



STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
DIVISION OF INTELLECTUAL DISABILITIES SERVICES  
ANDREW JACKSON BUILDING, 15TH FLOOR  
500 DEADERICK STREET  
NASHVILLE, TN 37243

TITLE: Establishment Funds Policy

POLICY #: P – 009 – D

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A. **PURPOSE:** The purpose of this policy is to provide clarification about requests for establishment funds and disposition of items purchased with establishment funds.

B. **APPLICABILITY:** This policy applies to staff of the Division of Intellectual Disabilities Services who are responsible for authorizing establishment funds to establish residential services or for interpreting policy involving establishment funds.

C. **DEFINITIONS:**

1. **“Class Member”** means an individual meeting the requirements in the definition of the class specified in one of the following:

- a. *People First of Tennessee, et.al. v. Clover Bottom Developmental Center*; or
- b. *United States of America v. State of Tennessee, et.al. (Arlington Developmental Center)*.

2. **“Establishment funds”** means state funding provided by the Division of Intellectual Disabilities Services to an individual to purchase basic furniture, appliances, household items, or related services, as specified in Section D.2.b. of this policy, which are needed to initially establish a residence.

3. **“HCBS waiver”** or **“waiver”** means a Home and Community-Based Services waiver for persons with mental retardation that includes the following;

- a. Home and Community-Based Services Waiver for the Mentally Retarded and Developmentally Disabled (#0128.90.R2A.02) and any amendments thereto; and
- b. Home and Community-Based Services Waiver for Persons with Mental Retardation (#0357.90.02) and any amendments thereto.

D. **DESCRIPTION OF POLICY**

1. **Eligibility:** To be eligible to receive establishment funds, the service recipient must meet the following 3 criteria:

- a. The service recipient must:
  - (1) Be a resident at the Harold Jordan Center;

- (2) Be a resident at a developmental center operated by the Division of Intellectual Disabilities Services;
  - (3) Be a Class Member who is a resident of a psychiatric hospital, psychiatric residential treatment facility, private Intermediate Care Facility for the Mentally Retarded, or nursing home and who has resided there for the past 180 days; or
  - (4) Be a Class member who is in the custody of the Department of Children's Services; and
- b. Must be transitioning to an HCBS waiver to receive one of the following waiver services:
- (1) Supported Living; or
  - (2) Medical Residential Services, provided that the place of residence is being rented or leased by the service recipient and that the provider is licensed as a Supported Living provider (i.e., an individual receiving Medical Residential Services in a home licensed as a Residential Habilitation facility is not eligible to receive establishment funds); and
- c. Must lack the resources to purchase the items or services specified in Section D.2.b.

**2. Requesting establishment funds to establish a residence**

- a. Requests for establishment funds shall:
- (1) Be limited to a one-time grant or award of no more than \$2,500.00;
  - (2) Be submitted in writing to the Regional Director or designee; and
  - (3) Include an itemized list of the items to be purchased with the establishment funds and the anticipated price of each requested item.
    - (a) The itemized list shall include the anticipated cost for any individual item costing \$50.00 or more.
    - (b) Less expensive items with an individual item cost of less than \$50.00 may be grouped and listed with an aggregate cost for the group, provided that the aggregate cost does not exceed \$100.00 (e.g., 3 pillows with an aggregate cost of \$60.00; 6 bowls with an aggregate cost of \$54.00).
- b. Items which may be purchased with establishment funds include:
- (1) Basic essential furniture (e.g., couch, chair, bed, dresser; chest, table);
  - (2) Basic appliances (e.g., washer, dryer, refrigerator, microwave, toaster);
  - (3) Eating utensils, cookware, and kitchenware for meal preparation;
  - (4) A telephone;
  - (5) A television;
  - (6) A radio;

- (7) Bed, bath, and laundry items (e.g., sheets, pillows, pillow cases, towels, bath cloths, shower curtains, and laundry baskets);
- (8) The initial stock of food and food products, laundry and cleaning supplies, and bath and personal hygiene products at the time the residence is first established;
- (9) An initial security deposit or advance payment of rent for the first month when required in order to establish a residence;
- (10) A utility deposit when required in order to establish a residence;
- (11) Moving expenses (e.g., truck rental and fuel for moving; labor); and
- (12) Other miscellaneous non-excluded items, as approved by the Division of Intellectual Disabilities Services, which are reasonably needed to establish an initial residence.

c. Establishment funds shall not be used or approved to purchase:

- (1) Clothing;
- (2) Entertainment and educational items (with the exception of a television or radio) such as the following:
  - (a) DVD/VCR players and DVD's/CD's/VCR tapes, and tape recorders;
  - (b) Computers, computer software, printers, and other computer hardware and software;
- (3) Sports or exercise equipment; or
- (4) Recreational equipment (e.g., bicycles).

d. An individual who has previously been approved for establishment funds and who desires to relocate from one Supported Living home or Medical Residential Services home to another Supported Living home or Medical Residential Services home, as defined in Section D.1, shall not be eligible to receive establishment funds again.

3. Approval of establishment funds is considered to be a type of grant or award to a specific individual.

- a. Items purchased with establishment funds shall be the property of the individual for whom they are approved.
- b. If there is a change in the residential service provider or other situations, the individual has the right to retain any items purchased with establishment funds. The transferring provider shall provide a copy of the inventory of the individual's personal property to the new provider and to the service recipient or the service recipient's conservator or legal representative. The transferring provider shall also maintain a copy of the inventory.
- c. Establishment funds are not intended to be used by a service recipient to purchase an item jointly with another service recipient.
- d. If, due to a change in the residential service provider or other situations, the individual no longer has a need for items purchased with establishment funds, the individual may retain or dispose of the items.

- e. Upon the death of the individual, any items purchased with establishment funds will become the property of the individual's legal heirs who may retain or dispose of the items. If there are no legal heirs or if the legal heirs do not want the items, the Division of Intellectual Disabilities Services shall retain the right to dispose of the property.
- 4.. When an individual purchases furniture, appliances, other household items with establishment funds, the provider of residential services shall maintain a written inventory of the items purchased. The service provider shall be responsible for updating the written inventory when an item purchased with establishment funds is destroyed or no longer usable. The written inventory shall be maintained for a minimum of two years or as long as the service provider continues to provide services to the service recipient, whichever is longer. If the service provider discontinues providing services to the service recipient, the service provider shall provide a copy of the written inventory to the service recipient or the service recipient's conservator or legal representative and a copy to the new provider.

E. **ATTACHMENTS:** None

F. **PREVIOUS POLICY:** Replaces the March 30, 2001 Information Bulletin (Number 01-10); DMRS Policy P-009 (February 20, 2007); DMRS Policy P-009-A (September 29, 2008); DMRS Policy P-009-B (April 24, 2009); DIDS Policy P-009-C (November 16, 2009).

G. **DATE APPROVED BY TENNCARE:** Not applicable.

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H. **POLICY APPROVAL**

Joanna Damon by W Moore, M.D.  
Signature of Assistant Commissioner  
Office of Policy, Planning, and Consumer Services

1/11/2010  
Date

Debra K. Payne  
Signature of Interim Deputy Commissioner  
Division of Intellectual Disabilities Services

1/11/2010  
Date