



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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What Is A Fiscal Intermediary (FI)?

When you hear the term *fiscal intermediary (FI)* do not let it intimidate you – it means simply an entity that pays the 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. Self Determination is a fee for service program, meaning the funds are available for your service and billed month by month.

The authorization for your budget makes it possible for the FI to make the appropriate payments, as authorized by you and approved by Medicaid. The fiscal intermediary makes payroll and invoices Community Mental Health in arrears.

FIs handle the legal and technical details of the employer duties by ensuring 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 we pay your staff wages as well as any other CMH-authorized payments as instructed by you. Even though the FI will perform these duties for you, you have great responsibility 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?

It is 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. They require it as a safety net for you.

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. Community Alliance has been providing Fiscal Intermediary Services for over 20 years. We make sure all the guidelines set in place by state and federal government about payroll taxes are followed.

The FI takes the burden of the administrative paperwork off of you, your family, and your support staff.



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**
- Excellent Customer Service**

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.



About Community Living Network

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Community Alliance is the dba for Community Living Network (CLN), the Fiscal Intermediary Program was created in 1997. This program offers payroll support to adults under the Choice Voucher and to children through the Children's Waiver program that want to be their own employer and manage their own mental health budgets determined in their Individualized Plan of Service. Each CLN customer receives a monthly statement reporting their financial activity and the balance of their Self Determination Budget. We contract with Washtenaw Community Mental Health, CMH Authority of CEI, St. Clair County CMH, Livingston CMH, Macomb County CMH, Monroe County Community Mental Health, and Lifeways CMH.

Director of Fiscal Intermediary Services Melissa Frash graduated from Eastern Michigan University and she came to work for Community Alliance in 1996. Her experience with Community Alliance includes direct care, Lead Support Supervisor, Coordinator of Personal Supports, and Site Supervisor before being promoted to her current position in the Fiscal Intermediary Program.

Melissa leads of team of compassionate staff to ensure we meet or exceed stakeholder expectations.

- Sam Brown, Program Coordinator
- Lynda Morgan, Team Lead

We have a team of 8 fiscal intermediary office assistants to ensure all of the paperwork is filed and completed on time!



Communication and Experience

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The level of communication that is maintained with the customers and their support team is a unique aspect of Community Alliance. Open communication gives us 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 come up can be easily answered with a phone call, email or by fax. Hearing impaired individuals can find TDD line/relay services through Michigan Relay Center by calling 844-578-6563; dialing 7-1-1 ; or emailing mirelay@hamiltonrelay.com . CLN staff are available to all customers and support team members to answer questions and resolve any concerns Monday-Friday 9:00am–5:00pm by phone, email, or fax.

One benefit our program offers over other fiscal intermediaries is experience. We have been providing this service since 1997. When we first started working in this field, there was a general lack of procedures and limited information clearly defining the role of a Fiscal Intermediary Agent. As our program grew and learned, it developed formats and procedures, many of which are now used throughout the State of Michigan.

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

Getting Started

When becoming the employer of your own staff you will need to tap into your support system to help you succeed. Your family, friends, 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.***

Your case manager will schedule your Person-Centered Planning (PCP) meeting. There you will discuss options regarding your supports, including the option of becoming an ***employer*** of your own employee 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 to go with a Self Determination model, 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 to the IRS and state governments. The FI is 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

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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 page 10)

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.



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 to hire. You may not have to look far for the right staff. Ask your self- who helps me now? would they be a good staff? Sometimes it is the family and friends you've come to rely on that can continue to assist you, but now as a bona fide employee earning an hourly wage! Or they may know someone they can recommend to you.

Another option is to advertise for the position in a local newspaper or post a flyer in a medical office or on a community message board at the local library. The local colleges and universities have student placement offices where you might be able to place an ad for free. Perhaps your local Arc office may have people interested in the position you have available.

Ask someone on your support team to 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.

The Employee Packet

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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* 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 per-

Employment Agreement House Rules & Training

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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. Medicaid required training must be complete PRIOR TO WORKING and are noted in the **Employee Packet**. **Training is** 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.

What is a fiscal intermediary (FI)?

A FI files all of the employer related forms required by the federal and state governments. A FI processes timesheets and performs payroll tasks, including tax withholdings, such as Social Security, Medicare and federal and state income tax. A FI ensures Medicaid guidelines are enforced.



Do we need 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.

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.

Can I contact my fiscal intermediary directly?

Yes, a fiscal intermediary program works best with open and transparent communication. An FI can help you and the members of your support team with any problems or concerns you may have.



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. *Please Note: Current 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. You might discuss this with a member of your support team before you do the actual firing. Make sure someone is with you when you are terminating an employee. You do not have to give two weeks notice when firing an employee.

When terminating an employee, consider doing it 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, leaving room for a wage increase. You must discuss pay rate increases with your FI to ensure there are sufficient funds to payout.

Who gets Workers Compensation Insurance?

Workers Comp Insurance is required in the State of Michigan. CLN will help you obtain any required Insurance for your employees.

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 FIs office. Please note that all your employee timesheets for the pay period should be sent together.

Community Alliance 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. You will receive a timesheet/payroll calendar to help you stay on track. Paychecks are mailed or direct deposited on the 15th and the 30th 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 (updated annually)
- CPR & First Aid Certificate (updated bi annually)
- Certificate of Blood Borne Pathogens Training (updated annually)
- Certificate of Recipients Rights Training



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