
**ORANGE COUNTY SOCIAL SERVICES AGENCY
CFS OPERATIONS MANUAL**

Effective Date: September 1, 1986
Revised: July 24, 2007

Number: H-0103

Conserved Funds

Purpose	To provide guidelines for monitoring and managing conserved funds of children eligible to Social Security benefits.
Approved	This policy revision was approved by Mike Ryan, Director of CFS, on July 24, 2007. <i>Signature on file</i>
Background	<p>Dependent children in out-of-home placements may be eligible to receive Supplemental Security Income (SSI); Retirement, Survivors, Disability Insurance (RSDI); or both. These funds are used to help support the child's out-of-home placement cost. When placement cost is less than Social Security benefits, the excess funds are placed in a conserved fund account and held until the child returns home or emancipates from the dependency system.</p> <p>Children and Family Services (CFS) created an SSI/RSDI unit to ensure children's conserved funds are managed and returned to the Social Security Administration at case termination for disbursement to the child.</p> <p>Please refer to CFS Policy and Procedure Social Security Benefits: Foster Children (H-0122) for other related guidelines on making application, becoming payee, assisting youth to continue benefits after emancipation or return home, and filing an appeal.</p>
Legal Mandates	AB 1633 (2006) requires counties to screen a child's eligibility to SSI/RSDI at time of initial Aid to Families with Dependent Children-Foster Care (AFDC-FC) eligibility determination. If child is eligible for benefits, counties are to apply for representative payee status and to adhere to best practice guidelines for using funds for the

child.

[All County Letter \(ACL\) 07-09](#), dated February 6, 2007, provides instructions to counties on implementation of AB 1633.

[All County Letter \(ACL\) 07-10](#), dated February 28, 2007, provides Best Practice Guidelines to assist foster youth in receiving all federal benefits to which they are entitled.

[Welfare and Institutions Code \(WIC\) Section 13754](#) requires counties to apply for representative payee status, when no other appropriate party is available to serve, for dependent children in their custody, maintain accounts for children's funds, and establish procedures for disbursement of funds, including the balance upon child's release from care.

POLICY

Use of Benefits As representative payee, CFS will use a child's SSI and RSDI funds only for 1) use and benefit of the child, and 2) purposes determined by the County to be in the child's best interest.

Any money in excess of this use will be placed in a conserved fund account, earmarked for the specific child.

RSDI RSDI benefits are based on entitlement due to parents' contributions to the Social Security system. Upon a parent's death, disability, or retirement, dependent children (either citizen or qualified immigrant) may be eligible for benefits, or a portion of the benefits, until age 18. Benefits may extend to age 19, if child is expected to graduate from high school prior to his/her 19th birthday. Federal eligibility to foster care funding does not affect RSDI eligibility. RSDI is paid in arrears (for the previous month expenses) and has no income or property limitation.

For dependent, RSDI-eligible children in out-of-home placement, CFS will:

- A. Compare amount of benefit to placement cost. If RSDI benefit is greater than child's foster care rate, the overage will be placed into a conserved fund account for the child. The conserved funds will remain until dependency is terminated or child is returned to the custody of a parent.

- B. Monitor child's conserved funds monthly.
- C. Submit reports to Social Security regarding use and management of conserved funds, when needed.
- D. Submit change of child's address to Social Security Administration and deposit benefits into a conserved fund account for children who are:
 - 1. Returning home on a 60-day temporary release (TR).

Note: Change of payee does not occur until custody is returned to the parent by Court order.
 - 2. Hospitalized.
 - 3. In Juvenile Hall.
 - 4. AWOL.
- E. Return child's conserved funds to Social Security Administration when Court returns custody of child to parent OR child's dependency terminates and service/eligibility cases close.
- F. Assist parent or child in applying for change of payee to continue benefits and receive conserved funds returned by CFS. Refer parent to make application to California Work Opportunity and Responsibility to Kids (CalWORKs) or to Social Security Administration for an Emergency Advance Payment or Immediate Payment to financially support the child during the interim period.
- G. Maintain records of all conserved funds used in child's service file.

Exception: This policy may not apply to children who are Regional Center of Orange County (RCOC) consumers. RCOC may handle their SSI/RSDI benefits.

SSI

SSI benefits are based on child's documented disability, income, and property assets. Age is not an eligibility factor as SSI can continue into adulthood when other criteria are met. Federal eligibility to AFDC-FC and income/assets over \$2,000 affect eligibility. SSI is paid ahead (for current month) and is to be used

for the specified child in months the child is an Orange County dependent.

For dependent, SSI-eligible children in out-of-home placement, CFS will:

- A. Compare amount of benefit to placement cost. If SSI benefit amount is greater than child's foster care rate, the overage will be placed into a conserved fund account for the child. The conserved funds remain until dependency is terminated, child is returned to the custody of a parent/guardian, or funds are accessed by assigned Senior Social Worker (SSW) for child's needs.
- B. Monitor child's conserved funds monthly. The assigned SSW will be notified to use conserved funds for child's special needs when the balance of funds approaches the \$2,000 limit.
- C. Use conserved funds to pay for child's special needs when no other source is available. *Disbursement of Conserved Funds, Form F063-25-493*, is completed and submitted to SSA Accounting for this purpose. Request may be an advance or reimbursement.
- D. Maintain agreement with local Social Security Administration, if applicable, that no more than six months of child's eligible, retroactive benefits are released to CFS.
- E. Submit change of child's address to Social Security Administration and deposit benefits into a conserved fund account for children who are:
 - 1. Returning home on a 60-day temporary release (TR).
Note: Change of payee does not occur until custody is returned to the parent by Court order.
 - 2. Hospitalized.
 - 3. In Juvenile Hall.
 - 4. AWOL.

- F. Return child's conserved funds to the local Social Security Administration office when Court returns custody of child to parent or dependency terminates and service/eligibility cases close.
- G. Assist parent or child in applying for change of payee to continue benefits and receive conserved funds returned by CFS. Refer parent to make application to CalWORKs, if appropriate, to financially support the child in the interim period.
- H. Maintain records of all conserved funds used in child's service file.

Exception: This policy may not apply to children who are Regional Center of Orange County (RCOC) consumers. RCOC may handle their SSI/RSDI benefits.

REFERENCES

Hyperlinks

Users accessing this document by computer may create a direct connection to the following references by clicking on them.

- CFS Policy and Procedure [Social Security Benefits: Foster Children \(H-0122\)](#)
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REQUIRED FORMS

Online Forms

Required forms listed below may be printed out and completed, or completed online, and may be accessed by clicking on the link provided.

Form Name	Form Number
Disbursement of Conserved Funds	F063-25-493

PROCEDURE

Required Actions— Monitoring Conserved Funds	The following actions must be completed for an SSI/RSDI-eligible child when an overage exists after benefit amount is applied to placement cost.	
	<u>Staff Responsible</u>	<u>Step</u> <u>Required Action</u>
	SSA Accounting/ Accounts Receivable	1. Maintain records of each child’s Social Security benefits received/disbursements made on a monthly basis. Send monthly “alpha list” to SSI/RSDI Unit.
	SSI/RSDI Unit	2. Receive alpha list from SSA Accounting with each child’s conserved funds balance: <ul style="list-style-type: none"> a. Review alpha list for conserved fund activity. b. Research cases with no activity for the month, using both CalWIN and CWS/CMS systems. 3. Email assigned SSW regarding SSI-eligible children whose conserved funds are approaching \$2,000. 4. Report to Social Security Administration, when needed, regarding use and management of conserved funds. 5. Participate in audits performed by Social Security Administration.
	RSDI Unit SSSS	6. Submit change of address by fax to Social Security Administration for children who are: <ul style="list-style-type: none"> • With parent on 60-day TR • AWOL • Incarcerated • Hospitalized

Required Actions— Using Child’s Conserved Funds		The following actions must be completed when staff wishes to use a child’s conserved funds to finance a special need, not covered by other sources.	
	<u>Staff Responsible</u>	<u>Step</u>	<u>Required Action</u>
	Assigned SSW	1.	<ul style="list-style-type: none"> a. Complete <i>Disbursement of Conserved Funds, F063-25-493</i>, identifying amount of payment and child’s special need. b. Obtain approval signature from assigned SSSS. c. Send completed, original request to SSA Accounting, Building 151A. Keep a copy for child’s file.
		2.	<ul style="list-style-type: none"> a. Retain receipts of all goods and services purchased with conserved funds. b. Place receipts and copy of request in child’s service file, Financial Acco.

Required Actions— Returning Conserved Funds		The following actions must be completed for a child with conserved funds at termination of dependency, return to parent, establishment of guardianship, or adoptive placement signing.	
	<u>Staff Responsible</u>	<u>Step</u>	<u>Required Action</u>
	Assigned SSW	1.	Inform emancipating minor, parent of returning child, guardian or adoptive parent of conserved funds held for child.
		2.	Notify SSI/RSDI Unit for child with conserved funds when recommending termination/emancipation, return to parent, legal guardianship, or adoptive placement.
	SSI/RSDI Unit	3.	Send memo to guardian, emancipating youth, parent, or adoptive parent directing them to make an appointment with Social Security Administration for change of payee, receipt of future benefits, and release of conserved funds.

Inform them to take the memo, court document, emancipation packet (if appropriate), and personal identification to the appointment.

4. Email SSA Accounting when award letter is received from Social Security Administration regarding change of payee, directing them to return all conserved funds for child to Social Security Administration.