



MANAGING THE MONEY DIRECT FUNDING SIMPLIFIED

This guide explains the responsibilities for families/*agents* receiving Direct Funding of \$6,000.00 or less for an individual during a twelve month period. It describes the financial procedures and explains how money received through Direct Funding, including Direct Funded Respite dollars, can be spent.

Individuals or families receiving Direct Funding of more than \$6,000.00 for an individual annually should refer to the guide called *Managing the Money - Direct Funding Standard*.

Direct Funding Simplified Agreements

To receive Direct Funding dollars to pay for services, you will work with CLBC to sign a *Direct Funding Simplified Agreement*.

The *Direct Funding Simplified Agreement* is a contract between CLBC and the *agent* who will manage the funding. This agreement identifies the individual who is being supported, the amount of funding that the agent will receive from CLBC, the type of service that is being funded (e.g. adult respite) and the term of the agreement (start and end dates). The agreement also describes the responsibilities of both the agent and CLBC.

The *agent* is the person who acts on behalf of the individual and signs the *Direct Funding Simplified Agreement*. An individual can act as his/her own *agent*. Throughout this guide, 'you' refers to the *agent*.

CLBC will start making direct funding payments to you after both you and CLBC sign your *Direct Funding Simplified Agreement*.

Banking Arrangements

CLBC funds can be deposited into and purchases paid directly from your personal bank account. Alternately, you may want to use a separate bank account for all of your direct funding transactions so that they are kept separate from your personal banking transactions. A separate bank account may make it easier for you to keep track and explain how the money was spent. The bank account used to manage the money must be in the name of the person signing the *Direct Funding Simplified Agreement*. We refer to this person as the "Agent". If you use your personal account, including joint accounts, the account name must contain the name of the person signing the *Direct Funding Simplified Agreement*.

If you want to open a separate bank account, look for banks or credit unions that waive fees for persons with developmental disabilities. For example, VanCity Credit Union has indicated that it will provide free banking services for individuals supported by CLBC.

Receiving Funds from CLBC

Before you sign a *Direct Funding Simplified Agreement*, CLBC will provide you with a *Direct Deposit Application* form (FIN 312). This form must be completed so that the money can be electronically deposited to your bank account.

Before you complete the *Direct Deposit Application*, be sure to tell CLBC if you already receive payments or electronic transfers from the BC government because this may affect the set up of electronic transfers relating to your direct funding agreement

On the *Direct Deposit Application*, enter the name and location of the bank and the account details (transit and account number) for the bank account that you plan to use to manage the money you receive from CLBC. Either have the bank or credit union verify the details on the form and both stamp and sign it to that effect, or attach a copy of a personal cheque that is pre-printed with the account name and bank coding information. Be sure to mark the cheque as VOID. Give/send the completed, signed and/or stamped *Direct Deposit Application* form to your analyst as soon as possible.

You will receive your first month's funding by cheque then the payments for the subsequent months will be deposited electronically to your account. Deposits are made once each month, usually on or about the 15th of the month. It may take up to six weeks before you receive the first payment for a new agreement.

Paying for Supports and Services

Wherever possible, you should pay for services you purchase by cheque. Support workers, including respite providers, must always be paid by cheque. Cash should only be used in circumstances where the cost is low and you are paying for something that would typically be paid for by cash, for example, bus fare for the support worker. If you make cash withdrawals, obtain and keep receipts showing how you spent the cash.

Occasionally, CLBC will review your financial records such as, invoices, receipts and paid cheques. Future funding may be stopped and/or you may have to pay money back if you have used cash to pay for things that you shouldn't have and/or you cannot show what you used the money to buy.

Allowable Expenses

Your *Direct Funding Simplified Agreement* provides money to pay for the support services agreed to when you signed the agreement. This includes:

- payments made to the support worker for services provided

- any associated employer costs, e.g. WorkSafe BC premiums, Employment Insurance, etc. when applicable

You may use a small portion of the money you receive to pay expenses incurred by your support workers as part of their direct involvement in support activities, for example their:

- bus fare
- entrance fees
- mileage costs for driving the individual to and from an activity

These costs should be kept reasonable and itemised on receipts or invoices.

Money provided through Direct Funding cannot be used to pay for:

- the individual's expenses while involved in activities with a support worker - the individual is responsible for paying their own bus fare, entrances fees, meals, etc.
- enrolment or membership fees for the individual (for example, DF funds cannot be used to pay for the cost of art classes or a gym membership but can be used to pay a support worker to support the individual to attend the class or go to the gym)
- medical or non-medical therapies
- personal items or equipment for the individual

You may not pay yourself or the individual's spouse, parents or children (immediate family member) to provide services (unless exceptional approval has been given as outlined in the Service Provision by Family Member Policy).

If you have any questions about how your funding can be spent talk to the analyst who assisted with your agreement or call your local CLBC office and ask to speak to an analyst.

Direct-Funded Respite

Many families with Direct Funding Simplified agreements receive funding for "Direct-Funded" respite. Respite is defined as support that "provides families with a break from the continuous demands of caregiving". If you receive respite funding you can use your respite funds to purchase services that best suit your individual circumstances. Respite services may be delivered in the respite provider's home, the family home, or within the community. For example the individual may spend the weekend at the respite provider's home, or may attend summer camp for a week.

All of the information above about "allowable expenses" applies to all funds for direct funding, including respite funds.

Complying with CLBC Policies

As stated in your Direct Funding Simplified Agreement, Section 4.1 (c), you are responsible, as the *agent*, to comply with the CLBC policies and procedures that are relevant to your funding agreement. This includes any policies specific to the type of service you are receiving funding for, as well as CLBC policies such as the *Criminal Record Check Policy – Service Delivery* and the *Service Provision by Family Member* policies that apply to all services provided through CLBC funding.

It is important that, as an *agent* who is hiring support/respite workers, you review and understand your responsibilities as outlined in the *Criminal Record Check Policy* as well as all other applicable policies. The *Criminal Record Check Policy* and related documents and other CLBC policies are available on the CLBC web-site (www.communitylivingbc.ca) or from your analyst.

Legal Responsibilities as an Employer

As the *agent* for a Direct Funding Simplified Agreement, you are responsible for determining whether or not the people you pay to provide support are “employees” or “contractors”. If for example you are paying someone to provide respite, “how” the respite is provided is a factor in determining whether or not the respite provider is an employee or a contractor e.g., is the respite provided in the respite provider’s home or your home; do you pay hourly for the respite or by the day, etc.

For information about what government agencies you need to contact to find out if your support workers will be considered employees or contractors, please refer to “*How to Find Out if your Support Workers are Employees or Contractors*” on the CLBC web-site (www.communitylivingbc.ca) or ask your analyst for a copy of this document.

If your support workers are employees, you are responsible for fulfilling all legal requirements associated with being an employer. To assist in determining what these responsibilities are you may need to seek professional advice and/or contact:

- *Canada Revenue Agency* - phone: 1-800-959-5525, web: www.cra-arc.gc.ca *WorkSafeBC* - phone: 604-244-6181, web: www.worksafebc.com
- *BC Employment Standards Branch* - phone: 1-800-663-7867, web: www.labour.gov.bc.ca/esb
- *Vela Microboard Association* – phone: 604-575-2588, web: www.www.microboard.org

Keeping Financial Records

You must keep financial records such as invoices, receipts and paid cheques for everything you spend Direct Funding from CLBC on. You should keep these financial records for at least three years in case you are selected for audit and required to submit them to CLBC.

Cancelled cheques are not considered “*receipts*” so it is important that you obtain *receipts* or *invoices* from support workers when you pay them. *Receipts* must be provided by and/or signed by the person you paid to provide the service. A support worker may provide you with an *invoice* for the service they have provided. An *invoice* provides details of your purchases but does not confirm that you have paid for them. If you receive an *invoice*, you also need to show that you have paid the *invoice*. You can ask the support worker to provide you with a *receipt* or to identify on the *invoice* that it has been paid. Alternately, keep your paid cheque with the invoice as proof that you have paid it.

For payments to support workers, a *receipt*, or an *invoice* with proof of payment, must be obtained that shows:

- The name and contact information for the service provider i.e. phone number and address
- A description of the services
- The dates that the service was provided
- The hourly or daily rate charged by the support worker(s)
- The number of hours or days provided by the support worker(s)
- The total amount paid for the services
- Any applicable taxes
- A statement that the services have been paid for

You may find it helpful to use the receipt template provided at the end of this document.

It is easier to remember what you used the money for if you write it down on the same day that you spend it. File invoices and receipts supporting each payment in an organized manner - filing by date is normally easiest.

Reporting to CLBC

CLBC will need to confirm that the money you receive is being used for purchases that are both in line with the types of support services identified in your agreement and allowable (see section entitled ‘Allowable Expenses’). To help us with this, you are required to complete *Compliance Reports* and send them to CLBC.

The *Compliance Report* gives your declaration to CLBC that the money you received has been spent as intended. It also identifies the amount of money you have spent during the reporting period. If you do not submit your *Compliance Reports* on time, payments to you may be stopped and you may be asked to repay the money that you have already received from CLBC.

Compliance Reports must be submitted for each six month period, or less, beginning at the start date and finishing at the end date of your *Direct Funding Simplified Agreement*.

For example, an agreement with a term starting January 1st, 2011 and ending fifteen months later on March 31st, 2012 requires *Compliance Reports* for the three periods ending

- June 30th, 2011 (6 months)
- December 31st, 2011 (6 months),

- March 31st, 2012 (3 months).

Compliance Reports must be sent to CLBC no later than 30 days after the end date of the reporting period. In the example above, the first report must be received by July 30 (30 days after June 30th). To make sure that funding continues without any interruptions, you must submit *Compliance Reports* on time. You will be provided with reminders if you are behind in reporting. After three reminders, funding will be stopped until you have sent in all overdue reports.

Your Direct Funding Simplified Agreement may not be renewed until any overdue *Compliance Reports* have been received by CLBC.

Completing the Compliance Report

Compliance Reports can be obtained from your local CLBC office or the CLBC Website.

On the report you need to:

- identify the agreement number(found at the top of your funding agreement)
- the name of the individual supported by CLBC
- the individual's date of birth
- the reporting period
- the total amount of money you have spent on supports and services during the reporting period.

After reading and signing the *Compliance Report*, send it to CLBC at the address identified on the report.

Repaying Money to CLBC

CLBC may ask you to repay money in the following circumstances:

- You did not use all of the money and there is some left over when the term of the agreement ends
- You spent the money on purchases that are:
 - Not allowable (see section entitled 'Allowable Expenses') and/or
 - Not included in the types of support services identified in section 1 of your agreement

Money that you have not spent at the end of your agreement will not be carried forward for you to spend in a future agreement except in exceptional situations. After CLBC Accounting receives your final *Compliance Report* they will send an invoice for any money that was not spent. Payment for the invoice must be submitted to CLBC Accounting at the address indicated on the invoice. If you feel that you are encountering an exceptional situation that may require funds to be carried forward to the next agreement, you need to talk with your analyst as far ahead of the contract renewal date as possible to request consideration for an exception.

Funding Shortfalls

It is your responsibility to set up and manage the support services within the amount of money approved in your *Direct Funding Simplified Agreement*. There is no provision for over-expenditures. If you spend more money than CLBC has agreed to provide, you will have to pay the excess amount from your personal funds.

Audit

Every year, CLBC will select a number of Direct Funding agreements for audit. If you are selected for audit, CLBC will ask you to submit copies of all financial records including invoices, receipts and paid cheques for a particular period. CLBC will review these financial records to make sure that your purchases comply with your *Direct Funding Simplified Agreement*.

You may be considered ineligible to receive future direct funding if:

- Your purchases are not allowable
- You have not complied with your agreement, or
- You have not kept adequate financial records.

CLBC may also require you to pay back money that you have already received if you are unable to satisfactorily show how you spent it.

It is important that you retain all financial records relating to your expired or terminated agreements because they may be selected for audit within three years of their expiry or termination date.

Questions

For questions concerning financial procedures that are not addressed by this information guide, contact your Quality Service analyst at your local CLBC office or CLBC Accounting Services at:

Community Living British Columbia
Accounting Services
Airport Square, 7th Floor
1200 West 73rd Avenue
Vancouver, BC V6P 6G5
Telephone: 604-664-0784 or toll free: 1-877-660-2522
Fax: 604-664-0766

RECEIPT No. _____

Instructions: If a receipt is not provided by the supplier of the service(s), use this receipt to document the services provided by and payments made to the supplier.

I _____ (name of supplier of the service(s)) acknowledge receipt of payment from _____ (full name of agent) for services described below that I have provided to _____ (name of individual).

I confirm that I am not the parent, child or spouse of the individual:

Date of service	Description of service provided	# of hours/ days	Unit Rate \$ (hr/day)	Total Amount (\$)	Cheque #
Total (\$)					

Service Provider Information	
Name	
Address	
Telephone #	
Signature	
Date	