

Rehabilitation Services Policy Manual

SECTION Fiscal Procedures
PART Purchasing Guidelines

SECTION NO. 6-1
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Section 6 Fiscal Procedures

Part 1 Purchasing Guidelines

The goods or services authorized are necessary as determined by current RS policies and guidelines, and appropriate to determine client eligibility or to meet the client's specific needs as identified in the IPE. The service authorization is finalized by the counselor assigned to the case, a RS Manager or Program Administrator. The goods meet the specifications for their use; or the services are performed to the specifications required.

For purchase of goods and durable equipment, the following procedures must be followed:

- If the item is on state contract (i.e. wheelchairs, computers), use the state contract. No bids are required since these items have been negotiated. Purchases of these types of goods or equipment are not limited to the items on state contract although deviations from state contract must have prior authorization from DCF Purchasing. The items on state contract may change without notice (either additions or deletions). Frequently purchased VR items on state contract include wheelchairs, vehicle modifications, mechanic and construction tools, sign language and foreign language interpreting services and computers. Office furniture, such as desks or chairs for students or small business establishment must be purchased through Kansas Correctional Industries (KCI) unless KCI grants a specific waiver for an individual item.
- If the item costs less than \$1,000, use the prudent person concept. Bids are not required.
- If the item costs \$1,000 to \$1,999, three bids are required. Telephone bids may be used. Telephone bids should include information (i.e. contact, phone number, date obtained) sufficient to allow review at a later date.
- If the item costs \$2,000 to \$4,999, three written bids are required. See [Form Part 39](#) for the "Request for Prices" bid form. Other forms may be used, such as a builder's own bid form, as long as it shows the bidder's contact information, the specifically described item or service to be purchased; the quantity; the price; conditions, if any; delivery date. If forms other than the "Request for Prices" are used, there should be a clear understanding that the form is a bid only and not an order.
- If the item costs \$5,000 or more, go through the Deputy Director who will coordinate with DCF and Department of Administration Purchasing.
- Components must not be split to avoid the bidding process.

The following ranks in order the purchasing procedures to follow by type of service. If the first procedure does not apply to the item, go to the second. If the second does not apply, use the third procedure.

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- Evaluation and diagnostic services
 - RS fee schedule
 - Medicaid fees
 - Usual and customary or negotiated
- Physical and mental restoration
 - RS fee schedule
 - Medicaid fees
 - Usual and customary or negotiated
- Prosthetics
 - Usual and customary or negotiated
- Training services
 - Usual and customary or negotiated
- Maintenance
 - RS fee schedule
- Transportation
 - RS fee schedule
 - State contract if available (tires, for example)
 - Usual and customary or negotiated
- Attendant, interpreter, driver, reader, note-taking services
 - RS fee schedule
- Assistive technology devices using codes 270, 290, 380, 390
 - RS fee schedule
 - Usual and customary or negotiated
- Assistive technology devices using codes 410, 411, 412, 413, 414, 416
 - State contract if available
 - Bids
 - Usual and customary or negotiated
- Other goods and services
 - RS fee schedule
 - Bids
 - Usual and customary or negotiated
- Child care
 - DCF fee schedule

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SECTION Fiscal Procedures
PART Service and Payment Authorizations

SECTION NO. 6-2
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Section 6 Fiscal Procedures

Part 2 Service and Payment Authorizations

Synopsis of federal requirements

Rehabilitation Services (RS) must employ methods of administration to assure the proper and efficient implementation of the vocational rehabilitation (VR) program. These methods must include procedures to ensure accurate data collection and financial accountability. *Reference: 34 CFR 361.12*

- As a state agency, RS must expend and account for public funds in accordance with state and federal laws and procedures. Fiscal control and accounting procedures must permit the tracing of funds to a level of expenditures adequate to establish that such funds were spent in accordance with federal requirements and that there have been no violations related to restricted or prohibited uses of funds based on applicable laws. *Reference: 34 CFR 80.20(a)*
- RS must have sufficient fiscal controls in order to track specific expenditures and assure that the expenditures were made only for the allowable purposes authorized for the VR program. Payments made directly to VR clients must be allowable, authorized and supported by original receipts, bank records, lease or rental agreements or other documentation. *Reference: Rehabilitation Services Administration 2012 Monitoring Report*

Authorizing services

All services to be provided for clients must be authorized and paid through the Kansas Management Information System (KMIS). KMIS tracks all service authorizations (obligations) and payments.

- Services must be necessary for determination of eligibility and Order of Selection or specified on the Individual Plan for Employment (IPE). Please refer to Section 3/Service Delivery of the Policy Manual for rules governing the provision of specific services.
- All services must be authorized before they are provided in order for RS to pay for them. This action is accomplished by completing a Service Authorization on KMIS. The prior written Service Authorization must be issued before the purchase is made. Only RS Counselors, Rehabilitation Managers, Program Administrators, or assigned Administration Office staff can finalize Service Authorizations.

In limited circumstances when a counselor is away from his/her office and does not have access to KMIS, it is permissible for the counselor to provide a verbal authorization when any delay would impede the client's progress in the IPE, impact an employment opportunity, or relate to a medical emergency. Such verbal authorizations may be made only when the service is already included on a signed IPE. Such verbal authorizations must be made in advance of purchase of the related goods and services. In such cases, if the counselor provides a verbal authorization, he/she must immediately follow up with the written authorization upon return to the office and the narrative must explain the situation and rationale.

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When authorizing services the counselor must determine the appropriate payee and payment method.

Authorizations and payments to vendors

Whenever possible, payment should be made directly to the vendor of goods or services. A Service Authorization (similar to a purchase order) is issued to the vendor for a specified good or service and at a specified cost. Upon completion of the service or delivery of the item, the vendor provides an invoice to RS for payment.

Vendors include:

- Service providers for whom payment rates are established through RS Service Descriptions. Refer to Partners link for more information on service descriptions.
- Vendors who sell specified goods and services. If an item is available through a state contract, the contract must be used for the purchase unless a waiver (prior authorization) is provided in advance by DCF Procurement.
- Medical, psychological, dental and other professionals.

Procedures related to vendor authorizations and payments

- The vendor must be willing to accept the Service Authorization from VR and invoice VR for the good upon delivery or the service upon completion.
- The vendor must have a W-9 form on file with the state's accounting system.
- A Service Authorization identifying the services, goods, or supports must be sent in advance to the vendor.
- All purchases are exempt from state and local sales tax.
- Upon receipt of the invoice, payment should be made within 30 days.
- A Materials Received Form ([Form Part 31](#)) must be completed by the client and counselor for goods purchased, and the form must be maintained in the case file. Vendor reports for services provided, as specified in the Service Descriptions, must be maintained in the case file. These reports are supporting documentation that the funds were used for the purpose specified and as allowable by applicable statutes.

Outstanding service authorizations must be monitored. Payments after the authorization expiration date will not be permitted because of federal "period of performance" requirements. KMIS will auto date all new authorizations with a one-year expiration date. If an authorization expires and the service is still needed a new authorization must be created. **You are required to send the vender a cancellation notice of the expired authorization.**

You are only able to unauthorize the service authorization if you have not finalized the service authorization. If you are needing to cancel the authorization, you are required to do the following steps.

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1. Staff need to call/email to speak with the provider/vendor to let them know and ensure there are no pending bills associated with that authorization
2. Send the cancellation notice to them
3. Send to your RS Manager to cancel the authorization on KMIS
4. Narrate your conversation, when you sent cancellation notice, person you spoke with, and authorization numbers that you cancelled on the date that it occurred
5. Staple the authorizations and cancellation notice together and put in case file

Reimbursement to clients

Clients may be reimbursed for allowable expenses they incur under the following circumstances:

- A prior written Service Authorization must be provided to the client for the good or service for which reimbursement will be requested. The prior authorization must be issued before the purchase is made. This authorization must specify the allowable cost based on a specific cost estimate.
- Reimbursement will be paid promptly when the agency receives proof-of-purchase documentation. It is the client's responsibility to provide such documentation. Documentation must be provided within 10 days of the purchase. Documentation may include original paid receipts, cash register receipts that identify goods purchased, credit card statements, internet payment documentation, or other similar documentation. Copies of cancelled checks (showing both the front of the check indicating the payee and the back of the check or back statement indicating payment has been made) and copies of money orders are also allowable documentation. The client's name must be written on all documentation submitted to RS.
- A Materials Received Form ([Form Part 31](#)) must be completed by the client for goods purchased and submitted with the purchase documentation. The form must be maintained in the case file. These reports are supporting documentation that the funds were used for the purpose specified and as allowable by applicable statutes.
- Documentation must be detailed enough to note the payee, what was purchased, the date, and the cost. If the documentation does not include this level of detail, it must be accompanied by a Receipt Substitute Form.
- There may be instances where a receipt or other documentation has been lost or is otherwise not available for submission to RS. In such instances, the client may submit a Receipt Substitute Form ([Form Part 59](#)) for consideration by RS. If a client uses this form three times, a meeting with the counselor will be required to discuss documentation requirements and methods for getting and organizing such information. Use of case management and natural supports should be discussed to assist the client with documentation responsibilities. Subsequent use of the form will result in the reimbursement privilege being discontinued. Exceptions due to disability-specific issues or accommodation needs must be approved by the Program Administrator.
- Reimbursements to clients may not be used to usurp the use of state contracts.

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Payments in advance to clients for specifically authorized services

In limited circumstances, clients may receive payments in advance for the purchase of allowable goods and services. Such circumstances include allowable maintenance and transportation payments when the client does not have sufficient resources to be reimbursed after purchase. Such circumstances may also include other services or goods when a vendor will not accept an RS service authorization and it is not feasible for the client to be reimbursed after purchase. Please refer to Section 3/Service Delivery of the Policy Manual for rules governing the provision of specific services.

The following rules apply to payments in advance:

- A prior written Payment Authorization must be provided to the client for the good or service to be purchased. The prior authorization must be issued before the purchase is made. This authorization must specify the allowable cost based on a cost estimate. “Not to exceed” language should be included to make it clear that RS is not responsible for amounts spent above the authorized amount.
- After the client completes the purchase, he or she must provide prompt (within 10 days) proof-of-purchase documentation. Documentation may include original paid receipts, cash register receipts that identify goods purchased, credit card statements, internet payment documentation, or other similar documentation. Copies of cancelled checks (showing both the front of the check indicating the payee and the back of the check or back statement indicating payment has been made) and copies of money orders are also allowable documentation. The client’s name must be written on all documentation submitted to RS.
- Failure to provide proof of purchase will result in denial of future advance payments to the client.
- Documentation must be detailed enough to note the payee, what was purchased, the date, and the cost. If the documentation does not include this level of detail, it must be accompanied by a Receipt Substitute Form ([Form Part 59](#)).
- There may be instances where a receipt or other documentation has been lost or is otherwise not available for submission to RS. In such instances, the client may submit a Receipt Substitute Form ([Form Part 59](#)) for consideration by RS. If a client uses this form three times, a meeting with the counselor will be required to discuss documentation requirements and methods for getting and organizing such information. Use of case management and natural supports should be discussed to assist the client with documentation responsibilities. Subsequent use of the form will result in the reimbursement privilege being discontinued. Exceptions due to disability-specific issues or accommodation needs must be approved by the Program Administrator.
- For monthly maintenance or transportation payments, the counselor’s spending authority for payments in advance is \$450 per instance. For all other payments, the counselor’s spending authority for payments in advance is \$250 per instance. Exceptions up to \$1,000 must be approved by the Regional Program Administrator. Administration Office approval is required for any payment in advance exceeding \$1,000.
- Direct payments to clients may not be used to usurp the use of state contracts.
- Regarding monthly maintenance or transportation payments, receipts/documentation must be provided before the next monthly payment can be made.
- For all other services, a client may not have more than one outstanding payment in advance at any given time. Exception: The counselor may grant a one-time exception to this rule if the

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purchase is needed to secure a verified job offer or to retain or maintain a current job.

Example: a specific uniform or type of work boot is needed in order for the client to report to work. The reason for the exception must be described and documented in the case file.

- A Materials Received Form ([Form Part 31](#)) must be completed by the client for goods purchased and submitted with the purchase documentation. The form must be maintained in the case file. These reports are supporting documentation that the funds were used for the purpose specified and as allowable by applicable statutes.
- If a payment in advance exceeds the amount of the actual purchase, the excess funds will be noted and deducted from any future reimbursements or payments in advance. The client will be responsible to manage these funds in such a way that they are available for use for future allowable and authorized expenditures. The number of miles submitted on the mileage log must be specifically reconciled to determine if there was an overpayment, and if so, that amount should be expended prior to issuing the next payment. In any circumstances involving overpayment, RS retains the right to have the excess funds repaid to the agency.

Use of prepaid or gift cards prohibited

Prepaid cards such as gift cards or gas cards may not be purchased and given to a client for use in purchasing goods or services.

Case file documentation

For each purchase, all of the associated authorizations and documentation should be grouped together for filing in the case file. Authorizations and documentation to be grouped should include the following, as applicable to the specific purchase: the service authorization, payment authorization, invoices, materials received forms and receipts/purchase documentation.

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PART Repossessed Equipment

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Section 6 Fiscal Procedures

Part 3 Repossessed Equipment

When training and/or occupational tools or equipment are repossessed, information regarding the equipment is entered on Kansas Management Information Systems (KMIS) in the list of available equipment.

Each office will provide storage for repossessed equipment.

Equipment determined not re-assignable upon repossession, or not re-assigned for a period of six months, is to be handled as surplus property.

To transfer the repossessed property to a client, follow KMIS procedures.

When repossessed property is disposed of as surplus property, it should be removed from KMIS.

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PART Bid Procedures

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Section 6 Fiscal Procedures

Part 4 Bid Procedures

Purchases of equipment not on State Contract costing \$5,000 or more require DCF purchasing approval.

- Items listed on a service authorization (except for items on state contract) are let out for bids.
- Purchasing may separate an authorization into two or more sets of bid specifications and send the specifications to different sets of vendors for bids.
- The vendor submitting the lowest bid on items described on the bid specifications will receive the award subject to counselor approval.
- As many as eight vendors may receive awards based on one service authorization.
- A vendor may be suggested on a service authorization or the counselor may select “Unknown Vendor” from the menu.
- The service authorization **MUST NOT** be forwarded to a vendor.
- KMIS notifies the counselor when Purchasing prints the service authorization. Purchasing may request additional information from the counselor or suggested vendor.
- Purchasing can reject the authorization if the service description is not adequate or if it contains a contract item.
- Purchasing will notify the counselor when an authorization is rejected and provide the reasons.
- The counselor or support person will **UNAUTHORIZE** the service authorization and update it to make the changes needed by Purchasing.

When Purchasing is ready to award the bid, they will notify the counselor and seek approval. The counselor can reject the low bid on reasonable grounds. If the bid is more than the amount authorized, a second approval is required. Payment is authorized within thirty days of delivery and inspection of the completed product.

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PART Payment Procedures

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Part 5 Payment Procedures

Payments for items on a Service Authorization are created and finalized by Rehabilitation Services (RS) field staff. The Payment Authorization can only be finalized by the Counselor, RS Manager or Program Administrator. Payments must be completed within 30 days from the day equipment was received by the client or counselor or the day the invoice is received in the field office (whichever date is later), according to the Kansas Prompt Payment Act. Normally allow seven to ten days for a payment to be processed so that the warrant will be dated by the 30th day.

Partial payments are made when a portion of the equipment has been delivered and can be used by the client while waiting for the rest of the order. If part of the order has arrived but cannot be used until the rest of the order is delivered, do not make a payment on it.

When multiple vendors have been awarded a bid on the same service order, pay each vendor as the equipment and invoice are received from the vendor, if items are useable by the client. When multiple vendors are awarded a bid and the last vendor payment is finalized, KMIS will ask if the authorization should be closed. You must close it to remove it from the outstanding obligations list. If you do not close the authorization at this time, you may zero dollar pay to close it.

Enter the correct invoice number when prompted. Enter the account number, shipping date, and any other identifying information that may help the vendor identify the payment in the service description area on the payment authorization to a vendor. This is needed so the vendor will know where to credit the payment. It is best practice to add a statement that "the client is not to be billed."

A material received/property assignment – disposition form ([Form Part 31](#)) is completed when the client has received and is satisfied with the equipment ordered. Keep this signed form in the case file. The Materials Received report is also used to report repossessed equipment to Administration Office.

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SECTION Fiscal Procedures
PART State Warrants

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Part 6 State Warrants

Cancellation of State Warrants:

- Determine the need to cancel a warrant by pulling the original authorization documentation and identifying invalid information.
 - Write a brief note or memo stating the circumstances requiring the need to cancel the warrant (duplicate payment, wrong vendor, client no longer attending school, etc.)
 - Make a note in the client's file that the warrant cancellation was requested.
- Send the reason to cancel with the service order number and the warrant to be canceled to RS Administration Office in Topeka.
- RS Administration Office in Topeka write or stamp "VOID" on the face of the warrant to be canceled and cut a triangle along the bottom and through the signature portion of the warrant.
- RS Administration Office will prepare a cancellation letter to DCF Payables.

Payments Not Received:

- View the payment on KMIS.
- If there is no voucher number, the payment was not finalized on KMIS; finalize the payment.
- If the voucher number is 70000000 the payment was finalized but not processed. If the number remains a working day or more after the payment was finalized; contact KMIS HELPDESK.
- If the warrant date is 01/01/1800 after five working days, the warrant was not cut; contact KMIS HELPDESK.
- If the warrant number is 0800000000, it usually means it is a direct deposit, and the venter will have to work with their bank.
- If the warrant date falls within five to ten days of the payment authorization; check the warrant number.
- If the warrant number is 7 digits starting with '7' or '8', it is a direct deposit.
 - Advise the vendor of the warrant date and the number. The vendor may be able to find it in his/her records.
- If the warrant number is 10 digits starting with '2', a paper copy check was issued. Check the State Treasurer's website https://kansascash.ks.gov/check_search.php to track the warrant. It will indicate the warrant has cleared the bank or it is outstanding.

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- If the warrant has cleared the bank, advise the vendor of the warrant date and the number. The vendor may be able to find it in his/her records.
- Contact KMIS HELPDESK if a copy of the warrant is requested.
- If the warrant is outstanding for at least thirty working days and the vendor does not have it, contact KMIS HELPDESK to request the warrant be reissued, and the original canceled.
- If the warrant number is 10 digits beginning with '9', the payment has been offset because the vendor owes money to the State of Kansas or a political subdivision. At this point, payment for services is complete as is RS involvement. The counselor **MUST NOT** evade this process and **MUST NOT** assist the vendor to evade this process. See the following information regarding the State Setoff Program.

NOTE: Kansas Treasury Offset Program

The Offset Program aids state agencies in the collection of delinquent accounts receivable. It allows the Director of Accounts and Reports to set off monies owed by the State of Kansas against monies owed to the State of Kansas. The Offset Program matches payments in process with debts owed, reduces the payment in accordance with the debt, and credits the debtor with a payment.

A VR Counselor may encounter this service when a vendor receives a reduced payment or no payment for services and receives notice the payment or a portion of it has been applied to a tax bill or other debt held by the state or a municipality within the state. Vendors frequently do not understand the notice or otherwise disregard it. The counselor is to treat this as a payment of the monies owed by RS. A new payment for the difference shall not be created and the client is **NOT** to be billed. The counselor cannot cancel the payment or accept a returned warrant. He or she can provide the vendor with information to contact the Division of Accounts and Reports so the vendor can investigate or contest the debt.

Persons/Vendors with questions regarding the Offset process may call the client Customer Call Center at 785-296-4500, 9:00 AM to 3:00 PM Monday through Friday (excluding observed State holidays). The Customer Call Center will require their Tax Identification Number (Social Security Number or Federal Employer Identification Number) in order to reference the account.

The Kansas Treasury Offset Program (KTOP) does not have detailed information regarding debts and will only be able to provide callers with the contact name and phone number of the creditor agency to which their debt is owed, as well as the debt amount.

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PART Refunds

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Part 7 Refunds

Staff should follow the Kansas Department for Children and Families (DCF) Regional Office procedures for processing refunds, and provide a copy of refund paperwork to the RS KMIS HELPDESK. If no Regional Office procedures are in place, use these procedures:

1. Determine the reason for the refund (overpayment, client no longer attending school, etc.).
2. Note the details of the refund in the client's file.
3. Email Administration Office a brief note with the reason for refund, Service Authorization number to which it applies, and scans of the refund (check/money order, cash) and any accompanying documents. Then send all paperwork to Administration Office via inter-office mail, USPS, or other appropriate service.
4. If Regional Operations require it be sent to them first: send the refund (check, money order, cash) and refund voucher number, and note with the reason for the refund to your Regional Operations and a copy to the RS KMIS HELPDESK.

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SECTION Fiscal Procedures
PART Client Out-of-State Travel

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Part 8 Client Out-of-State Travel

Counselors may make out-of-state travel arrangements for clients using the following procedures:

1. Complete the out of state travel [VR-Admin 3003](#) Form.
2. Counselor sends to PA for their approval.
3. PA sends to Director for approval.
4. Administration office will send out of state Form VR-Admin 3003 back to the counselor and PA.

Airfare

When setting up airfare for clients, the counselor will use shorts travel.

1. Set up service authorization payable to UMB Bank (FEIN # 440201230). Use SMART ID 0000038582 Address Seq 00006. Do not finalize.
2. Contact Admin Office and give the service authorization #, the name of the client traveling, address, date of travel, accommodations needed and counselor's name and phone number.
3. Admin Office will arrange airfare with Shorts Travel.
4. Admin Office will communicate proposed itinerary to counselor for approval.
5. Counselor will complete the [VR-ADMIN 3003](#) form and obtain necessary approvals.
6. Admin Office will communicate cost of fare and account number to counselor to complete the authorization and payment.
7. Counselor will send Admin Office copies of travel, service authorization, etc.
8. Admin Office will forward payables the documents (service authorization, travel, etc).

Other Travel

Clients may also be eligible for per diem and hotel reimbursement. Follow the same procedures as used for state employees. For more information, see Department of Administration Travel Center for State Employees at <http://da.ks.gov/ar/employee/travel/default.htm>.

Client mileage is provided in accordance with the RS Cost Cap located in [Section 3 / Part 8](#) of this manual.

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Vendor Categories

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Part 9 Vendor Categories

These codes are used when finalizing a payment authorization.

Code	Facility or Agency
1	Purchased from Public CRP (owned and managed by federal, state or local government such as those run by state VR agencies).
2	Purchased by community rehabilitation programs in the private sector (owned and managed by non-governmental entities such as individuals, associations, corporations, etc.).
3	Purchased from other public service providers.
4	Purchased from other private service providers.
5	Purchased by VR and provided by comparable benefit.

Source of funding:

Code	Type of Source
1	VR Funds
2	Non-VR Funds
3	Combination of VR and other sources

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Fiscal Procedures
Payments May Not Be Made Outside of Kansas Management
Information Systems (KMIS)

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Part 10 Payments May Not Be Made Outside of Kansas Management Information Systems (KMIS)

All payments for client services are to be made through the Kansas Management Information Systems (KMIS).

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PART Prohibited Use of Funds and Conditions for
Authorizing/Purchasing

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Part 11 Prohibited Use of Funds and Conditions for Authorizing/Purchasing

Prohibited use of funds for any reason resulting from a violation of law or regulation

Vocational rehabilitation (VR) funds may not be used for any purpose or reason that results from violations of federal, state, local or tribal laws and regulations. *Source: Office of Management and Budget Circular Uniform Guidance, including the federal cost principles known as the super circular: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl*

This means that VR funds may not be used for the following:

- Penalties
- Fines
- Bad debts (prior debts)
- Damages
- Court settlements
- Court fees
- Late fees, such as those associated with delays in securing vehicle tags
- Interest penalties for any fine or settlement that resulted from a legal or regulatory violation
- Reinstatement of a driver's license
- Ignition interlock devices
- Expungement of legal records
(Further, service providers being paid by VR may not be paid for time spent assisting the client with the expungement process.)
- Parking tickets
- Impound or towing
(Towing for purposes of vehicle repair is allowed as long as there is no connection to an illegal act.)
- Traffic tickets (including parking tickets that go unpaid at post-secondary educational institutions and consumer cannot get their degree as a result)
- Unpaid child support
- Extra insurance premiums that result from traffic or other legal violations
- Reinstatement of any professional licenses after suspension due to legal or regulatory violations
- Any other services that result from a violation of law or regulations

If such services are currently included on any Individual Plans for Employment (IPEs), please inform your clients that VR will not be able to fund these services. You will need to provide this information in writing and include the appeal rights information. Do not include any such services on future IPEs or pay for anything that has already been included in some fashion, e.g., college "fees."

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Prohibited use of funds for debt incurred by the client

VR funds may not be used to pay for debt incurred by the client. This means that VR funds may not be used for:

- Student loans
- Previous medical bills
- Past-due utility bills and related interest and reinstatement fees
[Payment of utility bills is governed by the policy on maintenance. Maintenance means monetary support provided to an individual for expenses, such as food, shelter and clothing, that are *in excess of the normal expenses of the individual* and that are necessitated by the individual's participation in an assessment for determining eligibility and vocational rehabilitation needs or the individual's receipt of VR services under an Individualized Plan for Employment (IPE).]
- Fines or fees due to a school, e.g., parking violations or library fines that go unpaid and become a barrier to obtaining their degree.

If such services are currently included on any IPEs, please inform your clients that VR will not be able to fund these services. You will need to provide this information in writing and include the appeal rights information. Do not include any such services on future IPEs.

Requirements for signed IPEs and written authorizations prior to the purchase of goods or services

Federal regulations govern the types of services and goods that can be purchased, and the conditions under which such purchases can be made. First and foremost, we are required to adhere to the federal regulations related to the development/implementation of an IPE. 34 CFR 361.45 requires that services necessary to achieve the consumer's chosen employment goal be included on a written IPE and that the IPE must be signed by the consumer and qualified rehabilitation counselor before it can be implemented. This is a regulation that is both clear and straightforward -- if the service is not written down on an IPE and the IPE is not signed, the service cannot be provided. (Limited services necessary to determine eligibility are obviously exempt from this IPE requirement.)

In addition, Rehabilitation Services (RS) policy requires that any service purchased or paid for through VR must have written authorization input in KMIS prior to being started, purchased, received or rendered. There are only two exceptions:

[Section 6 / Part 2](#) – Fiscal section

In limited circumstances when a counselor is away from his/her office, it is permissible for the counselor to provide a verbal authorization when any delay would impede the consumer's progress in the rehabilitation plan, impact an employment opportunity, or relate to a medical emergency. *Such verbal authorizations must still be made in advance of the service being provided and purchase of the related goods and services. The service must also already be included in the IPE.* In such cases, if the counselor

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provides a verbal authorization, he/she must immediately follow up with the written authorization in KMIS upon return to the office and the narrative must explain the situation and rationale.

Section 1 / Part 13 – Administrative issues

After the IPE is in place (Status 12 or above) and in very limited circumstances, such as medical emergencies (intercurrent illness) when it was not feasible for the client to get prior approval and no other source of funding is available, an exception may be approved. If approved, the IPE must be amended and signed before payment can be made. Each RS Program Administrator will establish a procedure for routing such exception requests through the RS Managers, RS Program Administrator or both.

The requirement for prior written authorization (before the service is received or the goods are purchased) is longstanding RS policy. In addition to the IPE sections including notice to the consumer and counselor that additional approvals for a particular service may be required, the long list of items informing the consumer of their rights, responsibilities, methods of payment and so are clear that no service will be provided without prior written authorization. The following information outlines the various sections and requirements of the RS policy manual that address the requirement for prior written approval of any service provided a RS consumer.

- Form Part 3 – Application acknowledgement signed by the consumer
 - Prior written approval from my counselor is needed before Rehabilitation Services will pay for any services.
- Form Part 26 – Participation agreement section of the IPE signed by the consumer
 - Consumer responsibilities listed include:
 - ✓ Get prior written authorization from my counselor before I purchase any goods or services to be funded by RS, and provide receipts when requested.
- Section 6 / Part 2 – Fiscal section
 - All services must be authorized before they are provided in order for RS to pay for them.
- **Your Guide to VR Services** – provided to all consumers at the time of application
 - In order for KRS to pay for any services, including diagnostic services, the counselor must give written approval BEFORE the service is provided or purchased. This requirement applies to all services or purchases.
 - Services will be provided according to your IPE.
 - Important reminder – Remember, KRS must approve payment of services listed on your IPE before the services are provided or purchased. The approval must be in writing from your counselor.

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- List of consumer responsibilities – Get written approval before you buy anything listed on your IPE that you want KRS to pay for.

It is not permissible for a client to make a purchase for which no prior written authorization was provided and expect VR to provide a reimbursement or payment.

- Example 1: It is not permissible for a client to make a purchase that was not prior authorized and later turn in the receipts for reimbursement. The prior authorization must occur before the purchase is made.
- Example 2: It is not permissible for a client to use an authorization for anything other than the specific service or goods described on the authorization. For example, if VR provides an authorization for books at a college bookstore, it is not permissible for the client to use the authorization to also purchase unauthorized supplies, sporting goods, t-shirts, backpacks, etc. The items to be paid for by VR must be specifically stated on the service authorization and payment may be made only for those specified items.

Frequently asked question related to IPE and authorizations

“Since a service and provider is listed on the IPE can’t the IPE be considered the same as a prior written authorization since the counselor agreed to provide that service by that provider, vendor, school, retailer, etc.?” The short answer is no! The IPE is a plan of how a person is going to achieve their chosen vocational objective and it lists the services necessary to mitigate the individual’s barriers to employment, an approximation of the costs of those services, the intended provider of the service and how the service will be paid for if there is a direct cost. Because the IPE has such broad categories for services and the providers and costs change frequently, the IPE is truly only a plan. The prior written service authorization developed and printed out of KMIS is required to identify the specific service to be provided, e.g., type and numbers of clothing, the precise provider and the actual maximum amount we will pay for that item or service.

Regardless of much or how little the cost of a service, it requires a prior written authorization from KMIS for KRS to pay for that service or item. Regardless of the type of service or provider of the service listed on the IPE, it requires a prior written authorization from KMIS for KRS to pay for that service or item. The IPE is our plan to provide services, the service authorization from KMIS is our promise to pay for the exact service we are buying that will address our consumer’s barriers to employment. Both are important and both are required.

Please be sure you discuss the prior written service authorization with the client at the time of developing the IPE, and document this in the case file. It is incumbent upon us to help our consumers and those from whom we purchase services understand our fiscal requirements. Therefore, you may wish to show the client a generic example of a service authorization so they can see the difference between it and the IPE. You will also want to explain the services being purchased and the limitation of that purchase to the providers, vendors, retail establishments, etc. when you are preparing to send the service authorization to them as well. That is especially important for newer entities you might be using to provide a service.

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When issuing a service authorization, also be sure to attach the required cover sheets which further explains the authorizations process. The cover sheets can be found by scrolling to the bottom of the Resources page on our internal website at this link:

<http://dcfnet.dcf.ks.gov/RS/Pages/Resources.aspx>

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PART Extended Service Contracts

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Section 6 Fiscal Procedures

Part 12 Extended Service Contracts

The following guidelines are offered to help decide whether or not an extended service contract should be purchased for equipment or assistive technology. State Purchasing has no policy regarding purchasing extended service contracts. Vendors offer extended service contracts to provide preventive maintenance. These extended service contracts may or may not include parts and labor if an item malfunctions.

To decide whether or not to purchase an extended service contract, these points should be considered:

1. Is the item being purchased an expensive, high tech item?
2. Does the item have many moving or high impact parts that may fail early?
3. Will the item have to be repaired out of state by the vendor?
4. Will repair costs be substantially less than purchasing a new item?
5. Do "fine print" exclusions make the service contract less attractive?

Whether or not to purchase an extended service contract is a decision shared by the counselor and client. It pays to know what is being purchased. Extended service contracts can be good or bad but an "informed buyer" will likely recognize the difference.

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PART Purchase of Used Equipment

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Part 13 Purchase of Used Equipment

It is possible to purchase used equipment if such equipment meets the client's needs and if the client has made an informed choice about his or her options.

If the item is to be purchased through a bidding process, the counselor and client should verify the quality of the item to be certain it functions appropriately before accepting the bid.

To explore other possibilities, please contact the Operations Unit at the Administration Office.

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Allowable uses of VR and Pre-ETS Funds

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Section 6 Fiscal Procedures

Part 14 Allowable uses of VR and Pre-ETS funds

Title I funds authorized through the Rehabilitation Act are used for Vocational Rehabilitation and Pre-Employment Transition Services. The Rehabilitation Act is also incorporated into the Workforce Innovation and Opportunity Act (WIOA). With passage of WIOA, 15% of the Title 1 funds awarded to the state must now be set-aside for use on Pre-ETS consistent with the law's emphasis on empowering students with disabilities to prepare for successful employment.

Seamless services

Coordination/collaboration between VR Counselors and Pre-ETS Specialists is essential to assure that students with disabilities have access to the continuum of services they need to become employed and self-reliant. When coordinating services, it's important to follow these guidelines listed below for assignment of costs to the appropriate funding source.

Category A

Funds set aside for Pre-Employment Transition Services (Pre-ETS) will be used to pay for the following required Pre-ETS services:

- Job exploration counseling
- Instruction in-self-advocacy
- Work place readiness training
- Counseling on opportunities for enrollment in comprehensive transition or post-secondary education programs
- Work-based learning experiences

Auxiliary aids and services may be funded under this category if they are necessary for the student to access or participate in the required Pre-ETS services.

Category B

Additional VR services may be paid for with the Pre-ETS set-aside funds if all of the following conditions are met:

- The services are necessary for the student to benefit from one or more of the required Pre-ETS services, and
- The student has been determined eligible for vocational rehabilitation (VR) services, and
- The services are included on an Individual Plan for Employment (IPE) and fall into one of the following categories:
 - Assessment services
 - Counseling and guidance
 - Referral services

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- Maintenance (required clothing, – necessary, reasonable and allocable for provision or receipt of Pre-ETS)
- Transportation
- Personal assistance services
- Rehabilitation Teaching and Orientation and Mobility Services
- Rehabilitation Technology electronic device that doesn't constitute an auxiliary aid or service)
- Services to Family Members (example: transportation, maintenance, personal care services, interpreter services)
- Job Coaching
- Books, tools, or other training material to participate in Pre-ETS

Standard VR policies pertaining to the provision of these services apply.

Category C

The following services may not be paid for with the Pre-ETS set-aside funds. However, if these services are needed for a student who is eligible for VR to achieve competitive integrated employment, then they can be included on an IPE and paid for with VR dollars.

- Medical services
- Post-secondary education
- Vocational training
- Job search
- Job placement
- Job retention
- Job follow up
- Job follow-along services
- Any other necessary services within the scope of available VR services.