



ST. PAUL'S PAYEE
PROGRAM PROCEDURES

HISTORY OF ST. PAUL'S REPRESENTATIVE PAYEE PROGRAM

The Payee program was originated by Mrs. Norma Wanucha of the Toledo based organization called B.O.O.S.T. (Building On Our Strengths Together). B.O.O.S.T. was a mental health consumers and family member advocacy group which fought for mental health rights. Mrs. Wanucha, along with B.O.O.S.T., did a research project in Lucas County asking family members and mental health clients what services were needed to help them live more successfully in the community.

As a result of the research, the Payee Program was designed to help mental health clients manage their Social Security benefits. Mrs. Wanucha's main goal was to help clients live independently in the community after deinstitutionalization. The Payee Program accomplished this goal by paying the monthly rents and bills for the clients and by helping them decide how to disburse the remaining money.

The Payee Program started in 1984 for a handful of mental health clients and was run by volunteers. The clients each had their own checking account. Gradually, the person's case manager took over the process and each case manager took 3 or 4 clients. This situation created a conflict of interest for the case manager which was resolved by transferring control to a B.O.O.S.T. paid staff member.

The program's funding was provided by the Lucas County Mental Health Board in the amount of \$2,600. This money allowed B.O.O.S.T. to provide a payee service for 20 clients with one staff person. The Program was run by B.O.O.S.T. but located at St. Paul's Community Center's building on 13th Street. Since it was not the philosophy of B.O.O.S.T. to have an ongoing payee relationship, the program was adopted by St. Paul's Community Center (SPCC), who assumed administrative control and continued housing the program in their building.

The program expanded quickly, and by the end of 1987, it was necessary to form one collective checking account. This enabled the staff to be able to write from one set of checks; thus becoming more efficient. A dual accounting system was set up, consisting of a manual ledger sheets and the Quicken software package. As technology improved, upgrading to Quick Books software and using electronic paper trails became the most efficient way to handle the growing population.

In 1995, St. Paul's Community Center signed an agreement with the Lucas County Board of Developmental Disabilities (LCBDD). This program started in June 1995 with a maximum of 40 LCBDD consumers. By 2010, the LCBDD payee program had grown to 135 consumers, making it necessary to have a designated payee for this population.

Currently the agency has three (3) payees servicing more than 550 mental health consumers and up to 90 LCBDD consumers. The funding for the program comes from the Lucas County Mental Health and Recovery Services Board, the Lucas County Board of Developmental Disabilities, and from community donations.

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Procedure to Place New Clients on the Payee Program

Support Specialist with the LCBDD should contact the payee coordinator, Mary Catherine Dunn-Brock (mdunn-brock@lucasdd.org), for slot openings and intake packets.

Mental Health Support Specialists should contact Yvonne Edwards (yedwards@spcc-toledo.org), Payee Intake Coordinator, for intake packets.

The payee program intake packet includes the following forms:

- Information sheet for new clients
- Social Security consent for release of information
- Statement of Account
- Advance authorization for release of information physicians/medical officer's statement of patient's capability (the physician's form does not need to be filled out if the client already has a payee)
- Clients with a guardian must also submit copies of guardianship papers

These forms are given to the support specialist to have the client sign. Original copies of the above forms are submitted to the payee intake coordinator for review and disbursement to the appropriate payee.

Upon filing, the client may also visit the SSA Seagate office to sign SSA form 4164 in order to expedite services.

The payee will submit a payee referral report and the SSA form 11-BK to the appropriate service representative at the SSA Seagate office.

Approval of the application comes in the form of a verification letter from Social Security stating that the agency has been selected to be the payee for the program. Once informed, the payee will contact the Service Specialist to set up an initial budget meeting.

Budgets

Upon verification of payeeship, the client and case manager/support specialist meet with the payee to create an initial budget at St. Paul's Community Center. Clients should bring a copy of his or her rental agreement, current utility bills, medical statements, and any other bills that need to be paid each month. The budget is based on the client's current needs. Priority is as follows:

- Housing
- Utilities
- Medical spend downs and co-payments
- Food
- Allowances
- Outstanding bills up to one year old

Most budgets will consist of a weekly allowance based on a five week month; however, other options are available for those not wishing to save money, such as monthly and bi-weekly allowances.

- Weekly allowance= Mailed each Monday, with the exception of holidays, in which case, checks are mailed no later than the Saturday before.
- Monthly allowance= Mailed on the third of each month unless the third falls on a weekend, in which case, checks are mailed the Friday before.
- Bi-weekly allowance= Mailed on the third and fifteenth of each month unless the third or fifteenth falls on a weekend, in which case, checks are mailed the Friday before.
- End of Month allowance= Mailed on the 24th of each month.

A printout of the client's account is always available upon request. The client may also call the payee for a verbal account balance. **

*****the payee is not to write checks from a client's account if funds are not available.***

Rental Agreements

Rental agreements are a vital part of maintaining a client's housing and completing redeterminations for job and family services and other agencies.

Most landlords maintain some form of rental agreement; however, SPCC has created a month-to-month rental agreement that the landlord may request to use. A rental agreement must be submitted to the payee before a check is printed for rent.

Rents are mailed after all Social Security deposits are received by the payee (usually on the third of the month) to insure that a client has received enough money to cover the rent amount.

Upon termination of a rental agreement, the payee will obtain a written 30 day move out notice from the client and will mail a copy to the landlord unless other arrangements are made *in writing* between the landlord and the client. In special circumstances, a written notice from the Support Specialist and his/her coordinator/supervisor may be submitted to stop payment of rent.

Utilities/ Monthly Bills

Clients are responsible for starting, stopping, and transferring utilities and other monthly bills: gas, electric, water, phone, cable, etc.

The client must have all bills sent to the payee office:

Client Name
c/o St. Paul's Payee Program
P.O. Box 9564
Toledo, OH 43697-9564

or by fax at 419-259-4609 in c/o the client's payee

The payee cannot be responsible for bills that are not submitted to the office.

The client should seek assistance from his or her support specialist/provider if they are incapable of completing these tasks.

Bill Disbursement Forms

Bill disbursement forms are used to disburse funds for bills that are not in the client's name. These forms include the client's name, the name of the person that the bill is in, who the check is made out to, and the account number. This form is signed by the client and continues until written verification of termination.

Jail / Bail

The payee is unable to supply funds for bail from jail under any circumstance.

The payee is able to supply funds for commissary once per month if funds are available under Social Security rules.

Client Vacations

The payee will supply funds for vacations under the following criteria:

- Client has all of their needs met: housing, utilities, food
- Client has extra funds available
- Client is going to a verifiably safe destination with a contact phone number
- Client has reasonable travel accommodations either by round trip tickets through the local bus or train lines or a written statement from family or friends.
- Expense checks are handled in the same manner as usual. (see Expense Forms)

Irrevocable Burial Fund **

Some clients are unable to have more than \$1500/\$2000 in their account at any time as specified by Lucas County Job & Family Services/Social Security rules. If a client is unable to spend excessive funds, the client may wish to set up an irrevocable burial plan.

SPCC has a relationship with Rossford Sujowski Funeral who use Homesteaders Life, Co. to set up an irrevocable burial fund for the client. These forms are available upon request.

The payee and support specialist should discuss other possibilities before taking this step. The irrevocable burial fund should be considered last resort. The client is encouraged to set up a burial plan of his or her choosing, if possible.

Expense Forms

Expense forms are used for the tracing of expenditures of saved funds exceeding \$75.00 and up to \$300.00 outside of the budget. Expense forms with an original client signature must be received by the payee before a check is written. Expense forms may be submitted electronically by the Support Specialist after the client has signed the form.

Clients may obtain an expense form from a support specialist or one can be mailed to the client upon request. Clients can also pick up an expense form in the foyer at SPCC. Saved funds are generally the amount left from the previous month after all bills are paid.

Expenses exceeding \$300 must be accompanied by an invoice so that checks can be written directly to the vendor. If an invoice is unobtainable, the Support Specialist may make arrangements with the payee for pick up and submit receipts within 30 days. In case of an emergency, a check will be written and available, by appointment, for pick up at the St. Paul's shelter desk with support specialist verification. Twenty four hour (minimum) notice is expected for any requested funds for pick up in order to avoid emergency exceptions.

It is expected that clients will submit receipts for purchases exceeding \$75.00 outside of his or her budget. However, ALL checks picked up by the Support Specialist will need to have receipts submitted within 30 days. The Support Specialist may designate a representative to handle pick-ups and disbursements but will be held accountable for receipt submission.

Reimbursement Forms

Reimbursement forms are used to make arrangements with a third party for short-term loans when the client does not have enough money to cover a needed expense.

The reimbursement form must be signed by the third party, the client, and the payee *prior* to the loan. These forms mandate the submission of receipts to verify that the money was used for the intended purpose.

Disbursement Forms

Disbursement forms are used to disburse funds to a third party on a monthly basis. These forms are signed by the third party, the client and the payee and continue until written notification is submitted to the payee for termination.

Account Types

The payee program has two basic account types: the collective checking account and the personal savings account. The collective checking account is a multiple-beneficiary account with the agency being the controller of the account. The account title states that this is a payee account for Social Security benefits. Therefore, all clients are covered under FDIC rules and regulations.

The federal government recommends that benefits for current and foreseeable needs be held in a checking account. Remaining benefits should be invested in a savings account. Such accounts should be held in a financial organization insured under federal law.

The personal savings account is intended for clients who \$2000 or more in his or her checking account. The savings account is administered by the payee program, but owned by the client. The payee keeps a record of this account for reporting purposes. A savings account should not be used for clients whose assets will affect his or her benefits.

It is recommended that a client close all outside bank accounts upon obtaining payeeship through the St. Paul's payee program. The payee will not be responsible for accounts outside of the program including, but not limited to: overdraft fees, reporting of funds, or closing the account.

Clients who wish to keep an outside bank account must submit monthly statements for recordkeeping and reporting purposes.

Accounting of Funds

Five collective accounts are set up through Key Bank. Each payee manages one or more of these accounts and is responsible for managing the budget for any client assigned to his or her account.

Social Security funds are deposited into accounts through a direct deposit system on the first and third of each month, respectively. Payees access deposits through Key Navigator with assigned login and passwords.

These funds are then added into the Quick Books program. This accounting system helps to properly trace funds and provides documentation for audit purposes.

The payee ascertains that the client has sufficient funds in his or her account before distributing the monthly budget.

Account Balances

Account balances are printed in order to prevent errors from going unnoticed for any length of time. Clients have the right to know his or her balance at any time. This information will only be released to the client and/or his or her case manager/support specialist. Outside entities should consult the client or case manager/support specialist for the client's financial records.

Account balances also help the payee to track and prevent clients from becoming over resourced under Social Security and Job and Family Service rules. Account balances are submitted to LCBDD on a monthly basis for support specialist review and maintenance.

Over-Resourced Accounts

Accounts are considered over-resourced once they reach a savings amount of \$2000. Savings amounts are determined at the close of a month after the bank reconciliation is complete. The account balance list is checked by the payee supervisor each month along with the monthly bank reconciliation to spot check balances. Clients whose balance exceeds \$2000 must have a plan in place for expending the funds. Examples of expenditures may include, but are not limited to, the following:

- Invoice for Large items for the House, i.e. Couch, TV, Dryer, etc.
- Shopping Spree – Layaway Payoff
- Increased Budgeted Allowance with Written Plan
- Irrevocable Burial Plan
- Incremental Gift Cards for Future Purchases, i.e. Home Depot, Applebee's, Walmart, etc.
- Personal Savings Accounts held by SPCC

Bank Reconciliations

Bank reconciliations are posted electronically before the 7th of each month from Key Bank. This statement provides documentation of deposits and withdrawals for the previous month.

The Quick Books program allows the payee to reconcile the accounts to the bank statement.

Bank reconciliations must be completed by the 15th of each month. This step is important to assure the accuracy and stability of the program, as well as accurate reporting of savings balances.

Payee Financial Oversight

The CFO/ Payee Supervisor will randomly review the financial records of the payees. The accountant will review the records of one of the payee staff by the 15th of each month. The monthly bank statement, reconciliations, filing, and payment of bills are to be reviewed. In addition, the CFO/Payee Supervisor will pick, at random, a minimum of three (3) individual client files for review.

Voids and Stop Payments

Any check that has been voided or has had a stop payment placed on it must be traceable. Each payee is responsible for keeping record of all voids including: the date of void, check number, the reason for the void, client name, and amount of the check on both the physical check and in QuickBooks.

Checks are voided for the following reasons:

- Misprints
- Returned checks
- Stop payments

Stop payments are made through Key Total Treasury for checks that do not arrive at the final destination when expected. If a check is lost, the payee must wait ten business days before St. Paul's Community Center will begin the process of the stop payment. The recipient of the check may choose to pay the cost of the stop payment if the check is needed before the ten day period.

Each month, the payee will check for any outstanding checks that have not cleared the bank for more than ninety (90) days. The payee will void the old check and apply the funds to the client's account.

If a check is voided for a client that is no longer on the program, the payee will send these funds to Social Security as conserved funds.

If a check is reported stolen, the payee will notify the payee supervisor who will correspond with Key Bank in order to take the proper steps needed to investigate the missing check.

Social Security Correspondence

In the course of operating the payee program, there will be a continual dialogue between the payee and the Social Security Administration (SSA) via letter, fax, e-mail, and telephone. This is essential to maintain the integrity and efficiency of any payee program.

Social Security must be notified of any changes pertaining to the client. St. Paul's payee program relies on Support Specialists to report this information to the payee. Changes include but are not limited to:

- Address
- Medical status
- Entering into a facility (jail, hospital, nursing home, etc.)
- Work status
- Marriage / divorce
- Birth of a child
- Death

Client Disability Review (CDR)

This review is done every 2-3 years for selected clients receiving disability benefits to determine his or her status as disabled. CDRs are forwarded to the client's support specialist at the appropriate mental health center or LCBDD. There are definite deadlines that must be adhered to.

If the CDR is not received by Social Security in a timely manner the client may lose his or her benefits. The payee should obtain a copy of the submitted report for recordkeeping purposes.

Representative Payee Report

The payee report is issued by the SSA to oversee the use of Social Security benefits. Payee reports are used to insure that the client's benefits are being used for the care and well-being of the beneficiary. This report details how the client's money is spent and if any money is saved for the specified period. This report must be filled out and submitted by the payee upon receipt.

Change of Address

The change of address form was created to help keep SSA informed of the location of the client and any other changes. This form must be filled out by the payee upon notification of any change and submitted to SSA via fax.

Termination from the payee program

The payee program may close an account for several reasons:

A) Graduation from the program

Graduation is the process of gradually giving a client control of his or her funds upon improvement of health. This process can take up to a year. Three levels of competency are displayed throughout the process and are determined by the consumer's team. The client must maintain each budget for a period determined by the team and account for his or her moneys through receipts and a written accounting of the dispensing of funds. The client is then reevaluated by his or her physician. If the physician agrees, the payee notifies SSA and the client applies to become his or her own payee.

B) Client stops receiving mental health and/or LCBDD services

If the client stops receiving services through the Lucas County Mental Health and Recovery Services or the Lucas County Board of Developmental Disabilities, they will be given a 30-day notice of termination that lists the steps the client may take in order to keep payee services through SPCC, if possible.

C) Client moves out of the county

If a client moves out of the county, the payee fills out a change of address and faxes it to the appropriate service representative at SSA. If possible, the payee will obtain a new address and coordinate a new payee before the client moves. The balance of the client's funds is then returned to Social Security, as conserved funds, to be forwarded to the new payee unless instructed otherwise by Social Security.

D) Death of the client

In the event of a client's death, the payee must first determine the eligibility of benefits for the month he or she died. Neither the clients, nor their family, are entitled to funds distributed for the month following the month of death.

Any balances remaining are distributed for final utility bills or funeral expenses upon invoice. Any remaining balance is returned to SSA as conserved funds after the completion of that month's bank reconciliation unless instructed otherwise by Social Security.

E) Behavioral problems

Examples of behavioral problems include the following:

- Personal threats to the well being of the payee
- Harassment of a payee (sexual and /or verbal)
- Physical abuse to the payee

All incidents of behavioral problems must be recorded. It is to the discretion of the payee and supervisor to decide if the behavior problem constitutes termination.

*Any client who is removed from the program for behavioral problems will not be permitted to return to the payee program for a minimum of one year.

F) Confinement in an institution

Social Security suspends the funds of clients confined to an institution (hospital, nursing home, jail, etc.). No funds will be distributed from the client's account during confinement except those allowed under Social Security rules. (*Also see Jail/Bail*)

A client confined to a correctional institution may remain on the payee's client list for up to six months. After this time, the account will be closed, conserved funds returned to Social Security, and the client must re-apply for a payee through his or her support specialist upon release.

G) Change of payee

If a client decides that he or she no longer wants St. Paul's payee program to manage their funds,

they must find a qualified person, outside of the agency, to apply for payeeship at the local SSA office. The client is not transferred to a different payee within the agency except in very special circumstances specified by the Executive Director. All conserved funds will be sent to Social Security to be forwarded to the new payee.

H) Non-compliance

Examples of non-compliance include the following:

- Not being linked with a mental health agency or LCBDD for more than 30 days
- Rent amount exceeds income received by the payee.

H) Permanent move to a nursing home

Once a client is permanently placed in a nursing home, the nursing home will generally take over payeeship. The payee will inform SSA of this change.

Special Note: Once a client has been removed from the program, for any reason, it is very difficult to place him or her on to the program again. They will be permitted to return as long as there are no new payee applications on the waiting list, or upon Social Security request; (with the exception of clients terminated for behavioral problems).

**Social Security has the sole decision of continuing or changing the payeeship at any time. Often, Social Security may request input from St. Paul's as to the stability of a client or potential payee. Once a decision is made, a letter is sent to both the payee and the client. Conserved funds are then returned to Social Security after that month's bank reconciliation is completed. In certain circumstances, SSA may request that funds be transferred directly to the new payee.

Role of the Support Specialists / Case Manager

Clients must be linked with a mental health agency or LCBDD in order to be on the payee program. Support Specialists/Case Managers are a vital part of the payee program. The payee program is set up to be a joint effort between the payee and the support specialist/case manager to help clients to become more financially stable.

Responsibilities expected of the Support Specialist/Case Manager include, but are not limited to:

- Communication with the payee regarding anything that could affect the client's budget: substance abuse, roommates, complaints, etc.
- Report changes: contact information (for both client and support specialist), employment status, marriage/divorce, birth/death, new provider, etc.
- Change in health that could affect payeeship (recovery, hospitalization, etc.)
- Completion of CDRs
- Budget meetings/ Yearly ISPs
- Assisting clients with address transfers for utilities and other billing matters when needed

Providers

Providers are persons contracted with LCBDD to support clients in the community. SPCC Payees do not recognize providers as case management or support specialists. Providers should consult the support specialist for questions pertaining to the client's account. Those providers who are representatives for Job and Family Services may contact the payee to have redetermination packages faxed/e-mailed directly to the case worker at Job and Family Services. Providers may assist clients with submitting bills to the payee and requesting forms with the client present. At no time will a provider have access to a client's funds, or information about his or her funds, without the client present.