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Resource Guide: Managing Finances for Clients in Community Residential Services Programs

A resource guide compiled by the Developmental Disabilities Administration
Residential Quality Assurance Unit
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Contents

Purpose:	3
Involving clients in managing their finances to the greatest extent possible	4
Making and documenting a plan – the Individual Financial Plan	6
Setting up accounts	9
Ledgers	12
Reconciling, verifying and non-involved parties	14
Special Needs Trust Accounts	16
Using and securing cash and cards	17
Online security	19
Creating and sticking to a budget	20
Establishing a new household	23
Keeping it fair – splitting rent, utilities, household goods and shared food	25
When there isn't enough – finding, requesting, going without and/or borrowing	27
Records – WAC and Social Security requirements	29
Working with Other Partners	31
Staff costs for client vacations and special events	33
Resources and tools	35
Sample forms	35
Individual Financial Plan	36
Budget.....	38
Cash Ledger	39
Grocery & EBT / Food Stamp Tracking Ledger	40
Gift Card / Pre-paid credit card ledger	41
Debit Card Sign-in & Out Sheet	42
Shared Household Expenses	43
Loan Agreement and Repayment Documentation	44
Client Resource Accountability Shift Change Documentation	45

Purpose:

This document is for Community Residential Services providers to use as a resource guide and to share best practices for:

- Increasing person-centered practices and habilitation around financial management for the clients you support
- Implementing reasonable safeguards against theft and mismanagement
- Supporting clients to live within their means
- Meeting requirements of [WAC 388-101D](#)

This guide is *not* meant to be an exclusive list of how to manage finances.
It *is* meant to provide ideas and guidance for challenges that you may be facing.

Involving clients in managing their finances to the greatest extent possible

Why this is important

- Aligns with [DDA Guiding Values](#) of Competence and Power and Choice
- Aligns with values for habilitation in Community Residential Services
- Increases sense of ownership and responsibility for living within a budget
- Decreases risk for staff mismanagement or dishonesty with funds

You need to ensure

That you support clients to manage their money, or portions of it, as independently as possible considering their level of abilities and potential risks.

Challenges

- It takes more time to teach and assist someone to manage their finances than it does to do it for them.
- Agency policies (which may be well intended) may override client choice. For example, if the agency decides which stores to use for shopping, which banks to use, what type of accounts to set up or what type of payments to use.
- Online banking is convenient, however if the client does not have computer skills or access then it gives them less involvement than writing checks and going to the bank.

Options and ideas

- Use debit cards associated with a spending account or pre-loaded debit or gift cards to reduce the risk of going over-budget. Load a card with only the budgeted amount for the day, week, or month for specific purposes such as food and personal spending money.
- Develop charts and other visual aids that help clients save for things like a vacation or a special item.
- If you have a designated financial staff, have them go to the client's home once a week to pay bills, review the client's cash account, collect receipts, and talk with clients about upcoming needs (to the extent that the client can participate).
- Color-code the budget for fixed expenses, flexible and discretionary expenses, or by wants and needs to make it easier to understand.
- Hold money management classes for clients and staff to participate in together to learn the basics of budgeting and money management.

Try these online, easy and interactive resources for individual or group training on basic money management:



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- [Hands on Banking](#) - Trainings individuals can take on their own or with support, as well as free downloadable instructor guides if you want to extend or modify the lessons.
- [Adult trainings](#) on *Controlling Finances with a Spending Plan* and *Being a Smart Shopper* are especially helpful.
- [Teen resources](#) (animated) on budgeting with examples that are more relevant and easy to understand, but the exercises involve a lot of math. In this section, you will find lessons on making a deposit, using the ATM, keeping a register, and balancing a checkbook.
- The [kids' training](#) is even simpler and covers the concept of sales tax.

Making and documenting a plan – the Individual Financial Plan (IFP)

Why this is important

[WAC 388-101D-0240](#), Individual financial plan.

(1) The service provider must develop and implement an individual financial plan with client participation when the client's individual support plan:

- (a) Identifies that the client needs support to manage funds; and
- (b) Designates the service provider as responsible for that support; or
- (c) Indicates the service provider manages any portion of the client's funds.

(2) The service provider must obtain signatures from the client and the client's legal representative on the individual financial plan.

(3) The service provider must include the following in the client's individual financial plan:

- (a) Client funds and income managed by the service provider;
- (b) Client funds and income managed by the client and the client's legal representative;
- (c) The type of accounts containing client funds;
- (d) A description of how the client's funds will be spent during a typical month;
- (e) Money management instruction or support provided to the client; and
- (f) If applicable, asset management including such things as personal property, burial plan, retirement funds, stock, and vehicles.

(4) The service provider must review the individual financial plan with the client at least every twelve months.

(5) The service provider must send a copy of each client's individual financial plan to:

- (a) The client's legal representative; and
- (b) The client's case manager upon request.

You need to ensure

- The IFP is individualized to the person's abilities, preferences, and budgetary constraints.
- The IFP is updated as needed, at least annually.
- The client and the client's legal representative both sign the IFP.

Challenges

- Because the IFP needs to be *individualized*, it takes time to write well.
- The IFP needs to be updated when significant changes occur.
- Clients may have limited ability to understand the IFP when it is reviewed with them, so their signature does not necessarily indicate an understanding.
- Guardians may not want the client to sign the IFP if they do not understand the agreement they are signing.

Options and ideas

- Be specific to the individual client – not 'his/her' or 'if he/she' has a housemate.

- Be accurate – give a true, current financial story for the client.
- By customizing the IFP for each client, it will clearly delineate roles, responsibilities and documentation requirements.
- A clear IFP is especially important to establish at the beginning of a provider-client relationship.
- The IFP should document financial responsibilities of client, agency, representative payee and guardian (if applicable).
- Discuss the IFP with the client using visual aids as needed.
- If you use a standardized template, make sure that you fill out all sections and tell a customized story.
- Do not cut and paste into pre-filled forms without changing necessary details.
- A sample IFP form that meets WAC requirements can be found at the end of this guide.
- The budget in the IFP should be the typical expected budget; track monthly budget expenditures outside of the IFP.
- Include language in the IFP regarding how you will manage things such as cash-on-hand, check writing and signing processes.
- Describe client's money management skills.
- Describe the where, when and how the client uses and manages their money.
- Describe how shared household expenses are managed and shared.
- Describe the staff roles and who does what, with, and for this client; list names of specific positions that are responsible for different roles.
- Identify the two job titles; one who is not involved in financial transactions, which will reconcile and verify each of the client's accounts (may be different staff for bank and other cash accounts).
- Identify steps necessary to protect clients from exploitation.
- Clarify how the client's funds flow from guardian or representative payee (if applicable).
- Consider if the client can manage some of their cash or change and how they are learning to handle money.
- Include specifics such as how much spending cash is in the home, where it is kept and provide instructions for using ledger.
- Describe how the client will be involved in managing their money and paying their bills – this is important and could point to a habitation goal in the Individual Instruction and Support Plan (IISP).
- Reference the client's skills and preferences – what are the instructional components?
- Where is the money kept? Does the client's guardian have any influence over purchases? How can the client be given more control and learn skills?
- Where are the typical places that the client spends money? What are typical purchases and preferences?



- Spend-down contingency plan – include how to prevent the client’s resources from going over the Social Security Administration and Medicaid limits.
- Identify Medicaid information and what role the agency or guardian takes in ensuring the client’s benefits are intact (such as quarterly reviews, monitoring resources, filing renewals and appeals).
- Include client’s current employment and income.
- Identify exactly where things such as ledgers, locked boxes and financial books are kept.
- Remember to list who manages assets such as personal property, burial plans, special needs trusts, stocks, retirement funds, and vehicles.
- Update the IFP at the beginning of the year when income typically changes, and refer to the IISP for habilitative support around finances where applicable.
- Send the IFP to the guardian and Case Resource Manager when sending the IISP.
- Review and revise the IFP when client has any significant changes such as:
 - New source of income (job, change of benefits type or amount)
 - Changes in expenses (due to household changes, rent increase)
 - Changes to the funds the client or provider manages (due to increased skill, change of involvement of other parties, new or closed accounts)

Setting up accounts

Signers, online access, debit cards, overdraft protection, Social Security regulations

Why this is important

[WAC 388-101D-0285](#), Client reimbursement.

The service provider must pay the client the total amount involved when:

- (1) The service provider or staff has stolen, misplaced, or mismanaged client funds; or
- (2) Service charges are incurred on a trust account that the service provider manages for the client.

You need to ensure

- You must take reasonable precautions to prevent misuse of client funds and financial exploitation.
- If you are the representative payee, the account must be set up according to [Social Security Guidelines](#).

Also important

There is a balance to ensuring that enough staff have access to the account so that funds can be accessed during vacations, etc., while not having so many staff with access that it lessens accountability.

The provider is responsible for overdraft fees and for replacing any mismanaged funds. Mismanaged funds can include purchases that are unsupported by documentation (such as a receipt), loans that are made without a loan agreement, debt incurred that the client cannot afford, or late fees for bills that the provider did not pay on time.

In the case of lost, stolen, or mismanaged Electronic Benefits Transfer (EBT) funds, the provider cannot reimburse clients with cash funds due to Economic Services Administration rules. Providers are expected to support clients to purchase groceries using the provider's money equal to the amount lost when the provider was responsible for the management/oversight of the card/EBT account. Receipt for food purchased will serve as verification that the client was made whole.

The provider is also responsible for paying service charges that are incurred on a trust account, also called a collective checking account, when the provider manages these accounts for clients. A collective checking account is a checking account that contains more than one client's money. According to [WAC 388-101D-0270 \(2\) \(f\)](#), the provider must also have a control journal showing each client's share of the collective account.

Challenges

- The process of establishing a representative payee account with a bank can be cumbersome.

- Different banks or bankers will have different interpretations of how an a representative payee account can be set up.
- Having too few authorized signers on an account can create issues when signers are unavailable.
- Having too many authorized signers.
- Access to debit cards linked to main client account has potential for someone to drain whole account.
- Checks can be stolen, altered, or mis-used; this could be undetected for a period of time due to time it takes for checks to clear.
- Online access has the potential for staff with access to steal funds virtually.
- Overdraft protection avoids fees, but may allow the account to go into larger deficit before it is noticed.

Options and ideas

- Establish a relationship with a bank and banker who will work with you.
- The bank where the provider has a business relationship may be more willing to work with you to meet needs, minimize fees, and maximize communication.
- In general, small or mid-sized banks and credit unions may be easier to work with to set up accounts that meet the needs.
- Keep documentation of who the approved signers are on each account. This should be changed any time that a signer leaves the provider, and reviewed at least annually (any signer on the account can drain the account!).
- Keep a record of who has online access to accounts. Change passwords regularly and when staff with access leave.
- Have staff sign acknowledgement of acceptable and unacceptable online transactions.
- Online access to accounts has the benefit of allowing person(s) responsible for financial oversight to have real-time information about account transactions without waiting for a paper bank statement to come in the mail. It also allows for easy transfer of funds between accounts if the client has multiple accounts set up.
- Set up two accounts for each client and use the secondary account as the funds which client will manage (with or without staff support); transfer funds from primary representative payee account to this account for weekly spending money and discretionary spending and grocery purchases as outlined in the IFP. Do not include overdraft protection on second account or allow it to automatically draw from the primary account. Funds can be transferred to secondary account weekly or monthly as person learns how to budget.
- Write, "Not to exceed" on checks' memo line for budgeted amount to remind the staff and client of the budgeted amount for the purchase.
- Have staff sign out debit, EBT, and gift cards for each use when provider manages them.
- Have staff document purchases on ledgers and attach receipts when signing cards back in.



Washington State
Department of Social
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- Review ledgers, purchases and receipts regularly.
- Set up notification alerts from the bank for low balances and large expenditures.
- Check accounts online regularly for abnormalities.

Ledgers

Why this is important

[WAC 388-101D-0245](#), Managing client funds.

(2) For any client funds managed by the service provider, the service provider must:

- (a) Separately track each client's money, even when several clients reside together;
- (b) Maintain a current running balance of each client account;
- (c) Make deposits to the client's bank account within one week of receiving the client's money;
- (d) Prevent the client's bank account from being overdrawn;
- (e) Ensure that client cash funds do not exceed seventy-five dollars per client unless specified differently in the individual financial plan; and
- (f) Retain receipts for each purchase over twenty-five dollars.

You need to ensure

- There is an accurate, running balance for each account that is managed by the agency – this includes bank, cash, and EBT cards including EBT cash, pre-paid cards and gift cards.
- Receipts are kept for purchases of more than \$25.
- Cash funds cannot be more than \$75 unless otherwise specified in the client's IFP.

Challenges

- Staff do not always have skills to maintain a ledger accurately.
- There might be multiple ledgers per client.
- Ledgers can become messy or difficult to read when mistakes need to be corrected.

Options and ideas

- Have a calculator accessible near ledgers for staff.
- Keep paper ledger physically with the card/cash in a pouch or envelope in which receipts will also be stored.
- Color-code the envelopes and/or ledger sheets by clients or type of fund when there are multiple ledgers in a home.
- The balance on the ledger should be checked regularly against the actual cash or card balance.
- Train staff who check ledger against balance on procedure when they find an error.
- Indicate maximum allowable amount at top of cash account ledger.
- Make all entries in ink and do not use whiteout to correct errors. Draw a single line through errors and initial the correction.
- The \$75 cash account limit includes all cash accounts – so in cases where a client has multiple cash accounts, keep the *total* under \$75.
- Have a process for weekly review of accounts and collection of receipts so that any issues can be caught and addressed promptly.



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- Weekly review is a great time for financial staff to discuss budget and upcoming needs with clients.

Reconciling, verifying and non-involved parties

Why this is important

[WAC 388-101D-0255](#), Reconciling and verifying client accounts.

- (1) For any client funds managed by the service provider, the service provider must:
 - (a) Reconcile the client's bank accounts to the client's bank statements each month;
 - (b) Reconcile the client's cash account each month; and
 - (c) Verify the accuracy of the reconciliation.
- (2) The service provider must not allow the same staff person to do both the verification and reconciliation of the client's account.
- (3) The service provider must ensure that the verification or reconciliation is done by a staff person who did not:
 - (a) Make financial transactions on the client's behalf; or
 - (b) Assist the client with financial transactions.

Reconcile: The balancing of all accounts managed by agency or the comparison of two numbers to demonstrate the basis for the difference between them.

Verify: Double checking the balancing to prove, show, find out or state that the reconciliation is true or correct.

The reconciliation and verification of clients' account managed by the provider is the provider's proof the accounts are correct and accurate.

You need to ensure

- All accounts managed by the provider (e.g. bank, cash, EBT, EBT cash, pre-paid and gift card) are reconciled and verified at least monthly.
- Either the person who reconciles or verifies must not be involved in financial transactions for the client.

Challenges

- Two separate processes (reconciling and verifying) for each account can be time consuming.
- For smaller agencies, having two people and one of them not involved in financial transactions may be difficult to find.
- Person who is reconciling or verifying may not understand what exactly they are checking.

Options and ideas

- If the client has the skills to manage funds independently and this is documented in the IFP, the provider does not need to reconcile and verify those funds.

- Verify ledgers by entering into a computer program or running an adding machine tape, which is signed and attached to the ledger.
- Staple receipts and ledgers associated with cleared transactions to bank statements in the same order as listed on the statement.
- If using a computer program to reconcile, print the reconciliation report.
- The signatures of the reconciler and verifier should both be on the ledger, the report or the statement.
- If you have more than one group or team of people responsible for managing different clients' funds; they can be the non-involved party for verification of other team's reconciliations.
- Since the words "reconcile" and "verify" are in WAC – use those words instead of "balancing", "double-check" or "audit" unless referring to an additional process.

What the people who reconcile and verify should do:

	Checking/savings account	Cash ledgers	EBT and EBT cash	Gift cards
Reconcile	Balance the checkbook and savings ledgers to the bank statement Ensure required receipts are attached	Check the math on the cash ledgers and balance the cash ledger to the actual cash Ensure required receipts are attached	Check the math on the ledger and confirm balances on the ledger are correct (ending balance on receipt or call to get balance) Ensure required receipts are attached	Check the math on the ledger and confirm balances on the ledger are correct (ending balance on receipt or call to get balance) Ensure required receipts are attached
Verify	Double check each step of the balancing performed by reconciler	Double check each step of the balancing performed by reconciler	Double check each step of the balancing performed by reconciler	Double check each step of the balancing performed by reconciler

Special Needs Trust Accounts

Why this is important

An increase in fraud with client accounts has occurred. One vulnerable area involves trust accounts. Agencies must help protect client funds.

You need to ensure

- That checks written from a provider-managed checking account to the trust funds are cashed by the trust fund and credited to the client's trust fund account by confirming the deposits are reflected on the trust fund statement.
- The client's IFP does not state the agency manages the trust account.
- Any disbursements from the trust account to be managed through a provider-managed account meet the WAC requirements.
- Purchases of personal property \$75 or larger from trust fund disbursements are added to the client's property record.

Challenges

- When a provider assists with making deposits and requesting withdrawals from a trust account, a client may be vulnerable to exploitation if the provider is not able to verify that the money went into or out of the trust account.
- Providers do not manage trust accounts and do not know the fees associated with trust accounts or the interest accrued on the accounts until the statement from the trust account is received, usually three months later.

Using and securing cash and cards

Why this is important

The provider must safeguard the clients' money.

You need to ensure

- If cash accounts will exceed \$75, even for vacations and one-time purchases, that it is documented in the IFP.
- That staff don't start holding cards or cash for "safekeeping" without accurately reflecting that the provider is managing these funds in the IFP.

Challenges

- As costs increase and client activities and outings get more expensive, it is difficult to stick to a \$75 maximum for cash-on-hand.
- It is hard to stay under \$75 maximum for vacations, startup shopping, garage-sale purchases and spend-downs.
- It is challenging to keep the Personal Identification Number (PIN) number both accessible and secure.
- If staff access is too limited, clients may not have access to their own funds.
- If staff access is too broad, security and accountability is more challenging.

Options and ideas

- The ledger should stay in the house when the cash/card leaves the house so that if it is misplaced there is a record of the missing amount.
- Use pre-paid cards rather than cash for vacations and large shopping trips with multiple stores.
- Count cash and verify presence of cards when staff change shifts.
- If the client is able to manage their debit or EBT card and can learn and remember their PIN, do not share the PIN with staff to reduce likelihood of theft.
- If you do share the PIN with staff, change it regularly or at least each time there is turnover in staff who had access to the card and PIN.
- Purchase similar zippered pouches in different colors for clients where checkbook, cards, register, identification card (ID), and receipts are kept during outings.
- When staff and clients return from outings and shopping, have staff initial the receipt and write the check number or "debit" on the receipt.
- Errors occur when clients go out to eat and forget to write in the tip amount on the receipt; make a special effort to ask staff if there was no mention of tip amount on dining receipts.
- Use the same checking account ledger for spending, whether check or debit card was used, so that there is always an accurate running balance in the ledger.



- At the end of each month, staple receipts to the ledger, then reconcile and verify, and transfer the balance to the new month's ledger.
- When using cash, keep the money in a special envelope with the client name, date, amount of cash taken out and what/where it was spent. Have staff return the change and the receipt with "cash" written on the top of the receipt in the envelope. The client and the staff involved in the transaction should initial the receipt.
- When larger amounts of cash are necessary, ensure that it is written in the IFP and that there is a plan for security, prompt spending of funds, return of receipts and re-deposit of any excess funds.
- Use pre-paid cards for vacations and other large expenditures where a check is not feasible to reduce need for cash.

Online security

Why this is important

Online banking and financial management is convenient – however, it also provides dishonest people with access to the means to quickly and remotely drain resources.

You need to ensure

You must take reasonable precautions to prevent misuse of client funds and financial exploitation. Good internal controls are essential.

Challenges

- Banks often have “hardened” password requirements that make passwords difficult to remember.
- If staff all use the same login and password, it will be more difficult to determine who made a fraudulent transaction.
- Online banking can be done from any location with internet, so it is more difficult to monitor and secure.

Options and ideas

- Regularly monitor activity and review bank statements as soon as you receive them.
- Set up online alerts to catch fraud.
- Ensure only designated staff can access online banking information.
- Document, review and update who has online access.
- Ensure that each staff with access has separate login information to trace who made transactions.
- Change passwords regularly.
- If possible, set up an agency online account that allows you to give individual users specific permissions; do not give permission to transfer or withdraw funds unless necessary.
- Have staff sign acknowledgement of their responsibility to maintain security of their password (not share with others, write on a sticky note on desk, etc.).
- Use a random password generator and then send the passwords to current staff who should have online access or have staff use a random password generator to change their own password.
- Contact your bank immediately if you notice unauthorized access or use.
- Immediately report suspected financial exploitation to appropriate parties (e.g. Residential Care Services’ Complaint Resolution Unit, law enforcement).

Creating and sticking to a budget

Why this is important

- Budgeting and living within financial means are important essential life skills.
- Involving the clients with their finances and budget helps to reduce power struggles over money and can create a sense of urgency for working and/or bargain shopping.

You need to ensure

- As representative payee, you must help create a stable living environment for the beneficiary and ensure that the basic current needs of food, shelter, clothing, and medical care are met (Social Security Administration requirement).
- You must prevent the client's bank account from becoming overdrawn when managing a client's funds (WAC requirement).
- When a client does not have sufficient resources to pay for essential expenses, the service provider and the Case Resource Manager are expected to assist the client to explore all possible resources prior to requesting support funded with state dollars ([DDA Policy 6.11](#) requirement).
- The IFP should identify if the client does not routinely have sufficient income to cover basic expenses.
- You should not be loaning funds that the client has no reasonable ability to repay.

Challenges

- It takes time to budget with people.
- Budgets can be hard to understand.
- It takes self-discipline to stick to a budget.
- Often the staff supporting clients may not be familiar with budgeting.
- Clients and guardians may have expectations that are outside of their budget.

Options and ideas

- Use pictures and color-coding to make budgets easier to understand and look more appealing.
- Use online tools or applications if the person has computer access - there are many free resources available, often including the person's bank.
- When the client has a paying job, look at ways to design the budget that helps them see that their job pays for the things they most want. For example, Supplemental Security Income covers rent and utilities, and the work income pays for food, entertainment and vacations.
- Print the monthly budget and have the client fill in the amounts they spend with their staff. Keep a running total of how much is left for things like groceries, household items, and entertainment. You can have this as a part of your IISP goal documentation if the client has a goal to manage their finances. You can also use this as a part of your documentation on how you manage client funds if the receipts and ledgers are attached.

- When possible, have a line in the budget to save for something the client is working toward (e.g. vacation, a new bike), and saving for unexpected expenses (e.g. broken washing machine or moving).
- For big expenses that happen once per year such as filling oil or propane tanks used for heating, anticipate the expense and save some money each month toward that expense if possible.

More options and ideas

Increasing income

- Apply for assistance and benefits as soon as you are aware of potential need, and complete all required renewal paperwork as soon as you receive it so benefits are not lost.
- Start working, go to work more often, and/or work more hours.
- Earn more when you work – look for a better paying job, ask for more responsibility or ask for a raise.
- Ensure that the client is receiving all Social Security benefits that they are due. Find more about [maximizing Social Security benefits](#).
- Apply for EBT benefits as an individual instead of a household.

Decreasing expenses

- Rent is typically the biggest expense – so it makes sense to focus on that first. Apply for Section 8, Housing and Urban Development or any other subsidies available or find a household configuration of rent and housemates that make the rent affordable – ideally less than 50% of income.
- Reduce utility bills by doing things such as turning off unused lights and electronics, shutting windows and doors, turning down the heat, reducing water usage. Many utility companies will do a free consultation to show clients how to conserve, and may even provide freebies such as LED lightbulbs and water-saving showerheads. Ask about and apply for any discounts for senior/disability/low income.
- Consider downgrading expanded cable and internet – those are luxuries and are not allowable expenses for an insufficient income allowance through DDA.
- Consider canceling cable and use streaming services.
- Groceries: Clip coupons and buy things when they are on sale. Shop at stores that tend to have overall lower prices. Reduce the amount of prepared-foods you buy and make more from scratch. Bake your own bread. Make larger meals such as soups or casseroles that are nutritious but low-cost and can be divided and frozen for future meals. Buy larger packs of meat and divide into labeled zip-lock bags.
- Dollar Store: know what to get at the dollar store! Many things are a good value there (such as shampoo, shaving cream, and some kitchen items). The other great thing about the dollar store is that it is an easy place to learn budgeting (do not forget to calculate the sales tax).



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- Stop or reduce smoking. Smoking is an expensive habit that is hard for anyone to afford, especially on a fixed income. Consider learning to roll your own to reduce costs. Cigarettes are not allowable expenses for an insufficient income allowance from DDA.
- Eat out less (or not at all). Pre-prepare meals or have easy to eat things around such as fruit so that clients will not be tempted to eat out as often. Look up recipes for how to make homemade versions of the client's favorite fast-food item.
- Exercise free. Even if the client can afford a gym membership, they may enjoy walking around the neighborhood or playing basketball down the street more. If the gym is important to the client, ask about and look for low-income/senior/disabled discounts or free/trial memberships.

Establishing a new household

Why this is important

- Establishing a household can be expensive. If it is not managed correctly, the client may begin their community living experience with debt that they have no foreseeable way to repay.
- Budgeting and living within financial means are important life skills that should be taught and modeled from the very beginning of services.

You need to ensure

- Requests for start-up allowance must be submitted and approved prior to making purchases ([DDA Policy 6.11](#)).
- Request must include itemized list of purchases and estimated costs, amount of available income and resources, and written justification for additional items and expenses if they will exceed the maximum.

Challenges

- It can be expensive to establish a household, especially when a client is entering services from an institution and does not have household furnishings or savings.
- The standard allowable rates for start-up only covers essential expenses and other options should be explored.
- It is not always easy to get receipts or to know the items and costs ahead of time when shopping for used items at garage sales, thrift stores, and internet sites.
- Buying used items often takes more time since it generally involves going multiple places and making contacts. Items need to be inspected to ensure that they are clean and in good condition.

Options and ideas

- Whenever possible, coordinate new moves with housemates who will contribute their share toward deposits and household furnishings. This could be two or three clients moving into a new household at about the same time, or someone joining an established household.
- Before clients move, do a realistic budget for the moving and the on-going expenses. If the person does not have the resources needed, look at potential ways to address the shortfall or change the plans.
- For most furniture and household items, consider these no cost or low-cost alternatives:
 - Furniture banks (similar to a food bank - available in many communities for low-income individuals – be sure to [check for bedbugs](#)).
 - Free, or for sale groups such as: Buy Nothing, Freecycle, Offer Up, Craigslist – many things are free or for a low price.
 - Thrift stores
 - Garage/Estate sales

- Have the client talk with their family to see if they have any used furniture or household goods that they would be willing to donate to help the client get established.
- Hand-written receipts are acceptable for purchases made outside of businesses. You can get a book of blank receipts at a store, or make up your own. Ensure that the date, item purchased and amount are included along with the signature of the seller and purchaser if possible.
- Record items of value in the client's property record.
- Use start-up shopping as an opportunity to teach and practice skills such as setting and sticking to a budget, comparison shopping, and using the internet to find resources. Utilize transition time for these activities.
- Discuss proposed budget with the Case Resource Manager before you start shopping. Even if you are not sure of the exact budget because you will be bargain shopping, find out your options before beginning to spend.
- Organize your list in two groups: "must have's" (such as a bed) and "wants" (such as a microwave). Put the most expensive items at the top and start with looking for those items to be donated or buy used so that you are spending time bargain shopping for the items that will save the client the most money. Do not buy anything new off the "wants" list unless or until you have gotten everything from the "needs" list.
- When sending staff out bargain shopping – you can send them with a list of things to get with a total budget, or with amounts not to exceed for individual items. Give them a ledger and the amount of cash that they may spend during the day along with blank receipts to use if needed. Have them bring back the ledger, all receipts and change at the end of their shopping day.

Keeping it fair – splitting rent, utilities, household goods and shared food

Why this is important

[WAC 388-101D-0235](#), Shared expenses and client related funds.

(1) For purposes of this section "common household expenses" means costs for rent, shared food and household supplies, and utilities, including but not limited to water, garbage, cable television/radio, telephone, and electricity.

(2) The service provider must ensure that common household expenses are shared equitably among all clients living in the household.

You need to ensure

- Long-term care, HUD and other regulations are followed when applying for and receiving assistance.
- Clients are not paying more than their fair share.
- Reimbursements occur promptly and accurately.
- EBT food accounts are not used for shared food purchases.

Challenges

- Many stores, landlords and utility companies won't want to take multiple checks for purchases or bills.
- When the split doesn't come out evenly, who pays the "extra penny" needs to be alternated.
- Extras on utility bills such as long distance calls or additional cable boxes need to be paid by the person using the service, and taxes calculated based on each person's share when splitting bills.
- If internet or other services are set up exclusively for the use of the provider; the provider needs to pay for these services.
- If the provider utilizes live-in staffing, the provider needs to pay their portion of rent and utilities.
- When clients change households rent, damage deposits, utilities, food and household expenses need to be prorated for each client's portion.

Options and ideas

- If housemates shop, purchase and prepare food or household supplies together, have each pay their share at checkout using checks or cash and document who paid what amount on each receipt. This will take longer at the checkout, but will make it equitable without the need to do reimbursements.
- Ensure the name(s) of clients who paid for purchases and form of payment (check number/Debit/Cash) is written on each receipt.
- When housemates purchase and prepare foods together using checks or cash but don't shop together; alternate who purchases groceries on a weekly basis and at the end of the month

compile all receipts and total it up to come up with a per-client amount; then do housemate reimbursements as necessary. *See sample forms.*

- If clients purchase and prepare food individually, purchase shared household supplies such as toilet paper and paper towels separate from food so that household supplies can be shared equitably. Either have each client pay their share at checkout, or do monthly housemate reimbursements.
- If household items are all purchased at the dollar store, each client can purchase an equal number of shared household items per month to ensure an equitable split.
- If clients move to a different household within the same provider, do move-out inspections even when other clients will rent the homes. This will allow you to ensure that damage is attributed to the responsible party in a timely manner and that clients get their fair share of deposits back.
- Even better, address damage as it occurs and follow the policy and request process as needed for client damage as outlined in DDA Policy 6.11.

Non-shared food

- Food purchased with an individual EBT food account must be purchased, stored, prepared and eaten separately. It is important to do this to ensure the client does not lose their eligibility for EBT food benefits.
- Clients who have special diets usually purchase food separately from their roommates.
- When food benefits are awarded based on clients purchasing and preparing food separately, then food needs to be labeled and stored in a way to prevent sharing.
- An easy way to mark non-shared food is to use different colored stickers for each client's food.

When there isn't enough – finding, requesting, going without and/or borrowing

Why this is important

[WAC 388-101D-0280](#), Client loans.

- (1) The service provider may loan funds to a client from the service provider's funds and collect the debt from the client in installments.
- (2) The client's service provider must not:
 - (a) Charge the client interest for any money loaned; or
 - (b) Borrow funds from the client.
- (3) The provider must keep the following loan documentation for each loan:
 - (a) A loan agreement signed by the client or the client's legal representative;
 - (b) Amount of the loan;
 - (c) Payments on the loan balance; and
 - (d) The current balance owed.

You need to ensure

- You support clients to live within their means.
- Client does not pay for agency expenses, even short-term.
- You have a written loan agreement signed by client or guardian (if applicable), in advance, any time client is expected to repay the provider for an expenditure.

Challenges

- Basic SSI benefits are rarely enough to meet basic cost of living expenses, especially when the client lives alone.
- DDA subsidies do not cover tobacco or other expenses that may be very important to the client.
- DDA subsidies don't cover guardian fees.
- There is often a lag between the application for benefits (such as SSI, food, DDA allowances) and the award of benefits/receipt of payment.
- Clients may not have a bank account set up prior to incurring initial expenses (due to lack of income, lack of ID, provider not yet identified as representative payee).
- Expected benefits may be denied or less than expected, which creates a problem when expenditures have already been made.
- If the client pays a bill for which the provider is responsible and the provider later reimburses them, they have borrowed funds from the client.
- If the provider pays for something and the client later pays or is expected to pay them back, the provider has loaned money – even if it was short term or due to shortfall of expected benefit.

Options and ideas

- Contact your Resource Manager (RM) to discuss a new/difficult financial situation prior to submitting a Residential Allowance Request (RAR) to agree on best approach and minimize surprises (on both ends).
- When guardianship is initially being considered or pursued, ensure guardian is aware of client's ability to pay or not pay.
- When completing the resources section on the RAR form, be sure that you have calculated all of the expenses that will be incurred for that month for the end of month balance.
- Do a loan agreement at the time of a RAR if money will be spent prior to the RAR being confirmed and received so that you have a loan agreement in place if DDA denies all or part of the amount. Any payments made by DDA will be considered payments on the loan. If the client does not agree to the loan, then hold off on the expense until you know if the RAR is approved.
- Use a loan tracking sheet that lists payments received and running balance for each loan. *See sample form.*
- Keep loan agreements with record of payments in a special file until paid in full.
- Use pre-paid cards to book travel and make online purchases rather than the provider making credit card purchases and then seeking reimbursement from the client (which is a loan).

Records – WAC and Social Security requirements

Why this is important

[WAC 388-101D-0270](#), Client financial records.

(1) For client funds that the service provider manages, the service provider must retain documentation including documentation for bank and cash accounts.

(2) The service provider must also keep the following documentation for client financial transactions:

- (a) Monthly bank statements and reconciliations;
- (b) Checkbook registers and bankbooks;
- (c) Deposit receipts;
- (d) Receipts for purchases over twenty-five dollars;
- (e) A ledger showing deposits, withdrawals, and interest payments to each client; and
- (f) A control journal for trust accounts.

(3) The service provider must keep the following documentation for cash and debit transactions:

- (a) A detailed ledger signed by the staff who withdrew any of the client's money;
- (b) A detailed accounting of the funds received on behalf of the client including:
 - (i) Cash received from writing checks over the purchase amount; and
 - (ii) A list of where the money was spent.
- (c) Receipts for purchases over twenty-five dollars when service provider staff withdrew the money.

You need to ensure

- Documentation is maintained in an organized fashion.
- You have a system of knowing which staff accessed client funds and assisted with financial transactions in order to manage, detect and pinpoint potential misuse.

Challenges

- Financial records need to pass through several people including those who assist with the transaction, reconciliation and verification.
- Bills and receipts need to be a part of documentation for each client, including when expenses are shared.
- Not all vendors routinely give paper receipts.
- Keeping ledgers signed by staff for debit transactions requires additional systems in place.

Options and ideas

- Keep a ledger with debit card(s) and have staff sign the card in and out in addition to signing the ledger for the transaction.



- Have a distinctive envelope or folder designated for receipts (which can otherwise get lost among other papers).
- Have a set time and system for transfer, processing and filing of financial documentation at least weekly.
- Copy receipts for shared expenses for each client's record or staple shared receipts to the monthly reconciliation form which is kept in a designated file and keep a copy of the reconciliation form in each client's file.
- Keep a record by name and/or position of staff with:
 - Signing authority
 - Access to accounts on-line
 - Access to debit cards, PINs, checkbooks and/or cash
- Have a policy and acknowledgement form that staff who have financial access sign indicating they are aware of acceptable financial practices and their responsibilities.
- Have staff sign all receipts and deposit slips when they assist with transactions.
- Using a computer program for recording transactions and reconciling accounts reduces human errors.
- When using a computer program, it is easy to generate information for budgets and reports.

Working with Other Partners - DDA, guardians, representative payees, Social Security Administration, and healthcare providers

Why this is important

Representative payees and guardians have fiscal and accounting obligations that they must meet.

You need to ensure

- You meet Social Security requirements for representative payee if you serve in that capacity.
- You report suspected misuse of client funds to appropriate authorities.
- Financial records are shared with partners as required.
- Clients do not pay for medical care and services when they should be covered.

Challenges

- SSA does not approve of clients who have a representative payee being listed as a signer on their bank accounts, but DDA does require that clients have access to their funds.
- Guardians and agency representative payees may charge clients a fee for their services, which reduces their income.
- Guardianship fees are not an allowable expense for RAR in Supported Living.
- Outside agency or family representative payees require additional coordination to pay bills and day-to-day expenses.
- Medical plans, copayments and deductibles can be confusing.

Options and ideas

- Client's name should be on the bank account, even when it is a representative payee account.
- The client can sign the check, either below the signature line or on the memo line, even when they are not an authorized signer to show they were involved in the transaction.
- Be aware of Social Security requirements even if you are not the representative payee.
- Report to Social Security if the representative payee is not meeting their obligation to use benefits to ensure basic current needs of food, shelter, clothing and medical care due to fees and/or logistical challenges.
- Outside representative payees can set up an account with a debit card or checks, which clients can use with support of the provider to meet their needs.
- Work with the DDA CRM if guardian insists on charging for their services and the client cannot afford it.
- There are additional steps to take when paying medical costs:
 - Make sure you are using the medical insurance correctly to realize all covered costs.
 - Check with the CRM before the client spends their money as there may be some additional coverage. Document this via email.



Washington State
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Transforming lives

- Once you have documented and communicated a denial for a particular recurring medical expense, you do not need to continue to do so for the same expense.

Staff costs for client vacations and special events

Why this is important

[WAC 388-101D-0235](#), Shared expenses and client related funds.

(3) If the service provider receives funds for the client from any source, the service provider must be able to show that all the funds received are:

- (a) Given to the client or the client's legal representative;
- (b) Deposited to the client's account; or
- (c) Used only for the client.

DDA [Policy 6.02, Procedures, C. 6, Client Expenses](#)

- a) The resource management administrator or designee may grant an exception that allows a provider to charge a client, their family, or their legal representative for an extraordinary situation over and above what is typically reimbursed in the client's rate. Examples include vacations or long trips where staffing, transportation, or both, is beyond what is included in the assessed rate. The service provider must submit a written request to the resource manager who will review the request with the resource management administrator.
- b) If approved, the service provider will include the agreement in the individual financial plan or an attachment to the plan and submit to the client or guardian, or both, for signature. The resource manager must document in the client's service episode record in the CARE
- c) The service provider's staff must never accept payment directly from a client.

You need to ensure

- Clients are not reimbursing agency or staff for services they are contracted to provide.
- Client funds are only being used for the client's benefit.
- Clients only pay for staff if the client is required to have staff accompany them.

Challenges

- The cost for staff to attend an event should not be a barrier to support the client to do the things they want. It may be challenging for a client to save enough money for the cost of their own activity, and become cost-prohibitive if they must also pay for staff.
- Staff cannot always afford to pay for their admission or meals and wait to be reimbursed.
- When clients have a lot of resources, they may want to go to events and on vacations that can be expensive.
- When agencies support clients to do special events and activities the costs can add up.
- There may be a perception that the agency or staff are taking advantage of clients by requiring them to pay for staff admission to events, vacation expenses or meals.

Options and ideas

- The venue may allow the staff to attend or enter an event with them at no cost as a “personal care attendant,” especially for general admission to public events.
- There are companies who specialize in vacations for clients with developmental disabilities, and the cost of staff to support them is included in the price of the vacation. This may be more cost effective than sending an individual staff on vacation with a client due to staff sharing and group rates.
- Develop company policies and processes for staff to get approval prior to planning special events and vacations that may require staff reimbursement.
- Use agency funds to pay the staff cost for the event in advance so having funds and waiting to get reimbursed doesn’t create a barrier.
- Any staff reimbursement agreements should be clearly documented in the client’s IFP and signed-off on by the client and legal representative.
- Seek written approval from DDA prior to having clients pay for any staff costs for staffing or transportation.
- Inform DDA prior to having clients pay for any other staff costs (such as meals, entrance fees or lodging).
- Require staff to submit receipts for any costs that are reimbursed.
- Set a maximum reimbursement amount for the cost of meals, but only pay the actual cost of the meal (if clients are to reimburse this cost, you need to ensure that clients aren’t paying more than the cost of the meal or event).
- Set a company policy that outlines circumstances under which staff will and will not be reimbursed for meals. Times that they may not be reimbursed for meals may include things such as when:
 - Supporting clients with routine instruction and support activities (e.g. medical, dental, grocery shopping, local events or navigating the local community)
 - The client did not eat on the outing
 - When the meal was purchased through a drive-through window
 - When eating was not essential to the event

Resources and tools

- [Social Security Guide for Organizational Representative Payees](#)
- [Hands on Banking](#)
- [The Penny Hoarder](#)
- [Application for Food and Cash Assistance](#)
- [Best Prepaid Credit Cards](#)

Sample forms

- Individual Financial Plan
- Budget
- Cash Ledger
- Electronic Benefits Transfer
- Gift / Prepaid Card Ledger
- Debit Card Ledger
- Shared Expense Reconciliations
- Loan Agreement
- Loan Tracking
- Shift Change

Individual Financial Plan

Client Name:

Supported Living / Group Home Name:

Representative Payee: SL/GH Agency Self Other (list name/association):

Guardian: None Full Guardian of estate only Partial, not guardian of estate

Guardian name and contact info (if applicable):

Income

Income type	Monthly Amount (if any)	Does not have	Managed by client	Managed by SL/GH Agency	Managed by other Rep Payee	Managed by guardian	Managed by other (list)
SSI	\$						
SSA	\$						
VA	\$						
Paycheck/ wages	\$						
EBT / Food stamps	\$						
Other (specify)	\$						
Other (specify)	\$						

Management of Resources

Types of accounts / resources	Max Amount (if applicable)	Does not have	Managed by client	Managed by SL/GH Agency	Managed by other Rep Payee	Managed by guardian	Managed by other (list)
Checking account							
Savings account							
Other bank account (describe)							
Prepaid credit / debit card							
Food Stamps							
Cash – personal spending	\$						
Cash – household	\$						
Cash – hygiene	\$						
Cash - laundry	\$						
Gift cards	\$						
Trust Account							
Burial Plan							
Other (specify – may include retirement funds, stock, vehicles, etc.)							
Other (specify – may include retirement funds, stock, vehicles, etc.)							

Total cash accounts may may not exceed \$75.00 at any given time

Expenses - How funds will be spent during a typical month:

Rent	\$	Cable	\$	Cigarettes	\$
Food	\$	Transportation	\$		\$
Power	\$	Household supplies	\$		\$
Phone	\$	Personal hygiene	\$		\$
Garbage	\$	Personal spending	\$		\$
Water	\$	Hair care	\$		\$
Other utilities	\$	Renter's Insurance	\$		\$

Typical monthly income: is is not typically sufficient to meet budgeted expenditures
 If income is not sufficient, describe plan to support person to live within their means:

Details on how accounts are secured and accessed:

Details on which expenses are shared in the household and how they will be equitably split:

Who will reconcile accounts? List position(s) and/or name(s):

Who will verify accounts? List position(s) and/or name(s):

Who will monitor to ensure resources don't exceed income or the maximum allowable resources? List position(s) and/or name(s):

Details on how funds and information will flow between agencies and outside representative payee / guardian (if applicable):

Location and contact information for trust account(s), burial plan(s) and other special resources:

Money Management instruction and / or support

Describe what instruction and/or support the agency provides and how the client is involved in managing their funds. Include plan for increasing the client's participation and management of funds and reference to IISP instruction and goals as appropriate:

 Person completing IFP

 Date

I consent to finances be managed as described in this plan and have received a copy (if desired)

 Client

 Date

 Guardian

 Date

Budget

Name:

Month / Year:

Monthly Income	Estimate / Goal	Actual Earned
SSI / SSA / VA		
Wages		
EBT / Food		
Other:		
Monthly Expenses	Estimate / Goal	Actual Spent
Fixed Expenses		
Rent	\$	\$
Other:	\$	\$
Other:	\$	\$
Flexible* Expenses		
Food	\$	\$
Power	\$	\$
Phone	\$	\$
Garbage	\$	\$
Water	\$	\$
Cable	\$	\$
Other utilities	\$	\$
Transportation	\$	\$
Household supplies	\$	\$
Personal hygiene	\$	\$
Personal spending	\$	\$
Other:	\$	\$
Other:	\$	\$
Discretionary** Expenses		
Renter's Insurance	\$	\$
Cigarettes	\$	\$
Clothing	\$	\$
Hair care	\$	\$
Gifts	\$	\$
Savings	\$	\$
Other:	\$	\$
Other:	\$	\$
Other:	\$	\$
Total Actual Income	Total Actual Expense	Amount Saved / Over budget
\$	\$	\$

*you may be able to reduce these costs if needed **these can be eliminated if can't afford

Cash Ledger

Client Name: _____

Month / Year: _____

Date	Reason for Expense or Deposit	Cash Taken Out	Amount Spent	Amount Redeposited / Deposited	Balance	Receipt?	Staff Signature	Client Signature when receiving cash
	Balance Forward				\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			
		\$	\$	\$	\$			

Reconciled by: _____ Date: _____ Verified by: _____ Date: _____

Gift Card / Pre-paid credit card ledger

Gift/credit card owner: _____

Store (if applicable): _____ Date purchased / received: _____

Beginning balance of card: \$ _____

Date	Description	Staff Signature	Amount of receipt	Remaining balance

Reconciled by: _____ Date: _____

Verified by: _____ Date: _____

Client Resource Accountability Shift Change Documentation

This document is intended to be completed by the staff leaving shift and the staff arriving on shift who have primary responsibility for the security of client resources.

Signing this document indicates that the staff arriving on shift accepts responsibility for the resources, verifies they present and records are accurate.

Any missing resources or documentation issues should be reported to _____
(name / position) *prior* to the departing staff leaving.

Date:

Time:

Resource & Verification	Comments / balance	Staff leaving shift	Staff accepting responsibility
Checkbook(s) present			
EBT card(s) present			
Debit card(s) present			
Gift card(s) present			
Receipts for purchases present			
Cash matches amount on cash account ledgers			

Date:

Time:

Resource & Verification	Comments / balance	Staff leaving shift	Staff accepting responsibility
Checkbook(s) present			
EBT card(s) present			
Debit card(s) present			
Gift card(s) present			
Receipts for purchases present			
Cash matches amount on cash account ledgers			

Date:

Time:

Resource & Verification	Comments / balance	Staff leaving shift	Staff accepting responsibility
Checkbook(s) present			
EBT card(s) present			
Debit card(s) present			
Gift card(s) present			
Receipts for purchases present			
Cash matches amount on cash account ledgers			

The agency may have other items that they wish to have staff verify during shift change such as medication checks, medication counts, cleaning completion, documentation checks – this form covers financial matters and can be changed or supplemented as appropriate