



Personal Finances Procedures

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Summary	The Personal Finances Procedures provide guidance for staff to support people residing in ADHC operated group homes to access their bank accounts and funds using contemporary banking practices.
Replaces documents	Client Finances Policy and Procedures, September 2010; Fees for Board and Lodging (Residency charge) September 2010; Financial Principles September 2010
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Version control

The first and final version of a document is version 1.0.

The subsequent final version of the first revision of a document becomes version 1.1.

Each subsequent revision of the final document increases by 0.1, for example version 1.2, version 1.3 etc.

Revision history

Version	Amendment date	Amendment notes
V1.0	November 2000	
	September 2010	Update position and agency name changes
V1.1	August 2017	Response to internal FACS audit report and align with legislative and agency updates. Replaces Client Finances Policy and Procedures, September 2010; Fees for Board and Lodging (Residency charge) September 2010; Financial Principles September 2010

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1 Introduction

The Personal Finances Procedures (the Procedures) are to be consistently applied and interpreted in the context of the Personal Finance Policy. The Procedures apply to Department of Family and Community Services, Ageing, Disability and Home Care (ADHC) operated group homes.

The financial activity in a group home has two components:

- A person's private finances, and
- Finances associated with the day to day running of the household - the Household Operating Account (HOA).

These Procedures refer to the person's private finances only.

The Household Operating Account is covered in the Household Operating Account (HOA) Policy and Procedures.

1.1 Lifestyle planning annual budget

Personal financial planning takes place during lifestyle planning. The **Lifestyle Plan** must include a review of the person's income, expenditure, budget and savings goals. An **Annual Budget** template for this can be found in [Lifestyle Planning Tools and templates](#) under the Good to Great person centred resources on the ADHC intranet, and in the 'Tools and templates' section of Personal Finances.

The person and their family or guardian, are involved in making decisions about the person's finances. If the person has a formal financial manager, they will seek the views of the person, family member or guardian, and service provider before making decisions about the person's finances.

Note: The process for making financial decisions, and the individuals involved in that process, must be fully documented and kept in the person's file.

The Team Leader ensures that the person's private expenditure is within available funds, is in accordance with the person's **Lifestyle Plan** or financial management directives, and does not extend to items that are paid for by ADHC.

1.2 Lending money

As a rule, a person should not lend or give money or private assets to another person. If a person is capable of understanding what lending or giving means, then a document signed by the person or the staff member, describing the transaction, must be put on the person's file as evidence of the transaction. It may be necessary to obtain approval from a parent or guardian prior to the transaction being conducted.

However:

- a person is not to lend or give money to a staff member
- a person is not to lend or give private assets to a staff member
- a staff member is not to lend or give money to a person they support
- a staff member is not to lend or give private assets to a person they support.

1.3 Personal belongings

General household assets are not to be made available for the sole use of any one person or any number of people less than the whole number of people living in the home.

Equipment that is for the benefit of a single person, such as lifting apparatus, is not considered as a household asset. All personal belongings are to be recorded in the **My Personal Belongings Register** (asset register) which is updated when new one-off purchases are made or gifted to the person. The My Personal Belongings Register can be found in the 'Tools and templates' section of Personal Finances.

2 Types of financial management

2.1 Independent financial management

The person manages their own finances and may receive support to develop a budget or financial plan. Support workers should monitor the person's situation to ensure the budget is adequate for the person's needs, and that there is no evidence of mismanagement or financial abuse.

If support workers are unsure of a person's capacity to manage their own finances the **Financial Management Capability Assessment** tool can be used. The tool can be found in the 'Tools and templates' section of Personal Finances.

Each person should have a **My Financial Profile** completed as a record of management arrangements, Centrelink information, bank and account details, regular income and expenditure, tax records and file numbers, and any other financial data. The My Financial Profile is kept in the person's files. It can be found in the 'Tools and templates' section of Personal Finances

2.2 Supported financial management

2.2.1 Informal financial support

The person receives informal support from the family or guardian and support workers, who collaborate in helping the person to manage their finances.

Under the *Guardianship Act 1987*, the Guardianship Division of the NSW Civil and Administrative Tribunal (NCAT) can appoint financial managers. NCAT's Guardianship Division may choose not to appoint a financial manager if the person is already receiving support to make financial decisions from a family member, friend or unpaid carer, and that situation is working well for the person.

2.2.2 Formal financial support

The NCAT Guardianship Division may appoint a private financial manager or the New South Wales Trustee and Guardian (T&G).

2.2.2.1 Private financial manager

When a private financial manager is appointed, NCAT refers them to the T&G. The T&G issues directions setting out the [powers of the private financial manager](#) to manage the person's finances, and provides information to support the role.

2.2.2.2 New South Wales Trustee and Guardian (T&G)

When the T&G is the financial manager they make [financial decisions](#) on behalf of the person with consideration to the person's independence, quality of life and relationships.

2.2.3 NCAT Guardianship Division

To appoint a formal financial manager the NCAT Guardianship Division has to be satisfied on the evidence provided to it and after conducting a hearing, that:

- the person is incapable of managing their affairs
- the person needs someone else to manage those affairs on their behalf
- it is in the person's best interests for a financial management order to be made
- the person has assets in NSW.

2.2.4 Applying for financial management

There are some circumstances in which support workers or managers should consider lodging an application for financial management with the NCAT Guardianship Division where:

- there is persistent conflict about a person's finances and such conflicts cannot be resolved over time
- the person has no family, advocate or significant others involved in their life and there are difficulties in managing the person's finances
- support workers are acting as co-signatories on a person's bank account or
- the person has significant savings and there are no appropriate informal arrangements in place for managing them.

3 Procedures

3.1 Financial institution arrangements

3.1.1 Bank accounts

Each person will have a bank account in his or her own name at a financial institution that has access to the electronic direct bank transfer system. Where a person requires assistance to manage their own financial affairs, this account will be established in accordance with the provisions of the *Guardianship Act 1987* that relate to informal financial management.

People who are capable of managing their own accounts will carry out their own deposits, withdrawals and payments.

Team Leaders or financial managers are responsible for ensuring that the tax file numbers or exemption declarations of people receiving support are lodged with financial institutions so that automatic tax deductions are not made from interest earned.

3.1.2 Changing banking arrangements

The current arrangement, of support workers acting as co-signatories on the bank accounts of people they support, is to be phased out.

During the transition from co-signatory banking support, ADHC co-signatories are to be approved by the Manager Accommodation and Respite. Team Leaders are responsible for ensuring that variations to the list of co-signatories are forwarded to the financial institution, and that the lists of signatories are reviewed at least three monthly or more often if there is a regular turnover of staff.

Where staff are acting as co-signatories to a person's account every effort is made to support the person to manage their finances using a bank account with an ATM card and PIN which allows the person to make purchases with Paypass or Paywave facilities, and to withdraw cash using the ATM card.

This may require setting up a new bank account for daily living expenses in the person's name, thereby removing the need for co-signatories. This account is topped up each fortnight or month by an amount agreed with the

person during lifestyle planning (section 1.1). A guide to opening bank accounts can be found in the 'Other resources' section of Personal Finances.

The person's main savings are held in a second account which is only accessible to the person or a financial manager. Regular payments to service providers, for example, membership fees or insurance policies, are made from this account using the automatic bank transfer system (direct debit).

Note: Withdrawal slips to access a person's bank account are not to be pre-signed by staff and stored in the house for future use.

3.2 Income (where personal finances are not under formal financial management)

Team Leaders are responsible for ensuring that Commonwealth Benefits, Pensions and Allowances are claimed for all eligible people. People may be [eligible to receive](#) Disability Support Pension, Rent Assistance, Mobility Allowance, Youth Allowance, Austudy, Abstudy, Newstart Allowance, Sickness Allowance, Special Benefit and Pensioner Education Supplement.

Assistance is provided by Team Leaders to enable people to submit accurate returns to the Commonwealth as required.

Team Leaders should check with Centrelink regarding eligibility and procedures. They should obtain a copy of the Department of Human Services' [A Guide to Australian Government Payments](#) which is issued regularly throughout the year.

All income or money belonging to the person, including pensions, wages, trust funds, allowances and ADHC money for living expenses, is paid into the person's main account.

If funds are received in the house from a third party for a person's daily living expenses or a pre-arranged one-off expense, a receipt must be issued to the third party by support workers, and a copy of the receipt placed on the person's file. Funds received are recorded on the **Cash Summary Sheet** which can be found in the 'Tools and templates' section of Personal Finances.

If the person gives funds to support workers in the house to bank for them, a receipt is to be issued and a copy placed on the person's file. The receipt book used is not to be the same receipt book used for receipting ADHC income. Funds banked on the person's behalf are recorded in the **Ledger**.

An amount equivalent to 25% of the Disability Support Pension will be paid by ADHC to a person 16 years and over who has no income, for their living expenses.

If the income of a person is less than 25% of the Disability Support pension, the difference between the 25% and the amount of income will be paid by ADHC to the person for their living expenses.

3.3 Income (where personal finances are under formal financial management)

When the person receives formal financial support (section 2.2.2) all income is to be directed to the financial manager. It is the responsibility of the financial manager to ensure that Commonwealth Benefits, Pensions and Allowances are claimed for and received by the person.

If funds are received in the house for a person from a third party, a receipt is issued and a copy placed on the person's file. The receipt book used is not to be the same receipt book used for receipting ADHC income. The funds are forwarded to the financial manager for depositing in the person's account. Where funds are received in cash they are to be banked in a public monies account held in the District office. The District office arranges for the banking of these funds and remittance to the financial manager.

3.4 Expenditure (where personal finances are not under formal financial management)

3.4.1 Direct debit payments

If the person is responsible for regular outgoings of a set amount (such as insurance premiums) he or she may choose to have their financial institution directly debit the amount for payment on their behalf.

A copy of the authority, signed by the person or informal or formal financial manager, is to be kept on the person's file. The person must be made aware that a bank charge could apply to this procedure.

3.4.2 Ongoing expenditure

In the case of the regular fortnightly payment of the household residency charge and, where appropriate, the mobility allowance, the amount to be paid is set up through a bank transfer with ADHC's banker. ADHC will bear the bank charge on these transfers.

The Household Operating Account Policy and Procedures sets out the basis of calculating the residency charge.

Prior to taking up residence in the group home, the person and any parent or guardian are to be made aware of the basis for calculating the residency charge. They are to sign an authority for the fortnightly payment of the residency charge and, where appropriate, the mobility allowance. The authority allows for automatic changes in the amount transferred where there are changes to the Commonwealth Disability Pension and/or Commonwealth Allowances. Any other changes to the residency charge will require a new authority to be completed.

The balance of the person's finances, after payment of the residency charge and any other bank transfers is for the person's own use. This money will be used as decided by the person to cover expenses such as:

- medications including packaging (Webster packs)
- clothing, toiletries, soft furnishings (pillows, doonas etc.)
- day program charges, recreation, eating out or takeaway, entertainment, and gifts
- daily living expenses.

All withdrawals from a person's account must be in accordance with the person's wishes.

3.4.3 Daily living expenses

Weekly or fortnightly daily living expenses will be fixed in discussions with the person and the parent or guardian during lifestyle planning. A record of the amount agreed upon is signed by the person, parent or guardian, and placed in the person's file. Arrangements are made to transfer the funds for daily living expenses to an account which the person accesses using an ATM card with Paywave or Paypass facility.

3.4.4 Reviewing annual budgets

As a means of supporting the person to monitor their finances, and minimise the risk of financial abuse, regular reviews of the person's usage of their annual budget are conducted.

Where a person consistently has money left at the end of each period, or always runs out of money before the end of the period, the agreed amount must be reviewed as part of the quarterly Lifestyle Plan review or sooner if a discrepancy is suspected.

The outcome may require an adjustment to the limit, or a review of the person's capacity to manage their expenditure within the agreed budget. Any adjustment to the limit is to be made in accordance with the above procedure (section 3.4.3).

A maximum balance of \$500 is recommended, after which the person or informal financial manager is advised that the account is in excess of the person's annual budget. As a safety precaution the excess funds should be deposited back into the person's main savings account.

3.4.5 One-off purchases

When a person wishes to make a one-off purchase, the Team Leader should discuss the purchase with the person and, where necessary, either discuss or make a formal application to the parent or other guardian.

Where the amount exceeds \$250, a formal application is required and it must be approved by the parent or guardian. When this is not possible, a request is made to the Coordinator Accommodation and Respite for written approval of a purchase that exceeds \$250.

Requests for expenditure exceeding \$500 must be approved in writing by the Manager Accommodation and Respite.

3.5 Expenditure (where personal finances are under formal financial management)

All expenditure is the responsibility of the financial manager.

3.5.1 Daily living expenses

The financial manager is to provide money for the person's daily living expenses to the Team Leader.

The financial manager, with advice from the Team Leader determines a reasonable amount for daily living expenses based on the budget agreed to during lifestyle planning.

The agreed amount of weekly expenditure will be paid monthly (weekly expenditure times 4) by the T&G to the District office public monies account. It is the responsibility of the District office finance staff and Team Leaders to ensure that cash funds are available to the person in the house each week.

Alternatively the T&G will transfer the agreed weekly amount into the person's bank account so that it is available for the person to access using a PIN or Paypass or Paywave facility. This transaction is recorded in the Ledger.

Financial managers other than the T&G can pay funds monthly to the District office or directly by cheque to the house, and will be issued with a receipt. Cheques received at the house, are forwarded to the District office, with a copy of the receipt, for banking in the public monies account.

If financial managers pay cash directly to the house, a receipt is issued by a staff member at the house. If the cash is retained at the house it is stored securely and recorded in the Cash Summary Sheet.

3.5.2 Reviewing annual budgets

As a means of monitoring the person's finances, and to minimise the risk of financial abuse, regular reviews of the person's usage of their annual budget are conducted.

If a person consistently has money left at the end of a week, or regularly runs out of money before the end of the week, the agreed amount must be reviewed as part of the quarterly Lifestyle Plan review, or sooner if a discrepancy is suspected.

The outcome may require an adjustment to the limit, or a review of the person's capacity to manage their expenditure within the agreed budget. Any adjustment to the limit is to be agreed between the Team Leader and the financial manager. The agreement must be documented, signed for by both the Team Leader and the financial manager and placed on the person's file.

A maximum balance of \$500 is recommended, after which the financial manager is advised that the account is in excess of the person's annual budget. As a safety precaution arrangements are made with the financial manager to deposit the excess funds back into the person's main savings account.

3.5.3 One-off purchases

When a person wishes to make a one-off purchase that exceeds \$250, the Team Leader must make formal application to the financial manager. If the financial manager is the NSW Trustee and Guardian, please complete the request form which can be found in the 'Tools and templates' section of Personal Finances.

Requests for one-off expenditure exceeding \$500 must first be endorsed by the Manager Accommodation and Respite before approval is sought from the financial manager. If the NSW Trustee and Guardian is the financial manager, please complete the request form which can be found in the 'Tools and templates' section of Personal Finances.

3.6 Record keeping and review

Group homes have two means of recording personal finances, the Cash Summary Sheet and the Ledger.

The Cash Summary Sheet is a daily record of cash in and cash out of the group home for the person's daily living expenses. The Ledger is a record of bank transactions such as deposits, ATM withdrawals, Paywave or Paypass transactions and any other payment for goods or services that is made directly from the person's bank account.

3.6.1 Cash Summary Sheet

Each time cash is passed on to the person it is recorded on the person's **Cash Summary Sheet** in the 'Tools and templates' section of Personal Finances. The record shows the date amount and if possible, the person initials the Cash Summary Sheet for the receipt of funds. A staff member also initials the Sheet.

When the person goes out in the care of someone other than a support worker, such as parents, other family members or guardian, that person and a support worker initial the Cash Summary Sheet against the amount of cash taken.

If cash is returned, an entry is made on the Cash Summary Sheet showing the amount returned, and is initialed by the person returning the funds and a staff member.

3.6.2 Receipts

Receipts are not always provided for small cash purchases of daily living expenses. However, Paywave or Paypass transactions may be used for daily

living expenses, and can provide a receipt, which is to be requested and filed with the person's other invoices and receipts. These transactions are recorded in the Ledger.

Support workers must ensure that the person's weekly budget is not spent on one item as it is meant to cover daily living expenses for the whole week.

3.6.3 My Personal Belongings Register

Details of one-off purchases (purchases that are not part of daily living expenses) are recorded in the person's **My Personal Belongings Register** (asset register). The record must show date of purchase, the supplier, a description of the item purchased including serial numbers where appropriate, and the amount paid. The My Personal Belongings Register can be found in the 'Tools and templates' section of Personal Finances.

An invoice or receipt is required for every one-off purchase that is not a daily living expense and is placed in the person's file.

3.6.4 Accountability

The security of a person's financial records, including **Cash Summary Sheet, Ledger**, bank book, statements and receipts, and the person's ATM card and wallet, is the responsibility of the Team Leader, Disability Support Workers and the person. These documents are maintained in the person's file along with the **My Financial Profile, My Annual Budget** and **My Personal Belongings Register**. The person's file will also hold records of the agreed arrangements for managing the person's money and assets, who is responsible and the management of risks involved.

Note: Personal cheques are not to be pre-signed and stored in the house for future use.

A guide to completing the Ledger can be found in the 'Other resources' section of Personal Finances.

3.6.5 Reviewing records

The Team Leader is to review the person's financial records on a weekly basis and sign and date the **Cash Summary Sheet** as evidence of the review.

The financial records are subject to review by the FACS District Office, FACS auditors or an independent auditor.

The Coordinator Accommodation and Respite must inspect the records monthly and sign and date the Cash Summary Sheet as evidence of inspection.

A review of personal finance records is conducted quarterly by finance personnel external to the house. Financial irregularities are to be referred to the Director Disability and the financial manager.

4 Policy and Practice Unit contact details

You can get advice and support about this Policy from the Policy and Practice Unit, Disability Operations.

Policy and Practice
Disability Operations
policyandpracticefeedback@facs.nsw.gov.au