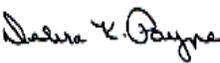


 <p style="text-align: center;">POLICIES AND PROCEDURES</p> <p style="text-align: center;">State of Tennessee Department of Intellectual and Developmental Disabilities</p>	Policy #: 100.1.11	Page 1 of 8
	Effective Date: November 8, 2013	
	Distribution: C	
Policy Type: Intermediate Care Facilities for Individuals with Intellectual Disabilities	Supersedes: 209 Personal Fund and Special Fund Accounts (9/30/2011)	
Approved by:  Commissioner	Last Review or Revision: October 30, 2013	
Subject: TRUST FUND ACCOUNTS		

- I. **AUTHORITY:** Tennessee Code Annotated (TCA) 4-3-2708; TCA 33-1-302(a)(3); TCA 33-1-303 (3); TCA 33-1-305; TCA 33-4-109; 42 C.F.R 483.420 (a)(4) and (b) (1-2); Department of Finance and Administration (F&A), Bureau of TennCare Rule 1200-13-01-.08; F&A Policy 07 and Social Security Administration (SSA) Representative Payee Act U.S.C. 405 (j)(1)(A) (2006) and guidelines.
- II. **PURPOSE:** The purpose of this policy is to provide guidelines to ensure that persons supported in Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) operated by the Department of Intellectual and Developmental Disabilities (hereinafter referred to as Department or DIDD) are able to access and use their own money in accordance with Social Security Representative Payee guidelines and individual support plans, and to ensure that special fund accounts are used according to their designated purposes.
- III. **APPLICATION:** This policy is applicable to DIDD employees and to persons residing in DIDD operated ICFs/IID.
- IV. **DEFINITIONS:**
 - A. **Administrator** shall mean the Director or Chief Officer of the ICF/IID or her/his designee.
 - B. **Commissioner** shall mean the Commissioner of the Department of Intellectual and Developmental Disabilities.
 - C. **Community Home Managers and Developmental Center Managers** shall mean, for the purposes of this policy, the DIDD employees responsible for safeguarding trust fund monies kept on-site and for ensuring that individuals have access to their personal funds in accordance with the person's individual support plan.
 - D. **Exploitation** shall mean actions included but not limited to the deliberate misplacement, misappropriation, or wrongful temporary or permanent use of belongings or money with or without the consent of the person using services. The illegal or improper use of a person's resources or status for another's benefit or advantage is considered exploitation.
 - E. **Individual Bank Account Program** shall mean a DIDD sponsored program whereby persons residing in DIDD operated ICFs/IID may have individual checking accounts at a bank of their choosing or as defined in the person's individual support plan.
 - F. **Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID)** shall mean a DIDD owned and operated residential facility for persons with intellectual disabilities.
 - G. **Misappropriation** shall mean the deliberate misplacement, exploitation, or wrongful, temporary or permanent use of belonging's or money without consent.

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- H. **Personal Fund Accounts** shall mean money or other financial assets, including earned and unearned income, which is used to pay personal expenses of the person supported. This includes any monthly income received from government benefits, employment, donations, gifts, training stipends and other financial benefits that can be used solely for the person's needs and leisure activities as defined by the individual support plan.
- I. **Representative Payee** shall mean an individual or organization designated by the Social Security Administration to receive Social Security and/or Supplemental Security Income (SSI) benefits on behalf of a person who requires assistance to manage his/her money.
- J. **Special Fund Accounts** shall mean monies donated or designated for a specific or general purpose that are held in trust for use by and for the welfare or benefit of residents of ICFs/IID.
- K. **Trust Fund Accounts** shall mean monies held in trust for use by and for the welfare or benefit of residents of ICFs/IID. Trust Fund Accounts include Personal Fund Accounts and Special Fund Accounts.
- L. **Trust Fund Custodian** shall mean the individual or individuals with primary fiduciary responsibility for all trust fund accounting activities.

V. **POLICY:** Personal funds shall be maintained in individual bank accounts for each person supported, unless the person supported or his/her legal representative chooses to opt out of the individual bank account program. Persons who opt out of the program shall have their personal funds maintained in the Department's trust fund bank account. The Department shall establish procedures to ensure that banks accounts for persons supported are properly managed. All trust fund accounts shall be managed in accordance with acceptable accounting practices, F&A Policy 07, and rules and policies of the Department of Finance and Administration, and Social Security Representative Payee guidelines. The DIDD Office of Risk Assessment and Licensure will conduct periodic reviews of the department's compliance with this policy.

VI. **PROCEDURES:**

- A. General Responsibilities of the DIDD Office of Fiscal Services (Fiscal Office)
 - 1. The Deputy Commissioner of Fiscal and Administrative Services or his/her designee shall designate trust fund custodians. The Commissioner or his/her designee shall approve the trust fund custodians.
 - 2. The Fiscal Office shall follow the Social Security Administration Representative Payee guidelines and F&A Rule 1200-13-01-.08 regarding personal needs allowances.
 - 3. The Fiscal Office shall monitor the accumulation of personal funds for persons supported to prevent the loss of benefits (e.g. Social Security or Medicaid) due to excessive accumulation.
 - a. In no case shall funds belonging to a person supported be held in a separate account in order to keep the person's account balance under the maximum allowable account balance established by federal eligibility rules.

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- b. The Fiscal Office shall notify the ICF/IID Administrator when a person's account balance reaches seventy-five percent (75%) of the maximum allowable account balance to retain eligibility.
4. Trust Fund Accounts shall be kept in interest bearing accounts at a State designated depository. Whenever practical, the Fiscal Office shall take into consideration the availability of "no fee" accounts and interest bearing fee accounts. Excess funds shall be invested in accordance with F&A Policy 07.
5. The Fiscal Office shall be responsible for performing an annual analysis of trust fund liquidity to determine whether additional funds should be moved to higher yield securities.
 - a. Interest earned on trust fund accounts shall be credited quarterly to each trust fund account on an equitable basis.
 - b. The Fiscal Office shall ensure trust fund accounts are reconciled monthly to bank statements.
6. All disbursements from personal fund, special fund and trust fund accounts for persons supported who have opted out of the individual bank account program, and from special fund accounts shall be approved in advance, in writing, using formats designated by the Fiscal Office for this purpose.
 - a. All checks drawn on trust fund accounts shall require the signature of two (2) staff persons whom have been designated by the applicable Administrator and approved by the DIDD Chief Financial Officer.
 - b. The Administrator shall designate alternate ICF/IID staff persons as backup signatories. The DIDD Chief Financial Officer shall approve the backup signatories.
 - c. All disbursements shall be entered promptly into a tracking system approved by the Deputy Commissioner of Fiscal and Administrative Services. The Fiscal Office shall establish procedures to monitor compliance with this requirement.
7. All DIDD employees designated to negotiate checks written from trust fund accounts shall return unspent cash and submit receipts to the Fiscal Office within three (3) business days following the activity or event for which the disbursement was approved.
 - a. The Fiscal Office shall monitor compliance and notify the Administrator of any violation.
 - b. DIDD employees may be disciplined for violation of this procedure, up to and including termination.
8. Employees who commit exploitation or misappropriation of the funds or property of persons supported shall be subject to disciplinary action, up to and including termination.
 - a. Such incidents shall be investigated by DIDD pursuant to departmental Protection from Harm policies and procedures.

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- b. Upon completion of an investigation of alleged exploitation or misappropriation of funds or property of a person supported, the Fiscal Office shall reimburse the person for any financial loss within 30 business days.

B. Personal Fund Accounts

- 1. The following provisions are applicable to personal funds regardless of the type of account in which the funds are deposited.
 - a. The Fiscal Office may function as the representative payee for any person supported residing in a DIDD operated ICF/IID.
 - b. The Fiscal Office shall receive monthly bank statements (paper or electronic) and reconcile the statements with the receipts and cash on hand for each bank account.
 - c. The Fiscal Office may access any account as needed in order to perform other accounting functions necessary for safeguarding bank accounts for persons supported.
 - d. Fiscal Office employees shall not have management functions for day-to-day use of personal funds accounts, or expenditures from such accounts, and shall not be signatories on said accounts.
 - e. Fiscal Office employees may use online banking services to transfer funds from trust fund accounts to personal fund accounts, upon written request by authorized ICF/IID staff.
 - f. Fiscal Office employees shall deposit monthly benefits into trust fund accounts, and deduct patient liability for care received and other personal expenses, and transfer remaining funds into bank accounts.
 - g. The Fiscal Office shall ensure that IRS form 1099-Misc is completed annually to reflect the amount of income paid to each person supported (when applicable) and that such information is reported to F&A annually.
 - h. The Fiscal Office shall furnish a report on the status of a person's funds, including deposits and withdrawals, upon the request of the person supported and/or legal representative, the Social Security Administration, or other benefits administration organization (when applicable).
 - i. Upon the discharge and transfer of a person supported from a DIDD operated ICF/IID to a non-DIDD operated residence, the Fiscal Office shall furnish a report on the status of the person's funds, upon request.
 - ii. The Fiscal Office shall assist in arranging the transfer of the right to receive benefit payments to the appropriate person or entity, in accordance with Social Security Administration rules and regulations.

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- iii. Funds remaining in the person's personal bank account or trust fund account shall be transferred with the person to his/her new residence.
 - iv. The Fiscal Office shall return any unspent Social Security or SSI funds, including interest, to the Social Security Administration in accordance with Social Security Administration rules and regulations.
 - v. If a person supported is discharged from the ICF/IID due to death, the Fiscal Office shall perform a full and final accounting of funds. At the discretion of DIDD, funeral expenses may be paid with the person's remaining funds if the funeral bill exceeds the amount of any burial trust. Additional monies and property left by the deceased person shall be distributed according to TCA 33-4-109(b)(c)(e).
 - vi. The Fiscal Office shall ensure that individual bank accounts belonging to discharged persons are closed.
2. Individual Bank Accounts. Any person supported in an ICF/IID who chooses to have an individual bank account shall be entitled to have such an account in accordance with his/her individual support plan.
- a. Individual bank accounts shall be subject to the provisions of this policy.
 - b. A debit card shall be issued for each individual bank account. Persons supported may also request checks for their accounts.
 - c. Signed W-4 and W-9 forms shall be on file for all persons supported to whom wages or training stipends are paid.
 - d. Wages or training stipends shall be deposited into the person's account within one (1) business day of receipt.
 - e. Funds may not be deposited into a clearing account for later allocation to the person to whom monies are owed.
3. The Individual Support Plan of persons supported in DIDD operated ICFs/IID's shall address the following aspects of personal funds management:
- a. The person's capabilities and desires regarding use of personal funds, including how he/she wishes to maintain the funds and how the funds are to be secured.
 - b. The extent to which the person's personal funds are to be managed by DIDD.
 - c. Any training or assistance needed to support the person in managing his/her personal funds.
 - d. Outcomes for the person regarding the use of personal funds, if applicable.

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- e. For persons supported who wish to carry some amount of their own money, a description of how they shall account for their money.
 - f. Identity of the Representative Payee.
 - 4. Each home at the DIDD ICF/IID will have personal funds cash available for each resident. Each home shall have designated staff that is responsible for the security of and the accounting for cash kept in the home. All cash shall be securely maintained and available to the persons supported upon request.
 - 5. Designated staff shall maintain a secured repository (e.g., safe, lock box, locked drawer) for cash with a separate record of available cash for each person for whom money is held.
 - a. The record shall include documentation of daily expenditures, deposits and balances.
 - b. These records shall be completed timely, and shall be available for monthly inspection by Fiscal Office staff.
 - c. Receipts shall be kept for each purchase for which a receipt is normally given or for all purchases over five dollars (\$5.00).
 - d. These records shall be available for inspection by state, federal and DIDD auditors and/or surveyors.
 - 6. Support staff shall assist persons who carry cash to save and turn in receipts for expenditures.
 - 7. Upon request and with the consent of persons supported, those persons may use their personal funds for group purchases, provided each person wishing to participate is to be charged a prorated amount consistent with usage or consumption. The allocation and resulting charges to each person shall be documented in writing and included in the records maintained for each participant's bank account.
- C. Special Fund Accounts
- 1. The Fiscal Office shall maintain a Special Fund Account. Funds deposited into the Special Fund Account may be from gifts or donations (restricted or unrestricted) to benefit ICF/IID residents. At the discretion of the Commissioner or his/her designee, disbursements from Special Funds Accounts may be authorized for specific purposes.
 - 2. Gifts of stocks, bonds or other assets, including devises or bequests from the estate of a decedent, may only be accepted by DIDD with the written approval of the Governor of the State of Tennessee.
 - a. Requests to accept gifts shall be submitted in writing to the Fiscal Office, for routing to the Commissioner or his/her designee.
 - b. Upon receiving the Commissioner's approval, the Fiscal Office shall route the request to the Governor's Office.

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- c. If the request is approved, the Fiscal Office shall maintain documentation of any restrictions placed on the funds by the donor. Any restrictions placed on the funds shall be honored.
 - d. If the request is denied, the Fiscal Office shall inform in writing the person who submitted the original request of the denial.
- 3. If the Commissioner deems the intended use of the funds inappropriate, the gift shall be returned to the donor.
- 4. The Fiscal Office shall hold all certificates of deposit or other negotiable instruments for safekeeping in such financial institution as the Deputy Commissioner of Fiscal and Administrative Services may designate.
- 5. No DIDD employee may open a departmental bank account without all necessary State approvals, as required by F&A Policy 07. All requests to open departmental bank accounts shall be directed to the Fiscal Office.
 - a. The Fiscal Office shall present the request to the Commissioner with a recommendation to proceed with or to deny the request and shall inform the requesting party of the Commissioner's decision within thirty (30) days.
 - b. If the request to open a departmental bank account is approved by the Commissioner, the Fiscal Office shall obtain the necessary state approvals.
 - c. If the bank account is approved by all required state officials, the Fiscal Office shall retain the original, approved request and make a copy available to the trust fund custodian and to state and federal auditors, as may be required.
- 6. Once established, a departmental bank account shall not be used for any purpose other than defined in the original request.
 - a. If it becomes necessary to change the account's purpose, the employee responsible for the account shall submit a written justification to the Fiscal Office.
 - b. The Fiscal Office shall present the request to the Commissioner with a recommendation to proceed with or to deny the request and shall inform the requesting party of the Commissioner's decision within thirty (30) days.
 - c. If the request is approved by the Commissioner, the Fiscal Office shall obtain the necessary state approvals.
 - d. If the revised use of the bank account is approved by all required state officials, the Fiscal Office shall retain the original, approved request and make a copy available to the trust fund custodian and to state and federal auditors, as may be required.
- 7. The special fund account shall not be used as a way to bypass State procurement or contracting requirements, or violate State statutes, policies, rules or procedures.

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8. The Fiscal Office shall designate employees to write receipts, make bank deposits, and post to special funds accounts. Duties shall be segregated to maintain the integrity of the account.
9. The trust fund custodian shall not be the employee whose responsibilities include monthly reconciliation of bank accounts in his/her region. Trust fund custodians in one region may reconcile bank accounts for the other regions.

- VII. **CQL STANDARDS:** None.
- VIII. **REVISION HISTORY:** September 30, 2011.
- IX. **TENNCARE APPROVAL:** N/A
- X. **ATTACHMENTS:** None