



Policy Number: SE4.230	Policy Section: Supports and Services	Effective: June 1, 2009 Amended: November 24, 2016
Title: Direct Funding Policy – Individualized Funding		Executive Sponsor: Vice President, Finance Vice President, Regional Operations

1. PURPOSE

Direct Funding is one of two CLBC Individualized Funding payment options offered to individuals and families as an alternative to contracted services. Direct Funding enables individuals and their family members or representatives (agents) to arrange and manage the supports and services required to meet disability-related needs. Through Direct Funding the individual or his/her agent receives money directly from CLBC to pay for the supports and services. The other Individualized Funding payment option, Host Agency Funding, is described in the CLBC *Host Agency Funding Policy*.

This *Direct Funding Policy* document outlines how CLBC contracts with and provides money directly to individuals or their agents for the purchase of support and services. It explains eligibility for Direct Funding and how Direct Funding is requested. This document also describes the responsibilities that individuals or their agents and CLBC staff have in planning, implementing, monitoring and administering a Direct Funding agreement.

2. DEFINITIONS

Agent: A person who acts on behalf of the individual in relation to a Direct Funding or Host Agency Funding Agreement. An individual can act as his/her own agent.

Catalogue of Services : A listing of the types of supports funded by CLBC for individuals.

Contracted Services: Supports and services managed by CLBC and funded through contracts between CLBC and service providers.

CLBC Request for Service List: A report that identifies requests for service for individuals and their families.

Disability Tax Credit Certificate: A form completed by an individual, certified by a qualified medical practitioner, and approved by the Canada Revenue Agency that provides a non-refundable tax credit for an individual who has severe and prolonged impairment in physical or mental functions. This tax credit can be used to reduce the amount of income tax payable by the individual.

Host Agency: An agency that is approved by CLBC to administer Host Agency Funding agreements.

Host Agency Funding: An Individualized Funding payment option whereby funds allocated by CLBC for the purchase of individualized supports and services are paid by CLBC to a Host Agency selected by the individual and/or agent.

Individual: A person 19 years of age or older who is eligible for CLBC services, as described in the *Eligibility for CLBC Supports and Services Policy*.

Individual Support Plan: A document that includes information about goals and support requirements, and the funding and services identified to meet them, as outlined in the *Individual Support Planning Policy*.

Individualized Funding: Self-directed payment options as described in the *Individualized Funding Policy*.

Representation Agreement: A legal plan that states who an individual gives authority to if he/she needs assistance managing his/her affairs. A Representation Agreement can cover financial and legal matters and health and personal care matters.

3. POLICY

CLBC provides Direct Funding as an Individualized Funding payment option that allows individuals or their agents to receive money directly from CLBC for the purchase of individualized supports and services agreed to by the individual, agent and CLBC.

Direct Funding is available to individuals and their families for new supports and services or to replace contracted services that they currently receive. Direct Funding cannot be used to purchase spaces in or to expand existing group programs that are paid for by CLBC. The amount of Direct Funding allocated to an individual by CLBC is based on the individual's disability-related needs, the estimated cost of the needed supports, and CLBC's financial resources. The types of supports and services funded by CLBC are described in the *Catalogue of Services*. When CLBC does not have funding available, requests for new or increased Direct Funding will be managed and prioritized in accordance with the *CLBC Request for Service Policy*.

Under Direct Funding, the responsibilities of an agent include:

- a) Arranging, managing, monitoring and reporting on the individual's supports and services
- b) Administering and accounting for the money received from CLBC
- c) Working on behalf of the individual and representing his/her views
- d) Assuming a contractual relationship with CLBC

Prior to the approval of a request for Direct Funding CLBC staff confirm that the individual or his/her selected representative is capable of assuming these responsibilities. This confirmation of capability may, depending on the amount of funding requested, include a review of the agent's financial eligibility and a credit check. An individual who is requesting Direct Funding of more than \$6,000.00 annually must

have a Representation Agreement or other authority that gives his/her agent the legal authority to act on the individual's behalf.

Direct Funding is governed by a Direct Funding agreement between the individual, agent and CLBC.

Money received through Direct Funding is held by the agent in trust for CLBC and for the benefit of the individual and must not be used to increase the income or personal assets of the individual or family. The agent directly employs or contracts with all support workers or caregivers paid to work with the individual. Direct Funding cannot be used to sub-contract with an agency or company to hire support staff.

The agent is responsible for ensuring that the supports and services purchased through Direct Funding comply with CLBC policies and program standards.

4. PROCEDURES

4.1 Facilitators provide information to individuals and families about Direct Funding to assist them to determine whether this option will best meet their needs. They ensure that individuals and families interested in Direct Funding understand the responsibilities of an agent and are aware that an agent may assume the financial, managerial, administrative and legal responsibilities associated with being an employer.

4.2 When an Individual Support Plan is required, as outlined in the *Individual Support Planning Policy*, the individual and family must work with a CLBC facilitator to develop the plan. The Individual Support Plan must indicate that Direct Funding is the preferred Individualized Funding payment option and provide details about how the Direct Funding will be administered including who the agent will be and how the supports will be arranged, managed, and monitored.

4.2 CLBC facilitators will assist families to understand and fulfill the additional requirements that must be met before Direct Funding of more than \$6,000.00 annually can be approved by an Integrated Service Manager. The facilitator will:

- a) Assist the agent to complete the required *Agent's Application to Manage Direct Funding* form and ensure that the form is submitted to the CLBC Office with the Individual Support Plan;
- b) Inform the agent that a credit check will be required for requests of over \$25,000.00 annually;
- c) Explain the requirement for the individual to have a Representation Agreement or other authority that enables the agent to legally act on behalf of the individual. If requested, the facilitator will direct the individual and family to the Nidus Personal Planning Resource Centre and Registry for further information; and
- d) Explain the need for confirmation that the individual has a valid and current federal Disability Tax Credit Certificate.
- e) Ensure that the agent understands that he/she is responsible for any financial, managerial, administrative and legal responsibilities associated with being an employer including, hiring, training and terminating staff, and meeting legal requirements relating to employment and income legislation.

4.3 The types and amount of support services that can be purchased through Direct Funding are consistent with what other individuals with similar levels of disability related need receive based on the *Catalogue of Services*. Costs for support services are funded at a level consistent with what CLBC typically pays for those services. CLBC does not provide funds for supports or services that fall under the mandate of other government bodies or programs such as health services or income assistance.

4.4 CLBC funded services should complement, not replace the informal supports and generic services the individual is already receiving.

4.5 Expenses incurred by support staff as part of their direct involvement in support activities such as bus fare or entrance fees are eligible Direct Funding costs.

4.6 Administrative costs approved by CLBC are considered eligible Direct Funding expenses.

4.7 Services purchased from care providers who are related or immediate family members must comply with CLBC's *Service Provision by Family Members*.

4.8 A criminal record check must be obtained and evaluated by the agent prior to engaging the services of a support worker or caregiver

4.9 Home Share services can only be purchased from a caregiver who has successfully completed a home study process conducted by an approved CLBC agency. The agent is responsible for selecting the home share provider and then contracting with an agency for the completion of a home study. Analysts provide agents with the name(s) of approved agencies in the community. To be approved by CLBC the agency must be currently conducting home studies for home share or respite care providers as part of their contractual responsibilities with CLBC.

4.10 Analysts work with facilitators and families to complete either a *Direct Funding Agreement Simplified* for annual amounts of \$6,000.00 or less, or a *Direct Funding Standard Agreement* for annual amounts of over \$6,000.00 with the agent when a Direct Funding request is approved and funds are available. Only one agent can sign the agreement, joint agents are not permitted.

The *Direct Funding Agreement Standard* states:

- a) The type(s) and amount of services that will be purchased
- b) The goals for the supports and services
- c) How and when the supports and services will be delivered
- d) The timing and amount of the payments
- e) The reporting and accountability responsibilities of the agent

4.11 The analyst explains the banking and reporting requirements to the agent dependent on the level of Direct Funding the individual receives:

- a) For Direct Funding exceeding \$6,000.00 annually the agent must:
 - I. Open and maintain a separate bank account that is used for all Direct Funding transactions; and
 - II. Submit monthly by computer, electronic *Financial Reports* to CLBC indicating how the funds have been spent.

- b) For Direct Funding of \$6,000.00 or less annually:
 - I. The agent must submit *Compliance Reports* to CLBC every six months confirming compliance with their agreements and identifying how much of the money has been spent; and
 - II. A separate bank account is not required.

4.12 The analyst ensures that the agent is aware of the following terms of the agreement:

- a) Direct Funding payments will be suspended or terminated where an agent does not comply with the Direct Funding agreement, including failure to comply with reporting requirements or use of the funds in a manner that contravenes the terms of the agreement.
- b) CLBC may seek recovery of any unspent funds.
- c) CLBC will seek recovery of any funds used in a manner that contravenes the terms of the agreement.
- d) Agents will be audited on a sample basis to monitor compliance with the terms and conditions of the agreement. As part of the audit process agents will need to submit copies of records, invoices and receipts.

4.13 The analyst explains both the renewal and termination processes for the agreement to the individual and agent. Analysts explain the need for agents to comply with employment legislation.

4.14 The CLBC accounting department administers the funds for Direct Funding and receives financial reports from agents.

5. REFERENCES

BC Employment Standards Act, Employment Standards Branch, Ministry of Labour and Citizens' Services
Catalogue of Services
Disability Tax Credit, Canada Revenue Agency
Direct Funding Policy (Governance Policy)
Direct Funding Procedures Guide for Facilitators and Analysts
Guide to Individualized Funding
Host Agency Funding Policy
Individual Planning Policy
Individualized Funding Policy
Managing the Money - Direct Funding Simplified
Managing the Money - Direct Funding Standard
Request for Service Policy
Service Provision by Family Members
Nidus Personal Planning Resource Centre and Registry