

MANAGING THE MONEY: PERSON CENTRED SOCIETY GUIDE



**COMMUNITY LIVING
BRITISH COLUMBIA**

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Introduction

This guide explains some of the responsibilities of a Board of Directors governing a Person Centred Society (PCS) contracted to deliver Community Living British Columbia (CLBC) services on an individual's behalf. It describes the Board's fiduciary responsibilities in relation to its contract with CLBC and it explains how funding received through a PCS can be spent to support an individual.

It is the Board of Director's responsibility to learn about and understand their responsibilities and fiduciary duties. While this guide speaks to the Board's responsibilities and duties when managing CLBC funding, PCS Boards are always at liberty to obtain independent legal advice regarding their responsibilities and duties under the BC Societies Act.

For ease of reading, the terms Person Centred Society and PCS are used interchangeably throughout this document.

Note: This guide applies where CLBC contracts with a Person Centred Society that is responsible for managing the delivery of the individual's funding and arranging services on their behalf. It does not apply to Person Centred Societies where CLBC contracts directly with a service provider to deliver one or more services for the individual.

Getting Started

Individuals, their families and/or support networks who have begun planning with CLBC have the choice of several different service funding models, including:

- A qualified contracted service provider,
- Individualized Funding (IF), or
- A Person Centred Society.

People eligible for CLBC, including those supported by a PCS, are allocated service funding in accordance with CLBC's [Request for Service Policy](#) and [Resource Allocation Policy](#).

Person Centred Societies are established in accordance with the BC [Societies Act](#) and, when requesting to manage and deliver CLBC services, must first apply to CLBC. It is expected that a PCS applying to deliver CLBC services has the capacity to:

- Hire and manage employees and/or contractors
- Develop and manage service budgets
- Provide financial reports, and
- Oversee the provision of quality, person centred services that support the individual's wishes and disability-related needs.

A PCS Board Chair (or designated Board member) applies using the Application for the Delivery of

CLBC Services through a Person Centred Society (PCS Application) and then works with CLBC to plan and contract for services.

The Person Centred Society contract is between CLBC and a PCS. It includes the Service Terms and Conditions that establish the contractual relationship between CLBC and a PCS, setting out the formal legal relationship between the parties. The Service Terms and Conditions apply to contracts entered by CLBC with service providers for the delivery of services to individuals. A PCS Board is responsible for oversight of its contract(s) and all contractual obligations. This contract identifies:

- Individual who is being supported,
- Amount of CLBC funding the PCS will receive,
- Types of service(s) that are being funded,
- Term of the contract (start and end dates), and
- Responsibilities of both parties.

A PCS Board Chair signs the Person Centred Society contract on the Board's behalf.

Responsibilities of a Person Centred Society

Complying with CLBC Policies and Standards

As stated in the Person Centred Society contract, a PCS is required to comply with [CLBC policies and standards](#) that are relevant to the contract in addition to the requirements under the BC [Societies Act](#). This includes the Person Centred Societies Policy and any policies and/or standards specific to the type of service being delivered (for example, Home Sharing), as well as CLBC policies that apply to the delivery of all services.

For example, it is important that as a PCS with hiring responsibilities (for support workers) the PCS Board understands the service requirements outlined in the [Criminal Record Check Policy – Service Delivery](#), as well as all other applicable policies. All CLBC policies, service standards and related documents are available on the CLBC [website](#) or through the CLBC Quality Service Analyst (Analyst) assigned to the PCS. Service requirements for each program area for which a PCS provides are outlined in *Schedule C: Service Requirements* in the Person Centred Society Service Terms and Conditions.

Legal Responsibilities as an Employer

When a PCS uses funds to pay support workers, the workers are considered either “employees” or “contractors” depending on the nature of the working relationship. This distinction is important to understanding the Person Centred Society's legal responsibilities, as the [Canada Revenue Agency](#), the [Employment Standards Branch \(BC\)](#), and [WorkSafeBC](#) have rules that define when someone is an employee or a contractor. A PCS Board is responsible for determining which

definitions apply to support workers they hire.

To determine if support workers are employees or contractors, the PCS should refer to *“How to Find Out if your Support Workers are Employees or Contractors”* on the CLBC [website](#), or ask the Analyst assigned to the PCS for a copy. The PCS may also wish to refer to Vela’s *“Employee vs Contractor Factsheet”* on their [website](#).

If the support workers are employees, the PCS is responsible for fulfilling all legal requirements associated with being an employer, which may include:

- Making deductions and adjustments from the payments made to employees for income tax, statutory holidays, vacation pay, workers compensation premiums, Employment Insurance (EI) and the Canada Pension Plan (CPP).
- Remitting deductions and employer contributions for taxes, such as EI and CPP to the federal government.
- Complying with the Employment Standards Act and regulations governing employment in British Columbia, and
- Complying with the Workers Compensation Act and other regulations issued by WorkSafeBC.

A PCS can use some funding, up to the amount agreed to by CLBC for “administrative costs”, to pay for accounting or bookkeeping services to help fulfill legal responsibilities associated with being an employer.

For support in understanding the legal and employer related responsibilities, CLBC encourages Person Centred Societies to seek professional advice and/or contact:

- Canada Revenue Agency - phone: 1-800-959-5525, web: www.cra-arc.gc.ca
- WorkSafeBC (Employer Service Centre) - phone: 1-888-922-2768, website: www.worksafebc.com/en/for-employers
- BC Employment Standards Branch - phone: 1-833-236-3700, website: <https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards>
- BC Employers’ Advisers Office - phone: 1-800-925-2233, website: www2.gov.bc.ca/gov/content/employment-business/employers/employers-advisers-office
- Vela Canada - phone: 604-539-2488, web: <https://velacanada.org/>

Administering the Money

CLBC will start making payments to a PCS after the Person Centred Society contract is signed by the PCS Board Chair and CLBC.

This section will help the PCS Board prepare to receive and manage funding received through its contract.

Bank Accounts

A PCS requires a separate bank account at a bank or credit union to administer CLBC funding. The account must be opened in the PCS's legal name. Financial institutions typically require evidence of a PCS Board's resolution to open the account and more than one signatory on the account.

To help reduce administration costs, the PCS should ask your financial institution about account options and internet banking tools (for example, online bank statements) that may help reduce banking costs. For example, some banks and credit unions may offer free services or waive their typical fees for Person Centred Societies.

Receiving Funds from CLBC

CLBC requires Person Centred Societies to be set up for direct deposit to receive and manage their funding.

CLBC will provide a PCS with a [Direct Deposit Application form](#) (FIN 312/CLBC) to complete so that funding can be transferred electronically to their bank account. If a PCS is already receiving payments or electronic transfers from the BC government, the PCS should advise their CLBC Analyst to make sure the setup of Electronic Funds Transfers relating to the Person Centred Society contract goes smoothly. Instructions for completing the *Direct Deposit Application form* (FIN 312/CLBC) are outlined on page 2 of the form.

The PCS must return the original completed *Direct Deposit Application form* (FIN 312/CLBC) in person or by mail to their CLBC Analyst as soon as possible. CLBC requires the original signed *Direct Deposit Application form* (FIN 312/CLBC) and original supporting documentation. To prevent the risk of fraudulent applications, please note that staff at the CLBC office will verify the ownership of the form.

Once the PCS contract is signed and the direct deposit application is processed, the PCS will receive payments by direct deposit. Depending on the processing time, you may receive payment by cheque until direct deposits are made.

CLBC will make payments to the PCS once each month, typically on or about the 15th calendar day.

If the PCS has any concerns with the direct deposit process, contact your local CLBC Analyst.

Paying for Supports and Services

Funds that a PCS receives from CLBC may only be spent to hire support workers or to pay for other allowable expenses as outlined in the Person Centred Society Contract Payment Table. CLBC expects a PCS to spend the funding in the amounts allocated for each type of service. If the PCS Board believes a change is needed to the allocation of funding, it will need to review the individual's Personal Summary along with the Person Centred Society contract with the CLBC Analyst. The Payment Table in the Person Centred Society contract may be updated as required.

Wherever possible, a PCS should pay for services by cheque or e-transfer. Cash may only be used in circumstances where the cost is low and a PCS is paying for something that would typically be paid for in cash (for example, bus fare for a support worker). If a PCS makes any cash withdrawals, it must obtain and keep receipts showing how the money was spent.

The CLBC Analyst assigned to the PCS will review bank information during annual check-ins, referred to as the "annual monitoring visit." During this time, the CLBC Analyst may ask for financial records such as invoices, receipts, paid cheques, and e-transfer documentation. Funding may be suspended and/or CLBC may require repayment if inappropriate expenditures or unsupported cash payments or withdrawals have been made. For more information, see section titled "[Allowable Expenses](#)" in this guide.

Keeping Financial Records

To meet CLBC's requirements, a PCS is required to have clear, concise, and accurate banking records covering the Person Centred Society's fiscal year. During the annual check-in, the CLBC Analyst must have access to:

- Monthly bank statements from the Person Centred Society's financial institution
- Copies of invoices, receipts, paid cheques, e-transfer records, and
- Any other documents supporting the transactions on the Person Centred Society's bank statement.

A PCS must keep these financial records for everything it spends using CLBC funding for at least **seven years**. A PCS is required to submit copies of these financial records to CLBC if it is selected for audit. For more information, see section titled "[Audit by CLBC](#)" in this guide.

A PCS also needs to keep these records so that government organizations like the Canada Revenue Agency or WorkSafeBC can verify that it has made the correct employment-related payments and deductions.

It is important that the PCS keep payment information for all employees (for example, payroll records) and obtain receipts and/or invoices from contracted support workers. Receipts must be provided by and/or signed by the person paid to provide the service. A contracted support worker may submit an invoice for the service they provided, and any eligible program or travel

expenses paid while providing the service. Although the invoice includes details of the purchases, it does not confirm whether the PCS has paid for them. If the PCS receives an invoice, it must also show that the PCS paid the invoice. The PCS should request that the contractor provide a receipt or keep a copy of the paid cheque or e-transfer documentation with the invoice as proof of payment.

For payments to contracted support workers, a receipt, or an invoice with proof of payment, must show:

- The name and contact information of the support worker providing the service (for example, phone number and address)
- A description of the service(s)
- 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 service(s)
- Any applicable taxes
- A statement that the services have been paid for

The details above, specifically descriptions of service(s), hourly/daily rates, and number of hours/days, should align with the costs outlined in the Person Centred Society Contract Payment Table. For other purchases, the supporting documentation must be itemized and include the details of the nature of the purchases.

Audit by CLBC

Every year, CLBC selects a group of PCS contracts for audit. If a PCS is selected for audit, CLBC requests the submission of copies of **all** financial records, including payroll records, invoices, receipts, paid cheques, bank statements, and e-transfer documentation for a particular date range. CLBC reviews these financial records to make sure that the Person Centred Society's purchases comply with its contract.

A PCS may be considered ineligible to receive future funding if the PCS:

- Has made purchases that are not allowable based on guidance in the [Person Centred Societies Policy](#) and this guide
- Has not complied with its contractual requirements with CLBC
- Has not kept detailed financial records
- Has not submitted the required annual financial report
- Has not complied with CLBC's annual or requested check-ins (also referred to as the

annual monitoring visit)

- Has not kept in good standing with the BC Registries, or
- Not compliant with statutory requirements, (for example, from Canada Revenue Agency, WorkSafe BC).

CLBC may also require a PCS to pay back funds if it is unable to satisfactorily show how the funds were spent.

It is important that the PCS retain all financial records for at least **seven years** since CLBC may select it for an audit within that timeframe. PCS Board members are required to govern the Person Centred Society's recordkeeping, including retention of financial records.

Repaying Funds to CLBC

CLBC may ask a PCS to repay funds in the following circumstances:

- The PCS did not spend or account for all the funds received during the contract term, or
- The PCS spent the funding on purchases that were not agreed to in its contract.

If at the end of the contract, there are unspent funds in excess of one month's regular payment, the PCS must return this money to CLBC. CLBC will allow the PCS to keep one month's funding in their account to cover any liabilities.

If the PCS is encountering an exceptional situation that may require additional funding (for example, more than one month's funding) to be carried forward to the next contract, the PCS Board Chair (or a designated Board member) must contact their CLBC Analyst. This should be done as far ahead of the contract renewal date and/or annual check-in (monitoring visit) to request consideration for an exception. The PCS will be required to provide a written explanation for the request, as well as a detailed explanation of how the funds were not used in accordance with the hours and rates detailed in the contract. CLBC will provide a decision in writing to the PCS.

A PCS is also required to repay amounts where inaccuracies in the service budget submitted to CLBC resulted in payments that are greater than the amount necessary for the delivery of services.

Funding Shortfalls

A PCS is responsible for managing the delivery of services within the amount of funding provided through the Person Centred Society contract. There is no provision for over-expenditures. As such, it is the PCS Board members' responsibility to oversee the Person Centred Society's management of its CLBC contract and funding (revenues and expenditures), including financial safeguards. If a PCS spends more than CLBC has agreed to fund, it will need to cover additional costs with other funds.

Occasionally, due to the timing of CLBC's payments, a PCS may not have sufficient funds in its

bank account to pay for the required supports. In these situations, the PCS Board Chair should contact their CLBC Analyst. If the personal funds of a board or family member are used and reimbursed by the PCS when CLBC makes subsequent deposits, the PCS must ensure that all the financial records, receipts, and invoices are retained to show how the funds were spent.

Personal funds should **not** be deposited into the Person Centred Society's bank account unless there are insufficient funds to cover automatic withdrawals (for example, employee payroll).

Purchasing Supports and Services

This section explains what services and expenses are allowed with the funding you access through a PCS.

Allowable Supports and Services

A PCS can provide the following services:

1. Supports for My and My Family's Well-being
 - ✓ Homemaker
 - ✓ Individual and Family Wellness (identified as 'contracted respite' within PCS contracts)
 - ✓ Support Coordination
2. Supports to Participate in Community
 - ✓ Employment (for a time-limited period only)
 - ✓ Learning (time-limited)
 - ✓ Community Inclusion (including Employment supports)
3. Supports to Live in My Home/Home Supports
 - ✓ Independent Living
 - ✓ Shared Living (Home Sharing and Live-In Support)

IMPORTANT: A PCS does not need to notify or get CLBC's permission to use subcontractors for services, including Individual and Wellness Support, Home Sharing, Live-in-Support, and Supports to Shared Living as long as they are indicated in their contract. A PCS is required to obtain CLBC's written approval to use a subcontractor in all other situations.

Supports and Services that are Not Allowed

A PCS cannot deliver the following services:

- ✗ Communication and Behavioural Supports
- ✗ Psychological

- × L.I.F.E.
- × Staffed Living

IMPORTANT: CLBC does **not** fund one person staffed homes unless under very exceptional circumstances (for example, court involvement, safety) with approval by the Service Delivery Manager (or designate).

Allowable Expenses

CLBC provides funding to pay for the supports and services set out in the Person Centred Society Contract Payment Table. These can include:

- Payments made to a support worker for services provided
- Any associated employer costs (for example, WorkSafeBC premiums, Employment Insurance) when applicable
- Payments to a contracted home sharing provider who has successfully completed a home study and meets the Standards for Home Sharing
- Other allowable programming or service costs outlined in the contract, and
- Administrative costs.

A PCS may use a small portion of CLBC funding to pay expenses incurred by support workers as part of their direct involvement in support activities. For example:

- Bus fares
- Entrance fees, or
- Mileage costs for driving the individual to and from an activity.

These costs should be kept reasonable, and receipts or invoices retained.

Expenses that are Not Allowed

Funding provided through a Person Centred Society contract cannot be used to pay for the following, unless otherwise agreed upon:

- The individual's expenses while involved in activities with a support worker when provided as part of Individual and Family Wellness supports. The individual is otherwise responsible for paying their own bus fare, entrances fees, meals, etc.
- Enrolment or membership fees for the individual unless agreed upon as part of Individual and Family Wellness supports.

- Medical or non-medical therapies, with the exception of counselling services provided as part of Individual and Family Wellness supports.
- Assets for the individual (such as personal items or equipment).
- Staff bonuses (for example, a Christmas Bonus).
- Donations to other organizations.

A PCS with Individual and Family Wellness support in its contract is required to follow the [Individual and Family Wellness Policy](#) and to itemize the use of Self-Directed Individual and Family Wellness funding that is not used for support workers (refer to the 'Reporting Back to CLBC' section of this guide).

A PCS cannot pay an immediate family member, as defined as an individual's parent, spouse, or child, to provide services unless an exception has been granted as outlined in the [Service Provision by Family Members Policy](#).

Further, no person listed as a Board of Director may be paid to deliver CLBC services. If an immediate family member wishes to provide service and sits on a PCS Board, they must:

- Obtain Service Provision by Family Members' exception approval, **and**
- Resign from the Person Centred Society's Board of Directors.

If the PCS Board has any questions about how PCS funding can be spent, the Board Chair (or a designated Board member) should talk to their CLBC Analyst.

Managing Exceptional Needs

Some Person Centred Society contracts may provide "Variable" funding for events or situations that are expected to occur over the term of the contract, but the extent, frequency and timing of their occurrence cannot be accurately predicted. This "Variable" funding is used to pay for extra supports and services required by the individual during these times set out in the Person Centred Society Contract Payment Table.

Variable funding will be paid to a PCS when an event occurs. To receive payment, a PCS needs to issue an invoice to CLBC detailing the services and/or goods that have been purchased. The invoice can be submitted to the Person Centred Society's CLBC Analyst. CLBC will then arrange for payment to be made. The receipt and expenditure of these funds will be included in the Person Centred Society's financial report to CLBC. Variable funds will only be paid up to the maximum variable amount as indicated in the Person Centred Society contract.

Managing Global Uplifts

CLBC provides Global Uplifts (which are funding increases for wages and benefits) for certain services or costs in accordance with the Province's wage mandate. Should a PCS be eligible for such increases, it is important that the PCS Board is knowledgeable about how increases are

distributed throughout the individual's service budget. Minimum eligibility requirements to receive such increases include being:

- In good standing with the BC [Societies Act](#), and
- Up to date on all CLBC reporting requirements including financial reports.

Global Uplifts will typically increase the contract by a flat percentage for wages and may occasionally include increases on specific benefit components. It is the PCS Board's responsibility to redistribute this money across staff wages and/or benefits.

Reporting Back to CLBC

Since a PCS is a CLBC contracted vendor that receives provincial government funding, CLBC must confirm that Person Centred Societies are using the funding as intended. While Person Centred Societies are not typically required to report service levels, a PCS Board must submit an Annual Financial Report to its CLBC Analyst demonstrating how CLBC funding has been spent.

Annual Financial Report

The PCS must submit a clear, accurate Annual Financial Report to its CLBC Analyst documenting all funds going into (revenue) and out of (expenditures) the Person Centred Society's bank account **within 90 days from the reporting period. This can be either the contract end date or the fiscal year end.** The Annual Financial Report must include the total funding and expenses for a Person Centred Society's current year and the previous year.

If a PCS is accessing Individual and Family Wellness support funding and is using it flexibly to purchase activities or services other than hiring or contracting support workers, the PCS is also required to provide an itemized record of these expenses. These could include, for example, the costs of classes and workshops, counselling services, cleaning, or meal services. If a PCS Board is unsure of what types of supports can be used under this service category, Board members should review the [Individual and Family Wellness Policy](#) and/or discuss the matter with their CLBC Analyst. As per the Policy, flexible use of Individual and Family Wellness support (identified as "contracted respite" within PCS contracts) is limited and any amount above the threshold must be used for support workers.

A sample PCS Financial Statement Template is available on CLBC's website.

Questions

This document is one of several supporting resources created to provide information and answer questions about how to manage funding and report to CLBC on a Person Centred Society contract. Other resources include:

- [Person Centred Societies Policy](#)
- *Application for the Delivery of CLBC Services through a Person Centred Society (PCS Application)*
- [Guide to Person Centred Societies](#)
- [Information for Families: Person Centred Societies Fact Sheet](#)
- [How to Find Out If Your Support Workers Are Employees or Contractors](#)
- *Sample PCS Financial Statement Template*

If the PCS has any questions about the Person Centred Society contract and any financial procedures outlined in this guide, they should speak to their CLBC Analyst by calling their local CLBC office.