

Kids Central, Inc. System of Care

Policy & Procedure

Series: Master Trust Accounts

Policy Name: Investment of Funds

Policy Number: 1208

Origination Date: 07/01/10

Revision Date: 01/05/12

Authority: 402 F.S., 737 F.S., 39 F.S., 415 F.S., 65C-17 F.A.C.

Purpose

To ensure that the State of Florida Office of Revenue Management guidelines are followed regarding the investment of Client Master Trust Funds. To establish a consistent manner in which client SSA and/or Dedicated Trust funds are transferred to the Investment Unit for the purpose of investing funds on the child's behalf.

Policy

It is the policy of the organization to promote practices of good stewardship in the management of Clients' Master Trust Funds. The purpose of investing is to increase the earnings of Trust Funds that are currently not being utilized or are unproductive. Trust funds in excess of what is needed by the client to take care of current needs should be invested. Consideration of when and how much to invest should depend on how long the client will remain in licensed care and what the current needs are. Only Title 2: Retirement Survivors Disability Insurance (SSA) and SSI Dedicated funds can be invested. The following defines the procedures that should be used to invest Client Master Trust Funds and to liquidate funds invested (return funds to Clients' Trust accounts).

Procedure

Reviewing Clients' Master Trust Accounts for Investment Purposes

The client's master trust fund account should be evaluated to determine if a portion of the funds should be sent to the State of Florida DCF Office of Revenue Management for investment of the funds. The following factors should be considered in making the investment determination:

- A. The Client's Master Trust Fund account balance should be evaluated when:
 - Significant benefit payments (greater than \$2,000) are received from the Social Security Administration (SSA)
 - SSA and/or Dedicated account balance is greater than \$2,000
- B. Age of the child: When will the child age out of licensed care?
- C. The placement of the child. Is the child moving in and out of licensed care?

Kids Central, Inc. System of Care Policy & Procedure

The client's trust account should be evaluated based on the above criteria when large payments are received from SSA and during the month end review of the client's account balance report.

Submitting Client Trust Funds for Investment

If it is determined that a portion of a client's master trust funds should be invested the Master Trust Account Clerk should take the following steps:

1. In QuickBooks:
 - A new customer account should be established for the client to provide a separate tracking of funds invested.
 - Assign "Investment Type" to the new account and class.
 - Make a journal entry for the portion of funds to be invested by debiting the Investment Fund account (this takes the place of the bank account) and crediting the **new** client's **investment** account.
 - A check should be processed for the funds to be invested and will reduce the Trust Fund bank account and the balance of the client's **current** account (SSA or Dedicated account).
2. In the FAST system:
 - After the check is processed, make an entry to transfer the funds from the current account to an investment account by using transaction code 680 (see policy for how to enter transactions into FAST).
3. The check should be made payable to:
 - The Department of Children and Families
Attn: Frank Liro
Contact information:
 - The Department of Children and Families
Office of Revenue Management
1317 Winewood Blvd.
Bldg. 2 RM. 402
Tallahassee, FL 32399-0700
 - Phone: 850-488-9496
 - Email: Frank.Liro@DCF.State.fl.us
4. Include the following information with the fund's investment check:
 - Name of organization submitting investment check
 - Vendor ID# (what has been set up on the Statewide Vendor file)
 - Fund ID #
 - Name of the Fund (SSI current needs or Dedicated, etc.)
 - Name and title of sender
 - Contact information

Monthly Review of Investment Report

The Cash Management section in the Office of Revenue Management will prepare a monthly Investment Earnings Statement and forward it to KCI. Upon receipt of this statement, the Master Trust Account Clerk should perform the following entries:

1. In the FAST system:

Kids Central, Inc. System of Care Policy & Procedure

- Make an entry to record the investment interest earned less administrative fees
- 2. In QuickBooks:
 - Make a journal entry to record the investment interest earned less administrative fees by debiting the Investment Fund account and crediting the client's investment account using a transaction code for investment interest.
 - Use the same process for allocating interest to each client's account as established in the policy and procedure: Performing Functions in QuickBooks and Posting Transactions into FAST.
 - After all entries have been made, print an account balance report for the Investment Fund account and ensure the total matches the Investment Earnings Statement.

Requesting Client Trust Funds back from the Office of Revenue Management

When it is necessary to liquidate (withdraw) the client's funds from the investment account, the Director of Accounting and Revenue Maximization should email a request to Frank Liro, Office of Revenue Management. The withdrawal request should include the same information that was provided when the funds were invested (see above section) along with the address where the check should be mailed.

- The Vendor number dictates where DCF will mail the liquidated client trust invested funds

When the funds that had been invested plus interest are returned to KCI the Master Trust Account Clerk should make the following accounting entries:

1. In QuickBooks:
 - Follow the normal deposit procedure for the funds received and post the deposit to the client's current needs/dedicated account.
 - Make a journal entry for the amount of the returned investment check by crediting the Investment Fund account and debiting the client's investment account.
 - Review the client's investment account to ensure after the above entry has been made the account has a zero balance.
2. In the FAST system:
 - Enter a transaction to transfer the returned investment funds back to the client's current needs or dedicated account using transaction code 680.

Approved By:

Cynthia A. Schuler, Chief Executive Officer

Date