

Child and Family Services Policy Manual: Substitute Care for Children Trust Accounts

Income	Money received on behalf of the client is considered income for the trust account. Income includes, but is not limited to, Social Security Benefits, Social Security Disability Income, child support, bank accounts, trusts in which the applicant or their representative has unrestricted access, parental contributions, state supplement, veteran's benefits, and railroad retirement.
Lump Sum Payments	Lump sum payments of back benefits and parental contributions may be received in some cases. If a lump sum payment is received on behalf of a child, it will be retroactively applied against the child's cost of care for the months for which the benefits or contributions were intended. Any remaining funds can be held in a trust account. This excludes any lump sum payments which must comply with the dedicated account policy of the Social Security Administration.
Use of Available Funds in Trust Accounts	<p>Trust accounts are a funding source, i.e. like Title IV-E or TANF. The first use of the funds is to offset the cost of care being paid for using federal and state funding sources. After the placement cost is offset, the Department can use the funding against supplemental services such as clothing and other personal or medical needs.</p> <p>Some types of benefits have restrictions on the use of the money. SSI benefits for a disabled child are paid at the beginning of a benefit month. For example, a check received on the first of July is for July placement cost and then the leftover amount can be used for supplemental services. The PFSSI service code is designed to pay the foster parent a monthly amount that is close to the SSI benefit. This enables the foster parent to have financial resources ready for a disabled child without submitting special requests every month.</p> <p>SSB benefits are paid at the end of the benefit month. For example, the check received on July first is applied to the June placement cost. Since this benefit is based on the parent's disability or death there are no special considerations for the placement costs other than what the child requires.</p> <p>Child support is applied against any cost incurred for the child. In a few instances, when a child is adopted and arrears are still being received from child support, we <u>do not</u> apply the money against the adoption subsidy. If all the foster care expenses are reimbursed, the child support case is closed and the balance is refunded to CSED.</p>

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Funds in trust accounts which exceed the child's cost of care should be directed toward the long-term goal of developing healthy, well-adjusted adults. These funds are intended to be used first to benefit the child through the purchase of clothing and other items that meet the child's personal needs. Remaining funds may be used for the child's anticipated future needs such as higher education, medical bills, or expenses related to the transition out of foster care.

Efforts should be made to manage the account so that, at age 18, a youth does not receive a lump-sum payment he or she may immediately spend inappropriately.

Resources

Resources are defined as real and personal property owned by a person. This includes bank accounts, vehicles, land, cash value of life insurance, trusts in which the applicant or their representative has unrestricted access, to list a few. Money received is considered income in the month received and a resource the following month so, in determining the amount of resources in a child's account at any given time, subtract income (from the current month) from the account balance.

Maximum Trust Account Balance

The maximum trust account balance is a specified balance that cannot be exceeded if the child is going to maintain eligibility for certain programs. Balances over \$2,000 will result in loss of SSI eligibility. Trust accounts with balances exceeding \$10,000 will result in loss of IV-E foster care eligibility.

Withdrawal

There are two ways to "withdraw" funds from a trust account. The first is through a cost of care adjustment. A typical foster care case has services entered and approved on SERL/SERP. This creates a payment to the provider using combination of state and federal funds. After the payment is issued, CAPS initiates a cost of care run; a monthly sweep to offset the state and federal funds with trust account funds. Any client that has a balance after the cost of care run is reviewed by an accountant in Fiscal Services. This occurs without any additional entries by the child protection specialist.

The second way to withdraw funds is to enter the expenditure directly in the trust account using TAEL/TAED. You will have the same approvals and provider edits, and you will need to explain the expenditure in the comments section. Fiscal staff use this to issue refunds when a child has aged out or is

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adopted. The child protection specialist should be consistent about entering payable services on SERL/SERP. Some case reports require expenditures to be listed, and the occasional payment on TAEL may be missed if not entered on SERL/SERP.

Closure of Trust Accounts CAPS

When a child receiving SSI or SSB income leaves state care, the Regional SSI Specialist should notify the Social Security Administration of the foster care closure date. Funds should be disbursed out of the trust account through completion of the TAED screen after all overpayments to the Social Security Administration have been resolved and the final month of cost of care is reimbursed.

Adoptions

When the Order of Adoption Summary Decree is received, the Regional SSI specialist notifies the Social Security Administration that:

- the child has been legally adopted;
- DPHHS no longer wishes to be payee; and
- any remaining balance in the trust account will be reimbursed to SSA. SSA will then forward this balance to the adoptive parents.

The Regional SSI Specialist notifies the adoptive parents that:

- the child has been receiving benefits from the Social Security Administration;
- the Social Security Administration has been notified of the adoption finalization;
- any remaining trust account balance will be reimbursed to SSA; and
- the child may be eligible for continued benefits and the adoptive parents may want to contact the Social Security Administration to become payee on these benefits.

Social Security, VA Benefits

Due to the fact that Social Security benefits are paid in arrears, benefits received the month the child is adopted should be applied against the prior month's cost of care. Social Security

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recipients always have continued eligibility following adoption, provided eligibility was established prior to the decree of adoption. The child is eligible to receive Social Security benefits until age 18, or 19 if still in high school, or until marriage.

A child receiving VA benefits remains eligible until age 18 or until 22 if enrolled in an educational program. A child whose parent has been determined 100% disabled according to VA standards is eligible for additional educational stipends.

SSI

Any SSI benefits received on behalf of the child by DPHHS after the adoption that are deemed ineligible will be returned to the Social Security Administration. After any overpayments have been returned to the Social Security Administration, the trust account should be closed through the worker's completion of the TAED screen. Subsidy payments are frequently approved for children whose SSI benefits are terminated.