



**Administrative Policies and Procedures: 16.56**

<b>Subject:</b>	<b>Interdependent Living Direct Payment Allowance</b>
<b>Authority:</b>	TCA 37-5-106
<b>Standards:</b>	DCS Practice Model 8-104, PA-CM 7.01
<b>Application:</b>	DCS Staff Working with Interdependent Living Services and young adults in Voluntary Post-Custody Status
<b>Policy Statement:</b>	
DCS shall establish a direct-pay process to provide a living allowance to eligible young adults.	
<b>Purpose:</b>	
The purpose of the direct payment process is to assist eligible young adults as they gain self-sufficiency, and to promote a successful transition to adulthood. Young adults shall have the ability to readily access funds, and utilize financial management skills acquired via training. These services are dependent upon need and require individual effort towards meeting program goals as established for the individual.	
<b>Procedures:</b>	
<b>A. Guidelines for Interdependent Living Allowance (ILA)</b>	<ol style="list-style-type: none"> <li>1. Direct payment allowances for post custody youth are referred to as the Interdependent Living Allowance (ILA).</li> <li>2. All eligible youth must attend a training course coordinated by Interdependent Living Program Specialists, and comply with all additional requirements in preparation for utilizing the ILA system as outlined in this policy.</li> <li>3. Any change in the ILA amount, to include termination of the ILA, shall require notification of the young adult affected via <b>CS-0760, Notice of Denial, Termination or Change in DCS Voluntary Post Custody or Scholarship Services</b> at least ten (10) calendar days before the anticipated change. The young adult affected shall also have the opportunity to review this decision in the context of a Child and Family Team meeting. Young adults may request a Program Review to adjust or terminate the ILA by following the procedures outlined in Section O (Due Process for the Appeal of Eligibility-Related Decisions) of Policy 16.52: Eligibility for Interdependent Living and Voluntary Post-Custody Services) utilizing <b>CS-0761, Program Review Request</b>.</li> </ol>
<b>B. Interdependent Living Allowance (ILA) Rates</b>	<ol style="list-style-type: none"> <li>1. Interdependent Living Allowance (ILA) payments shall be determined based on a per diem. This is in accordance with the guidelines established by the DCS Office of Interdependent Living and Fiscal staff. Any rates (as noted in B2 through B5) must be maintained in the TFACTS service rate structure. The IL Unit must ensure that the correct rates are in the TFACTS system at all times.</li> </ol>

	<ol style="list-style-type: none"> <li>2. The payment amount shall be determined by a mutual agreement between the young adult and the DCS Office of Interdependent Living. These rates have been established based on certain criteria, to include assessment of the young adult’s ability to generate and access income and other supports. It is expected that the young adult shall increase their own financial viability as time proceeds, and that the assistance provided via the ILA shall decrease accordingly. The assessment shall include, but is not limited to, verification of employment as applicable and the development of a budget to identify other financial resources that might be available to the young adult. The ILA rate shall be the established amount, and shall be reviewed and regulated accordingly over time.</li> <li>3. <b>Regular Rate:</b> Check the following web link for the most current regular rate: <a href="http://www.intranet.state.tn.us/chldserv/boardrates.shtml">http://www.intranet.state.tn.us/chldserv/boardrates.shtml</a> . The regular rate is available for eligible youth age 18 to their 20<sup>th</sup> birthday.</li> <li>4. <b>Graduated Rate:</b> Check the following web link for the most current graduated rate: <a href="http://www.intranet.state.tn.us/chldserv/boardrates.shtml">http://www.intranet.state.tn.us/chldserv/boardrates.shtml</a>. The Graduated Rate is available to eligible young adults age 20 to their 21<sup>st</sup> birthday. The Graduated Rate may also be applied in circumstances when the young adult is assessed to possess sufficient income and support from other resources.</li> <li>5. <b>Personal Expense Rate:</b> Check the following web link for the most recent personal expense rate: <a href="http://www.intranet.state.tn.us/chldserv/boardrates.shtml">http://www.intranet.state.tn.us/chldserv/boardrates.shtml</a>. The Personal Expense Rate is designed to provide financial assistance to eligible young adults aged 18 to 21 residing in campus housing sponsored by post-secondary educational programs. Utilization is predicated upon such young adults’ general and recurring need for nominal funding to purchase personal items not otherwise covered by other supports. The Personal Expense Rate may also be applied in circumstances where the young adult is assessed to possess sufficient income and support from other resources.</li> </ol>
<p><b>C. Establishing the Interdependent Living Allowance Contract and Payment Arrangement</b></p>	<ol style="list-style-type: none"> <li>1. Following completion of a training course coordinated by an Interdependent Living Program Specialist, the young adult must complete and provide a <b>Substitute W-9 form</b>. This form shall be made available to the young adult by the Interdependent Living Program Specialist (ILPS) following the training. <b>Important:</b> The address for the youth should reflect their permanent living address because this is where all of the financial information will be mailed. It is incumbent upon the youth to notify program staff of any change in address. Appropriate routing and changes in address can take extended periods of time and require significant notice to avoid service interruption.</li> <li>2. All young adults must also complete form <b>FA-0825, ACH-Automated Clearinghouse Credits</b>. This form shall be made available to the young adult by the Interdependent Living Program Specialist following the training, and must be submitted with a VOIDED check or a VOIDED savings deposit slip. The ACH provides direct deposit information and will allow DCS to directly deposit the ILA into the youth’s bank account. The ACH will require an ABA number that is the same as the routing number (the first set of numbers found on the bottom of personal checks). <b>Please note:</b> If the youth banks with a Credit Union, the Credit Union will need to fill out the ABA number. Anticipated</li> </ol>

	<p>changes in banking partners should be forwarded to program staff as soon as practicable to avoid service interruption.</p> <ol style="list-style-type: none"> <li>3. The Interdependent Living Program Specialists shall ensure that the eligible young adults sign the <b>CS-0762 Interdependent Living Allowance Agreement</b></li> <li>4. The young adult is advised to establish two bank accounts: a checking or savings account that will accept the ILA as a direct deposit, and a <b>Tax Savings Account.</b></li> <li>5. <b>The Interdependent Living Allowance payment that youth will receive from DCS is taxable income.</b> It is recommended that young adults establish a method to deposit 10% of every ILA payment into the <b>Tax Savings Account</b>.</li> <li>6. <b>Young adults scheduled to receive the ILA shall be instructed not to use the funds in the tax savings account.</b> The establishment of this savings account is designed to ensure that the young adults have funds available to make quarterly Estimated Tax Payments on the taxable ILA income, utilizing <b>IRS Form 1040-ES and associated payment vouchers.</b> It is the responsibility of the young adult to make these payments. The dates that young adults are expected to submit the vouchers and payments, and other application information, is available via the applicable year's payment voucher and from the United States Revenue Services.</li> <li>7. The direct deposit shall begin approximately thirty (30) days after the <b>Substitute W-9 form</b>, ACH form and collateral information are submitted.</li> <li>8. All eligible young adults receiving the ILA must complete <b>IRS form 1040, Individual Tax Return</b> annually. This is the responsibility of the young adult.</li> </ol>
<p><b>D. Updating the Interdependent Living Allowance (ILA) Contract and Payment Arrangement</b></p>	<ol style="list-style-type: none"> <li>1. Young adults must complete and submit a Substitute W-9 when he/she moves to a residence different from that initially identified when the ILA contract was established.</li> <li>2. Young adults must complete and submit an <b>FA-0825, ACH Clearinghouse Credits</b> form, and submit a voided check or savings deposit slip, whenever he/she closes the bank account that receives the ILA direct deposit, and opens another account that will receive the ILA direct deposit.</li> <li>3. The young adult must immediately supply notification under the following circumstances:             <ol style="list-style-type: none"> <li>a) He/she closes the bank account that receives the ILA direct deposit.</li> <li>b) He/she experiences overdraft charges on the bank account that receives the ILA direct deposit, or</li> <li>c) The bank closes the account that receives the ILA direct deposit for any reason.</li> </ol> </li> <li>4. The young adult must contact the Interdependent Living Program Specialist monitoring his/her ILA eligibility to provide all of the above information and documents, as applicable.</li> </ol>

<b>Forms:</b>	<a href="#"><u>CS-0760, Notice of Denial, Termination or Change in DCS Voluntary Post Custody or Scholarship Services</u></a> <a href="#"><u>CS-0761, Program Review Request</u></a> <a href="#"><u>CS-0762, Interdependent Living Allowance Agreement</u></a> <a href="#"><u>CS-0842, Substitute W-9</u></a> <a href="#"><u>FA-0825, ACH-Automated Clearinghouse Credits</u></a>
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<b>Collateral documents:</b>	<a href="#"><u>Interdependent Living phone-in calendar</u></a> <a href="#"><u>Interdependent Living Manual</u></a>
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