

Welcome House of Northern Kentucky

Authorized Representative: Danielle Amrine CFO

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Lexington Protective Payee Program

The Representative Payee program assists persons with disabilities by direct management of their Social Security income because they do not have the capacity to manage their finances themselves. Welcome House acts as a financial agent for clients without an appropriate adult in their life to fulfill this role. Welcome House will provide bill payment directly to landlords, utility companies, other monthly bills and payment directly to clients for food and basic needs. Welcome House creates a custom budget for each client every 3 months with input provided from the client. Each client's budget is determined with the clients basic need expenses such as rent, utilities, food, and medical first, and then the remaining balance is separated between savings and other personal expenses. The Social Security Administration and the Veterans Administration both require that some persons receiving disability payments have a Payee to represent them. Without a Payee, the client cannot receive disability income or medical coverage, therefore hindering households from maintaining financial and housing stability. The overall results of the program focus on improved quality of life and stabilization for clients, ensuring clients basic needs are met, accessing public benefits for clients, and ensuring clients maintain financial stability. Clients often times transition from living on the streets with debilitating illnesses to having an income, housing, medical care, and the support necessary to lead a more stable life.

5.1 Program Design

Welcome House currently operates a payee program in Northern Kentucky which served 119 individuals in 2018 and managed \$1,075,714 in client funds. If Welcome House were to receive this grant we would immediately begin to recruit new staff to help account for the additional clients added through the Lexington program. Regardless of how quickly staffing was increased we would be able to begin accepting new clients within 30 days of the grant agreement due to our existing structure. We expect that within 90 days of the grant agreement we could serve up to 120 individuals and eliminate a waitlist. The payee program at Welcome House is centered on trauma informed care principles, the staff utilize motivational interviewing techniques and other social work best practices when working with clients. Each client in the payee program receives a new customized budget every 90 days or when something major happens that will impact their budget like moving to a new apartment or a decrease in income. Each time a budget is created Welcome House allows the client to have input on their spending and expenses. This client centered practice allows the clients to feel valued and have some input and control over their income which helps build self-sufficiency. Budgets are determined by filling in the clients basic need expenses such as rent, utilities, food, and medical first. Then the remaining balance is separated between savings and other personal expenses. Each client involved in the program creates a savings goal and part of their income will go monthly into their savings. Clients are required to build up a minimum savings of their monthly rent amount or \$300 whichever is more, but most clients currently in the program choose to save more. The average savings for current Welcome House payee clients is over \$900. Clients can also determine how their personal expenses are received, with some choosing to receive money twice a week, weekly, bi-weekly, or even once a month. This client centered practice allows the client to determine how

often they are receiving their spending money and also helps them build self-sufficiency skills. Outside of budgeted expenses each client may request additional funds from their account for emergency expenses or personal matters. Payee staff review each request and provide the client with the approved funds or a detailed reason for denial within 48 hours. Payee program staff review the budgets in detail with each client and if a client that chooses to receive their funds monthly but frequently runs out of their money and demonstrates issues with handling their money payee staff will adjust their spending checks to receive more frequently as determined by staff. Welcome House conducts monthly reconciliations of all accounts, internal audits of random files monthly, and audits performed by the Social Security Administration. Backup copies of records are kept in case of a disaster, client records and checkbooks are kept locked in secure file cabinets in a locked room. Every month an internal audit of the payee accounts is performed by the Accounting Department at Welcome House. Any issues found in the audit are given to the Director of Program Services for follow up, who will investigate the situation and report back to accounting staff with written documentation of findings and follow up to correct the situation. During this monthly audit accounting staff check that all withdrawals and deposits match what has been recorded, and that the check book balance matches with the bank statements ending balance. Accounting staff also check each client's budget during the monthly audit to ensure that the expenses listed on the budget match the actual expenses out of the clients account. Every month for each account the client bank statement, checkbook register and Quicken accounts are reconciled by a volunteer Accounting Clerk. Reconciliation sheets are completed, printed and placed in the client file. If a discrepancy is found, the information is taken to the Payee Account Manager responsible for the file and the issue is reconciled. The Finance Director and the Director of Program Operations are also provided copies of this report

for oversight and supervision. SSA has clear guidelines and policies for individuals handling payee accounts. Welcome House conforms to all of these policies, including: Separation of Employee Duties: The Payee Accounts Manager is responsible for check writing, deposits, and maintaining ledgers and bank records while a different staff member is responsible for client case management services. Reconciling bank accounts and ledgers are the responsibility of the Accounting Department (Accounting Clerk) and two individuals must sign checks for any transaction over \$750. The Executive Director and Operations Director are authorized signers as a second signature. A Cross checking audit is performed every month to ensure the monthly rent checks, spending checks and the past months' bills were paid within set guidelines.

5.2 Program Outcomes and Performance Measures

Of those who have been in the current Welcome House payee program for two years or more, 98% are maintaining stable housing, and 87% are in affordable housing. Each and every client in the payee program has a savings account in case of emergency situations or a need to move to new housing. 100% of clients in the program build financial stability due to having a savings plan, and additionally 100% of clients build self-sufficiency skills due to having input over their budget and spending money. All data for the payee program is maintained in the HMIS VESTA system. VESTA reports are used to track certain performance measures around housing, income, demographics, and review of program trends and barriers.

5.3 Experience and Qualifications, Organizational Capacity

Welcome House has been operating a payee program in Northern Kentucky since the 1980's which shows how solid our policies and procedures are, and how compliant with SSA standards our agency has been. Welcome House operates the payee program in compliance with all SSA standards, and we also have frequent meetings with SSA staff to ensure

compliance and discuss changes. Welcome House currently has 120 clients and an accounting structure set up that would make the transition to accepting an additional 120 clients easy and smooth. Once additional staff are hired we would be able to accept referrals immediately and begin meeting the need in Lexington without a waitlist. Due to our current capacity and existing structure any client can enter the program with relative ease and comfort knowing they are entering a long standing and respected program. Welcome House has passed many audits from SSA, but SSA doesn't provide written proof of audits, they just allow programs to continue to be a representative payee. All current policies and procedures for the program are included with this packet for you to review.

5.4 Timeline

Upon grant approval Welcome House staff would work with community partners to develop a referral process that would be accommodating and easy for partners to complete. Currently Welcome House has a referral process where we meet in person with each new client, but since this would be a remote program we would rely on technology and other agencies to assist clients in getting set up. Welcome House could begin accepting applications in June and establishing bank accounts so funds could be deposited at the beginning of July. We expect that within 90 days of the grant agreement we could serve up to 120 individuals and eliminate a waitlist. We will create a referral packet of forms that need filled out for SSA and Welcome House and ensure that all referring agencies are trained and comfortable with the referral process. Additionally we will take the feedback from programs in Lexington and customize the referral process to best meet the needs of the community.

5.5 Program Sustainability, Cost and Overall Program Budget

LEXINGTON HOMELESSNESS PREVENTION & INTERVENTION			
PROGRAM BUDGET for RFP 7-2019 Payee Program			
	Year 1	Year 2	Year 3
	July 1, 2019 - June 30, 2020	July 1, 2020 - June 30, 2021	July 1, 2021 - June 30, 2022
Personnel			
Payee Account Manager	\$ 38,200	\$ 39,728	\$ 41,317
Payee Account Manager	\$ 39,229	\$ 40,798	\$ 42,430
Director of Program Operations	\$ 21,137	\$ 21,983	\$ 22,862
Accounting Specialist	\$ 3,531	\$ 3,672	\$ 3,819
Accounting Supervisor	\$ 3,982	\$ 4,141	\$ 4,307
Sub-Total Personnel	\$ 106,079	\$ 109,261	\$ 113,632
Fringe Benefits			
Payroll Taxes	\$ 8,115	\$ 8,358	\$ 8,693
Unemployment Insurance	\$ 1,379	\$ 1,477	\$ 1,595
Workers Compensation	\$ 1,166	\$ 1,249	\$ 1,349
403b Contributions	\$ -	\$ 3,278	\$ 3,409
Health Insurance Premiums	\$ 10,208	\$ 10,718	\$ 11,229
Life Ins./Short Term Disability	\$ 1,126	\$ 1,160	\$ 1,193
Sub-Total Fringe Benefits	\$ 21,994	\$ 26,240	\$ 27,468
Equipment			
Computer Equipment For New Hires	\$3,000	\$0	\$0
Sub-Total Equipment	\$3,000	\$0	\$0
Travel			
Mileage Reimbursement for Staff	\$1,732	\$1,732	\$1,732
Sub-Total Travel	\$1,732	\$1,732	\$1,732
Operating Expenses			
HMIS Database Set-Up	\$400	\$0	\$0
HMIS Annual Project Fees	\$200	\$200	\$200
Employee Background Checks	\$38	\$0	\$0
Postage	\$3,120	\$3,182	\$3,246
Office Equipment Rental	\$480	\$480	\$480
Telephone and Internet	\$1,067	\$1,067	\$1,067
Business Supplies	\$344	\$350	\$357
Building Office Space Utilities	\$1,281	\$1,307	\$1,333
Staff Retention	\$94	\$96	\$98
Building Repairs	\$737	\$751	\$766
Contract Maintenance	\$1,303	\$1,329	\$1,356
Sub-Total Operating	\$9,063	\$8,762	\$8,902
Indirect Costs			
Indirect Cost Rate	\$14,187	\$14,600	\$15,173
Sub-Total Indirect	\$14,187	\$14,600	\$15,173
TOTAL ANNUAL PROGRAM BUDGET	\$ 156,054	\$ 160,595	\$ 166,908
<i>Estimated Cash Match for Indirect</i>	<i>\$ 39,865</i>	<i>\$ 41,025</i>	<i>\$ 42,637</i>

The detailed line item budget and accompanying narrative reflect the funding requested in order to implement a Representative Payee Program in Lexington. The budget period reflected is for three years and the program is assumed to begin operations in July, 2019. The projected costs of the program are based on Welcome House serving as the representative payee for up to 120 individuals. The total annual program budget for each year is \$156,054, \$160,595 and \$166,908, respectively.

Additional Detail and Narrative for Line Item Budget:

Personnel – The total personal budget for Year one of operations is \$106,079. The two primary positions supporting the program are the Payee Account Managers which are allocated 100%. These positions will work fully in the Lexington Payee Program completing all account management tasks described above including, collecting funds for clients, paying day-to-day bills, establishing quarterly budgets and managing client spending according to the plans established for each individual. The Director of Program Operations will oversee the day-to-day operations of the program including staff oversight, program compliance, reporting of client data, and relationship management of community partners in Lexington. The director is allocated to support the Lexington Payee Program at 34% which is consistent with the support currently provided to the Northern Kentucky Program. The two other positions directly supporting the program are the Accounting Supervisor and the Accounting Specialist which are both assumed to allocate 10% of their time and cost to the program. Both positions conduct audits to oversee the financial transactions, reconcile client bank accounts and record all payee activity on the Welcome House general ledger. Based on the allocation assumptions, these positions equate to 2.54 FTE's in total supporting the program. Wages are assumed to grow at 4% for each of the following two years.

Fringe Benefits – The total budget for fringe benefits in Year one of operations is \$21,994 which is comprised of payroll taxes, unemployment insurance, workers compensation insurance, 403b retirement contributions, health insurance, and life/short-term disability insurance. Payroll taxes are calculated at 7.65% of the total personnel wages. Unemployment and workers compensation also calculated from the total personnel wages based on the actual rates of our coverages at 1.3% and 1.1%, respectively. Welcome House recently implemented a new 403b retirement plan for employees in the first quarter of 2019. While we don't currently provide contributions through employer match for these retirement accounts, it is our intention to offer this benefit in the future so a budget of 3% of personnel costs are included in years two and three. Welcome House covers 70% of health insurance premiums for single employees and 50% of costs are covered for family plans. The employer portion of the monthly premium cost for a single employee is \$334.90 (\$4,018.80 annually) and is multiplied by 2.54 FTE's directly supporting the program. Similarly, life/short term disability insurance for employees is covered by Welcome House at \$36.94 per month (443.28 annually) for 2.54 FTE's. The health insurance premiums are assumed to grow at 5% in years two and three. The life/short term disability insurance is projected to grow at 3% annually.

Equipment – Equipment is budgeted at \$3,000 for year one of program. The Payee Account Managers will be new positions dedicated to the Lexington Payee Program and new hardware and software will need to be purchased for the positions including computers, phones, Quicken budgeting software and other miscellaneous tech supplies. There is no need for additional equipment in years 2 and 3.

Travel – The travel budget for all three years of the budget is \$1,732 comprised solely of mileage reimbursement for employee travel. Welcome House's mileage reimbursement rate is

\$0.44/mile and the budget is assumed for a staff member to travel from Covington to Lexington bi-weekly.

Operating Expenses – The total budget for other operating expenses is \$9,063 in year one of operations which includes costs for HMIS fees, employee background checks, postage/ mailing, office equipment rentals, telephone and internet service, office supplies, building utilities, staff retention, building repairs and contracted property maintenance. Vesta, the HMIS database being used to track client information for the program, will cost \$400 for our software vendor to initiate and \$200 annually for usage fees. We anticipate conducting background checks on the two newly hired Account Managers at \$19 per background check. The cost for postage is calculated by assuming 1 piece of mail weekly for 120 clients at \$0.50 per mailing.

The costs for the remaining budgeted line items are determined by projecting costs based off of the historical staff and building costs at the Welcome House property where the Lexington Payee Program will operate from. We anticipate that the staff supporting this program will utilize approximately 20.4% of the shared resources in the building which is multiplied against the historical average costs of building operations. We estimated the 20.4% allocation by looking at the number of FTE's dedicated to this program relative to total FTE's working out of the building. The costs for the HMIS database, equipment rental, and telephone and internet service are fixed per contract and are not anticipated to grow in years two and three. Postage, office supplies, building utilities, staff retention, building repairs and building maintenance are all projected to grow at 2% per year in years two and three.

Indirect Costs – Welcome House currently elects to use the 10% de minimus rate on all contracts currently held with HUD, however in our 2019 board-approved annual budget, our indirect rate is estimated at more than 30%. For this contract, Welcome House will continue to utilize a rate

of 10% of total modified direct cost of the program. This equates to indirect costs of \$14,187 in year one, \$14,600 in year two, and \$15,173 in year three based on the program budget submitted. The additional indirect costs incurred by Welcome House that would be attributed to this project would be covered by other cash funds sourced from both private foundation grants and individual contributions received by the organization.

Additional Cash Match and Leverage:

As noted above, Welcome House anticipates using private foundation grants and individual contributions to cover the additional cost of indirect operations associated with the Lexington Payee Program. This is estimated between \$39,000 and \$43,000 annually dependent on true project and indirect costs accumulated each year.

Program Sustainability Plan:

It is Welcome House's intent to develop and implement a sustainable representative payee program in Lexington with the support of the Innovative and Sustainable Solutions to Homelessness fund. In order to maximize the effectiveness of these funds and new service to the area, we intend to pursue other funding sources that can complement the Homelessness Fund. Welcome House's Development Team utilizes the services of a Grant Writer who can procure funds from interested private grant foundations and this team will also work to grow our current donor pool to new geographic areas. Our current Northern Kentucky program receives mental health funds from 3 of the urban county governments in the area to support operations so we would work to establish relationships with other local government units in the Lexington area in order to identify other funding opportunities. Similarly, the program in Northern Kentucky is partially supported by United Way of Greater Cincinnati so we would also attempt to establish

another connection with the United Way of Bluegrass after demonstrating the positive outcomes associated with the Representative Payee Program.

Additionally, as a recognized representative offering payee services, Welcome House is authorized by the Social Security Administration to collect \$43 per month, per client for the individuals receiving Supplemental Security Income (SSI) or Social Security Disability Income (SSDI) benefits. Our Northern Kentucky Program does charge this fee to all applicable clients who have a working budget that can reasonably sustain the assessed charge. These fees are not currently assumed in the application response and accompanying three year budget. In future years, we recommend utilizing this fee structure for applicable clients in the Lexington Payee Program in order to increase cash match available in the program as well as provide additional funds for longevity and sustainability.

AFFIDAVIT

Comes the Affiant, Danielle Amrine, and after being first duly sworn, states under penalty of perjury as follows:

1. His/her name is Danielle Amrine and he/she is the individual submitting the proposal or is the authorized representative of Welcome House of Northern Kentucky, the entity submitting the proposal (hereinafter referred to as "Proposer").
2. Proposer will pay all taxes and fees, which are owed to the Lexington-Fayette Urban County Government at the time the proposal is submitted, prior to award of the contract and will maintain a "current" status in regard to those taxes and fees during the life of the contract.
3. Proposer will obtain a Lexington-Fayette Urban County Government business license, if applicable, prior to award of the contract.
4. Proposer has authorized the Division of Central Purchasing to verify the above-mentioned information with the Division of Revenue and to disclose to the Urban County Council that taxes and/or fees are delinquent or that a business license has not been obtained.
5. Proposer has not knowingly violated any provision of the campaign finance laws of the Commonwealth of Kentucky within the past five (5) years and the award of a contract to the Proposer will not violate any provision of the campaign finance laws of the Commonwealth.
6. Proposer has not knowingly violated any provision of Chapter 25 of the Lexington-Fayette Urban County Government Code of Ordinances, known as "Ethics Act."

Continued on next page

7. Proposer acknowledges that "knowingly" for purposes of this Affidavit means, with respect to conduct or to circumstances described by a statute or ordinance defining an offense, that a person is aware or should have been aware that his conduct is of that nature or that the circumstance exists.

Further, Affiant sayeth naught.

Danielle Amrine, CEO, Welcome House of NKY

STATE OF Kentucky

COUNTY OF Kenton

The foregoing instrument was subscribed, sworn to and acknowledged before me

by Danielle Amrine on this the 6th day

of March, 2014.

My Commission expires: 8.6.2019



Elizabeth Gray
NOTARY PUBLIC, STATE AT LARGE

EQUAL OPPORTUNITY AGREEMENT

Standard Title VI Assurance

The Lexington Fayette-Urban County Government, (hereinafter referred to as the "Recipient") hereby agrees that as a condition to receiving any Federal financial assistance from the U.S. Department of Transportation, it will comply with Title VI of the Civil Rights Act of 1964, 78Stat.252, 42 U.S.C. 2000d-4 (hereinafter referred to as the "Act"), and all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, (49 CFR, Part 21) Nondiscrimination in Federally Assisted Program of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964 (hereinafter referred to as the "Regulations") and other pertinent directives, no person in the United States shall, on the grounds of race, color, national origin, sex, age (over 40), religion, sexual orientation, gender identity, veteran status, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Recipient receives Federal financial assistance from the U.S. Department of Transportation, including the Federal Highway Administration, and hereby gives assurance that will promptly take any necessary measures to effectuate this agreement. This assurance is required by subsection 21.7(a) (1) of the Regulations.

The Law

- Title VII of the Civil Rights Act of 1964 (amended 1972) states that it is unlawful for an employer to discriminate in employment because of race, color, religion, sex, age (40-70 years) or national origin.
- Executive Order No. 11246 on Nondiscrimination under Federal contract prohibits employment discrimination by contractor and sub-contractor doing business with the Federal Government or recipients of Federal funds. This order was later amended by Executive Order No. 11375 to prohibit discrimination on the basis of sex.
- Section 503 of the Rehabilitation Act of 1973 states:

The Contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap.

- Section 2012 of the Vietnam Era Veterans Readjustment Act of 1973 requires Affirmative Action on behalf of disabled veterans and veterans of the Vietnam Era by contractors having Federal contracts.
- Section 206(A) of Executive Order 12086, Consolidation of Contract Compliance Functions for Equal Employment Opportunity, states:

The Secretary of Labor may investigate the employment practices of any Government contractor or sub-contractor to determine whether or not the contractual provisions specified in Section 202 of this order have been violated.

The Lexington-Fayette Urban County Government practices Equal Opportunity in recruiting, hiring and promoting. It is the Government's intent to affirmatively provide employment opportunities for those individuals who have previously not been allowed to enter into the mainstream of society. Because of its importance to the local Government, this policy carries the full endorsement of the Mayor, Commissioners, Directors and all supervisory personnel. In following this commitment to Equal Employment Opportunity and because the Government is the benefactor of the Federal funds, it is both against the Urban County Government policy and illegal for the Government to let contracts to companies which knowingly or unknowingly practice discrimination in their employment practices. Violation of the above mentioned ordinances may cause a contract to be canceled and the contractors may be declared ineligible for future consideration.

Please sign this statement in the appropriate space acknowledging that you have read and understand the provisions contained herein. Return this document as part of your application packet.

Bidders

We agree to comply with the Civil Rights Laws listed above that govern employment rights of minorities, women, Vietnam veterans, handicapped and aged persons.

Danielle Amrine

Signature

Welcome House of Northern Kentucky

Name of Business

EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of Welcome House to provide equal employment opportunities to all persons in all respects of the employment relationship without discrimination because of race, color, sex, religion, national origin, ancestry, disability, age, gender identity or sexual orientation. This policy applies to all employment decisions including but not limited to employment, termination, salary adjustments, promotions and other privileges of employment. It is the policy of Welcome House to comply with applicable local, state and federal law concerning equal employment opportunity. It is the responsibility of all employees to observe all Equal Opportunity Employment policies within the agency and in accordance with local, state and Federal law.

EMPLOYMENT-AT-WILL

An employee may decide to leave employment of Welcome House at any time or Welcome House may decide to terminate an employee at any time. There is no contract of employment between Welcome House and its employees. You may resign your employment at any time, for any reason, with or without notice. Welcome House may terminate your employment at any time, for any reason, with or without cause, and with or without notice. This is known as "employment at will." These personnel policies and guidelines do not constitute a contract of employment and should not be construed as such. No representative of Welcome House is authorized to enter into any agreement to modify this at-will status.

ATTENDANCE

If any reason prevents an employee from reporting to work at the regularly scheduled time, or the employee is going to be late, the employee is required to notify their direct supervisor as far in advance as possible prior to the starting time for work. Such notice must be given via phone. Failure to properly notify the appropriate supervisor of an absence will result in the absence being charged without pay. Absences of two consecutive days (shifts) without notification may be considered no call, no show, and may result in discipline, up to and including termination of employment.

Unscheduled absences place an unfair burden on co-workers and should be avoided. Due to the Shelter requiring 24 hour per day shift coverage any shelter employee unable to cover their designated shift will be responsible to find other coverage if unable to report to work. If available, the absence will be counted according to PTO policy. If the employee is not eligible or out of PTO the employee must be approved by the CEO for unpaid time.

WORKFORCE ANALYSIS FORM

Name of Organization: Welcome House of Northern Kentucky

Categories	Total	White (Not Hispanic or Latino)		Hispanic or Latino		Black or African-American (Not Hispanic or Latino)		Native Hawaiian and Other Pacific Islander (Not Hispanic or Latino)		Asian (Not Hispanic or Latino)		American Indian or Alaskan Native (not Hispanic or Latino)		Two or more races (Not Hispanic or Latino)		Total	
		M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
Administrators			2														2
Professionals																	
Superintendents																	
Supervisors		2	7													2	7
Foremen																	
Technicians																	
Protective Service		3	18				2									3	20
Para-																	
Office/Clerical																	
Skilled Craft																	
Service/Maintenan																	
Total:		5	27				2									5	29

Prepared by: Elizabeth LaPash; Compliance & HR Director Date: 03/05 / 2019

(Name and Title)

Revised 2015-Dec-15

GENERAL PROVISIONS

1. Each Respondent shall comply with all Federal, State & Local regulations concerning this type of service or good.

The Respondent agrees to comply with all statutes, rules, and regulations governing safe and healthful working conditions, including the Occupational Health and Safety Act of 1970, 29 U.S.C. 650 *et. seq.*, as amended, and KRS Chapter 338. The Respondent also agrees to notify the LFUCG in writing immediately upon detection of any unsafe and/or unhealthful working conditions at the job site. The Respondent agrees to indemnify, defend and hold the LFUCG harmless from all penalties, fines or other expenses arising out of the alleged violation of said laws.

2. Failure to submit ALL forms and information required in this RFP may be grounds for disqualification.
3. Addenda: All addenda and IonWave Q&A, if any, shall be considered in making the proposal, and such addenda shall be made a part of this RFP. Before submitting a proposal, it is incumbent upon each proposer to be informed as to whether any addenda have been issued, and the failure to cover in the bid any such addenda may result in disqualification of that proposal.
4. Proposal Reservations: LFUCG reserves the right to reject any or all proposals, to award in whole or part, and to waive minor immaterial defects in proposals. LFUCG may consider any alternative proposal that meets its basic needs.
5. Liability: LFUCG is not responsible for any cost incurred by a Respondent in the preparation of proposals.
6. Changes/Alterations: Respondent may change or withdraw a proposal at any time prior to the opening; however, no oral modifications will be allowed. Only letters, or other formal written requests for modifications or corrections of a previously submitted proposal which is addressed in the same manner as the proposal, and received by LFUCG prior to the scheduled closing time for receipt of proposals, will be accepted. The proposal, when opened, will then be corrected in accordance with such written request(s), provided that the written request is contained in a sealed envelope which is plainly marked "modifications of proposal".
7. Clarification of Submittal: LFUCG reserves the right to obtain clarification of any point in a bid or to obtain additional information from a Respondent.
8. Bribery Clause: By his/her signature on the bid, Respondent certifies that no employee of his/hers, any affiliate or Subcontractor, has bribed or attempted to

bribe an officer or employee of the LFUCG.

9. **Additional Information:** While not necessary, the Respondent may include any product brochures, software documentation, sample reports, or other documentation that may assist LFUCG in better understanding and evaluating the Respondent's response. Additional documentation shall not serve as a substitute for other documentation which is required by this RFP to be submitted with the proposal,
10. **Ambiguity, Conflict or other Errors in RFP:** If a Respondent discovers any ambiguity, conflict, discrepancy, omission or other error in the RFP, it shall immediately notify LFUCG of such error in writing and request modification or clarification of the document if allowable by the LFUCG.
11. **Agreement to Bid Terms:** In submitting this proposal, the Respondent agrees that it has carefully examined the specifications and all provisions relating to the work to be done attached hereto and made part of this proposal. By acceptance of a Contract under this RFP, proposer states that it understands the meaning, intent and requirements of the RFP and agrees to the same. The successful Respondent shall warrant that it is familiar with and understands all provisions herein and shall warrant that it can comply with them. No additional compensation to Respondent shall be authorized for services or expenses reasonably covered under these provisions that the proposer omits from its Proposal.
12. **Cancellation:** If the services to be performed hereunder by the Respondent are not performed in an acceptable manner to the LFUCG, the LFUCG may cancel this contract for cause by providing written notice to the proposer, giving at least thirty (30) days notice of the proposed cancellation and the reasons for same. During that time period, the proposer may seek to bring the performance of services hereunder to a level that is acceptable to the LFUCG, and the LFUCG may rescind the cancellation if such action is in its best interest.

A. Termination for Cause

- (1) LFUCG may terminate a contract because of the contractor's failure to perform its contractual duties
- (2) If a contractor is determined to be in default, LFUCG shall notify the contractor of the determination in writing, and may include a specified date by which the contractor shall cure the identified deficiencies. LFUCG may proceed with termination if the contractor fails to cure the deficiencies within the specified time.
- (3) A default in performance by a contractor for which a contract may be terminated shall include, but shall not necessarily be limited to:

- (a) Failure to perform the contract according to its terms, conditions and specifications;
- (b) Failure to make delivery within the time specified or according to a delivery schedule fixed by the contract;
- (c) Late payment or nonpayment of bills for labor, materials, supplies, or equipment furnished in connection with a contract for construction services as evidenced by mechanics' liens filed pursuant to the provisions of KRS Chapter 376, or letters of indebtedness received from creditors by the purchasing agency;
- (d) Failure to diligently advance the work under a contract for construction services;
- (e) The filing of a bankruptcy petition by or against the contractor; or
- (f) Actions that endanger the health, safety or welfare of the LFUCG or its citizens.

B. At Will Termination

Notwithstanding the above provisions, the LFUCG may terminate this contract at will in accordance with the law upon providing thirty (30) days written notice of that intent. Payment for services or goods received prior to termination shall be made by the LFUCG provided these goods or services were provided in a manner acceptable to the LFUCG. Payment for those goods and services shall not be unreasonably withheld.

13. **Assignment of Contract:** The contractor shall not assign or subcontract any portion of the Contract without the express written consent of LFUCG. Any purported assignment or subcontract in violation hereof shall be void. It is expressly acknowledged that LFUCG shall never be required or obligated to consent to any request for assignment or subcontract; and further that such refusal to consent can be for any or no reason, fully within the sole discretion of LFUCG.
14. **No Waiver:** No failure or delay by LFUCG in exercising any right, remedy, power or privilege hereunder, nor any single or partial exercise thereof, nor the exercise of any other right, remedy, power or privilege shall operate as a waiver hereof or thereof. No failure or delay by LFUCG in exercising any right, remedy, power or privilege under or in respect of this Contract shall affect the rights, remedies, powers or privileges of LFUCG hereunder or shall operate as a waiver thereof.
15. **Authority to do Business:** The Respondent must be a duly organized and authorized to do business under the laws of Kentucky. Respondent must be in good standing and have full legal capacity to provide the services specified under this Contract. The Respondent must have all necessary right and lawful authority to enter into this Contract for the full term hereof and that proper corporate or

other action has been duly taken authorizing the Respondent to enter into this Contract. The Respondent will provide LFUCG with a copy of a corporate resolution authorizing this action and a letter from an attorney confirming that the proposer is authorized to do business in the State of Kentucky if requested. All proposals must be signed by a duly authorized officer, agent or employee of the Respondent.

16. **Governing Law:** This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. In the event of any proceedings regarding this Contract, the Parties agree that the venue shall be the Fayette County Circuit Court or the U.S. District Court for the Eastern District of Kentucky, Lexington Division. All parties expressly consent to personal jurisdiction and venue in such Court for the limited and sole purpose of proceedings relating to this Contract or any rights or obligations arising thereunder. Service of process may be accomplished by following the procedures prescribed by law.
17. **Ability to Meet Obligations:** Respondent affirmatively states that there are no actions, suits or proceedings of any kind pending against Respondent or, to the knowledge of the Respondent, threatened against the Respondent before or by any court, governmental body or agency or other tribunal or authority which would, if adversely determined, have a materially adverse effect on the authority or ability of Respondent to perform its obligations under this Contract, or which question the legality, validity or enforceability hereof or thereof.
18. Contractor understands and agrees that its employees, agents, or subcontractors are not employees of LFUCG for any purpose whatsoever. Contractor is an independent contractor at all times during the performance of the services specified.
19. If any term or provision of this Contract shall be found to be illegal or unenforceable, the remainder of the contract shall remain in full force and such term or provision shall be deemed stricken.
20. Contractor [or Vendor or Vendor's Employees] will not appropriate or make use of the Lexington-Fayette Urban County Government (LFUCG) name or any of its trade or service marks or property (including but not limited to any logo or seal), in any promotion, endorsement, advertisement, testimonial or similar use without the prior written consent of the government. If such consent is granted LFUCG reserves the unilateral right, in its sole discretion, to immediately terminate and revoke such use for any reason whatsoever. Contractor agrees that it shall cease and desist from any unauthorized use immediately upon being notified by LFUCG.

Danielle Whirline
Signature

2/6/19
Date



LFUCG MWDBE PARTICIPATION FORM

Bid/RFP/Quote Reference # 7-2019

The MWDBE and/or veteran subcontractors listed have agreed to participate on this Bid/RFP/Quote. If any substitution is made or the total value of the work is changed prior to or after the job is in progress, it is understood that those substitutions must be submitted to Central Purchasing for approval immediately. Failure to submit a completed form may cause rejection of the bid.

MWDBE Company, Name, Address, Phone, Email	MBE WBE or DBE	Work to be Performed	Total Dollar Value of the Work	% Value of Total Contract
1. There are no subcontracting opportunities at this time.				
2.				
3.				
4.				

The undersigned company representative submits the above list of MWDBE firms to be used in accomplishing the work contained in this Bid/RFP/Quote. Any misrepresentation may result in the termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and false claims.

Welcome House of NKY

Company

3/6/19

Date

Danielle Amrine
Company Representative

CEO

Title

LFUCG STATEMENT OF GOOD FAITH EFFORTS

Bid/RFP/Quote # 7-2019

By the signature below of an authorized company representative, we certify that we have utilized the following Good Faith Efforts to obtain the maximum participation by MWDBE and Veteran-Owned business enterprises on the project and can supply the appropriate documentation.

_____ Advertised opportunities to participate in the contract in at least two (2) publications of general circulation media; trade and professional association publications; small and minority business or trade publications; and publications or trades targeting minority, women and disadvantaged businesses not less than fifteen (15) days prior to the deadline for submission of bids to allow MWDBE firms and Veteran-Owned businesses to participate.

_____ Included documentation of advertising in the above publications with the bidders good faith efforts package

_____ Attended LFUCG Central Purchasing Economic Inclusion Outreach event

_____ Attended pre-bid meetings that were scheduled by LFUCG to inform MWDBEs and/or Veteran-Owned Businesses of subcontracting opportunities

_____ Sponsored Economic Inclusion event to provide networking opportunities for prime contractors and MWDBE firms and Veteran-Owned businesses

_____ Requested a list of MWDBE and/or Veteran subcontractors or suppliers from LFUCG and showed evidence of contacting the companies on the list(s).

_____ Contacted organizations that work with MWDBE companies for assistance in finding certified MWDBE firms and Veteran-Owned businesses to work on this project. Those contacted and their responses should be a part of the bidder's good faith efforts documentation.

_____ Sent written notices, by certified mail, email or facsimile, to qualified, certified MWDBEs soliciting their participation in the contract not less than seven (7) days prior to the deadline for submission of bids to allow them to participate effectively.

_____ Followed up initial solicitations by contacting MWDBEs and Veteran-Owned businesses to determine their level of interest.

_____ Provided the interested MWDBE firm and/or Veteran-Owned business with adequate and timely information about the plans, specifications, and requirements of the contract.

_____ Selected portions of the work to be performed by MWDBE firms and/or Veteran-Owned businesses in order to increase the likelihood of meeting the contract goals. This includes, where appropriate, breaking out contract work

items into economically feasible units to facilitate MWDBE and Veteran participation, even when the prime contractor may otherwise perform these work items with its own workforce

_____ Negotiated in good faith with interested MWDBE firms and Veteran-Owned businesses not rejecting them as unqualified without sound reasons based on a thorough investigation of their capabilities. Any rejection should be so noted in writing with a description as to why an agreement could not be reached.

_____ Included documentation of quotations received from interested MWDBE firms and Veteran-Owned businesses which were not used due to uncompetitive pricing or were rejected as unacceptable and/or copies of responses from firms indicating that they would not be submitting a bid.

_____ Bidder has to submit sound reasons why the quotations were considered unacceptable. The fact that the bidder has the ability and/or desire to perform the contract work with its own forces will not be considered a sound reason for rejecting a MWDBE and/or Veteran-Owned business's quote. Nothing in this provision shall be construed to require the bidder to accept unreasonable quotes in order to satisfy MWDBE and Veteran goals.

_____ Made an effort to offer assistance to or refer interested MWDBE firms and Veteran-Owned businesses to obtain the necessary equipment, supplies, materials, insurance and/or bonding to satisfy the work requirements of the bid proposal

_____ Made efforts to expand the search for MWBE firms and Veteran-Owned businesses beyond the usual geographic boundaries.

_____ Other--any other evidence that the bidder submits which may show that the bidder has made reasonable good faith efforts to include MWDBE and Veteran participation.

NOTE: Failure to submit any of the documentation requested in this section may be cause for rejection of bid. Bidders may include any other documentation deemed relevant to this requirement which is subject to approval by the MBE Liaison. Documentation of Good Faith Efforts must be submitted with the Bid, if the participation Goal is not met.

The undersigned acknowledges that all information is accurate. Any misrepresentations may result in termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and claims.

Welcomo House of NKY
Company
3/6/19
Date

Danelle Umrine
Company Representative
CEO
Title



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/28/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Chas. H. Bliz Ins. Agency 412 Madison Avenue Post Office Box 12866 Covington KY 41012-0606		CONTACT NAME: Amanda Richey, CIC PHONE (A/C, No, Ext): (859) 431-1235 E-MAIL ADDRESS: AmandaR@BlizIns.com FAX (A/C, No): (859) 431-0437	
		INSURER(S) AFFORDING COVERAGE	
		INSURER A: Selective Ins. Co of South Car	NAIC # 19259
		INSURER D: ClearPath Mutual	NAIC # 16273
		INSURER C:	
		INSURER E:	
		INSURER F:	
INSURED Welcome Housing Corp. & Welcome House of No. KY 205 Pike Street Covington KY 41011			

COVERAGES **CERTIFICATE NUMBER:** 19/20 Master **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL INSURED	SUBROGATION WAIVED	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GDL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJ. JECT <input type="checkbox"/> LOC OTHER:	Y		S1971702	02/10/2019	02/10/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 20,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS - COMP/OP AGG \$ 5,000,000 Professional Liability \$ 1 Mill/\$3 Mill
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY	Y		S1971702	02/10/2019	02/10/2020	COMBINED SINGLE LIMIT (Per accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ PIP-Basic \$ 10,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DCD <input checked="" type="checkbox"/> RETENTION \$ 0			S1971702	02/10/2019	02/10/2020	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NE) If yes, describe under DESCRIPTION OF OPERATIONS below:	Y/N	N/A	171434	02/12/2019	02/12/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 2,000,000 E.L. DISEASE - EA EMPLOYEE \$ 2,000,000 E.L. DISEASE - POLICY LIMIT \$ 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Lexington-Fayette Urban County Government is included as General Liability Additional Insured on a Primary basis and Auto Liability Additional Insured as required by written contract. 30 Days notice of cancellation, except 10 days for non-payment of premium.

CERTIFICATE HOLDER Lexington-Fayette Urban County Government 200 East Main Street 3rd Floor Lexington KY 40507	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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ElitePac[®]

Commercial Automobile Extension

COMMERCIAL AUTO
CA 78 09 11 17

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Business Auto Coverage Form apply unless modified by the endorsement.

AMENDMENTS TO SECTION II - LIABILITY COVERAGE

A. If this policy provides Auto Liability coverage for Owned Autos, the following extensions are applicable accordingly:

NEWLY ACQUIRED OR FORMED ORGANIZATIONS

The following is added to SECTION II, A.1. - **Who Is An Insured:**

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no similar insurance available to that organization. However:

1. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
2. Coverage does not apply to "bodily injury" or "property damage" resulting from an "accident" that occurred before you acquired or formed the organization.

No person or organization is an "insured" with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

EXPENSES FOR BAIL BONDS AND LOSS OF EARNINGS

Paragraphs (2) and (4) of SECTION II, A.2.a. - **Supplementary Payments** are deleted in their entirety and replaced with the following:

- (2) Up to the Limit of Insurance shown on the ElitePac Schedule for the cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" covered under this policy. We do not have to furnish these bonds.
- (4) All reasonable expenses incurred by the "insured" at our request. This includes actual loss of earnings because of time off from work, which we will pay up to the Limit of Insurance shown on the ElitePac Schedule.

EMPLOYEE INDEMNIFICATION AND EMPLOYER'S LIABILITY AMENDMENT

The following is added to SECTION II, B.4. - **Exclusions:**

This exclusion does not apply to a "volunteer worker" who is not entitled to workers compensation, disability or unemployment compensation benefits.

FELLOW EMPLOYEE COVERAGE

The **Fellow Employee** Exclusion, SECTION II, B.5. - is deleted in its entirety.

CARE, CUSTODY OR CONTROL AMENDMENT

The following is added to SECTION II, B.6. - **Exclusions:**

This exclusion does not apply to property owned by anyone other than an "insured", subject to the following:

1. The most we will pay under this exception for any one "accident" is the Limit of Insurance stated in the ElitePac Schedule; and
2. A per "accident" deductible as stated in the ElitePac Schedule applies to this exception.

B. If this policy provides Auto Liability coverage for Owned Autos or Non-Owned Autos, the following extension is applicable accordingly:

LIMITED LIABILITY COMPANIES

The following is added to SECTION II, A.1. - **Who Is An Insured:**

If you are a limited liability company, your members and managers are "insureds" while using a covered "auto" you don't own, hire or borrow during the course of their duties for you.

BLANKET ADDITIONAL INSURED - As Required By Contract

The following is added to SECTION II, A.1. - **Who Is An Insured:**

Any person or organization whom you have agreed in a written contract, written agreement or written permit that such person or organization be added as an additional "insured" on your policy. Such person or organization is an additional "insured" only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by your ownership, maintenance or use of a covered "auto". This coverage shall be primary and non-contributory with respect to the additional "insured". This provision only applies if:

1. It is required in the written contract, written agreement or written permit identified in this section;
2. It is permitted by law; and
3. The written contract or written agreement has been executed (executed means signed by a named insured) or written permit issued prior to the "bodily injury" or "property damage".

C. If this policy provides Auto Liability coverage for Non-Owned Autos, the following extension is applicable accordingly:

EMPLOYEES AS INSUREDS

If this policy provides Auto Liability coverage for Non-Owned Autos, the following is added to **SECTION II, A.1. - Who Is An Insured:**

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in that "employee's" name with your permission, while performing duties related to the conduct of your business.

AMENDMENTS TO SECTION III - PHYSICAL DAMAGE COVERAGE

If this policy provides Comprehensive, Specified Causes of Loss or Collision coverage, the following extensions are applicable for those "autos" for which Comprehensive, Specified Causes of Loss or Collision coverage is purchased:

TOWING AND LABOR

SECTION III, A.2. - Towing is deleted in its entirety and replaced with the following:

We will pay all reasonable towing and labor costs up to the maximum Limit of Insurance shown on the ElitePac Schedule per tow each time a covered "Private Passenger Auto", "Social Service Van or Bus" or "Light Truck" is disabled and up to the maximum Limit of Insurance per tow each time a covered "Medium Truck", "Heavy Truck" or "Extra Heavy Truck" is disabled.

For labor charges to be eligible for reimbursement the labor must be performed at the place of disablement.

This coverage extension does not apply to Emergency Services Organizations and Governmental Entities.

GLASS BREAKAGE DEDUCTIBLE

The following is added to **SECTION III, A.3. - Glass Breakage - Hitting A Bird Or Animal - Falling Objects or Missiles:**

If damaged glass is repaired rather than replaced, no deductible will apply for such repair. This extension does not apply to Emergency Services Organizations and Governmental Entities.

ADDITIONAL TRANSPORTATION EXPENSES SECTION III, A.4.a. - Transportation Expenses is deleted in its entirety and replaced with the following:

We will pay up to the maximum Limit of Insurance shown on the ElitePac Schedule for temporary transportation expenses that you incur because of any "loss" to a covered "auto", but only if the covered "auto" carries the coverages and meets the requirements described in 1. or 2. below:

1. We will pay temporary transportation expenses for total theft of a covered "auto". We will only pay for such expenses incurred during the period beginning 24 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".
2. For "loss" other than total theft of a covered "auto" under Comprehensive or Specified Causes of Loss Coverage, or for any "loss" under Collision Coverage to a covered "auto", we will only pay for those temporary transportation expenses incurred during the policy period beginning 24 hours after the "loss" and ending, regardless of the policy's expiration, with the lesser of the number of days reasonably required to repair or replace the covered "auto" or 30 days.

Paragraph 2. of this extension does not apply while there are spare or reserve "autos" available to you for your operations.

This coverage extension does not apply to Emergency Services Organizations and Governmental Entities.

HIRED AUTO PHYSICAL DAMAGE COVERAGE

The following is added to **SECTION III, A.4. - Coverage Extensions:**

Physical Damage coverage is hereby extended to apply to Physical Damage "loss" to "autos" leased, hired, rented or borrowed without a driver. We will provide coverage equal to the broadest coverage available to any covered "auto" shown in the Declarations. But, the most we will pay for "loss" to each "auto" under this coverage extension is the lesser of:

1. The Limit of Insurance stated in the ElitePac Schedule; or
2. The actual cash value of the damaged or stolen property as of the time of the "loss"; or
3. The actual cost of repairing or replacing the damaged or stolen property with other property of like kind and quality. A part is of like kind and quality when it is of equal or better condition than the pre-accident part. We will use the original equipment from the manufacturer when:
 - (a) The operational safety of the vehicle might otherwise be impaired;
 - (b) Reasonable and diligent efforts to locate the appropriate rebuilt, aftermarket or used part have been unsuccessful; or
 - (c) A new original equipment part of like kind and quality is available and will result in the lowest overall repair cost.

For each leased, hired, rented or borrowed "auto" our obligation to pay "losses" will be reduced by a deductible equal to the highest deductible applicable to any owned "auto" for that coverage. No deductible will be applied to "losses" caused by fire or lightning.

SECTION IV, B.5. Other Insurance Condition, Paragraph 5.b. is deleted in its entirety and replaced by the following:

For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

1. Any covered "auto" you lease, hire, rent, or borrow; and
2. Any covered "auto" hired or rented by your "employee" under a contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

This coverage extension does not apply to Emergency Services Organizations and Governmental Entities.

HIRED AUTO LOSS OF USE COVERAGE

The following is added to **SECTION III, A.4. - Coverage Extensions**:

We will pay expenses for which you are legally responsible to pay up to the Limit of Insurance shown on the ElitePac Schedule per "accident" for loss of use of a leased, hired, rented or borrowed "auto" if it results from an "accident".

This coverage extension does not apply to Emergency Services Organizations, Governmental Entities, and Schools.

AUTO LOAN/LEASE GAP COVERAGE (Not Applicable in New York)

The following is added to **SECTION III, A.4. - Coverage Extensions**:

In the event of a total "loss" to a covered "auto" we will pay any unpaid amount due on the lease or loan for a covered "auto", less:

1. The amount paid under the Physical Damage Coverage Section of the policy; and
2. Any:
 - a. Overdue lease/loan payments at the time of "loss";
 - b. Financial penalties imposed under a lease for excessive use, abnormal wear and tear, high mileage or similar charges;
 - c. Security deposits not refunded by the lessor or financial institution;
 - d. Costs for extended warranties, credit life, health, accident, or disability insurance purchased with the loan or lease; and
 - e. Carry-over balances from previous leases or loans.

You are responsible for the deductible applicable to the "loss" for the covered "auto".

PERSONAL EFFECTS

The following is added to **SECTION III, A.4. - Coverage Extensions**:

If this policy provides Comprehensive Coverage for a covered "auto" you own and that covered "auto" is stolen, we will pay up to the Limit of Insurance shown on the ElitePac Schedule, without application of a deductible, for lost personal effects that were in the covered "auto" at the time of theft. Personal effects do not include jewelry, tools, money, or securities. This coverage is excess over any other collectible insurance.

AIRBAG COVERAGE

The following is added to **SECTION III, B.3.a. - Exclusions**:

Mechanical breakdown does not include the accidental discharge of an airbag.

This coverage extension does not apply to Emergency Services Organizations and Governmental Entities.

EXPANDED AUDIO, VISUAL, AND DATA ELECTRONIC EQUIPMENT COVERAGE

SECTION III, B.4. - Exclusions

This exclusion does not apply to the following:

1. Global positioning systems;
2. "Telematic devices"; or
3. Electronic equipment that reproduces, receives or transmits visual or data signals and accessories used with such equipment, provided such equipment is:

- a. Permanently installed in or upon the covered "auto" at the time of the "loss";
- b. Removable from a housing unit that is permanently installed in the covered "auto" at the time of the "loss";
- c. Designed to be solely operated by use of power from the "auto's" electrical system; or
- d. Designed to be used solely in or upon the covered "auto".

For each covered "loss" to such equipment, a deductible of \$50 shall apply, unless the deductible otherwise applicable to such equipment is less than \$50, at which point the lower deductible, if any, will apply.

COMPREHENSIVE DEDUCTIBLE - LOCATION TRACKING DEVICE

The following is added to **SECTION III, D. - Deductible:**

Any Comprehensive Coverage Deductible shown in the Declarations will be reduced by 50% for any "loss" caused by theft if the covered "auto" is equipped with a location tracking device and that device was the sole method used to recover the "auto".

PHYSICAL DAMAGE LIMIT OF INSURANCE

SECTION III, C. - Limit Of Insurance is deleted in its entirety and replaced with the following:

The most we will pay for a "loss" in any one "accident" is the lesser of:

1. The actual cash value of the damaged or stolen property as of the time of the "loss"; or
2. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

This coverage extension does not apply to Emergency Services Organizations and Governmental Entities.

AMENDMENTS TO SECTION IV - BUSINESS AUTO CONDITIONS

DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

The following is added to **SECTION IV, A.2.a. - Duties In The Event Of Accident, Claim, Suit Or Loss:**

The notice requirements for reporting "accident" claim, "suit" or "loss" information to us, including provisions related to the subsequent investigation of such "accident", claim, "suit" or "loss" do not apply until the "accident", claim, "suit" or "loss" is known to:

1. You, if you are an individual;
2. A partner, if you are a partnership;

3. An executive officer or insurance manager, if you are a corporation;
4. Your members, managers or insurance manager, if you are a limited liability company;
5. Your elected or appointed officials, trustees, board members or your insurance manager, if you are an organization other than a partnership, joint venture or limited liability company.

But, this section does not amend the provisions relating to notification of police or protection or examination of the property that was subject to the "loss".

WAIVER OF SUBROGATION

SECTION IV, A.5. - Transfer Of Rights Of Recovery Against Others To Us is deleted in its entirety and replaced with the following:

We waive any right of recovery we may have against any person or organization because of payments we make for "bodily injury" or "property damage" resulting from the ownership, maintenance or use of a covered "auto" but only when you have assumed liability for such "bodily injury" or "property damage" in an "insured contract". In all other circumstances, if a person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us.

MULTIPLE DEDUCTIBLES

The following is added to **SECTION IV, A. - Loss Conditions:**

If a "loss" from one event involves two or more covered "autos" and coverage under Comprehensive or Specified Causes of Loss applies, only the highest applicable deductible will be applied.

CONCEALMENT, MISREPRESENTATION OR FRAUD

The following is added to **SECTION IV, B.2. - Concealment, Misrepresentation Or Fraud:**

If you should unintentionally fail to disclose any existing hazards in your representations to us prior to the inception date of the policy or during the policy period in connection with any newly discovered hazards, we will not deny coverage under this Coverage Form based upon such failure.

POLICY PERIOD, COVERAGE TERRITORY

SECTION IV, B.7. - Policy Period, Coverage Territory is deleted in its entirety and replaced with the following:

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the "Coverage Territory".

We also cover "loss" to or "accidents" involving a covered "auto" while being transported between any of these places.

TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US - DEDUCTIBLES

The following is added to **SECTION IV, B.8. - Two Or More Coverage Forms Or Policies Issued By Us:**

If a "loss" covered under this Coverage Form also involves a "loss" to other property resulting from the same "accident" that is covered under this policy or another policy issued by us or any member company of ours, only the highest applicable deductible will be applied.

AMENDMENTS TO SECTION V - DEFINITIONS

BODILY INJURY INCLUDING MENTAL ANGUISH (Not Applicable in New York)

The definition of bodily injury is deleted in its entirety and replaced by the following:

"Bodily injury" means bodily injury, sickness, or disease sustained by a person, including death resulting from any of these. "Bodily injury" includes mental anguish resulting from bodily injury, sickness or disease sustained by a person.

ADDITIONS TO SECTION V - DEFINITIONS

COVERAGE TERRITORY

"Coverage Territory" means:

1. The United States of America (including its territories and possessions), Canada and Puerto Rico; and
2. Anywhere in the world, except for any country or jurisdiction that is subject to trade or other economic sanction or embargo by the United States of America, if a covered "auto" is leased, hired, rented, or borrowed without a driver for a period of 30 days or less, and the insured's responsibility to pay "damages" is determined in a "suit" on the merits in and under the substantive law of the United States of America (including its territories and possessions), Puerto Rico, or Canada, or in a settlement we agree to.

If we are prevented by law, or otherwise, from defending the "insured" in a "suit" brought in a location described in Paragraph 2. above, the insured will conduct a defense of that "suit". We will reimburse the "insured" for the reasonable and necessary expenses incurred for the defense of any such "suit" seeking damages to which this insurance applies, and that we would have paid had we been able to exercise our right and duty to defend.

EXTRA HEAVY TRUCK

"Extra Heavy Truck" means a truck with a gross vehicle weight rating of 45,001 pounds or more.

HEAVY TRUCK

"Heavy Truck" means a truck with a gross vehicle weight rating of 20,001 pounds to 45,000 pounds.

LIGHT TRUCK

"Light Truck" means a truck with a gross vehicle weight rating of 10,000 pounds or less.

MEDIUM TRUCK

"Medium Truck" means a truck with a gross vehicle weight rating of 10,001 pounds to 20,000 pounds.

PRIVATE PASSENGER AUTO

"Private Passenger Auto" means a four-wheel "auto" of the private passenger or station wagon type. A pickup, panel truck or van not used for business is included within the definition of a "private passenger auto".

SOCIAL SERVICE VAN OR BUS

"Social Service Van or Bus" means a van or bus used by a government entity, civic, charitable or social service organization to provide transportation to clients incidental to the social services sponsored by the organization, including special trips and outings.

TELEMATIC DEVICE

"Telematic Device" includes devices designed for the collection and dissemination of data for the purpose of monitoring vehicle and/or driver performance. This includes Global Positioning System technology, wireless safety communications and automatic driving assistance systems, all integrated with computers and mobile communications technology in automotive navigation systems.

VOLUNTEER WORKER

"Volunteer worker" means a person who performs business duties for you, for no financial or other compensation.

ElitePac[®]

General Liability Extension Endorsement

COMMERCIAL GENERAL LIABILITY
CG 73 00 01 19

SUMMARY OF COVERAGES (including index)

This is a summary of the various additional coverages and coverage modifications provided by this endorsement. No coverage is provided by this summary. Refer to the actual endorsement (Pages 3-through-9) for changes affecting your insurance protection.

DESCRIPTION	PAGE FOUND
Additional Insureds - Primary and Non-Contributory Provision	Page 8
Blanket Additional Insureds - As Required By Contract	Page 5
<ul style="list-style-type: none">• Owners, Lessees or Contractors (includes Architects, Engineers or Surveyors)• Lessors of Leased Equipment• Managers or Lessors of Premises• Mortgagees, Assignees and Receivers• Any Other person or organization other than a joint venture• Grantors of Permits	
Broad Form Vendors Coverage	Page 7
Damage To Premises Rented To You (Including Fire, Lightning or Explosion)	Page 3
Electronic Data Liability (\$100,000)	Page 4
Employee Definition Amended	Page 9
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Employer's Liability Exclusion Amended (Not applicable in New York)	Page 3
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Newly Formed or Acquired Organizations	Page 5
Non-Owned Aircraft	Page 3
Non-Owned Watercraft (under 60 feet)	Page 3
Not-for-profit Members - as additional insureds	Page 5
Personal And Advertising Injury - Discrimination Amendment (Not applicable in New York)	Page 8
Products Amendment (Medical Payments)	Page 4
Supplementary Payments Amended - Bail Bonds (\$5,000) and Loss of Earnings (\$1,000)	Page 4
Two or More Coverage Parts or Policies Issued By Us	Page 8
Unintentional Failure to Disclose Hazards	Page 8
Waiver of Transfer of Rights of Recovery (subrogation)	Page 8
When Two or More Coverage Parts of this Policy Apply to a Loss	Page 3

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ElitePac[®]
General Liability Extension Endorsement

COMMERCIAL GENERAL LIABILITY
CG 73 00 01 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The **SECTIONS** of the Commercial General Liability Coverage Form identified in this endorsement will be amended as shown below. However, if (a) two or more Coverage Parts of this policy, or (b) two or more forms or endorsements within the same Coverage Part apply to a loss, coverage provision(s) with the broadest language will apply, unless specifically stated otherwise within the particular amendment covering that loss.

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

COVERAGES - Amendments

SECTION I - COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

EXCLUSIONS

Employer's Liability Amendment

(This provision is not applicable in the State of New York).

The following is added to Exclusion e. **Employer's Liability** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions:**

This exclusion also does not apply to any "temporary worker".

Non-Owned Aircraft, Auto or Watercraft

A. Paragraph (2) of Exclusion g. **Aircraft, Auto or Watercraft** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** is deleted in its entirety and replaced with the following:

(2) A watercraft you do not own that is:

- (a) Less than 26 feet long and not being used to carry persons or property for a charge; or
- (b) At least 26 feet, but less than 60 feet long, and not being used to carry persons or property for a charge. Any person is an insured who uses or is responsible for the use of such watercraft with your expressed or implied consent. However, if the insured has any other valid and collectible insurance for "bodily injury" or "property damage" that would be covered under this provision, or on any other basis, this coverage is then excess, and subject to Condition 4. **Other Insurance, b. Excess Insurance** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS.**

B. The following is added to Exclusion g. **Aircraft, Auto Or Watercraft** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions:**

This exclusion does not apply to:

- (6) Any aircraft, not owned or operated by any insured, which is hired, chartered or loaned with a paid crew. However, if the insured has any other valid and collectible insurance for "bodily injury" or "property damage" that would be covered under this provision, or on any other basis, this coverage is then excess, and subject to Condition 4. **Other Insurance, b. Excess Insurance** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS.**

Damage To Premises Rented to You

A. The last paragraph of Paragraph 2. **Exclusions** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE** is deleted in its entirety and replaced with the following:

Exclusions c. through n. do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with the permission of the owner. A separate limit of insurance applies to this coverage as described in **SECTION III - LIMITS OF INSURANCE.**

B. Paragraph 6. under **SECTION III - LIMITS OF INSURANCE** is deleted in its entirety and replaced with the following:

6. Subject to Paragraph 5. above, the most we will pay under **COVERAGE A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage caused by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner, for all such damage caused by fire, lightning or explosion proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of the three, is the amount shown in the Declarations for the Damage To Premises Rented To You Limit.

C. Paragraph a. of Definition 9. "Insured contract" under **SECTION V - DEFINITIONS** is deleted in its entirety and replaced with the following:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with the permission of the owner is not an "insured contract";

Electronic Data Liability

A. Exclusion p. **Access or Disclosure Of Confidential Or Personal Information And Data-related Liability** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** is deleted in its entirety and replaced by the following:

p. **Access or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data" that does not result from physical injury to tangible property.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

B. The following paragraph is added to **SECTION III - LIMITS OF INSURANCE**:

Subject to 5. above, the most we will pay under **COVERAGE A** for "property damage" because of all loss of "electronic data" arising out of any one "occurrence" is a sub-limit of \$100,000.

SECTION I - COVERAGE C MEDICAL PAYMENTS EXCLUSIONS

Any Insured Amendment

Exclusion a. **Any Insured** under **COVERAGE C MEDICAL PAYMENTS, 2. Exclusions** is deleted in its entirety and replaced with the following:

a. **Any Insured**

To any insured.

This exclusion does not apply to:

- (1) "Not-for-profit members";
- (2) "Golfing facility" members who are not paid a fee, salary, or other compensation; or
- (3) "Volunteer workers".

This exclusion exception does not apply if **COVERAGE C MEDICAL PAYMENTS** is excluded by another endorsement to this Coverage Part.

Product Amendment

Exclusion f. **Products-Completed Operations Hazard** under **COVERAGE C MEDICAL PAYMENTS, 2. Exclusions** is deleted in its entirety and replaced with the following:

f. **Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

This exclusion does not apply to "your products" sold for use or consumption on your premises, while such products are still on your premises.

This exclusion exception, does not apply if **COVERAGE C MEDICAL PAYMENTS** is excluded by another endorsement to this Coverage Part.

SECTION I - SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

Expenses For Bail Bonds And Loss Of Earnings

A. Subparagraph 1.b. under **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B** is deleted in its entirety and replaced with the following:

b. Up to \$5,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

B. Subparagraph 1.d. under **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B** is deleted in its entirety and replaced with the following:

- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.

SECTION II - WHO IS AN INSURED - Amendments

Not-for-Profit Organization Members

The following paragraph is added to **SECTION II - WHO IS AN INSURED**:

If you are an organization other than a partnership, joint venture, or a limited liability company, and you are a not-for-profit organization, the following are included as additional insureds:

1. Your officials;
2. Your trustees;
3. Your members;
4. Your board members;
5. Your commission members;
6. Your agency members;
7. Your insurance managers;
8. Your elective or appointed officers; and
9. Your "not-for-profit members".

However only with respect to their liability for your activities or activities they perform on your behalf.

Employees As Insureds Modified

- A. Subparagraph 2.a.(1)(a) under **SECTION II - WHO IS AN INSURED** does not apply to "bodily injury" to a "temporary worker" caused by a co-"employee" who is not a "temporary worker".
- B. Subparagraph 2.a.(2) under **SECTION II - WHO IS AN INSURED** does not apply to "property damage" to the property of a "temporary worker" or "volunteer worker" caused by a co-"employee" who is not a "temporary worker" or "volunteer worker".
- C. Subparagraph 2.a.(1)(d) under **SECTION II - WHO IS AN INSURED** does not apply to "bodily injury" caused by cardio-pulmonary resuscitation or first aid services administered by a co-"employee".

With respect to this provision only, Subparagraph (1) of Exclusion 2. e. **Employer's Liability** under **SECTION I - COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** does not apply.

Newly Formed Or Acquired Organizations

- A. Subparagraph 3.a. under **SECTION II - WHO IS AN INSURED** is deleted in its entirety and replaced with the following:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier. However, **COVERAGE A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization.

- B. The following paragraph is added to **SECTION II - WHO IS AN INSURED**, Paragraph 3:

If you are engaged in the business of construction of dwellings three stories or less in height, or other buildings three stories or less in height and less than 25,000 square feet in area, you will also be an insured with respect to "your work" only, for the period of time described above, for your liability arising out of the conduct of any partnership or joint venture of which you are or were a member, even if that partnership or joint venture is not shown as a Named Insured. However, this provision only applies if you maintain or maintained an interest of at least fifty percent in that partnership or joint venture for the period of that partnership or joint venture.

This provision does not apply to any partnership or joint venture that has been dissolved or otherwise ceased to function for more than thirty-six months.

With respect to the insurance provided by this provision, **Newly Formed or Acquired Organizations**, the following is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY**, Paragraph 4. **Other Insurance**, Subparagraph b. **Excess Insurance**:

The insurance provided by this provision, **Newly Formed or Acquired Organizations**, is excess over any other insurance available to the insured, whether primary, excess, contingent or on any other basis.

(All other provisions of this section remain unchanged)

Blanket Additional Insureds - As Required By Contract

Subject to the **Primary and Non-Contributory** provision set forth in this endorsement, **SECTION II - WHO IS AN INSURED** is amended to include as an additional insured:

- A. **Owners, Lessees or Contractors/Architects, Engineers and Surveyors**

1. Any person or organization for whom you are performing operations when you and such person or organization have agreed in a written contract, written agreement or written permit that such person or organization be added as an additional insured on your commercial general liability policy; and

2. Any other person or organization, including any architects, engineers or surveyors not engaged by you, whom you are required to add as an additional insured under your policy in the contract or agreement in Paragraph 1. above:

Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

- a. Your acts or omissions; or
- b. The acts of omissions of those acting on your behalf;

in the performance of your ongoing operations performed for the additional insured in Paragraph 1., above.

However, this insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services by or for you, including:

- a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
- b. Supervisory, inspection, architectural or engineering activities.

Professional services do not include services within construction means, methods, techniques, sequences and procedures employed by you in connection with your operations in your capacity as a construction contractor.

A person or organization's status as an additional insured under this endorsement ends when your operations for the person or organization described in Paragraph 1. above are completed.

B. Other Additional Insureds

Any of the following persons or organizations with whom you have agreed in a written contract, written agreement or written permit that such persons or organizations be added as an additional insured on your commercial general liability policy:

1. Lessors of Leased Equipment

Any person or organization from whom you lease equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

2. Managers or Lessors of Premises

Any person or organization from whom you lease premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you.

This insurance does not apply to any "occurrence" which takes place after you cease to be a tenant of that premises.

3. Mortgagees, Assignees or Receivers

Any person or organization with respect to their liability as mortgagee, assignee or receiver and arising out of the ownership, maintenance or use of your premises.

This insurance does not apply to any "occurrence" which takes place after the mortgage is satisfied, or the assignment or receivership ends.

4. Any Person or Organization Other Than A Joint Venture

Any person or organization (other than a joint venture of which you are a member), but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts of omissions of those acting on your behalf in the performance of your ongoing operations or in connection with property owned by you.

5. State or Governmental Agency or Political Subdivision - Permits or Authorizations

Any state or governmental agency or subdivision or political subdivision, but only with respect to:

- a. Operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization; or
- b. The following hazards for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization in connection with premises you own, rent or control and to which this insurance applies:

- (1) The existence, maintenance, repair, construction, erection or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners or decorations and similar exposures;
- (2) The construction, erection or removal of elevators; or
- (3) The ownership, maintenance or use of any elevators covered by this insurance.

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" arising out of operations performed for the federal government, state or municipality; or
- (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

With respect to Paragraphs 2. through 4., this insurance does not apply to structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

The provisions of this coverage extension do not apply unless the written contract or written agreement has been signed by the Named Insured or written permit issued prior to the "bodily injury" or "property damage" or "personal and advertising injury".

Broad Form Vendors Coverage

Subject to the **Primary and Non-Contributory** provision set forth in this endorsement, **SECTION II - WHO IS AN INSURED** is amended to include as an additional insured any person or organization (referred to below as vendor) for whom you have agreed in a written contract or written agreement to provide coverage as an additional insured under your policy. Such person or organization is an additional insured only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business. However, the insurance afforded the vendor does not apply to:

- a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement; however this exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- b. Any express warranty unauthorized by you;

- c. Any physical or chemical change in the product made intentionally by the vendor;
- d. Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business in connection with the sale of the product; or
- f. Products which, after distribution or sale by you, have been labeled or re-labeled or used as a container, part of ingredient of any other thing or substance by or for the vendor; however this insurance does not apply to any insured person or organization, from who you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

The provisions of this coverage extension do not apply unless the written contract or written agreement has been signed by the Named Insured prior to the "bodily injury" or "property damage".

Incidental Malpractice

Subparagraph 2.a.(1)(d) under **SECTION II - WHO IS AN INSURED** is deleted in its entirety and replaced with the following:

- (d) Arising out of his or her providing or failing to provide professional health care services.

This does not apply to nurses, emergency medical technicians or paramedics if you are not in the business or occupation of providing any such professional services.

This also does not apply to "bodily injury" caused by cardio-pulmonary resuscitation or first aid services administered by a co-"employee".

This provision does not apply if you are a Social Service or Senior Living risk.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS - Amendments

Knowledge Of Occurrence, Claim, Suit Or Loss

The following is added to Paragraph 2. **Duties in the Event of Occurrence, Offense, Claim or Suit** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**:

The requirements under this paragraph do not apply until after the "occurrence" or offense is known to:

1. You, if you are an individual;
2. A partner, if you are a partnership;

3. An "executive officer" or insurance manager, if you are a corporation;
4. Your members, managers or insurance manager, if you are a limited liability company, or
5. Your elected or appointed officials, officers, members, trustees, board members, commission members, agency members, or your administrator or your insurance manager if you are an organization other than a partnership, joint venture, or limited liability company.

Primary and Non-Contributory Provision

The following is added to Paragraph 4. **Other Insurance, b. Excess Insurance** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:**

This insurance is primary to and we will not seek contribution from any other insurance available to an additional insured under this policy provided that:

- (1) The additional insured is a Named Insured under such other insurance; and
- (2) You have agreed in a written contract, written agreement or written permit that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

Unintentional Failure To Disclose Hazards

The following is added to Paragraph 6. **Representations** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:**

However, if you should unintentionally fail to disclose any existing hazards in your representations to us at the inception date of the policy, or during the policy period in connection with any additional hazards, we shall not deny coverage under this Coverage Part based upon such failure to disclose hazards.

Waiver Of Transfer Of Rights Of Recovery

The following is added to Paragraph 8. **Transfer of Rights Of Recovery Against Others To Us** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:**

We will waive any right of recovery we may have against a person or organization because of payments we make for "bodily injury" or "property damage" arising out of your ongoing operations or "your work" done under a written contract or written agreement and included in the "products-completed operations hazard", if:

1. You have agreed to waive any right of recovery against that person or organization in a written contract or written agreement;
2. Such person or organization is an additional insured on your policy; or

3. You have assumed the liability of that person or organization in that same contract, and it is an "insured contract".

The section above only applies to that person or organization identified above, and only if the "bodily injury" or "property damage" occurs subsequent to the execution of the written contract or written agreement.

Liberalization

The following condition is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:**

If we revise this Coverage Part to provide more coverage without additional premium charge, subject to our filed company rules, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

Two or More Coverage Parts or Policies Issued By Us

(This provision is not Applicable in the state of New York or Wisconsin).

The following condition is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:**

It is our intention that the various coverage parts or policies issued to you by us, or any company affiliated with us, do not provide any duplication or overlap of coverage. We have exercised diligence to draft our coverage parts and policies to reflect this intention. However, if the facts and circumstances that will respond to any claim or "suit" give rise to actual or claimed duplication or overlap of coverage between the various coverage parts or policies issued to you by us or any company affiliated with us, the limit of insurance under all such coverage parts or policies combined shall not exceed the highest applicable limit under this coverage, or any one of the other coverage forms or policies.

This condition does not apply to any Excess or Umbrella policy issued by us specifically to apply as excess insurance over this coverage part or policy to which this coverage part is attached.

SECTION V - DEFINITIONS

Discrimination

(This provision does not apply in New York).

- A. The following is added to Definition 14. "Personal and advertising injury":

"Personal and advertising injury" also means "discrimination" that results in injury to the feelings or reputation of a natural person, however only if such "discrimination" or humiliation is:

1. Not done by or at the direction of:
 - a. The insured; or

- b. Anyone considered an insured under **SECTION II - WHO IS AN INSURED;**
- 2. Not done intentionally to cause harm to another person.
- 3. Not directly or indirectly related to the employment, prospective employment or termination of employment of any person or persons by any insured.
- 4. Not arising out of any "advertisement" by the insured.

B. The following definition is added to SECTION V - DEFINITIONS:

"Discrimination" means:

- a. Any act or conduct that would be considered discrimination under any applicable federal, state, or local statute, ordinance or law;
- b. Any act or conduct that results in disparate treatment of, or has disparate impact on, a person, because of that person's race, religion, gender, sexual orientation, age, disability or physical impairment; or
- c. Any act or conduct characterized or interpreted as discrimination by a person based on that person's race, religion, gender, sexual orientation, age, disability or physical impairment.

It does not include acts or conduct characterized or interpreted as sexual intimidation or sexual harassment, or intimidation or harassment based on a person's gender.

Electronic Data

The following definition is added to **SECTION V - DEFINITIONS:**

"Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cell, data processing devices or any other media which are used with electronically controlled equipment. For the purpose of the Electronic Data Liability coverage provided by this endorsement, Definition 17. "Property damage" is deleted in its entirety and replaced by the following:

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

- b. Loss of, loss of use of, damage to, corruption of, inability to access, or inability to properly manipulate "electronic data", resulting from physical injury to tangible property. All such loss of "electronic data" shall be deemed to occur at the time of the "occurrence" that caused it.

For the purpose of the Electronic Data Liability coverage provided by this endorsement, "electronic data" is not tangible property.

Employee Amendment

Definition 5. "Employee" under **SECTION V - DEFINITIONS** is deleted in its entirety and replaced by the following:

- 5. "Employee" includes a "leased worker", or a "temporary worker". If you are a School, "Employee" also includes a student teacher.

Golfing Facility

The following definition is added to **SECTION V - DEFINITIONS:**

"Golfing facility" means a golf course, golf club, driving range, or miniature golf course.

Mental Anguish Amendment

(This provision does not apply in New York).

Definition 3. "Bodily injury" under **SECTION V - DEFINITIONS** is deleted in its entirety and replaced with the following:

- 3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time. This includes mental anguish resulting from any bodily injury, sickness or disease sustained by a person. (In New York, mental anguish has been determined to be "bodily injury").

Not-for-profit Member

The following definition is added to **SECTION V - DEFINITIONS:**

"Not-for-profit member" means a person who is a member of a not-for-profit organization, including clubs and churches, who receives no financial or other compensation.

**Welcome House Representative Payee
Program Manual Updated: March 2019**

I. Program Overview

Client Service Components
Hours of Operation
Eligibility/Priority Status

II. Program Procedures

Client Services

- Establishing Representative Payee Services
- Case Management for Representative Payee Services
- Termination/Closure

Administrative Procedures

- Representative Payee Account Management
- Representative Payee Account Reporting

IV. Other Information

Representative Payee Program

I. Overview: The Representative Payee Program at Welcome House provides a combination of case management services and budgeting services designed to serve individuals with housing stability. Within the primary goal of housing stability, services such as representative payeeship, long-term case management, housing counseling, direct bill payment, employment assistance, transportation and referrals for mental health treatment, substance abuse treatment and peer support are also offered to clients. Clients of the Representative Payee Program are currently receiving Social Security or VA benefits and are required by the Social Security Administration and Veteran's Administration to have a Representative Payee, or have volunteered into the program because they need assistance.

All clients of Welcome House are entitled to have personal information kept confidential. Welcome House adheres to the ethical guidelines for social work practice in its standards for confidentiality. This briefly means that no information given to staff by any client should be shared with anyone other than Welcome House Staff unless a client gives written permission. When a client first meets with a Case Manager, he/she will have the client sign a "Client Rights and Responsibilities Agreement", which details their right to privacy, how to file a grievance, and what their responsibilities as a client will be (ie following a case plan, etc).

Social Security provides guidance as to the role and responsibility of the representative payee.

Per

SSA, as the representative payee, Welcome House is responsible for but not limited to:

- Determining the beneficiary's current needs for day-to-day living (e.g., food, clothing, housing, medical expenses and personal items) and use his or her payments to meet

those needs.

- Save any money left after meeting the beneficiary's current needs in a checking or savings account (preferably interest bearing), U.S. savings bonds, or other appropriate investment(s).
- Keep **written** records for at least **2 years** of all payments received from SSA, bank statements and cancelled checks, receipts or cancelled checks for rent, utilities, and major purchases made for the beneficiary. For example, if you withdraw \$100 from the beneficiary's account and buy an \$80 item, then there must be a receipt for the \$80 and a record reflecting the disposition of the remaining \$20.
- If you are a payee for an SSI beneficiary, be aware of all income, funds and items a beneficiary may own that can be converted to cash because income and/or resources may impact the beneficiary's payments and/or eligibility.
- Return any conserved funds (funds owned by the beneficiary) to SSA if you stop serving as the beneficiary's payee.
- Notify SSA if a beneficiary dies while you are payee, and give any conserved funds owned by the beneficiary to the legal representative of the beneficiary's estate for disposition under state law. If you received checks after the death of a beneficiary and they are not due, you must return them to SSA.

Service Components:

Representative Payeeship: Social Security Administration and Veteran's Administration require some people who receive disability income to have a representative payee that manages their income and Welcome House provides this service. Payeeship entails Welcome House having full control of income and providing bill payment directly to landlords, utility company, other monthly bills and payment directly to clients for food and basic needs.

Case Management: The case management component of the Representative Payee Program may be provided by an outside agency such as NorthKey, Mental Health America or Veteran's Administration. However, if the client is not receiving case management by another collaborative agency, Welcome House will provide case management for the client. All clients are paired with a case manager to provide services such as connection to mental health/substance abuse treatment, housing counseling, employment support and advocacy. Case Managers provide client centered services that attempt to assist clients in living as independently as possible. Case Management services can be as formal as an hour assessment session or as informal as helping move furniture and household items into their new apartment.

Hours of Operation: 8:30 a.m.—5:00 p.m. Monday thru Friday and evenings by appointment

Walk-in for Clients:

Monday 9:00 a.m.-1:00 p.m.

Wednesday 9:00 a.m.-1:00p.m.

Friday 9:00 a.m.-1:00 p.m.

Other times available by appointment

New Client Assessment by appointment

Representative Payee Clients

1. Clients must be required by Social Security or Veteran's Administration or request to have a representative payee.
2. Clients must choose Welcome House to provide representative payeeship service and not have a family member who could provide this service.
3. Priority is given to Welcome House clients who are at risk of homelessness due to the need for a representative payee.

II. Program Procedures

Assessment – Protective Payee clients (if clients are homeless, they need to go through regular assessment prior to this assessment)

Clients who request a representative payee must meet with the Service Area Director or payee staff for an assessment and to provide the client with information concerning the program and to answer client questions and concerns. During this meeting, the program is explained and a mock budget review is conducted so the client is informed about how his/her money is allocated, including spending money and savings. The first meeting is generally informational to ensure the client is comfortable with how our payee services are implemented. However, it is also an opportunity for Welcome House to assess for any issues concerning safety for our agency. As many of our clients are referred by a third party, a second meeting may be needed to determine the client's willingness to participate in our program.

Establishing Representative Payeeship

If clients are **not** required to have a representative payee but are **requesting** this service then the following steps need to be taken.

1. Give SSA-787 form to client and have them go to their family physician or psychiatrist for a statement verifying that they do need a payee. Have the client bring this form back to Welcome House.
2. Send this SSA-787 along with a letter to the local Social Security stating that this client is now required to have a representative payee and that Welcome House is willing to provide this service.
3. Social Security upon receiving this information will contact the Payee Team and conduct a payee application via the telephone. After the phone call, the application will be faxed to Welcome House along with form SSA-4164 which the client will need to sign. Upon obtaining the signature, the form, SSA-4164, will then be faxed back to the local Social Security.

If client is **required** to have a representative payee and is either (a) switching to Welcome House (b) check is in suspension due to former payee being taken off or (c) client has just been approved for benefits and is required to have a payee then the following steps need to be taken.

1. Call the local Social Security office and request Welcome House be the representative payee.
2. Social Security will conduct a payee application via the telephone. After the phone call, the application will be faxed to Welcome House along with form SSA-4164 which the client will need to sign. Upon obtaining the signature, the form, SSA-4164, will then be faxed back to the

local Social Security.

Once the payee application has been completed, all paperwork is given to an account manager who sets up a file and opens a bank account. The account manager then sends by fax a direct deposit request to Social Security so deposits can go directly into the bank account.

Case Management – Representative Payee Clients

The Payee Service Area Director will assign a case manager to the client. The Case Manager will review the Welcome House mission and the philosophy with the client, as well as explain the Payee Service program to the client. Provided the client agrees to participate in the program, the case manager creates a budget with the client (see budget forms). This process should be a collaborative one and should be signed off by the client and case manager. The budget should be as detailed as possible so that the account manager can implement the budget as agreed on by the client and case manager (see sample budget). Clients are usually seen once a week and are given a spending check. The client must provide Welcome House with a copy of their lease, including the mailing address for the landlord. Other bills, such as utilities, phone, cable, pharmacy, etc, are usually mailed directly to Welcome House.

It is recommended that a home visit be conducted within 30 days of entry into program and then quarterly. There are some clients who need monthly home visits and this should be reviewed in supervision. Case Management services are always geared towards stability for the representative payee client. Case Managers assist with apartment acquisition, food stamp application/recertification, mental health treatment referrals/connection, HUD recertification, SSI/SSD reviews, Social Security update reports and other items as needed. Because we work long-term with clients, there are also issues regarding independent living and quality of life which will need to be assessed. These issues will arise and the case manager may need to involve Adult Protection Services, hospital social work staff and be ready to assist with the facilitation of assisting clients into personal care or nursing homes. Funeral Planning and end of life situations are discussed further in this manual.

Representative Payeeship – Responsibilities and allocation of funds

“Benefits should be used for current needs such as food, clothing, shelter, utilities, dental and medical care and personal comfort items, or reasonably foreseeable needs. If not needed for these purposes, the benefits must be conserved or invested on behalf of the beneficiary. Where the beneficiary has unmet current maintenance needs, saving benefits serves little purpose and would not be in the beneficiary's best interests. A payee must use benefits in the best interests of the beneficiary, according to his/her best judgment.” - Social Security Administration <http://www.ssa.gov/payee/faqrep.htm>

These are guidelines only and individual circumstances may call for flexibility.

A monthly budget is set with each client by the payee team detailing all the income and expenses every 3 months. Once a budget is set the goal is for it not to be changed, therefore allowing account managers time to implement the budget. Monthly expenses are those expenses which are expected each month (or like car insurance paid every 6 months but broken down to monthly amts.). Beyond the basic need expenses such as rent, utilities, food, and medical this may include other items such as phone, cable, clothing or legal fines if it is a

monthly expense. Every budget must include at minimum of \$10.00 savings category which assist the client in the long-run to have an accrued amount in their account for expenses outside the monthly budget. It is the responsibility of the payee team to provide the account manager with **48 hours'** notice when requesting a check not included in the monthly budget.

Expenses outside the budget are inevitable and requests for these expenses are dealt with on an individual basis. Requests in this category can present difficult challenges because of limited resources, wants vs. need, history of requests and well-being of the client. Housing stability is a major goal of the Representative Payee Program so we strive to maintain a balance of at least \$300 or the clients monthly rent amount whichever is greater in the client's account at the end of the month. If the client does not have this balance in their account, requests for expenses outside the budget will be denied or worked into next month's budget. If a client has over \$950.00 in their account at the end of the month, requests for expenses outside the budget will be taken into consideration.

Considerations are as follows:

- Is the request for a current need as described by Social Security (clothing, medical, dental, personal comfort)? Clients who have over \$950.00 should be able to access their funds for basic needs such as clothing and medical needs.
- In the last 12 months has the client saved the money to grant the request? A good way to decide if someone has saved money to purchase items outside the budget is to look at the balance at the end of the current month and compare it to the end of the month the prior year. This information can also be obtained from an account manager. Although a client may have over \$950.00 at the end of the month, 6 months prior their balance was \$1300 in which case it may be necessary to grant a request at a later date once the client has saved more money.
- Has the request been made before for the same item(s) in the last 12 months? Most household items (TV's, stereos, couches, etc) need only be purchased once a year or longer. Please review to see when the last purchase was made.
- Does the client have a recent history of selling items for drugs/alcohol or is involved with others who may take advantage of the requested item? When clients have a history of selling their purchases for drugs/alcohol, it does not mean that a request is denied but that all options are weighed and that the purchase should be made with the case manager present.
- Are there any upcoming expenses that you need to consider before granting this request (holiday shopping, birthday, vacation)? A request may be denied if upcoming expenses are foreseen.
- Are there any concerns with safety with this request? Do you feel this purchase might endanger the client or others (car, motorcycle)? Welcome House will not assist with the purchase of a car if the client is known to have a major drug and alcohol problem that has been witnessed at Welcome House.

Welcome House attempts to make the financial decision for the client and there are a few requests for expenses that we will deny. We will not pay bond for a person who has been arrested and incarcerated. We will not pay expenses at pawn shops or rent to own stores. We will not pay past debts to individuals unless a written statement has been prepared before the individual entered payee services and it is a debt associated with a need (food, housing, clothing, etc.). Welcome House will not pay for any illegal activity.

Welcome House encourages clients to pay expenses associated with the legal system such as fines, restitution and incarceration charges. If the client has over \$950.00 in their account at the end of the month, the legal expense owed can be paid in full. If the client does not have over \$950.00 in their account at the end of the month, legal expenses are paid monthly and taken out of the monthly budget. Again, considerations previously listed must be considered.

On an overall basis, looking at the client's future financial state, not just the moment, is important. With most clients, yearly purchases of winter and summer clothes are needed. Many clients want to access a lump sum during the holiday season to buy gifts or to take a vacation. Clients with cars always need to plan for car repair, upkeep and insurance. Unfortunately, some of our clients need to also prepare for legal fines, evictions, damages to apartments or other adverse situations.

Termination of Files:

Representative Payee Files: All paperwork in the payee brown folder is transferred to a regular file folder, making sure that the data sheet is on top. Once all bills have been paid for the final month we were assigned payee and checks have cleared, the account is closed at the bank (see account closure letters example).

For Clients Transferring to a New Payee or Becoming Their Own Payee: The account is closed by having a cashier's check made payable to Social Security Administration. The check is sent to Social Security Administration (local office) with a letter explaining the closure (see example). Copies of all documentation are placed in the closed file. Social Security will send a receipt which is also placed in the file. At this time, the account/file is considered closed. **Never close an account by having a check made payable to new payee or client.**

For Deceased Clients: Any deposits received after the client dies, need to be returned to Social Security. Any remaining funds can be used for client's burial. If there are funds remaining after burial, they should be distributed to the Executor of the estate. Most of the time that is a family member – but the family member must obtain the Executor of the Estate paperwork at the court house. Please seek consultation from Executive Director if questions.

For clients who are closed due to violent/aggressive behavior: The local Social Security office is contacted immediately and is informed that we want to be removed on the client's record as representative payee. Once all checks are cleared, the account is closed and a cashier's check is made payable to Social Security Administration. The check is sent to Social Security Administration (local office) with a letter explaining the closure (see example). Copies of all documentation are placed in closed file. Social Security will then send a receipt which is placed in closed file.

Other Important Info about Representative Payeeship:

1. Never give a blank check to a client or leave the amount blank.
2. Rent checks are never given to a client (rare exceptions)
3. We do not pay for bonding people out of jail but we do pay for fines to keep people from going back into jail as long as there is money left over or in conserved funds. The client must bring in the paperwork for fines to be paid.
4. We don't pay pawn shops (rare exceptions).
5. We don't pay rent-to-own bills.
6. When clients move into an apartment we ask for a lease. At minimum we check to make sure that the building is owned by the person who is renting to our client. We don't pay friends/family without a lease or a rental contract.
7. Address changes need to be reported to Social Security on a regular basis by case managers. A simple fax to the local office with client's name, SS# and new address and date of move. Also case managers should report change of status to either Account managers so that File-Pro can be updated.
8. Our program is voluntary so if a client doesn't like the way we work our program they do have an option of changing payees. This gives the client CHOICE and most likely will create a better working relationship with the client.
9. Clients should always be allowed to know their current balance in their account, the amount of their bills and be provided a Quicken report of how their money has been spent.
10. Clients who receive SSI (even a partial amount) have a \$2,000 resource limit and should not be over this limit on the last day of the month. Accounts which have over \$1800.00 need to be reviewed each month around the 25th to make sure that the client doesn't go over resources.
11. All income from employment of the client needs to be reported monthly – pay stubs should be sent into the local office by the 5th of the month. This is for SSI and SSD clients unless Social Security has called to inform you that you no longer need to send the stubs (for SSD).
12. Checks can be made out to CASH so that you can get money orders/cash for people in jail, in the hospital, or other special circumstances. Please make sure all accompanying paperwork is with this transaction as when Social Security does an audit, there is paper documentation.
13. In the event of a -lost check, make sure you have given enough time for the -lost check to be found. Consider the client involved (history) and who the check was made payable to. Always call the bank and verify that the check has not been cleared.
14. Assist your clients in giving as much notice to landlords as possible. This does not mean simply telling them to give notice. This means, writing the notice out, having the client sign (do not sign yourself) and sending the letter to the landlord. You could also have the client call while in the office. Do not assume that the client has communicated with the landlord. Verify.
15. If clients want copies of their files, we require **48 hours notice** and will provide a copy of all documentation (bills, SS info, lease, budgets, etc), with the exception of case notes.
16. Clients requesting items outside the budgeted spending check are told they must wait at least **48 hours** to receive an approved request, as our account managers require notice to check

balances and write the check. There are exceptions, but make sure it is important if you decide the client needs money on demand.

IV. Administrative Procedures

Representative Payee Account Management

Opening an Account

Once Welcome House receives funds for a client an account is set up at PNC Bank. This account can be set up prior to receiving the first check but paperwork from Social Security (see example) indicating that we are the assigned payee must be in hand. The Account Manager emails the bank, requesting an account be set up for John Doe in the name "Welcome House for John Doe" and that a fax will be sent by end of day. Then the Account Manager faxes the bank the letter from Social Security along with a fax title page. The bank then emails us that the account is open and provides the Account Manager with the checking account number and on-line bill payment number. The client's first check can then be taken down to the bank to be deposited. The Account Manager also contacts Social Security and provides the clients name, social security number, type of income and new bank account number to request direct deposit (see example). The Account Manager sets up a brown payee folder and includes the following forms/papers: File Pro Data Sheet, case notes, budget sheet, general agency release and any Social Security related paperwork. The Account Manager sets up the account on our agency Quicken accounting program.

Opening a new account in Quicken:

1. Open closest alphabetical name file
2. Click File on the toolbar
3. In dropdown window, click NEW
4. Creating new file window, click new quicken file then click OK
5. When window opens, type clients name, last name first in File Name box
6. In Welcome to Quicken Guided Setup click Cash Flow
7. Window opens to Add cash flow accounts, click on checking ... add account. Follow prompts in each step forward.
8. Once account is setup open Quicken account, click on overview, then click on edit account details to enter the account in the appropriate box.
9. Click Register tab, go to the category box, click show list to edit categories.

Opening An Account At The Bank:

PNC- Take the SSA award letter stating that Welcome House is to be the payee, and the first check to the bank. It will take 20-30 minutes and it is best to do this after 2pm so you can meet with a personal banker.

Representative Payee Account Maintenance:

The Accounts Managers, IIR and Compliance Director and Executive Director are signers on all bank accounts. Account Managers write checks out for bills or conduct on-line bill pay, make entry by hand into check register, and do data entry into our Quicken accounting program(see sample forms). Account Managers do not reconcile their own accounts but each other's and reconciliation should be completed within 15-20 days after receiving bank

statements in the mail. Accounts are reconciled in both Quicken and in the check register and then a reconciliation report is printed out via Quicken (see sample).

Representative Payee Reports:

On an annual basis, the SSA requires arc representative payee report be completed for each client.

This report can be entered on-line or mailed to the local SSA office. To complete this report, the accounts manager will access the information through quicken and record it on the form provided. (Quicken data folder, click on the clients name, select reports, select "spending by category", "customize dates", enter the dates indicate on the form and quicken will generate the needed information to complete the report). Once the form has been completed the Payee team and/or the director of payee will record the information on-line.

Representative Payee Account Closure:

Typically, Social Security notifies us by letter that we will no longer be a payee of a client but sometimes we are notified by the simple fact of not receiving a deposit in the bank account. Once an account is deemed in need of closure the Account Manager notifies the bank by email that we wish the account to be closed (making sure that the balance the bank has is the same balance we have). Then Account Manager writes a letter to the bank, (see sample) goes to the bank and closes the account (see sample documentation). The Account Manager writes Social Security a letter indicating that we are no longer representative payee, sends the letter with a money order for remaining balance, and that we request a receipt (see sample). We then transfer Quicken check register into the closed section of the Quicken accounting program.

Closing an Account In Quicken:

- Right Click Start and Select Explore
 - Select the Company Drive (under folders at left)
 - Select Day2Day
 - Select Quicken Data
 - Find the client, hold the ctrl key and select all files in his/her name
 - right click and copy
 - right click year closed folder at left and select paste
 - check year closed folder to make sure it copied
 - return to client folder, re-select all client related files, right click and delete
- *End Result should be the existence of one file in the year closed folder

Closing An Account At the Bank:

PNC- A letter on Welcome House letterhead stating the balance of the account, the account number, and the client's name should be signed by a supervisor and taken to the bank, where a cashier's check and closing of account will take place.

Accounting Procedures for accounts

All staff that are hired for a Payee Account Manager position undergo a background check. The background check follows agency policies and procedures related to acceptable backgrounds for consideration of new staff. Anyone convicted of theft or other related charges is not considered. Any items on the background check are reviewed by the Director of Operations and the Director of the Program. All final hiring decisions are approved by the Executive Director.

Welcome House conducts monthly reconciliations of all accounts, internal audits of random files monthly, and bi-annual audits performed by the Social Security Administration. Backup copies of records are kept in case of a disaster, client records and checkbooks are kept locked in secure file cabinets, and passwords are used for access to the payee database. All client records not needed for recordkeeping purposes are destroyed in accordance with the agency policies to prevent identity theft.

Every month an internal audit of the payee accounts is performed by the Accounting Department. Any issues found in the audit are given to the Director of Program Operations for follow up, who will investigate the situation and report back to accounting staff with written documentation of findings and follow up to correct the situation. Audits are done through a random sample of pulled files and conforms to the following procedures

- 10 random client files and related bank statements are pulled.
- The check register and bank statement are pulled for the month being audited.
- All withdrawals and deposits must match what has been recorded in the check register. The check book balance should also match with the bank statements ending balance
- If check images are included the signature is checked for a match. Any images not included are looked up on line.
- All invoices for bills that were paid that bank statement cycle must be included in the client file. The Case Manager must have authorization in the file for and bills paid not included in the client's budget or that are over the budgeted amount.
- All on-line bills paid are entered into the checkbook register and Quicken.

Every month for each account the client bank statement, checkbook register and Quicken accounts are reconciled by the Accounting Clerk. Reconciliation sheets are completed, printed and placed in the client file. If a discrepancy is found, the information is taken to the Payee Account Manager responsible for the file and the issue is reconciled. The Finance Director and the Director of Program Operations are also provided copies of this report for oversight and supervision. Clients' bank statements are kept in a secure location and not in the client's file. The Director of Employment and Benefits is responsible for the monthly reconciliation.

SSA has clear guidelines and policies for individuals handling payee accounts. Welcome House

conforms to all of these policies, including: Separation of Employee Duties:

- The Payee Accounts Manager is responsible for check writing, deposits, and maintaining ledgers and bank records while a different staff member is responsible for client case management services.
- A Cross checking audit is performed every month to ensure the monthly rent checks, spending checks and the past months' bills were paid within set guidelines.

IV. Other Information

- **Funeral Planning and Death:** Many of our clients within payee services will be in the program thru their lifetime and into death. Typically we have worked with Linnemann Funeral
 - o Home 859-727-1250 and they have assisted us with affordable burials/funerals. We also set up
 - o Funeral Funding Trust Funds thru Linnemann which requires a few forms to be filled out (see
 - o funeral trust forms). It's important to make sure this is set up as an irrevocable trust fund so the resource does not count against the client's SSI income. When a client of payee services dies, contact Linnemann immediately and work with them on a plan of action, even if our program was not able to plan ahead with money towards a burial. Once a client dies you cannot pay bills and the next months check will need to be sent back to Social Security. If the client dies on 3/29/09, you cannot and should not pay April rent. You can pay the final bills for their household (utilities, cable and phone). Usually there is just enough to pay for the funeral and then the account is closed. When there is more money beyond burial expenses, it should go to the Executor of the Estate and a family member must go apply for this if this has not been executed in a Will.
- **Pay For Services:** Welcome House has completed the SSA 445 which allows us to charge a small fee (up to 10 percent of the total monthly benefits from beneficiaries, up to a maximum of \$43 per month) for providing representative payee services. The case manager will plan this fee into the client's budget on a monthly basis. The account manager will ensure the fee is paid to Welcome House no later than the 7th of each month. The fee could be waived based on the following criteria:
 1. If the payee is in a financial circumstance which prevents them from being able to meet their basic needs (shelter, food, medication, and/or utilities).
 2. Other circumstances as approved by the Director of the payee program.

V. Program Forms

The program forms are located in the Document Center. They can be accessed by clicking the following link:

Agency General Release
Case Planning Form/Case Notes
Client Grievance Procedure
Sample loan repayment letter

Budget Sheet
Client Rights and Responsibilities
Exit Forms
Sample Representative Payee Termination Letter