



## **Disbursing from Your Special Needs Trust**

### **A Guide for Grantors, Beneficiaries & Their Primary Representatives**

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**Revised Jan 2020**



## The Foundation of The Arc of Northern Virginia Personal Support Self-Funded Trust

### Article VIII, Section 8.1:

“In addition to its role as Settlor of this Trust, The Foundation of The Arc of Northern Virginia shall be the Manager of the Trust. The Manager, whether The Foundation or a successor Manager as provided by Section 8.4, shall manage the Trust, and shall perform such acts and duties as set forth in the Joinder Agreement, to the extent permitted by law. The Manager shall have full power and authority, in its absolute discretion, without recourse to any court or any notice whatsoever, to do all acts and things necessary to accomplish the purpose of this Trust, and to perform the Manager’s duties as such and to do such other acts or things concerning the Trust as may be advisable.”



## Introduction

This document explains the rules and processes for disbursing (paying out) money from a Family-Funded (FF) or Self-Funded (SF) Special Needs Trust (SNT) sub account with the Foundation of The Arc of Northern Virginia (The Foundation). Grantors, Beneficiaries and their Primary Representatives must become familiar with these guidelines. Failure to follow the processes described in this document may result in delays in disbursement processing or disapprovals of disbursement requests. Failure to follow these guidelines may jeopardize eligibility for government benefits as well.

This guide addresses the following topics:

- I. What is a Special Needs Trust?
- II. Disbursement Request Requirements
- III. The Disbursement Process
- IV. Recurring Disbursements
- V. Special Situations
- VI. Special Considerations for Government Benefits Recipients

If after reviewing this document you have any questions, please contact the Foundation of The Arc of Northern Virginia's Trust Department at 703-208-1119 ext. 119.

Thank you.

*Tia Marsili*

*Director of Trusts*

*Foundation of The Arc of Northern Virginia*



## I. What is a Special Needs Trust (SNT)?

The Foundation of The Arc of Northern Virginia's Special Needs Pooled Trust is a financial service created to assist persons with disabilities (Beneficiaries) and their Primary Representatives.<sup>1</sup> SNT funds are intended to pay for a Beneficiary's supplemental needs, those goods and services not typically covered by government benefit programs. SNT funds may also be used to pay for additional items or services as outlined in a Beneficiary's Special Needs Trust Plan written by each trust's grantor.<sup>2</sup> As Trust Manager, the Foundation of The Arc of Northern Virginia ensures that each Beneficiary's trust funds are spent in a manner that is consistent with government benefits eligibility and with the overall intent of a SNT -- to benefit the individual with a disability.

A Special Needs Trust **IS**:

- A way to pay for a trust Beneficiary's ongoing supplemental needs without jeopardizing government benefits.<sup>3</sup>
- A means of paying for special purchases which might not otherwise be affordable.<sup>4</sup>

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<sup>1</sup> A SF Trust Beneficiary often serves as his/her own Primary Representative, although often another individual also serves as a Primary Representative. See Appendix A for definitions of roles and key terms.

<sup>2</sup> The Trust Plan is a Letter of Intent. It provides guidance not direction to The Arc's Trust Department.

<sup>3</sup> Appendix B lists examples of supplemental needs.

<sup>4</sup> For example, a wheelchair; modifications to a living space or a vehicle to accommodate a disability; special furnishings or equipment.

- A source of funds from which all disbursements are carefully reviewed to ensure alignment with a Beneficiary's Trust Plan and to prevent Beneficiary exploitation or waste.

A Special Needs Trust is **NOT**:

- A bank.
- An ATM.
- A debit or credit card.
- A money store.



## II. Disbursement Request Requirements

Disbursement Requests consist of two parts:

1. The Disbursement Request form.
2. Supporting Documentation.

Each of these is discussed in the following sections.

### A. Disbursements

To access the money in your SNT sub account, you will need to submit a Disbursement Request (DR) form. Money cannot be disbursed from your trust without a complete and approved DR form. Each DR MUST have the following information typed or legibly printed:

- a. **Beneficiary Name:** The full name of the trust's Beneficiary. This is the person for whom the trust was established and is intended to serve.
- b. **Sub Account:** The complete participant number of the Beneficiary's SNT. Please note: for Beneficiaries with two funded trusts, please ensure the Disbursement Request form's participant number is the appropriate one. In general, Self-Funded Trusts are used first when a Beneficiary has two trusts. However, for certain types of disbursements (ex. family vacations) or other expenditures specifically aligned with the Family-Funded Trust's Trust Plan, the Disbursement Request should reference the participant number for the Family-Funded Trust.

- c. **Make Check Payable To:** The complete business name of the payee (the business, organization or individual to be paid).
- d. **Mail Check to:** The payee's complete mailing address.
- e. **Payment Amount:** The amount to be paid out from the trust to the payee.
- f. **Date Needed:** The date by which the payment must be processed (sometimes just "ASAP").
- g. **Check Memo:** A reference number for the payment (participant number, invoice number, customer id number, etc.). If this information is not available, a brief description of the item or service is sufficient.
- h. **Purpose of Request:** Briefly state the purpose of the disbursement (e.g. cell phone service; dental check-up, etc.)
- i. **Beneficiary Receives:** Indicate the Beneficiary's Medicaid status and SSI status at the time the Disbursement Request is submitted. Check the Yes box if the Beneficiary receives Medicaid /SSI benefits; check the No box if the Beneficiary does not receive Medicaid/SSI.
- j. **Requested By:** The printed name of a Primary Representative. As previously noted, in a SF Trust, the

Beneficiary may also be (and in fact, often is) a Primary Representative.<sup>5</sup>

- k. **Day Time Phone/Email:** The phone number or email address at which the Primary Representative can most easily be reached during business hours (9-4:30pm, M-F).
- l. **Signature:** The signature of a Primary Representative (often, the Beneficiary).
- m. **Date:** The date the Primary Representative signed the DR form.

Please do not write in the bottom section of the DR Form. It is completed by Arc staff.


Figure I on the next page illustrates a completed DR form with the required items labeled alphabetically per the list above.

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<sup>5</sup> See pages 3-4 of your trust's Joinder Agreement for the individuals who serve as Primary Representatives.

## Figure I: A Disbursement Request Form

Revised 01/2016

  
**The Arc.**  
*Achieve with us.*

**DISBURSEMENT REQUEST FORM**

Beneficiary Name: \_\_\_\_\_ Participant #: \_\_\_\_\_

Make Check Payable to: \_\_\_\_\_

Mail Check to: \_\_\_\_\_  
\_\_\_\_\_

Payment Amount: \$ \_\_\_\_\_ Date Needed: \_\_\_\_\_

Check Memo (i.e. account/invoice number): \_\_\_\_\_

Purpose of Request: \_\_\_\_\_

Beneficiary Receives: Medicaid:  Yes  No SSI:  Yes  No

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

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

**NOTE:**  
Each business day, Disbursement Requests (DRs) are processed in the order in which they are received by The Foundation of The Arc of Northern Virginia. Complete and legible DRs with sufficient supporting documentation will be approved within five (5) business days of receipt. Emergency situations will be addressed individually.

Generally, once The Arc sends the DR to the Trustee, the Trustee will process the DR, then print and mail the check to the Payee within five (5) business days of receipt. Therefore, the entire disbursement process may take up to two (2) weeks.

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.

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Requested By: \_\_\_\_\_ Daytime Phone/Email: \_\_\_\_\_

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; 2. This Disbursement Request is for the sole benefit of the Beneficiary; 3. The Beneficiary was alive at the time the expense was incurred (for SF trusts only); 4. The Beneficiary will follow SSI and Medicaid rules for reporting changes in income within 10 business days.

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**ARC ONLY:**

Approved Date: \_\_\_\_\_

Disapproved: Reason \_\_\_\_\_ Date: \_\_\_\_\_

Pending: Reason \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Trust Department, Foundation of The Arc of Northern Virginia

Phone: 703-208-1119      2755 Hartland Road, Suite 200, Falls Church, VA 22043      Fax: 703-208-0906

## B. Supporting Documentation

Every DR form must be accompanied by supporting documentation so the Foundation of The Arc of Northern Virginia (Manager) and Key Private Bank (Trustee) can verify that the disbursement is for legitimate expenditures, for the benefit of the trust Beneficiary, and consistent with government benefits eligibility requirements and guidelines.

Examples of acceptable supporting documentation:

- A bill or invoice with the Beneficiary's name for bills paid directly from a trust.
  - ✓ Example: A monthly cell phone bill in the Beneficiary's name.
- A statement or written estimate from the payee for bills to be paid by a trust sub account in advance of services rendered.
  - ✓ Example: A dentist's statement of estimated services for a Beneficiary's upcoming appointment.
- Receipts for purchases made for the Beneficiary by other parties or, in certain limited circumstances, by the Beneficiary him/herself.
  - ✓ Example: Receipts for Beneficiary's new clothes, gas to drive Beneficiary to doctor appointments, and kitchen utensils purchased by the Primary Representative for the Beneficiary's use.

Receipts must be arranged in **chronological order** and neatly taped on 8.5” x 11” (letter-sized) paper. Faded, torn or otherwise unreadable receipts will be returned with the disapproved Disbursement Request and a letter of explanation.

The Foundation’s Trust Department will not return or photocopy receipts for trust clients. Supporting documents should be photocopied by Primary Representatives before they are submitted with Disbursement Requests if copies are needed.

### **Reasons to Disapprove a Disbursement Request**

The Foundation’s Trust Department has sole discretion and may disapprove a Disbursement Request for any one of the following reasons:

- a. **Missing Disbursement Request Form:** The Trust Department will NOT process verbal, emailed or informal written requests to process payments from a trust (see Special Situations for emergency exception). A Disbursement Request form is required.
- b. **Illegible Entries:** If a Disbursement Request form is illegible or incomplete in any way, it will be disapproved and returned.
- c. **Lack of Primary Representative Signature:** If a Primary Representative has not signed and dated the Disbursement Request form, it will be disapproved.

- d. **Insufficient Supporting Documentation:** If the Disbursement Request form is not accompanied by sufficient back-up documentation which includes the payee name, payee address, billed amount and purchase details, the Disbursement Request will be disapproved and returned. Credit card statements must be accompanied by receipts that clearly illustrate the specific items purchased. In general, all receipts must include specific information regarding items purchased. A summary statement alone is not sufficient supporting documentation.
  
- e. **Lack of Receipts:** If a Primary Representative fails to provide receipts for previous purchases or other forms of advance payment, any subsequent Disbursement Request forms for similar purchases will be denied. Faded, torn or otherwise damaged or illegible receipts will not be accepted or could significantly delay the processing of a Disbursement Request.
  
- f. **Risk to Government Benefits Eligibility:** If a Disbursement Request form is submitted for a purchase that poses a risk to the Beneficiary's government benefits (ex. a SSI recipient requests payment of a utility bill), the Trust Dept. may disapprove the request. If you are not sure an expense can be reimbursed with Trust funds, call the Trust Dept. and ask before purchasing the service/item.

- g. **Safety Risk:** Disbursement Requests for items or substances that could pose a risk to the Beneficiary or to others will not be approved. Examples might include alcoholic beverages, vehicles (particularly if the Beneficiary has a track record of accidents), or equipment which might be challenging or difficult to operate safely.
- h. **Inconsistency with Trust Plan/Grantors' Intentions:** Disbursement Requests for items which are not aligned with the guidance provided in the Trust Plan may not be approved. For example, if the grantors intended the trust funds be used for only the beneficiary's educational and employment needs, then requests for multiple vacations annually may not be approved.
- i. **Insufficient Funds:** If the amount on a Disbursement Request exceeds or comes close to exceeding the trust balance, the request will be disapproved, OR, if additional funds are anticipated soon, placed in a pending status.
- j. **Cash Transfer:** Disbursement Requests for electronic transfers to Beneficiary bank accounts are not permitted.
- k. **Failure to Respond:** If the Foundation's Trust team makes three attempts (via phone, email, fax, and/or letter) to contact a Primary Representative regarding a pending Disbursement Request and the Primary Representative does not



respond, the DR will be disapproved and returned to the Primary Representative with a letter of explanation.

- l. **Not for Beneficiary's Sole Benefit:** If a Primary Representative submits a Disbursement Request for an item or service which seems to benefit other individuals, in addition to the Beneficiary, the Disbursement Request may be returned with a request for additional clarification. For example, if the Beneficiary lives in a home with 4 other individuals and the Primary Representative wishes to purchase a shared household item with trust funds, only  $1/5^{\text{th}}$  of the item's price may be approved for disbursement.

On occasion, the Trust Department may identify one or two small issues with a Disbursement Request. The participant number might be missing a digit or the line item tally of the attached receipts may not exactly match the Disbursement Request form's requested amount. In these situations, the Disbursement Request may be placed in a pending status (rather than disapproved and returned), then, once corrected, re-submitted for review and approval. The Foundation's Trust Department retains the right to determine when to return a Disbursement Request and when to hold it in a pending status until complete information is provided.

### III. The Disbursement Process

The Disbursement Process begins with a Primary Representative's submission of a DR form and supporting documentation.<sup>6</sup> DR forms and supporting documentation may be mailed, faxed, emailed (if scanned) or hand-delivered to The Arc's office M-F 9-4:30pm. If you wish to meet with a member of The Arc's Trust Department, call or email ahead to schedule an appointment. Please do not simply drop-by and assume you can meet with the appropriate person.

For several years, it has been The Arc's policy to process Disbursement Requests on the 1<sup>st</sup> and 15<sup>th</sup> days of each month. However, over the past year, as the Foundation's trust program has grown, the Trust Department has processed Disbursement Request forms and supporting documentation daily (M-F, 9am-2pm).

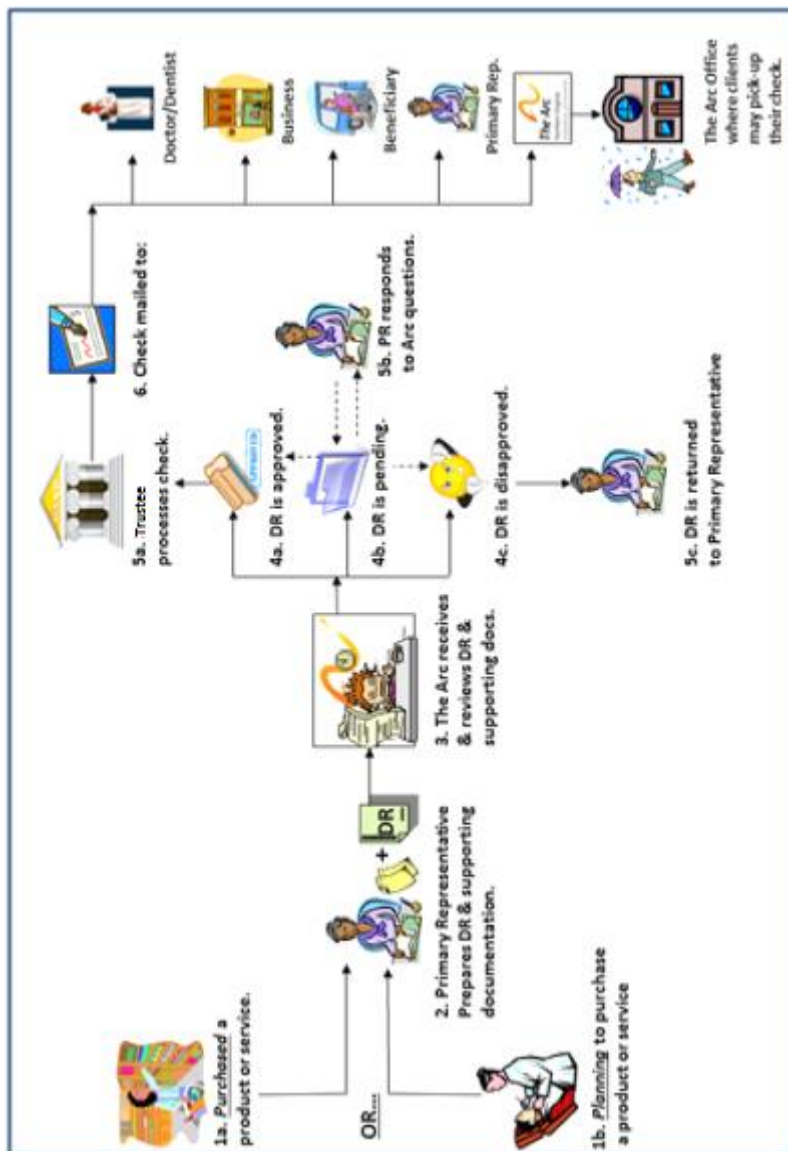
DRs are processed in the order in which they are received. It is our intent to process in a timely manner. Once approved, the documents are sent to the Trustee for final review, check-printing, and mailing.

Please see **Figure II** for an illustration of the disbursement process. **Table I** lists and explains each step in the process.

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<sup>6</sup> In a SF Trust, the Beneficiary often serves as his/her own Primary Representative. Therefore, the Beneficiary of a SF Trust often submits the DR form.

Figure II: Disbursement Process



**Table I: Disbursement Process Step-by-Step**

#	Step	Description
1a	Purchase a good or service. <b><u>OR</u></b>	Beneficiary or Primary Representative pays for a product or service needed by the Beneficiary and then seeks reimbursement.
1b	<u>Planning</u> to purchase a good or service.	Beneficiary and Primary Representative (if different) plan to purchase a good or service through a trust disbursement.
2	The PR prepares Disbursement Request (DR) Form & supporting documentation.	Complete all required information DR Form. Primary Representative prints his/her name, signs and dates form. Bills, invoices, receipts, and any other relevant supporting documentation is attached to the DR Form.
3	The Arc receives & reviews the DR & supporting documentation.	Via email, fax, letter or in-person drop-off, The Arc's Trust Dept. @ The Arc receives the signed DR form and supporting documentation.
4a	If DR is Approved... <b><u>OR</u></b>	The DR is approved and along with supporting documentation sent to the Trustee for check processing.
4b	If DR is Pending... <b><u>OR</u></b>	The DR remains in a Pending folder while Arc staff contact the Primary Representative to request missing information, supporting documentation and/or other questions about the DR.
4c	If DR is Disapproved...	The DR is disapproved and the documents are returned to the Beneficiary or Primary Representative with a letter explaining the reason for the disapproval.

5a	<p>Check is processed.</p> <p style="text-align: center;"><u>OR</u></p>	<p>The Trustee processes a check. If the approved DR with supporting documentation is received before 12 noon, the check is processed the same day. Otherwise, it is processed the next business day.</p>
5b	<p>PR responds to Arc questions...</p> <p style="text-align: center;"><u>OR</u></p>	<p>If the Trust Associate has questions about the DR, he/she will contact the Primary Representative to request clarifications. If the DR can be completed, the check is processed (#5a). If the DR cannot be completed, then it is disapproved (#5c).</p>
5c	<p>DR returned to PR...</p>	<p>If the DR cannot be completed correctly, the DR is returned to the Primary Representative.</p>
6	<p>Check is mailed.</p>	<p>The Trustee mails the check to the payee identified on the DR form. Checks take 2+ <u>business</u> days to reach payees.</p>

## Checks

The Foundation does not provide copies of checks processed from trust sub accounts. If a Beneficiary or his/her Primary Representative has questions about the status of a check, he/she should contact the Trust Associate via phone or email, noting the details of the relevant Disbursement Request (submission date, payee, amount and purpose). The Trust Associate will work with the Trustee to address the client's request as quickly as possible.

## IV. Recurring Disbursements

Many SNT Beneficiaries have recurring monthly expenses. Examples might include bills for cell phone service, cable/internet services, living space cleaning or maintenance fees, and/or regular personal item purchasing needs. Trust clients also have regular, though not necessarily monthly, bills over a period of years from the same payee - such as a doctor or dentist, an accountant, attorney, therapist or veterinarian.

To more efficiently process disbursements for recurring expenses such as these, the Foundation's Trust Department offers an additional service: the Recurring Disbursement Request.

A Primary Representative may prepare and submit a signed Recurring Disbursement Request for a specific provider to pay a monthly, quarterly or otherwise routine bill. The Primary Representative may request a recurring payment of a fixed amount or a variable amount. The Primary Representative may specify an allowable range or a maximum allowable amount on the Recurring Disbursement Request form as well. The Primary Representative should also specify the payment frequency (quarterly, monthly etc.) and the recurring payment's due date (e.g. 1<sup>st</sup> day of the month, 15<sup>th</sup> day of the month...). Based on the date provided on the Recurring Disbursement Request form, The Arc's Trust team will work with the Trustee to ensure the payment is scheduled to reach the payee on time. The Foundation's Trust Department will usually request a

recurring disbursement check be processed ten days prior to the payment deadline.

Once the Recurring Disbursement Request has been reviewed and approved, the payee's bills may be faxed or mailed directly to The Arc's Trust Department. See Figure 3 for an illustration of a completed and approved Recurring Disbursement Request form for a monthly cell phone bill.

The processing of Recurring Disbursements is the same as that illustrated in Figure 2 and described step-by-step in Table I. For either situation, however, it is the Primary Representative's responsibility to notify the Foundation's Trust Department *in writing* if the approved recurring disbursement needs to be discontinued. The Foundation requires written notice of cancellation from a Primary Representative at least 10 business days before the next month's payment date.

## Figure III: A Recurring Disbursement Request Form



Revised 9/2015

### RECURRING DISBURSEMENT REQUEST FORM

Beneficiary Name: \_\_\_\_\_ Participant #: \_\_\_\_\_

Make Check Payable to: \_\_\_\_\_

Mail Check to: \_\_\_\_\_  
\_\_\_\_\_

Payment Amount: \$ \_\_\_\_\_

Check Memo (i.e. account/invoice number): \_\_\_\_\_

Purpose of Request: \_\_\_\_\_

Beneficiary Receives: Medicaid:  Yes  No SSI:  Yes  No

Frequency: Please check one and specify payment due date:  
 Yearly: \_\_\_\_\_  
 Every 6 months: \_\_\_\_\_  
 Quarterly: \_\_\_\_\_  
 Monthly: \_\_\_\_\_  
 Other: \_\_\_\_\_

Remember: SSI Recipients may 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 approved within 5 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: \_\_\_\_\_ Daytime Phone/Email: \_\_\_\_\_

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; 2. This Disbursement Request is for the sole benefit of the Beneficiary; 3. The Beneficiary was alive at the time the expense was incurred; 4. The Beneficiary will follow SSI and Medicaid rules for reporting changes in income within 10 business days.

ARC ONLY: \_\_\_\_\_ fixed or \_\_\_\_\_ variable

Approved

Disapproved: Reason \_\_\_\_\_

Signature: \_\_\_\_\_ Authorized Date: \_\_\_\_\_

Phone: 703-208-1119

Trust Department, Foundation of The Arc of Northern Virginia  
2755 Hartland Road, Suite 200, Falls Church, VA 22043

FAX: 703-208-0906



## V. Special Situations

### A. Purchases Requiring Credit Cards

Today, many routine purchases require a credit card. Large-ticket items, online purchases and almost all travel arrangements (tickets, hotel reservations, etc.) require a credit card. Unfortunately, many SNT Beneficiaries do not have a credit card.

To assist trust clients with these types of purchases, the Foundation of The Arc of Northern Virginia maintains a credit card for Trust Department purposes. Primary Representatives planning a large or credit card-only purchase may complete a DR form requesting a trust disbursement check *made out to* the Foundation of The Arc of Northern Virginia. When the Disbursement Request is processed and the Trust Department receives the trust account check from the Trustee, The Arc's Trust Department can complete the purchase for the trust client using the credit card. The Process may take up to 5 business days to complete. (Note: For emergency purchases, see section V.E).

Table II on the next page describes this process in greater detail.

**Table II: Processing a Credit Card Purchase**

#	Step	Description
1	Plan purchase.	Primary Representative researches total price and obtains supporting documentation (statement; online purchase “check-out” tally; price quotes, including taxes).
2	Complete DR form.	Primary Representative completes a DR noting the Foundation of The Arc of Northern Virginia as payee & the payee address as: 98 N. Washington Street, Falls Church, VA 22046.
3	Submit DR form.	Primary Representative mails/faxes/emails DR form <u>AND</u> supporting documentation to The Arc’s Trust Dept. PR should provide any additional explanation, deadline and/or purchasing guidance required in writing with the DR.
4	Arc Processes DR.	The Arc of Northern Virginia receives, reviews, and approves or disapproves the DR. If approved, the DR form and supporting documentation is sent to the Trustee.
5	Trustee Process Check.	The Trustee reviews the DR and supporting documentation, cuts a check to the Foundation, and mails it to The Arc.
6	Arc Receives Check.	The check from the trust made out to the Foundation arrives at The Arc and is deposited.
7	Arc Completes Credit Card Purchase.	Trust Dept. staff contact the Primary Representative and complete the credit card purchase. Note: Some purchases require close coordination between the Trust Dept. and a Primary Representative.
8	Arc Completes Documentation.	If needed, Trust Dept. sends Primary Representative the invoice or other documentation related to the purchase.

## Figure IV: Credit Card Purchase Disbursement Request

Revised 9/2015



### DISBURSEMENT REQUEST FORM

Beneficiary Name: Joseph Jones

Participant #: 1234567

Make Check Payable to: Verizon

Checks will be mailed to the service provider unless otherwise noted by the Primary Representative.

Mail Check to: Verizon Wireless Services, PO Box 123, Boston, MA 55555

Payment Amount: \$72.00

Date Needed: April 5, 2013

Check Memo (i.e. account/invoice number): 0120034056789

Purpose of Request: Landline service

Beneficiary Receives: Medicaid:  Yes  No SSI:  Yes  No

Remember: SSI Recipients may 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. Complete and legible Disbursement Requests with documentation will be approved within 5 business days of receipt. Emergency situations will be processed individually.

Disbursement requests without bills, invoices, training invoices or receipts which fully document the Payment Amount cannot be processed.

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.

Primary Representative/Beneficiary must sign the Disbursement Request. Unless otherwise specified, Grantors are Primary Representatives.

Requested By: Julie Jones-Smith

Daytime Phone/Email: jsmith@yahoo.com

Signature : Julie Jones-Smith

Date: March 15, 2013

By signing this form, the Primary Representative is certifying: 1. He/she is authorized to approve Disbursement Requests on behalf of the Beneficiary; 2. This Disbursement Request is for the sole benefit of the Beneficiary; 3. The Beneficiary was alive at the time the expense was incurred (for SF trusts only); 4. The Beneficiary will follow SSI and Medicaid rules for reporting changes in income within 10 business days.

**ARC ONLY:**

- Approved: Sent to Trustee on \_\_\_\_\_
- Disapproved: Reason \_\_\_\_\_

This section completed by the Trust Dept. of The Foundation of The Arc of Northern Virginia.

Signature: \_\_\_\_\_ Authorized Date: \_\_\_\_\_

Sample Only

Trust Department, Foundation of The Arc of Northern Virginia

NEW FAX:

Phone: 703-208-1119

NEW ADDRESS: 2755 Hartland Road, Suite 200, Falls Church, VA 22043

FAX: 703-208-0906

## B. Store Cards

Many trust clients like to shop with store cards. They are a convenient and efficient purchasing tool particularly for those who do not have access to credit cards.

Unfortunately, the federal government and many state government agencies view store cards as income. As a result, trust beneficiaries who receive SSI benefits may lose some or all of their monthly benefits if they receive store cards. Other trust clients (for example those who have subsidized housing benefits) must declare any store cards they receive (including those purchased with their trust funds) on their annual recertification applications.

If a trust client does not receive SSI, he/she may request the purchase of a store card with his/her trust funds with the following requirements:

1. The Disbursement Request for a store card must be accompanied by a “Training Invoice” from the store or internet, for example, which clearly documents the Beneficiary’s planned purchases. A Training Invoice may be a list of goods to purchase (with photos and estimated prices).
2. After completing store card purchases, the Beneficiary or his/her Primary Representative MUST provide receipts before another similar store card disbursement will be approved.
3. A trust Beneficiary may not receive another store card (of any kind) if it is discovered the cards are being used for purchases other than those described in the original Training Invoice.

## C. TrueLink Credit Card

We are happy to announce that the Foundation of The Arc of Northern Virginia will be offering trust clients a new purchasing tool: the TrueLink Credit Card.

Designed specifically for SNT clients who receive government benefits, the True Link Credit Card can be used for purchases at many establishments. Each client's TrueLink Credit Card will be loaded through the disbursement request process. An agreement provided by The Arc to the Primary Representative must be signed prior to processing the first TrueLink Credit Card disbursement request. The trust client will then be able to use the card like a credit card. Receipts for TrueLink Credit Card purchases must be submitted before a card is reloaded. Fees will be charged for the TrueLink Credit Card service.

Each trust client who requests a TrueLink Credit Card will sign an agreement (**Figure V**) indicating his/her card will not be used to purchase items for individuals other than the Beneficiary, and the card will not be used by any individual other than the Beneficiary or his/her Primary Representative(s) for the benefit of the Beneficiary. All government benefits requirements applicable to routine trust disbursements will also apply to purchases made with the TrueLink Credit Card.

As a result, TrueLink Credit Card holders will be required to submit receipts for every purchase and additional funds will NOT be added to the card until all receipts are received and reviewed.

## Figure V: TrueLink Credit Card Agreement

Revised 9/2015



Beneficiary Name: \_\_\_\_\_ Sub-Account: \_\_\_\_\_

### Beneficiary True Link Agreement

Dear Trust Beneficiary,

We are pleased to offer you the opportunity to use a special Visa card designed especially for Special Needs Trusts.

The True Link Card is a reloadable Visa card, which enables you to make disbursements safely, quickly, and reliably. The card also allows beneficiaries and their representatives the freedom to purchase things that enhance their quality of life. Please read the rules below used to govern the card.

The Social Security Administration closely monitors the use of these cards and will routinely ask for copies of the receipts. Because of this, we would like to make you aware of how to properly use these cards.

By signing below, you agree to all of the following:

- The card cannot be used by anyone other than the beneficiary or their primary representative (PR) for the sole benefit of the beneficiary, nor to withdraw cash.
- SSI (Supplemental Security Income) recipients may not use this card to purchase groceries, and to pay for housing, unless it is while on vacation.
- The card purchases must be consistent with the beneficiary's trust plan.

### Simple Fee Schedule

- Monthly fee: \$ 7.00
- The fee will be assessed and deducted monthly starting one month after the card has been activated

### Request process

- You or your PR must submit a signed Disbursement Request Form (or Recurring Disbursement Request Form) and a detailed Training Invoice to have funds loaded on your card. Your card will be loaded after your request is approved by the Trust Director.
- Training Invoices must clearly detail the goods or services, and the cost thereof.

Trust Department, Foundation of The Arc of Northern Virginia

Phone: 703-208-1119

2755 Hartland Road, Suite 200, Falls Church, VA 22043

FAX: 703-208-0906



- You must mail, fax, or email copies of the receipts to the Trust Associate for every purchase you make using the card. This should be done by the 20<sup>th</sup> of the following month, at the latest.
- No additional funds will be loaded to your card until you turn in receipts from past purchases. You have until the 20th of the following month to submit all receipts from the prior month. (see example #3 on page)

#### Funding schedule

- The card will be loaded with funds upon agreement with the Trust Associate. If the funding day(s) falls on a weekend or holiday, it is possible to receive funds on the last business day before the holiday. Please contact us for more information.

All requests for additional uploads, outside of the monthly budget, must be done using a Disbursement Request form and a training invoice. Each request outside of the monthly budget requires the approval of the Trust Director.

#### Unallowed items or services

- Items considered in-kind support and maintenance by SSI (i.e., food and shelter), *unless* the beneficiary and Trustee have entered into a signed agreement prior to purchase of said items
- Items used for illegal activity (e.g., firearms, weapons)

The undersigned agrees to the rules set out in this Beneficiary True Link Agreement. If these rules are not followed or if the True Link Card is misused in any way, card privileges will be revoked.

**Note:** You may lose the privilege of being able to use this special Visa card if you violate any of these policies. If you have any questions regarding the use of the True Link Visa card, please contact the Trust Associate at (703) 208-1119 x119 between the hours of 9am - 4:30pm, Monday - Friday. Please sign and date this letter, and return it to the Trust Department, ATTN: Trust Associate.

*Be sure to keep a copy for your records.*

Sincerely,

The Arc of Northern Virginia

Primary Representative Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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## D. Personal Credit Cards

Some Primary Representatives find it more efficient to use a credit card for purchases they make on behalf of a Beneficiary. The Foundation's Trust Department will process disbursement requests for credit card bills BUT the credit card bill must be accompanied by receipts for every transaction on the bill for which trust reimbursement is requested. Receipts are required because credit card bills do not reflect the specific items or services purchased, only the store or business at which the transaction occurred. PR should number each transaction on the actual receipts and organize the receipts neatly for submission.

In addition to credit card bills and receipts, the PR should prepare a summary sheet itemizing each transaction that needs to be reimbursed. Please see an example of the summary sheet in **Figure VI**.

Trust clients receiving certain government benefits risk losing their eligibility for those benefits if they use their trust for certain purchases. Other clients, particularly those with Self-Funded Trusts, should be using their trust funds only for their own supplemental needs - not for goods or services for children, relatives, spouses or friends.



**Figure VI: Sample Credit Card Summary Sheet**

**Credit Card Reimbursement Summary Sheet**

	<i>Date</i>	<i>Vendor</i>	<i>Amount</i>
1	1/1/2016	Macy's	\$55.89
2	1/5/2016	Verizon Wireless	\$25.00
3	1/8/2016	CVS	\$98.56
4	1/12/2016	Maid Service	\$55.00
5	1/21/2016	Giant	\$7.45
6	1/30/2015	CVS	\$36.12

## E. Emergencies

Sometimes a SNT Beneficiary may need funds from his/her trust for an unanticipated emergency: tickets to travel to a family funeral, an urgently needed medication refill, alternative transportation due to a car breaking down, or end-of-month living expenses.

Each emergency will be handled on a case-by-case basis.

Whenever possible, the Trust Department of the Foundation of The Arc of Northern Virginia will expedite the processing of Disbursement Requests for emergency situations for trust clients within the limits of the Arc's office hours (9-4:30pm Monday through Friday), staff availability, and The Trustee's disbursement requirements (approved DRs must be received by noon each day). If an emergency Disbursement Request requires substantial staff time to research and book reservations, manage logistics and process multiple payments under very tight time constraints and/or after hours, an additional fee for ALLY Services will be charged. The ALLY services payment will be disbursed from the Beneficiary's trust sub account and the Primary Representative will be expected to sign and promptly return a Disbursement Request form for these services.

## F. Travel and Vacations

The funds in a SNT may be used to pay for a Beneficiary's vacation expenses. Purchases and needs for vacations are processed the same way as regular disbursement requests. Primary Representatives must submit all receipts for items purchased during the vacation or provide detailed documentation on anticipated expenses, such as hotel bills, receipts for food and drinks, and gas receipts for the car.

Although all disbursement requests must be submitted to show the expenses that are accrued on behalf of the Beneficiary, some SNT Beneficiaries may require a companion to travel. If a SNT Beneficiary requires a companion to accompany him or her during the vacation, it is required that the Grantor/Primary Representative provide a written verification or evaluation from a licensed health care professional indicating that the Beneficiary needs a companion in order to travel.

If the Trust Department is using our credit card to make travel arrangements for the Beneficiary, documentation must be provided prior to travel.

If the Grantor/Primary Representative is being reimbursed for travel expenses, documentation must be provided prior to reimbursement.

## VI. Special Considerations for Government Benefits Recipients

The funds in a SNT are not considered an *asset* by the Social Security Administration and Medicaid. However, funds from a SNT sub account disbursed directly to a trust's Beneficiary may be viewed as income by some programs. Since funds in each Beneficiary's SNT sub account must be disbursed in a manner that carefully considers the Beneficiary's government benefits, the Foundation of The Arc of Northern Virginia maintains sole discretion over Disbursement Request approvals.

### A. Implications for SSI Recipients

If a Trust Beneficiary receives SSI, additional rules must be followed:

1. **No Direct Reimbursements:** Trust Beneficiaries who are also SSI recipients should not reimburse themselves directly for any expense from their trust sub accounts. If such a situation occurs, the transaction (regardless of the intent or purpose) can be considered reportable income. The Beneficiary must inform SSA of the transaction and the Beneficiary's SSI benefits may be jeopardized.
2. **No Food or Shelter Purchases:** Trust Beneficiaries who receive SSI should not use their trust funds to purchase food, shelter or shelter-related services (other than shelter purchased during a vacation or trip). Even if a third party purchases food for the Beneficiary, he/she may not be reimbursed with trust funds unless the third

party understands there may be a reduction in the Beneficiary's SSI benefits.

3. **No Gifts:** Beneficiaries *with Self-Funded Trusts* are not permitted to purchase gifts with their trust funds. Self-Funded Trust Beneficiaries cannot purchase goods or services for others nor can they give funds from their trust to others. Self-Funded Trust Beneficiaries may tithe a 'minimum amount' according to Social Security. *Individuals with Family-Funded Trusts* may use their trust funds to purchase gifts for others.
  
4. **Third Party Reimbursements:** Third parties who purchase goods or services (other than food or shelter) *for the sole benefit of the Beneficiary* who is also an SSI recipient can be reimbursed by the trust according to current policy.<sup>7</sup> A Disbursement Request with complete back-up documentation is required for such third party reimbursements.

Whenever possible, the Foundation prefers to process payments to businesses and professionals directly rather than reimburse family members.

Two examples illustrate **alternative approaches** to common situations:

- a. **Credit Card Bills:** If a parent uses a credit card to purchase goods or services for the Trust Beneficiary who receives SSI, the parent can be directly

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<sup>7</sup> Per Social Security Administration's (SSA's) Program Operations Manual System (POMS): SI 01120.200 E.1.d.

reimbursed by the SNT for the credit card transaction if complete receipts are provided and the purchased good or service is clearly for the sole benefit of the Beneficiary. HOWEVER, these alternative approaches may be more efficient:

- i. Completing a Disbursement Request asking the Foundation to pay the business directly with the Foundation's credit card (see section V.D) OR
  - ii. Facilitating the Beneficiary's use of the new TrueLink Credit Card to make the purchase.
- b. **Medical Bills:** If a parent arranges medical or dental appointments for a Trust Beneficiary, the parent can pay for the service directly and then seek reimbursement from the trust. Alternatively, the parent can obtain a statement or detailed estimate from the doctor/dentist/therapist and then process a Disbursement Request to pay the provider directly. The trust check can be mailed directly to the provider or mailed to the parent/third party who can then present the check to the provider on the date of service. The Arc's Trust Team is able to help coordinate this service if medical or dental providers have any questions about plan for payment.
- c. For all reimbursements to third parties, the SNT can reimburse expenses accrued/paid for within the last 3 months. Reimbursements for expenses accrued or payments made more than 3 months ago will be reviewed on a case-by-case basis.

For instance, if the SNT for a Beneficiary is established in January 2016 and the Primary Representative wants to be reimbursed for various expenses prior to the trust establishment, the PR can only submit a disbursement request for reimbursements for expenses since October 2015.

After the SNT has been established, the PR can submit disbursement requests for reimbursement for expenses that were accrued/paid for within the last 3 months. For example, if the PR submits a disbursement request on July 1, 2015, the SNT can reimburse the PR for expenses since April 1, 2015.

#### **B. Implications for Recipients of Other Benefits**

SSDI recipients may be reimbursed for certain expenses from their trust funds. HOWEVER, if a SSDI recipient is also receiving Food Stamps (SNAP), subsidized housing and/or Medicaid, then he/she cannot be identified as the Payee on trust disbursements because doing so risks his/her eligibility for these benefits. If a recipient of subsidized housing, SSDI, or Medicaid receives funds directly from his/her trust, then he/she must report all such transactions as income on any annual renewal/recertification applications.

## Appendix A: Definitions

**Beneficiary (or Trust Beneficiary):** A person with disabilities for whom a sub-account is established within the Trust (MA, 2.2). A Beneficiary may be his/her own Primary Representative in a SF Trust unless he/she has a court-appointed Guardian or Conservator.

**Benefits (or Government Assistance):** All services, medical care, benefits and financial assistance that may be provided by any local, state or federal agency or private organization to or on behalf of a Beneficiary. Benefits referred to in this booklet include but are not limited to the Supplemental Security Income (SSI) program, the Old Age Survivor and Disability Insurance (OASDI) program, the Social Security Disability Insurance (SSDI), program, the Medicaid and Medicaid Waiver programs, TANF, subsidized housing. Certain benefits have limitations. (MA, 3.6)

**Disbursement:** A payment made from a trust sub account processed by the Trustee at the Manager's direction. Disbursements may be made directly to a Primary Representative, in any form allowed by law, to any person deemed suitable by the Manager; by direct payment of a Beneficiary's expenses; or directly to the Beneficiary if not otherwise inconsistent with the intent of the Trust and/or the Joinder Agreement and/or the Trust Plan. (MA, 3.5)

**Grantor:** A parent, grandparent or Guardian/Conservator of a Beneficiary, a Beneficiary himself or herself, any court or any other person or entity that establishes a sub account within the Trust for the benefit of a Beneficiary, whether such contribution is by gift, will, beneficiary designation, contract or agreement. (MA, 2.4)



**Joinder Agreement (JA):** The document which provides information about the Beneficiary, the Grantor(s), the Conservator (if any), and the Primary Representative(s) of the Beneficiary as well as information about disbursements from the Beneficiary's sub account and annual costs associated with the Trust, and which sets forth other issues regarding the relationships among the Trustee, Manager and Grantors. Every trust's grantor(s) prepared a JA document. (MA, 2.8)

**Manager (or Trust Manager):** The Foundation of the Arc of Northern Virginia. (MA, 2.1)

**Master Agreement (or MA):** The Personal Support Self-Funded or Family Funded Agreement dated July 16, 1999 and amended and restated in its entirety on 2/20/2006 between the Foundation of The Arc of Northern Virginia, Inc. and Key Private Bank, as the Trustee. This is the legal document underpinning the Special Needs Pooled Trust. Every grantor received a copy of either the Self-Funded or Family Funded Master Agreement when s/he wrote his/her trust documents.

**Primary Representative:** A person(s) named in the Joinder Agreement with whom the Manager is authorized to communicate regarding the Beneficiary's interests and who may request disbursements for the Beneficiary. Primary Representatives may include: the Beneficiary's guardian or conservator, if legally appointed; parents, if a relationship is maintained; the Beneficiary's Representative Payee; siblings, if a relationship is maintained; residential staff or other staff persons in close proximity to the beneficiary; trustee of another trust for the beneficiary; or any other individual identified in the Trust Plan as appropriate. (MA, 2.6 & JA)

**Trust Plan (or Special Needs Trust Plan):** A Letter of Intent generally written at the time the trust documents are prepared and periodically updated as a Beneficiary's situation and needs evolve. The Trust Plan is the grantor's written profile of the trust beneficiary and documents the beneficiary's strengths and interests, challenges and limitations, strong relationships, benefits and other resources (individuals, organizations, community-based). For The Foundation's Trust Team, the Trust Plan is an essential resource. It is a living document.

**Trustee:** Key Private Bank.

## Appendix B: Potentially Allowable Supplementary Needs

- Community Supports such as:
  - Advocacy, oversight, or monitoring
  - Respite
  - Some crisis intervention, guardianship
  - Some vocational rehabilitation or habilitation
  - Housekeeping services, lawn care
- Recreation and Leisure such as:
  - Participation in sports, hobbies, recreational or cultural events, clubs
  - Vacations and travel i.e. Visiting friends, companionship
- Supplementary food and shelter (occasional and periodic, beyond what is “necessary”), such as
  - Dining out
  - Home improvements and repairs
  - Furniture and appliances
  - Cost difference between shared and private room
- Clothing
- Transportation such as:
  - Purchase of a car
  - Car repair, maintenance, and insurance
  - Accessibility-related equipment and modifications
  - Bus, rail, and cab fare
- Medical items such as certain therapies, medicines, and assistive technology/devices (not covered by Medicaid)
- Insurance (only that which will benefit the Beneficiary)
- Education and Training such as:
  - Conferences and seminars
  - Publication subscriptions
  - Class tuition, books, and supplies
  - Software
  - Other expenses to provide dignity, purpose, enjoyment for beneficiary