

## **POLICIES AND PROCEDURES**

### **INDIVIDUAL FUNDS MAINTAINED BY THE ARC:**

#### **A. The Arc as Representative Payee:**

##### **POLICY:**

The Arc is representative payee for individuals receiving supports in its Residential, Personal Supports and Shared Living programs. The policies and procedures are applied consistently to all individual funds regardless of the program involved.

Individuals' funds are maintained separately from those of other individuals and The Arc. Adequate care shall be taken to ensure that funds are spent appropriately for the needs and preferences of the individual. Records of funds received and spent, along with supporting documents, are kept for each individual.

##### **PROCEDURE:**

The Consumer Resource Administrator is in charge of all accounts for which The Arc is Rep Payee.

Cash receipts are deposited either by direct deposit or by hand directly into the individual's bank account. Any interest earned on an interest-bearing account accrues to the individual and is deposited directly to the bank account by the paying bank.

The Executive Coordinator stamps all individual bank statements and invoices from third parties with the date received and forwards them unopened to the Finance Associate.

The Finance Associate, as evidenced by his initials on said document, reviews all statements and invoices for reasonableness, timeliness and accuracy. Reviewed documents are forwarded to the Consumer Resource Administrator for recordation and payment.

Per DDA and Medicaid eligibility regulations, individuals receiving Residential and Shared Living services may be required to pay for a portion of their services. The amount of this contribution to care is dependent upon each individual's income and is determined by Medicaid and DDA formulas. Regulations dictate the conditions under which the amount must be re-determined.

For individuals living in Arc-owned homes, the Finance Associate bills the individual directly on a monthly basis for his contribution to care. For Shared Living providers, the requirement to bill the individual for his contribution to care has been waived. The amount, as determined by applicable formulas, is paid by the Consumer Resource Administrator on behalf of the individual to the Shared Living provider within five business days after the individual's SSI or SSDI income has been deposited into the individual's bank account.

In general, approved employees or Shared Living providers receive an advance of money to be spent on behalf of the individual. All day to day expenses are recorded by the employee/provider on an individual expenditure log and the receipts are attached to the log. This back up is due in the Consumer Resource Administrator's office the week prior to the 15<sup>th</sup> of the month. Once the back up is reviewed and approved, a new advance is issued to the approved employee/provider. The advance is issued on the 15<sup>th</sup> of the month. If the 15<sup>th</sup> falls on a weekend or other date The Arc is closed, the check will be available the first day after The Arc re-opens. No additional checks will be written unless prior receipts are turned in.

For non-ordinary expenses, approved employees/providers complete a voucher to request money. The voucher indicates the item being purchased, its need and benefit to the individual and the cost of the item. The request should be forwarded to the Deputy Executive Director for

approval before the Consumer Resource Administrator issues a check. The deadline for making the request is the week prior to the 15<sup>th</sup> of the month. The advance is issued on the 15<sup>th</sup> of the month. If the 15<sup>th</sup> falls on a weekend or other date The Arc is closed, the check will be available the first day after The Arc re-opens. Once the purchase has been made, the receipt(s) and any change must be turned in to the Consumer Resource Administrator. An administrative staff member will verify the individual has received the item(s) purchased on his behalf. This staff person may be the Consumer Resource Administrator, a Program Assistant, Program Coordinator, the Deputy Executive Director or another individual designated by the Deputy Executive Director.

The Consumer Resource Administrator maintains a separate log for each individual that records the receipts and expenditures of funds. This log includes dates, amounts and sufficient description to identify the source or use of the funds. Supporting documentation, including invoices and receipts, is kept on file.

The Executive Director performs periodic reviews of the records of all accounts for which The Arc is Rep Payee.

Adequate care shall be taken to ensure that funds are spent appropriately for the needs and preferences of the individual. This is discussed with the individual, his support staff or Shared Living provider, and the Deputy Executive Director, as needed.

Individuals have the expectation and right to timely access to their funds. This may be subject to natural limitations, including Arc closures for weekends and holidays, as well as the absence of the Consumer Resource Administrator. In the event of an extended absence, the Deputy Executive Director and the Director of Finance have the authority to authorize and make disbursements.

Upon request, a statement of individual fund activity is given to the individual or his legal guardian. The statement should be explained to the individual and, if possible, the individual should sign the statement. A copy of the statement should be maintained in the individual's file.

If an individual discontinues services with The Arc, all funds owned by the individual will be transferred to the elected successor Rep Payee. Reasonable time must be allotted for the selection of said person/Agency, as well as for the legal establishment of said replacement to assume the required duties. During this time The Arc will continue to fulfill the existing obligations. At no point will the individual be without access to his funds.

## **B. Management of Individual Funds of Residents of Arc-Owned Homes**

### **POLICY:**

The Arc will ensure that individual funds are segregated, secure and accessible to their owner.

### **PROCEDURE:**

For security purposes, minimal balances will be kept in Arc-Owned Residences. Families and guardians should forward spending money to The Arc headquarters for safekeeping. For the individuals for whom The Arc is Representative Payee, the Consumer Resource Administrator will hold the cash in a fireproof safe in her office. When the individual needs funds for an outing, the staff and the individual contact the Administrator to pick up cash. The staff will sign for the cash. Staff is responsible for recording expenditures and returning receipts and change to the Administrator within five days of the activity. If the staff fails to do so, the Administrator will inform the Deputy Executive Director.

For the individuals for whom The Arc is NOT Representative Payee, the Finance office will hold the cash in a fireproof safe. When the individual needs funds for an outing, the staff and the individual contact the Finance office to pick up cash. The staff will sign for the cash. Staff is responsible for recording expenditures and returning receipts and change to the Finance office within five days of the activity. If the staff fails to do so, the Administrator will inform the Deputy Executive Director.

For individuals that manage their own money, as evidenced in their IP, funds will be kept in a locked file cabinet in the residents' living area or in their bedroom. Individuals who elect to keep their own money in their room will be offered the opportunity to purchase a lock box or locking file cabinet to be kept in their room for their exclusive use. The Arc will purchase the box or cabinet, if needed. The individual, if able, will keep one key and the Residential Advisor will maintain a duplicate in a secure location.

All money will be strictly accounted for using the attached form. Receipts will be kept for each purchase made. The only exception to this will be for those individuals who are able to, and desire to, manage their own spending money independently, as evidenced in the individual's IP.

At times, if fund for activities have been obtained from the Consumer Resources Administrator or the Finance office, small amounts of cash will be on hand in Arc-owned homes. Therefore, at every change in shift, each staff member must count the funds held in the residence for the individuals and The Arc and sign the logs attesting to the balances on hand. The Residential Advisor is responsible for ensuring that the forms are filled out accurately by all involved house staff. The Program Coordinator, Program Assistant, or other designated staff will review the accuracy of the records during regularly scheduled house visits.

### **C. Management of Arc Funds for Use at Arc-Owned Residences**

#### **POLICY:**

In order to ensure that funds are available to purchase food, household supplies and miscellaneous expenses for residents, The Arc will issue a Company credit card in the name of the Residential Advisor of each home.

#### **PROCEDURE:**

The credit card will be kept in a locked file cabinet in the residents' living area. The Residential Advisor will maintain the key in a secure location.

The credit card is to be used for purchasing groceries, paper products and household/cleaning supplies only. Care should be taken to ensure that funds are spent appropriately for the needs and preferences of the individual. This is discussed with the individual, his support staff and the Deputy Executive Director, as needed. The use of the Company credit card for personal purchases is strictly prohibited.

The monthly card limit is based on the number of residents in the home. The amount is \$50 per week per qualifying resident for food, plus an allotment for miscellaneous house purchases. In a three-person residence, this equals \$700/mo. The RA has flexibility in selecting the store, enabling the RA to take advantage of sales at different locations. As purchases are made, they are recorded on the log, to include the date, location and amount of purchase. The receipts are stapled to the log. The RA must turn in receipts to the Finance office by 10:00 am on the Wednesday of payables week (the week alternating with payroll). The Finance office forwards all paperwork to the Deputy Executive Director for review and approval. The funds will be replenished for the amount of approved receipts, up to the house limit.

For the purchase of non-ordinary household supplies over \$20, the RA should request a temporary credit card increase from the Deputy Executive Director. This will ensure a sufficient limit remains on hand for daily expenses. The Deputy Executive Director may make alternate arrangements to purchase the non-ordinary item.

If the employee takes an individual on an approved outing, the employee will be reimbursed for his cost of the outing, subject to the limits in the Policy on Expense Reimbursements. The individual is responsible for paying his own costs.

When an RA leaves The Arc, all outstanding receipts for groceries, etc. as well as the company credit card must be returned to the Program Coordinator, Director of Human Resources, Deputy Executive Director or Finance department. If the RA fails to do so, a deduction will be made on the RA's final paycheck to reimburse The Arc for the amount of the undocumented charges, up to the house limit.

The Residential Advisor is responsible for ensuring that the forms are filled out accurately by all involved house staff. The Program Coordinator will review the accuracy of the records during regularly scheduled house visits.

#### **D. Management of Individual Funds Kept in the Finance Office**

##### **POLICY:**

The Arc will ensure that individual funds are segregated, secure and accessible to their owner.

##### **PROCEDURE:**

In some cases, an individual's guardian may send funds to The Arc for an individual to be used for occasional personal needs. Examples include funds for Friday lunches or groceries for individuals supported by the Personal Supports program. This is done for the mutual convenience of all parties, to ensure that the individual can participate in activities or has immediate access to food.

When cash is brought directly to the Finance office, it is counted by finance staff and a receipt is issued to the person that brought in the cash. This cash, along with reconciliation, are forwarded to the Executive Coordinator, to be logged in along with other receipts received via mail. Some individual funds are secured in the Finance office in a locked, fireproof safe. Each individual's funds and records are kept segregated from others'. A log is maintained to record the receipt and disbursement of funds, to include the date, amount and source/reason for the deposit/expenditure. The person receiving the funds must sign for them. Amounts on hand are counted by Finance staff weekly, and the balance on the log is initialed.

In most cases, to eliminate having large amounts of cash in the building, individual funds are deposited into The Arc's checking account. At all times, a separate log is maintained by individual showing the receipt and use of funds. At their discretion, Finance department staff may release funds to approved staff for reasonable requests. In the event of a question or concern, the request may be routed to the applicable Program Coordinator or the Deputy Executive Director for approval.

A running balance for each individual is maintained and the amount is reconciled periodically by a member of the Finance department. All funds are subject to periodic examination by an independent third-party. A representative sample is tested as part of The Arc's annual audit.

When additional funds are needed from the individual's guardian, a copy of the expense log and receipts for purchases are forwarded to the guardian. In the case of recurring, reasonable expenses, and to ensure uninterrupted services to the individual, The Arc generally does not wait for reimbursement by the guardian before releasing additional funds. However, at the

guardian's written request, or if the funds are not replenished in a timely fashion, the release of funds may be suspended until The Arc has been reimbursed for prior expenses and there is an adequate cash on hand to cover future expenses.

In the event of repeated suspension of the release of funds due to failure by the guardian to provide cash to cover reasonable expenses, The Arc may withdraw this service. This decision rests with the Deputy Executive Director and will be made after careful consideration of the facts.

## **E. Mismanagement of Funds**

### **POLICY:**

The Arc will ensure that the highest degree of integrity is maintained when dealing with individual and Arc funds. Any instance of alleged mismanagement of funds will be promptly investigated by the Deputy Executive Director and Human Resources.

### **PROCEDURE:**

All employees are charged with responsibly handling individual and Arc funds. Any suspicion or evidence of mismanagement should be reported to the Deputy Executive Director.

Mismanagement of funds includes, but is not limited to: using company or individual's money for personal purchases or gain, failure to turn in proper documentation of purchases made on a Company credit card, or with Arc funds or with individual's funds, failure to return the change from a cash advance made for a purchase.

The Deputy Executive Director will gather information needed in order to form an opinion as to whether mismanagement has occurred. This will include all documentation, interviews with the charged staff, as and perhaps with any possible witnesses. Persons making credible claims against another employee of mismanagement of funds are protected from retaliation by our Whistleblower Policy.

If the allegations are substantiated, action against the employee will be taken. Possible outcomes include: the requirement to repay any missing funds, authorized via a payroll deduction; retraining on proper procedures; verbal or written warning to the employee; suspension; termination. The Arc also follows all State reporting requirements, which include notification some or all of the following: of police(if over \$50), DDA, OHCQ, Service Coordination, Office of Waiver Quality Oversight, Medicaid Fraud Unit, Office of the Inspector General (OIG), as well as the family or legal guardian of the individual. The employee may be placed on the OIG's List of Excludable Individuals/Entities (LEIE), which will prevent him from working in the health/human services field.

OIG is required by law to exclude from participation in all Federal health care programs individuals and entities convicted of the following types of criminal offenses: Medicare or Medicaid fraud, as well as any other offenses related to the delivery of items or services under Medicare, Medicaid, SCHIP, or other State health care programs; patient abuse or neglect; felony convictions for other health care-related fraud, theft, or other financial misconduct; and felony convictions relating to unlawful manufacture, distribution, prescription, or dispensing of controlled substances. <https://oig.hhs.gov/exclusions/background.asp>

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