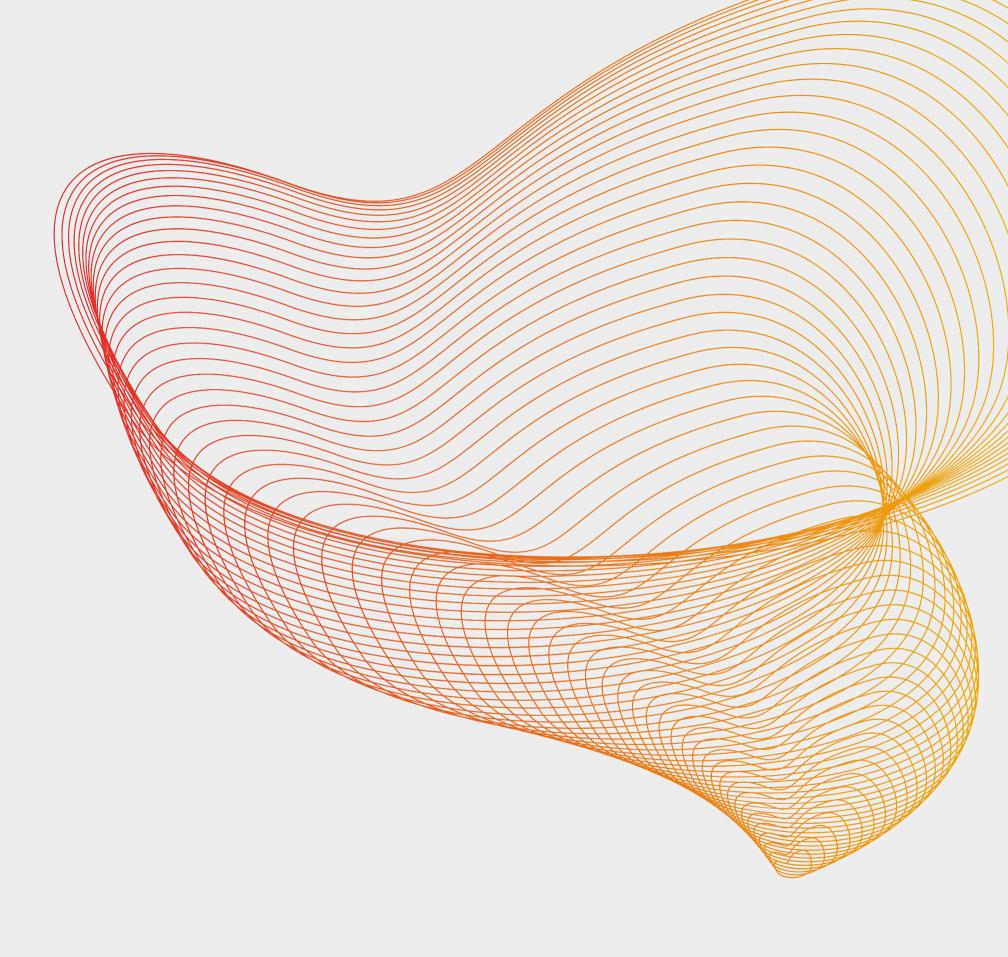


Disbursing from a Special Needs Trust & Budgeting



Kevin Collins
Account Manager





Our Disbursements Team



Kevin Collins

Account Manager



Allie Shelby

Account Coordinator



Fiona Wright

Account 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



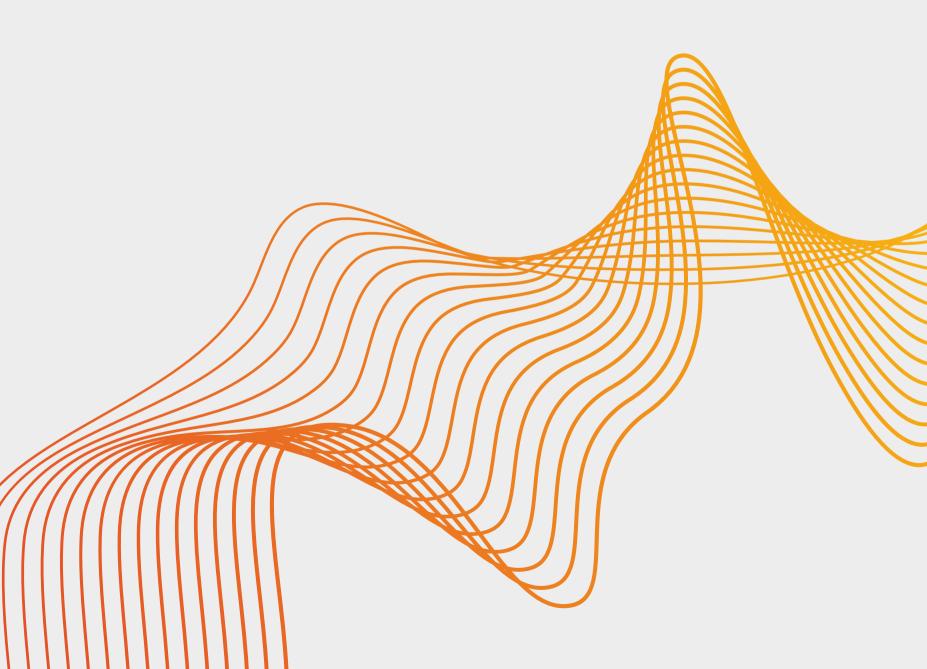
A Rule Before We Start

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!

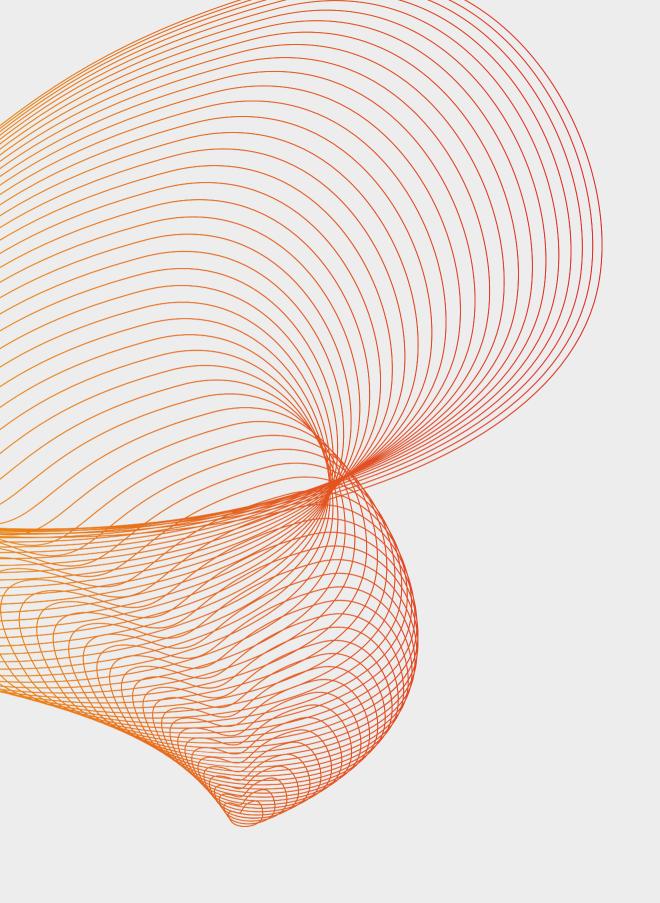




What can a special needs trust pay for?

- 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



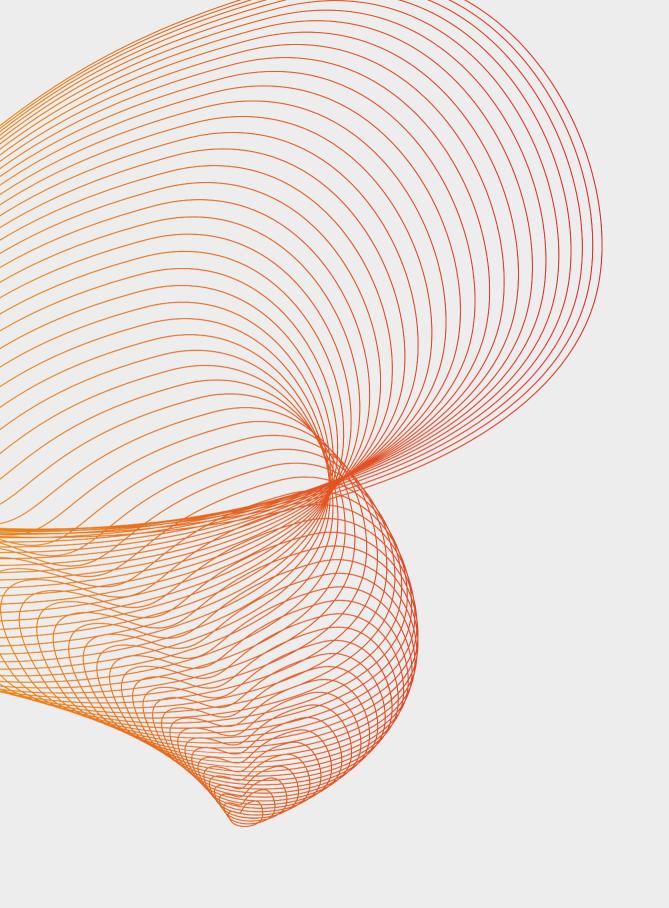


- Clothing
- Companion Care
 - Part-time personal attendant;
 attendant for special event
 (concert, ball game, travel, etc.)
 when not covered by insurance
- Dental Services
 - When not covered by insurance
- Education



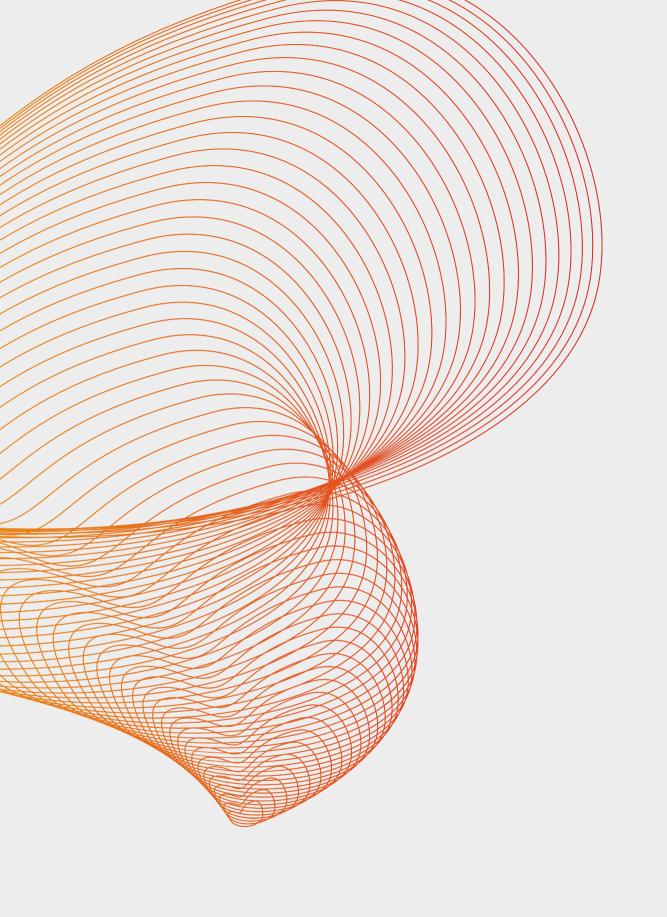


- Eye Care
 - Eye exams, glasses, contacts
 (when not covered by insurance)
- Furnishings
- Groceries
 - NOT for SSI & SNAP recipients
- Housecleaning
 - weekly/monthly cleaning service with invoices from independent contractor, laundry service



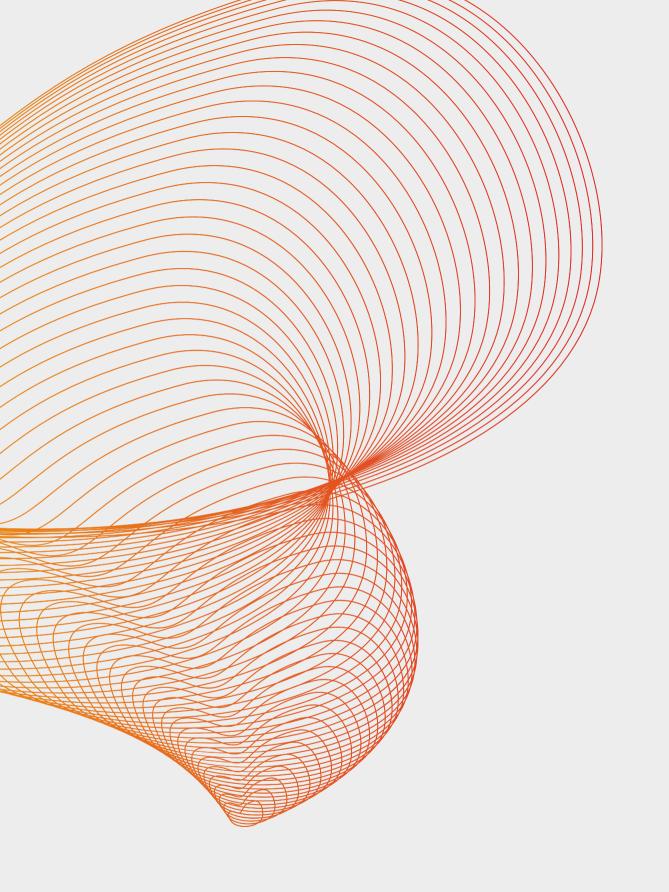


- Insurance Premiums
 - Auto, dental, medical
- Internet Service
 - Monthly bill (Verizon, Xfinity, ...)
- Jigsaw Puzzles
- Keys
- Kazoos
- Lamps
- Monthly Fees
 - All funded trusts





- 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, ...



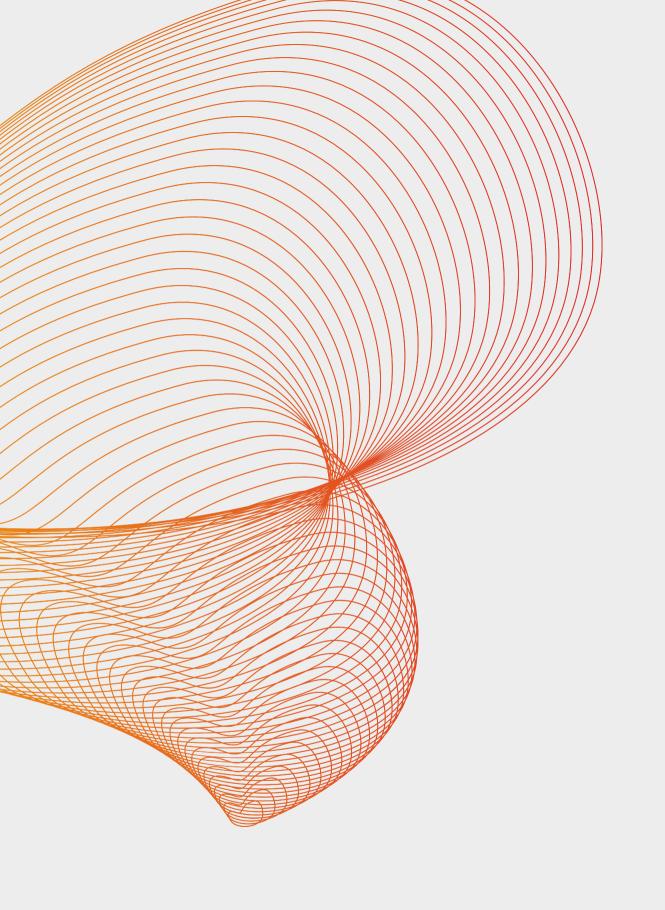


- Professional Services
 - Accountant, attorney,
 psychotherapist, ...
- Q-tips
- Recreation
 - Art classes, tickets to the circus,
 gym membership, ...
- Self-Storage Units
 - temporary for evicted/transitioning clients





- 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





- Utility bills
 - o 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

- 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 <u>only</u> be used to pay for reasonable and legitimate expenses.





Disbursement Process



Primary Representative

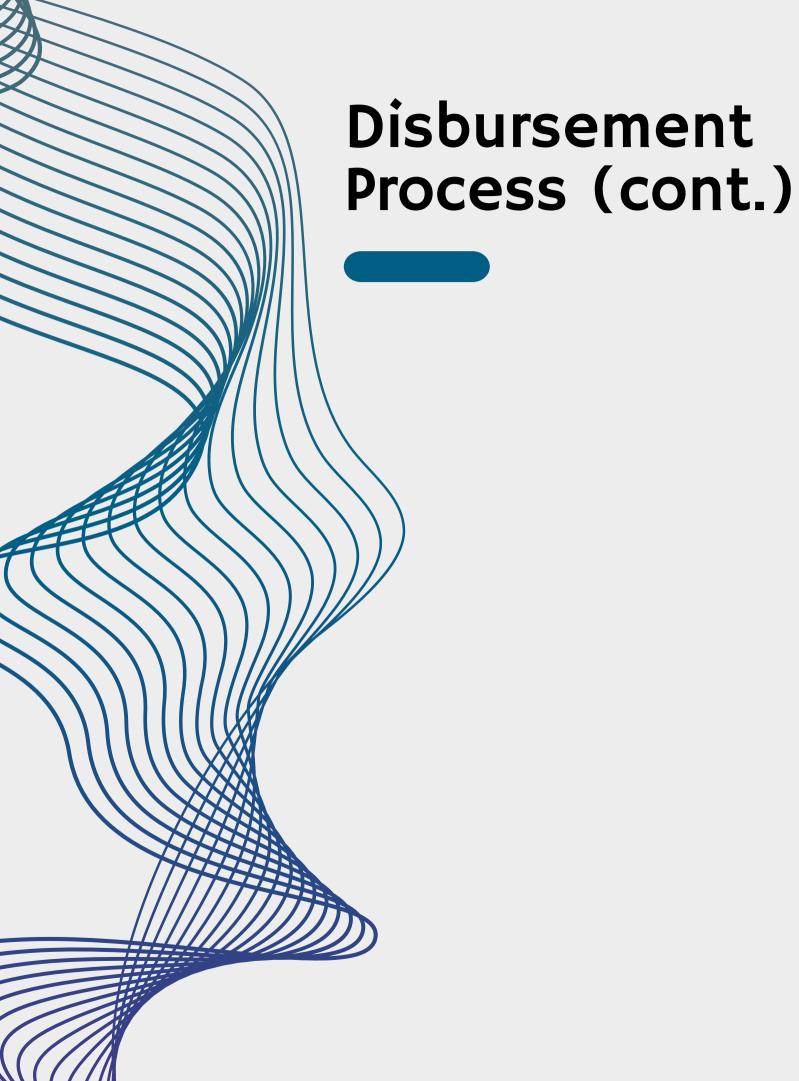
- Complete and submit a Disbursement Request Form
- Submit supporting documentation (bill, invoice, receipt) for the request
- Responsible for ensuring appropriate documents are submitted and received by our Trust Dept. and the form is fully completed

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







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

Special Needs Trust Serving Virginia, MD & DC

Disbursement Request Form

eneficiary Name:	Participant #:
heck Payee:	Account #:
Mail Check to:	
ayment Amount: \$	Date Needed:
heck Memo: i.e. Account #)	
urpose of Request:	
oes the Beneficiary Receive - Medicaid? - SSI?	Remember: SSI Recipients ought not use their trusts to pay for food, shelter or direct reimbursement.
lease enclose copies of bills, statements, trai	
IOTE: ach business day, Disbursement Requests are processed i oundation of The Arc of Northern Virginia. <u>Complete</u> and upporting documentation will be reviewed <u>within 8 busin</u> ddressed individually.	d <u>legible</u> Disbursement Requests with sufficient
enerally, once The Arc sends the Disbursement Request rint and mail the check to the Payee within 5 business o	
risbursement requests may require additional review and ubmission to and denial by a government agency to be co	
he Foundation of The Arc of Northern Virginia has sole d	iscretion regarding disbursements for the Beneficiary.
Requested By (print):	Phone/Email:
itle (if appropriate):	
ignature:	Date:

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



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

Disbursement Request Form

<i>a</i> /		Bardend 9:20
The Arc. Di	ISBURSEMENT REQUEST FOR	t.M.
Beneficiary Name: Johnny J	ones	Sub-Account: 1234567
Make Check Payable to: <u>Ton</u>	ry's Plumbing Service	
Mail Check to: 1 South Street		
Alexandria, VA 2	2314	
Payment Amount: \$250.00		Date Needed: ASAP
Check Memo (i.e. account/i	nvoice number):Invoice #55A	
Purpose of Request: repairs	to bathroom	Remember: SSI Recipients may not
Beneficiary Receives: Medic	cald: □ Yes □ No SSI: ■ Yes □ No	use their trusts to pay for food, shelter or direct reimbursement.
Please enclose copies of bill	ls, statements, training invoices or re	rceipts.
Generally, once The Arc sends the mail the check to the Payee within Disbursement requests may requin		
submission to and denial by a gove	e additional review and/or documentation. Comment agency to be considered a legitimate them Virginia has sole discretion regarding dist	supplementary expense.
submission to and denial by a gove	rmment agency to be considered a legitimate hern Virginia has sole discretion regarding dist	supplementary expense.
submission to and denial by a gove The Foundation of The Arc of North	rmment agency to be considered a legitimate hern Virginia has sole discretion regarding dist	supplementary expense. oursements for the Beneficiary. one/Email: 555-444-4321
submission to and denial by a gove The Foundation of The Acc of North Requested By: Jane Jones Signature: <u>Care Care</u> By signing this form, the Primary R Requests on behalf of the Beneficial The Beneficiary was allow at the to	rmment agency to be considered a legitimate hern Virginia has sole discretion regarding dist Daytime Pho	supplementary expense. oursements for the Beneficiary. one/Email:555-444-4321 O15 rriced to approve Disbursement, life benefit of the Beneficiary; 3.
submission to and denial by a gove The Foundation of The Arc of North Requested By: Jane Jones Signature: <u>Care Care</u> By signing this form, the Primary R Requests on behalf of the Benefich The Beneficiary was allow at the to 551 and Medicaid rules for reporting ARC ONLY:	rement agency to be considered a legitimate herr Virginia has sole discretion regarding dist Daytime Pho Date: 6/15/3 lepresentative is certifying: 1, He/she is authoray; 2. This Disbursement Request is for the some the expense was incurred for 5F trust on a gichanges in income within 10 business days.	supplementary expense. one/Email: 555-444-4321 to 15 rited to approve Disburiement life benefit of the Beneficiary; 3. life; 4. The Beneficiary will follow
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Submission to and denial by a gove The Foundation of The Arc of North Requested By: Jane Jones Signature: Jane Jones By signing this form, the Primary R Requests on behalf of the Beneficia The Beneficiary was alive at the ti SSI and Skedicald rules for reportin ARC ONLY: Disapproved: Sent to Disapproved: Reas Signature:	rement agency to be considered a legitimate hem Virginia has sole discretion regarding dist Daytime Pho Date: 6/15// lepresentative is certifying: 1. He/she is auth lary: 2. This Disbursement Request is fis with lary: 2. This Disbursement Request is for the some the expense was incurred (for 57 trusts on g changes in income within 10 business days. Trustee on	supplementary expense. sursements for the Beneficiary. one/Email:555-444-4321 1015 1015 to approve Disbursement life beneficiary viii follow and Date:

Bill (supporting documentation)

Tony's Plumbing Service

Date: 8/10/2023 Customer: Johnny Jones 123 Main St., Fairfax, VA 22314

Repair: Bathroom shower stall Leaky pipe fixed; toilet tank replaced.

Total: \$250.00

Approval!

Jan Francisco Juni 30 1877 : 5. 4967

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Line & Side States

Older Lines



- How to pay for <u>recurring</u> 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

ABC Cellular Service
Client Name
c/o The Arc of NOVA
3060 Williams Dr, Suite 300
Fairfax, VA 22031

Account No:

Invoice Date: 8/01/23

Monthly Charges: \$70.99
Balance Forward: \$0.00
Surcharge: \$3.00
Taxes: \$2.00

Total: \$75.99

Approval!





- 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.



- How to use the SNT for smaller expenses:
 - For all Beneficiaries whether you receives SSI or not, the Trust Dept. can provide a <u>KeyBank</u>
 <u>Credit Card</u> or <u>True Link Card</u>.
- 1. A <u>KeyBank Credit card</u> 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



- 2. A <u>True Link Card</u> 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

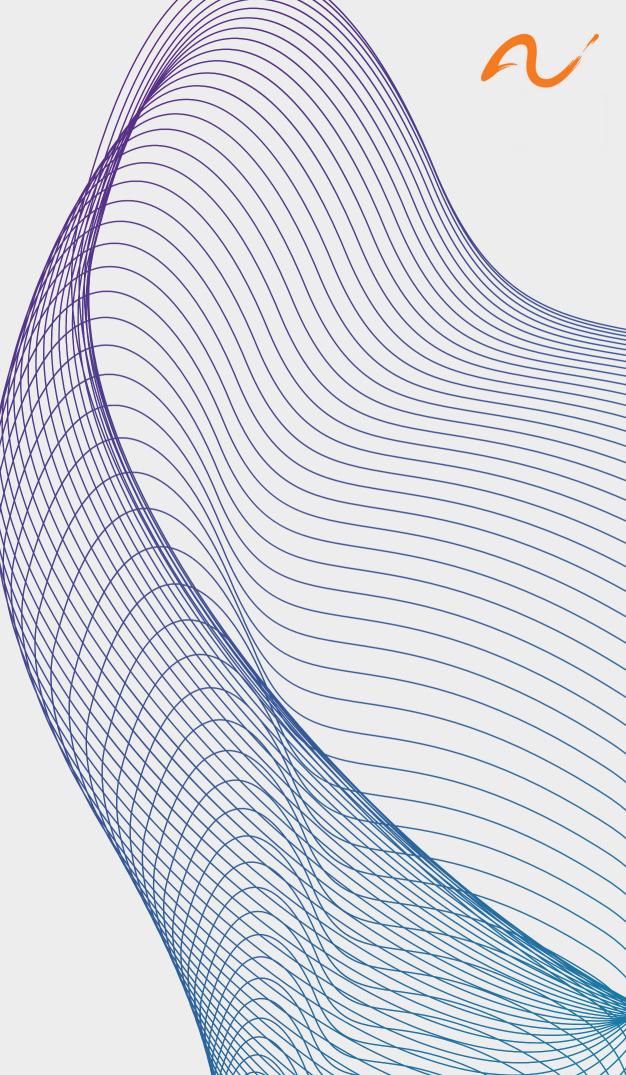
A Disbursement Request Form without supporting documentation

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!"

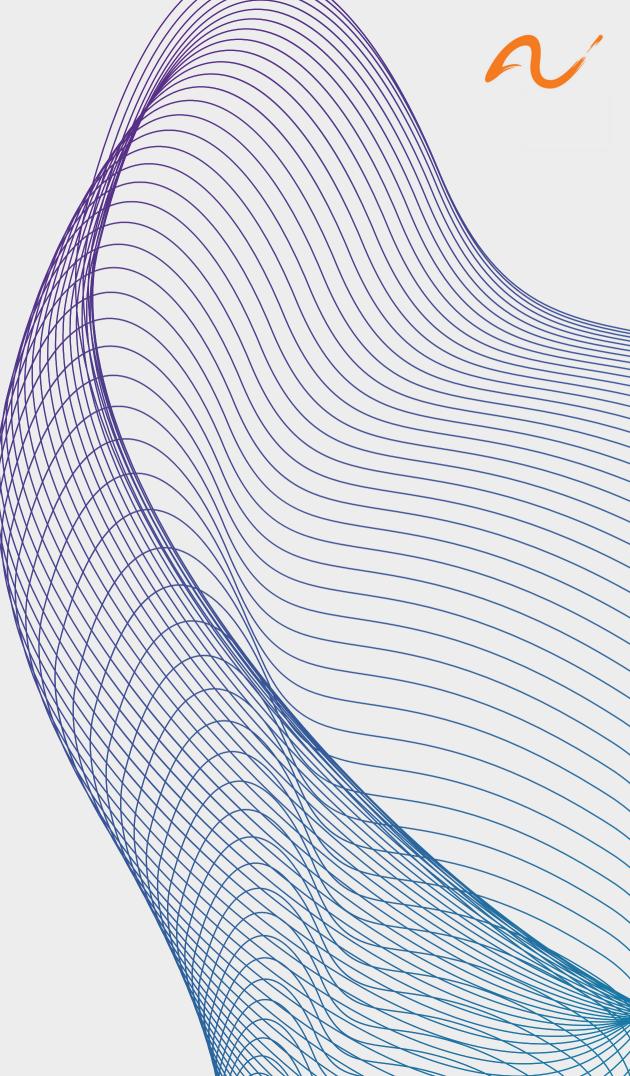


Reasons to Disapprove a Request

1. Incomplete Request (cont.)

Disbursement Form for itemized Credit Card
 Statement <u>without</u> individual receipts for each item on the statement

A Disbursement Request Form with just a Credit Card Statement <u>WITHOUT</u> receipts for specific transactions <u>CANNOT</u> 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.

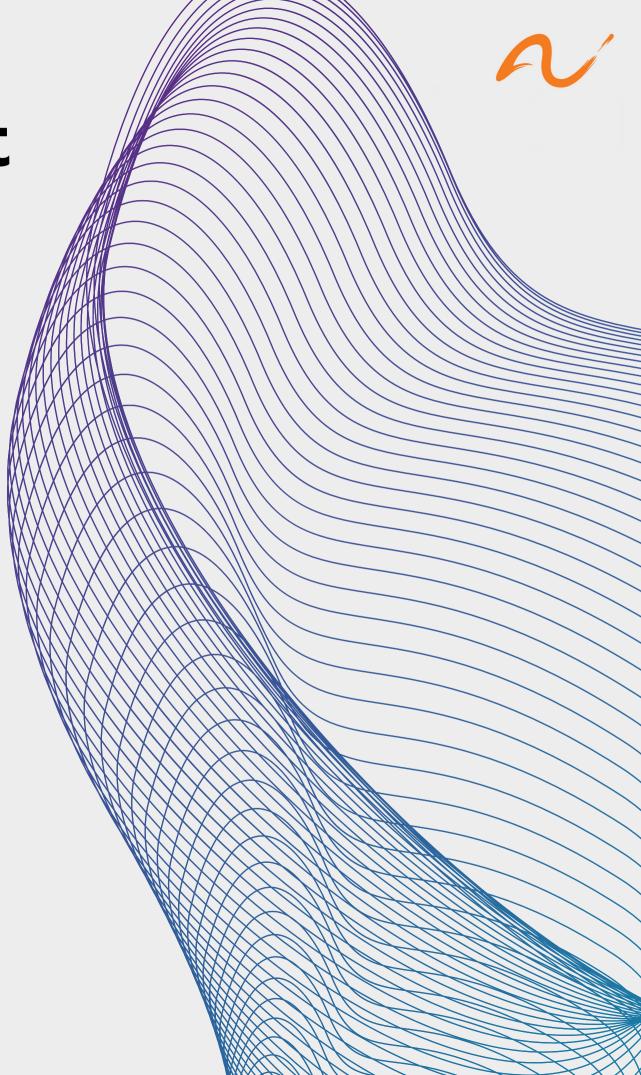


Reasons to Disapprove a Request

2. Cash Transfer

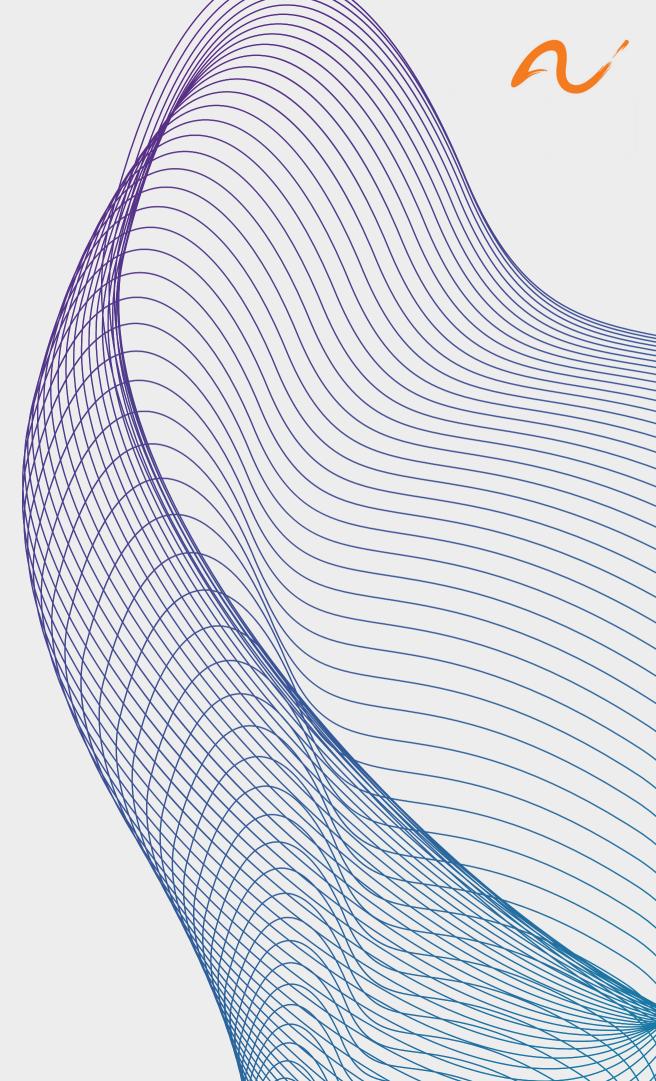
The Trust Department may not:

- 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.).



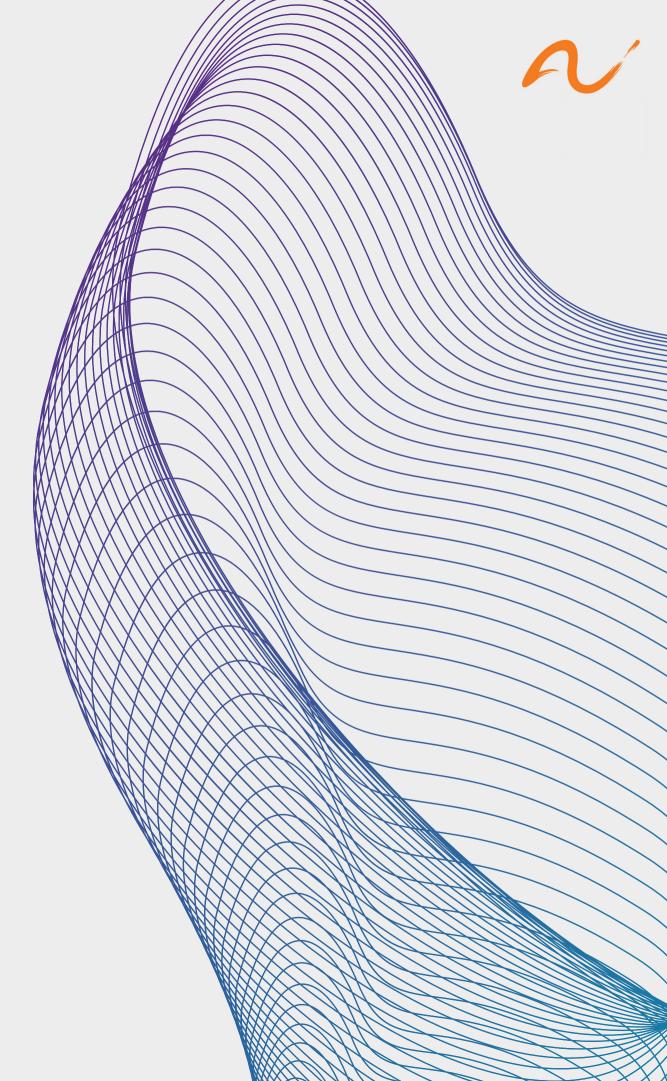
The "Top IO" Examples to Disapprove a Request

- 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 IO" 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



General Rule: The Special Needs
Trust is a <u>lifetime</u> legal vehicle to
<u>supplement</u> government
benefits.





Budgeting with a Trust Plan

Sid Mends Dust try BC, MO, d. Wi	Income 8	& Recurring Exper	nses		703-208
TOTAL MONTHLY	INCOME _				
Government Benefits		BENEFICIAL	RY (Full Name	y:	
 SSI 		Date the buy	dget was set up:		
 SSDI 		Date the box	aget was set up.		
 Housing grant 		Date for upd	late:		
Others					
Employment					
Other					
EXPENSES					
Household:		Special Equipment:		Automobile/Van:	
Mortgage/Rental*		Computer/tablet		Payments	
Utilities		Other technology		Gas/Oil/Maintenance	
(Electricity, heat, water)* HOA/Condo fee*		Repair of equipment Audio books		Other	
Utilities hookup		Guide dog		Insurance:	
and connection charges*		Hearing Aids/Batteries		Medical/Dental	
Property taxes*		Wheelchair		Burial	
Maintenance		Other		Automobile/Van	
Cleaning lens		Medical/Dental Care:		Housing/Rental	
Laundry costs Home modifications		Dental care		Homeowner's Insurance Other	e***
Other		Therapy		Other	
		Nursing services		Miscellaneous	
Care Assistance:		Well Check-up/		Other	
Live-in		Sick Visits		Other	
Respite Custodial		Eye Exams Glasses/Contact Lenses		Other	
Other		Other			
· ·					
Personal Needs:		Entertainment:		EXPENSES	
Groceries*		Dining out*			
Haircuts, beauty shop		Sporting Events Movies			
Telephone Cell phone		Vacation		(Subtract)	
Internet Service		DVDs, Videos, Games		TOTAL MONTHLY	
Cable		Camps		INCOME	
Cigarettes		Religious Organization			
Books, magazines, etc.		activities Det conferenties		(Equals) SUPPLEMENTARY	
Allowance		Pet care/supplies Other		NEEDS	
Transportation		Coulings .			
Vitamins/Specific Diet Medicine	-	Education:			
Other		Fees			
		Tuition			
Employment:		Books, materials Conferences	-		
Provider fees		Consciences			
Attendant Training	-	Clothing/shoes			
Other					

Trust Department The Foundation of The Arc of Northern Virginia 2755 Hartland Road, Suite 200 Falls Church, VA 22043 703-208-1119 Nonrecurring Expenses					
NONRECURRING EXPENSES	AMOUNT	ANTICIPATED DATE			

If your reasonable monthly expenses exceed your monthly income, the SNT may be used to supplement your regular income and cover excess expenses.



Budgeting Tips

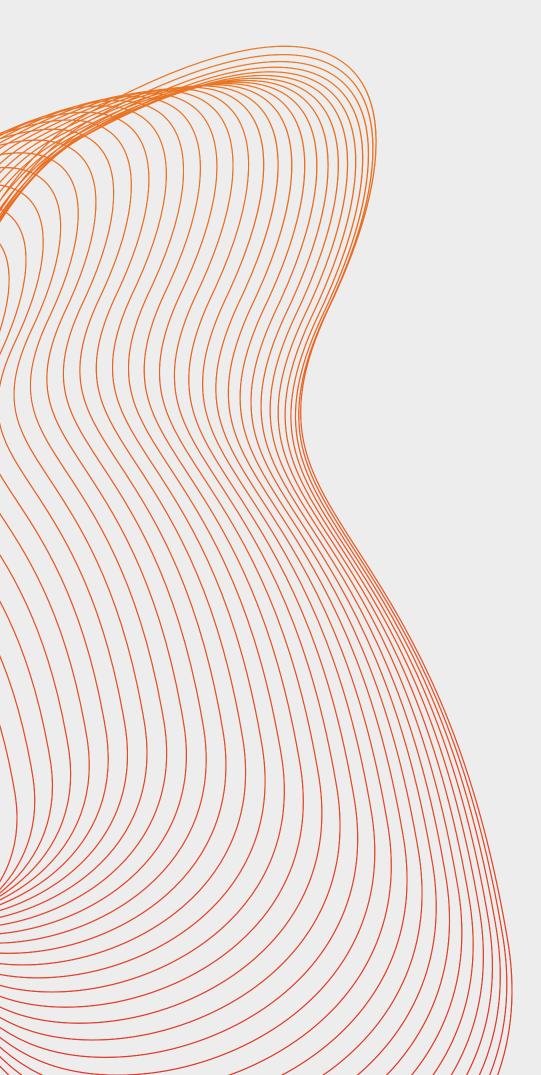
- Needs versus Wants
 - Make a list of things you need (you must have) and then make
 a list of what you want
- Set up your personal and financial goals
 - Make your Trust a <u>secondary</u> source of income
- Get ready to budget
 - Organize your monthly income
 - Keep receipts and organize them in categories 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







Kevin Collins

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