



TITLE: PROCEDURES FOR CLIENT FINANCES

POLICY 2.6

Rev. September 2017

PURPOSE AND SCOPE

This policy outlines the procedures that will be used when Kokua assists a client with their personal finances.

A. CLIENTS WITHOUT GUARDIANS

Clients who are their own guardians and do not have a representative payee should have unobstructed access to their own finances. Kokua will assist, whenever possible, in maximizing clients' independence in accessing finances.

B. FINANCIAL CONSENT FORM

A Financial Consent Form will be completed for each client when Kokua handles his/her finances. The Financial Consent Form should be signed by the client, the guardian and the Executive Director or designee.

C. CHECKING/SAVINGS ACCOUNT(S)

When Kokua is named as representative payee, individual checking/savings account(s) will be opened for each client. Clients should be encouraged to participate in their Individual Financial Plan (IFP) budget and will have unrestricted access to all information regarding their finances.

D. Clients will have unrestricted access to all funds for which Kokua is not payee. If a client requests that staff hold his or her checkbook or bankcards, this agreement must be documented in the client's IFP.

E. INDIVIDUAL FINANCIAL PLAN (IFP)

Whenever Kokua assists a client in managing finances, an Individual Financial Plan will be developed with the client. An IFP will include:

1. The part of the client's funds and income that will be managed by the service provider.
2. The part of client funds and income that will be managed by the client or legal representative;
3. The type of accounts used;
4. A budget process;
5. Asset management, such as personal property, burial plan, retirement funds, stock, and vehicles;
6. Cash management;
7. Money management instruction and/or support;
8. An explanation of which purchases require receipts; and
9. Contingency plan for "spend down" if needed. An example of "spend down" is the lump sum amount given from the Social Security Administration.
10. A signature of the client and client's guardian, if any.

F. CLIENT ACCOUNT

In order to prevent the co-mingling of client and agency funds, Kokua will maintain a checking account dedicated to client-related transactions. This account will be a pass-through account that is used for:

1. Start-up funds for new clients entering program.
2. SSP Payments
3. Client allowance reimbursements
4. Loans to clients to cover emergencies or to enable the purchase of necessary items requiring multiple payments.
 - a. Payments
 - b. Client allowance reimbursements.
 - c. Loans to clients to cover emergencies or to enable the purchase of necessary items requiring multiple payments.
 - d. Emergency purchases made on behalf of a client.
 - e. To pay move out expenses incurred by a client.
 - f. To receive repayments from clients.
 - g. Client repayments for travel accommodations paid with Kokua's VISA Account.
 - h. Receive payments on client loans.

The Client Finance Coordinator will maintain documentation for all transactions in and out of the Client Account. The accounting firm will reconcile the Subsidiary Ledger of the Client Trust Account monthly. An accounting of any discrepancies will be given in writing to the Executive Director.

G. SAFEGUARDING CLIENT FUNDS

In order to safeguard client funds, clients will not write checks to or give cash to staff. Payment for goods/services will be made directly to vendors without staff as intermediary. The only exception to this policy would be if a client has a business and an employee purchases goods or services at the same price available to the general public.

H. DAMAGE TO STAFF PROPERTY

Should client cause damage to staff property, the staff person should notify the Executive Director in writing of the damage to staff property and the replacement cost. If reimbursement by the client were deemed appropriate by the Executive Director, all such payment by the client would be made to Kokua, which would then reimburse the staff. Staff may not lend to or borrow from clients. For information on how to report client damage done to a landlord's or a roommate's property, refer to DDA Policy 6.16, Client Damage Reimbursement.

I. CHECKING ACCOUNT/CASH TRANSACTION PROCEDURES:

All client income, including SSI, SSA, gifts and other income will be deposited in the client's bank account. All checks to be deposited will be stamped "For Deposit Only". A deposit slip will be kept as a record of each deposit and the source of the deposit will be written on the check book ledger.

Checks will be written to cover regular expenses, i.e. groceries, rent, phone, utilities, etc. Checks must be written directly to the billing source. All checks must be entered on the check book ledger noting the date, check number, payee and amount.

All receipts for shared purchases such as groceries will be reconciled using a Shared Purchase Reconciliation Form. The check numbers for the "payback" checks will be recorded on the form. All "payback" checks will be stamped "For Deposit Only".

Client checkbooks will be reconciled to the bank statement monthly. Returned checks or facsimiles of the original checks will be used in doing the reconciliation. Two separate reconciliations are required for each bank statement. Each individual reconciling a bank statement will initial or sign to document their work.

Clients may only keep up to \$75.00 in cash on hand for personal spending money unless a higher amount is specified in the client's IFP. If Kokua staff persons are responsible for completing cash transactions, receipts will be kept for all purchases. Clients who transact their own cash purchases will initial the Client Cash Funds Ledger to confirm the receipt of cash. The staff person assisting the client will also initial the ledger. Clients who complete their own cash purchases do not need to keep receipts. Cash Funds Ledgers will be reconciled daily and turned into the Client Finance Coordinator at the end of each month. Cash Funds Ledgers will receive a second reconciliation by Client Finance Office staff or volunteers.

The CPA will reconcile the subsidiary ledger monthly and will give copies to the Executive Director.