

Department of Economic Security – Division of Developmental Disabilities

Policy and Procedures Manual

Chapter 1300 - Management of Consumer Funds

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1300 MANAGEMENT OF CONSUMER FUNDS

1301 Overview

This chapter explains Department of Economic Security (DES) policies for safeguarding, using, and investing funds for consumers in the Division of Developmental Disabilities (Division).

1302 Definitions

- a. Consumer Funds – Funds entrusted to an individual or agency for safeguarding and investment. The requirements for this are found in the instrument establishing such funds, and by Division Policy and Internal Instruction Manuals. Funds include cash, checks, money orders, petty cash funds, change funds, bank accounts, savings accounts and investments.
- b. Consumer Fund System - The systems used by the Division to maintain and track consumer funds.
- c. Fiduciary Capacity - A person who also handles consumer funds is acting in a fiduciary capacity. He/she is responsible to properly and faithfully account for all consumer funds received by him/her. They may include any employee of the State of Arizona or private provider under contract.
- d. Individual Spending Plan - A plan designed for each consumer living in a community residential setting or for whom the Division is the representative payee. The Planning Team process creates the plan. This plan dictates the amounts and purposes for which each consumer's money is spent.
- e. Individual Support Plan/Individualized Family Services Plan/Person Centered Plan (Planning Document) - A document developed by a Planning Team identifying needed services. It also includes the goals and objectives to be attained. The Planning Document directs the provision of safe, secure and dependable active treatment in areas necessary for individuals to achieve full social inclusion, independence and personal and economic well-being.
- f. Personal Spending Money - Discretionary funds and allowances provided to consumers.

- g. Railroad Retirement Annuities and Pensions - A comprehensive benefit program for railroad employees that have retired and includes their families and survivors. It was created in the 1930's. For more information on this benefit, contact the Railroad Retirement Board and request form IB-2.
- h. Representative Payee - A representative payee is an individual or organization that receives Social Security and/or SSI (Supplemental Security Income) payments or other benefits for someone who cannot manage or direct the management of his/her money.

When no one is willing or able to perform the duties of the representative payee, the Division shall request that the Social Security Administration appoint them to become the representative for the consumer. When the Division is the representative payee, the Support Coordinator is responsible for the management of the consumer funds as directed by the Planning Team (Individual Support Plan/Person Centered Plan).

- i. Residential Services - Includes Room and Board and daily Habilitation. Examples include: Habilitation Services - with Room and Board; Habilitation, Child or Adult Developmental Home; Habilitation; Nursing Group Home; Habilitation, Community Protection; Residential Room and Board, etc.

Because Residential Room and Board is not a reimbursable service under Title XIX, it is the only residential service that is billable under Administrative Rule R6-6-1204.

http://www.azsos.gov/public_services/Title_06/6-06.htm

All other services that a consumer might receive in out-of-home care such as therapies, hourly support programs, day programs, etc., are not considered residential services.

J, Social Security Benefits:

- 1. Social Security (SSA, Title II) is a social insurance program that protects workers and their families (dependents or survivors) from loss of earnings because of retirement, death or disability of the wage earner. A worker's spouse or children may become eligible for Social Security if the worker becomes disabled or dies. The amount someone receives depends upon the age of the wage earner, the length of time worked and the amount they earned from which FICA taxes withheld.

Benefits are based on the insured's earnings. Persons receiving benefits cannot be disqualified because of income or resources. Persons become Medicare eligible after two years. Benefits are not affected by whom you live with or where you live.

2. Supplemental Security Income (SSI, Title XVI) is a federal income maintenance program for the aged, blind and disabled persons with few or no resources. The person must be blind or disabled or 65 or older, have limited income, and cannot have over \$2,000 in allowable resources.
- K. Veterans' Benefits - Benefits payable to surviving spouses and dependents of military personnel who die while in active military service and to survivors of veterans who die after active service.

1303 Consumer Fund System

When consumers need assistance in handling their funds, but no other responsible party is available, the Division applies to be the representative payee for these consumers. The responsibility of being representative payee requires the Division to have policies and procedures that direct the Division on how to maintain these funds and how these funds are to be used.

The Consumer Fund System Manager acts in a fiduciary capacity and is responsible for the funds under his/her control. Black's Law Dictionary, sixth edition states:

"One is said to act in a fiduciary capacity or to receive money or contract a debt in a fiduciary capacity, when the business which he/she transacts, or the money or property which he/she handles, is not his/her own or for his/her own benefit, but for the benefit of another person, as to whom he/she stands in a relation implying and necessitating great confidence and trust on the one part and a high degree of good faith on the other part. The term is not restricted to technical or express trusts, but includes also such offices or relations as those of an attorney at law, a guardian, executor or broker, a director of a corporation and a public officer."

When the Division becomes the representative payee for the consumer funds, the Division sets up special accounts for these funds. These accounts are called the "Consumer Fund System" and are composed of:

- a. Social Security Benefits (SSA)
- b. Social Security Income (SSI)
- c. Wages earned by the consumer
- d. Railroad Retirement (RR)
- e. Veteran's benefits (VA)
- f. Revenue from personal trust funds and estates
- g. Monetary gifts and other sources
- h. Earned interest

1304 Policy

This policy applies to all Division and contracted provider personnel involved with Division consumer funds if the Division is representative payee.

The Division will not be the representative payee when:

- a. The Planning Team (Individual Support Team/Person Centered Plan team) determines that the consumer can learn to manage their own funds
- b. There is a guardian, family member or other interested payee, other than a paid provider, willing and able to serve in that capacity and who is approved by the Social Security Administration.

A paid provider shall not be representative payee for a consumer.

As an exception to this, Independent Providers who are also family members may be a representative payee for a consumer.

Service provider and Division contracts specify that providers develop internal policies regarding consumer funds. These provider policies must be consistent with Division policies and appropriate state and federal regulations. These provider policies

are subject to Division approval during contract negotiations and subject to periodic review by Division staff.

This policy specifically prohibits a provider from establishing a bank account (other than the standard provider/consumer personal ledger) for a consumer.

The provider shall not establish or be included on a joint account for a consumer nor establish any account where the provider or provider staff has access to the consumer's funds.

Money paid out of the consumer accounts administered by the Division is by specific direction of the Support Coordinator as developed by the Planning Team. Supervisory and management approval is required. Consumer Fund System disbursements require a "Request for Funds" form.

The Division should not maintain an account for the consumer's benefits while another person (relative, friend, etc., but not a provider) maintains an additional account for the consumer's wages. Separate accounts make it difficult to assure that the individual's financial eligibility level for benefits or Title XIX services is not exceeded.

If someone other than the Division is maintaining an additional account (e.g. wages) for the consumer, the Division shall recommend that this person should become the representative payee to keep all the consumer's funds in one account **unless there are reasons why this person cannot or should not be the representative payee.**

1305 Responsibilities

- a. District Program Administrators/Mangers are ultimately responsible for the proper use of the consumer funds.
- b. The Division of Developmental Disabilities Business Operations will:
 1. Ensure training, assistance and technical guidance is provided to all employees responsible for consumer funds.
 2. Exercise good judgment and due diligence in the administration of consumer funds.

3. Audit and provide administrative assistance to review activity related to consumer funds.
- c. Confidentiality will be maintained in accordance with Chapter 1800 of the Policies and Procedures Manual.
- d. No Division employee shall offer assistance or in any way help an individual complete income tax forms unless they are the legal guardians for the consumer.

1306 Safeguarding Consumer Funds

- a. Separate accounts:
 1. A separate accounting shall be maintained for each consumer. This will show all funds received, or disbursed, and remaining balances.
 2. Transactions posted to a consumer's account shall be traceable to an original source document, such as a *Request for Funds* form, a receipt, invoice/bill, etc.
 3. Electronic transfers in or out of consumer accounts are not allowed.
- b. Fund Transactions:
 1. All funds received will be documented through the Consumer Fund System.
 2. When a consumer transfers from one district to another, accountability for inter-district fund transfers will be documented. Signed receipt forms shall be used. This shall also be documented in the case record, See Chapter 900 for instructions..

The District Consumer Fund Manager is to be notified in writing/e-mail of the transfer. The names of the sending and receiving responsible persons and the effective date of the transfer shall also be included.
 3. Checks and other negotiable instruments received must be immediately endorsed with the restrictive statement:

AZ DEPARTMENT OF
ECONOMIC SECURITY, DIVISION OF
DEVELOPMENTAL DISABILITIES
(insert District identifier here) ACCOUNT
NUMBER (insert District Account
Number here) FOR DEPOSIT ONLY

4. Funds received are to be deposited in the designated bank account in a timely manner. Appropriate safeguards should be present while funds are being transported between the Division's facility and the bank.
5. The same person will not handle a transaction from beginning to end. If personnel and other cost considerations permit, cash and check handling and record keeping functions will be separated.
6. The Consumer Fund System Manager acts in a fiduciary capacity, which includes responsibility to account for all funds in the Consumer Fund System.
7. Insurance purchased for consumers in the Consumer Fund System such as life or burial insurance shall not list as beneficiary:
 - a. the Division
 - b. an employee of the Division
 - c. a paid contracted provider
 - d. an employee of a provider

However, a family member who is also an employee of the Division or a provider may be listed as a beneficiary.

8. All transactions and record keeping will be done confidentially. Only those with a need to know are allowed to review and to work with the consumer's records.
- c. The Support Coordinator shall submit a request to establish any new accounts. These requests are to be submitted to:
 1. The District Business Operations Manager or the District Program Manager for approval.

2. The request shall include the consumer's demographic data, effective dates, income sources and any requests for funds.
3. The District Consumer Fund Manager or designee will be notified once all the approvals are obtained.

1307 Consumer Funds Security

- a. Consumer funds will be kept in a secure safe or locked location until deposited. When the Fund Manager leaves the work area, the safe or other location shall be locked.
- b. Funds shall not be stored in desks, unlocked files, purses, or other places that are not secure, etc.
- c. Computer access to consumer information shall be restricted by secure passwords. No one other than the fund manager and/or designee shall have knowledge of the safe key/combination or the password to secure files.
- d. The District Business Operations Manager or designee shall reconcile consumer accounts monthly. The administrator of business operations must approve any exceptions.

1308 Disbursing Consumer Funds

- a. All disbursements will be by pre-numbered checks.
- b. All disbursements, except by authority of the District Program Manager/Administrator (DPM/DPA), must be authorized in the Individual Spending Plan.
- c. All disbursements require the following:
 1. Disbursements shall be documented by written requests for funds
 2. Any request over \$500 must be approved by the District Program Administrator/Manager or designee.

3. Documentation of the amount of each ongoing deduction for residential billings.
4. Excess funds are not to be used for non-approved purchases. If disbursed funds exceed the cost of the approved purchase, these excess funds shall be returned to the consumer's account with a reconciliation statement accounting for purchases. Anything under \$5.00 may be returned to the consumer for personal use, unless the Support Coordinator requests otherwise

The person processing an expenditure shall not be the payee of the check. Nor will the person maintaining accounting records or preparing checks also sign the checks

- d. All pre-numbered checks will be accounted for monthly in the following categories to aid in the bank reconciliation process:
 1. Paid by bank (cancelled)
 2. Void
 3. Outstanding
 4. Suspense File: Cash or checks in the hands of third parties for the purchase of goods and services for consumers will be signed for and a suspense file established pending paid receipts. Suspense files will be cleared within thirty days after full payment for goods and services
- e. It is the policy of the Social Security Administration that individuals shall be provided at least \$30 monthly for their personal needs.
 1. Consumer personal spending money does not require receipts
 2. However, any personal spending money not paid directly to the consumer requires supporting documentation verifying the use of these funds. Those entities required to account for consumers funds shall maintain a log of all expenditures for each consumer.

- f. All non-personal spending money disbursed from the consumer's account for any good(s) or service(s) in excess of \$50.00, shall be verified within 30 days, by an itemized receipt. The receipt must show:
 1. The vendor name
 2. Date of purchase
 3. A written description of the individual item(s) or services

District Program Administrators/Managers may establish a receipt limit of less than \$50.00.
- g. Until the properly supported receipt form is submitted, no further requests for that vendor or individual will be processed unless specifically approved by the District Program Administrator/Manager or designee.
- h. It is permissible for a request to designate that several disbursements be made in the name of a consumer over a period of time. Examples include: monthly personal allowances, rent subsidy, etc. Such requests remain in effect until the Support Coordinator submits paperwork to change or cancel the request.
- i. A disbursement request charging a consumer's account will not be honored unless that account has sufficient funds to pay the entire amount requested. The requesting party will be so notified and a modified request can be submitted.
- j. All requests will be processed by the payment deadline set by the district business office or designated consumer fund system personnel.

1309 Consumer Funds - Provider Responsibilities

A person or agency providing out-of-the-home services for consumers may receive and maintain funds on behalf of the consumer for personal spending. These funds are to be recorded in a ledger maintained in the consumer's residence or agency's business office.

The agency or caregiver shall be required to provide proof of how the funds designated for the consumer were expended, at the

Division's discretion. See section 1310.c for stolen or missing funds.

1310 Ledgers Maintained by Providers

When the individual or service provider receives spending money from the Division, family, employment, or other sources on behalf of a consumer, they are to open and maintain a separate ledger for each consumer receiving these funds. The ledger is a financial record for each consumer, composed of a separate log and balance sheet with running totals. The balance is not to exceed \$200. Funds in excess of \$200 shall be returned to the District Consumer Fund Manager and deposited into the Consumer Funds System.

- a. Funds can only be obligated and utilized for the consumer's personal needs; all funds received and expended must be accounted for in the ledger.

This ledger, maintained by the provider, will show:

1. all funds received: sources of those funds and the dates received,
2. all expenditures: what they were spent for, receipts, and dates funds were expended, and,
3. a running balance.

These records must be maintained for a minimum of seven years (ARS §41-1345 www.azleg.gov).

- b. The ledger is to be sent to the consumer's Support Coordinator quarterly and provided for review at each Individual Spending Plan meeting or as frequently as requested by the Division and/or the guardian. Consumer funds are also subject to review by the assigned support coordinator or consumer's guardian.

The Support Coordinator will adjust the spending plan to assure that the Consumer funds that are maintained by the individual or provider do not exceed \$200. Any funds in excess of \$200 are to be returned to the district Consumer Fund System (CFS) Manager or designee for deposit into the consumer's account.

- . Consumer funds cannot be loaned, given or provided in any way or manner to other consumers, provider staff, relatives or friends. Consumer funds cannot be used to purchase anything that is ordinarily required to be supplied by the service provider or the Division.

Consumer funds cannot be used to purchase insurance, burial plans, pay medical expenses, etc. for other consumers, providers, staff, relatives or friends.

The funds of several consumers may be pooled to make group purchases provided the Social Security Administration approval is obtained prior to the purchase (an example of a group purchase would be a large TV for a group home). The request for group purchases is to be submitted to the local Social Security Office for approval.

The provider must ensure that the consumer funds are used to meet the beneficiary's acceptable day-to-day personal needs including recreation and miscellaneous expenses as required by the Social Security Administration. The federal publication: Representative Payment Program, Guide for Organizational Representative Payees, Publication No. 17-013 is an excellent resource

- c. Consumer funds shall be kept in a secure locked location.

Any funds discovered stolen or missing from the consumer's ledger or personal cash shall be the responsibility of the Provider or Qualified Vendor to replace within 10 working days of the discovery of the theft or missing funds. It shall also be reported to the consumer's Support Coordinator within 10 working days of the discovery.
- d. These consumer funds are subject to audit. Any audit exceptions are the responsibility of the service provider for resolution and/or repayment.
- e. The Support Coordinator shall follow Division and Social Security Administration policy and is responsible for the use of these funds.

The Consumer Fund Manager will provide technical assistance to the Support Coordinator when the consumer dies, moves to another setting or returns home. Obligations to the Division shall be the first consideration. The final disbursement of these funds will be processed by the Consumer Funds System Manager or designee as directed by the Support Coordinator.

- f. Service providers shall not be representative payees for a consumer's benefits.
- g. The Consumer Funds System Manager, or designee, shall notify the chain of command of the Division of Developmental Disabilities of any mismanagement, or suspected mismanagement, of consumer funds. The Administrator shall determine whether or not it is appropriate to refer issues to the Department of Economic Security Office of Special Investigations, and the Social Security Administration.

1311 Bank Reconciliation

Bank and checkbook balances will be reconciled monthly. The duties of reconciling the bank and Consumer Fund System balances and maintaining the accounting records will be separated. Bank, petty cash and change fund balances will be reconciled in consumer accounts monthly.

The Consumer Funds System Manager or designee shall send Monthly Consumer Fund reconciliation reports to the Division of Business and Finance, Accounting Office

Summaries of these reports are to be sent to the Business Operations Administrator.

A report on the number of Title XIX eligible individuals shall be sent monthly to local Arizona Health Care Cost Containment System office:

- a. Those with balances over \$1,500
- b. Those with balances over \$2,000

A report including all accounts with balances over \$2,000 shall be sent to the District Program Administrator/Manager. This report shall be reviewed by management staff to ensure that District staff are working towards a spend down plan.

1312 Use of Consumer funds

Consumer funds are administered in accordance with the intent of the individual or entity providing the funds.

- a. For economy and efficiency of administration, consumer funds should be pooled into one bank account. Separate records shall be maintained that identify each Consumer funds.
- b. Funds in the pooled bank account in excess of current requirements shall be invested in accordance with the provisions of Chapter 1300 of the Policy and Procedures Manual.
- c. Consumer funds shall not be loaned to other consumers, state employees, or any other agency or person. Nor shall the consumer accept any loan from other consumers, state employees or any other agency or person.
- d. Consumer funds may be used to pay for the extraordinary expenses of an escort/attendant when the consumer is traveling, on vacation or participating in community activities. These expenses may include the cost of transportation, admission fees, meals and/or lodging, but not souvenirs or other personal purchases for the escort/attendant.

Recommendations from the Individual Spending Plan along with estimated expenses and availability of funds shall be submitted to the District Program Administrator/Manager for approval.

Consumer funds that are advanced shall be reconciled against receipts for all expenditures. Any personal expenditure beyond the original funds that were advanced that are over \$5.00 must be evidenced by an original receipt to be eligible for reimbursement.

State employees cannot volunteer to be an escort/attendant when that activity is part of their job description.

Exceptions to part "d" require approval in the Planning Documents (Individual Support Plan/Person Centered Plan) and by the District Program Manager/Administrator.

- e. The Individual Spending Plan (ISP) is developed as part of, and during, the consumer's Individual Support Plan/Person Centered Plan meeting. It is to include the fiscal planning for the consumer, what items are to be purchased, monthly expenditures, projected needs, current income, billing by the Division for residential services (room and board), etc., and is to be acknowledged and signed by those present.

During this fiscal planning the support coordinator shall inform the representative payee of his/her obligation to report to the Division the amount of benefits they receive and any changes in these benefits. They are also to be informed that the Division will bill up to 70% of the benefits to be used to offset a portion of the consumer's residential costs. It is especially important that the representative payee be informed that if he/she receives a large, lump sum payment from the benefit source, that they are to notify the Division, as the Division is required by Administrative Rule R6-6-1204 to bill a portion of those funds.

http://www.azsos.gov/public_services/Title_06/6-06.htm)

- f. Unless allowed by law, consumer funds, including interest earnings, will not be used to defray the cost of administration, supplies, equipment, or services. However, bank and investment institution service charges for administering pooled checking and investment accounts may be offset against interest earnings.
- g. Consumer funds can only be used for expenditures authorized in the Individual Spending Plan, except upon written approval of the District Program Administrator/Manager or designee.

If the ISP recommends that the consumer be issued a Debit Card, these recommendations from the ISP for the use of a Debit Card along with the plan on oversight and accounting of the use of the debit card shall be submitted for approval to the District

Business Operations Manager and then to the District Program Administrator/Manager for final approval.

The use of a credit card shall not be approved.

The purchase of gift cards shall not be approved. The use of gift cards does not allow for the level of accountability required by the Social Security Administration or the Division.

- h. Unexpended consumer funds that have been advanced to a third party for purchases or allowances will be re-deposited in the bank and credited to the appropriate consumer's account. However, unexpended funds of less than \$5.00 may be retained, provided they are expended for the consumer's incidental needs.
- i. Funds belonging to consumers no longer requiring financial management from the Division shall be disposed of as noted in section 1315.
- j. If the consumer is a child receiving Foster Care Services (Child Developmental Home), the Office of Accounts Receivable and Collections maintains his or her account, including dedicated accounts as required by the Social Security Administration.
- k. Individual accounts may be established in the District Consumer Fund System to receive and distribute monthly personal spending allowances for consumers in Foster Care.

1313 Reviewing Consumer's Accounts

- a. The District Consumer Funds Managers or designee shall conduct random reviews of individual consumer accounts
- b. The service provider shall make an up-to-date ledger sheet available for review quarterly or upon request by the Support Coordinator as required in 1309.1b.
- c. A balance sheet shall be sent to the assigned Support Coordinator monthly.
- d. The Support Coordinator shall be notified when the individual's account exceeds \$1,500 and also when it exceeds \$2,000. The Support Coordinator shall make

every effort to assure that eligibility for Social Security benefits and Title XIX are maintained.

- e. When the State *is not* the Representative Payee: the Division does not have the authority to require the representative payee to inform the Division of the balances in consumer's accounts.

The exception to this is when the consumer and/or representative payee is applying for Community Living Service funds, Client Services Trust Funds or other financial assistance, or eligibility for services.

When the Support Coordinator becomes aware that a consumer's account exceeds the maximum amount to maintain eligibility for Arizona Health Care Cost Containment System (AHCCCS) and/or Social Security benefits and the Division is ***not*** the representative payee, the Support Coordinator shall ensure that this is noted at the time of the Planning Meeting (Individual Support Plan/Person Centered Plan meeting) and that it is documented in the Spending Plan.

The support coordinator shall remind/notify the representative payee that anytime the consumer's funds/resources meet or exceed \$2,000, as described by the Social Security Administration (SSA) for eligibility determination that they are to notify the SSA and AHCCCS.

This notification by the representative payee is required to be made within 30 days of the consumer's funds/resources meeting or exceeding the \$2,000 limit. An immediate spend-down plan shall then be developed with the representative payee in accordance with the SSA's definition of the proper use of these benefits.

The Support Coordinator shall work with the representative payee to develop a spend down plan where the Division will bill the consumer's account at a higher rate until it goes below the eligibility limits for benefits and services . See part "f" below for 100 % bill down procedures.

- f. When the State is Representative payee: when a consumer account exceeds the maximum to maintain eligibility for Arizona Health Care Cost Containment System (AHCCCS) and/or Social Security benefits, the Support Coordinator and the consumer team will develop a reasonable spend-down plan to bring the account below the current \$2,000 limit.

1314 Changes in a Consumer's Status

- a. If the consumer experiences any change in status, the Division of Developmental Disabilities District Consumer Funds Unit/staff must be notified. If the consumer is a social security beneficiary, the Social Security Administration must also be notified. This notification is to be done by the Support Coordinator or designee. These changes include the following:
1. The consumer dies;
 2. The consumer moves;
 3. The consumer marries;
 4. The consumer starts or stops working, even if the earnings are small;
 5. A consumer's condition improves;
 6. The consumer starts receiving another government benefit or the amount of that benefit changes;
 7. The consumer plans to leave the U.S. for 30 days or more;
 8. The consumer is imprisoned for a crime that carries a sentence of over one month;
 9. The consumer is committed to an institution by court order for a crime committed because of mental impairment;
 10. Custody of a child changes or a child is adopted;

11. The consumer is a child (including a stepchild), and the parents divorce;
12. You can no longer be payee; or
13. The consumer no longer needs a payee.

Additional events that you must report for Supplemental Security Income (SSI) beneficiaries:

14. The consumer moves to or from a hospital, nursing home, or other institution;
 15. A married consumer separates from his or her spouse, or they begin living together after a separation;
 16. Somebody moves into or out of the consumer's household;
 17. The consumer has any change in income or resources (i.e., a child's SSI benefit check may change if there are any changes in the family income or resources); or
 18. The consumer has resources that exceed \$2000.
- b. The Support Coordinator will report any changes in the residential settings where room and board is paid to the provider, including both permanent or temporary placement changes. These reports are to be sent to Central Office, Site 791A Residential Billing, on the Division of Developmental Disabilities (DDD) Billing and Benefit Information form.

These will then be forwarded to the Division of Business and Finance - Office of Accounts Receivable and Collections. A copy is to be placed in the consumer's file and a copy sent to the District Consumer Funds Manager. A Division of Developmental Disabilities (DDD) *Billing and Benefit Information form* is required on all new placements and changes to all out-of-home placements within five (5) working days of placement.

- c. A Division of Developmental Disabilities (DDD) *Billing and Benefit Information form*, is also required for all the following:
1. consumer leaves care
 2. consumer moves out-of-state
 3. consumer transfers to another District
 4. there is a change in billing information
 5. consumer dies
 6. there is a change representative payee
 7. there is a request for a billing waiver
 8. there is change in income (earned or unearned)
 9. consumer has a change of address
 10. consumer enters/leaves acute care facility

1315 Investing Consumer funds

Interest earnings, minus any bank charges on Consumer funds that are invested in the State Treasurer's Office, will be apportioned to consumer's accounts quarterly based on account period ending balances.

1316 Termination of a Consumer's Account or Change in Representative Payee

Generally, a consumer's account is made up of Social Security benefits, earned money, family gifts, and other payments. Social Security benefits make up the largest percentage of these accounts; therefore all applicable Social Security laws and rules are applied first to terminate a consumer account. These are outlined in the Social Security publication: "Understanding the Benefits", Pub. No. 10024. (www.ssa.gov/pubs).

Fund balances will be returned to the consumer, Social Security Administration, guardian, or other authorized entity by check. But

this will only be done after all outstanding debts are paid including residential billing in accordance with appropriate rule and law regarding terminated accounts statements. See Policy and Procedures Manual, Chapter 1100 – Case Closure.

- a. When a consumer dies and there is no entity to receive money from the consumer's account and there is no family, guardian, custodian, executor or beneficiary, the following Arizona Revised Statutes will apply in the disbursement of the account: A.R.S. § 44-312, § 44-313, § 44-317, §12-881, and §12-887. www.azleg.gov.
- b. Funds not attributed to Social Security benefits as identified on parts 3 and 4 of this section and not able to be assigned to a family member, estate, guardian, custodian, executor or beneficiary, will be paid to the Arizona Department of Revenue, Unclaimed Property Unit. (See their publication #601 for details (www.azunclaimed.gov)).
 1. Funds of deceased individuals may be used to pay for funeral expenses and shall be used for other outstanding debts, including residential room and board costs, before closing the account.
 2. Accounts having been determined to be inactive (having no transactions for a year or more) will be terminated after reasonable efforts to dispense funds have failed. The account will be closed and funds sent to the Arizona State Treasurer after five (5) years. (Unclaimed Property – Arizona Department of Revenue, Unclaimed Property Unit.)
 3. **Social Security (SSA, Title II)** is paid after the month of eligibility. Any funds received from the Social Security Administration the month after the death of a consumer receiving SSA, shall not be spent, but shall be returned to the Social Security Administration.

For example, – If the consumer dies on May 30th the last day of the month and the SSA check received the first of May was for April the

check is due and payable as the consumer was alive and eligible for the **entire** month of April.

However, if a check is received the first of June for May, The Support Coordinator or designee shall return the check as the consumer was not eligible for SSA for the **entire** month of May, the month the consumer died.

4. **Supplemental Security Income (SSI)** is paid in anticipation of eligibility. Any funds received from the Social Security Administration during the month of the consumer's death remain the property of the consumer's estate. Funds received the month after a consumer's death shall not be spent, but shall be returned to the Social Security Administration.

For example, if a SSI check comes May 1, and the consumer was alive during some portion of May, the check is due and payable. If a Check comes in June, the Support Coordinator or designee shall return it as the consumer was not alive or eligible in June.

For additional information regarding SSI resources, refer to – Pub No. 05-10029 - Disability Benefits and 05-11011 – “What You Need to Know When You Get SSI Benefits” (www.ssa.gov/pubs).

To report changes to the Social Security Administration, call or visit your local Social Security office. The Support Coordinator or designee shall document the phone call in the case record including information on who they talked with, the date and the outcome.

To report changes to the Division, contact your local District Consumer funds Unit/staff.

- c. When a change in representative payee is made from the Division to another entity, after all debts incurred while the Division was Representative Payee are paid, all of the Consumer Funds that can be identified

as Social Security Benefits are to be returned to the Social Security Administration. The new representative payee is then to request these funds from the Social Security Administration. They are not to be transferred directly from the Division to the new representative payee. Providers shall not be representative payees for consumers. Also, agency board members are prohibited from being representative payees except for members of their own families who are consumers.

- d. If the new representative payee is NOT the Division, any funds remaining in the "Consumer's Personal Allowance Fund" that were generated as a foster child shall be sent back to the Social Security Administration. The Social Security Administration may then transfer these funds to the new representative payee.

If the Division becomes the new representative payee, these funds are transferred to the new account that is set up in the local District Business Office for the consumer's personal use.

- e. A person willing to become the representative payee must file a Social Security Administration form (www.ssa.gov/about.htm) requesting a change in payee.

If no one else is available, the Division may request to become the representative payee. Or Social Security may request/require the Division to become the representative payee. A Consumer Fund System account is set up in the local district Business Office.

The Social Security Administration is to be notified of the change of address to the local Business Office for the District.