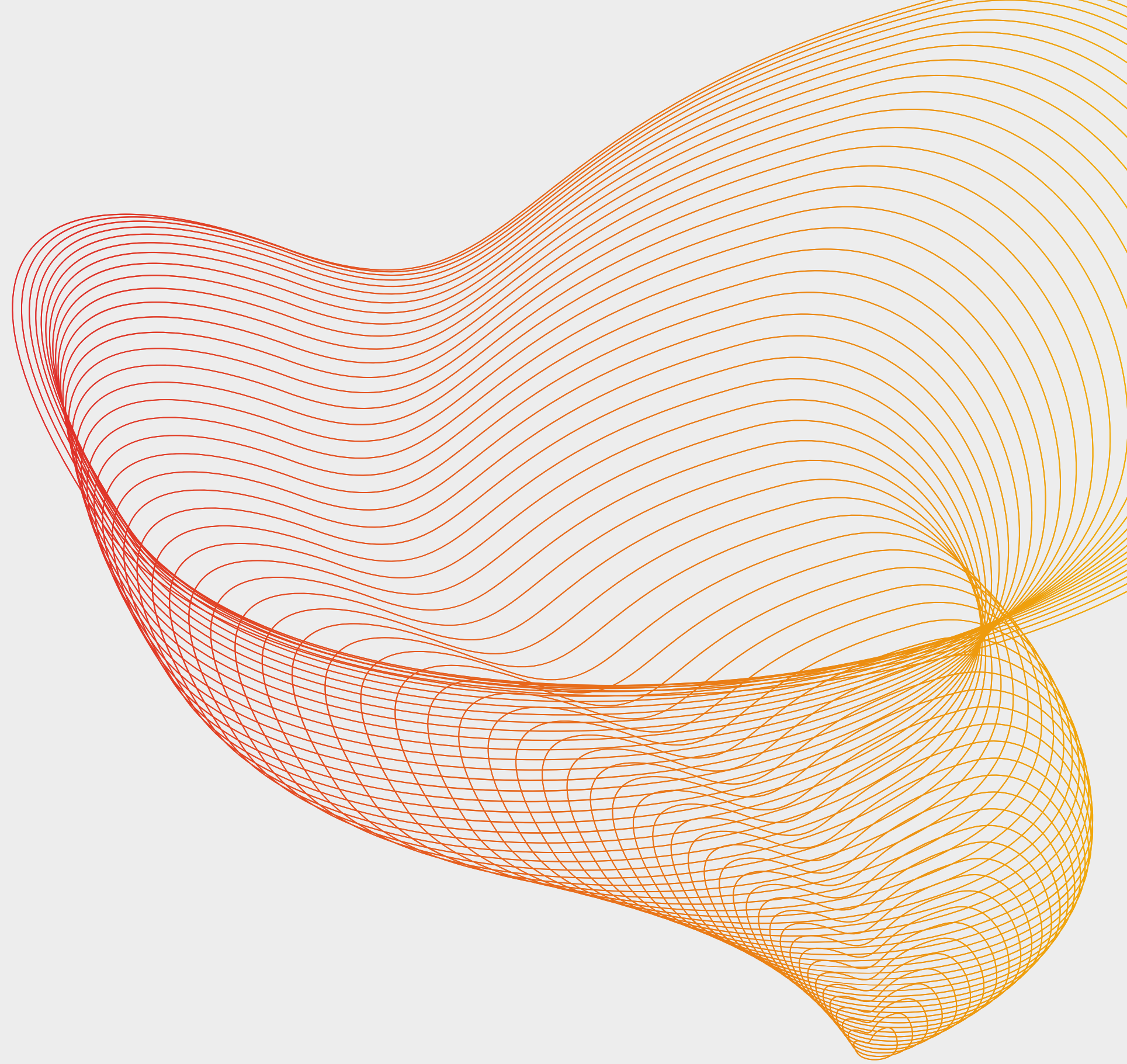




Disbursing from a Special Needs Trust & Budgeting



Kevin Collins
Account Manager





Our Disbursements Team



Kevin Collins

*Account
Manager*



Allie Shelby

*Account
Coordinator*



Fiona Wright

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Coordinator*

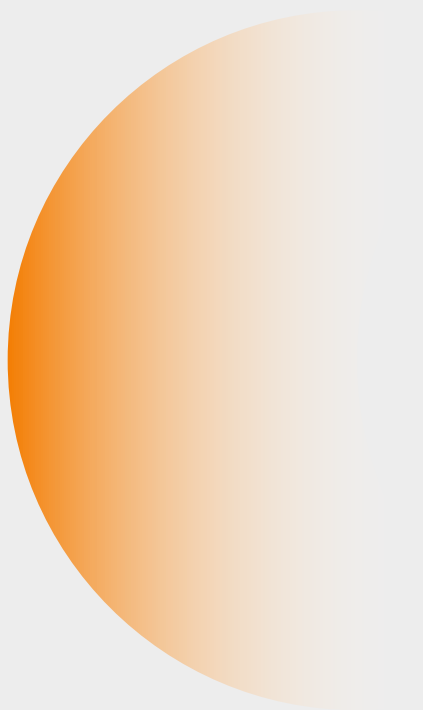




Agenda



- What can Special Needs Trusts (SNT) pay for?
- How to disburse from your Self-Funded (SF) and Family-Funded (FF) SNT
- The disbursement process
- Some reasons disbursement requests are disapproved
- Budgeting



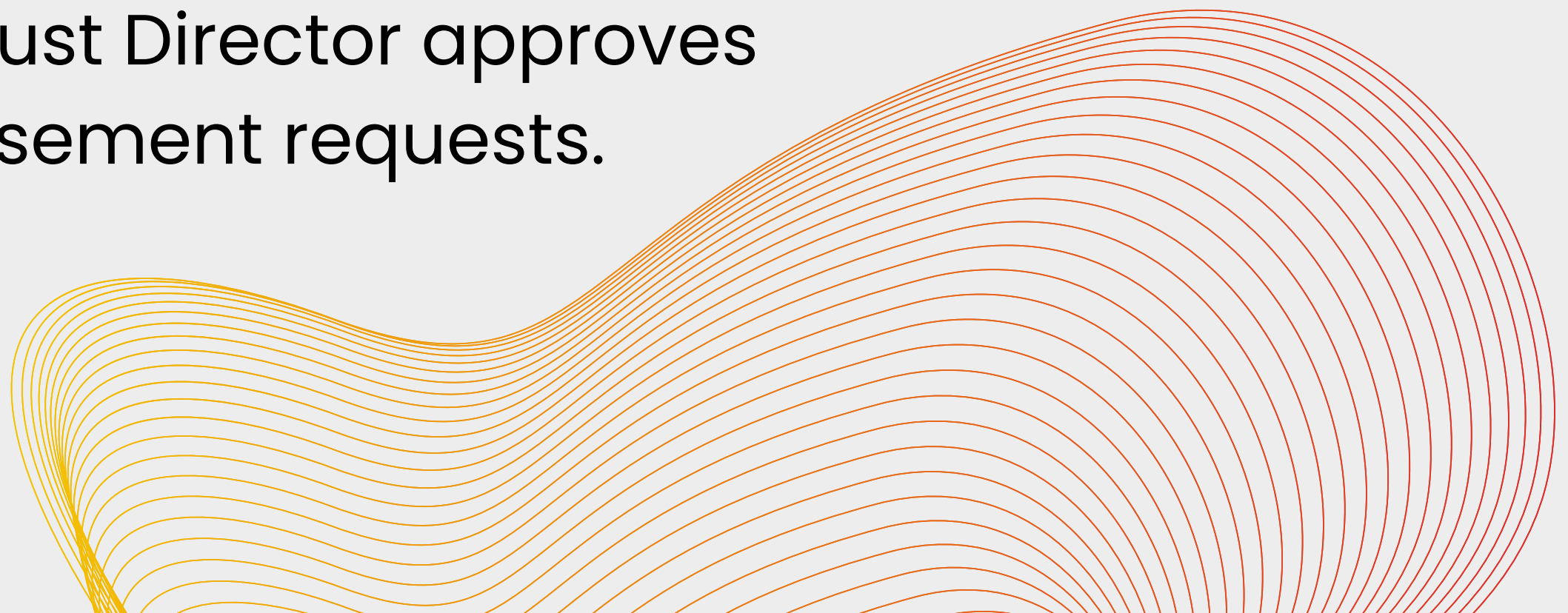


A Rule Before We Start



No real-life disbursement request approval decisions will be made during this presentation. Every disbursement request is evaluated on a case-by-case basis.

Only the Trust Director approves disbursement requests.

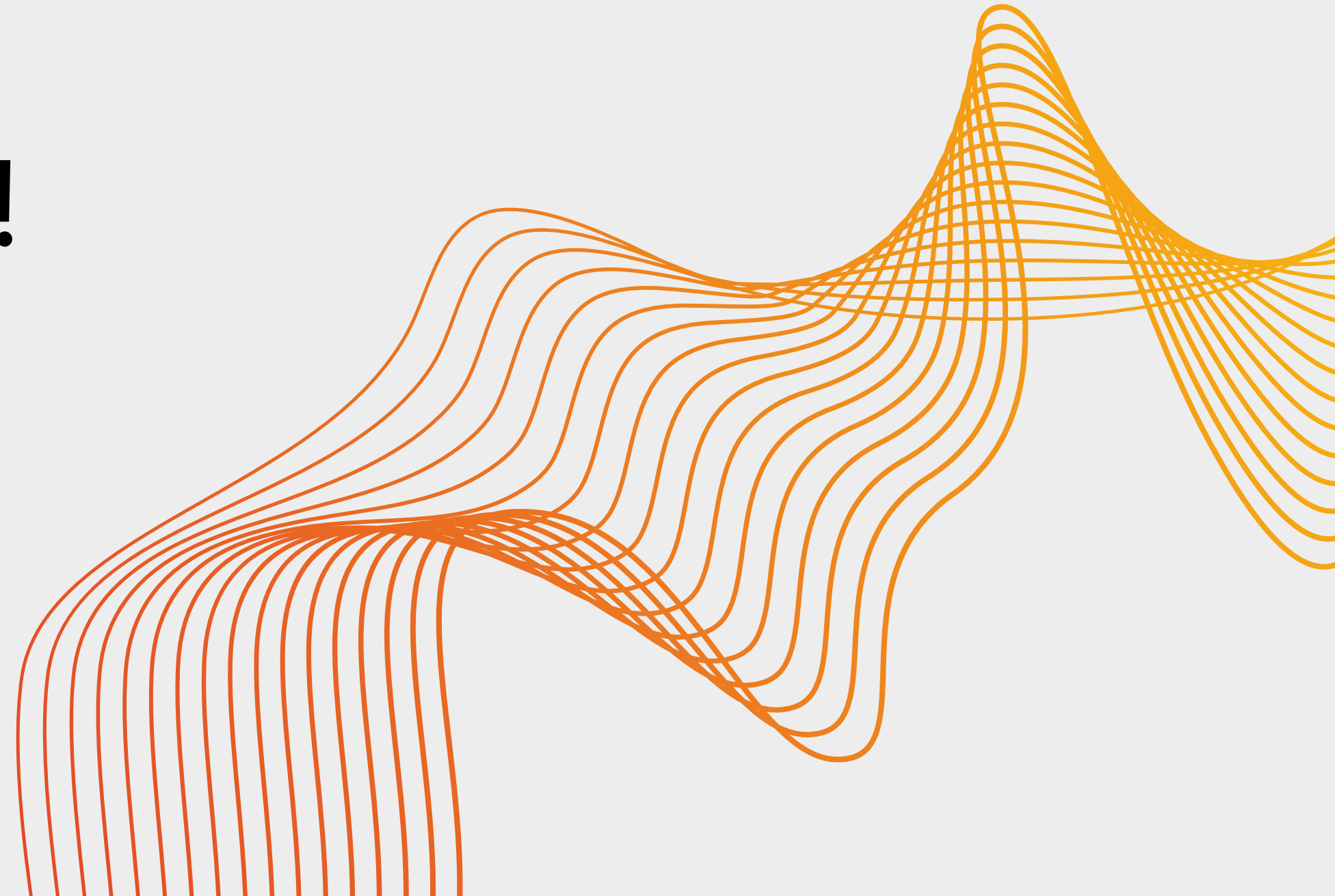




What can a special needs trust pay for?



A whole bunch!

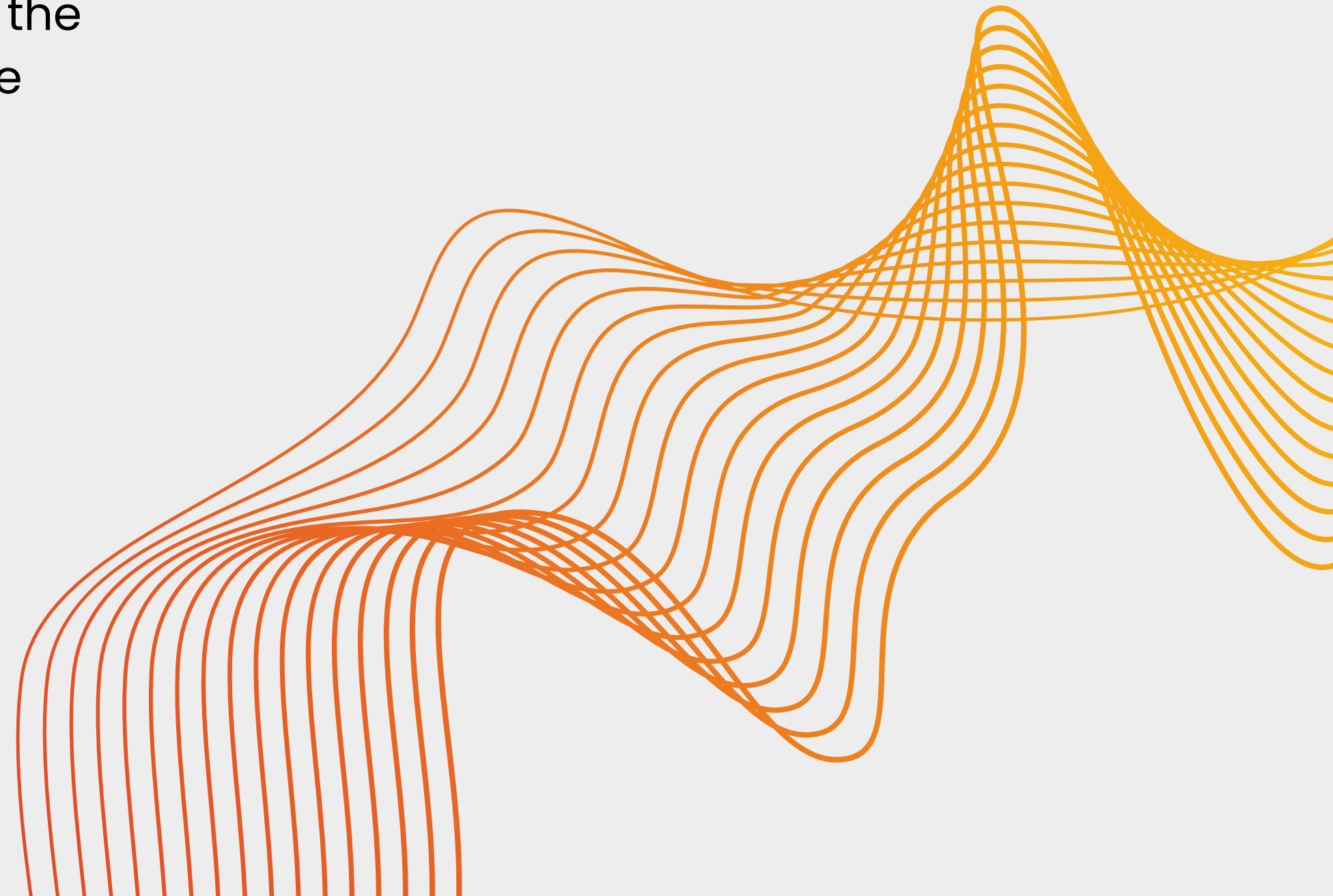




What can a special needs trust pay for?



- SNT funds can pay for anything that is for the benefit of the individual with disability (the “Beneficiary”)
- SNT funds must also align with:
 - The Beneficiary’s public benefits requirements
 - The Trust Plan (or Letter of Intent) & Grantor’s wishes
 - Beneficiary’s needs
 - Budget Plan





Examples



- Assistive Technology
 - Motorized wheelchair when not covered by insurance
- Auto
 - Purchasing used or new vehicles, maintenance, repairs, insurance
- Books
- Cell phone
 - Device and monthly bill

Examples (cont.)



- 
- Clothing
 - Companion Care
 - Part-time personal attendant; attendant for special event (concert, ball game, travel, etc.) when not covered by insurance
 - Dental Services
 - When not covered by insurance
 - Education
- 

Examples (cont.)

- Eye Care
 - Eye exams, glasses, contacts
(when not covered by insurance)
- Furnishings
- Groceries
 - NOT for SSI & SNAP recipients
- Housecleaning
 - weekly/monthly cleaning service with invoices from independent contractor, laundry service

Examples (cont.)

- Insurance Premiums
 - Auto, dental, medical
- Internet Service
 - Monthly bill (Verizon, Xfinity, ...)
- Jigsaw Puzzles
- Keys
- Kazoos
- Lamps
- Monthly Fees
 - All funded trusts

Examples (cont.)

- Medications & co-pays
 - When not covered by insurance
- Nursing
 - Temporary visiting nurse for example (when not covered by insurance)
- Oxygen (when not covered by insurance)
- Pet Supplies
 - Food, litter, ...

Examples (cont.)

- Professional Services
 - Accountant, attorney, psychotherapist, ...
- Q-tips
- Recreation
 - Art classes, tickets to the circus, gym membership, ...
- Self-Storage Units
 - temporary for evicted/transitioning clients

Examples (cont.)

- Taxes
 - Real-estate (for condominium)
 - Real-property (for car)
 - Federal & state income taxes (public benefits will be considered)
- Transportation
 - Monthly reload of Metro card, ...
- Travel

Examples (cont.)

- Utility bills
 - Dominion Energy, Pepco, ...
 - Public benefits will be considered
- Veterinary care
- Watches
- X-Rays (when not covered by ins.)
- Xylophones
- Yarn
- Zebra-print pants

General Rules

1. Anything in excess may be questioned,
for example:
 - a. 5 pairs of sunglasses in one year
 - b. 3 pairs of new winter boots
 - c. A new \$500+ smart phone every 6
months or year

General Rules (cont.)

2. Any non-medical expense over \$300.00 must be pre-approved by the trust department, unless otherwise approved

3. Smarter, more frugal alternatives will be encouraged, for example:
 - Transitioning to affordable, accessible long-term housing rather than continuing to pay exorbitant rent
 - Using safe, accessible public transportation options rather than taxis when possible (weather and safety permitting)



General Rules (cont.)

4. Disbursement requests received for individuals who have been exploited in the past will be carefully scrutinized
5. Gifts for Beneficiary's relatives and friends will not be approved for Self-Funded trusts
 - The Trust Plan will be considered when disbursing from Family-Funded trusts
6. The SNT is primarily used to supplement government benefits (Medicaid, Medicare, Medicaid waivers, SSI, SSDI, etc.)



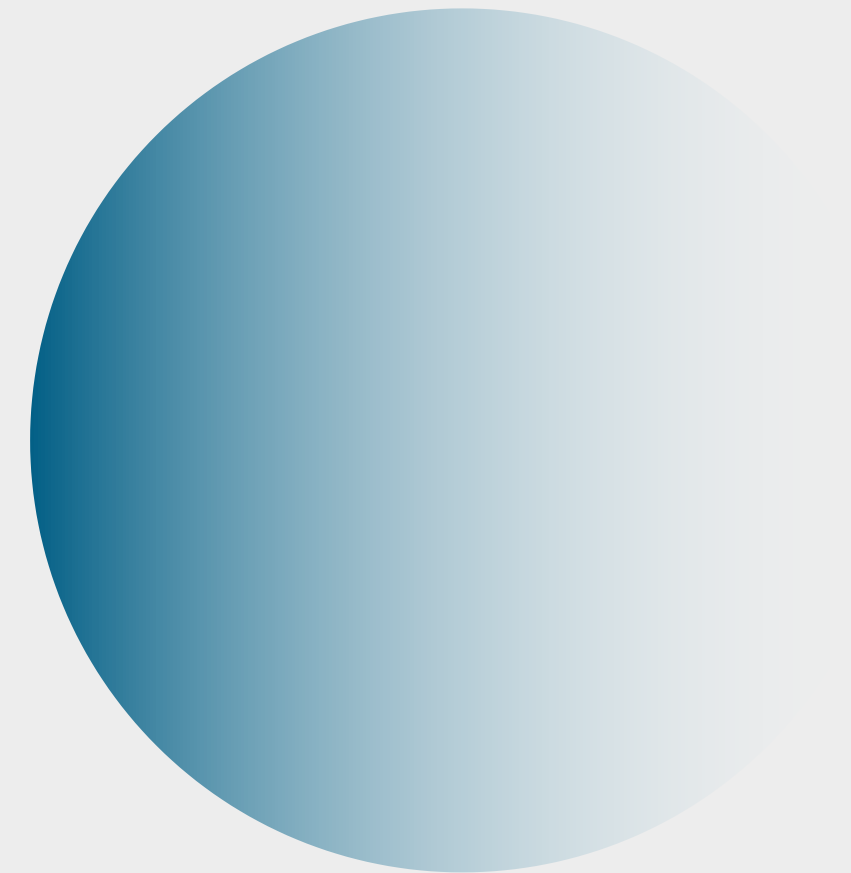
To Sum Up



The trust is for the benefit of the Beneficiary and can only be used to pay for reasonable and legitimate expenses.



Disbursement Process



Disbursement Process

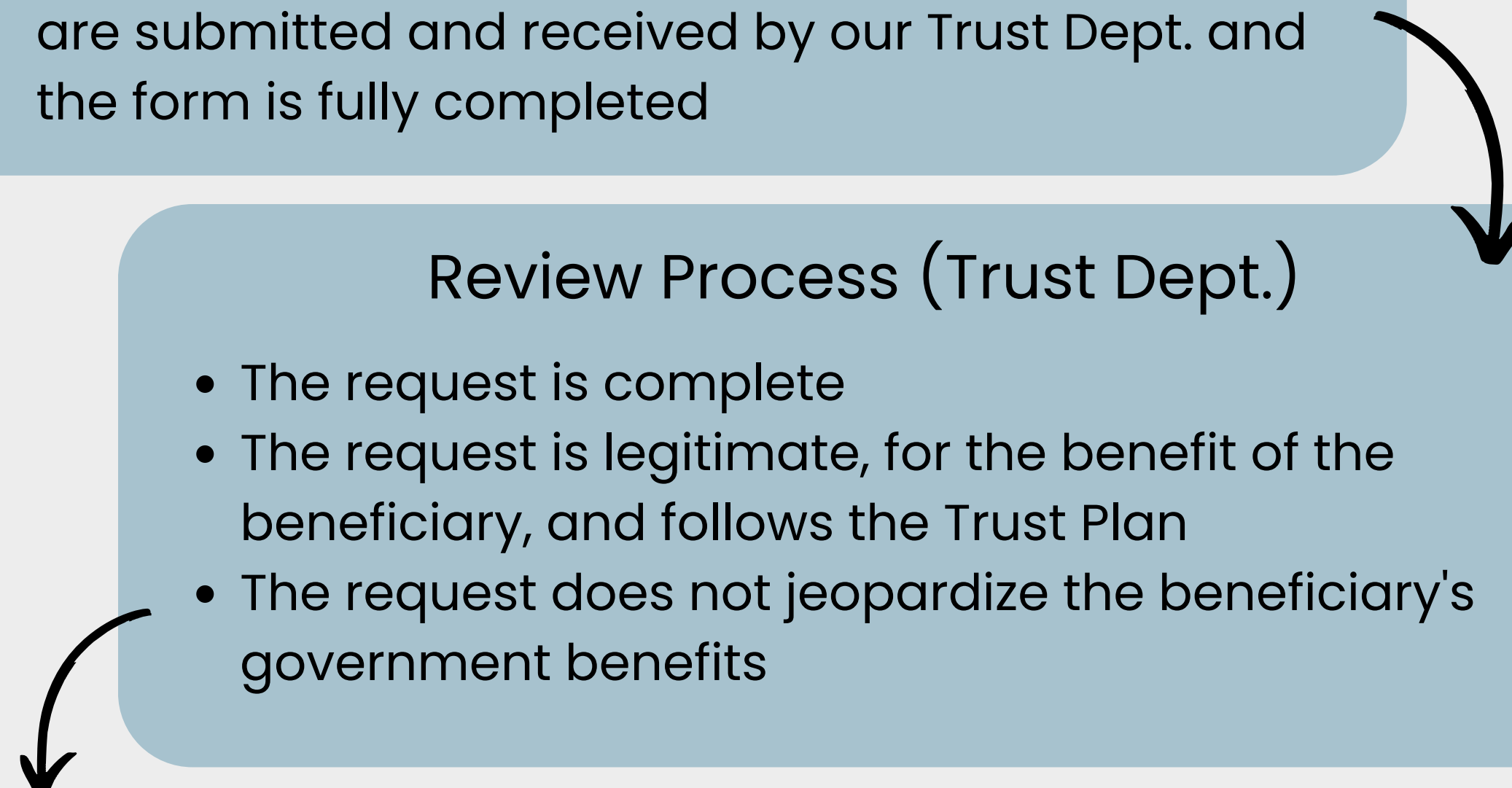
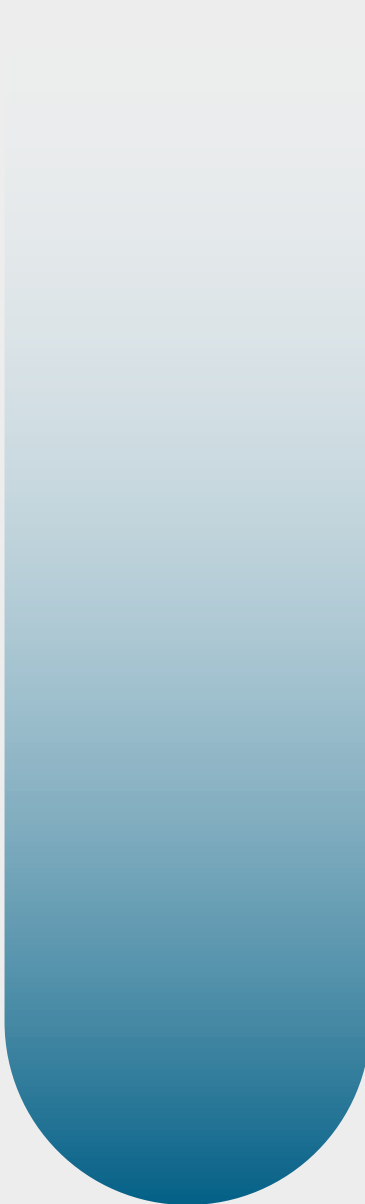
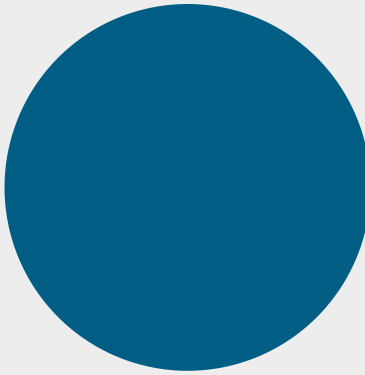
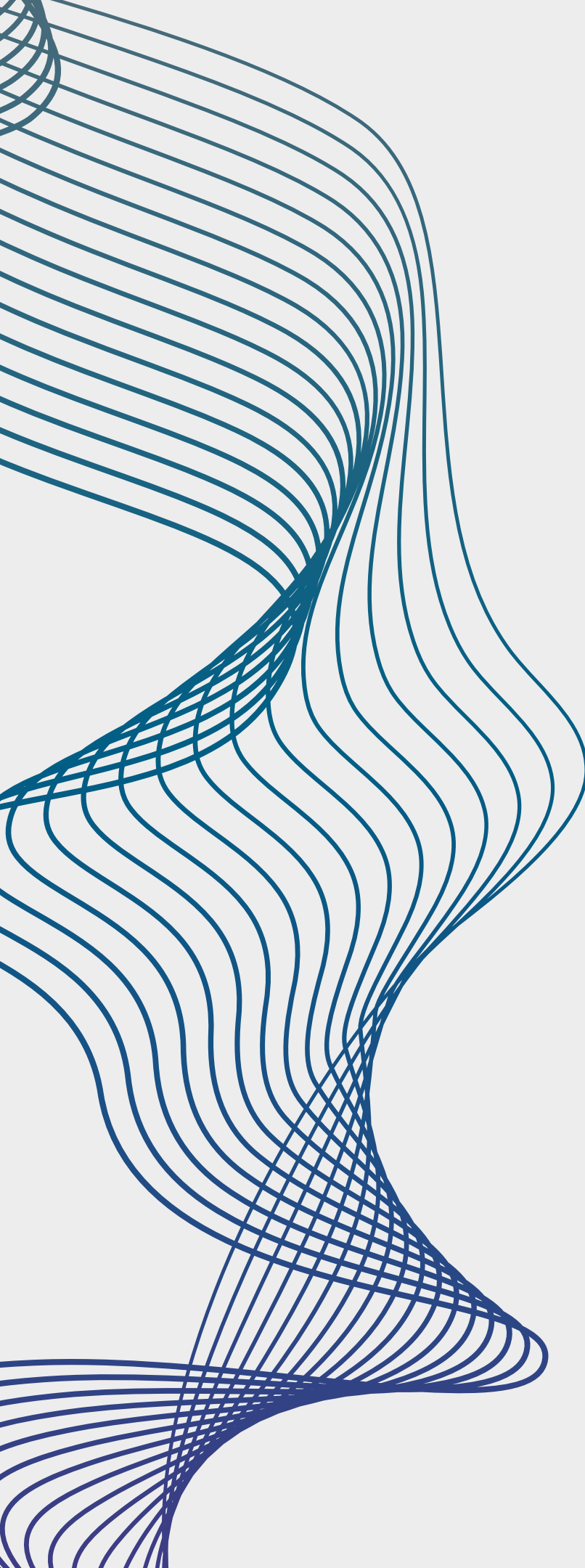


Primary Representative

- Complete and submit a Disbursement Request Form
- Submit supporting documentation (bill, invoice, receipt) for the request
- Responsible for ensuring appropriate documents are submitted and received by our Trust Dept. and the form is fully completed

Review Process (Trust Dept.)

- The request is complete
- The request is legitimate, for the benefit of the beneficiary, and follows the Trust Plan
- The request does not jeopardize the beneficiary's government benefits



Disbursement Process



Approval & Additional Info

- The Director of Trusts reviews, and approves/disapproves the request
- Additional information may be required depending on the nature of the request before approving
- Example: insufficient supporting documentation

Payment

- Once approved, the request is sent to Key Private Bank for payment
- Key Private Bank sends a check to the appropriate party

Disbursement Process (cont.)



The Arc of Northern Virginia
3060 Williams Dr, Suite 300, Fairfax, VA 22031
Phone: 703-208-1119; Fax: 703-208-0906
www.thearcofnovatrust.org

Disbursement Request Form

Beneficiary Name: _____ Participant #: _____

Check Payee: _____ Account #: _____

Mail Check to: _____

Payment Amount: \$ _____ Date Needed: _____

Check Memo:
(i.e. Account #) _____

Purpose of Request: _____

Does the Beneficiary Receive - Medicaid? Yes No
- SSI? Yes No

Remember: SSI Recipients ought not use their trusts to pay for food, shelter or direct reimbursement.

Please enclose copies of bills, statements, training invoices or receipts.

NOTE:

Each business day, Disbursement Requests are processed in the order in which they are received by The Foundation of The Arc of Northern Virginia. **Complete** and **legible** Disbursement Requests with sufficient supporting documentation will be reviewed **within 8 business days of receipt**. Emergency situations will be addressed individually.

Generally, once The Arc sends the Disbursement Request to the Trustee, the Trustee will process the DR, then print and mail the check to the Payee **within 5 business days**.

Disbursement requests may require additional review and/or documentation. Certain expenses may require prior submission to and denial by a government agency to be considered a legitimate supplementary expense.

The Foundation of The Arc of Northern Virginia has **sole discretion** regarding disbursements for the Beneficiary.

Requested By (print): _____ Phone/Email: _____

Title (if appropriate): _____

Signature: _____ Date: _____

By signing this form, the Primary Representative is certifying:
1. He/she is authorized to approve Disbursement Requests on behalf of the Beneficiary;



Disbursement Process (cont.)

- How to pay for items with funds from a SNT:
 - Submit a complete and legible disbursement request form WITH supporting documentation to the Account Manager via mail, email, fax, or walk-in.

Disbursement Request Form

Bill (supporting documentation)

+

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Approval!





Disbursement Process (cont.)

- How to pay for recurring expenses such as monthly bills:
 - Complete a Recurring Disbursement Request Form
 - Attach the most recent monthly bill/invoice
 - Change the billing address to our office address [Beneficiary's Name, c/o The Arc of NOVA Trust Program].

Recurring Disbursement Request Form

Monthly Bill

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Approval!



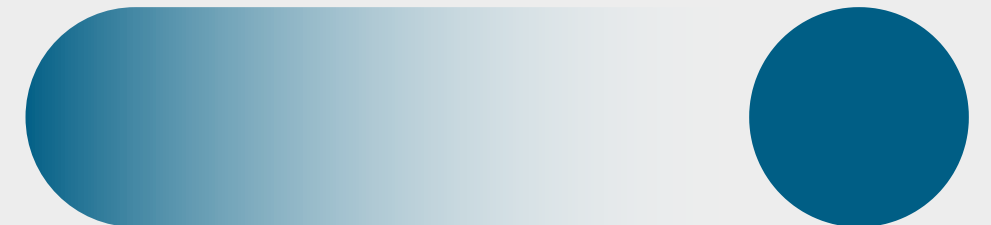
Disbursement Process (cont.)

- How to pay for emergency needs:
 - Call us to report the need (emergency car repair, urgent dental care, etc.) during business hours.
 - Obtain help from someone to email/fax the Trust Dept. a Disbursement Form and an estimate from the provider ASAP.
 - The Trust Dept. can use The Foundation's credit card to process payment immediately to the provider
 - The Beneficiary's SNT reimburses The Foundation for the expense.



Disbursement Process (cont.)

- How to use the SNT for smaller expenses:
 - For all Beneficiaries whether you receives SSI or not, the Trust Dept. can provide a KeyBank Credit Card or True Link Card.
- 1. A KeyBank Credit card is a credit card which can be used for monthly expenses or one-time expenses.
 - Unique benefits of a KeyBank credit card:
 - There is no fee management
 - The credit card bill is paid directly from the trust account every month
 - The credit card does not affect the beneficiary's credit score
 - Does not affect government benefits when used for allowable expenses

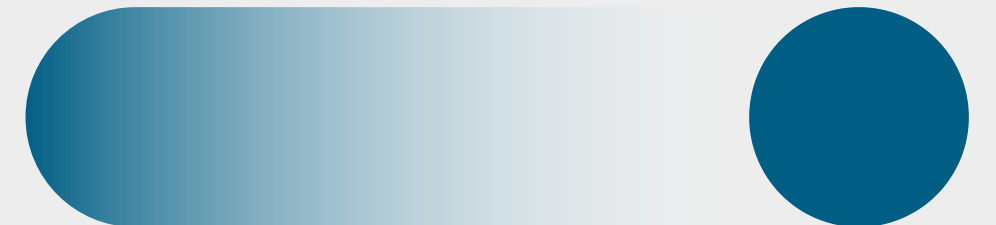




Disbursement Process (cont.)

2. A True Link Card is a reloadable prepaid card, which can be used for monthly or one-time expenses.

- The benefits of a True Link card are:
 - Customize where the card may be accepted
 - Set spending limits to help with budgeting
 - Continuously load funds onto the card
 - Approved by SSA if the trustee is the account owner and administrator, and the trust beneficiary is the cardholder



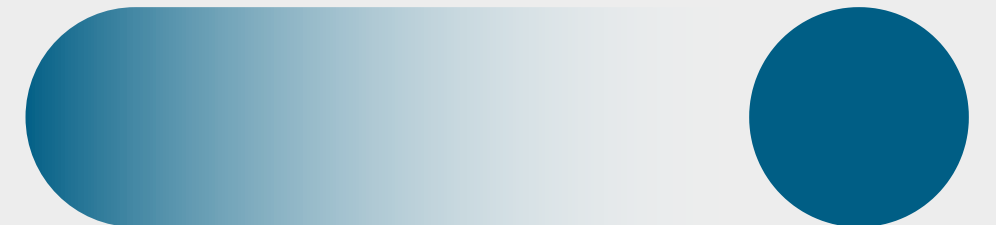


Comparison Table



TrueLink Card	KeyBank credit card
Balance can be carried over	Same monthly credit line balance
Management fee	Free of charge
Can be customized	Can be customized
An online account can be opened to monitor the card	An online account can be opened to monitor the card

Important Note: Cardholders must submit receipts monthly for this arrangement to continue.





Reasons to Disapprove a Request

1. Incomplete Request

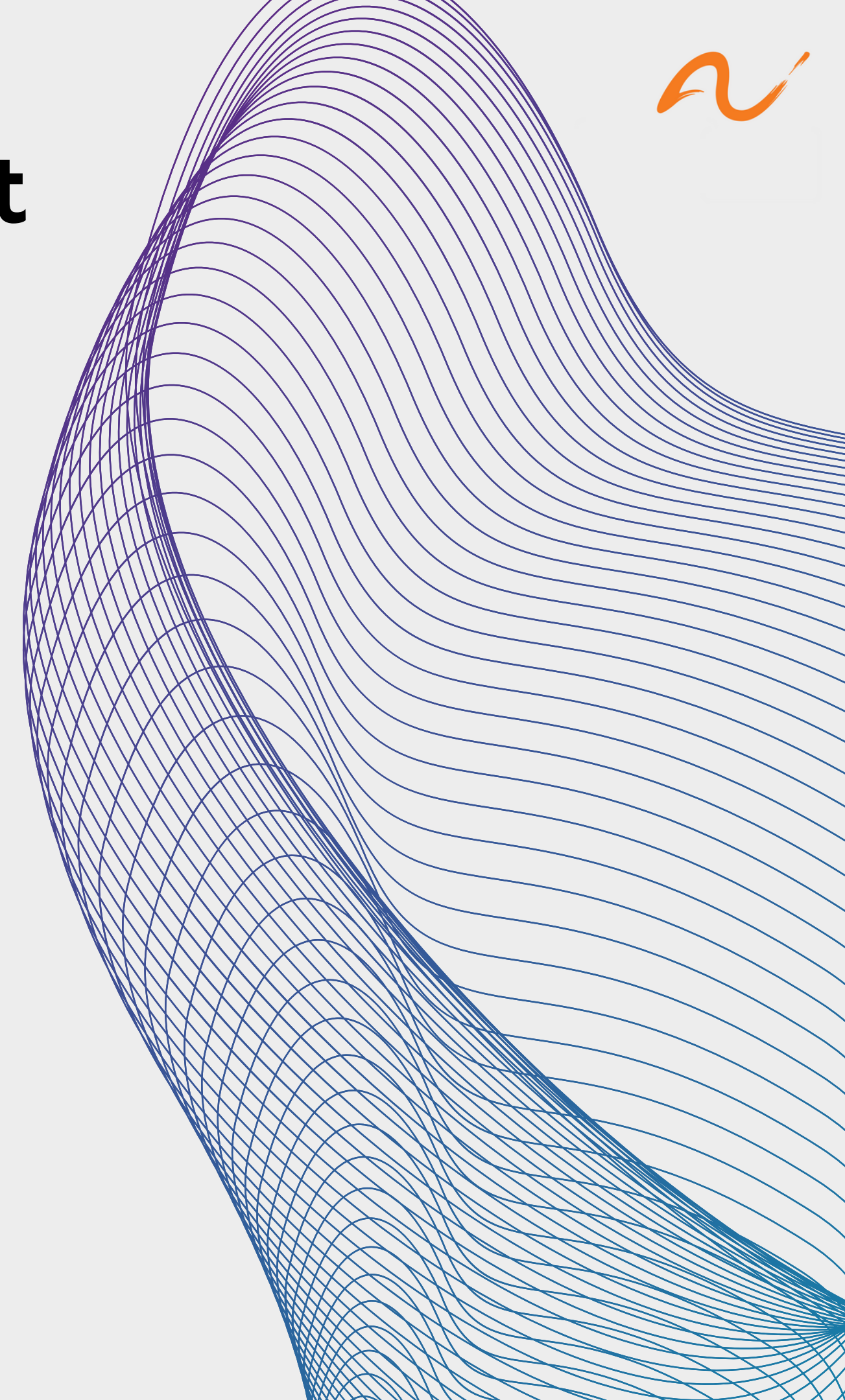
- A Disbursement Request Form without supporting documentation

or

"I need my bills paid. Here is the total amount, please pay them with my trust."

- Supporting documents but no signed Disbursement Request Form

"Hi, this is George. I need my trust to pay for this new iphone today! Thanks, see ya!"



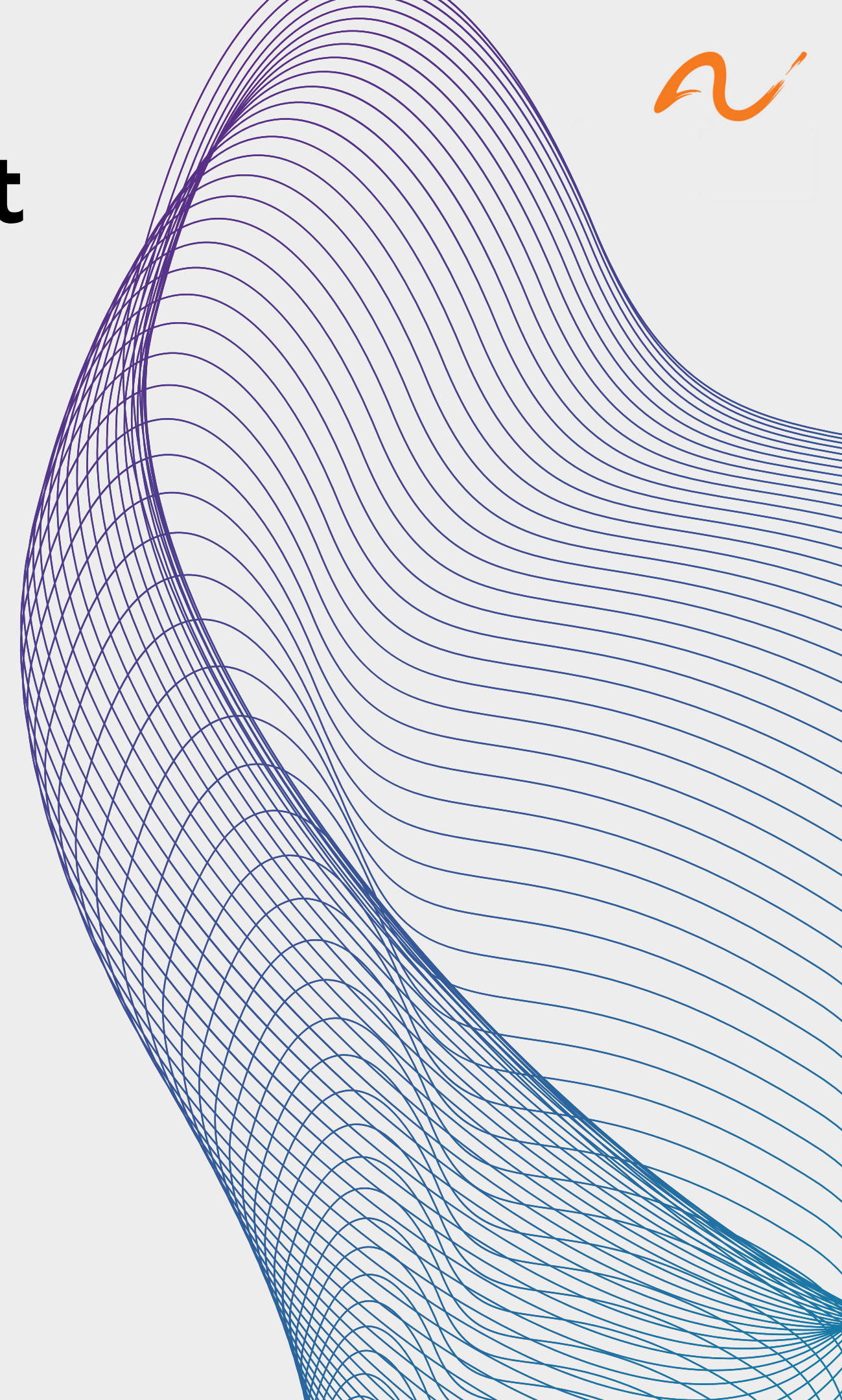


Reasons to Disapprove a Request

1. Incomplete Request (cont.)

- Disbursement Form for itemized Credit Card Statement without individual receipts for each item on the statement

A Disbursement Request Form with just a Credit Card Statement WITHOUT receipts for specific transactions CANNOT be approved. We request the individual receipts because the one-line description on the Credit Card Statement is not sufficient to inform Trust Dept. which expenses were incurred.



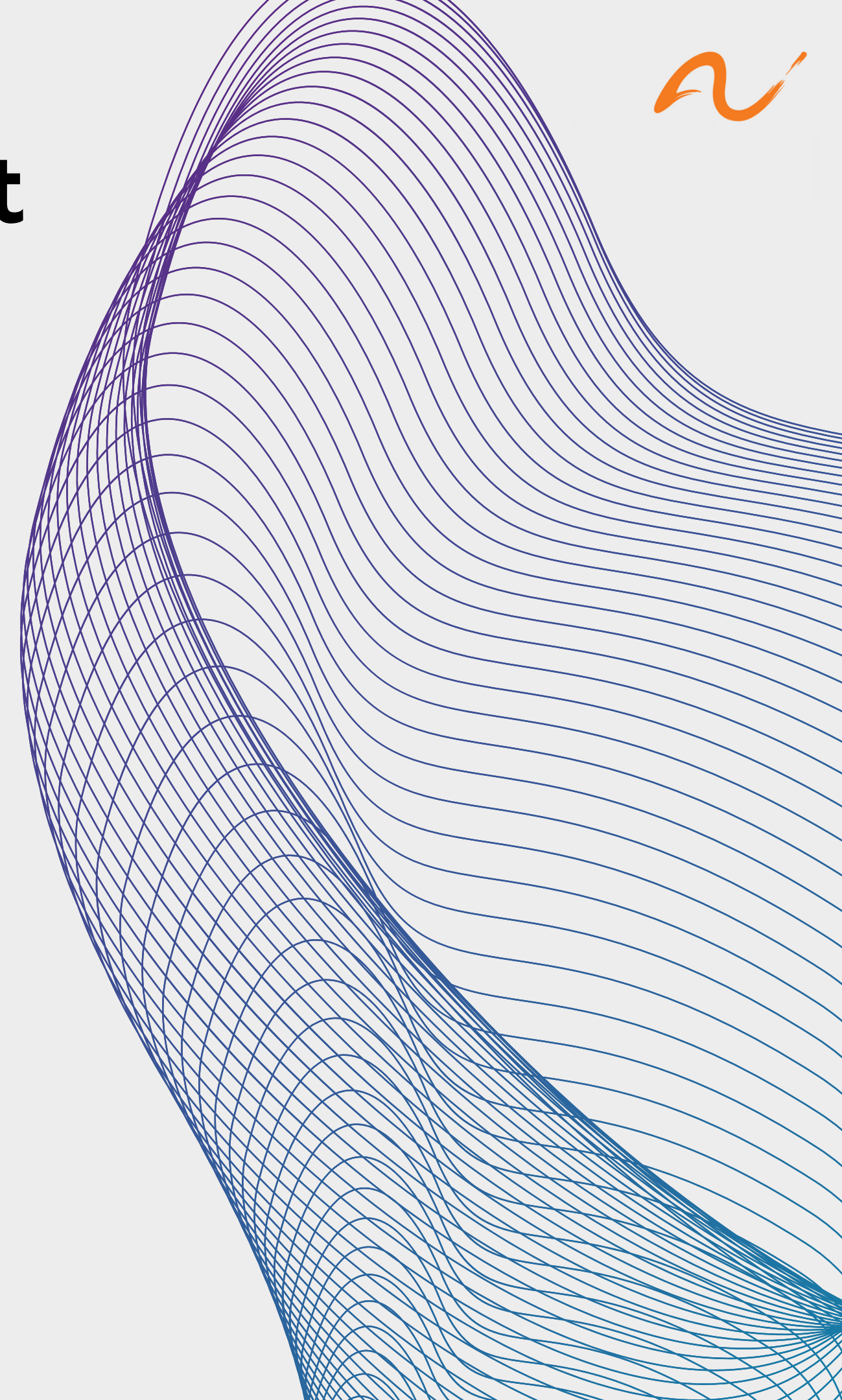


Reasons to Disapprove a Request

2. Cash Transfer

The Trust Department may not:

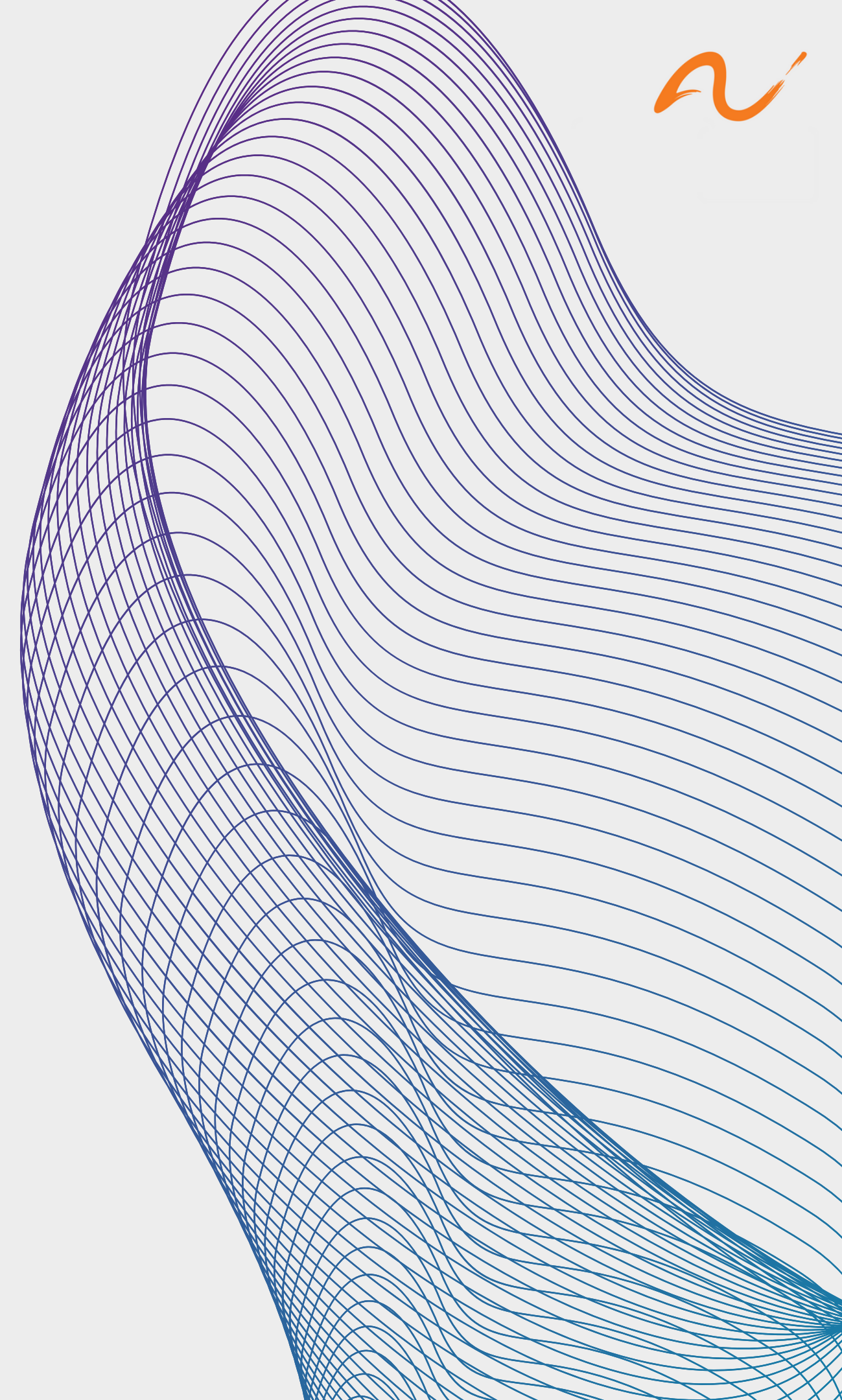
- Distribute cash (Your SNT is not a checking account/ATM. It is not possible to get instant cash)
- Process a Disbursement Request and cut a check the same business day BUT...
- In an emergency situation, the Trust Dept. can process an urgently needed, approved payment with The Foundation's credit card (a car repair, tickets to a family member's funeral, etc.).



The "Top 10" Examples to Disapprove a Request



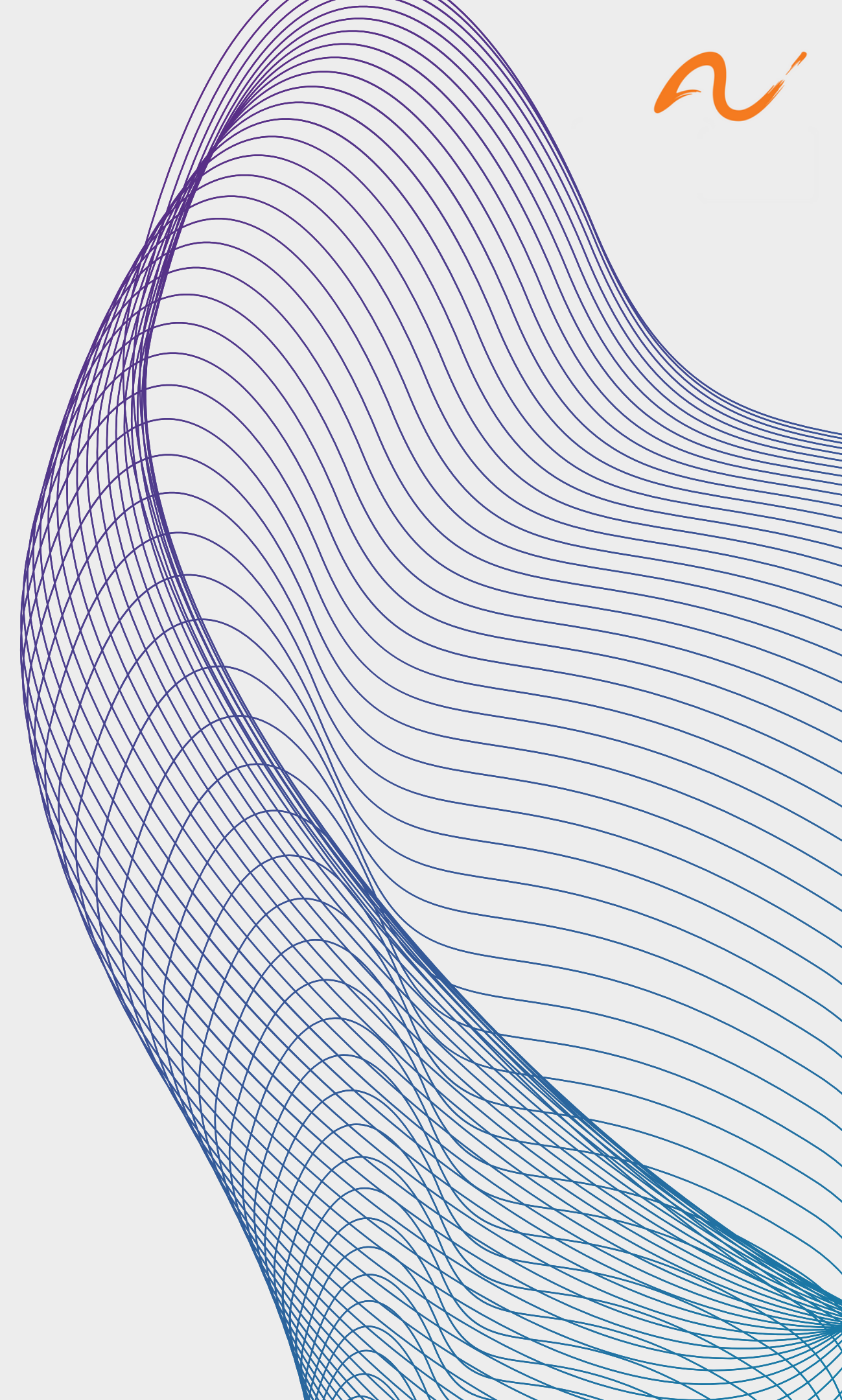
1. Companion Expenses for a trip or a Day Care for an adult without a physician stating the need
2. A non-wheelchair accessible vehicle to transport a Beneficiary who is in a wheelchair
3. Vacuum cleaner for a house shared by 5 people (It is ok for trust to pay 1/5th of the cost)
4. Restaurant meal for 5 people from SF SNT (It may be ok for trust to pay just the Beneficiary's meal)
5. Collection agencies for unpaid medical bills (Trust *will pay* doctors directly). Also fees incurred due to overdraft or late payment by the Beneficiary



The "Top 10" Examples to Disapprove a Request



- 6. Gifts for others – for holidays, birthdays, weddings (SF SNT may not pay; FF SNT must consult Trust Plan)
- 7. Items parents are obligated to cover when the Beneficiary is a minor (school supplies, seasonal clothes, shoes, food, camp, electronics)
- 8. Overcharged/double charged services
- 9. Recurring overspending
- 10. New requests before we received copies of receipts from the previous pre-paid request





Top 5 Mistakes Which May Delay Disbursement Processing

1. Incomplete supporting documentation (no invoice, bill, receipt)
2. Expenditures from a SF SNT which are not solely for the benefit of the Beneficiary
3. Expenditures which seem to duplicate recent prior purchases
4. Expenditures which do not seem to be consistent with prior spending/needs and/or with the Grantor's Trust Plan
5. Expenditures which can be covered by government benefits

Budgeting



General Rule: *The Special Needs Trust is a lifetime legal vehicle to supplement government benefits.*





Budgeting Tips



- Needs versus Wants
 - Make a list of things you need (you must have) and then make a list of what you want
- Set up your personal and financial goals
 - Make your Trust a secondary source of income
- Get ready to budget
 - Organize your monthly income
 - Keep receipts and organize them in categories to find out in which areas you spend the most
 - List your cash expenses and decide whether each one is a need or a want
 - List your monthly and non-monthly expenses on the budget sheet





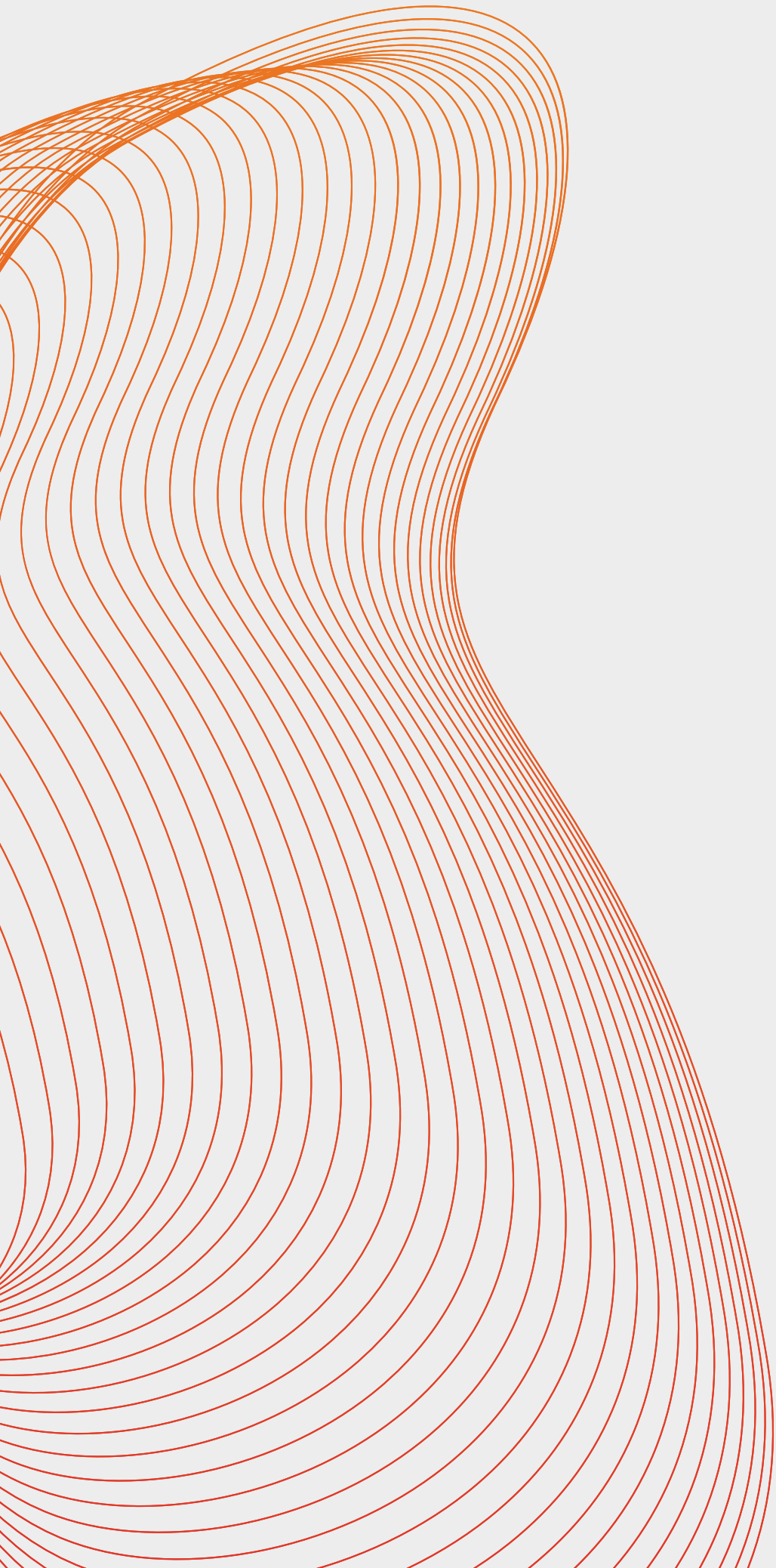
Benefits of Budgeting



1. Prepares for regular expenses
2. Plans for future unexpected expenses
3. Avoids excessive spending
4. Reduces the stress of overspending when spending limits have already been set
5. Determines how much may be spent to disburse over a lifetime.
6. Allows the trust to last for a lifetime
7. Helps the Trust Dept. know the Beneficiary's sources of income & expenses
8. Supports the Trust Director's decision-making
9. Learns to avoid unnecessary expenditures



Questions?





Thank you for listening!

Kevin Collins

Account Manager

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*Thank
you!*