(1) The service provider may loan funds to a client from the service provider's funds and collect the debt from the client in installments.

(2) The client's service provider must not:

(a) Charge the client interest for any money loaned; or

(b) Borrow funds from the client.

(3) The provider must keep the following loan documentation for each loan:

(a) A loan agreement signed by the client or the client's legal representative;

(b) Amount of the loan;

(c) Payments on the loan balance; and

(d) The current balance owed.

Challenges

- Basic SSI benefits are rarely enough to meet basic cost of living expenses, especially when the client lives alone
- DDA subsidies do not cover tobacco or other expenses that may be very important to the client
- DDA subsidies don't cover guardian fees
- There is often a lag between the application for benefits (such as SSI, food, DDA allowances) and the award of benefits / receipt of payment
- Clients may not have a bank account set up prior to incurring initial expenses (due to lack of income, lack of ID, provider not yet identified as Representative Payee)
- Expected benefits may be denied or less than expected, which creates a problem when expenditures have already been made
- If the client pays a bill for which the provider is responsible and the provider later reimburses them, they have borrowed funds from the client
- If the provider pays for something and the client later pays or is expected to pay them back; they have loaned money – even if it was short term or due to shortfall of expected benefit



You need to ensure

You support people to live within their means

Client does not pay for agency expenses, even short-term

You have a written loan agreement signed by client and guardian (if applicable) in advance any time client is expected to repay agency for an expenditure

Some options and ideas

- Call your RM to discuss a new / difficult financial situation prior to submitting RAR to agree on best approach and minimize surprises (on both ends)
- For a one-time only timing issue that is causing loans – discuss options with your RM
- When guardianship is initially being considered or pursued, ensure guardian is aware of client's ability to pay or not pay
- As a Representative Payee, your initial obligation is to meet the person's basic needs
When client cannot afford guardian fees and this has been made clear to the guardian; make a report to RCS or APS
- When completing the resources section on RAR form, be sure that you have calculated all of the expenses that will be incurred for that month for the end of month balance
- Do a loan agreement at the time of an RAR if \$\$ will be spent prior to RAR being confirmed and received so that you have a loan agreement in place if DDA denies all or part of the amount. If person does not agree to the loan, then hold off on the expense until you know if the RAR is approved
- Use a loan tracking sheet that lists payments received and running balance for each loan
sample form
- Get loan agreement signed in advance when making expenditure in advance of receiving RAR in case it is not paid in full. Track payment from DDA as loan payment
- Keep loan agreements with record of payments in special file until paid in full
- Use pre-paid cards to book travel and make on-line purchases rather than rather than the provider making credit card purchases and then seeking reimbursement from the client (*which is a loan*). For more information on pre-paid cards, [click here](#)



Why this is Important:

[WAC 388-101D-0270](#)

Client financial records.

(1) For client funds that the service provider manages, the service provider must retain documentation including documentation for bank and cash accounts.

(2) The service provider must also keep the following documentation for client financial transactions:

(a) Monthly bank statements and reconciliations;

(b) Checkbook registers and bankbooks;

(c) Deposit receipts;

(d) Receipts for purchases over twenty-five dollars;

(e) A ledger showing deposits, withdrawals, and interest payments to each client; and

(f) A control journal for trust accounts.

(3) The service provider must keep the following documentation for cash and debit transactions:

(a) A detailed ledger signed by the staff who withdrew any of the client's money;

(b) A detailed accounting of the funds received on behalf of the client including:

(i) Cash received from writing checks over the purchase amount; and

(ii) A list of where the money was spent.

(c) Receipts for purchases over twenty-five dollars when service provider staff withdrew the money.

Records – WAC and Social Security Requirements

Challenges

- Financial records need to pass through several people including those who assist with the transaction, reconciliation and verification
- Bills and receipts need to be a part of documentation for each client, including when expenses are shared
- Not all vendors routinely give paper receipts
- Keeping ledger signed by staff for debit transactions requires additional system
- Maintaining documentation or a list of staff who assist with financial transactions is time consuming

You need to ensure

Documentation is maintained in an organized fashion

You have a system of knowing which staff accessed client funds and assisted with financial transactions in order to manage, detect and pinpoint potential misuse



Some options and ideas

- Keep a ledger with debit card(s) and have staff sign the card in and out in addition to signing the ledger for the transaction
- Have a distinctive envelope or folder designated for receipts (which can otherwise get lost among other papers)
- Have a set time and system for transfer, processing and filing of financial documentation at least weekly
- Copy receipts for shared expenses for each client's record *or* staple shared receipts to the monthly reconciliation form which is kept in a designated file and keep a copy of the reconciliation form in each client's file
- Keep a record by staff name and/or position of people with
 - signing authority
 - access to accounts on-line
 - access to debit cards, PIN numbers, checkbooks and/or cash
- Have a policy and acknowledgement form that staff who have financial access sign indicating they are aware of acceptable financial practices and their responsibilities
- Have staff sign all receipts and deposit slips when they assist with transactions
- Using a computer program such as Quicken or Microsoft Money for recording transactions and reconciling accounts reduces human errors
- When using a computer program, it is easy to generate information for budgets, Long-term Care, Representative Payee and guardianship reports.
- Transfer of client funds



Other partners – DDA, Guardians, Representative Payees and Social Security Administration

Why this is Important:

Representative Payees and Guardians have fiscal and accounting obligations which they must meet

[WAC 388-101D-0250](#)

Using client funds for health services.

The service provider must document all denials for client health services from the health care authority, the department, and medical insurance companies. The service provider:

(1) Must notify the case manager of the denial in writing; and

(2) May use client funds for the client's health services if no other funding is available.

Challenges

- SSA does not approve of clients being listed as a signer on their bank accounts, but DDA does require that clients have access to their funds
- Guardians and agency Representative Payees may charge client a fee for their services, which reduces their income
- Guardianship fees are not an allowable expense for Residential Allowance Request (RAR) in Supported Living
- Outside agency or family Representative Payees require additional coordination to pay bills and day-to-day expenses
- It is burdensome to report medical expenses to the case manager every month, especially as more and more medical expenses are denied by Medicaid and Medicare
- Medical plans, copayments, deductibles and can be confusing

You need to ensure

You meet Social Security requirements for Representative Payee if you serve in that capacity

You report suspected misuse of client funds to appropriate authorities

Financial records are shared with partners as required

Clients do not pay for medical care and services when they should be covered



Some options and ideas

- Client's name should be on the bank account, even when it is a Representative Payee account
- The client can sign on their check even when they are not an authorized signer to show they were involved in the transaction (either below signature line or on memo line)
- Be aware of Social Security requirements even if you are not the Representative Payee
- Report to Social Security if the Representative Payee is not meeting their obligation to use benefits to ensure basic current needs of food, shelter, clothing and medical care due to fees and/or logistical challenges
- Outside Representative Payees can set up an account with debit card or checks which client can use with support of the agency to meet their needs
- Work with the DDA Case Resource Manager (CRM) if guardian insists on charging for their services and the client cannot afford
- DDA has the opportunity to potentially obtain coverage when they are aware *prior to* a medical expenditure; contact CRM prior to making a new medical expenditure
- Communicate with healthcare providers, pharmacies and CRMs via email when possible so that you have documentation of denials and notification regarding healthcare coverage
- Train staff who assist with paying bills on the need to treat medical bills differently – ensuring and communicating denial prior to paying
- Once you have documented and communicated a denial for a particular recurring medical expense, you do not need to continue to do so for the same expense



Why this is Important:

[WAC 388-101D-0235](#)

Shared expenses and client related funds.

(3) If the service provider receives funds for the client from any source, the service provider must be able to show that all the funds received are:

- (a) Given to the client or the client's legal representative;
- (b) Deposited to the client's account; or
- (c) Used only for the client.

DDA [Policy 6.02](#)

B. Client Charges

1. The service provider shall accept the reimbursement rate established by DDA as full compensation for all services under the contract. The service provider shall not seek or accept additional compensation from or on behalf of a client for any or all contracted residential services.

2. The RA or designee may grant exceptions for an extraordinary service over and above what it typically reimbursed in the client's rate.

Examples include vacations or long trips where staffing and/or transportation is beyond what is included in the assessment. The service provider will submit a written request to the RM.

If approved, the service provider will include the agreement in the Individual Financial Plan (IFP) and submit to the client and/or guardian for signature. The CM will identify this in the comments in the CARE assessment.

Staff Costs for Client Vacations and Special Events

Challenges

- The cost for staff to attend an event shouldn't be a barrier to support them to do the things they want
- Staff can't always afford to pay for their admission or meals and wait to get reimbursed
- When clients have a lot of resources, they can want to go to events and on vacations that can be expensive
- When agencies support clients to do special events and activities the costs can add up
- It may be challenging for a client to save enough money for the cost of their own activity, and become cost-prohibitive if they must also pay for staff
- Perception that agency or staff are taking advantage of clients by requiring them to pay for staff admission to events, vacation expenses or meals

You need to ensure

Clients are not reimbursing agency or staff for services they are contracted to provide

Client funds are only being used for the client's benefit



Some options and ideas

- The venue may allow the staff to attend or enter an event with them at no cost as “personal care attendant”; especially for general admission to public events
- There are companies who specialize in vacations for people with developmental disabilities, and the cost of staff to support them is included in the price of the vacation. This may be more cost effective than sending an individual staff on vacation with a client due to staff sharing and group rates
- Develop company policies and processes for staff to get approval prior to planning special events and vacations that may require staff reimbursement
- When possible, pay the staff cost for the event in advance so having that having funds and waiting to get reimbursed doesn’t create a barrier
- Any staff meal reimbursement agreements should be clearly documented in the client’s IFP and signed off on by the client and legal representative
- Seek written approval from DDA prior to having clients pay for any staff costs for staffing or transportation
- Inform DDA prior to having clients pay for any other staff costs (such as meals, entrance fees or lodging)
- Require staff to submit receipts for any costs that are reimbursed
- Set a maximum reimbursement amount for the cost of meals, but only pay the actual cost of the meal (if clients are to reimburse this cost, you need to ensure that clients aren’t paying more than the cost of the meal or event)
- Set a company policy that outlines circumstances under which staff will and will not be reimbursed for meals. Times that they may not be reimbursed for meals may include things such as when:
 - Supporting clients with routine instruction and support activities (e.g.; medical, dental, grocery shopping, local events or navigating the local community)
 - the client did not eat on the outing
 - when the meal was purchased through a drive-through window
 - when eating was not essential to the event



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Resources and Tools

[Social Security Guide for Organizational Representative Payees](#)

www.handsonbanking.org

www.thepennyhoarder.com

[Application for Food and Cash Assistance](#)

<http://www.toptenreviews.com/money/credit-cards/best-prepaid-credit-cards/>

Sample forms:

IFP
Budget
Cash Ledger
EBT
Gift / prepaid card ledger
Debit card ledger
Shared expense reconciliations
Loan agreement
Loan tracking
Shift Change

Individual Financial Plan

Client Name:

Supported Living / Group Home Name:

Representative Payee: SL/GH Agency Self Other (list name/association):

Guardian: None Full Guardian of estate only Partial, not guardian of estate

Guardian name and contact info (if applicable):

Income

Income type	Monthly Amount (if any)	Does not have	Managed by client	Managed by SL/GH Agency	Managed by other Rep Payee	Managed by guardian	Managed by other (list)
SSI	\$						
SSA	\$						
VA	\$						
Paycheck/ wages	\$						
EBT / Food stamps	\$						
Other (specify)	\$						
Other (specify)	\$						

Management of Resources

Types of accounts / resources	Max Amount (if applicable)	Does not have	Managed by client	Managed by SL/GH Agency	Managed by other Rep Payee	Managed by guardian	Managed by other (list)
Checking account							
Savings account							
Other bank account (describe)							
Prepaid credit / debit card							
Food Stamps							
Cash – personal spending	\$						
Cash – household	\$						
Cash – hygiene	\$						
Cash - laundry	\$						
Gift cards	\$						
Trust Account							
Burial Plan							
Other (specify – may include retirement funds, stock, vehicles, etc.)							
Other (specify – may include retirement funds, stock, vehicles, etc.)							

Total cash accounts may may not exceed \$75.00 at any given time

Expenses - How funds will be spent during a typical month:

Rent	\$
Food	\$
Power	\$
Phone	\$
Garbage	\$
Water	\$
Other utilities	\$

Cable	\$
Transportation	\$
Household supplies	\$
Personal hygiene	\$
Personal spending	\$
Hair care	\$
Renter's Insurance	\$

Cigarettes	\$
	\$
	\$
	\$
	\$
	\$
	\$

Typical monthly income: is is not typically sufficient to meet budgeted expenditures
 If income is not sufficient, describe plan to support person to live within their means:

Details on how accounts are secured and accessed:

Details on which expenses are shared in the household and how they will be equitably split:

Who will reconcile accounts? List position(s) and/or name(s):

Who will verify accounts? List position(s) and/or name(s):

Who will monitor to ensure resources don't exceed income or the maximum allowable resources? List position(s) and/or name(s):

Details on how funds and information will flow between agencies and outside representative payee / guardian (if applicable):

Location and contact information for trust account(s), burial plan(s) and other special resources:

Money Management instruction and / or support

Describe what instruction and/or support the agency provides and how the client is involved in managing their funds. Include plan for increasing the client's participation and management of funds and reference to IISP instruction and goals as appropriate:

Person completing IFP

Date

I consent to finances be managed as described in this plan and have received a copy (if desired)

Client

Date

Guardian

Date

Budget

Name:

Month / Year:

Monthly Income	Estimate / Goal	Actual Earned
SSI / SSA / VA		
Wages		
EBT / Food		
Other:		
Monthly Expenses	Estimate / Goal	Actual Spent
Fixed Expenses		
Rent	\$	\$
Other:	\$	\$
Other:	\$	\$
Flexible* Expenses		
Food	\$	\$
Power	\$	\$
Phone	\$	\$
Garbage	\$	\$
Water	\$	\$
Cable	\$	\$
Other utilities	\$	\$
Transportation	\$	\$
Household supplies	\$	\$
Personal hygiene	\$	\$
Personal spending	\$	\$
Other:	\$	\$
Other:	\$	\$
Discretionary** Expenses		
Renter's Insurance	\$	\$
Cigarettes	\$	\$
Clothing	\$	\$
Hair care	\$	\$
Gifts	\$	\$
Savings	\$	\$
Other:	\$	\$
Other:	\$	\$
Other:	\$	\$
Total Actual Income	Total Actual Expense	Amount Saved / Over budget
\$	\$	\$

*you may be able to reduce these costs if needed **these can be eliminated if can't afford

Cash Ledger

Client Name: _____

Month / Year: _____

Date	Reason for Expense or Deposit	Cash Taken Out	Amount Spent	Amount Redeposited / Deposited	Balance	Receipt?	Staff Signature	Client Signature when receiving cash
	Balance Forward				\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			

Reconciled by: _____ Date: _____ Verified by: _____ Date: _____

Loan Agreement and Repayment Documentation

Client Name: _____

Representative Payee: SL/GH Agency Self Other (list): _____

Guardian: None Full Guardian of estate only Partial, not guardian of estate

Reason for loan (check all that apply):

- Client cannot afford to pay necessary living expenses
 - Residential Allowance Request (RAR) submitted and expected to cover some of amount
 - Residential Allowance Request (RAR) submitted and expected to cover all of amount
- Client cannot afford to pay expenses which include purchases beyond what is considered basic necessary living expenses; client and agency agree that a loan is appropriate
- Agency making requested purchase (such as travel on credit card) for logistical or convenience reasons, client should be able to repay using their available funds

Item(s) which loan will cover: _____

Loan Amount \$ _____

Proposed Repayment Plan: \$ _____ per week month one-time

Client Signature: _____

Date: _____

Guardian Signature: _____

Date: _____

Loan Payments

Beginning Balance:

Date	Check #	Amount Paid	Loan balance
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$

Client Resource Accountability* Shift Change Documentation

This document is intended to be completed by the staff leaving shift and the staff arriving on shift who have primary responsibility for the security of client resources.

Signing this document indicates that the staff arriving on shift accepts responsibility for the resources, verifies they present and records are accurate.

Any missing resources or documentation issues should be reported to _____ (name / position) *prior* to the departing staff leaving.

Date:

Time:

Resource & Verification	Comments / balance	Staff leaving shift	Staff accepting responsibility
Checkbook(s) present			
EBT card(s) present			
Debit card(s) present			
Gift card(s) present			
Receipts for purchases present			
Cash matches amount on cash account ledgers			

Date:

Time:

Resource & Verification	Comments / balance	Staff leaving shift	Staff accepting responsibility
Checkbook(s) present			
EBT card(s) present			
Debit card(s) present			
Gift card(s) present			
Receipts for purchases present			
Cash matches amount on cash account ledgers			

Date:

Time:

Resource & Verification	Comments / balance	Staff leaving shift	Staff accepting responsibility
Checkbook(s) present			
EBT card(s) present			
Debit card(s) present			
Gift card(s) present			
Receipts for purchases present			
Cash matches amount on cash account ledgers			

**The agency may have other items that they wish to have staff verify during shift change such as medication checks, medication counts, cleaning completion, documentation checks – this form covers financial matters and can be changed or supplemented as appropriate*