



<b>Policy Number:</b> SE4.231	<b>Policy Section:</b> Supports and Services	<b>Effective:</b> June 1, 2009 <b>Amended:</b> May 28, 2020
<b>Title:</b> Direct Funding Policy – Individualized Funding		<b>Executive Sponsor:</b> CFO/Vice President, Finance Vice President, Regional Operations

## 1. PURPOSE

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

Direct Funding is one of two CLBC Individualized Funding payment options. The other Individualized Funding payment option, Host Agency Funding, is described in the *Host Agency Funding Policy – Individualized Funding*.

## 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 their own agent.

**Catalogue of Services:** The list of services funded by CLBC as well as associated parameters that relate to disability-related needs and the amount of service that can be provided.

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

**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.

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

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

**Natural Supports:** Support provided on a voluntary basis by an individual's support network, including family, friends, neighbours, co-workers and others. Additional support may come from participation in associations (e.g. social clubs and groups) or community activities that have public participation (e.g. sport teams, adult interest groups like garden clubs and community choirs, faith communities).

**Personal Summary:** A document created by a youth or adult and their family, with support from others as needed, that helps CLBC and other planning partners get to know who the person is, what is important to and for them and, where relevant, their support requirements. It can assist CLBC and others with planning, and with gathering information to complete assessment documents required to request support and/or funding through CLBC. The document is the individual and/or family's personal property.

**Representation Agreement:** A legal plan that states who an individual gives authority to if they need assistance managing their affairs. A Representation Agreement can cover financial and legal matters and health and personal care matters.

**Request for Service List:** A report that identifies current requests for service from individuals and/or their families.

### 3. POLICY

Direct Funding allows individuals or their agents to receive money directly from CLBC to purchase 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 enables individuals and their family members or representatives (agents) to arrange and manage the supports and services required to meet their disability-related needs. 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 CLBC allocates to an individual 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 CLBC funds 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 *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 the individual's behalf and representing their views, and
- d) Assuming a contractual relationship with CLBC

Prior to the approval of a request for Direct Funding, CLBC staff confirm that the individual or their 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 \$6,600.00 annually must have

a Representation Agreement or other authority that gives their 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 is to be used for the individual's benefit. It must not be used to increase the income or personal assets of the individual, agent 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. Only one agent can sign the agreement. Joint agents are not permitted.

## 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 and family requests Direct Funding, a Personal Summary must be completed to support this request, as outlined in the *Support and Planning Policy*.

When direct funding of more than \$6,600.00 annually is requested, facilitators assist individuals and families to complete the *Individualized Funding – Direct Funding Standard Addendum*, in addition to the Personal Summary. The *Individualized Funding – Direct Funding Standard Addendum* provides 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.

**4.3** Facilitators will assist individual, family, and/or potential agent to understand and fulfill the additional requirements that must be met before Direct Funding of more than \$6,600.00 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 individual's local CLBC Office;
- b) Inform the agent that a credit check will be required for requests of over \$25,000.00 annually;
- c) Explain the requirement for and the need to confirm the individual has a Representation Agreement or other authority that enables the agent to legally act on the individual's behalf. If requested, the facilitator will direct the individual and family to the Nidus Personal Planning Resource Centre and Registry for further information;

- d) Explain the need for confirmation that the individual has a valid and current federal Disability Tax Credit Certificate; and
- e) Ensure that the agent understands that they are 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.

**4.4** 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.

**4.5** CLBC funded services should complement, not replace the natural supports and generic services the individual is already receiving.

**4.6** 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.

**4.7** CLBC approved administrative costs are considered eligible Direct Funding expenses.

**4.8** Services purchased from care providers who are related or are immediate family members must comply with the *Service Provision by Family Members Policy*.

**4.9** A criminal record check must be obtained and evaluated by the agent prior to engaging the services of a support worker or caregiver as outlined in the *Criminal Record Check Policy – Service Delivery*.

**4.10** Home Sharing 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 sharing 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 sharing or respite care providers as part of its contractual responsibilities with CLBC.

**4.11** Analysts work with facilitators, individuals and families to complete either a *Direct Funding Simplified Agreement* for annual amounts of \$6,600.00 or less, or a *Direct Funding Standard Agreement* for annual amounts of over \$6,600.00 with the agent when a Direct Funding request is approved and funds are available.

The *Direct Funding Standard Agreement* 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

**4.12** 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 \$6,600.00 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 \$6,600.00 or less annually:
  - i. The agent must submit *Compliance Reports* to CLBC every six months confirming compliance with their agreement and identify how much of the money has been spent; and
  - ii. A separate bank account is not required.

**4.13** 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.

**4.14** 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 and income tax legislation.

**4.15** The CLBC Accounting Department administers the funds for Direct Funding and receives financial reports from agents.

## **5. REFERENCES**

### **Guidance for Staff**

Catalogue of Services  
Criminal Record Check Policy – Service Delivery  
Disability Tax Credit, Canada Revenue Agency  
Direct Funding Procedures Guide for Facilitators and Analysts  
Individualized Funding Policy  
Planning with People: Practice Guidance for CLBC Staff  
Request for Service Policy  
Service Provision by Family Members Policy  
Support and Planning Policy

## **Resources for Individuals and Families**

Agent's Application to Manage Direct Funding

*BC Employment Standards Act*, Employment Standards Branch, Ministry of Labour and Citizens'

Direct Funding Simplified Agreement

Direct Funding Standard Agreement

Guide to Individualized Funding

How to Find Out If Your Support Workers Are Employees or Contractors

Individualized Funding – Direct Funding Standard Addendum

Individualized Funding Fact Sheet

Managing the Money - Direct Funding Simplified

Managing the Money - Direct Funding Standard

Nidus Personal Planning Resource Centre and Registry

Personal Summary