

## **SELF/FAMILY CARE INFORMATION PACKAGE**

THE FOLLOWING ITEMS ARE INCLUDED IN THIS PACKAGE:

- 1) SELF/FAMILY MANAGED CARE INFORMATION PACKAGE
- 2) LETTER FROM A SELF MANAGER
- 3) GUIDE FOR SELF/FAMILY MANAGERS AS EMPLOYERS
- 4) BUDGET PAYROLL PLANNING
- 5) SELF/FAMILY MANAGED CARE AGREEMENT SAMPLE
- 6) REQUIRED FINANCIAL RECORDS
- 7) SELF/FAMILY MANAGED CARE ALLOWABLE EXPENSES GUIDELINE
- 8) COMMERCIAL PAYROLL SERVICES
- 9) SEMI-ANNUAL FINANCIAL REPORT
- 10) MANITOBA HEALTH FINANCIAL AUDIT

***SELF/FAMILY MANAGED CARE  
FOR ADULTS WITH DISABILITIES  
AND SENIORS  
ELIGIBLE FOR HOME CARE***

**MANITOBA HEALTH / REGIONAL HEALTH AUTHORITIES  
HOME CARE PROGRAM  
OPTION**

***INFORMATION GUIDE***

**MAY 2005**

French Language Information Available on Request

## **INFORMATION GUIDE**

### **INTRODUCTION**

In 1991 the Manitoba Government, through its Home Care Program, initiated a two-year pilot program that was based in Winnipeg. Twenty-nine persons were given the funds and full responsibility to demonstrate how they would be able to meet their own personal care and household maintenance needs by hiring/firing, directing and managing their own staff. As a direct result of the success of this project, in December 1994 the province wide expansion of the Self Managed Care Program option was approved. Within the year, Manitoba Health, through the Home Care Programs of the Regional Health Authorities, developed a Family Managed Care Program option to meet the growing needs of families. To strengthen their function, the two programs were united to form the Self/Family Managed Care Program option.

The Manitoba Government has contracted the Independent Living Resource Centre (ILRC) to:

- Provide support to consumers/families who are interested in pursuing the Self/Family Managed Care Program option.
- Respond to inquiries about the program; offer information and referral, written materials and manuals, and “Self/Family Manager” training.
- Facilitate learning through individual consultations, workshops, and videos.
- Facilitate opportunities for “networking”, so that Self/Family Managed Care Program participants may share their experiences.

### **WHAT IS SELF/FAMILY MANAGED CARE (SFMC)?**

In Self/Family Managed Care, the consumer/designated family member accepts full responsibility for meeting his/her personal care and household maintenance needs by coordinating, managing, and directing those non-professional services assessed as needed to maintain an independent, community living lifestyle. The person who agrees to undertake the self/family managed care option will be fully responsible for designing a system of personal assistants to meet need which would otherwise be met through the services provided directly by the Home Care Program.

### **TERMS OF THE SELF/FAMILY MANAGED CARE OPTION**

- Eligibility for the Home Care Program must be established.
- The consumer and, in the case of Family Managed Care, the designated family member are required to sign the agreement which indicates the consumer’s desire to be in the program.

**TERMS OF THE SELF/FAMILY MANAGED CARE OPTION (cont.)**

- Assessment of need and establishing approved units of service (assessed hours) will be the responsibility of the Home Care Program.
- The payments made to consumers/family members to purchase the personal assistance required by consumers will be based on a comparable cost to the government for providing these services. The Home Care Program Regional Health Authorities offices will accept applications. The Independent Living Resource Centre has been contracted to assist in the implementation of this option.

**BASIC FEATURES**

- a) Persons who become Self/Family Managers will receive payment in lieu of direct non-professional services following a formal application assessment and a signed agreement with their Regional Health Authority.
- b) The amount of payment will be determined on the basis of an assessment by a Home Care Case Coordinator. This assessment will determine the quantity and type of service needed. This assessment will be according to the standards applicable to the Home Care Program.
- c) The Self/Family Manager will arrange to meet their needs/the needs of the consumer in the manner most appropriate to the circumstances.
- d) Reassessment will be conducted on a regular basis by Regional Health Authority Home Care staff; at the request of the consumer/family member; or when the assistance required by the consumer changes. This will enable adjustments to be made as the need for services increases or decreases.
- e) The decision to withdraw from Self/Family Management will be left with the consumer/family manager, subject to a reasonable period of notice. However, in the event of direct violation of the contractual agreement, the right to stay with the Self/Family Managed Care Program may be terminated.
- f) The responsibility of ensuring backup service will be left with the Self/Family Manager. During the first year, until the Self/Family Manager has established an emergency backup service, the Regional Health Authority Home Care Program Attendant Services may be requested to provide the required backup assistance. There will be a charge for this service. The rate charged will be equivalent to the rate payable for assessed personal care.
- g) All Self/Family Managers will be required to set up and maintain a separate bank account. This account is used solely for receiving and expending Self/Family Managed Care funds and will be subject to audit reviews by Regional Health Authorities.

**WHAT STEPS ARE INVOLVED IN BECOMING A SELF/FAMILY MANAGER?**

The decision to opt for Self/Family Management requires considerable thought and planning. On receipt of your application, and prior to acceptance into the program, your Home Care Case Coordinator will conduct an assessment of the required care. Acceptance into the program may result in a change of Case Coordinators; not all Case Coordinators are involved in the Self/Family Managed Care Program option.

**HOW DOES A CONSUMER GET ACCEPTED?**

The Regional Health Authority Home Care Program staff in your area will review applications as they are received. Approval will be based on the general eligibility criteria. Applicants will be notified when a decision has been reached.

Following acceptance to the program you may need assistance in getting set up. The Independent Living Resource Centre has Independent Living Consultants (ILCs) who are qualified to answer your questions. The ILRC offers an introductory workshop, SFMC how-to manuals, peer support groups, and one-to-one consultations. You can contact the ILRC by calling the toll free number at 1-800-663-3043 and request to speak to SFMC Consultant.

Your Case Coordinator also is a source of knowledge as you begin your journey in Self/Family Management. Your assessment will be reviewed with you on a regular basis. You may request a reassessment if you feel your needs and/or living circumstances have changed. The Home Care Program's usual review/appeal processes will apply if you disagree with the assessment.

**WHERE DO I GO FROM HERE?**

After your application has been processed and you have been approved for Self/Family Managed Care, you will be required to sign a formal contract. This contract outlines the responsibilities of the Regional Health Authority, as well as your responsibilities. A sample of this document is enclosed with this package.

The Regional Health Authority will provide payments to Self/Family Managers based on the following allowances. Each Manager will need to develop his/her own individual budget, utilizing these funds in accordance with the contract. Be aware that your care expenses will differ from these allowances.

- a) **Assessed Hours:** Payments to Self/Family Managers are based on the assessed units (hours) of service. Money for the purchase of these units will be paid to you, in advance, by direct deposit to your SFMC account. The deposits will be made biweekly and will be calculated as follows:
- ◆ For each assessed unit (hour) of household maintenance activities you will receive \$13.44;
  - ◆ For each assessed unit (hour) of personal care services you will receive \$16.01.

**NOTE: These income factors of \$13.44 and \$16.01 are NOT WAGES.** These amounts are used to calculate your salary scales and payroll budget. Please refer to the enclosed BUDGET PAYROLL PLANNING for details.

- b) **Contingency Services:** These are additional service times required as a result of unexpected health needs arising from occurrences such as brief illness or personal care accidents. Up to two hours per month will be allowed. You will need to provide reasons for this additional time. Reimbursement for this time will be provided. If you require extra time on a regular basis, your Case Coordinator will review this need with you.
- c) **Transportation Allowance:** These funds will be provided to the Self/Family Manager on request. The following guidelines will apply:
- ◆ For the first assessed visit per 24-hour day, no transportation allowance is provided.
  - ◆ Where SFMs find it necessary to pay for Employee Transportation
    - a) In Winnipeg region – for all assessed visits following the first visit per 24-hour day, an allowance of the round trip bus fare equivalent will be provided
    - b) In other regions – for all assessed visits following the first visit per 24-hour day, mileage will be provided for the first 10 km.

Until a regular pattern of use is established, the payment for transportation will be retroactive. Once a pattern is established, payment for transportation will be made in advance.

**Note:** In regions outside of Winnipeg, Self/Family Managers should contact their Case Coordinator to determine the formula for calculating the transportation allowance in their area.

- d) **Emergency Backup:** During the first year you may request assistance from the Regional Health Authority Home Care Attendant Service in the event of an emergency. The use of the Attendant Service will enable you to have emergency backup services until your own backup plans are in place.

**d) Emergency Backup (cont.):** You will be charged for the use of this service. The charge will later appear as a deduction on your payroll direct deposit statement.

**e) Employee Recruitment, Training, and Payroll Administration:**

As an employer, you will have to pay for certain employee related expenses. The following formula will be used to establish the “number of employees” for the purpose of calculating training, recruiting, and payroll administration allowance. This may not reflect your actual number of employees. It only determines the number of employees for Home Care funding allowances based on:

- ⇒ Up to 20 assessed units (hours) biweekly = 1 “Employee”.
- ⇒ Between 21 and 40 assessed units (hours) biweekly **or** over 40 assessed hours biweekly, within a 5 day period per week = 2 “Employees”.
- ⇒ Over 40 assessed units (hours) biweekly, within a 6 or 7 day period per week = 3 “Employees”.

**HIRING:** An allowance for the cost of recruiting staff will be provided to you on the following basis – for your first time recruitment, \$25.00 will be provided. This is intended to defray recruiting and advertising costs encountered. If required the same rate will be authorized for a further two recruitments per year. The Independent Living Resource Centre, in addition to your local Canada Employment Centre, may be able to assist you with recruitment.

**TRAINING:** It is expected that you will provide most of the training for your staff. For training that you cannot provide, an allowance for training costs may be provided. This allowance will be a maximum of eight hours pay per employee hired. You will need to provide a training plan to your Case Coordinator for approval prior to this allowance being paid.

**ADMINISTRATIVE COSTS:** Certain administrative expenses will be involved in being an employer and managing a payroll. An allowance of \$50.00 per year per approved employee will be provided. This disbursement is to cover specific expenses such as office supplies, postage, bank charges, etc. The amount will be paid in advance. You will, however, not be paid for your own time in undertaking your employer responsibilities. As an alternative you may want to consider a commercial payroll service for this purpose.

## **Your Responsibilities as an Employer**

You, as a Self/Family Manager, will be responsible for securing the necessary staff to provide the needs required. As an employer, you will need to ensure that your employees are suitably qualified and trained. You will be responsible for negotiating the terms and conditions of employment, paying salaries along with required benefits and deductions. You will need to be familiar with the applicable provincial and federal employment requirements, specifically relating to items such as wages, hours of employment, vacation time, Employment Insurance (EI), Canada Pension Plan (CPP), and Workers Compensation.

**Note:** Additional information is available regarding

- 1) the legal requirements associated with being an employer and
  - 2) your financial record keeping requirements.
- (Refer to Section 5(2c) of the Agreement.)

## **Insurance**

To ensure that you and your household are adequately protected in regard to liability, you will be required to carry Employer Liability Insurance. This can be arranged as part of your homeowner or tenant insurance package. You will need to provide proof of coverage upon request.

## **Disruptions In Your Service**

During any period of time where care will not be required for an extended period of time, such as an admission to hospital, you are asked to notify your Case Coordinator. Payments to you can continue for a period of up to 14 days to enable you to retain or give notice to your employees.

## **Vacations/Out-Of-Province Travel**

Usually the Home Care Program does not provide any services to individuals outside the province. For persons on the Self/Family Managed Care Program, a maximum of 30 consecutive days may be permitted with no reduction in funding. Absences beyond 30 consecutive days will not be funded. You will be required to advise your Case Coordinator of any such absences.

## Professional Services

The Home Care Program will continue to assess and to provide any necessary professional services, such as nursing, occupational therapy, or physiotherapy, as may be called for in the Home Care Plan.

Any supplies and equipment generally received from the Home Care Program will still be available to you.

## Records

As a Self/Family Manager you will be required to establish and maintain a separate **bank account** to be used for deposits and payments related solely to Self/Family Managed Care. Where possible, you will receive direct deposits from your Regional Health Authority. You will be required to keep up-to-date payroll records for each employee hired. A **Payroll Journal** is necessary as part of your employer responsibilities, as well as for taxation and audit purposes. All deposits and expenditures, relating to providing for care from this bank account, will need to be accounted for (with cancelled cheques, invoices, or receipts) and recorded in a **Bank Journal**.

**Note:** Copies of all the record keeping forms you will require are enclosed in your information package. Assistance with your budget and/or setting up your record keeping files is available by contacting the ILRC (947-0194), or your rural Independent Living Consultant (1-800-663-3043), to arrange an appointment. You may also request a copy of the manual **For the Record: A Self/Family Manager's Financial Planning Manual** – designed to provide details around budgeting, wages, payroll record keeping and other financial employer obligations.

## Exceptional Circumstances

Situations of an exceptional or unique nature, extending beyond the provisions of the terms and conditions allowed within the Self/Family Managed Care Program, should be discussed with your Case Coordinator. These situations will be considered within the current Home Care Program Policy. If you disagree with the decision, the Home Care Program's usual review/appeal processes will be available to you.

### **Leaving the Self/Family Managed Care Program Option**

If, for any reason, you (the consumer and/or designated family member) wish to discontinue participation in this program option, you have every right to do so. However, you are requested to give 30 days notice in writing in order that resumption of services from Home Care can be arranged. The Home Care Program also retains the right to terminate your contract. Under most circumstances, up to 30 days notice would be provided. However, in situations where serious violation of your contractual obligations occurs, termination may take place without notice. Whether you choose to withdraw, or are withdrawn, you may still be eligible to receive required services directly from the Home Care Program.

### **Closing Remarks**

In conclusion, Manitoba Health and the Regional Health Authority are pleased to offer the option of Self/Family Managed Care to current clients of the Home Care Program. Individuals who have chosen this method of meeting their personal care and household maintenance needs strongly endorse this option.

If you have further questions about the Self/Family Managed Care Program and how it may work for you, contact your Home Care Case Coordinator, or speak with the Independent Living Consultant at the ILRC (947-0194), or your rural Independent Living Consultant (1-800-663-3043).

**Note:** This guide is for general information only. Please refer to the Self/Family Managed Care Contract as the legal document detailing the specific terms and conditions of participating in the Self/Family Managed Care Program option of the Manitoba Home Care Program.

## ***Letter from a Manager***

Dear Peer,

The Self/Family Managed Program gives you the opportunity to be in control of every aspect of your attendant and homemaking needs. As you begin this new journey, you may be experiencing doubts, fears, or insecurities; or you may still have many questions that have not yet been fully answered. This is to be expected.

My name is Alexandra Michaels. I am a Self-Manager under the Self and Family Managed Home Care Program. Initially, I heard about the program through a friend who was in the pilot project. Although she continuously encouraged me to become a Self-Manager, I was very hesitant. Challenged by numerous health problems, I was concerned that managing all the details would be too stressful. Where would I find staff? What if I took ill and failed to complete my payroll? Was I even capable of keeping proper records? The questions went on and on. Besides, I was very fortunate to have excellent workers through the regular home care system; therefore I saw no reason for change.

Several years later, in 1996, when the threat of a strike by home care workers arose, my Case Coordinator suggested that I apply to become a Self-Manager. I gave the idea careful consideration, which included reading available material, meeting with the Self/Family Managed Care Coordinator from the Independent Living Resource Centre (ILRC), and attending a Self/Family Managed Home Care Peer Support meeting at the ILRC, where I met other Managers. I decided to give it a try, with the understanding that I can return to regular home care should the need arise. My application was accepted.

At first, the responsibilities are somewhat overwhelming. Setting the wheels in motion...opening a separate bank account, obtaining a business number, developing your schedule and budget, interviewing and hiring staff, and the likes (as described in your introduction package). You are not alone! For the first year, Home Care will provide emergency staff backup. The ILRC has excellent manuals, which covers every aspect of Self/Family Managed Care. These are available to all managers, free of charge. Consultants are also on hand to answer any questions and assist you with getting started. Peer support can be an invaluable asset to assist you along the way. I urge all new managers to learn as much as possible from the resources at their disposal.

During my seven years as a Self-Manager, I am fortunate in having hired staff that have been recommended by trustworthy friends. My first two primary care givers have nursing backgrounds. My present primary aide and my weekend staff came to me with no home care experience whatsoever. I manage my own training for my staff, and have greatly enjoyed the benefits in doing so. My caregivers are eager, willing to learn, and flexible. We have an excellent working relationship.

One of the policies I follow when training my staff is to inform my aide of the reasons I request a task be completed in a certain fashion. I have found that she will better remember my system when she is able to understand how it meets my needs. For example, I insist that my clothing be put on right arm, left arm, then over the head. As it is customary for the majority of individuals to first place a garment over the head, especially when assisting someone, such instructions are very quickly forgotten. However, when I explain that this is the only way I can control my spastic arms from punching her, my aide is more likely to be attentive to my instructions. Often my directives seem very petty, such as filling my syrup bottle to the beginning of the neck, rather than to the top. Somewhere in the back of her mind she is thinking, "man, is she ever picky . . . what a pain"! However, her outlook changes when I explain that if the bottle is too full, the syrup ends up everywhere except my pancakes! This only causes me frustration and leaves a mess for her to clean up the next day.

Other Self-Managers, friends, and family have been critical about the casual way in which I treat my employees. I feel that I give them respect, consideration, encouragement, and praise. They also receive reprimand when warranted. In return I expect, and receive, respect, loyalty, and hard workers. My employees are there for me at any time whenever the need arises. I have been able to plan my schedule to encompass my personal care and household tasks, as well as accompaniment to medical appointments, shopping excursions, and other outings. On several occasions I have received extra hours temporary when recovering from medical procedures, allowing me to stay in my home rather than be admitted into the hospital. Yes, there have been rough spots along the way.

I am truly happy in my choice to become a Self-Manager. I have enjoyed the camaraderie of my peers. I have been actively involved in training and assisting other Self-Managers with their payroll, record keeping, reports, etc. It took me time to overcome my apprehension towards being a Self-Manager, but the benefits far outweigh the challenges.

All the best to you as you embark on this exciting venture! Remember, those of us who have gone before you, paving the way, are here to share our experiences with you. Do not hesitate to ask for a helping hand. You are on your way.

Perhaps, someday, our paths may cross. Until then...

My sincere regards,

Alexandra Michaels  
Self-Manager

## **GUIDE FOR SELF/FAMILY MANAGERS AS EMPLOYERS**

When you become a Self/Family Manager, the act of hiring an employee makes you an employer with all of the legal and financial responsibilities associated with employer-employee relationships. You have an obligation to know the regulations and legal commitments of an employer. This guide highlights a number of the basic requirements of Canada Revenue Agency, Manitoba Department of Labour, and the Self/Family Managed Care Agreement.

Before hiring, an employer has the following responsibilities:

### **APPLY FOR A BUSINESS NUMBER FROM CANADA REVENUE AGENCY**

When applying for a business number, the name on the application must be that of the consumer. This applies to all consumers, regardless of whether he/she is a Self Manager, or the Family Manager is meeting the primary responsibilities. There are two reasons for this requirement. The first reason is that using the consumer's name will prevent problems, both foreseeable and otherwise, when arranging for Employer and /or Workers Compensation insurances. Secondly, should it become necessary for a Self Manager to change to Family Managed Care, or a Family Manager must relinquish his/her responsibilities to another family member, the business number remains the same, thus easing the transition.

A business number can be obtained, by phone or mail, from:

Canada Revenue Agency  
District Taxation Office  
325 Broadway Avenue  
Winnipeg, MB R3C 4T4

General Inquiries: 1-800-959-8282  
Source Deductions (payroll inquiries): 1-800-959-5525

To register as an employer, telephone Source Deductions at 1-800-959-5525. Advise them that you are registering solely for payroll deductions. You will be asked for your:

- a) Name of Business (name of consumer)
- b) Address
- c) Social Insurance Number (SIN)
- d) Type of Employment (Personal Care Services)
- e) Expected employment commencement date

Canada Revenue Agency (CRA) will complete the registration form over the phone and send you:

- Your Business Number (BN), with a copy of the registration for your records.
- A Canada Revenue Agency Employer's Package with necessary forms and information for you to complete. These will usually include a set of TD1 Employee forms and source solution booklet for Employment Insurance (EI), Canada Pension Plan (CPP), and Income Tax.
- A source deduction remittance form PD7A™E(00), which is used when sending in your employee deductions and employer contributions.

All employees will have EI deductions; some will also qualify for CPP and Income Tax deductions. This makes you an "employer" in the eyes of Canada Revenue Agency. You must be registered, and obtain a business number, in order to send in your employee deductions and employer contribution, referred to as "submitting your remittances".

Other Canada Revenue Agency's requirements include:

- ◆ remittance of total payroll deductions to the Receiver General by the 15<sup>th</sup> day of the month following the month that you made the deductions. Your remittance includes the employees' income tax deductions, CPP and EI contributions, plus the employer's contribution for CPP and EI.
- ◆ on or before the last day of February, submitting a T4 Summary, for the preceding calendar year, to CRA Taxation, and ensuring each employee who is or had been on the payroll the preceding calendar year receives a T4 Supplementary slip.

## **APPLY FOR WORKERS COMPENSATION INSURANCE**

The Workers Compensation Board of Manitoba (WCB) will provide income insurance in case of an employee injury or illness related to the job. To register with WCB, contact:

The Workers Compensation Board  
175 Hargrave Street, 5<sup>TH</sup> Floor  
Winnipeg, MB R3C 3R8

Registration: (204) 954-4775  
Rural Manitoba: 1-888-504-1339 ext. 4775

For A Claim:  
333 Broadway Avenue  
Winnipeg, MB R3C 4W3

Inquiries: (204) 954-4567

The Workers Compensation Board should be contacted as soon as you register as an employer with Canada Revenue Agency. Remember that registering with CRA **does not** register you with WCB. Workers Compensation will confirm your assessed rate for providing income insurance. In return for registering with WCB, the law protects you, the employer, from lawsuits against lost wages.

Workers Compensation is mandatory for employees working as attendants / homemakers, who work the minimum (24 hours **per week** or more) on a regular basis. If an employee works under 24 hours per week on a regular basis:

- the employer should apply to WCB, Assessment Branch for a decision concerning whether or not this benefit should be covered;
- the employee is eligible to apply for coverage of Workers Compensation, but it is not mandatory.

## **OPENING A SEPARATE BANK ACCOUNT**

It is required that you set up a separate bank account for the sole purpose of managing your Self/Family Managed Care funds. This will help you maintain accurate financial records for Canada Revenue Agency, the Employment Standards Branch and/or Manitoba Department of Labour, and Manitoba Health. Remember that a separate bank account is a requirement of your Self/Family Manager's Agreement and that Manitoba Health will be doing audits.

When making arrangements to open your account, it is advisable to make an appointment with the bank manager or financial advisor to explain the purpose of the account. To reduce the possibility of your SFMC and personal accounts being interrelated, request that a note be placed directly on your account file stating, "Under no circumstances can funds from this account be transferred to any other account".

When having your cheques printed, you may consider adding a line below your name stating that this is a SFMC account. This draws attention to the fact that the monies do not belong to you personally; the funds are only in your care. An example of your personalized cheque may read:

Consumer's *name*\*

"Province of Manitoba, Self/Family Managed Care Program"

*Your address and phone number*

You should also arrange to have your bank statements and cancelled cheques returned to you on a monthly basis. Maintaining a bank journal will assist you in managing your account. Each month you will need to reconcile your statement to your bank journal to insure there is no discrepancy. Any errors found on your statement must be reported within 45 days of the issue date, so that the problem may be rectified.

- \* In the case of Family Managed Care, if the consumer is unable to sign the cheques, the Family Manager needs to obtain Power of Attorney.

## **INSURANCE COVERAGE**

As an employer you are responsible for the safety of your staff while he/she is on the job. One of the requirements of the Self/Family Managed Care Agreement is that you maintain Homeowner or Tenant's insurance coverage that includes a provision covering liability to your staff. This liability differs from the usual homeowner's liability for anyone who is injured while on your premises. An employee liability clause will include items such as wage loss, medical expenses, etc. not covered through Workers Compensation, Employment Insurance, CPP Disability, or other insurances.

Many insurance agencies do not offer this extensive employee's insurance. It is recommended that you obtain a written statement, from your insurance agent, clearly detailing the coverage provided. This ensures there has been no misunderstanding concerning the insurance coverage required for your safety and the safety/security of your employee.

## **MANITOBA HEALTH AUDITS**

Manitoba Health will be auditing Self/Family Managers to ensure that funds approved for Self/Family Management purposes are being spent only towards purchasing nonprofessional care services. The audit is strictly a review of your financial records; Canada Revenue Agency may also conduct their own audit.

To assist you with financial accountability of your funds, you will need to:

- maintain a bank journal (cheque registry) to record all cheques issued, payroll payments, cash withdrawals (for petty cash), and your bi-weekly Home Care deposits.

- maintain a Payroll Journal detailing wage payments made to your employees.
- maintain a Petty Cash Journal.
- retain all receipts/invoices to substantiate expenses, including fee-for-services, recruitment, advertising, and payroll administration. These receipts/invoices should be filed away systematically to ensure easy retrieval.
- reconcile your monthly bank statement to your bank journal.

(Samples of required financial records are included in this package.)

## **EMPLOYEE RECORDS**

The Income Tax Act and Section 6 of Manitoba's Employment Standards Act require employers to keep payroll information on each employee as follows:

- i. the hours worked each day, showing regular and overtime hours separately;
- ii. the wage rates at which an employee is paid;
- iii. the dates of each payment;
- iv. the amounts paid for each pay period;
- v. the amount of each deduction (EI, CPP, Income Tax, others);
- vi. the date of commencement of present term of employment;
- vii. the date and particulars of each change in the wage rate;
- viii. the name, social insurance number, last known address, and occupation of the employee;
- ix. the wage rate when an employee works or is on duty on a general holiday;
- x. each annual vacation granted, showing:
  - a) the date of commencement and the date of completion of the vacation,
  - b) the period of employment for which the vacation was given,
  - c) the amount of vacation pay and the date of such payment;
- xi. in lieu of a paid vacation, the amount of vacation pay included in each payroll or accumulated;
- xii. the amount of money paid in lieu of an annual vacation upon termination of employment, and the date of such payment;
- xiii. the date of termination of employment;
- xiv. taxable benefits (room and board) for live-in staff.

There are payroll registers that you can purchase from stationery suppliers to capture the above payroll information, or use record keeping forms enclosed in this package.

## **EMPLOYEE PAY STUBS**

An employer must furnish to each employee a written statement (pay stub) at the time of paying wages showing the paid hours worked, the rate of pay, the paid overtime hours, each deduction, and the net amount paid.

## **DEPARTMENT OF HUMAN RESOURCES AND SKILLS DEVELOPMENT**

The Department of Human Resources and Skills Development (HRSD) works closely with employers to ensure the Employment Insurance program is administered fairly and effectively.

The HRSD expects employers to issue:

- ◆ the completion of a Record of Employment (ROE), within five days of an employee's termination date. This form is available either from your nearest Canada Human Resource Centre.

Branch offices are located throughout the province.

Website: [www.hrdc-drhc.go.ca](http://www.hrdc-drhc.go.ca)

## **UP-TO-DATE RECORD INFORMATION**

The Canada Revenue Agency (CRA), the Department of Human Resources and Skills Development (HRSD), and the Employment Standards Act of Manitoba require each employee's payroll information be kept accurate and current. These records must be kept for at least **six years**, pending audits by Canada Revenue Agency, Manitoba Department of Labour (Employment Standards Act), and Manitoba Health. Payroll records can be lost through fire, theft, moving or accidental discarding. For safety, we recommend that you arrange for photocopies of your latest records be stored in a separate location (away from your home).

## **SUMMARY**

You may find it helpful to contact the Employment Standards Branch regarding any questions relating to provincial Labour Legislation requirements. The main office is located at 604 - 401 York Avenue, Winnipeg, MB R3C 0P8. General inquiries 1-204-945-3352. Branch offices are located throughout the province. Website: [www.gov.mb.ca/labor/standards](http://www.gov.mb.ca/labor/standards)

**Note:** This Guide is for general information only and is intended to identify some of the main sources of information for Self/Family Managers.

## **ASSISTANCE AND SUPPORT SERVICES**

The Independent Living Resource Centre (ILRC) has been contracted to provide resources and support services to prospective and present Self/Family Managers upon request. For additional assistance, ILRC also will provide the following manuals to Self/Family Managers, free of charge.

**FOR THE RECORD: A SELF/FAMILY MANAGER'S FINANCIAL PLANNING MANUAL** is designed to provide details around budgeting, wages, payroll record keeping, and other financial employer obligations.

**PATHWAYS: A SELF/FAMILY MANAGER'S GUIDE TO PERSONNEL MANAGEMENT** is intended to give an overview of the concept of Self/Family Management, including staffing, supervisory skills, and employer and legal obligations.

AM/sfmc  
Revised May 2005

## BUDGET PAYROLL PLANNING

### INTRODUCTION

The Manitoba Health/Regional Health Authorities INFORMATION GUIDE for Self/Family Managers outlines your basic dollar revenue entitlement. The amount you receive for personal care services and household maintenance is directly related to your “assessed hours” as approved, or modified from time to time, by the Home Care assessment team.

First, let us establish how you determine your available revenue budget amounts for regular staff costs (i.e. wages, benefits, transportation, emergencies). We will also outline administration allowances, as well as special one time only expenses. Secondly, we shall examine how you can use your regular budget to cover your expenses for staffing and administration.

### UNDERSTANDING THE GUIDES

Some individuals may find the Information Guide for Self/Family Managers and some government documents intimidating and difficult to understand. Do not despair – remember assistance is as close as your phone. Your Independent Living Consultant at the Independent Living Resource Centre (ILRC - 947-0194), or rural Independent Living Consultant (1-800-663-3043), Home Care Case Coordinator, and other government agency advisors are available to answer your questions.

### REVENUE BUDGETING

Each Self/Family Manager will be eligible for a specific personal care revenue budget based on the Home Care assessed hours x the hourly rate for service. Personal care assessed hours of 20 hours biweekly x hourly personal care rate of \$16.01 = \$320.20 for your budgeted biweekly personal care revenue.

The same method is used to calculate the budget for household maintenance activities, using a rate of \$13.44 per hour.

Remember these income factors of \$16.01 and \$13.44 are **NOT WAGES**. These are only gross employer and employee amounts to be used to determine all revenues from Home Care. From these monies, the SFM must pay the employee’s wages; vacation pay; employer’s contribution to Canada Pension Plan (CPP), Employment Insurance (EI), and Workers Compensation (WC) (when applicable); overtime and/or emergency calls; and mandatory statutory holiday wages. You determine your employees’ wages.

In addition, each Self/Family Manager can budget for specific revenue allowances for transportation allowances, contingency services, emergency backups, employee recruitment, training, and payroll administration. See the Manitoba Health / Regional Health Authorities INFORMATION GUIDE for Self/Family Managers, pages 4 and 5, for details.

### **Determining Bi-Weekly Revenues**

Funding from Home Care will generally be scheduled on a bi-weekly basis. Once you know your total assessment hours of care and transportation for two weeks, you can budget your total regular Annual Revenue Budget.

For example, if you are assessed at 30 hours bi-weekly for personal care and 10 hours bi-weekly for household maintenance services, calculations of your total care revenues will be:

Personal care services - \$16.01 x 30 hours =	\$480.30
Household maintenance services - \$13.44 x 10 hours =	<u>134.40</u>
Total Bi-Weekly Revenues	
\$614.70	

Additional one-time contingency allowances may be added to your budget from time to time, plus transportation and training allowances as authorized by Home Care.

### **Establishing Your Revenue / Expense Budgets**

Before calculating your salary scales and payroll budget you, as the employer, must first make a number of key decisions. Remember that you have been assessed a specific number of hours for your care services, at specific values per hour, for budgeting purposes. These values are **not** wages per hour. Rather, they represent the total costs and benefits available for you to allocate for your care services. The wage you pay your employee will be determined in the best way you deem necessary. Operating within your total revenue budget, you may have a very efficient employee for fewer hours, but at a higher than average rate per hour; or you may give an employee more hours at less pay. In the same manner, you can set funds aside for future contingencies, bonuses, or salary increases. Similarly, extra funds can be set aside for purchased accounting or staff recruiting, training, etc. – as YOU the MANAGER decide!

### **Determining Your Expense Budget**

Utilizing the total bi-weekly revenues described on the previous page, you, as a Self/Family Manager, can now determine your expense budget by **your choice** of support service hours, wages per hour, plus your legal and employer costs for vacation pay, Canada Pension Plan, Employment Insurance, and Workers Compensation (if applicable).

You will also want to establish **your own** wage levels, overtime, future salary increases, as well as hours to work and benefits.

### **Required Employer Benefits, Deductions, and Costs**

Before you decide on a rate of pay or even the number of hours available to you (rate of pay can affect the number of hours, plus or minus), it is necessary for you to determine your selected or legally required deductions or employer costs. These are:

- a) Employment Insurance – established by Canada Revenue Agency (CRA).
- b) Canada Pension Plan – established by CRA.
- c) Workers Compensation – established by Workers Compensation Board.
- d) Statutory Holidays – established by Manitoba Statutes as being a minimum of seven general holidays, plus Remembrance Day.
- e) Vacation Pay Coverage – established by Manitoba at 4% minimum.
- f) Sick time or other employee benefits.

**Note:** Contact Employment Standards for current rate of minimum wage.

Remember you only have a certain amount in your revenue budget. Either these available revenues go toward slightly higher wages and fewer hours worked, or toward lower wages and additional hours. Any funds left over can accumulate in your Self/Family Managed Care account for up to the equivalent of two bi-weekly Manitoba Health payments. This is your reserve fund.

### **Calculating Your Basic Employee Wage Amount/Hour**

Once your legal (CPP, EI, WC, Vacation Pay) and other employer cost factors (sick days, transportation allowance) have been determined, you can calculate the amount of wages per hour available for your required hours for each employee. The ILRC can also assist you through the use of their computer budget program.

## CALCULATING YOUR PAYROLL BUDGET

The ILRC Budget Calculations and Comparison Programs provide Self/Family Managers with a computerized method for determining **your own** selected hours, wages, benefits, etc. within your available revenues. Contact the ILRC, or your rural Independent Living Consultant, for use of this computerized payroll calculation program.

As the Self/Family Manager, you enter your selected:

- ⇒ approved hours from Home Care, to calculate your payroll revenue
- ⇒ preliminary estimated wages per hour
- ⇒ actual bi-weekly hours desired
- ⇒ estimated overtime hours bi-weekly, if any (paid at a rate of 1.5 x regular wage)
- ⇒ statutory holidays per year
- ⇒ paid sick days allowed, if any
- ⇒ vacation pay percentage (minimum of 4%)

**Note:** Employer contribution to CPP, EI, and WC (if applicable) will be calculated automatically; contingency funds will also be calculated.

The budget calculation will then show whether you are within or over your revenue budget. If over budget, then either you must lower your wage per hour, or reduce your desired hours or your sick days or your contingency until the expenses are within your budget.

**Note:** Legally required employer costs for CPP, EI, and WC change periodically.

## WAGE SCALES

### STEPS

As a Self/Family Manager, you can choose to have your new employees take longer to perform a task and expect to be paid less initially, with annual increases on their starting anniversaries.

### COMBINATION

Some Self/Family Managers will set separate wage rates for a personal care worker versus a home support worker, and lower wages for new employees and higher wages for more experienced ones.

**WAGE SCALES (cont.)**

**PROBATIONARY**

You may also choose to use a lower scale for the probationary period for example, increasing wages after four months if you are totally satisfied, and again after 12 months, if the employee does well on his/her annual evaluation.

**INCENTIVES**

The drawback to a flat, no increase wage scale is that it may provide less incentive for new employees to work up to a higher wage scale that is reserved for an experienced and reliable work record.

**ONLY YOU, THE SELF/FAMILY MANAGER, CAN BEST DECIDE WHICH METHOD IS MOST SUITED TO YOUR NEEDS AND EMPLOYMENT ARRANGEMENTS.**

Call the ILRC or your Case Coordinator if you need assistance on calculating options and budget results.

## **SELF/FAMILY MANAGED CARE ALLOWABLE EXPENSES GUIDELINE**

1. **Cash Withdrawal/Cash Advances:**

All Self/Family Managers must maintain a separate bank account and their employees should be paid by cheque or through a payroll service. Cash withdrawals and cash advances from this account must not occur without supporting documentation to satisfy financial audit requirements. Cash withdrawals and cash advances from this account must not occur for personal reasons.
2. **Bank Service Charges:**

Service charges should not exceed the annual Administrative Allowance paid to each Self/Family Manager. Overdraft charges and NSF charges should not occur.
3. **Courier Costs:**

The costs for using a courier service should not exceed the annual Administrative Allowance paid to each Self/Family Manager.
4. **Office Supplies and Equipment:**

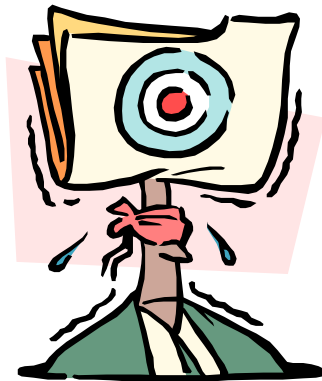
The purchase of office supplies and equipment should not exceed the annual Administrative Allowance paid to each Self/Family Manager. Prior authorization from the Case Coordinator must be obtained before purchasing any items exceeding the amount of the annual Administrative Allowance.

**NOTE:** Items 2, 3, and 4, in combination, should not exceed the annual Administrative Allowance paid to each Self/Family Manager.
5. **Accounting/Payroll Costs:**

Supporting documentation must be maintained to satisfy financial audit requirements.
6. **Financial Bonuses and Gifts/Meals to Employees:**

Financial bonuses must be part of the payroll disbursements. Gifts/meals for employees should not become part of the Self/Family Managed Care expenses.
7. **Personal Expenses of Self/Family Manager:**

Only those expenses directly related to receiving care, and with a direct link to assessed care needs, will be considered in this area. An example of this may include supplies and equipment that have been assessed as necessary for the well being of the individual, but is not currently provided by Home Care. In certain instances, items such as pagers may be necessary in order for the individual to have easier access to staff. The need for these items should first be discussed with the Case Coordinator and an agreement reached as to average monthly cost. Supporting documentation must be available in order to fulfill financial audit requirements.



## COMMERCIAL PAYROLL SERVICES

By contracting with a Professional Payroll Service you will be assured that you have complied with your legal/employer obligations to Canada Revenue Agency, Employment Standards, and the Self/Family Managed Care Agreement. You can be assured that your payroll records will be accurate and current with the ever-changing demands to the various Acts (i.e. Income Tax Act, Employment Insurance, Canada Pension Plan, etc.). Your administrative tasks associated to the Self/Family Managed Care Agreement will be greatly reduced, allowing you more time to devote to the other aspects of being a Self/Family Manager.

A Professional Pay Service:

- ◆ Provides a Cheque Register and Payroll Register each and every pay period.
- ◆ Supplies your employee(s) with the required pay stub, detailing the information related to the Employment Standards Act.
- ◆ Calculates, prepares and remits your monthly payroll deductions to Canada Revenue Agency on your behalf.
- ◆ Prepares a T4 Summary and Employee T4 Slips at year end.
- ◆ Prepares Record of Earnings for terminated employees.
- ◆ Makes one bi-weekly transaction from your account to cover both the payroll and nominal processing fee.

All this is provided to you for a **nominal charge**. This processing fee is considered an “allowable expense” covered off by your Self/Family Managed Care Administration Allowance.

Should you require more information about a Professional Payroll Service, please contact either your Financial Institution, or any one of the listed “Payroll Services” companies in the yellow pages of your telephone directory.

## **MANITOBA HEALTH FINANCIAL AUDIT**

Manitoba Health Home Care auditors will audit your financial records once within the first year of entering the Self/Family Managed Care Program. Thereafter, the frequency will be at Manitoba Health's discretion.

The purpose of the audit is three fold:

1. Financial records are reviewed for their accuracy and compliance with the Self/Family Managed Care Agreement's requirements. Please refer to the GUIDE FOR SELF/FAMILY MANAGERS AS EMPLOYERS.
2. The audit is to verify the figures reported on each of your Semi-Annual Financial Reports.
3. The Self/Family Managed Care funds are being spent in accordance with the terms of the Self/Family Managed Care Agreement, i.e. only towards purchasing nonprofessional care services for your care. (See attached document entitled SELF/FAMILY MANAGED CARE ALLOWABLE EXPENSE GUIDELINE.)

For each audit, you are expected to have the following records available:

1. Cheque Registry (Bank Journal): a list of all cheques issued, payroll payments (if applicable), cash withdrawals, and your bi-weekly Home Care direct deposits.
2. Payroll Journal: a detailed record of wages you have paid to your employees.
3. Petty Cash Journal.
4. Employee Time Sheets.
5. Bank Statements.
6. All cancelled cheques.
7. All receipts/invoices supporting the use of your allotted Self/Family Managed Care funds.
8. All copies of remittances to Canada Revenue Agency for Canada Pension Plan, Employment Insurance, and Income Tax.
9. All copies of your Semi-Annual Financial Report.
10. Appropriate insurance documentation verifying adequate Employee Liability Coverage.
11. Your latest correspondence with Workers Compensation Board (if applicable).

Please note that this audit is strictly a review of your financial records, and as such is independent of assessments your Case Coordinator may conduct periodically.