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Protecting Personal Allowance

All people with developmental disabilities have the right to advocate for themselves and participate and make decisions related to spending their personal allowance. Personal allowance funds are used for personal, luxury, and recreational wants that enhance a person's quality of life and must benefit the person and reflect their individual choices. All employees responsible for administering or monitoring Personal Allowance have an important role in ensuring the appropriate and intended use. This alert updates the March 2013 Alert on Protecting Personal Allowance.

New York State OPWDD has available a comprehensive Personal Allowance Manual located at: <https://opwdd.ny.gov/providers/personal-allowance>. Training on Personal Allowance is also available in the [Statewide Learning Management System](https://nyslearn.ny.gov/) (<https://nyslearn.ny.gov/>) under course code OPWDD-PA and OPWDD-EL-PA.

Listed below are some important standards that should be adhered to:

- **The person must be given up to the amount of money specified in their Money Management Assessment (MMA) when requested.** OPWDD regulations require an annual written Personal Expenditure Plan (PEP) that includes the MMA. The MMA informs how much money a person can responsibly handle on their own and at what frequency. The PEP should be in accordance with the habilitation/treatment plan and plan for protective oversight. The PEP and MMA must be reviewed and updated at least every 12 months or more frequently as needed.
- **Cash at the residence must be in accordance with the PEP and meet the person's day-to-day needs.** The amount must not exceed the cash cap unless documented for an explicit purpose not to exceed 14 days. There must be documentation at the residence, including a ledger or equivalent, of all receipts, disbursements, and the balance of all cash in the residence. Cash equivalents, such as prepaid credit cards, must be treated as cash if being held by the residence.
- **Providers must have internal written policies and procedures on how to handle, store and audit personal allowance funds.** Staff must receive training and have access to these policies.
- **The person must be involved in decisions to spend their personal allowance.** Anyone making personal allowance expenditures on their behalf must include them and monitor whether those expenditures are consistent with the PEP to the extent possible. The PEP must be updated when a person's income, resources or interests significantly change.
- **A receipt is not required when a person's funds are used for a recreational activity that costs \$15 or less, or when expenditures are made by the person from a cash distribution held independently by the person that they receive from personal allowance monies.** The amount of the cash distribution, however, must be noted on the

ledger card or cash account record and be consistent with the person's MMA. Agencies may choose to require receipts for all purchases made by a staff person including recreation-related purchases under \$15. Agency policies may be more restrictive than the regulations; you should refer to your agency's written procedures to ensure compliance.

- **Receipts are required for recreational activities when the cost is above \$15 and for all other purchases.** Receipts must include the name of the vendor, date, amount paid, description of item/s purchased, and contain the name of the person the disbursement is given to. Receipts must be clear and legible.
- **Receipts are required for all group purchases.** The receipt should show all the items above and list the number of people in the group. It should show that the amount each person spent is proportionate to their use of the purchase (the amount of each person's payment for the group purchase must also be reflected in their respective ledgers). Each person's ledger must have a copy of the receipt attached. If any portion of the personal allowance funds used for the group purchase are derived from Social Security or Supplemental Security Income benefits, prior approval from the Social Security Administration must be documented.
- **Every person's funds must be tracked and accounted for separately.**
- **Funds must be kept in a secure, locked area for safekeeping in the residence, with limited access and staff accountability.**
- **Ledger cards or electronic ledgers showing every transaction and the resulting running balance must be completed accurately and timely.** Use of electronic ledgers is strongly encouraged. A concise description of each transaction must be provided. The ledger also must include deposits, withdrawals, transfers, expenditures, and interest. The ledger must include the person who made a purchase or received disbursement of funds. The balance must always match the total of cash and cash equivalents in the residence. Documentation should occur at the time of the transaction and be initialed.
- **Ledger cards must be adequately secured.**
- **Employees are not allowed to spend their own funds on behalf of any person and later be reimbursed from personal allowance.** This is forbidden by State law.
- **The agency is responsible for monitoring the account balance to ensure the total resources remain below the applicable resource limit so that the person's benefits are not reduced.**
- **The agency is required to conduct audits of personal allowance accounts.**

Financial Exploitation:

- **If an employee or volunteer is suspected of losing, misappropriating or wrongfully withholding personal allowance funds, the agency must investigate, start and/or maintain an action on behalf of any person or group of people to recover the funds.** Upon discovery of a loss, the agency must reimburse the person's personal allowance account immediately. Reimbursement from a liable person will be to the agency with documentation indicating the reimbursement was made pending the result of an investigation. Refer to the 624 Handbooks for requirements related to reporting Theft and Financial Exploitation to OPWDD and/or the NYS Justice Center and Law Enforcement.
- **Providers and staff must work with people to safeguard against financial exploitation.** This could include education regarding employees not being allowed to ask people for money; debit and credit card security, online safety; and not sharing passwords and PIN numbers.
- **Person owned accounts must never include an employee name; they must be in the person's name only.**

Best Practices:

- Monitor and work with people to make sure the total amount held by the person doesn't exceed the amount in the MMA (cash, earnings, community bank account) especially for people that have independent access to funds.
- Accounting of personal funds should be reconciled often with system of oversight in place.
- Assist people with debit cards in locating and using an ATM without fees.
- Assist people to review their bank statements for errors, ensure that there is a copy for reporting resources to SSI and Medicaid
- People should be assisted in bill paying if needed.
- If there is a possibility that a person has become a victim of identity theft, the treatment team should assist the person in requesting their credit reports.

You can find requirements for residential and nonresidential facilities online at: [14 NYCRR 633.15 Westlaw.](#)