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Community Living Network

Helping YOU to be the
EMPLOYER



This booklet has been designed to provide you with assistance during the process of becoming the employer of your own support staff.

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Introduction

Have you ever felt ignored or powerless with your current arrangement for personal care, job coaching and other supports? It is your turn to make the choice. YOU can be in charge! You can decide to become an employer, select your staff and be in charge of when and where services will be provided. Becoming an employer and having the ability to choose, hire and direct your own staff is a tremendous opportunity for you. Becoming an employer is about choice and control. It is about becoming the decision maker. It is about freedom:

- **freedom to choose who you spend your time with**
- **freedom of who you allow into your home**
- **freedom to decide what activities you and your staff will participate in**
- **freedom to control your resources**

...and it is about the **responsibilities** that come along with choice and decision-making.



How do my employees get paid?

You should implement an approval process for employee timesheets, with either you or a member of your support team approving dates and hours before mailing or faxing them to CLN's office. Please note that all your employee timesheets for the pay period should be sent together.

At CLN, pay periods are the 1st through the 15th and the 16th through the last day of the month. Timesheets must be received 3 business days after the end of the pay period, or payment may be delayed until the next pay period. We will give you a timesheet/payroll calendar. Paychecks are mailed or direct deposited on the 2nd and the 4th Wednesday of the month.

What forms do you keep in my employee's personnel file at your office for Michigan Employers?

- IRS and Michigan W-4 Employee Withholding forms
- Verification of Employment Eligibility (I-9)
- State of Michigan New Hire Form
- Medicaid 42 CFR431.107
- Employment Agreement
- Criminal Background Check
- CPR & First Aid Certificate
- Certificate of Blood Borne Pathogens Training
- Certificate of Recipients Rights Training

How do I decide what my holiday and vacation policy should be?

You can set any holiday and/or vacation policy that you wish, however any policy that you set must fit your budget. Any policy you establish should be uniform in application to all of your employees. For example, you might pay time and a half to any employee that works on a holiday. *Please Note: Labor Laws do not require that you pay any premium holiday pay or offer vacation benefits.*



What do I do if I want to fire an employee?

This is a serious step and it is suggested that you discuss this with a member of your support team before you do the actual firing. It is also suggested that someone be with you when you are terminating an employee.

You do not have to give two weeks notice when firing an employee. It is recommended that when terminating an employee, it be done at the end of the last shift you expect them to work for you. You will have to take into consideration any shifts that might be left open by their departure.

Can I give raises?

Yes, as long as they are within your budget. It is often advised to start your employees at a lower rate, thus leaving room for a wage increase.

Who gets Workers Compensation Insurance?

As your fiscal intermediary, CLN will help you obtain any required Workers Compensation Insurance for your employees.



What Is A Fiscal Intermediary?

When you hear the term *fiscal intermediary* do not let it intimidate you – it means simply an entity that pays any expenses that are included in your “Individual Support Budget,” which is discussed and developed at your Person Centered Planning (PCP) meeting and funded through your local Community Mental Health (CMH) agency.

The funds in your budget will go directly to the fiscal intermediary, making it possible for the FI to make the appropriate payments, as authorized by you. The fiscal intermediary will handle the legal and technical details of the employer duties.

Using a fiscal intermediary also ensures that all appropriate employee Social Security, Medicare and income taxes are withheld and paid, as well as the employers’ Social Security, Medicare, and unemployment insurance obligations are reported and paid.

The fiscal intermediary serves as your “Employer Agent,” meaning that it will pay your staff and any bills related to payroll as well as any other CMH-authorized payments, as instructed by you. Even though the fiscal intermediary will perform these duties for you, you are not giving up your responsibility or independence as an employer; this ensures that you can change your support staff without any difficulties, should you need to do so.

Why Use A Fiscal Intermediary?

All participants of the Choice Voucher and Children's Waiver programs are required to have a neutral third party to act as the fiscal intermediary between the local mental health organization and you.

Becoming an employer involves dealing with taxes, rules, regulations and official forms that need to be filled out and filed. The job of a fiscal intermediary is to make sure that all the guidelines set in place by the state and federal governments about payroll and taxes are followed.

The FI takes the burden of the administrative paperwork off of you, your family, and your support staff. In addition to preparing payroll, the fiscal intermediary makes sure that unemployment insurance is established and that all taxes are prepared according to state and federal laws.

Most often, the average person does not know all of the laws and guidelines related to establishing themselves as an employer. To protect yourself and your status as a new employer, it is a good idea to employ someone who is familiar with these details.



Commonly Asked Questions

What is a fiscal intermediary?

It is the fiscal intermediary's job to complete and file all of the employer related forms required by the federal and state governments. A fiscal intermediary then processes timesheets and performs payroll tasks, including tax withholdings, such as Social Security, Medicare and federal and state income tax.



Do we need a fiscal intermediary?

Yes, it is currently a requirement of the Centers for Medicare and Medicaid Services that Choice Voucher and Children's Waiver customers wishing to hire their support staff directly must utilize the services of a fiscal intermediary.

Can I contact my fiscal intermediary directly?

Yes, your fiscal intermediary works for you and with you, so communication is not only allowed but necessary. An FI is always willing to answer your questions and help you and members of your support team with any problems or concerns you may have.

How do I contact Community Living Network?

You are welcome to contact CLN by calling 734-482-3300 extension 212, emailing mfrash@communityalliance.com or by faxing 734-482-3894.

Is my personal information kept private by the fiscal intermediary?

Yes, all fiscal intermediary offices must be HIPAA (Health Insurance Portability and Accountability Act of 1996) compliant, meaning client records are kept confidential.

Employment Agreement House Rules & Training

You get to make the rules and guidelines for your employees to follow because it is your home and you are the employer. When you have decided your “House Rules”, you should attach them as part of the *Employment Agreement*, a document provided by the FI in the **Employee Packet**. You and your employees must sign the agreement, verifying that it has been reviewed and your rules are understood. It is up to you to enforce your rules and they should be applied consistently among your employees.

As an employer, you have the right to choose your employees, likewise you have the right to end their employment at any time with or without cause. Should you ever



have a problem or feel uncomfortable, someone on your support team can help you when dealing with these problems.

You should never feel uncomfortable in your own home.

You may wish to establish an orientation period which will give you the opportunity to find out if you and the employee are a good match. It also gives you an opportunity to determine if the employee can meet the responsibilities that you outlined during the initial employment interview.

Trainings are required for all employees as a condition of employment. Training requirements are noted in the **Employee Packet** and are usually provided by or arranged for by your local mental health agency. If you have specific conditions that you need assistance with, you will want to make sure your employees are trained in those areas as well.

Choosing A Fiscal Intermediary

Choosing a fiscal intermediary will be one of the most important decisions you make as you begin down the path of becoming the employer of your own staff.

When choosing a fiscal intermediary there are several **qualities to look for**:

- Accessibility**
- Tax Knowledge**
- Ability to Communicate**
- Broad Experience**
- Flexibility**

The fiscal intermediary is someone who will help guide you through unfamiliar territory, and someone who you’ll be able to call upon with questions or concerns. You will want to make sure that the fiscal intermediary is the best fit for your personal needs.





Community Living Network (CLN) is an initiative of Community Alliance and was created to offer fiscal intermediary services to adults under the Choice Voucher and to children through the Children's Waiver program. CLN is contracted with local Community Mental Health agencies to provide fiscal intermediary (FI) services. CLN started providing fiscal intermediary services in late 1997 after being awarded a contract by Washtenaw Community Health Organization (WCHO). CLN has since entered into contracts with St. Clair, Livingston and Macomb Counties. CLN started providing services to customers in Clinton, Eaton and Ingham Counties in 2012.

Fiscal intermediary services are for persons who have chosen to control their own support funds as determined in their Individualized Plan of Service (see page 8). CLN provides the documents and files them with the appropriate federal and state agencies on behalf of an individual in order for them to become an "Employer of Record," with the authority and control to hire and employ their own personal assistants. CLN serves as the payroll agent to issue payroll checks and assure that all taxes are filed and paid to the appropriate governmental agencies. Employees receive accurate, timely paychecks and an annual W-2. Each CLN customer receives a monthly statement reporting their financial activity and the balance of their funds. CLN is here to help make your journey on the path to becoming an employer a successful one.

Fiscal Intermediary Services Coordinator Melissa Frash graduated from Eastern Michigan University with a Bachelor's of Science in Park and Recreation Management. After a stint as Assistant and Park Ranger Supervisor for Washtenaw County Parks and Recreation and an administrative internship with the City of Ann Arbor, she came to work for Community Alliance in 1996, with past positions here including direct care, Lead Support Supervisor, Coordinator of Personal Supports, and Site Supervisor before being named to her current position as Fiscal Intermediary Services Coordinator for Community Alliance's Community Living Network initiative.

The fiscal intermediary will provide an *Employee Packet* that explains the requirements and guidelines for employment. Included in the packet is an Employment Agreement which establishes your relationship as the employer, and the roles of the fiscal intermediary and the funding agency.

The *Employee Packet*, provided by the FI, outlines required training for employees and where the trainings are offered, as well as forms to conduct required criminal background and drivers license checks. While background checks do not guarantee you a perfect employee, they may help in selecting the most qualified, honest and dependable person.



Stretching Your Dollars

If your individual budget is not enough to pay for all the hours of support that you want or need, one option to consider is sharing your home with another customer who is also looking for independence. Combining your budgets may allow both of you to expand your services and improve your individual standard of living. This person could potentially share staffing with you or have staffing of their own.

Another option is finding someone to share your home with. We call this individual a *Resident Companion*. This person could perhaps be a nighttime staff. This could help save some of your funds since the wage could be reduced and housing could be part of their compensation.



Finding & Hiring Employees

Once you have a clear idea of what sort of personality you are looking for and what the job entails, you can begin to look for staff. You may not have to look far. Who helps you now? Sometimes family and friends can continue to assist you, but in the capacity as an employee.

Often your future employees will be found among the people you already know. They themselves can become an employee, or they may know someone they can recommend to you. You may even have staff that work with you now, through an agency or program, that would want to come work for you directly.

You may choose to advertise for the position. One option is to advertise in the local newspaper. Often colleges and universities have placement offices where you can place an ad for free. Perhaps your local ARC may have people interested in the position you have available.

Someone on your support team may help you write the advertisement, arrange for the replies, and coordinate and assist with the interviews. It is recommended that someone on your support team attend the interviews with you to offer his/her perspective on the applicant.

Communication and Experience

The level of communication that is maintained with the customers and their support team is an unique aspect of Community Living Network. Open communication gives CLN a distinct advantage because there is constant input and feedback not only from the mental health professionals and your family members, but from you, the customer.



Regardless of the customer's location, CLN can deliver quality service. Most questions that arise can be easily answered with a phone call, email or by fax. CLN personnel are available to all customers and support team members to answer questions and resolve any concerns.

One benefit CLN offers over other fiscal intermediaries is experience. When CLN first started providing fiscal intermediary services, there was a general lack of procedures and limited information clearly defining the role of a FI. As CLN grew and learned, it developed formats and procedures, many of which are now used throughout the State of Michigan.

CLN works closely with you as the customer, your supports coordinator, and your circle of support so that you get the most from the budget dollars. Often customers experience budget constraints, and CLN tries to work with the customer's support system to find unique solutions.

Community Living Network's goal is to serve the customer as efficiently and effectively as possible.

Getting Started

When becoming the employer of your own staff you have a support system to help you succeed. Your family, friends, your supports coordinator, your fiscal intermediary and other representatives from your local mental health organization and community make up your “circle of support”. Becoming an employer is not something you have to do alone. ***You will have help available every step of the way.***



At your Person-Centered Planning (PCP) meeting, you will be told your options regarding your supports, including the option of becoming an **employer** of your own caregivers. Your personal support budget will be based on your needs and goals as discussed during your PCP and written into your Individualized Plan of Service (IPOS). If you decide that you would like to employ your own staff, you will be given names of fiscal intermediaries. The FI that you select will help you fill out and file documents that will enable you to become an **employer**.

The FI you select will provide you with an *Employee Packet* and will help you to determine how many hours your staff can work, what the related costs will be, what you can afford to pay your staff per hour, and arrange for the necessary criminal background checks.

The FI serves as your payroll agent and represents you before the IRS and state governments. The FI will also be responsible for any necessary legal, technical and tax filings. The fiscal intermediary maintains your employer files and employee personnel records, prepares your payroll and payroll taxes, and submits the necessary tax payments.



Determining Employee Qualifications And Responsibilities

Your Supports Coordinator and/or your family members can help you with the employee interview process. They can help you advertise, review the applicants, and even sit in on the interviews. With the help of your support team, it is your responsibility to come up with a job description that fits your wants and needs. Your staff will want to know what duties they will have, whether it be light house-keeping, accompanying you to activities and appointments, or caring for your physical wellbeing. (See p. 11.)

First and foremost, you will want to decide what type of personality you are looking for in a staff member. Is it important that you and your staff share common interests? Are you interested in finding someone to be a friend and companion to you? Someone to go watch a ball game with, or maybe someone who can discuss the latest movie? Maybe you're looking for someone who is nurturing, that would help you prepare meals and tidy your home, someone who would like to stay in and read, or do puzzles. Perhaps you're looking for someone who is a little bit of each?

You will want to have a clear idea of what you are looking for in a staff member, as this person will become a part of your life, and will assist you in many aspects of your day-to-day living. Your staff may be hired to assist you and teach you how to increase your skills in your home and/or in the community. Your employees will demonstrate how to do things independently, so that you may no longer require as much assistance.

Always remember that your support team will help to ensure your safety and your success as you become the employer of your staff.