Daily Money Management – Supporting Older People to Manage Their Financial Affairs: A Practical Approach to Protect Older People from Financial Exploitation

Nationwide Foundation Investor Programme 2009

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Interim Scoping Report – September 2010

Contents

This scoping report summarises the results of the initial, investigatory phase of a project to investigate the introduction of Daily Money Management programmes to the UK. The project is funded by Nationwide Foundation as part of its *Money Matters, Homes Matter, Families Matter* Investor Programme.

Introduction

In 2007, Help the Aged (now Age UK) commissioned the Centre for Policy on Ageing to carry out a rapid review of the literature on financial abuse of older people in the UK as part of their extensive work on financial services and older people within a financial exclusion programme. This programme addressed the problems associated with financial mismanagement or inappropriate arrangements for managing the financial affairs of an older person, particularly in relation to mental capacity, and the increased need for improved financial literacy.

The CPA review (Crosby *et al.* 2008) examined national and international literature to determine the nature and extent of financial abuse, indicators of abuse and importantly strategies to prevent it from occurring in the older population (see section 1). Financial exploitation can have a particularly devastating effect on older people. Not only can a comfortable lifestyle disappear, but also older people do not have the time or opportunity to recover financially. In addition, such a profoundly disturbing experience can be a life-threatening event 'characterised by fear, lack of trust and the onset, often, of acute and chronic anxiety' (Graycar and James 2000). A key finding from the CPA review is that preventive interventions have a crucial role in protecting older people from financial exploitation and enabling them to have control over their own money.

> Owing to the difficulties involved in investigating and proving financial abuse, as well as the fact that abusers have often spent or dissipated assets by the time the abuse is discovered, the most effective way of protecting seniors is through preventive interventions. (Nerenberg 1996)

Preventive interventions are especially significant in the context of UK policies to personalise social and some health care services by placing more control in the hands of the individual service user through personal and individual budgets. These raise potential risks and benefits around the management of resources by and on behalf of all people as they age (Manthorpe *et al.* 2009). Within a range of prevention strategies to help avoid financial abuse of older people, one is third-party assistance to manage everyday money tasks such as:

- Establishing methods for handling routine financial transactions such as direct deposit, electronic auto payments or bill paying services.

- Providing daily money management assistance to older people as experienced in the US with a new type of practitioner – the daily money manager. (Rabiner *et al.* 2004)

In the US, specific daily money management (DMM) services to assist people who have difficulty managing their personal financial affairs are well established. DMM includes help with simple, routine tasks such as paying bills, preparing cheques for signature, making bank deposits and dispensing cash. It may include more complex tasks such as negotiating with creditors, maintaining home payrolls records for employed care staff and calculating taxes. The service is offered by public agencies as well as private, non-profit and for-profit organisations. The level of money management services provided is dependent on the decision-making capacity of clients. (Nerenberg 2003)

As part of the Nationwide Foundation Investor Programme the Centre for Policy on Ageing has been funded to establish a small number of pilot 'Daily Money Management' programmes in the UK. The focus of the CPA's project work is to investigate the daily money management (DMM) programmes that operate in the US, examine the feasibility of establishing a similar programme in the UK and establish up to three pilot projects to identify pitfalls and lessons to be learnt. The work will help to raise awareness of financial abuse; encourage practitioners to share experiences and learning to promote and sustain good practice; and develop a practical way of helping older people improve their financial capability and avoid financial abuse.

This short scoping study is intended to inform the project by providing

- A summary of the key findings from CPA's 2007 review of the financial abuse of older people.
- A review of significant literature, if any, found since the 2007 CPA review, drawing out any additional lessons about financial abuse and preventive interventions.
- An overview of daily money management and similar or related or complementary programmes currently running in the UK and what experience has been gained from these.
- A brief analysis of the US experience of DMM programmes to include
    - The development of DMM in the US
    - Types of DMM programme and how they are organised
    - The regulation and control of DMM programmes and overarching professional bodies
    - Recruitment and monitoring of volunteers
    - Support materials for DMM programmes

1. Summary of key findings from *The Financial Abuse of Older People: A Review from the Literature* carried out by CPA on behalf of Help the Aged

1.1 *Definitions and types of financial abuse*

The complex and diverse nature of financial abuse of older people makes it difficult to define. The term describes a disparate range of acts arising out of different dynamics and in different contexts. Financial abuse can range from failure to access benefits, through inadvertent mismanagement and opportunistic exploitation to deliberate and targeted abuse, often accompanied by threats and intimidation. New opportunities for financial exploitation arise from government policy such as direct payments/individual budgets where people are expected to manage large sums of money; and financial assessments for long term care involving property. New avenues for crime arise from new technology, for example, phishing and internet scams. Distraction burglary, consumer fraud, financial scams such as telephone contests and get rich quick investment schemes can be targeted at vulnerable older people.

`No Secrets', the guidance for multi-agency working to protect vulnerable adults, states 'Abuse is a violation of an individual's human and civil rights by any other person or persons.' It goes on to identify 'financial or material abuse, including theft, fraud, exploitation, pressure in connection with wills, property or inheritance or financial transactions, or the misuse or misappropriation of property, possessions or benefits' (Department of Health 2000). Local authorities generally are using this definition as guidance for implementing local protection policies and procedures.

Action on Elder Abuse (AEA) established the following definition of elder abuse that has been adopted by the World Health Organisation: 'A single or repeated act or lack of appropriate action, occurring within any relationship where there is an expectation of trust, which causes harm or distress to an older person.' Financial abuse is defined by AEA as 'stealing from, defrauding someone of, or coercing someone to part with, goods and/or property'.

1.2 *Demographics and prevalence of financial abuse*

Demographic change will have an impact on the prevalence of financial abuse. Both men and women are living longer, and many have valuable assets in the form of property and complex financial resources – including benefits – that can be challenging to manage on their own. 'Greater longevity increases the risks of physical, functional and cognitive impairments that can affect older people's capacity to manage their own financial affairs' (Arksey *et al.* 2006). In the UK between 0.5 per cent and 2.5 per cent of all older people living at home admit to experiencing some form of financial abuse or exploitation. The national Prevalence Survey Report (O'Keefe *et al.* 2007) found that financial abuse was the second most common form of mistreatment for those living at home, nearly twice as common as psychological or physical abuse. The study estimated that 57,000 people aged 66 and over in the UK (0.7 per cent) had experienced financial abuse by a friend, relative or care worker in the past year and 105,000 (1.2 per cent) had experienced financial abuse since reaching the age of 65. In the UK, studies generally show that around 20 per cent of abuse is financial but some studies have found financial abuse in over 80 per cent of cases.

Indications are that 60-80 per cent of financial abuse takes place in the home and 15-20 per cent in residential care. Over 50 per cent of financial abuse is by a grown-up son or daughter and nearly 70 per cent by a family member but, since these groups offer comparable proportions of the financial help received, they should be viewed as no less safe than other helpers. Although the majority of victims tend to be older women living alone this is to some extent because the majority of older people are women in these circumstances and, proportionately, men, as they age, may be slightly more vulnerable to financial abuse than women. The groups most at risk are divorced and separated older women and older men aged 85 and over. Older private tenants and owner-occupiers each experience particular financial problems arising from their housing circumstances.

'*The Future Ageing of the Ethnic Minority Population of England and Wales*', a recent report by the Centre for Policy on Ageing for the Runnymede Trust, funded by the Nationwide Foundation, highlighted the increasing number and proportion of ethnic minority groups in England and Wales. The ethnic minority population is not homogeneous and is generally younger than the majority white population. Despite this, by 2051 there will be 3.8 million black and minority ethnic older people aged 65 and over in England and Wales and 2.8 million aged 70 and over. (Lievesley, 2010)

Studies in the United States of financial abuse in black and minority ethnic groups have produced inconsistent results, showing both that black and minority ethnic groups were more prone to financial abuse and that there was no significant difference. The majority of abusers in the majority population were found to be male whereas the majority of abusers in the black and ethnic minority population were female. (Crosby et al, 2008)

Very little is currently known about the financial abuse of older people in black and minority ethnic communities in the United Kingdom and further research is required. This lack of research will be addressed in part by the 3-year programme of work into Financial Inclusion and Older BME People, currently being carried out by the Runnymede Trust, funded by the Nationwide Foundation.

1.3 *Interventions – recognising and preventing financial abuse*

There are known indicators to raise an alert that financial abuse may be occurring. Indicators of abuse can include the victim's change in living conditions; possessions sold; inability to pay bills/unexplained shortage of money; unexplained withdrawals from a savings account; unexplained disappearance of financial documents; being cut off from family/friends/regular social network; a carer's enhanced life style; sudden changes in bank account or banking practice, the recent addition of authorised signers on an older person's signature card; unauthorised withdrawal of funds using the older adult's ATM card; abrupt changes in a will or other financial documents.

Evaluating whether or not financial abuse has occurred often involves complex and subjective determinations and it is important to balance an individual's autonomy with intervention to protect from perceived abuse. The most effective way of protecting older people from financial abuse is through preventive interventions as there are significant difficulties in investigating, proving and rectifying financial abuse once it has occurred. Interventions include:

- Activities to prevent social isolation and promote inclusion in a community support network should be encouraged.
- Training for all professionals – health, social care, police, legal and financial – to recognise financial abuse and the risk factors, and how to report and respond to it.
- Methods for handling routine financial transactions such as direct debit, electronic auto payments or bill paying services.
- Daily money management services can reduce abuse by eliminating opportunities to abuse, blocking access to assets, or removing the motive to abuse.
- A zero tolerance of abuse in any setting.

Appropriate advice, information and advocacy services can help older adults acquire the financial literacy needed in today's world and maintain their independence.

1.4 *Legal and regulatory frameworks*

There is no legal definition of elder abuse or financial abuse and there is no specific legislation for protecting vulnerable older people as there is for children. The law should be based on capacity rather than age; there is, however, a premise that older people require statutory protection because of the association of age with physical and/or cognitive impairments that increase vulnerability to abuse. Previous relevant legislation has been a 'patchwork' making it difficult to understand and/or enforce, i.e. criminal law, civil law, to deal with aspects of abuse.

The Mental Capacity Act 2005, Fraud Act 2006 and Safeguarding Vulnerable Groups Act 2006 provide increased protection but have limitations. There is evidence that formal protective strategies are more successful than any others for preventing financial abuse. Legal interventions need to be more proactive in detecting and responding to fraud, rather than intervention only taking place after the abuse has occurred.

'No Secrets' provides guidance on developing and implementing multi-agency policies and procedures to protect vulnerable adults from abuse with local authority social service departments taking the lead. A survey by the Commission for Social Care Inspection (CSCI) in 2007 inspecting against 'No Secrets' found that a sixth of the 150 councils in England were 'failing' suggesting that regulatory and inspection systems of health and social care, need to provide older people with improved protection from financial abuse. 'No Secrets' has been poorly implemented in some areas. CSCI reported that council systems are not as tight as they should be and therefore cannot be guaranteed to respond adequately to adult protection referrals.

1.5 *Conclusions and recommendations*

The most effective way of protecting older people from financial abuse is through preventive interventions. The UK can learn from the successes of US initiatives to prevent financial abuse, such as the Daily Money Management programmes (DMM) and training programmes for bank officials. Legislation should be considered to give adult protection the same status as that for children, so it can be properly monitored and enforced. Advice, information and education are central to developing preventative strategies for financial abuse.

There is a need to raise awareness of financial abuse in all professional sectors, amongst older people themselves and the public generally. Training should be provided for professionals who have contact with older people - including nurses, doctors, bankers and lawyers - to help them identify and respond to financial abuse. At the front line, high street financial institutions should have written guidelines or policies for recognising and dealing with financial abuse.

Practitioners should be supported to share experiences and learning to promote good practice. This would include the expansion and sustainability of local practical services and solutions already in place to prevent financial abuse of older people – such as the service managed by Age Concern Coventry (see section 3.2, page 15).

Successful adult protection requires multi-layered strategies that operate simultaneously. Agencies should be encouraged to work collaboratively using existing mechanisms where appropriate, such as the Single Assessment Process/Common Assessment Framework.

There is a need to balance risk, choice and the autonomy of the individual.

Older people should be empowered to have "No Fear". In order to do this they may need more appropriate – not more – support than is on offer at present. This support needs to demonstrate respect for people's right to control their finances and personal property. Education is required to improve the financial literacy of older people and people of all ages who may be managing the assets of older people.

There is a need for wide-ranging research around all aspects of financial abuse of older people, to which the Nationwide Foundation Investor Programme will contribute. In particular, there is little information in the UK on preventive strategies involving the financial services sector and older people. Research and practice around financial abuse should involve the financial sector, the pension's agency, government initiatives for older people such as Link Age plus, legal organisations and other agencies with adult protection interests.

2. A review of significant literature post 2007 and literature on money management services

The CPA literature review aimed to provide an overview of all aspects of financial abuse in relation to older people in the UK and cast a wide net to uncover material. It found there is a paucity of up-to-date research in the UK that focuses specifically on the financial abuse of older people. The US literature on financial abuse is more extensive than UK literature and was sometimes better able to illuminate key issues around financial abuse, in particular preventive strategies such as the DMM programmes.

In this section of the scoping study we will endeavour to highlight significant studies that may help underpin learning for the UK DMM project, identify new studies and revisit the literature on money management services.

2.1 *A review of new literature and literature focusing on preventive interventions around financial abuse*

An expanded search of the literature subsequent to 2007 has not found any new significant studies on financial exploitation of older people. There are however some key studies that deserve further consideration within the context of the DMM project.

During the time of the CPA review, the first national prevalence study of the mistreatment and abuse, including financial abuse, of older people in private households was being undertaken and a report, *UK Study of Abuse and Neglect of Older People: Prevalence Survey Report*, O'Keeffe *et al.* was published in June 2007. In 2008 Help the Aged published the CPA Review with additional material from the

Prevalence Survey Report (PSR) that had been added during the summer of 2007. Biggs *et al.* (2009) analysed key findings from the survey. The PSR addressed 2,111 respondents in the four countries of the United Kingdom who answered a face-to-face survey. The achieved sample was weighted to be representative of the UK older population. Of respondents, 2.6 per cent reported mistreatment by family members, close friends or care workers. Neglect was the most commonly reported mistreatment (1.1 per cent), followed by financial abuse (0.6 per cent), psychological abuse and physical abuse (0.4 per cent each), and sexual abuse (0.2 per cent).

> In the case of *financial abuse*, respondents mentioned theft of money, possessions, or property; the use of fraud to take money, possessions or property; being made to give someone money, possessions, or property against their will; and attempted theft and attempted use of fraud.

Whereas women were significantly more likely to experience some form of mistreatment than men, the prevalence of financial abuse was similar for both sexes. In terms of age, the prevalence of financial abuse was 0.4 per cent among those aged 66-74; 0.9 per cent aged 75-84; and 1 per cent among adults aged 85 and older. While prevalence of abuse among women decreased with age, for men the prevalence of abuse increased with age, largely explained by an increase in financial abuse reported by men aged 85 and over. The prevalence of mistreatment increased with declining health status, and men with bad health were more likely to experience financial abuse than men who reported good health.

People living alone were more likely to experience financial abuse than those living with others. The main perpetrators of financial abuse were other family members (54 per cent) and care workers (31 per cent), compared to 13 per cent for partners. The age profile of perpetrators of financial abuse tended to be younger, and the gender split was similar (56 per cent men and 44 per cent women). Twenty-five per cent of perpetrators of financial abuse were living in the respondent's household 'in other words, perpetrators of financial abuse were more likely to be younger and living elsewhere' (Biggs *et al.* 2009). While the data on perpetrators is limited, one third of respondents noted that they had financial, relationship, alcohol or gambling problems indicating the driving force in financial abuse may be the problems the perpetrators suffer from.

Researchers commenting on the findings suggest that prevalence estimates are on the conservative side, and note that many older people challenged by ill health and mental capacity would not have responded to the survey.

> ... the UKNPS itself shows that poor health is associated with an increasing likelihood of mistreatment. It, therefore, could be expected that people

> unlikely to be included because of poor health are also more likely to be mistreated. (Biggs *et al.* 2009)

A complementary scoping study, from the Social Policy Research Unit at York University examines the role of informal carers in managing older people's financial affairs, *Minding the Money: Carers and the Management of Financial Assets in Later Life* (Arksey *et al.* 2006). The findings from various sections of the study support a case for third-party assistance in the form of DMM programmes.

Informal carers are likely to be the first source of help with financial matters and the management of resources in later life is increasingly complex.

> The provision of assistance with managing finance and assets by relatives and friends raises questions of probity and propriety. Conflicts of interest and risks of financial abuse may arise, especially where help with finances is embedded within close care-giving relationships that involve high levels of trust and privacy.

Arksey *et al.* make the point that the knowledge base is very limited, but from twenty-six studies reporting empirical research on older people's and carer's experiences of financial management some relevant findings are:

- managing older people's financial affairs takes place at different levels, by both informal and paid care workers, and can involve complex legal and other forms of administrative arrangements
- carers, older people and paid professionals all lack knowledge about the issues involved, especially legal and administrative arrangements, in managing finances for older people
- the extent of intentional, deliberate financial abuse is unclear; reports of alleged financial abuse may be related to ignorance, confusion or misunderstanding given the complexities involved.

The researchers draw attention to the fact that work in the UK comprises small-scale research, much of which is dated now and focuses more on paid care staff than informal carers acting as asset managers for older people. They identify specific gaps in information regarding 'the prevalence of asset management, the practices in place and the experiences of families and friends who act as asset managers; and sources of support, information and advice for family and friends (and professional social care staff) carrying out financial management responsibilities for an older person.'

The scoping study includes a survey of published information, advice and codes of practice about the management of older people's financial affairs. There is a wealth of information on legal and formal administrative arrangements for managing someone else's money but there is very little advice and information on 'the day-to-day practicalities of managing someone else's financial affairs, the issues that can arise and how best to deal with them'. The researchers collate from the survey relevant tips and guidelines for managing someone else's financial affairs as a basis for further development work around good practice in asset management, which provides information and tools to support a DMM programme (see Appendix 1).

A final qualitative section is based on interviews with people from twelve banks and other organisations with direct professional experience of talking to older people, their friends and relatives about issues relating to managing money. Particular triggers are identified that lead older people to require day-to-day financial management such as the onset of ill-health; becoming unable to deal with correspondence through deterioration in sight or dexterity; death of a partner and lack of confidence to deal with financial matters; a change or anticipated change in housing arrangements, raising new financial issues; inability to deal with PIN numbers, call centres, bank accounts; worrying about being confused; an inability to make the money go round and a build-up of debts. 'Respondents believed that support and help with day-to-day financial management extends across people in all income groups and is widespread.' However, tensions and conflicts could arise in family relationships through managing an older person's financial affairs and most of those interviewed had some direct experience of situations in which an older person's resources had been seriously misused. The inappropriate use and misunderstanding of the functions of Power of Attorney, Receiver and Appointee also feature widely.

It is clear from this study that for routine, day-to-day financial transactions a gap exists in the provision of appropriate support with implications for the quality of older people's lives and the potential for financial exploitation to occur.

Research conducted by Andrew Irving Associates (2006) for Help the Aged's Financial Exclusion Programme outlines the problems people face as they grow older in managing their financial affairs. It quotes older people in its sample (mainly from lower socio-economic groups), who describe their day-to-day management of finances, and explain financial exclusion. Among their problems with financial services are access to cash and bank accounts, post office closures, and debt and borrowing. Disability problems, new technology, social isolation, personal safety and security, and financial abuse are the key factors that encourage financial exclusion. Post Office closures, in particular, are having – and will continue to have – a major impact on many older people in accessing cash and managing their money.

2.2 *Money management services*

Money management services are designed to encourage and foster the preservation of individual autonomy of older adults to the extent possible and delay or put off altogether more restrictive state interventions. In the US, professionals who work with older people have long recognised that individuals who are unable to manage their finances are at risk of impoverishment, homelessness or institutionalisation. More recent has been recognition of problems of exploitation by unscrupulous family members, acquaintances and predators. 'Daily money management (DMM) is increasingly being viewed as a promising way to protect seniors from those who seek to exploit them. Despite their potential for preventing abuse, DMM programmes are in short supply in many communities' (Nerenberg 2003). There is limited formal research evaluating DMM programmes either in the UK or the US.

Although there is increasing recognition of the need for DMM programmes in the US and they are seen as mechanisms for preventing or stopping financial abuse, organisations cite obstacles to their development – including problems of securing adequate financial support, lack of knowledge on how to set up and run services, and concerns about the liability risks inherent in providing financial services. There are solutions to overcome these perceived barriers.

The Jacob Reingold Institute in New York, established in 1993 to address problems of abuse of older people, produced a report in 1994 (Sacks and Arnason) to explore issues specifically around financial management and abuse. The report included a survey of financial management projects for case management agencies, health care facilities, senior centres and various senior housing complexes in New York. A total of 42 questionnaires were completed and reviewed. It revealed that organisations have adopted the following methods to deal with issues around effective provision of money management services: application of sound risk management practices; staff training; agency protocols for money management to cover client consent forms, written procedures, and monitoring of home care workers handling of client funds; developing relationships with community banking institutions; adequate liability insurance; and the use of volunteers to assist with DMM to mitigate funding problems (see section 4.5, page 36).

'Developing a Daily Money Management Service Model: Navigating the Uncharted Waters of Liability and Viability' (Wilber and Buturain 1993) discusses the development and implementation of a DMM service within a mature health and social service agency in Santa Monica, California. It found that the key components and organisation of a successful DMM service model include a combination of professionally supervised volunteer staff, a multidisciplinary Technical Advisory Committee of experts, clear risk management protocols and multiple sources of funding (see section 4.2.3).

A later study for the AARP 'New York Money Management Needs Assessment' (Burton 2008) assessed the expansion of the AARP Foundation Money Management Program in the state of New York. A questionnaire was mailed to 2,551 organisations and 565 completed the survey. More than one half of organisations surveyed say their clients often or sometimes face issues of financial abuse. Nearly two-thirds of organisations surveyed believe there is a major or moderate need for a money management programme for their client population. Seven in ten organisations strongly or somewhat agree that trained, supervised, monitored and insured volunteers can provide quality money management assistance. Many organisations helped clients with basic money management services but this was done on an *informal* basis lacking the training and monitoring of an established DMM programme.

Wilber (1995) explores outcomes of daily money management (DMM) services for older persons based on research that examined the ability of DMM to provide an alternative to court-appointed conservatorship that is less restrictive. Results indicate that although the DMM programmes studied did not divert older persons from conservatorship, they appeared to offer several important advantages. These included helping older persons secure benefits and services, enhancing their financial security, and reducing financial exploitation.

In association with the US National Center on Elder Abuse, Nerenberg (2003) produced a manual providing an overview of DMM that can assist people who have difficulty in managing their personal financial affairs. It acknowledges that DMM covers many types of assistance offering a broad array of both informal and formals ways to help older people manage their finances. However, a common factor is that help is provided on an *ongoing, routine* basis. 'Typically, agencies seek to provide the "least restrictive alternative" for meeting clients' needs. This means options that least restrict clients' freedom and autonomy.' Challenges faced by DMM programmes include consent issues – determining an individual's capacity to consent; ethical considerations – balancing concerns about client's freedom, health and safety on a day-to-day basis; logistical difficulties – ensuring client's have sufficient cash to meet their needs on a daily basis; client resistance – due to fears of losing control and stigma; the complex, multiple and changing needs of clients – not necessarily related to money matters; cultural considerations – failure to understand cultural orientation and beliefs; conflicts of interest – for agencies providing more than one type of service.

Nerenberg notes that agencies with established DMM programmes have developed practices and strategies to meet the potential 'problems' noted above. These include:

- Developing written policies, procedures and protocols for handling client finances that insure maximum protection. Examples include, separate staff duties and functions to ensure 'checks and balances'; detailed documentation of all financial decisions and transactions; establishing external monitoring mechanisms such as field visits and independent audits.
- Instituting human resource practices that ensure maximum protection. Examples include, conducting reference and criminal background checks on all paid staff and

volunteers; providing specialised training and ongoing support for workers managing money.

- Securing adequate insurance and bonding to cover liability.
- Developing practices for assessing and documenting client decision-making capacity and consent.
- Instituting other risk management practices, such as developing relationships with banks, sharing good practice and learning from other DMM programmes, instituting automated bill paying to reduce errors.
- Providing DMM services on location, i.e. within retirement communities or older people's housing complexes where need is greater, staff costs can be reduced and the service can be provided in a 'protective' atmosphere.

The Value of Money Management: An Analysis of Outcomes and Costs (Sacks *et al.* 2009) presents the first economic estimates of the value and costs of DMM programmes in the US. The research uses standard microeconomic costing techniques to estimate the costs of DMM programmes, compared to current alternatives such as nursing home placement or publicly supported Protective Services for Adults (PSA) programmes. DMM programmes are found to be significantly cost saving, highly cost effective and most importantly for quality of life individuals are able to remain in their own homes.

At present the evidence base for money management services is patchy and incomplete. However, the studies to date establish that there is a demand for these services and the demand is growing as the population ages; DMM programmes can be effective in preventing and/or stopping ongoing financial abuse; there are established and tested procedures for overcoming perceived 'obstacles' to setting up and running successful money management services; trained and supervised volunteers play an important role in the success and roll out of DMM programmes.

3. An overview of daily money management and similar or related or complementary programmes currently running in the UK

3.1 *Financial inclusion and advice*

There are a number of organisations promoting financial inclusion but older people as a particular group experiencing exclusion are not singled out. **HM Treasury** set out a strategy to tackle financial exclusion in 'Promoting financial inclusion', published alongside the 2004 Pre-Budget Report. Its key goals for financial inclusion are about ensuring that everyone has access to appropriate financial services. The strategy sets out a range of measures – in three priority areas – access to banking, access to affordable credit, and access to free face to-face money advice. The Financial Inclusion Taskforce is an independent body appointed to advise HM Treasury and to monitor and evaluate progress on its financial inclusion goals.

Transact is a national forum, consisting of over 1600 organisations and individuals, for financial inclusion to act primarily as a resource for practitioners but also facilitates links with policy-makers, influencers, funders, Government, the financial services industry and other associations to support shared thinking and common goals for financial inclusion as well as to proactively promote a diversity of solutions. **Five Lamps Organisation** is an example of a community led social enterprise in the North East that provide loans, advice to housing tenants and hosts a credit union within its financial inclusion programme.

A number of organisations provide specialist financial advice in various ways to older people particularly around accessing all the benefits they are entitled to, help with fuel payments and managing debt. Services are primarily offered to promote independent living among older people. Examples of such organisations are **Birmingham Settlement** through its Community Money Advice Centre and Tameside MBC through its **Opening Doors for Older People** service. The latter is a prevention and early intervention service that aims to help older people to remain independent, active and well by providing information and advice about services in the local area, and offering support where necessary to access those services. CORA stands for Community Options for Remaining Active and it is the name of the Check and Support visit where CORA Advisors will gather information that relates to an individual's circumstances, in order to agree on the kind of support that an individual may need. It includes financial advice on benefits.

Peabody Trust assists vulnerable tenants, including over 65s, with a number of issues including financial inclusion. The type of support includes help to maximise their income and ensure that they are receiving benefits and grants that they are entitled to, help with fuel efficiency and fuel poverty issues, and raise awareness around affordable credit. Peabody will shortly be rolling out a programme to assist older people with choices for money management around the demise of the cheque book. The Trust does not offer a service to pay people's bills or cash their cheques on their behalf.

3.2 *Formal government assistance with money management*

The Department for Work and Pensions (DWP) handles appointeeships and has a manual, *Agents, Appointees, Attorneys and Deputies Guide.* Appointees, who can be family, friends, relatives or corporate bodies, e.g. Local Authorities, are an entirely voluntary arrangement and without payment. They are appointed to deal only with a claimant's benefit monies once the claimant has lost capacity. No other monies belonging to the individual should be accessed. DWP make a home visit to both claimant and appointee and completion of form B56. There are around 500,000 appointees in the UK at present and the number is growing all the time; with less than a 100 a year revoked by the DWP due to mismanagement or suspected abuse. Around 85,000 appointeeships are being created each year. Local Authorities can outsource their corporate work to companies like the Money Carer Foundation and other voluntary organisations.

Money Carer is an appointeeship service from **The Money Carer Foundation**, a national not-for-profit organisation, developed to provide assistance to local authorities, care agencies, service users and their families. The money management service is delivered at a typical cost starting from £20 per month per service user. One innovation of the Money Carer Foundation is the provision of Carer Expense Cards, based on Mastercard, to allow appointees to make purchases on behalf of the client, in a controlled way.

Age Concern Coventry operates two appointee services: for Older People and Vulnerable Adults. The services, tailor-made for each individual, claim and receive the following on behalf of the client:

- Benefits
- Pensions
- Allowances
- Inland Revenue tax credits

'Both services ensure that the money is used in the client's best interest. Our authorisation to act is given by the Department of Work and Pensions. Referrals need to be made by a social worker, health worker or Age Concern Coventry colleagues. The client does not pay for the service.'

3.3 *Practical assistance with money management*

A common form of money management service is cash collection for people who are unable to leave their homes. As noted below, this often leads to performing additional services such as paying bills on behalf of individuals, but this and similar services are often performed in an ad hoc manner, i.e. one service leads to informal help with other money issues. However, two agencies described below provide a money management service on an ongoing, routine basis similar to that of DMM in the US. Housing Associations usually provide some form of assistance to tenants who have difficulty handling their finances. For example, at the **Sir Josiah Mason Trust**, a provider of sheltered housing, support can take the form of scheme managers/support workers helping people to open bank accounts, complete standing order/direct debit mandates, accessing bank cards to withdraw funds, and liaising with DWP and/or the local authority, etc. to ensure funding and benefits are paid into the correct account. However, they cannot arrange to collect cash on behalf of the individual, but work with an advocate or social services to look at possible solutions.

Help the Aged (now Age UK) in a three-year funding partnership with Barclays ending April 2009 piloted a project, **Your Money Matters,** 'a free, confidential and impartial money advice service for older people'. One of the programme aims is 'to provide practical, individual assistance to older people to overcome money management and debt problems'. Seventeen individual Your Money Matters projects have been established staffed by special advisers located within a community partner organisation that provides informal day-to-day supervision to the advisers, who are also supported by volunteers from Barclays. Advisers visit older people in their own homes and offer holistic help: providing general information about basic budgeting; giving advice on benefits and debt counselling; directly intervening with creditors on a client's behalf; and helping clients to help themselves where this is appropriate. Two key elements of the service are that advisers work with clients for as long as it takes to resolve their case with no time limits on this process and clients are able to return to the service again and again if required. An independent evaluation of the project (Brazier *et al.* 2009) established that there is a genuine latent need for a pro-active advice service to assist older people with money management. Widows were singled out as a group particularly needing practical help with money management.

The Friendly Trust is a registered charity based in Cardiff, South Wales which was set up to advise people with learning disabilities, their families and carers on financial matters. In 2005 its remit expanded to work with other groups of people who have disabilities or disabling illnesses. The Friendly Trust provides support with managing personal finances, Independent Living Payments and Direct Payments and anything to do with money.

Citizens' Rights for Older People (CROP) based in Kent use trained volunteers, who visit older people in their own home to express their individual needs, either for themselves or through a visiting advocate. Services include: help with completing benefit claims such as Attendance Allowance, Carers Allowance, Council Tax Benefit; financial affairs; complaints and consumer issues; dealing with abuse including financial exploitation.

Age Concern Coventry runs a cash collection service for older housebound people. It states, 'Quite simply, we collect cash for those who have no other suitable person to do it for them. Invariably other tasks are carried out within this role which includes:

- setting up direct debits,
- paying bills
- sorting correspondence and similar tasks

Without this service many of the people who we support would have no alternative but to move into a residential home.' There is currently a waiting list for this service indicating high levels of unmet need.

Age UK (formerly Age Concern) Stafford & District provides a pension collection service. In conjunction with Cheshire County Council, **Age Concern Cheshire** is responsible for the promotion and provision of Direct Payments advice and support for people across the County who are 65 years and over. **Age Concern Slough & Berkshire East** provides a weekly collection of shopping and pensions for older people who are house bound is offered to people over 50 who have been assessed by Social Services. **Age Concern Calderdale and Kirklees** have launched a new initiative to increase the take up of benefits, promote access to banking services and assist with budgeting, debt and other money matters within the BME community which is predominantly of Pakistani ethnic origin.

Money Matters is a financial advocacy scheme run by Age UK (formerly Age Concern) Norfolk. Money Matters helps people to manage their personal finances so they are able to remain independent for as long as possible. Age UK Norfolk recruits and trains volunteers who are vetted and Criminal Records Bureau (CRB) checked. Volunteers can assist with the day-to-day management of finances and help people to keep control of their money. This might involve collecting pensions, filling in forms or organising bill payments. All service users are referred by a social worker and Money Matters is offered as part of their assessment procedures and self referral is not possible. All individuals referred have a critical or substantial need.

The project was established 11 years ago and is funded by the Norfolk Adult Social Services Department. The project is staffed by a part-time Team Leader and 2 part-time co-ordinators and 1 full-time administrator and is overseen by the Development Manager, Advice & Advocacy. There are currently over 100 volunteers working to support people across Norfolk with 300+ clients. Many clients have debt problems and there is often a financial abuse element (usually perpetrated by family members or carers). Age UK Norfolk works in close partnership with debt counselling services and the Adult Protection Unit of the Police, to provide professional and appropriate support in these cases.

Age UK (formerly Age Concern) Croydon provides an advocacy service which sometimes provides money management support, which is often linked to clients who may have been financially abused or are vulnerable to abuse. An offshoot of this is an 'ongoing financial maintenance' project that provides support after the advocates have completed the work that clients require them to do. Age UK Croydon is about to run a pilot financial advocacy project to determine levels of need for support.

Money Advice and Community Support (MACS), a registered charity based in Brighton, provides advice, counsel and assistance according to the needs of people in Sussex who are having difficulty managing their financial affairs due to illness, poverty or old age. It provides confidential and impartial advice and carries out casework for referred clients on debt and benefit issues. MACS is also recognised as a corporate appointee by the Benefits Agency. This allows MACS to receive Social Security benefits for people who are unable to do this themselves and MACS can act on their behalf.

macs-plus is a not-for-profit social enterprise set up as an independent business, and trading in line with MACS charitable purposes. It offers a low-cost solution to problems encountered by those who need help to manage their day-to-day money matters successfully. macs-plus can hold capital and receive income and then use it to help with budgeting, paying bills, assist with saving and to help make purchases. The primary aim of the service is to empower people and ensure they retain their independence.

macs-plus can look after finances short-term and long-term:

- short-term service to bring finances back into a manageable position
- short-term service to sort out financial affairs when moving into residential care
- short-term service on behalf of relatives after a death
- money handling tends to be longer-term. This involves taking responsibility for a client's money due to their vulnerability, infirmity or advancing age: macs-plus then pay bills, pay creditors, make investments, giving the client access to the balance in cash, possibly through a home visiting service.

MACS acknowledges there is a long waiting list for its services indicating high levels of unmet need among people unable to cope with managing money on a daily basis.

4. An analysis of the US experience of DMM programmes

This brief analysis of the US experience of DMM programmes includes sections on:

- The development of DMM in the US
- Types of DMM programme and how they are organised
- The regulation and control of DMM programmes and overarching professional bodies
- Recruitment and monitoring of volunteers
- Support materials for DMM programmes

4.1 *The development of DMM in the US*

DMM programmes provide personal financial assistance to older Americans who can no longer handle certain aspects of money management. According to AARP, as many as 7 per cent of adults in the US receiving Social Security benefits have difficulty managing their household finances (Hylan 2006). The inability to keep track of household finances may lead to unpaid bills, undeposited cheques, cut-off utilities, bank foreclosure, or eviction, which in turn may lead to guardianship or institutionalisation. Simple money-management issues can escalate and result in the loss of an older person's right to make decisions about where they live, what happens to their property, and how their money is spent. Although older people turn to social services for assistance with this and other issues, social-service agencies have not routinely provided help with money management.

Daily money management programmes have emerged in an ad hoc manner (Wilber and Buturain 1992) with a diverse range of people responding to the needs of people requiring help with financial tasks. 'Programs exclusively devoted to DMM began emerging during the late 1970s and early 1980s' (Nerenberg 2003). Recognising that service gap, AARP developed a programme in 1981 to deliver free money-management help directly to low income older people in their homes**.** A system of safeguards, including detailed monthly reporting and third-party oversight, was created to protect both the clients and the money-management volunteers. There has been little systematic tracking of DMMs. Many communities lack DMM services, particularly for clients who are unable to pay for these services.

4.1.1 *What is a daily money manager?*

Daily money management programmes help people who cannot handle their own financial affairs. Essentially, a daily money manager acts as a personal financial assistant. According to a survey conducted by the American Association of Retired Persons (AARP), the kinds of services that daily money managers provide most often are:

- paying bills
- maintaining financial records
- preparing budgets
- balancing cheque books, and
- negotiating with creditors

Daily money managers can also prepare cheques for clients to sign, help older people organise bank and financial records, prepare and deliver bank deposits, gather documents for tax returns, help decipher medical bills, and review bank statements in order to detect potential financial abuse or fraud.

Nerenberg (2003) classifies the diverse role of US daily money managers into the following areas:

- Educators – who impart information and skills required to manage money.
- Advocates – to inform clients about benefits, services or insurance they are entitled to and help them apply for them.
- Debt managers – who negotiate with creditors and work out plans to pay back debt.
- Bill payers – who meet with clients regularly to assist with bill paying for a wide range of services. Clients remain fully responsible for transactions and retain cheque signing authority and keep their own bank accounts.
- Paying agents – who receive clients' funds and pay bills directly passing cash on to clients as required.
- Representative payees – appointed by Federal agencies to manage benefits on behalf of clients.
- Agents granted power of attorney – for people with capacity but unable to physically transact business. This can be changed to durable power of attorney for people who lack capacity.
- Trustees – to manage trusts for people who have significant assets.
- Guardians – appointed by the Courts to manage the personal affairs of people who are unable to protect themselves through lack of capacity.

It is important to know what daily money managers cannot do. They are not financial or legal professionals, so they cannot act in an advisory capacity or prepare tax returns. But a good daily money manager can provide referrals to professionals like accountants, investment advisors, and lawyers.

4.1.2 *DMM Services offered through elder-assistance agencies*

Often DMM services are provided through a larger umbrella organisation, such as a private non-profit elder assistance organisation or government agency. These agencies may use volunteers to provide basic DMM tasks, such as bill paying. Local Area Agency on Aging (AAA) hold names of elder assistance agencies that provide DMM services. (AAAs can be located through the federal government's Eldercare Locator at www.eldercare.gov.)

4.1.3 *Stand-alone non-profit DMM programmes*

Some DMM programmes are non-profit organisations devoted to providing only DMM services. An example is the AARP's Money Management Program, which uses volunteers to provide bill paying, budgeting, and other services to low-income elders. (Details on the AARP Money Management Program website at www.aarpmmp.org.)

4.1.4 *Professional for-profit DMMs*

In the past decade, an increasing number of individuals and private for-profit companies have started offering DMM services for a fee. Cost for these services varies by region, but is often between $25 and $100 per hour. According to one study, most clients need approximately four hours of services per month, but this varies according to the services needed and the complexity of the elder's financial situation.

The emergence of private, for-profit DMM services has caused some concern among professionals. When dealing with any company that provides services to the elderly and requires access to sensitive financial documents, the potential for fraud cannot be overlooked.

4.1.5 *AARP national survey of daily money management programmes*

As daily money management is a relatively new field, in 1996 the AARP conducted a national survey of DMM programmes to develop a knowledge base of the practical experience of providers who offer DMM services. The survey results depict the day-to-day practices of 360 programmes nationwide without evaluating the merits of these practices. Key findings from the survey include:

Programme Characteristics

Those organisations and individuals providing DMM services are more likely to describe themselves as non-profit organisations (59 per cent) than for-profit businesses (19 per cent) or government agencies (15 per cent).

The average number of years DMM programmes have been in existence is 9.1, while the median number is 7 years.

The number of clients a DMM programme has is related to its length of existence. Those DMM programmes with fewer than 20 clients are more likely to have been in existence only 1-5 years, while those with 100 or more clients are more likely to have been in existence for more than 10 years.

DMM programmes provide their clients with a wide variety of services. The DMM services mentioned by three-quarters or more of respondents are: paying bills, maintaining financial records, negotiating with creditors, preparing budgets, and balancing cheque books.

Along with providing specific services, some DMM programmes report assuming specific roles related to the client. They are more likely to serve as representative payees for clients and less likely to act as guardians, conservators, paying agents or attorneys-in-fact.

Although more than a quarter of the programmes (26 per cent) could not specify any particular length of time, for the remaining programmes, the length of time they provide the typical client with services ranges from a low of one month to a high of 100 months. The average number of months a programme serves the typical client is 30 months (2 1/2 years), while the median number of months is 24 (2 years).

DMM programmes most frequently cite as funding sources: private pay clients (42 per cent), state governments (32 per cent) and the Federal government (29 per cent). Among the different types of DMM programmes, for-profit business most frequently mention court-approved commissions and private pay clients as their two major funding sources, while non-profit organisations most often mention foundation grants, United Way, and SSA-approved representative payee fees. Not surprisingly, government agencies most often mention different types of government funds as their two major funding sources.

The DMM programmes' arrangements for fees from clients vary and, in fact, a programme may have more than one fee arrangement for clients. About two in five programmes offer free services to at least some of their clients, while a similar per cent report that they encourage donations from clients.

Clients Served

While the number of clients served by DMM programmes ranges from none to 4,000, the median number of clients served is 50.

DMM programmes most often report that their three main sources of referral for clients are: referrals from other organisations or agencies (73 per cent), referrals from individuals (54 per cent), and direct requests from clients for assistance or referrals from the client's family (35 per cent each).

About three-quarters of DMM programmes report that clients need their services due to mental impairments, physical disability or frailty, and financial abuse or exploitation.

DMM programmes take a number of steps when determining whether their services are appropriate for prospective clients. The most frequently taken steps are personal interviews with the client (87 per cent) and conferences with social service professionals (72 per cent).

The average age of a typical client of a DMM programme is 64.4 years old, although the average age varies for the different types of DMM programmes. The average age of a typical client in a for-profit business is 77.5 years old, in comparison with 62.2 years old for government agencies and 61 years old for non-profit organisations.

DMM programmes provide services to clients with a range of annual household incomes. More than half (51 per cent) of the DMM programmes report that *most* of their clients are low income. Similarly, more than half (55 per cent) say that *some* of their clients are middle income

Some non-profit organisations or government agencies that provide DMM services have restrictions on the amounts of income (17 per cent) or of assets (20 per cent) a client may have and still be eligible for services. The limits on income range from $2,000 to $35,000, with the average income limitation being $17,000. The upper limits on assets range more widely: from none to $300,000, with the average asset limitation being $27,000. Among those DMM programmes with income or asset limitations, most (41 per cent) refer those clients whose assets or income exceed the program's limitations to other agencies.

Staff and Volunteers

The DMM programmes surveyed generally have fewer than five full-time equivalent paid staff persons

Volunteers are used by 45 per cent of DMM programmes, and over two in five of these programmes use fewer than 15 volunteers. Volunteers are more often used by non-profit organisations (58 per cent) and programmes that have been in existence less than five years (63 per cent).

Volunteers with DMM programmes provide a variety of services to clients, including writing cheques, helping establish a budget, sorting and organising bills, and handling health insurance problems.

Almost all DMM programmes that use volunteers provide their volunteers with some initial training. In addition, 60% of the programmes offer ongoing training for volunteers once they complete the initial training session.

On average (mean), a volunteer serves five clients, although the median number of clients served is just two. In general, approximately three quarters of volunteers contact their clients at least monthly, and three in five have at least monthly contact with their programme coordinator.

DMM programmes frequently do reference checks on both staff and volunteers. However, credit and criminal background checks are not widely used, perhaps because of the cost involved and the sometimes incomplete nature of the information available.

Once staff and volunteers are hired, DMM programmes use a variety of techniques to monitor their performance, although all but one of the techniques (periodic written reports from other staff members) are more often used with staff than with volunteers.

Risk Management

Two-thirds or more of DMM programmes use the following risk management practices when providing client services: monitoring of cheques and bank statements, providing staff and volunteer orientation, offering in-service training, and using service agreements.

Record-keeping systems provide an essential framework for handling clients' funds and for monitoring the activity of staff and volunteers. Over half of the respondents (52 per cent) use computerised accounting systems to track expenditures, but such software is more heavily used by for-profit businesses (72 per cent), by programmes in existence more than 10 years (70 per cent), and by those serving 101-500 clients (79 per cent). Only one-third of the programmes with volunteers use computerised systems.

Some organisations combine funds of multiple clients in a common bank account for efficiency's sake; this system is used proportionately more frequently by government agencies (61 per cent), older programmes (49 per cent), and those serving 101-500 clients (56 per cent) - and much less frequently by for-profit businesses (7 per cent).

Daily money management programmes inevitably face the problem of how to get modest amounts of cash to representative payee clients for personal needs or entertainment. Nearly a quarter (23 per cent) decline to provide cash, but among the DMM programmes that do so, they most frequently have the client sign a receipt for whatever cash is received.

More than half of DMM programmes report using client satisfaction, impact and operational effectiveness as ways of evaluating their services. In addition to conducting evaluations, nearly two in five programmes (39 per cent) report having done a needs assessment before deciding to offer DMM services. Among those programmes, the methods of assessing needs most often involved surveys or meetings.

In the past, many organisations interested in offering daily money management services have reported that they are unable to obtain liability insurance, particularly insurance that extends beyond general liability coverage to specifically protect the money management aspect of their service. This trend is borne out by the survey results, where a high proportion of respondents (81 per cent) report having *general* liability coverage, but only 19 per cent have policies that specifically offer liability coverage for money management services.

When respondents were asked to list their top three liability fears related to operating a daily money management programme, they most frequently mentioned employee mistakes or wrong doing (50 per cent), loss of client funds (42 per cent), and costs of defending a lawsuit (41 per cent).

The spectre of a lawsuit is the greatest concern for many executive directors and board members. However, its actual occurrence is much less frequent. Less than ten per cent (9 per cent) of DMM programmes report ever being seriously threatened with a lawsuit. Only six per cent have ever actually been sued, and just one per cent have ever lost a lawsuit.

Almost three-quarters of the respondents report seeing the demand for DMM services in their communities increase over the past year.

4.2 *Types of DMM programme and how they are organised*

4.2.1. *Professional for-profit DMMs*

American Association of Daily Money Managers (AADMM) is a professional association for paid daily money managers. It has produced a code of ethics and standards of practice to provide some quality controls and reassurance for clients (see Appendices 2 and 3).

What types of tasks will a DMM (Daily Money Manager) handle?

The expertise of daily money managers covers a broad range of tasks, and the actual work they do depends on client need. However, the scope of a daily money manager's work generally includes the following:

- Bill-paying, including calls to payees regarding incorrect bills and preparation of cheques for clients to sign.
- Balancing cheque books and maintaining organisation of bank records.
- Preparing and delivering bank deposits.
- Organising tax documents and other paperwork.
- Negotiating with creditors.
- Deciphering medical insurance papers and verifying proper processing of claims.
- General organisation assistance.
- Providing referrals to legal, tax, and investment professionals.

Some, but not all, daily money managers will also provide additional services, such as:

- Notary services
- Maintaining home payroll records for use in preparation of payroll tax reports
- Transportation to and from appointments
- Assistance with arrangements for moving from one's home to a retirement or nursing facility
- Acting as power-of-attorney or representative payee for Medicare
- Preparation of payroll cheques for home employees including calculation of Federal and state withholding and FICA taxes

Accessing daily money managers

Daily money managers' referrals can come from many sources, such as friends, relatives, lawyers, doctors, accountants, social workers, and residential community directors. A local Area Agency on Aging, senior centre, church, or government social service agency often assist with locating a daily money managers. The American Association of Daily Money Managers has a list of practising daily money managers.

Most daily money managers charge for their services on an hourly basis, with rates varying with geographic areas. In addition to the hourly rates, most daily money managers charge for their travel time and for out-of-pocket expenses such as postage stamps provided to their clients and long distance charges for calls made on a client's behalf.

General role of daily money managers

A daily money manager does not take the place of professionals in the accounting, investment, or social service fields; rather, their work complements the work of other professionals by facilitating the completion of the day-to-day tasks rather than determining long-term plans.

For example, a daily money manager, by organising and maintaining accurate financial records for a client, can easily compile the necessary documents for tax preparation by an accountant. When the accountant has prepared the required tax returns, the daily money manager makes sure they are correctly signed, that the appropriate cheques are attached, and that returns are mailed on time.

Unless the daily money manager has separate professional credentials in other fields, he or she should not offer legal, investment, or tax advice. However, a daily money manager should be able to recognise pertinent issues and refer an individual to professionals and organisations qualified to provide the other services needed.

4.2.2 *Stand-alone non-profit DMM programmes*

The AARP Daily Money Management Programme is a free service for low income elders. It uses volunteers to help low-income older adults or people with disabilities who have difficulty budgeting, paying routine bills and keeping track of financial matters. The Programme is delivered in three ways: providing money management materials to help educate individuals and caregivers on financial matters, i.e., budgeting, debt and consumer problems. It provides a series of tools/resources.

The volunteer driven part of programme acts in two ways:

(1) Bill Payer service - provide cheque book and balancing services for people who remain in control of their finances.

(2) Representative Payee service – volunteers are appointed by a federal government agency to receive and manage a government benefit (such as a social security cheque) when the client has been determined to be incapable of handling his or her own funds. Benefit cheque deposited directly in bank account from which the client pays bills.

Volunteers are recruited through AARP and screened, trained, supervised and monitored.

The AARP money management programme is offered through agreements with state and local government and non profit agencies through the US. A variety of agencies sponsor the programmes locally including Area Agencies on Aging, Departments of Social Sciences, and senior centres. The AARP Foundation supports state and local coordinating agencies offering limited financial protection for the client funds handled by volunteers and through technical assistance to a State Coordinating Agency that helps develop a local site by:

- recruiting volunteers from the AARP membership
- training the state programme coordinator
- providing ongoing technical support and a monitoring system for the volunteers' work.

The Local Coordinating Agency:

- publicises the programme
- develops a client referral network
- matches volunteers with clients
- provides ongoing supervision for volunteers, and monitors client accounts.

Not all states in the US run programmes; the AARP programme serves around 6000 clients through 135 government and non profit agencies. US states that run AARP Money Management programmes are: Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Illinois, Indiana, Iowa, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New Mexico, New York, Oregon, Pennsylvania, South Carolina, Texas, Vermont, Virginia, Washington, West Virginia.

The AARP Foundation Bill Payer Model in New York

The Bill Payer Program is part of AARP Foundation, an AARP affiliated charity. AARP Foundation's Bill-Payer model is time-tested, having been successful in 24 states since 1981. The NYC pilot project is the first effort to roll out the programme in a dense urban setting. Years of experience have resulted in a system of checks and balances that effectively address concerns that previously discouraged agencies from doing money management. AARP Foundation supports the Bill Payer Program in a variety of ways. AARP recruits from amongst its membership for volunteers. AARP Foundation provides financial protection for client funds, and travel and accident insurance for volunteers. The Foundation provides initial and ongoing programmatic support for all programmes in its network.

Funding is provided by the Isaac H. Tuttle Fund, FJC - a Foundation of Philanthropic Funds and The New York Community Trust.

Eligibility criteria for membership of the NYC Bill Payer programme include:

- Age 60 or older (younger clients by exception)
- Assets of $35,000 or less
- Income up to $49,611 single / $70,200 couple
- Reside in a neighbourhood currently being served
- Capable of making financial decisions and signing cheques
- Willing to designate a low-balance current account and allow statements to be monitored

See Appendix 4 for an example of a Bill Payer Program Client Referral Form

The Council of Senior Centers and Services of New York City, Inc. (CSCS) is a membership organisation of more than 200 senior service agencies that serve over 300,000 senior citizens throughout New York City. Its goal is to ensure that the elderly of New York City receive quality services by helping senior service organisations build their capacity to provide superior programmes and services through advocacy, training, innovative programming and the exchange of ideas.

The Bill Payer Programme is a free service that enables low-income seniors to remain in the community with independence and dignity. Compassionate, trained volunteers meet one-on-one with seniors in their own homes to help with the tasks of monthly bill-paying. The older adult makes all financial decisions and signs all cheques. Volunteers help: organise paperwork; create a monthly budget; write cheques for the client's signature; balance the cheque book.

The Council of Senior Centers and Services of New York City, Inc. (CSCS) coordinates the Bill Payer Programme locally in conjunction with AARP Foundation, which has been offering the service nationwide for over 25 years. ReServe provides stipended professionals who help in the administration of the BPP (see section 4.4).

Massachusetts Money Management Program

In association with AARP, the Massachusetts Money Management Program started in 1991. Initial funding of $50,000 was provided by a financial services company whose broker was convicted of 'churning' his elderly client's account. For the following several years' start-up grants for new sites were obtained from various foundations that focused on improving the lives of elders. In 1994, the Older Americans' Act funds were used to provide state wide coordination of the programme. Once the value of the programme was seen, several years of lobbying the state legislature followed, resulting in full funding for state wide coordination and partial funding for local sites. Currently, the network of 25 local Money Management Programmes is capable of providing their service to every city and town in the Commonwealth. The state provides free criminal background checks for volunteers through the Criminal Offender Record Information (CORI) programme, a state wide system that checks the histories of all service providers and volunteers who have unsupervised contact with vulnerable clients. In some communities, the DMM programmes recruit bank employees as volunteers, with some banks allowing employees to volunteer during normal working hours under their Community Reinvestment Act requirements (an Act passed by Congress in 1977 to encourage depository institutions to help meet the credit and financial service needs of the communities they serve). In addition to working directly with clients, bank volunteers may monitor other volunteers or serve on advisory boards. The programme plans to expand to serve clients with higher incomes than those now allowable by AARP.

Elder Abuse Prevention's Money Management Program

Elder Abuse Prevention's Money Management Program based in Richmond, California serves approximately 30 clients a year who are described by staff as the 'most desperate self-neglect cases', as well as persons who have been financially abused or are at risk of abuse by family members. Although the programme follows AARP guidelines, it places a somewhat heavier emphasis on elder abuse prevention. For example, training for volunteers includes instruction in identifying and reporting abuse, and problem cases are likely to be reviewed by EAP's multidisciplinary team. The programme collaborates with two other local DMM programmes in fundraising and advocacy. Among the issues they plan to support is the development of a state wide programme patterned after Delaware's (see below).

Delaware Money Management Program

Initiated in 2001 the Delaware Money Management Program is cosponsored by the Division of Services for the Aging and Adults with Physical Disabilities and AARP Foundation. This programme offers money management assistance to help low-income seniors and adults with physical disabilities who have difficulty budgeting, paying routine bills and keeping track of financial matters. The programme's goal is to promote and prolong independent living for individuals who are at risk of losing their independence due to inability to manage their financial affairs. The programme uses volunteers to assist individuals who do not have friends or relatives able or willing to help. It further provides for criminal background checks, at the state's expense, and access to state abuse, neglect and financial exploitation registries. It requires the Division to adopt criteria for disqualifying people from serving as bill payers or representative payees and establishes sanctions for failure to fully disclose information needed to obtain registry or criminal background checks. The programme is funded by the State.

4.2.3 *DMM services offered through elder-assistance agencies*

Search and Care

Search and Care based in New York was founded in 1972. It is a not-for-profit, non-sectarian social service agency. Its mission is to seek out older people in the community who need help in managing life's daily activities or accessing essential services, and to provide them with the support and companionship they require to live with security and dignity in the manner they choose. Search and Care engages 15 professional staff, 10 graduate student interns (social work, nursing, and occupational therapy), over 100 carefully cultivated volunteers, an active Board of Directors, and a growing circle of 70 diverse community partners ('eyes and ears' in their neighbourhoods). All share a common goal: working collaboratively to build elder-friendly communities conducive to healthy aging. The agency also functions as a 'surrogate' family for isolated and homebound clients who need companionship and a community-based network of support, when family members and friends may be unavailable or do not live nearby.

Search and Care offers clients three models of money management assistance, according to their level of need:

- Budget Assistance Programme (BAS): offers clients complete bill paying, budgeting, a mutually agreed upon living allowance, and ongoing financial oversight under the management of the agency "Comptroller".
- AARP Bill-paying: This service offers fully insured bill-paying and current account reconciliation services for clients who recognize the need for such

assistance in order to retain their financial independence. It is a collaboration with AARP, Stanley M. Isaacs Neighborhood Center, Inc., Lenox Hill Neighborhood House, The Carter Burden Center for Aging, and Council of Senior Centers and Services of New York City, Inc.

- Volunteer Bill-organising: is a third option which offers clients ‘volunteer friendly visiting’, including limited bill-organising and paying functions, and generally appeals to clients who are reticent to accept help with their finances.

Search and Care is considered a pioneer in developing and providing money management assistance as part of its comprehensive care management model. Search and Care's Money Management Assistance provides help with paying bills for regular expenses such as rent, telephone, utilities, household expenses and homecare. This benefits clients who may have few resources, whether financial and/or human, to assist them in managing their income to meet their day-to-day needs, and who can no longer get to the bank by themselves, or have difficulty with the task of paying bills and maintaining a current account, or are cognitively, physically, or emotionally frail

Search and Care's Money Management Assistance is designed to:

- prevent evictions, utility and telephone turn-offs, and assure that basic day-to-day client needs are met;
- avoid unnecessary or premature nursing home admissions or relocation to unfamiliar and far costlier housing options;
- prevent financial exploitation and abuse.

The Carter Burden Center for the Aging, Inc.

The Carter Burden Center for the Aging, Inc. in New York promotes the well-being of individuals 60 and older through a broad array of direct social services and volunteer programmes oriented to individual, family and community needs.

Social services - The Unit’s staff provides comprehensive services to both homebound and ambulatory seniors so that they can remain in their homes. Services include supportive counselling, help with benefit applications, end of life planning, daily money management, crisis intervention as well as referral to other services such as visiting nurses, home delivered meals and volunteer legal assistance.

Case management - CBCA is one of four partners in the East Side Case Management Consortium, dedicated to providing superior DFTA-funded case management services to older adults. Case management services include home visits to provide assistance in applying for benefits and entitlements, assistance with financial management, assistance with long term planning, and appropriate referrals to other services, including home delivered meals, homecare, adult day services, senior center programming, caregiver support services as well as other services. Clients must be at least 60 years of age; live between 59th Street & 143rd Street and from 5th Ave to the East River or on Roosevelt Island; and be able to safely live independently in the community.

The Wise & Healthy Ageing Centre

The Wise & Healthy Ageing Centre offers a Daily Money Management programme with trained and supervised volunteers providing in home assistance for:

- Budgeting and bill paying
- Medical insurance claims
- Financial and legal planning
- Income tax preparation
- Handling government benefits

The Money Management Program began in 1990 and is designed to help maintain the highest possible level of independence for persons who are having difficulty managing their daily financial activities. For those who need more advanced maintenance of their income and monies from government assistance programmes, the Centre can serve as a Representative Payee. All cases include an initial professional assessment by a specially-trained case manager, followed by regular visits. The Money Management Program is closely monitored by a Technical Advisory Group (TAG) of professionals from the community who provide in-kind financial, legal and logistical support. The group meets quarterly to review procedures and protocols, providing oversight to the DMM programme as well as updates on new regulations. It is also audited annually by the Social Security Administration. There is a fee for Money Management services, based on a sliding scale.

Jewish Family and Children's Services (JFCS)

Jewish Family and Children's Services (JFCS) based in San Francisco, California supplements its comprehensive care management and home care programme for seniors, with a Seniors-at-Home Money Management Program offering a continuum of money management options, which include bill paying, representative payeeship, durable powers of attorney, and conservatorship. Offering diverse DMM options and coordinating them with other critical services enables JFCS to tailor services to clients' individual needs, offer the least restrictive alternative, and provide for smooth transitioning as clients' needs change. The professional staff of Seniors At Home helps seniors manage their money safely and wisely, to maintain as much financial independence as possible, and to plan for the future.

Available services include:

- Depositing cheques

- Paying bills
- Budgeting and long-term planning
- Health insurance and medical claims management
- Evaluation of government and pension benefits
- Balancing bank statements
- Filing tax forms accurately and on time
- Comprehensive financial management relating to stocks and bonds and bank accounts
- Managing household maintenance

People who use JFCS Personal Affairs Management services are encouraged to maintain control over as much of their financial life as they feel capable and comfortable handling. When a high degree of control is no longer possible or practical, trained professionals work with clients and their families, as appropriate, to assist in whatever financial 'chores' need attention. When necessary, JFCS can act as durable power of attorney, trustee or conservator. Personal Affairs Management is a fee-for-services programme. It is not an investment counselling service or a professional tax preparation service.

Money management services practice model

Wilber and Buturain (1993) describe a money management services practice model developed within an established older adult health care and social service organisation in California, particularly looking at issues of liability and viability. Analysis of DMM programmes showed that those that evolved within established agencies and were integrated into a continuum of complementary services were less vulnerable to financial failures than free standing DMM entities.

A planning council was formed with representatives from each of the agencies to define the service mission and to develop a model. The service model established was targeted to low- and moderate-income individuals and includes a multidisciplinary technical advisory group (TAG), risk management protocols, a professionally supervised volunteer staff, care coordination by the money management provider, individual service planning, and multiple sources of financial support. The service created and maintains a case load of approximately 50 clients. Initial recruitment was slow with only 12 clients during the first six months. As the programme entered its third year fears of low participation changed to fears of coping with burgeoning demand.

The TAG, composed of community representatives, augmented staff expertise, provided advice on banking practices and legal issues, identified potential problems, provided community support and a referral base, and evaluated progress. Financial service experts including bankers, insurance experts and attorneys were recruited to the TAG.

A key issue was the paradox of empowering the client and agency responsibility. The balance of professionals involved in the project helped to mediate between the two. Because clients have different needs and capacities the planning council recognised that DMM services must be individually tailored to the needs of each client, rather than codified into a 'cookbook' approach. However, financial and legal experts kept the issues of risk and liability to the forefront and emphasised the development of standardised procedures, while social service providers stressed a contextually oriented flexible approach to meeting clients individual service needs.

The following safeguards were developed to protect the client, the DMM service and the agency. Protocols to minimise risk include:

- each client must sign a service consent form authorising services
- family members informed client receiving DMM services
- minimise banking tasks by arranging direct deposit
- accounting of all transactions by DMM kept in clients home
- spot auditing by volunteer certified public accountants not otherwise associated with the agency
- yearly audit of all records is performed by an independent CPA firm
- internal audit control implemented for representative payee clients in which the agency's accountant reconciles bank statements monthly to a general account
- documentation of car insurance is required of all volunteers

Volunteers are at the heart of the programme. Volunteers are recruited, trained and supervised by the programme director. At the time of the study 18 volunteers provided services to 38 clients. The initial training took 6 hours, and volunteers subsequently attended 90 minute supervision meetings twice a month with access to the director whenever additional guidance was required.

4.3 *The regulation and control of DMM programmes*

Neither federal nor state governments regulate the daily money management industry, so there is little oversight of these services. There is, therefore, a risk to the client from incompetent or dishonest practitioners. For people requiring paid daily money management services they are recommended to research providers and obtain some form of reassurance of the quality of their service. Often, the best way to get referrals is from trusted family members and friends who have had a good experience with a particular DMM programme.

Agencies providing DMM services use risk management techniques as noted throughout this study to minimise the likelihood of financial mismanagement by salaried staff and volunteers.

The American Association of Daily Money Managers (AADMM**)** provides referrals to daily money managers although it does not vouch for the competence of these organisations. Local elder assistance agencies – non-profit and government agencies that assist elders may also be able to provide referrals to reputable DMM programmes.

Other selection recommendations include asking questions about the services they provide, fees, training and supervision of managers, and insurance coverage. (The AADMM website has a list of questions to ask any DMM programme at www.aadmm.com click 'Questions to Ask'.) Clients are advised to ask what insurance coverage the programme has and whether it is bonded. (Being bonded means that a bonding company has secured money that is available if an individual files a claim against the DMM.) Clients should also obtain references.

There are recommended precautions when using a daily money manager:

- Give the manager access to one current account only, and then limit the funds in the account.
- While daily money managers prepare cheques for their clients, the client should sign all cheques, if physically possible.
- Alert the client's bank to the appointment of a money manager so they can keep an eye out for unusual activity.
- A third party should receive copies of all bank statements and financial records and periodically review them to monitor the daily money manager.

The AADMM has developed a daily money manager certification programme. To become certified, daily money managers must perform 1,500 hours of DMM services and pass a written test (see Appendix 4). The certification is optional and voluntary, however, there is an incentive to obtain it as clients are likely to prefer daily money managers who have some form of professional certification. Certification can demonstrate in a tangible way the professionalism among daily money managers and supports the AADMM's commitment to 'promoting high standards of client services provided by members, and to supporting the growth of the daily money management industry, in numbers of providers, in recognition of the field, and in the quality of services provided.' Through voluntary certification individual members can validate their skill level and add to their credentials as a leader in the industry.

AADMM provides a list of certified daily money managers and also a certification exam and testing centre

4.4 *Recruitment and monitoring of volunteers*

AARP Foundation

The AARP Foundation is an affiliated charity of the AARP that provides security, protection and empowerment to older persons in need of support from thousands of volunteers, donors and sponsors. With help from over 35,000 volunteers nationwide, the Foundation continues to assist millions of older Americans every day.

How volunteers work within the AARP Foundation DMM programme run by CSCS, NY

Volunteers usually go to the older person's home where paperwork is easily available. Some clients prefer to meet at a mutually agreeable location (e.g. senior centre). Most volunteers are recruited through AARP membership mailings. Others hear about the programme from the AARP or the local organising agency websites, or through citywide volunteer matching programmes. Volunteers visit once or twice a month, for an average commitment of 4–6 hours a month. To protect client's privacy and security volunteers are screened via reference, criminal background and credit checks. Clients sign all their own cheques and remain in complete control of all financial decisions. Records are kept confidential. Volunteers are trained and supervised. Bank statements and volunteer visit reports are compared for accuracy by a third-party 'monitor' every month. Additional safeguards for the client's funds are maintained by volunteers only having access to one current account with a maximum monthly balance of $3,500. If a mistake is made, each client is covered by AARP Foundation insurance up to $35,000 for loss of funds. Clients must be able to make their own financial decisions and sign their own cheques, and they must agree to provide monthly bank statements for monitoring. Older people wishing to have a referral to the Bill Payer Program must complete a standard referral form (see Appendix 5).

ReServe Elder Service Inc is an organisation that identifies volunteers who act as local coordinator-liaisons at CSCS. ReServe recruits, screens and connects retired professionals (known as ReServists) to skills-based, stipend paying volunteer opportunities at non-profit organisations and City agencies in NYC. The organisation works to engage ReServists in successful service opportunities and to build the capacity of non-profit and City agencies.

4.5 *Support materials for DMM programmes*

The American Association of Daily Money Managers (AADMM) provides professional support to their members. In addition to posting codes of practice and standards, the support includes national testing centres for certification, and access to professional liability insurance solutions for AADMM members. Resources available through

AADMM are generally business oriented, i.e. marketing materials, standard forms to develop a client base, networking opportunities and seminars.

The AARP Foundation DMM programme provides training manuals, information and resources for setting up one of their programmes, but these materials are only available to agencies who have signed up to the programme and are not freely available to outsiders.

Daily Money Management Assistance Program

The Daily Money Management (DMM) Assistance Program was developed by the Sadin Institute on Law & Public Policy as part of its Reingold Elder Abuse Project. Responding to findings from previous surveys (see page 11) that care management agencies were reluctant to engage in money management services because of high liability risks, lack of knowledge about how to set up and run the programmes, and lack of funding for these services, a 'major goal of the Reingold Institute has been to offer agencies technical assistance in daily money management to enable the initiation of DMM services or to enhance existing services through the development of risk management practices'. The programme goal is to encourage and assist care management agencies to safely and effectively offer DMM services. Brookdale Center's DMM Assistance Program offers interested agencies formal staff trainings and technical assistance in the following areas:

- start-up procedures;
- money management programme policy and procedures;
- standard risk management tools;
- documentation and standardised forms.

It provides a user guide, *Daily Money Management: A 'How-to' Manual for Care Management Agencies* (Sacks 2008), for care management agencies to develop comprehensive DMM programmes. The manual considers 'supportive decision making services' where the client remains in control. A key element is to determine from the onset exactly what the client can and cannot do, ensuring the least restrictive alternative is used. For example, recently widowed clients may need assistance to take on household finances and eventually take over the tasks. Education and advocacy is a central role of daily money management services.

The basic process consists of:

1. Organising client's records
2. Determining which bills should be paid first
3. Establishing a monthly budget showing income and expenses
4. Teaching the client to write a cheque and balance chequebook

5. Informing the client of available entitlements and assist in the application process

Bill paying:

1. Establish a list of monthly income and expenses using standardised form
2. Establish easiest and most efficient way to pay bills
3. Consider options such as direct deposit of income cheques, consolidation of bank accounts, and automatic bill paying services by the bank directly out of client's account

Advice on surrogate decision making services relates to Power of Attorney, Representative Payee, guardianship and the specific laws of New York.

A section on daily money management and liability notes that agencies have rarely been sued or held liable for mismanagement of client funds. However, when they have been sued the underlying legal theory is usually negligence or breach of contract. Steps must be taken to manage the risk of legal liability in daily money management services. Most organisations already engage in some risk management or quality assurance techniques. The manual lists some risk management practices that financial service providers should consider:

- obtaining written releases from clients granting permission to handle client assets;
- maintaining separate bank accounts for each client to avoid comingling funds;
- requiring detailed and consistent documentation for all financial decisions and transactions;
- monitoring monthly bank statements and written cheque requests;
- planning and performing internal and external monitoring mechanisms such as field visits and regular independent audits;
- obtaining adequate insurance and bonding to cover losses;
- developing and reviewing regularly written money management procedures;
- providing regular staff in-service training on money management procedures and issues; and
- communicating openly and regularly with the client and family regarding the scope and nature of DMM services being provided.

The manual includes in the appendices samples of documents and forms that can be used in providing money management services such as an income summary form, monthly expenses, service agreement, documentation tips, etc.

Conclusion

As people grow older their capacity to manage their own financial affairs is affected by physical, functional and cognitive impairments. The UK national prevalence survey report on the abuse of older people living at home establishes that financial abuse is the second most common form of abuse after neglect, mainly perpetrated by other family members and care workers. Divorced and separated older women and older men aged 85 and older are those most at risk.

Interventions to prevent abuse from occurring in the first place, or stopping it if it is taking place, are the most effective way of protecting people and helping them maintain their independence. Daily Money Management (DMM) programmes established in the US are examples of practical interventions to support older people. While the research evidence base of DMM programmes in the US is incomplete, the practical evidence of successful, operating programmes indicates that older people do benefit from them. There is considerable advice available on steps to take to set up successful DMMs, how to overcome perceived obstacles such as risk and liability, and using trained volunteers to provide the service.

This report shows that there are varying models for DMM services in the US. A commercial body of private daily money managers exists for those who can afford to pay for the service. The AARP Foundation in conjunction with other agencies provides a free bill paying and representative payee service for those on low income. The third DMM model is where the case management agency provides DMM as part of their services, integrating the money management within the overall case management function. This model is increasingly being promoted by care providers on the basis that you cannot 'manage' the care and life of a vulnerable person without knowledge of and the ability to help with their finances.

The American experience of managing Daily Money Management programmes provides practical guidance in dealing with issues of confidentiality, risk, potential liability and the recruitment and monitoring of volunteers.

The British experience, while much less advanced, provides a small number of schemes from which lessons can also be learned.

The practical experiences from both the UK and USA will inform the establishment of the pilot schemes in the second part of this project.

Appendix 1

Suggested guidance on good practice in asset management

Basic principles

- The person must be assumed to have the capacity to make his or her own financial decisions unless it is proved otherwise.
- The person must be given all necessary help and practical support to make their own financial decisions, express preferences, or be involved in decisions about their financial affairs.
- The person must retain the right to make what might be seen as eccentric or unwise financial decisions.
- Anything done for or on behalf of the person, or decisions made, must be in their best interests, take account of their needs and wishes, and provide them with the best quality of life (and, unless restricted by the terms of Power of Attorney, meet the needs of people the person might have been expected to provide for such as: gifts on birthdays, anniversaries, Christmas, marriage to people related to or connected with the person).
- Anything done for or on behalf of the person, or decisions made, must be the least restrictive of their basic rights and freedom of action.

Pre-requisites

- Reach agreement with the person concerned regarding which financial decisions are being shared or delegated, how the person is to be involved, and who makes final decisions, and when these arrangements are to start, be reviewed, or cease.
- Ensure the person understands the implications and risks of his or her actions and agreements.
- Managing someone's financial affairs does not confer the right to make decisions about any other aspects of their life, including their choices, behaviours or decision about activities, who they see or communicate with, where they live, or what they wear or eat.

Practical considerations

- Take any necessary steps to safeguard the person's assets, savings and property.
- Keep the person's money and property separate from your own and that of other people.
- Ensure that the person's entitlements to tax credits, welfare benefits, rebates, allowances and exemptions are checked whenever a suitable opportunity arises and at least once a year.
- Work out exactly what the person needs, how much money that means they have left, and avoid spending any money they do not have.
- Keep accurate accounts of the person's financial transactions including: records and receipts of all money spent; bills and invoices; bank and credit card statements; correspondence and notices about tax, benefits and pensions; and use of petty cash (the person taking cash, the amounts taken and the change returned).
- Keep a record of any personal gifts, including gifts in kind and money, received from the person.
- Where appropriate (e.g. when a person's financial affairs are particularly complex) have a solicitor or accountant check the accounts annually.
- Where possible, seek agreement or approval (from other family members, for example) before spending or transferring large amounts of money; acquiring, transferring or disposing of assets; of incurring unusual expenses.

- Make sure that bills, rent, credit payments, etc. are paid on time.
- Make sure the person's tax affairs are dealt with.
- Keep any property the person owns in a reasonable state of repair, and make sure it is secure and adequately insured.
- Simplify and regularise the person's financial arrangements, and avoid entering into new arrangements with their money and assets.
- Ensure that the person has drawn up a will, and that it is kept up to date.
- Keep up to date records of the person's assets, property, accounts, investments and valuables.
- Store the person's will, deeds, personal papers and other documents, including electronic records, in a safe place where they can be found.
- Do not misuse the person's assets, or use the person's car, disabled parking badge, or other assets for the benefit of anyone other than the owner.
- Seek independent advice where the person's financial affairs or debt problems are complex or unmanageable.
- Take advice on and consider the legal options (e.g. Agent, Appointee, Attorney and Receiver) for managing another person's affairs before they become mentally incapable.
- Tell everyone who needs to know about the legal arrangements for managing the person's assets such as when Power of Attorney is registered (e.g. banks, insurance and investment companies, the Department for Work and Pensions (Pension Service, Benefits Agency), HM Revenue and Customs, pension schemes, solicitor).

Source: Table 3.5, Arksey *et al.* (2006) *Minding the Money: Carers and the Management of Financial Assets in Later Life: Report of a Scoping Study*

Appendix 2

AADMM Code of Ethics

Code of Ethics

The American Association of Daily Money Managers is committed to promoting high standards of client services provided by its members.

- As Daily Money Managers (DMMs), we provide personal business assistance to clients who have difficulty managing their personal monetary and business affairs. As DMMs, we are not acting as accountants, financial advisors, or attorneys, unless separately educated and properly licensed to do so.
- DMMs shall have concern for the well being of their clients.
- DMMs shall provide services in an equitable manner for all clients.
- DMMs shall not exploit their clients financially, socially, emotionally, sexually, physically or in any other manner.

DMMs shall avoid those relationships or activities that interfere with professional judgment and objectivity.

- DMMs shall disclose any affiliations that may pose a conflict of interest.
- DMMs shall not exploit a relationship with a client for personal or financial gain.
- DMMs shall strive to ensure fees are fair, reasonable and commensurate with the services performed. All fees for daily money management services are to be discussed with the client or other person accepting responsibility for payment prior to the initiation of services.
- DMMs shall take all precautions to avoid harm to the client or his or her property.

• DMMs shall respect the rights of their clients.
• DMMs shall protect the client's right to privacy and confidentiality in accordance with the laws of the state where the services are performed.
• DMMs shall maintain detailed, accurate, financial records for the client, based on information made available from client. (Deposits into and withdrawals from financial accounts shall be documented in terms of the source of the deposit and the purpose of the expenditure.)
• DMMs shall achieve and maintain high standards of competence.
• DMMs shall accurately represent their professional experience and training when requested by their client, client's family or someone looking out for the client, prospective client and other professionals.
• DMMs shall keep current with issues affecting their clients (health insurance, consumer fraud, etc.)
• DMMs shall keep current with public and private services available to their clients, for use in resource referrals.
• DMMs shall refer clients to other service providers or consult with other service providers when additional knowledge and expertise are required.
• DMMs shall define his/her role clearly to other professionals.
• DMMs shall treat clients, family members, colleagues and other professionals with fairness, discretion and integrity.

Signature: Date:
Printed Name:
Notary Signature: Commission expiration:

Appendix 3

AADMM Standards

Standards of Practice
CREATING STANDARDS
Applicable Law – The DMM shall perform duties and discharge obligations guided by the AADMM code of ethics and in accordance with current state and federal law. To become and remain a DMM in good standing with AADMM, a DMM must adhere to the following principles and standards:

Professionalism

A DMM’s conduct in all matters shall reflect credit upon the profession.
A. DMM will serve clients, colleagues, and the public with the highest degree of professionalism and will work to uphold the reputation of AADMM.
B. A DMM shall avoid engaging in business conduct that presents a real, perceived or potential conflict of interest.
C. A DMM shall show respect for other Daily Money Managers, and related occupational groups, by engaging in fair and honorable competitive practices.
D. A DMM shall not practice any other profession or offer to provide such services unless the DMM is qualified to practice in those fields and is licensed as required by state law.

Confidentiality

A DMM shall not disclose any sensitive client information without the specific consent of the client.
A. The DMM shall respect the client’s privacy and dignity, especially when the disclosure of

information is necessary.
B. Disclosure of information shall be limited to what is necessary and relevant to the issue being addressed.
C. The DMM may disclose or assist the client in communicating sensitive information to a third party when the disclosure would benefit the client.
D. The DMM shall keep client information confidential regardless of who pays the DMM.

Competence

A DMM shall provide services to clients competently and maintain the necessary knowledge and skills.
A. A DMM must keep abreast of all areas of education relevant to their clients.
B. A DMM shall offer advice only in those areas in which the DMM has competence. In areas where the DMM is not professionally competent, the DMM shall seek the counsel of qualified individuals and/or refer clients to such parties.

Integrity

DMM will provide services with honesty and trust, and the client's best interest will always take priority.
A. The DMM shall neither solicit nor accept incentives from service providers.
B. The DMM shall not be in a position of representing both the client and the service provider.
C. A DMM shall not provide professional advice, services, or products through dishonesty, fraud, deceit or misrepresentation.
D. A DMM shall not solicit clients through false or misleading communications or advertisements.
ADMM is committed to ensuring the highest quality interaction between its members and their clients. DMMs are held accountable to the AADMM Board of Standards to resolve client concerns.

Appendix 4

AADMM Example of Documentation of Eligibility

Paid Hours:

Client W – 20 hours per month for the last two years
Client X – 12 hours per month for the last two years
Client Y – 10 hours per month for the last year
Client Z – 20 hours per month for the last three years
Total paid hours = 1608 hours
Duties Performed:
- Bill Paying
- Opening/sorting mail
- Monthly Bank Reconciliation
- Working with creditors
- Generate tax information
- Utilize online bill pay services
- Insurance and medical issues
- Working with accounting software

☐ Handle vendor issues
☐ Budgeting

Appendix 5

BILL PAYER PROGRAM CLIENT REFERRAL FORM
http://cscs-ny.org/money_management/Client_Referral_Form.pdf
Send to: **Council of Senior Centers and Services of NYC, Inc.**
49 W. 45th Street, 7th Floor FAX: 212-398-8398
New York NY 10036 Phone: 212-398-6565 x 230
The AARP Foundation Money Management Program provides volunteer Bill Payers who help clients organize bill paying and related record keeping. Clients maintain control over all financial decisions.
Clients always sign their own checks. This referral is for bill-paying services only.
All information disclosed on this referral is confidential
Referral Source
Name____ Date _________
Agency____
Address ____
City __________________________________ State ___________ Zip ___________
Phone ___________________________E-mail________________________________
Relationship to client ____
Indicate if your services to this client are: ☐ Long Term ☐ Short Term
Client Information
Name ____ ___________________
Address____
City____________________________________State___________Zip_______________
Phone___________________________ E-mail_____________________________________
DOB__________________ Ethnicity ____________________ Gender: ☐ M ☐ F
Primary language: ☐ English ☐ Other (specify)_________________________________
Emergency Contact _________________________________Relationship__________________
Address ____
City ______________________________________ State__________ Zip
Phone _________________________________ Email _________________
Physician Name ____________________________Physician Phone _______________________
☐ Medicare A ☐ Medicare B ☐ Medicaid ☐ Medigap ☐ Other ____________________
Financial Information
Client's annual income before taxes: ☐ < $10,000 ☐ $10,000-$20,000
☐ $20,001-$30,000 ☐ $30,001-$40,000 ☐ $40,001-$49,000
Monthly income sources and amounts: SSA $_________________ SSI $______________
Pension $________________ Other (specify) _____________________ $______________
Are client's liquid assets under $35,000? ☐ Yes ☐ No ☐ Don't Know
Living Situation
Does client live alone? ☐ Yes ☐ No If no, number in household ________________
Relationship(s) to client____
☐ Homebound ☐ Visually impaired ☐ Hearing Impaired ☐ Smoke
Pets: ☐ Dog ☐ Cat ☐ Other____
2
☐ Doorman ☐ Elevator ☐ Buzzer System ☐ Stairs Number of flights _________

Other building info ____
Building maintenance: ☐ Excellent ☐ Good ☐ Fair ☐ Poor
Apartment condition: ☐ Excellent ☐ Good ☐ Fair ☐ Poor
Superintendent's Name: ______________________________Tel: ________________

Client Status Questions

1. Does the client have a history of mental illness, substance abuse, communication or behavior issues
that might affect the relationship with the volunteer? ☐ Yes ☐ No
If yes, please describe:
____
____

2. Does client have significant memory loss? ☐ Yes ☐ No

3. Is gender, language, or any other volunteer characteristic important to this client? ☐ Yes ☐ No
If yes, state preference____

4. Does client understand and agree to this referral? ☐ Yes ☐ No
If no, please explain____

5. Have any of the following arrangements been made for the client?
☐ Power of Attorney ☐ Representative Payee ☐ Guardian
If yes, provide name, address and phone of designee:
____
____

6. Why is the client being referred for services? Please check all that apply.
☐ Physical disability affecting bill paying ☐ Bills not paid
☐ Mental disability affecting bill paying ☐ Paperwork piling up
☐ Loss of prior bill payer ☐ Needs assistance reading & writing
☐ Memory loss or confusion ☐ Overwhelmed or nervous about bills
☐ Financial exploitation ☐ Utility shut-off notices
☐ Bouncing checks ☐ Insufficient food/money at month's end
☐ Worrisome debt estimated at ☐ Threat of eviction
$____________________ ☐ Other _________________________

7. How is client paying bills now? ____

8. Does client have the following? Check all that apply:
☐ Checking account ☐ Direct Deposit ☐ Savings account ☐ Automatic Bill Payments
Specify any bills on auto pay:____
____
branch____
____

9. What other formal or informal services are currently being provided for this client?
☐ Home Care ☐ Escort ☐ Shopping ☐ Meals-on-Wheels
☐ Transportation ☐ Case Assistance ☐ Case Management

10. Please describe other needs/concerns
____

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