

4004-I LEDGERS MAINTAINED BY PROVIDERS

REVISION DATE: 8/30/2013

EFFECTIVE DATE: January 15, 1996

REFERENCES: A.R.S. § 41-1345.

When the individual or service provider receives spending money from the Division, family, employment, or other sources on behalf of a member, they are to open and maintain a separate ledger for each member receiving these funds. The ledger is a financial record for each member, 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 Member Fund Manager and deposited into the Member Funds System.

- A. Funds can only be obligated and utilized for the member'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.

- B. The ledger is to be sent to the member'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. Member funds are also subject to review by the assigned support coordinator and/or member's guardian.

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

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

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

The funds of several members 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 member 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. Member funds shall be kept in a secure locked location.

Any funds discovered stolen or missing from the member'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 member's Support Coordinator within 10 working days of the discovery.

- D. These member 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 Member Fund Manager will provide technical assistance to the Support Coordinator when the member 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 Member Funds System Manager or designee as directed by the Support Coordinator.

- F. Service providers shall not be representative payees for a member's benefits.

- G. The Member Funds System Manager, or designee, shall notify the chain of command of the Division of Developmental Disabilities (DDD) of any mismanagement, or suspected mismanagement, of member funds. The Administrator shall determine whether it is appropriate to refer issues to the Department of Economic Security (DES), Office of Special Investigations (OSI), and the Social Security Administration (SSA).