



**JUSTICE AND PUBLIC  
SAFETY CABINET  
DEPARTMENT OF  
JUVENILE JUSTICE  
POLICY AND PROCEDURES**

**AUTHORITY and  
REFERENCES:  
505 KAR 1:130,  
KRS 15A.0652**

**CHAPTER: Juvenile Services in  
Community**

**SUBJECT: Trust Funds**

**POLICY NUMBER: DJJ 609.2**

**TOTAL PAGES: 3**

**EFFECTIVE DATE: February 2, 2018**

**APPROVAL: Carey D. Cockerell , COMMISSIONER**

**I. POLICY**

A Trust Fund account shall be established for all youth receiving mandatory benefits, inheritance, or insurance awards. The excess benefits, the difference between the monthly benefits received and the youth's cost of care, shall be accumulated in the youth's trust fund account.

**II. APPLICABILITY**

This policy and procedure shall apply to all community service offices.

**III. DEFINITIONS**

Refer to Chapter 600

**IV. PROCEDURES**

- A. When monthly benefits are received for a youth, they shall be posted to the trust fund account. The cost of care or the entire month's benefits, whichever is less, shall be deducted and the remaining amount accumulated in the youth's trust fund account.
- B. Inheritance or insurance awards are not automatically used to offset cost of care. The Department of Juvenile Justice (DJJ) Office of Legal Counsel shall review the stipulations within the inheritance or insurance awards. The Regional Benefits Specialist shall be responsible for sending the necessary documents to Central Office when review is needed to determine if trust fund money can be accessed.
- C. Trust fund accounts may accumulate to any amount. However, the accumulation may affect SSI, Medical Assistance, and Title IV-E Foster Care eligibility.
  1. If the youth's trust fund account is accumulating too rapidly, the Central Office Benefits Coordinator will notify the Benefits Specialist of the current cost of care to determine if the cost of care has been computed correctly.
  2. If the cost of care has been computed correctly, efforts shall be made to reduce the trust fund to accepted levels to maintain SSI, IV-E Foster Care

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benefits or Medical Assistance. The Juvenile Service Worker (JSW) shall assess the youth's needs and, if items are needed, purchase them.

3. SSI recipients:
  - a. The benefits specialist shall inform the Social Security Administration (SSA) if the trust fund account, and other countable resources, has exceeded \$2,000, the maximum amount of resources an SSI recipient is permitted to have to retain eligibility.
  - b. SSA shall then suspend or end eligibility for payment and Medical Assistance until the youth's resources are spent below the limit.
4. Medical Assistance:
  - a. Non-SSI youth receiving no more than the current maintenance rate in total monthly benefits are eligible for a "Y" or "I" Medical Assistance card if resources meet all Medicaid resource limits.
  - b. Title IV-E Foster Care: Foster children receiving no more than the current maintenance rate income for the total monthly benefits may be eligible for Title IV-E and the "P" or "X" Medical Assistance card if resources are no more than \$1,000.

**D. Trust Fund Withdrawals**

Special withdrawals may be made from the youth's trust fund account when:

1. The withdrawal is approved by the appropriate level of supervision and is an appropriate expenditure. The expenditure shall relate to a need that has been identified in treatment planning. Activities may include, but are not limited to, a youth's special talents or abilities, the need for special equipment or developmental aids. When an expense requiring special approval shall be repeatedly incurred over a period exceeding one (1) month, for example, musical instrument rental, the total amount needed for the entire period shall be approved at the appropriate approval level. The request shall state that the expense is for a service that is a part of the youth's written treatment plan.
2. The approval level for such special expenses shall be as follows:
  - a. Amounts \$0-\$250—Juvenile Services District Supervisor (JSWS) or Residential Superintendent
  - b. Amounts \$250-\$500 - Juvenile Services Regional Manager or Facilities Regional Administrator
  - c. Amounts over \$500 – Appropriate Division Director
3. In no instance shall a withdrawal be paid to a DJJ staff.
4. Receipts submitted by foster parents to justify expenses shall be preprinted or be written and signed by the vendor. When unusual situations require use of a receipt that is not preprinted, it shall be clear that the vendor has been paid for the service specified. Workers and foster parents are to instruct stores to submit bills to the JSW.

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5. Documentation of the approval of special expenses shall accompany the invoice when it is submitted to the Fiscal Branch for payment from the trust fund.
6. Withdrawals shall not be made to reimburse cost of care to foster parents or private child-caring facilities. However, withdrawals may be made to reimburse other care providers when youth are in transitional or non-foster care settings. In these cases, the Regional Manager shall approve the monthly amount needed for care, not to exceed the youth's monthly benefits. Documentation of the approval of these reimbursements shall accompany the invoice when submitted to the Fiscal Branch for payment from the trust fund.
7. Once payment is processed, the withdrawal shall be posted on the youth's trust fund.

**E. Change of Payee**

1. When a change of payee for mandatory benefits occurs, the trust fund of RSDI or SSI shall be disbursed to SSA and a new payee shall be recommended. SSA shall determine if an overpayment occurred, deduct any overpayment, and after selecting a new payee, forward the balance to the new payee.
2. When changes of benefits occur for all other benefits, such as accumulated benefits, interest, etc., these benefits shall be returned to the appropriate agency for authorized distribution to the new payee.

**V. STAFF TRAINING**

- A. The Benefits Specialist shall train new employees within three (3) months of their hire date.
- B. The Benefits Specialist shall train all staff as a result of any changes within three (3) months of the date of change.
- C. The Juvenile Services District Supervisor shall conduct annual reviews with all staff.

**VI. MONITORING MECHANISM**

The Division Director of Community and Mental Health Services or designee, in conjunction with the Regional Benefits Specialist, shall develop monitoring protocols.