

**Cottonwood, Inc.
Policies and Procedures**

SECTION: Residential

POLICY NO: 30-029

SUBJECT: Fiduciary Accounts

PAGE(S): 1 of 2

EFFECTIVE DATE: August 1987

Policy:

Consumers receiving residential services from Cottonwood, Inc. may have the option of choosing Cottonwood, Inc. as their representative payee. New requests for payee ship shall be considered on a case-by-case basis.

Procedures:

1. Cottonwood, Inc. shall maintain a dual-signature, collective account entitled Cottonwood, Inc. Representative Payee for Consumer Accounts' for the purpose of managing consumer finances. Cottonwood, Inc. shall have fiduciary responsibility for funds maintained in this account. The account shall be executed and maintained in accordance with SSA regulations and guidelines.
2. Specialized computer software shall be utilized to manage funds in the account, write checks, and maintain individualized consumer information. On a monthly basis, the software will allocate any interest earned in the collective account using a weighted average balance calculation. The responsibility for these actions shall be held in common with the Residential and Financial Departments.
3. The Chief Executive Officer, Administrator of Services, Chief Financial Officer, Community Relations Development Director, and Finance Manager shall have signatory authority over funds held in the account. Checks issued on the account must have two authorized signatures to be valid. Whenever possible, there will be one administrative signer and one financial signer.
 - a. In the rare event that a consumer is responsible for reimbursing a co-signing staff person for an approved expense, the involved staff person shall not co-sign the check. A second co-signing staff person shall review the situation and co-sign if reimbursement is appropriate.
4. Consumer benefits shall be directly deposited into the payee account. Direct deposit of all other funds into the account is strongly encouraged.
5. All debts incurred by the consumer are his/her responsibility. If the consumer fails to meet his/her financial obligations, he/she will be subject to legal consequences, as initiated by the creditor(s). Representative Payee error or negligence that results in loss or financial harm to the consumer or Cottonwood, Inc. shall be subject to

disciplinary action, up to and including termination. Legal consequences may also incur.

6. An external professional shall conduct annual compliance reviews on the account. If sufficient risk exists, an external audit shall be conducted as necessary.
7. Alleged incidents of financial exploitation of consumers shall be reported to Division of Children and Families (DCF) Adult Protective Services per Cottonwood, Inc. Policy 05-036 "Protection from Abuse/Neglect/Exploitation" and may be reported to law enforcement if warranted.
8. Financial records shall be made available to the consumer and/or his/her personal representative, authorized personnel or SSA upon request.
9. SSA overpayments due to the death of a beneficiary shall be returned to SSA upon receipt of request. Conserved funds shall be turned over to the legal representative of the beneficiary's estate upon death. In the event of a transfer of payee ship, conserved funds (including interest and cash on hand) shall be returned to SSA for transfer to a new payee.