



TITLE	POLICY NUMBER	
Preserving Children’s Federal Benefits Program	DCS 03-20	
RESPONSIBLE AREA	EFFECTIVE DATE	REVISION
Finance – Social Security Benefits Unit	09/30/2024	1

I. POLICY STATEMENT

DCS shall ensure that children who are eligible for benefits under the Social Security Act Title II (Retirement, Survivors, Disability Insurance) and/or Title XVI (Supplemental Security Income), and/or Veteran’s Administration benefits receive those benefits.

II. APPLICABILITY

This policy applies to children in DCS custody who are eligible, or may be eligible, for federal financial supports.

III. AUTHORITY

- [42 U.S.C. §675\(4\)\(A\)](#) Federal definition of foster care payments
- [A.R.S. 8-521.02](#) Extended foster care program; requirements
- [A.R.S. § 8-468](#) Federal benefits: dependent children; application; prohibition; accounting; notice; annual review
- [Social Security Act Title II](#) Retirement, Survivors, Disability Insurance (RSDI)
- [Social Security Act Title XVI](#) Supplemental Security Income (SSI)

IV. DEFINITIONS

Achieving a Better Life Experience (ABLE) Account: A savings account for individuals with disabilities that began before the age of 26. Funds in the account can be used for qualified expenses that help the individual with a disability pay for things like education, housing, transportation, health, and other basic living expenses. Funds stored in an ABLE account do not count towards the resource limits for federal programs. SSI benefits can be saved for the child without compromising a child's eligibility for SSI or Medicaid (AHCCCS).

Authorized Legal Representative (ALR): A person or entity organization who is allowed under state and federal law to make decisions for an ABLE account beneficiary.

Child: An individual who is under 18 years of age or the same as a qualified young adult.

Cost of Care: The reasonable maintenance expenses, including foster care maintenance payments as defined in [42 U.S.C.A. §675\(4\)\(A\)](#), and special allowances for a child of similar age.

Department or DCS: The Arizona Department of Child Safety.

Director: The Director of the Arizona Department of Child Safety.

Personal Needs Account (PNA): A financial account that is established by DCS on behalf of a youth in out of home care using a DCS banking institution that is used to conserve part or all of Supplemental Security Income, Retirement, Survivors, Disability Insurance, or Veterans Administration benefits. PNAs can be used for an approved child's unmet needs, or those that are not already covered by DCS. For SSI recipients, a PNA can have a maximum balance up to \$2,000. There is no balance limit for RSDI or Veterans Administration benefits recipients.

Qualified Disability Expenses: An expense made for the benefit of the designated beneficiary and related to their disability, including, but not limited to:

- education;
- housing;
- transportation;
- employment training and support;
- assistive technology and related services;
- health;
- prevention and wellness;
- financial management and administrative services;

- legal fees;
- expenses for able account oversight and monitoring;
- funeral and burial; and
- basic living expenses.

Qualified Young Adult (QYA): A former dependent child who is at least 18 years of age and not over 21 years of age, who meets the criteria for an extended foster care program pursuant to [A.R.S. 8-521.02](#), and who signs a voluntary agreement to participate in the program.

Resource Limit: A resource is money or any asset that one owns and can turn into cash such as property, stocks, bonds, and bank accounts. Supplemental Security Income is a needs-based program and to be eligible, an individual's countable resources must not be worth more than the resource limit of \$2,000.

Retirement, Survivors and Disability Insurance (RSDI): A federally funded program that provides benefits to retirees, persons with disabilities, and their survivors (previously known as Old Age, Survivors and Disability Insurance [OASDI]).

Unmet Needs: An expense that the Department is not required by law, rule, policy, practice, or court order to pay, that is also not provided for by any other funding or resources, including but not limited to:

- tuition, tutoring and training, including the cost of application fees, books, equipment, and testing;
- transportation to work or training or to maintain family connections;
- travel;
- expenses related to transition into adulthood, including first and last month's rent, housing applications, and fees for essential household supplies, furniture, kitchen equipment, linens, and cleaning supplies;
- technology, including the purchase of a computer and a phone, needed to advance the child's skill in school, work or independence or to maintain a connection with family;
- clothing;
- instruments, books, supplies, fees, and equipment to support the child in pursuing hobbies, sports, the arts, and other interests; and
- medical expenses that are not covered by a health plan.

This list is not exhaustive and some of the items listed may be covered by DCS or other funding sources.

Veterans Administration Benefits: A federal program for individuals that have served in the armed forces and their families that provides benefits such as healthcare, education, and survivors pensions. A child may be eligible for Veterans Administration benefits if they are the surviving or dependent child of a parent that served in the armed forces that qualifies for benefits.

V. POLICY

A. Preserving Children's Social Benefits Program

1. DCS shall identify children that are receiving, or may be eligible to receive, Supplemental Security Income (SSI), Retirement, Survivors, Disability Insurance (RSDI), and/or Veterans Administration benefits within 60 days of the child entering out-of-home care, and annually thereafter to determine whether a child may have become eligible for benefits after the initial screening.
2. Upon determination that a child is eligible, or may be eligible to receive federal benefits, DCS shall apply for the benefits on behalf of the child.
3. If a child is already receiving benefits before entering out-of-home care or if DCS applies for benefits on behalf of the child, DCS shall identify, in consultation with the child and the child's attorney, a representative payee and apply to become the representative payee only if no other suitable candidate is available.
4. If DCS is appointed to serve as the representative payee, DCS:
 - a. may not use the child's federal benefits, other benefits, savings or assets to pay for or to reimburse DCS or the State of Arizona for any of the costs of the child's care;
 - b. may use the child's federal benefits for the child's unmet needs beyond what DCS is obligated, required, or agrees to pay;
 - c. shall conserve the child's SSI, RSDI, or Veterans Administration benefits using Personal Needs Accounts (PNA), and Achieving a Better Life Experience (ABLE) accounts, as appropriate;
 - d. shall provide an annual accounting as to the use, application, or conservation of the child's federal benefits to the child, the child's

attorney and the child's parents or guardians; and

- e. shall periodically review if there is someone available to apply to assume the role of representative payee and better serve in that role in the child's best interests.
5. DCS shall notify the child, the child's parents, guardian or custodian, the child's out-of-home caregiver, and the child's attorney of any application, decision, or appeal related to the child's federal benefits.
6. When the child exits out-of-home care, DCS shall release any monies remaining in the child's credit in accordance with the funding source requirements.
7. DCS is responsible for the redaction and disclosure of documents and correspondence related to the screening and application of federal benefits. See [Safeguarding Records & Records Requests](#).

VI. PROCEDURES

A. Initial Screening for Federal Benefits

1. Upon receiving the results of the Integrated Rapid Response Assessment for a child in out-of-home care, DCS Comprehensive Health Plan (CHP) staff will complete the [Preserving Children's Benefits Initial/Annual Screening](#) form.
2. The DCS Preserving Benefits Unit will confirm and document existing Social Security Income (SSI), Retirement, Survivors and Disability Insurance (RSDI) and Veterans Administration benefits within 60 days of the child entering out-of-home care.
3. If eligibility for federal benefits is indicated, the DCS Preserving Benefits Unit will conduct an in-depth review of potential eligibility including review of case notes, any medical or school documents, and any other pertinent documentation.
4. If at any time between the initial screening and annual screening the DCS Specialist receives information that a child in out-of-home care may be eligible to receive federal benefits, the DCS Specialist will complete the [Preserving Children's Benefits Initial/Annual Screening](#) form and upload a

copy as an Artifact in Guardian.

5. The DCS Preserving Benefits Unit will contact the DCS Specialist to obtain additional information, as needed. If requested by the DCS Preserving Benefits Unit, the DCS Specialist participates in an additional in-depth telephone interview and completes and submits forms as required.

B. Annual Screening for Federal Benefits

The assigned DCS Specialist will complete the [Preserving Children's Benefits Initial/Annual Screening](#) form annually and upload a copy as an Artifact in Guardian. The annual screening due date is the last day of the month in which the child entered out-of-home care.

C. Applying for Federal Benefits and Notice of Consultation

1. When a determination is made that a child in out-of-home care may be eligible for federal benefits, the DCS Preserving Benefits Unit will apply for federal benefits on behalf of the child. DCS Preserving Benefits Unit will work directly with the DCS Specialist and the child's out-of-home caregiver to obtain additional information as needed.
2. When a child is awarded benefits or if a child is already receiving federal benefits upon entering out-of-home care, the DCS Preserving Benefits Unit will send a notice of consultation letter via email to the child's attorney requesting that the child's attorney consult with their client to determine if the current representative payee is appropriate or if other suitable candidates exists. The DCS Preserving Benefits Unit will copy the assigned Assistant Attorney General (AAG), DCS Specialist and DCS Program Supervisor. The child's attorney will have 10 days, excluding weekends and holidays, to respond or to request a phone consultation.
 - a. If the child's attorney proposes a representative payee in the consultation process that is not DCS, the DCS Preserving Benefits Unit will review the recommendation and consult with the assigned DCS Specialist to determine if there are other suitable candidates available. If DCS agrees with the proposed representative payee, DCS Preserving Benefits Unit will issue a letter and the consultation notice outlining DCS's position to the individual and guidance on how to apply to become the payee with the Social Security Administration or Veterans Administration.

- b. If DCS does not agree with the proposed payee, DCS will detail the decision in the consultation notice.
 - c. If the child's attorney does not respond, DCS has an obligation to determine if there are other suitable candidates available. If a suitable representative payee cannot be identified in order to preserve the funds for the child, DCS will request to be selected as payee.
 - d. DCS shall not apply to be selected as representative payee if there are other suitable candidates available. Suitability of candidates is determined by the Social Security Administration (SSA). If SSA determines other candidates to be unsuitable or does not approve another candidate to be representative payee, DCS Preserving Benefits Unit will request DCS to be selected as representative payee.
3. The DCS Preserving Benefits Unit will upload all correspondence and any forms submitted to the Social Security Administration and Veterans Administration as an Artifact in Guardian.

D. Notification of Application, Decision or Appeal

1. DCS will utilize the disclosure process to notify the child, the child's parent, guardian or custodian (unless rights have been terminated), the child's out-of-home caregiver, and the child's attorney when:
 - a. an application is submitted to the Social Security Administration or the Veteran's Administration;
 - b. a decision or appeal related to benefits is issued by the Social Security Administration or Veteran's Administration.
2. In providing notice of any denial of benefits, DCS Preserving Benefits Unit shall consult with the child's attorney and appeal the denial if it in the child's best interest.
3. DCS will provide notifications in a language that the child, parent, guardian or custodian and out-of-home caregiver understand. See [DCS 17-02 Limited English Proficiency](#) and [Language Interpreting & Translation Service Guide](#).

E. Conserving Federal Benefits

1. When DCS is selected as the representative payee, DCS will comply with all federal requirements for representative payees.
2. When DCS is the representative payee, DCS will establish a Personal Needs Account (PNA) for each child that is in receipt of SSI, RSDI or Veterans Administration benefits to save the benefits on their behalf. For children that are SSI recipients, a PNA can carry a balance of up to \$2,000, the resource limit for the SSI program. Income restrictions do not apply to RSDI and Veterans Administration benefits.
3. PNA's can be used to cover unmet needs that are not already provided for by DCS through the cost of care and other supportive programs.
4. For children that are SSI recipients, DCS shall open an Achieving a Better Life Experience (ABLE) account to conserve any SSI benefits above the \$2,000 PNA account balance or SSI resource limit.
5. DCS will utilize ABLE accounts for SSI recipients with PNA balances over \$2,000 to conserve their benefits up to \$100,000. ABLE accounts allow for savings of up to \$100,000 without impacting eligibility for federal and state programs that have income and resource limits.
6. DCS will not use the child's federal benefits to pay for or to reimburse the Department for any of the costs of the child's care.

F. Disbursements from Personal Needs Accounts

1. To access funds for expenses for unmet needs or qualified disability expenses, the DCS Specialist must complete the [Request for Client Funds, CSO-3904](#), and submit the form via email to DCS for review and processing at FundsRequestSS@AZDCS.gov.
 - a. Categories of unmet needs or qualified disability expenses may include but are not limited to:
 - i. personal;
 - ii. recreation, hobbies, and leisure;
 - iii. tuition, tutoring and training, including the cost of application fees, books, equipment, and testing;

- iv. transportation to work or training or to maintain family connections, including car payments, car insurance, or ride share expenses;
 - v. travel;
 - vi. expenses related to transition into adulthood, including first and last month's rent, housing applications, and fees for essential household supplies, furniture, kitchen equipment, linens, and cleaning supplies;
 - vii. technology, including the purchase of a computer and a phone, needed to advance the child's skill in school, work or independence or to maintain a connection with family;
 - viii. clothing;
 - ix. instruments, books, supplies, fees, and equipment to support the child in pursuing hobbies, sports, the arts, music performances, extracurricular activities and other interests; and
 - x. medical expenses that are not covered by a health plan, including upgrades in medical care or getting at-home assistance.
- b. The DCS Specialist shall not submit a request form for any purchases that require parental consent, court consent or that are not permissible by law.
2. DCS will assess the availability of funds and verify that the request is not an expense that DCS is already required to pay for and is reasonable and in alignment with SSA/ABLE guidelines and complete processing within five days, excluding weekends and holidays. If the disbursement request requires expedited processing then the determination will be issued within 2 days, excluding weekends and holidays.
 3. Upon completion of the disbursement request review, DCS will issue an approval, denial, or request additional information if needed.
 4. The escalation path for disbursement request denials is as follows:
 - a. The assigned DCS Program Supervisor will conduct a second

review if necessary.

- b. The DCS Program Manager will conduct a third review if necessary.
 - c. The final review will be conducted by the Chief Financial Officer, Deputy Director of Administration, and the Assistant Director of Field Operations.
5. Disbursement requests over \$1,000 require review and approval by the Assistant Director of Field Operations.
 6. DCS shall provide a written response via email to all requests, including an explanation if a denial is issued. When the request for funds has received final approval or denial, the DCS Preserving Benefits Unit will upload the form as an Artifact in Guardian.
 7. If DCS denies a request for disbursement and the escalation path for disbursement requests has been exhausted, the child may contact the DCS Office of the Ombudsman for assistance in the following manner:
 - a. online: <https://dcs.az.gov/resource/complaint-or-disagreement>;
 - b. telephone: (602) 364-0777 or statewide toll free at (877) 527-0765;
 - c. e-mail: Ombudsman@azdcs.gov;
 - d. writing: DCS Office of the Ombudsman, Department of Child Safety, PO Box 6030 – Site Code C010-023, Phoenix, AZ 85005-6030.
- See [DCS 09-01 Ombudsman Policy](#).
8. All transactions and supporting documents will be collected and saved electronically for each request in QuickBooks and AZ360. All receipts for purchases are due to DCS within 30 days of funds disbursement.
 9. If a request can be paid for with another funding source available to the child, DCS shall redirect the DCS Specialist to the alternative funding source.
 10. If a request is approved, DCS will update QuickBooks and create the expense.

11. DCS will disburse funds within five days, excluding weekends and holidays, to either the child, the child's out-of-home caregiver or other identified party via check. Checks shall not be issued payable to DCS employees.
12. DCS will conduct monthly accounting and reporting to include:
 - a. the number of requests received;
 - b. the number of disbursements issued; and
 - c. the total amount of disbursements issued.
13. DCS will provide a DCS annual accounting as to the use, application or conservation of the child's federal benefits to the child, the child's attorney, and the child's parents or guardians.
14. DCS will provide an account balance to the child, the child's attorney, and the child's parent or guardians as requested.

G. Transitioning Federal Benefits

1. DCS Preserving Benefits Unit will notify the Social Security Administration within 60 days when a child receiving federal benefits exits out-of-home care.
 - a. DCS will return any monies remaining in the child's PNA to the Social Security Administration, in accordance with the Social Security Administration's policy, unless there is a direct transfer of the funds to the beneficiary as permitted by SSA on a case-by-case basis.
 - b. For a child who is an SSI recipient that also has an ABLE account, DCS will complete an application to transfer the ABLE account to the child, if appropriate, or a new Authorized Legal Representative.
2. For children 14 years of age and older, DCS shall provide additional financial educational programming to support the youth in developing basic financial literacy in preparation for independent benefits management.
3. DCS shall assist young adults 18 years of age and older in completing and

filing the necessary SSA forms.

If the young adult lacks sufficient understanding or capacity to make responsible decisions concerning their federal benefits due to mental illness, mental deficiency, mental disorder, physical illness or disability, or other cause, the DCS Specialist shall consult with the assigned Assistant Attorney General about whether the appointment of a probate guardian ad-litem may be appropriate.

VII. FORMS INDEX

[Preserving Children's Benefits Initial/Annual Screening Form
Request for Client Funds - CSO-3904](#)