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**Local Commissioners Memorandum**

**Section 1**

<b>Transmittal:</b>	07-LCM-16 ( <i>Revised</i> )
<b>To:</b>	Local District Commissioners
<b>Issuing Division/Office:</b>	Office of Temporary and Disability Assistance (OTDA): Center for Employment and Economic Supports and Budget, Finance and Data Management
<b>Date:</b>	December 24, 2007 (original issue date- December 6,2007)
<b>Subject:</b>	Financial Management Procedures for Social Security Administration Representative Payees
<b>Suggested Distribution:</b>	Directors of Accounting Temporary Assistance Directors Medical Assistance Directors Protective Services for Adults Directors
<b>Contact Person(s):</b>	1-800-343-8859; SSA/SSI Questions – SSI Bureau (518) 473-0332: Archiah Phillips, ext.4-9109 <a href="mailto:Archiah.Phillips@otda.state.ny.us">Archiah.Phillips@otda.state.ny.us</a> ; TA Questions – Temporary Assistance Bureau (518) 474-9344; MA Questions – (518) 474-5693; Accounting Questions – Bureau of Financial Services: Regions 1-4: Carolyn Oleyourryk 1-800-343-8859, ext. 4-7549 or (518) 474-7549 <a href="mailto:Carolyn.Oleyourryk@otda.state.ny.us">Carolyn.Oleyourryk@otda.state.ny.us</a> Region 5: Michael Borenstein (631) 854-9704 <a href="mailto:Michael.Borenstein@otda.state.ny.us">Michael.Borenstein@otda.state.ny.us</a> Region 6: Marian Borenstein (212) 961-8250 <a href="mailto:Marian.Borenstein@otda.state.ny.us">Marian.Borenstein@otda.state.ny.us</a>
<b>Attachments:</b>	A) Social Security Administration Representative Payee Program Lesson Plan; B) Representative Payee Report Form SSA-6234-F6; 83 ADM-15, 79 INF-8 C) 83 ADM-15 – Financial Management Procedures for Protective Services for Adults (PSA) D) 79 INF-8 – Financial Management Procedures for Individual Clients
<b>Attachments Available On-Line:</b>	Attachment A: <a href="http://www.ssa.gov/payee/LessonPlan-2005-2.htm">http://www.ssa.gov/payee/LessonPlan-2005-2.htm</a> Attachment B: <a href="http://www.ssa.gov/payee/NewGuide/ssa-6234exhibitB.pdf">www.ssa.gov/payee/NewGuide/ssa-6234exhibitB.pdf</a>

## Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
83 ADM-15 79 INF-8		Part 457	SSL 473 SSL 87	NYS Fiscal Reference Manual Volume 1, Chapter 9	

## Section 2

### I. Purpose

The purpose of this Local Commissioners Memorandum (LCM) is to inform local social services districts that the Social Security Administration (SSA) has been conducting site visits to local departments of social services for the purpose of reviewing Representative Payee procedures. SSA reviewers are finding that local districts do not uniformly follow Representative Payee Financial Management Procedures. This LCM will clarify procedures to ensure uniformity.

SSA requires that:

- a separate account be established for the deposit of Social Security Disability Insurance (SSDI)/Supplemental Security Income (SSI) funds;
- the account must be titled to show beneficiary ownership; and
- the account must be titled to show the local district as fiduciary.

The New York State Fiscal Reference Manual, Volume 1, Chapter 9 has been updated to reflect these changes.

### II. Background

A “representative payee” is an individual approved by the Social Security Administration (SSA) to receive benefits on behalf of a person when there is positive legal, medical or other acceptable evidence which shows that the beneficiary of SSA benefits is unable to manage their assets or protect their interests because of a physical or mental impairment. If a relative, friend, spouse, etc., cannot be found to accept this responsibility, the local social services district should apply for this designation. Often times, the Commissioner of Social Services will be named the representative payee. The representative payee receives the Social Security and/or Supplemental Security Income (SSI) payment on behalf of the client.

### III. Program Implications

Each district must review its current financial management system in regards to Representative Payee accounts.

Districts must meet the requirement to establish a separate account for representative payee funds.

A TA-53 Social Services trust sub-account may be established by the representative payee for each beneficiary. Each TA-53 sub-account should be titled to identify the local district representative payee as fiduciary and the beneficiary as fund owner. For example, the TA-53 Social Services Representative Payee trust account may be titled "LDSS Commissioner, Representative Payee for John Doe." Beneficiary funds should be kept in an account that minimizes fees, yields interest, and assists the representative payee in keeping clear records.

A representative payee may also elect to place multiple beneficiary funds into a single collective account, separate from all other types of funds. For example, the title of the collective account may be "LDSS Commissioner, Representative Payee for Social Security Beneficiaries." The collective account must be approved by the local social security office, and should contain sub-ledgers to identify beneficiary ownership.

Records must be retained which show how much Social Security and/or SSI money the representative payee received, spent, and saved for each individual beneficiary. Keep records that show savings and expenditures. For example, keep bank statements, invoices, receipts, leases, etc. that adequately document use of the beneficiary's funds. These documents should be kept for a minimum of two years.

A representative payee is required to account for the funds received by completing a Representative Payee Report (Sample Form [SSA-6234-F6](#) attached). The SSA booklet titled "*A Guide for Representative Payees*," has a worksheet that can be used to keep track of expenditures.

*A Lesson Plan for Organizational Representative Payees* is attached for your review and can also be viewed on the SSA website at <http://www.ssa.gov/payee/LessonPlan-2005-2.htm>. In addition, SSA provides onsite training upon request.

Refer to Fiscal Reference Manual (FRM), Volume 1 Chapter 9 for representative payee information: <http://otda.state.nyenet/bfdm/finance/docs/Vol01.pdf#page=1>. FRM, vol. 1, chap. 9 updates financial management procedures found in prior policy directives: Administrative Directive 83 ADM-15, *Financial Management Procedures for Protective Services for Adults (PSA)* and Informational Letter 79 INF-8, *Financial Management Procedures for Individual Clients*. Both 83 ADM-15 and 79 INF-8 are no longer available on line but are attached for your information.

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