

## 1125.00P Financial Need Review Procedure

See corresponding policy: 1125.00 Financial Need Review Policy

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### Overview

ACCES-VR considers the financial need of individuals who are eligible for vocational rehabilitation services in order to maximize provision of vocational rehabilitation services to those with the greatest financial need. This procedure provides guidance for: completing a Financial Need Review and completing the Calculation of Consumer

Participation in the Cost of Services when needed to determine the individual's available resources, if any.

### **Financial Need Review**

A current Financial Need Review is required for all eligible ACCES-VR consumers (Status 10-32) at least annually and more often if the individual's finances change significantly. The Review must be documented in the electronic case record of services (CaMS). A current Review is one completed within the last 12 months.

ACCES-VR must strictly observe confidentiality of all financial information obtained from the individual and the individual's family.

Upon review an individual can be determined to be:

1. Exempt - through verification of benefits: (TANF, SNA, SNA non-cash benefits), SSI and/or SSDI, 1619b. No additional financial information is required beyond the documentation necessary to verify benefits;
2. Non-Financial Need Based Services (No Calculation)- when no cost, non-financial need based services, and Cost Effective Skills Training are planned or when the individual is unwilling to provide financial information. No financial information is required;
3. Consumer Participation in the Cost of Services - when an individual is not Exempt and financial need based services are planned. Financial information is used to determine if the individual has 'Available Resources' also known as a Spend Down if any.

Note: Exempt and No Calculation classifications do not require a calculation of consumer participation in the cost of services.

### **Exempt**

ACCES-VR may provide services up to the funding limit established in policy without consideration of the individual's available resources after verification of public support. The 'Monthly Support' tab in the electronic record of services (CaMS) should accurately reflect the type and amount of public support the individual receives. No additional financial information is required.

To complete the Financial Need Review in CaMS, check the radio button for "Exempt" and select the reason for Exempt status from the drop down list. The Financial Need Review letter for the Exempt individual is informational only and is NOT required to be signed before services can be authorized.

## **Proof of Benefits**

The Verification of Public Assistance standard letter in CaMS may be used to request verification of benefits from the local county Department of Social Services (DSS) or a letter created by the District Office may be used.

Note: DSS ID card without an expiration date is not acceptable verification of benefits.

Recipients of SSI/SSDI must provide current proof of benefits, ie. an award letter. Recipients and individuals who previously received SSI cash benefits and currently have 1619b status can verify their status by requesting an SSA claims representative provide written verification of 1619b status. For all SSA beneficiaries, the Social Security Administration (SSA) provides a Social Security Benefit Statement (Form SSA-1099) for each tax year that is mailed to the recipient by January 31 of each year. Benefit statements showing the amount of the Social Security benefit can be used for verification.

If an Exempt individual is terminated from any of the programs listed above, the individual shall become subject to financial need requirements unless made eligible for another of the above listed programs.

### **Benefits Planning Query (BPQY)**

BPQY provides information about a beneficiary's disability cash benefits, health insurance, scheduled continuing disability reviews, representative payee, and work history as stored in Social Security Administration's (SSA) electronic records. It can be an important planning tool and provides required verification.

BPQYs are provided by SSA to beneficiaries and can be requested by contacting the local SSA office or by calling SSA's toll free number, 1-800-772-1213 between 7 am and 7 pm, Monday through Friday; TTY/TDD number, 1-800-325-0778.

ACCES-VR may request the BPQY by submitting two forms SSA-3288 (Consent for Release of Information) signed by the beneficiary; one to authorize the release of Social Security records and the other to authorize the release of Internal Revenue Service earnings records. Both releases must contain the beneficiary's Social Security Number or the Claim Number of the person under whose work record the benefits are paid. Web Link to SSA-3288 form <http://www.ssa.gov/online/ssa-3288.pdf>.

### **Verification of Social Security Benefits**

Beginning August 2014, the Social Security Administration we will no longer issue Social Security number printouts in their field offices. Individuals who need proof of their Social Security number and cannot find their card, will need to apply for a replacement card.

In addition, beginning October 2014, field offices will stop providing benefit verification letters, except in emergency situations. Benefit verifications are available online, and

can be obtained anytime by registering for a my Social Security account located at: <http://www.socialsecurity.gov/myaccount/> or requested through SSA's national toll-free number: 1(800) 772-1213.

This change should not impact verification of SSDI/SSI benefits from local SSA offices.

### **Non-Financial Need Based Services (No Calculation)**

This status is appropriate for individuals whose planned services are: no cost, non-financial need based, or cost effective skills training only, or if the individual is unwilling to provide financial information. No financial information is required to complete the Financial Need Review in CaMS.

To complete the Financial Need Review in CaMS, check the radio button for "No Calculation" and select the reason from the drop down list. The Financial Need Review letter for the No Calculation selection is informational only and informs the individual that financial information will be required should financial need based services be considered in the future. The Financial Need Review letter does NOT require the individual's signature before no cost, non-economic need based or cost effective skills training services can be authorized.

### **Cost Effective Skills Training**

For cost effective skills training, ACCES-VR may provide services with out consideration of the individual's available resources. Cost-effective-skills-training is typically include training at proprietary vocational schools, other vocational/business training programs, non-degree college programs or BOCES, and must meet the following criteria:

- The training program is a non-degree program;
- The maximum allowable cost to ACCES-VR for tuition, books and fees (and required tools and equipment) for proprietary vocational schools and community colleges does not exceed \$10,000 and one year in duration; and
- The actual cost for tuition may be paid for skills training at BOCES and up to two years duration may be allowed for BOCES programs that operate on half-day sessions or for trainees whose disabilities require part-time attendance.

In order to provide cost effective skills training, all program costs must be documented in the Individual Plan for Employment (IPE). Any costs in excess of the \$7,000 funding limit are subject to consideration of the individual's financial resources.

Note: If financial need based services are also planned, then the Calculation of Consumer Participation in the Cost of Services form must be completed.

## **Consumer Participation in the Cost of Services**

If an eligible individual is not Exempt and financial need based services are planned, a calculation of consumer participation in the cost of services must be completed before financial need based services can be authorized.

### **Financial Information**

Documentation should be requested, as necessary, to substantiate self sufficiency, income, adjustments, assets, medical and disability related expenses.

The most recent federal personal income tax return is recommended as the primary source for financial information along with the most recent savings and checking statements, etc.

CaMS letter (FNFININFO) is used to request financial information and is particularly helpful when the individual has no tax return.

Copies of financial information used to complete the calculation of consumer participation in the cost of services should be maintained in the record of services.

The Financial Need Review must be completed in CaMS.

## **Completing the Calculation in CaMS**

### **Main (tab)**

Financial Need Review Status

In CaMS; to start the calculation enter the 'Effective Date' and check the radio button for 'Consumer Participation'.

Consumer Dependent?

Is the individual 'Dependent'?

In CaMS, indicate if the individual is "Dependent" by filling in the correct radio button: 'yes', 'no' or 'NA'. Additional information regarding dependency is available at the CaMS link to Dependency Guidelines or the Financial Need Review Desk Reference.

In most cases, ACCES-VR will assume that any individual under the age of 19 at the end of the calendar year, or under the age of 24 at the end of the calendar year and a full time student, or any age if permanently and totally disabled, is dependent on their parent(s)/guardian even if the individual has a school or other address different from their parent's/guardian's permanent address.

If a Dependent's parents are legally separated or divorced, use only the income and assets of the custodial parent.

Dependency status can be verified from the personal income tax return; IRS 1040 Personal Income Tax Return, top half of page 1.

- If an individual is a Dependent, they will be listed as Dependent on their parent's/guardian's personal income tax return; 1040, Line 6c.
- If a Dependent has earned income and also files their own return, they will take "0" Personal Exemptions; Line 6a, right column.

Note: In some cases the non-custodial parent may claim the individual as a Dependent for tax purposes. ACCES-VR uses the custodial parent's income and assets when calculating available resources. The custodial parent may still list the individual on their personal income tax (but not as a Dependent) and will claim no Personal Exemption for the individual; look for consumer's name on Line 4.

#### Financial Need Review with Calculation

##### Number in Family

In CaMS, enter the number of individuals in the family. This number is used to determine the correct Household/Family Living Requirement amount to be used for the calculation.

Not all families look the same. The Household/Family unit most commonly includes the individual; the individual and spouse or parents and siblings; in some cases there may be an extended family or unrelated individuals included on the dependents tax return or their parent/guardian.

Income and resources from siblings, non-supporting divorced parent, other family members who are not legally responsible for the individual or spouses who have abandoned the individual and are not contributing to the household, are not considered when calculating consumer participation in the cost of services. Refer to the Financial Need Review Desk Reference- FAFSA section for additional information. Grandparents or other related or unrelated individuals included on the parent's/guardian's tax return then should be included in 'Number in Family'.

##### Current Spend Down Balance

CaMS maintains and displays a running Spend Down balance as authorizations are written and the 'Available Resources' or Spend Down is applied.

##### One-Time-Service Calculation

In CaMS, check the box when a One-Time-Service calculation is to be applied. Each of the One-Time Service may only be provided once during the life of a case. Refer to Financial Need Review Policy for a complete list of one-time-services. Documentation of

need and requirements of service must be based on a prescription and/ or specific evaluation and maintained in the record of services.

One-Time Service calculation only applies to one-time services. If other services are planned at the same time, a separate calculation of consumer participation in the cost of services is required. The one-time service calculation should be completed first. All comparable benefits must be applied prior to ACCES-VR funding.

The One-Time-Service calculation multiplies 'Available Resources' by 15%. The reduced Spend Down amount will be shown on the Calculation form and referenced in the consumer letter.

#### One-Time-Job Save

In CaMS, the One-Time-Job Save box should be checked in those instances when applying the One-Time-Service calculation still results in a Spend Down amount that is sufficient to cover the cost of the service. The One-Time-Service Job Save policy allows ACCES-VR to provide some support for five of the One-Time-Services. Checking the box is informational and does not result in a change to the calculation.

For employed individuals with sufficient available resources, ACCES-VR may provide limited assistance up to one half of the actual cost of the service but not more than:

#### **One-Time Services Cap on ACCES-VR Contribution**

850 van modification	\$18,750
840 home modification	\$ 7,500
240 prosthetics	\$11,000
280 wheelchairs	\$ 5,000
860 car modification	\$ 3,000

Refer to 1125.00 Financial Need Review Policy.

#### Income Information

##### Filing Status

Filing status can be verified from the federal income tax return.

In CaMS, enter financial information for up to three entries:

1. Consumer- using filing status: Single (S), Married Filing Joint (MFJ), Married Filing Separate (MFS), Head of Household (HOH) or Qualifying Widower (QW); and
2. i. For a consumer filing Married Filing Separate (MFS), an additional line is needed to include the consumer's spouse's income; or  
  
ii. If a consumer is dependent, at least one additional entry should be completed to include the consumer's parent/guardian income. If parents are divorced or

legally separated, the custodial parent's/guardian's filing status could be Single (S), Married Filing Joint (MFJ), Married Filing Separate (MFS), Head of Household (HOH) or Qualifying Widower (QW); and

3. If the custodial Parents/Guardians file Married Filing Separate (MFS) then an additional filing status line is required for the parent/guardian's spouse.

NYS Marriage Equality Act of 2011- allows same sex couples to complete a married filing (MFJ/S) status NYS income tax return. Effective for the 2013 IRS personal income tax, same-sex couples who are legally married in a state (or foreign country) that recognizes same-sex marriage must use the married filing jointly or married filing separately filing status on their 2013 return even if they reside in a state that does not recognize same-sex marriage.

#### Name

Whose income must be included?

In CaMS, for each Filing Status Line, fill in the Name or Names of the individuals whose income will be included, i.e., consumer, consumer and spouse, custodial parent/guardian, etc. Refer to the 'Consumer Dependent?' section above.

Include the consumer's income if self sufficient and the consumer's and parents' income if dependent. Do not include those individuals who have no legal responsibility to contribute to the cost of a consumer's rehabilitation services; i.e., siblings.

For self sufficient (independent from family resources), the individual must demonstrate their means of self-support.

For dependent consumers, ACCES-VR must consider the financial circumstances of the family/ household unit.

Note: ACCES-VR uses the same federal guidelines established by the IRS and FAFSA to determine dependency as well as whose income to include except when the family includes same sex couples. Please refer to the NYS Marriage Equality Act of 2011 section above, the Financial Need Desk Reference and CaMS Help, for additional information on whose income to include.

#### Income Source

For most calculations of consumer participation in the cost of services, the individual will provide a tax return.

In CaMS, from the drop down menu select the source of financial information used:

1040 Federal Personal Income Tax;  
1040A Federal Personal Income Tax;  
1040EZ Federal Personal Income Tax; or  
No Income Tax Return

## Year

In CaMS, indicate which year the individual's and/or spouse's, parent's/guardian's financial information is from.

**Current Year- 1** The most recent tax return is preferred and is usually one prepared for the last complete calendar year; select 'Current Year- 1'.

**Current Year- 2** If the most recent tax return is not available, use the tax return from the prior tax year; or 'Current Year-2'.

**Current Year** When there is no tax return; calculate income and assets based on 'Current Year' financial information.

## Waiver

There is no waiver for a Financial Need Review. This "waiver" refers to an exception that may only be available for an individual who can not obtain their parent's/guardian's financial documentation; ie. has no contact with parents because they don't know where they reside, or they left the home due to an abusive situation, etc. It is not to be used for the individual who refuses to provide required information; refer to the Non-Financial Need Based Services section above. If the family refuses or the individual is unable to comply with providing financial information, the individual must provide a signed statement justifying reasons for refusal. The family's unwillingness to cooperate must be documented in the record of service. If in the judgment of the District Office Manager, the family has provided compelling, convincing justification for their refusal to cooperate, ACCES-VR may determine financial need based solely on the information available from the individual.

In CaMS, enter the parent's/guardian's name and check the "waived" box to show that their financial resources have not been included in the calculation of the individual's participation in the cost of services.

If the District Office Manager decides that the refusal is not justified, no service requiring financial need may be authorized. (Refer to non-financial need based services above).

## **Income (tab)**

AGI (adjusted gross income) combines the Income and Adjustments.

When one of the three tax forms (1040, 1040A and 1040EZ) is selected under 'Income Source' on the Main tab, the Income tab will display one field.

In CaMS, enter the Adjusted Gross Income (AGI). AGI can be obtained from the tax return: 1040 Line 37; 1040A Line 21; and 1040EZ Line 4.

When there is 'No Tax Form' (or if the individual's finances change significantly since the last tax return), the Income tab fields appear similar to the income section of the 1040 tax return.

In CaMS, fill in only those fields where the individual, parent/guardian, etc. report income.

If a full year of information is not available, it may be necessary to estimate, i.e., unemployment benefits, workers comp benefits etc. for the year. If it is necessary to estimate income, ACCES-VR must monitor for any significant change that would require recalculating financial need.

### **Adjustments (tab)**

AGI (adjusted gross income) combines Income and Adjustments. The Adjustments tab will only be available if 'No Tax Form' was selected under 'Income Source' on the Main tab.

This tab resembles the adjustments listed on the front bottom of the 1040 personal income tax form. In most cases, an individual will have no entries for this section but it is essential to ask them as part of your review.

### **Assets (tab)**

For the family/household unit, include only those liquid assets listed below and currently available to the individual and/or parent/guardian:

- Cash, Checking and Savings Accounts
- Stocks and Bonds
- Gifts and Inheritances (of cash, stocks or bonds)
- Certificate of Deposit
- Lump Sum Settlement(s) (do not include Section 32 Workers Compensation award in the year it is received).

The following assets are NOT to be included: Pensions, Deferred Compensation, IRA's, 529 Plans, Supplemental Needs Trust and non-liquid assets, ie. personal vehicles, equipment, real property and personal property.

### **Medical/Disability Expenses (tab)**

A complete list of allowable medical and disability related expenses is included in the Financial Need Review Desk Reference and is consistent with IRS 1040 Schedule A allowed medical expenses.

Medical and disability related expenses must be from the same tax year the income is calculated.

The 'Allowed Medical and Disability related Expenses is the total expense minus (.10) AGI and is used to reduce the consumer's Total Resources or Spend Down.

Note: CaMS will automatically calculate .10 of AGI and subtract it from the Total Medical/Disability Expense. When using the individual's Schedule A to document Total Medical/Disability Expenses, use the Line 4 amount and not the Line 7 to avoid deducting 10% twice.

### **Total Resources tab**

AGI + Assets = Total Resources

Total Resources is the Spend Down amount. The amount the individual may be expected to contribute to some financial need based services.

Note: The Spend Down and comparable benefits are different. The Spend Down and comparable benefits and services should be applied first before ACCES-VR funds.

### **Tables tab**

Household Living Requirement utilizes the Federal Poverty Level (FPL) table @ 400% based on family size. This table will be reviewed annually and updated as appropriate.

Cost of Living Differential is determined based on review of data for housing and utilities costs for each NYS county. The differential is added to the 'Family Living Requirement' in order to adjust for the higher cost of living in the following identified counties: Bronx, Dutchess, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, Westchester.

\$12,000 New York

\$10,000 Bronx, Kings, Nassau, Richmond, Queens, Suffolk and Westchester

\$ 7,500 Dutchess, Orange, Putnam and Rockland

The Cost of Living Differential is automatically included in the calculation if one of the twelve counties is selected in the 'County of Residence' field under the CaMS 'Address' tab.

### **What to do when there is no financial documentation**

When the individual reports they have no financial documentation or there is reason to qualify the information provided, a notarized affidavit with attestation (similar to a financial disclosure statement) can be requested.

An attestation can be used to help ensure the truth and accuracy of information provided. ACCES-VR will determine if an attestation is required.

An individual's attestation should include their income and expenses for the month or the year along with a statement that the information is true, correct and complete; and a notarized signature.

Note: A notarized statement is not the same as an attestation since notarizing only provides verification of the identity of the person signing the document.

## **The Calculation**

Adjusted Gross Income (AGI)  
+ Assets

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Total Resources

+ Household Living Requirement (Federal Poverty tables at 400%)  
+ Medical & Disability Related Expenses  
+ Cost of Living Differential (based on county of residence)

- Allowed Expenses  
= Available Resources (spend down)

Available Resources is the amount the individual may be expected to contribute to the cost of their financial need based vocational rehabilitation services (Spend Down).

When Available Resources are less than or equal to \$0 the individual will not be expected to contribute to the cost of VR services (up to the funding limits established in ACCES-VR policy).

Available Resources greater than \$0 is the 'Spend Down'. The individual may be expected to contribute this amount to the cost of financial need based VR services.

CaMS will automatically carry the Spend Down to the authorization worksheet and maintains a running balance even after the Financial Need Review and Calculation of Consumer Participation in the Cost of Services is finalized.

ACCES-VR may adjust the amount of the Spend Down as determined necessary but must document the justification in a chronological or IPE Development Note; i.e. if determined that applying the total spend down toward one semester's tuition would create a hardship for the individual, ACCES-VR may choose to apply part of the Spend Down to one semester and the balance to the second semester.

## **Required Signatures**

The Financial Need Review form generated in CaMS is informational for both Exempt individuals and for individuals receiving Non-Financial Need Based Services only and does not require the individual's signature.

For individuals requiring the Calculation of Consumer Participation in the Cost of Services form, a signature is required before financial need based services can be provided.

If waiting for the individual's signature on the Calculation of Consumer Participation in the Cost of Services form will in effect deny the individual access to necessary services, the services may be authorized without the individual's signature. This circumstance must be reviewed and approved by a District Office Manager, or designated supervisor and documented in a Chronological Case Note. No further or additional services should be provided without the signed form.

### **Related Policies, Procedures and Memos**

- 100.00 Consumer Involvement Policy and Procedure
- 102.00 Confidentiality Policy and Procedure
- 208.00 Comparable Benefits and Services Policy and Procedure
- 405.00 College and University Training Policy and Procedure
- 410.00 Non-Degree Training at Trade, Business and Other Schools
- PRO-10-02 Limits on Duration and Cost of Services
- POL-09-05 Funding Limits for Vocational Training Programs
- POL-09-04 Purchase of Clothing/Tools/Equipment
- Payment to Rochester Institute of Technology NTID memo
- Edinboro University Costs memo