

GENERAL FISCAL CONCERNS

AUTHORITY

Rehabilitation Act of 1973 as amended, Sec. 103 (a)

Federal Regulation: CFR 361.5 (b)

Kentucky Revised Statute: KRS 45A

Administrative Regulation: 781 KAR 1:020 and 200 KAR 5

*For the purpose of this manual, use of the terms **must** or **shall** reflect requirements of Federal law or regulation or state or administrative regulation and must be adhered to strictly.*

GENERAL REGULATIONS FOR PROVIDING SERVICES AND AUTHORIZATIONS

All purchases for individuals will be authorized and paid utilizing, as appropriate, the Department's Authorization for Goods and/or Services. When an expenditure is \$10,000 or more, the Field Administrator will countersign and the Director of Program Services will review the expenditure prior to the authorization being issued to the vendor. Approval of the expenditure will be evidenced by signature of the Field Administrator on the authorization.

Authorizations must be prepared, signed and dated by the counselor, and delivered to the vendor before a service is initiated. The Department will not approve payment for services provided to an individual when the Department has made no prior authorization. Each item must be consistent with the provisions planned and all services clearly itemized with their respective costs. The Department will ensure that physicians or other vendors of services agree not to charge or accept from the applicant/consumer or his/her family any payment for such services unless the amount of such charge or payment is previously known to and, where applicable, approved by the Director of Program Services

All authorizations are submitted with a pay or non-pay descriptor. A non-pay descriptor means that the payment is processed in a different manner, i.e. interaccount expenditure to another state agency, imprest cash, contract, etc.

Counselor must verify that a service has been rendered before the authorization is sent to Frankfort for payment. Service is not considered received on psychological or doctor reports until the report is received in your office.

AUTHORIZATION SERVICE CODE AND EXPENDITURE CATEGORIES

Authorized services are classified by expenditure code. An individual's service code (case status) determines which expenditure codes can be used. With the exception of diagnostics, most expenditure categories for services also require that a work plan written date be in the consumer record of the case management system before the service can be authorized. Service codes are listed below:

- 11 - Services for Individuals, Status 02 & 04 (diagnostic)
- 12 - Services for Individuals, Status 06
- 13 - Services for Individuals, Status 10-24
- 14 - Services for Individuals, Status 32 (post employment)

All authorized services should be charged to the appropriate Expenditure Category Code. Each subcategory is listed below with a brief description of the types of services provided under a particular subcategory. More detailed information is included in this Manual under Services and under other topics, (please refer to the Table of Contents). The information below is only a guideline and the more detailed information should be referred to before authorizing for a service.

Diagnostic and Evaluation (10) - Services in this subcategory may be provided at any stage of the rehabilitation process other than referral and closure and are usually provided to determine eligibility for services and the nature and scope of services to be provided..

Medical diagnostic services may include: medical and surgical examination, psychiatric evaluation, consultation with examinations by specialists, trial treatment for differential diagnosis, stabilization on drug therapy, or determination of treatability in the case of emotional disturbance, and other medically recognized diagnostic services.

Surgery and Treatment (21) – This subcategory includes services that are necessary to correct or substantially modify a physical or mental condition, and may include the services of physicians, surgeons, assistant surgeons, and anesthesiologists that are not on the staff of the hospital and not included in the costs of hospitalization (surgery may include pre-operative and post-operative care). Optometrists and visual services are also provided under this subcategory.

Prosthetic and Orthotic Appliances (22) – In addition to prosthetic, orthotic, and visual appliances or aids, this subcategory also includes wheelchairs and surgical appliances such as belts, trusses, corsets, elastic stockings, arch supports, orthopedic shoes, suspensories, and crutches.

Hospitalization and Convalescent Care (23) - This subcategory includes payments to hospitals approved by the Agency for inpatient or outpatient hospital services in connection with medical or surgical treatment. Also included are convalescent or nursing homes for individuals including room, board, nursing home care and other services provided by the facility under agreement with the State Agency; nursing services provided in the individual's own home by organizations or individuals; or special nursing services provided during hospitalization by hospitals or related facilities and not included in the hospital bill.

Other Physical Restoration (24) - This subcategory is used for restoration services that cannot be properly classified under any other subcategory.

Training (3-) - The training category has eight subcategories (listed below) that cover the cost of various types of training and training related materials or services. Training may be provided at schools, colleges, universities, rehabilitation facilities, by tutor, correspondence, apprenticeship, in an organized on-the-job training situation, or by some other organized training program. Training may include: personal adjustment training, prevocational training, work adjustment training, training in the use of artificial limbs, hearing aids, or other appliances, remedial training, speech and hearing training that is not medically directed, lip reading, mobility training, or any other kind of organized training needed to meet the rehabilitation needs of the individual being served.

Training materials include such items as: writing materials, learning aids, processing materials used in mechanical or technical training; special supplies, laboratory aprons, nurses' uniforms, breakage fees, and tools, machines and small equipment used in technical, mechanical, commercial, adjustment and on-the-job training.

Academic Associate, Baccalaureate and Other Higher Degree Training (31) - Include in this subcategory the costs of academic associate, baccalaureate, or graduate higher-degree training regardless of whether the training is full-time or part-time. Baccalaureate and higher degree training is defined as training which is higher than secondary education and which leads to a baccalaureate or higher degree. Academic or associate degree training is defined as training which is higher than secondary education, which consists of basic academic courses, and which leads to an associate degree.

Other Academic (32) - Include in this subcategory the cost of training at the elementary or secondary level.

Business Training (33) - Include in this subcategory the costs of business training. Business training is defined as training, which leads to a certificate and usually provides specific job-related instruction but does not include broad-based academic courses. Skills to be obtained may include office practice, typing, accounting, bookkeeping, computer skills (e.g., word processing, data entry), etc. Courses included in business training are not usually accepted for credit in an academic associate or a baccalaureate degree training program.

Trades Training (34) - Include in this subcategory the costs of trades training. Trades training is defined as training that may lead to a license or a certificate and provides specific job skills, but does not include broad-based academic courses. Skills to be obtained may include welding, woodworking, metalworking, TV repair, electrical wiring, automobile mechanics, etc. Courses such as these are not usually accepted for credit by academic associate or baccalaureate degree programs.

On-the-Job Training (35) - Include in this subcategory any costs in connection with on-the-job training for an individual. Under this program the individual usually works for wages while learning the skills of the job.

Personal and Vocational Adjustment (36) - Include in this subcategory costs incurred for training that helps an individual adjust to a particular situation that is hindering his/her rehabilitation potential, such as: work conditioning, developing work tolerance, training in the use of artificial limbs and/or appliances, remedial training, literacy training, mobility training, lip reading, braille, etc.

Technical Associate Degree Training (37) - Include in this subcategory the costs associated with technical associate degree training which is defined as training higher than secondary education and consisting of a combination of basic academic and technical courses, that lead to an associate degree.

Miscellaneous (38) - Include in this subcategory costs associated with training which cannot be classified in any other training subcategories.

Maintenance (40) - Include in this subcategory basic living expenses necessary to derive the full benefit of other vocational rehabilitation services such as long-term training, or while in travel status for a short-term training program or other service. Also included are basic expenses incurred in conjunction with job interviews or employment at home or away from home, up to receipt of initial paycheck.

Services to Family Members (50) - This subcategory is for providing services to members of an individual's family when such services are necessary to the adjustment or rehabilitation of the individual, except at referral or at closure.

Transportation (60) - Include in this subcategory transportation that will enable the individual to arrive at appointments for assessment, medical services, training, work, or any other rehabilitation service, and if necessary, their escorts, attendants, or guides. This includes taxis and bus fares for consumers while in any status except referral or closure.

Computer Equipment (80) - Include in this category all costs directly related to purchase, use, or access of computer services, such as microcomputer equipment purchase, creation or alteration of software to accommodate an individual's disability, access to mainframe computer systems, etc.

Other – Personal Assistance Services, Tools, Initial Stocks, Equipment, Supplies, and Licenses (90) – This subcategory includes goods, licenses, or personal services necessary to render an eligible individual able to participate in a training program, engage in a gainful occupation, or to determine his/her rehabilitation potential.

Property Modifications (91) – This subcategory includes modifications to vans, vehicles, home, or work site when it is deemed necessary to render an eligible individual able to engage in a gainful occupation or to determine his/her rehabilitation potential.

Assistive Technology/Rehab Engineering (92) – This subcategory includes services that are intended to help the individual maintain or enhance his/her ability to function personally, socially, and/or vocationally. Services provided under this subcategory are:

Assistive technological aids or devices include any item, piece of equipment, or product system, whether acquired commercially off the shelf, modified, or customized, that is used to increase, maintain, or improve functional capabilities of the individual.

Assistive technology services are services that directly assist an individual in the selection, acquisition, or use of an assistive technology device.

Rehabilitation engineering is a complex of services entailing an original design or concept. The original design or concept must be innovative and not an adaptation of an existing mode of accommodation. Typically the involvement of a rehabilitation technology specialist would be required and can encompass devices, equipment, aids, and modifications to the environment, work site or transportation.

Job Services (93) -.This subcategory includes job finding and job placement services.

RECEIPTS FOR TOOLS, EQUIPMENT, ETC.

Various items, such as tools, equipment, supplies, etc. will require that a Receipt, Receipt/Transfer Agreement, or Security Agreement be signed by the recipient. Receipts for non-transferable items are retained in the field office. Receipt/Transfer Agreements for items over \$500 and Security Agreements are sent to the Systems Management Branch in Central Office.

PURCHASE THROUGH BID PROCEDURE

No counselor will commit the Department to purchase tools, equipment, etc. over the Agency limit of purchase (\$3,000) without bids. If the purchase is over \$3,000, the counselor must consult with the Field Administrator, and they must be in agreement that the purchase is necessary.

- The list of items to be purchased will be submitted to the Field Administrator along with two copies of the IPE justifying the request with strong emphasis on the necessity of the purchase and how it is to be used by the individual. If approved, the Field Administrator must sign the IPE and submit to the Finance Branch.
- A listing of items to be purchased with sufficient description for ordering must be attached and will include: budget unit number, delivery address, estimated cost and specifications. The specifications must be explicit since they will be used to write the requisition that will be sent to the Division of Purchases and should include: model numbers, dimensions, branch, pictures, etc. Additionally, the name and address of the vendor who provided the specifications must also be shown. Contact the Central Office Finance Branch immediately if there is need for correction of errors.
- When the bid is awarded, the counselor will receive a copy of the purchase contract showing the exact cost and the vendor. The counselor will prepare a nonpay Authorization for Goods and/or Services. The delivery address should be designated to the counselor's office address, except for large, heavy equipment.
- Upon delivery, the counselor must verify against the purchase contract prior to or at delivery of equipment to the individual.
- When all materials on the purchase contract have been received, the counselor will date and send the copy of the purchase contract, marked received, and the signed Receipt/Trans Agreement to the Financial Management Branch in Central Office. Central Office will then pay the vendor.

IMPREST CASH FUND ACCOUNTS

When a counselor has established a legitimate need, funds may be expended from imprest cash if the item is included in the Agency Imprest Cash Authority Number 252. The non-pay authorization may be authorized to the recipient of the service, but should be authorized to a vendor whenever possible.

- 1) Payment made directly to recipient of service, is not to exceed \$500.00 per non-pay authorization, (exception attendant care). Services include:

- (a) Maintenance, including room, board, apartment rental and/or subsistence.
- (b) Transportation expenses (other than purchase of airline ticket). Use the formula in the Counselor Manual to calculate transportation.
- (c) Uniform expenses.
- (d) Incidental needs, i.e., necessary toiletries, laundry, etc., not to exceed \$100.00 per month.
- (e) Lodging, less than one week, daily rates only.
- (f) Testing and or license fees for customers.
- (g) Attendant care, cannot exceed \$2000.00 in a month's period.

When a check is issued to the recipient of the authorized service, the recipient should be informed of the purpose for which the money is provided and the counselor should have reasonable expectation that the money will be used for the intended purpose.

An original invoice/receipt must be obtained and filed in the individual's file. The non-pay authorization will be transmitted to Central Office. The check and a copy of the non-pay authorization will be mailed back to the initiating counselor. The non-pay authorization should be signed by the individual and the counselor verifying receipt of the check and the backup information filed in the individual's folder.

2) Payments to vendors from Imprest Cash can be made for the following:

- (a) Maintenance including room, board, apartment rental, etc.
- (b) Transportation expenses (other than purchase of an airline ticket).
- (c) Drugs and medical supplies.
- (d) Interpreter services, note taking services, tutoring services, attendant care and childcare.
- (e) On-the-job training services.
- (f) Testing and/or license fees (original application must accompany non-pay authorization).

When delivery of services has been confirmed, a hard copy of the non-pay authorization, along with the original vendor signed invoice or Agreement for Services should be mailed to Central Office and the non-pay authorization should be transmitted.

If services are not rendered or goods received, the check should be retrieved and an Authorization Refund document should be prepared, attached to the check and mailed to the Systems Management Branch in Central Office. Copies should be filed in the individual's folder.

CATASTROPHIC FUND

A Catastrophic Fund has been established in response to the needs of counselors and consumers. There are times when very large expenditures are necessary in order for a

consumer to achieve employment. The outlay of the funds would deplete the caseload budget to the extent that other consumers on that caseload might not receive needed services.

Counselors can access the Catastrophic Fund for any expenditure of \$10,000 or more. An exception to the \$10,000 amount will be considered if a counselor has multiple expenditures, none of which singularly amount to \$10,000 but which together constitute a significant amount of the caseload budget. An example would be a counselor with five consumers in one fiscal year who need van modifications. After all comparable benefits and the Rehabilitation Technology budget contribution were considered the caseload budget would still have to provide \$5,000 per modification or a total of \$25,000. This would be a major portion of the caseload budget, and thus, would be considered an appropriate use of the Catastrophic Fund.

For approval to utilize the Catastrophic Fund:

1. Consult with Field Administrator. If both the counselor and Field Administrator agree that the circumstances require the use of the Catastrophic Fund;
2. Send a letter to the Assistant Director of Program Services briefly describing the needed purchase, the amount, and the results of an exploration of comparable benefits. Include the authorization for the purchase using Budget Unit Number (BUN) 6795 which is a separate BUN for this purpose.