

4004 – H MEMBER FUNDS - PROVIDER RESPONSIBILITIES

REVISION DATE: 09/30/2020, 8/30/2013

EFFECTIVE DATE: January 15, 1996

REFERENCES: Operations Policy Manual, 4004-I, Ledgers Maintained by Providers

Provider Responsibility for Member Funds

Qualified Vendor, Independent Provider, or Individual/Guardian:

- A. Providing services and care for a member, may request to receive and maintain funds from the Division of Developmental Disabilities (DDD, the Division) on behalf of the member, for personal spending and other uses. These funds must be recorded in a ledger (Refer to the *Operations Policy Manual, Chapter 4004-I Ledgers Maintained by Providers*) maintained in the member's residence, or at the provider or agency's business office.
1. When there is an opportunity to request a one-time allocation of funds for the member to be used for a specific purchase or activity this funding is in addition to the member's ongoing monthly spending funds and must be requested *from DDD Support Coordinator* and pre-approved.
 2. For a reimbursement submission, use the Expenditure Reconciliation (DDD-1832A) form for all special funding requests for a one-time purchase or expense
- B. Must provide a record of all member-designated funds received, and proof of how they were spent to be fully approved and advanced by the Division.
- C. Provides services and care for a member may request to receive and maintain funds from the Division of Developmental Disabilities (DDD, the Division), on behalf of the member, for personal spending and other uses. These funds must be recorded in a ledger (*Operations Policy Manual, Chapter 4004-I*) maintained in the member's residence or at the provider or agency's business office.

When there is an opportunity to request a one-time allocation of funds for the member to be used for a specific purchase or activity, this funding is in addition to the member's ongoing monthly spending funds and must be requested from the Division and pre-approved. A special funding request for a one-time purchase or expense must be submitted for reimbursement using the *Expenditure Reconciliation (DDD-1832A)* form.

- D. Must provide a record of all member-designated funds received, and proof of how they were spent, to be fully approved and advanced by the Division.

Proper Use of Member Funds

- A. Member special funds requests are for **member use only**, unless written approval has been granted by the Social Security Administration (SSA). The use of member funds to pay the expenses of another person(s) to assist in a specific task, i.e., accompany the member to a destination for an activity where they will require care

and supervision but will be able to participate. If SSA has given their approval, it will be noted on the *Expenditure Reconciliation (DDD-1832A)* form.

- B. Monthly ongoing spending funds do NOT have SSA approval and should never be used to pay for another person's expenses.

Valid Receipts

- A. An original, readable receipt of the expense is required. The receipt must not be altered in any way; all original information must be printed and legible.
- B. Detailed notes of the expense are required, including merchant name, date, total expense, and a description of the items purchased, or a reason for the expense.

Limitations

The following Member special fund disbursements are prohibited:

- A. To loan, borrow, give, or provide to any person, for any reason, other than the reason described in the original request, this includes to other members, provider staff, relatives, or friends.
- B. Purchase anything that is ordinarily required to be supplied by the Qualified Vendor, Independent Provider, Individual/Guardian, or the Division.
- C. For unauthorized purchases, the Division requires the Support Coordinator to provide written approval for amendments to the currently authorized expenditure.
- D. To exceed the amount advanced of funds. The Division requires the Support Coordinator to provide written approval for any amendment to the currently authorized expenditure.

The Qualified Vendor, Independent Provider, or Individual/Guardian is prohibited from the following:

- A. Establishing, assist in the application process, be included in the application process, or otherwise obtaining a credit card in the member's name.
- B. Establishing, assist in the application process, be included in the application process, or otherwise obtaining a bank account or joint bank account for a member
 - Exception: The following is required when opening a bank account as a habilitation goal for the member to become his or her own payee:
 - An outline of the goal, with a timeline in the member's planning document.
 - A review of monthly bank statements submitted to DES/DDD Member Funds Systems office.

- Close supervision of the member’s bank account and funds in the DES/DDD account to ensure that the funds in, if combined, do not create an overpayment of resources.
- C. Allowing the member any direct access to the special funds received and maintained on behalf of the member.
- D. Altering original receipts. Altered receipts will not be accepted, and the amount of the altered receipt will be refunded back to the member’s DES/DDD member account. The provider will not be reimbursed for the expense.

Reporting the Use of All Funds Advanced by the Division

Upon receiving a special funds disbursement, advanced by the Division, the Qualified Vendor, Independent Provider, or Individual/Guardian must submit the required documentation to the Member Funds Systems office, within 30 days from the issue date of the check, as follows:

- A. For purchases that were made on-line will contain the following:
 - 1. The confirmation order shows merchant names, items purchased, item amount, date ordered, and total amount paid.
 - 2. The confirmation form is showing the delivered date.

Note: If a gift card was purchased with a special funds disbursement, and the gift card was used to purchase items on-line, also provide an original receipt for the gift card’s purchase.
 - 3. *Expenditure Reconciliation (DDD 1832A)* form
 - 4. All excess funds must be returned to member funds in the form of a cashier’s check, money order, or Qualified Vendor business check and submitted to the DES/DDD Member Funds Systems office.
- B. For purchases that were not made on-line will contain the following:
 - 1. Original receipts that show merchant name, items purchased, item amount, date ordered, and total amount paid.

Note: If a gift card was purchased with a special funds disbursement, also provide the original receipt for the purchase of the gift card.
 - 2. *Expenditure Reconciliation (DDD 1832A)* form.
 - 3. All excess funds must be returned to member funds in the form of a cashier’s check, money order, or Qualified Vendor business check, and submitted to the DES/DDD Member Funds Systems office.

Reimbursement for Expenditures in Excess of Advanced Funds

To request reimbursement for expenditures not covered by the original advanced funds, submit the following documentation to the Member Funds Systems office:

- A. For purchases that were made on-line will contain the following:
1. The confirmation page or receipt of order showing merchant name, items purchased, item amount, date ordered, and total amount paid.
 2. The confirmation page showing the delivered date.

Note: If a gift card was used to purchase items on-line, also provide original receipt for the purchase of the gift card.

3. *Expenditure Reconciliation (DDD 1832A)* form
4. Written approval from the Support Coordinator.

Note: Member funds are only used for authorized expenditures. The Division requires the Division Support Coordinator to provide written approval for any amendment to the current authorized expenditure.

- B. For purchases that were not made on-line will contain the following:
1. Original receipts that show merchant name, items purchased, item amount, date purchased, and total amount paid

Note: If a gift card was purchased with the funds, also provide original receipts for the purchase of the gift card.

2. *Expenditure Reconciliation (DDD 1832A)* form.
3. Written approval from the Support Coordinator.

Note: Member funds are only used for authorized expenditures. The Division requires the Division Support Coordinator to provide written approval for any amendment to the current authorized expenditure.

Gift Card Purchases

- A. The purchase of a gift card requires the same accounting practices and oversight as a cash purchase. Original receipts for the purchase of the gift card and original detailed receipts showing the use of the gift card are required. The Individual or Qualified Vendor must submit the required documentation to the Member Funds Systems office within 30 days from the date on which the Division issued the check, per the reporting requirement.

A gift card has been purchased for a family/friend, only the original receipt for the purchase of the gift card is required.

- B. The purchase of a gift card, for use by the member, requires the same accounting practices and oversight as a cash purchase. The Qualified Vendor, Independent Provider, or Individual/Guardian must submit the required documentation to the Member Funds Systems office within 30 days from the issue date of the check, per the reporting requirement. If the gift card is not used within the 30-day timeframe, then the gift card should be returned to the Division and the funds refunded to the member's account. A new gift card can be requested and used at a later date, within a new 30-day timeframe.

- C. If a gift card has been purchased for a family member or friend, only the original receipt for the purchase of the gift card is required to be reported to the Division. The family member or friend is not required to use the gift card within a specific timeframe and is not required to produce a receipt to verify how they spent the gift card.