

**SUBCHAPTER c: FISCAL ADMINISTRATION  
PROCEDURES 353, CHILDREN'S ACCOUNTS  
TABLE OF CONTENTS**

**Section 353.1 Purpose .....1**

**Section 353.2 Definitions .....1**

**Section 353.3 Establishment of Accounts .....1**

    a) Notifying the Caseworker of Benefits .....1

    b) Receipts .....1

    c) Disbursements.....2

**Section 353.4 Restricted Accounts and Dedicated Accounts .....2**

    a) Restricted Accounts .....2

    b) Dedicated Accounts .....2

**Section 353.5 Disbursements from Accounts .....3**

    a) Board and Care .....3

    b) Expenditures for Other Items .....3

    c) Reimbursements to the General Revenue Fund/Children’s Service Fund ...4

**Section 353.6 Account Termination .....4**

**Section 353.7 Payments of Benefits to Relatives and Parents (Repealed) .....4**

**Section 353.8 Funeral and Burial Expenses .....4**

**Section 353.9 Safekeeping and Investment of Funds .....4**

**CHILDREN'S ACCOUNTS**

March 29, 2002 – P.T. 2002.09

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## **CHILDREN'S ACCOUNTS**

March 29, 2002 – P.T. 2002.09

### **Section 353.1 Purpose**

The Children's Accounts Unit, Central Office in Springfield, establishes and manages the accounts of children for whom the Department is legally responsible and who are entitled to receive social security benefits or a monetary settlement. The purpose of these procedures is to explain how the Department shall manage the accounts established with monies received by the Department on behalf of these children.

### **= = Section 353.2 Definitions**

### **Section 353.3 Establishment of Accounts**

The official establishment of an account is the result of the application process performed by Department contractors in consultation with Department staff and information obtained from the Social Security Administration. Children's accounts are established when the Social Security Administration notifies the Department's Children's Accounts Unit of an award and sends the initial benefits check. Accounts will also be established when the child is entitled to receive any monetary settlement (i.e. insurance settlement, retirement benefit Veteran's Affairs, State Retirement System).

#### **a) Notifying the Caseworker of Benefits**

If benefits are approved, the Children's Accounts Unit will send a copy of the award notice to the appropriate caseworker. The award notice and any notice of changes should be filed in the financial section of the child's case file in accordance with AP #5. It is important that these notices be filed in the child's record, since these are the initial means by which workers know that an account exists and is available for use.

#### **b) Receipts**

An account is maintained in the Children's Accounts Unit for each child for whom funds are received. Monthly checks representing Social Security, Supplemental Security Income, Black Lung, and Railroad Retirement are on "direct deposit" with a bank with which the Department maintains a fiduciary relationship. These accounts belong to the Department on behalf of the child entitled to the benefits. The case managers are not authorized agents on any of these accounts. Only the Manager of the Children's Account Unit may authorize transactions related to these accounts.

In addition to checks on direct deposit, checks representing the initial benefits due a child, annuity payments, Veteran's Administration benefits, and insurance settlements are received directly in the Children's Accounts Unit. These checks are processed and credited to the respective accounts.

## **CHILDREN'S ACCOUNTS**

March 29, 2002 – P.T. 2002.09

### **c) Disbursements**

The Children's Accounts Unit uses the benefits received on behalf of the children to reimburse the General Revenue Fund and Children's Services Fund to the extent possible for payments made on behalf of the child, and in accordance with Rule Section 353.5.

## **Section 353.4 Restricted and Dedicated Accounts**

### **a) Restricted Accounts**

When a child receives an inheritance, insurance settlement, settlement because of a lawsuit, mineral rights payment or gift of less than \$10,000, the Department shall establish a restricted account for the child. Monies from a restricted account shall be invested according to sound investment principles. Funds being held as the result of a court award or out-of-court settlement related to an accident or incident shall not be used for the child's board and care. These funds may, however, be used for medical or hospital care or other expenses related to the accident or incident.

The balance of a restricted account shall be paid to the child at age 18, or to another person or entity who is legally entitled to act as the guardian of the estate for the child when the child is discharged from the Department's legal responsibility before the age of 18. When a child 18 years of age or over is incapable of managing such funds, the Department shall petition the court of jurisdiction to have a guardian appointed to manage the child's estate.

When a child is under the age of 18 and an inheritance, insurance settlement, mineral rights payment or gift that exceeds \$10,000 is awarded in the child's name, the Department shall petition the court of jurisdiction to have a guardian appointed to manage the child's estate.

### **b) Dedicated Accounts**

When the Supplemental Security Income award is greater than 6 times the current federal benefit rate, a dedicated account shall be established for the child. These accounts are restricted for special needs other than monthly care and maintenance expenses. Any disbursement requests from these accounts must be approved by the Social Security Administration. Caseworkers are notified of children who have dedicated accounts and may request that special needs related items be purchased from these accounts. The purchases must be related to the disability of the child. Letters to the caseworkers and supervisors shall be sent notifying them of the existence of the dedicated account for the child.

## **CHILDREN'S ACCOUNTS**

March 29, 2002 – P.T. 2002.09

Allowable expenses include, but are not limited to:

- Medical treatment
- Education or job skills training
- Special equipment
- Personal needs assistance
- Therapy or rehabilitation
- Special foods for children with dietary needs

Follow up letters are sent to the caseworker as long as the dedicated account is opened and there is a balance in the account. Receipts for purchases are required to be forwarded to the Special Needs Coordinator in the Children's Account Unit. It is preferred that payment for services or purchases be made directly to the vendor when appropriate.

### **Section 353.5 Disbursements from Accounts**

#### **a) Board and Care**

Authorization for payment of board is initiated by the worker through Form CFS 906 (906-1) Placement/Payment Authorization Form. When the information on the form is processed, the entire board care is paid from State appropriated funds. On a monthly basis, the amount paid from State funds for the child's care and maintenance are calculated. Any benefits received on behalf of the child are used to reimburse for these costs, in accordance with Rule Section 353.5.

#### **b) Expenditures for Other Items**

Other items for which accounts may be used to reimburse the General Revenue Fund include, but are not limited to:

- Clothing
- Transportation
- Camp Fees
- Educational Needs
- Hobbies, Trades
- Medical expenses not covered by Medicaid.

Special needs are to be paid by voucher from Regional appropriations. All vouchers should be scheduled, numbered and submitted for payment through the normal process used for regular vouchers. It is very important to have the child's correct I.D. Number on every voucher submitted for payment.

## **CHILDREN'S ACCOUNTS**

March 29, 2002 – P.T. 2002.09

### **c) Reimbursements to the General Revenue Fund/Children's Service Fund**

The State General Revenue Fund/Children's Service Fund shall be reimbursed for the child's board, services, care, medical expenses not covered by Medicaid, and other expenditures provided after the entitlement date of the benefits, as specified by the issuing authority of the benefits.

#### **Section 353.6 Account Termination**

An account will be closed when the Department's legal responsibility for a child has been terminated. The Children's Account Unit notifies the issuing agency that the Department is no longer the legally responsible party and that a new representative payee should be sought. An account will also be closed when the Department is no longer the representative payee for the child.

The Accounts Unit is notified by means of daily reports generated by MARS/ CYCIS whenever the Department's legal responsibility for a child who has an account has been terminated. Termination occurs either upon discharge of guardianship or custody or termination of a Voluntary Placement Agreement or surrender. Also, the Accounts Unit must be notified at the time an adoption is consummated.

#### **Section 353.7 Payment of Benefits to Parents or Relatives (Repealed)**

#### **Section 353.8 Funeral and Burial Expenses**

Upon the death of a child for whom the Department is legally responsible, funeral and burial expenses shall be paid in accordance with procedures **359.9 Authorized Child Care Payments, Payments for Medical Care.**

#### **Section 353.9 Safekeeping and Investment of Funds**

Monies received from issuing agencies will be deposited in no-cost, interest bearing savings accounts in appropriate financial institutions. Interest earned on the account shall be credited by the Department to that child.