Innovative LIFE Options

Financial Functions

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Disclaimer: This Financial Functions document was created as a reference only. The content is intended to be guideline and not a substitute for legal information.

Funding

In the Company of Friends (ICOF) Budget

The ICOF budget is designed to be individualized and meet personal needs. There is some flexibility in the daily living budget to cover expenses as they fluctuate. Many ICOF employers and support networks use a working budget and ensure the totals for the funded and working budget match.

Wages and benefits have far less flexibility. Overnight funding needs to be paid at minimum wage according to MB Employment Standards. Higher or lower wages than what is funded can be provided to employees depending on individual circumstances. The total wage working budget must match the total funded wage budget. No increases will be provided to support higher salaries than what is funded unless formally requested to CLdS via LIFE staff.

ICOF funding is provided one month in advance and is typically deposited between the 20th and 27th of each month.

Manitoba Supports for Persons with Disabilities

Manitoba Supports is a program that replaces the Employment and Income Assistance (EIA) for Persons with Disabilities. Manitoba Supports provides basic needs assistance as well as shelter benefits. Manitoba Supports is specifically designed to serve people living with severe and prolonged disabilities.

Eligibility is confirmed through a disability impact assessment however, some individuals will not have to participate in this assessment. People who receive CLdS services, are recipients of the Canada Pension Plan - Disability Benefits, or who reside in personal care homes are automatically eligible.

No work expectations apply, and benefits are slightly higher than traditional EIA. Eligibility reviews occur once every two years.

For additional information or clarification please contact:
https://gov.mb.ca/fs/manitobasupports/index.html

Employment Income

People who are employed and making an income may have to contribute to their living expenses. A contribution to living expenses will occur if employment income is over $12,000 net on an annual basis.

The $12,000 is only comprised of employment income. Gifts, income tax, and other sources of money do not count toward the total. The financial year follows the calendar year, meaning it resets each January. Reporting to Manitoba Supports can be done monthly or annually depending on what works best for each individual person. Employment income must be documented in quarterly financial reports submitted to LIFE staff.

Old Age Security/Guaranteed Income Supplement (OAS/GIS)

The Old Age Security (OAS) Pension is a monthly payment available to most Canadians aged 65 or older. It is considered income by Canada Revenue Agency so an income tax return must be filed. The amount received depends on income and the duration lived in Canada after the age of 18. It is important to apply for OAS six months prior to turning 65.

The Guaranteed Income Supplement (GIS) is a monthly payment available to low-income Old Age Security pensioners 65 years or older. It is not taxable. The supplement is based on income and eligibility requirements. GIS can be applied for after one month of being aged 64. It is important to complete an annual tax return by April 30th to avoid disruption of benefits.

OAS and GIS are considered an income supplement by CLdS which means that an adjustment to the ICOF budget or MSPD will be made to reflect this source of income. The adjustment is not made to reduce the overall budget, but rather to document that funding is now coming from an additional source- Revenue Canada due to age.

When the application to OAS and GIS is made, please inform LIFE staff who will initiate an adjustment to the ICOF budget to reflect this new source of income. OAS and GIS must be documented as income in the quarterly financial reports.

For additional information and clarification please contact:
1-800-277-9914 or
https://www.canada.ca/en/services/benefits/publicpensions/cpp/old-age-security.html

Funding Requests

There is flexibility in the daily living portion of the ICOF budget as expenses can fluctuate. A regular budget review with LIFE staff to develop a working budget is a good step to financial stability. If expenses cannot be accommodated within the existing ICOF budget, an increase or decrease can be discussed and explored.

If an adjustment is needed, LIFE staff can facilitate a funding proposal to CLdS or help explore and guide which government department or community resource can be involved.

CLdS and other government departments are responsible for approving or denying funding requests. Approval of requests is dependent on the availability of funding and the level of priority relative to the needs of others in the province.

Quarterly Reporting

What are Quarterly Financial Reports?

Every three months CLdS requires a financial report to be submitted to Innovative LIFE Options Inc. which details how ICOF funding has been utilized. The report details actual expenses in each budget area and must include bank balances, statements, and investments for any accounts with ICOF funds. LIFE staff can assist in developing a template to use for reporting.

It is important that the reports are reviewed for accuracy before submitting them to LIFE. Once received, LIFE staff review the reports and are in contact to provide feedback. A copy of the reports is filed at the LIFE office.

Please submit Quarterly Financial Reports by email: financial@icof-life.ca or by fax: 204-784-4816

Requirements

The Quarterly Financial Report must include the following:

Budget

The working budget that is being used, as well as the funded budget. The working budget total must match the approved ICOF budget total. There is some flexibility for living expenses; however, the approved funding for wages and benefits needs to remain unchanged.

Income

A list of all incomes related to ICOF funding. If a contribution to living expenses such as OAS, GIS, MSPD or earnings are part of the budget, it needs to be included as income on a separate line in the report. Pension and Benefit funding should be listed on a separate income line in the report as this funding is tracked separately.

Expenses

A list of all expenses related to ICOF funding and should correspond with all bank withdrawals during the quarter. Pension and Benefits funding should be listed on a separate expense line in the report.

Cash, Bank, and Investment Balances

Accompanied by copies of bank statements showing the ICOF Employer's name, address, account number, and account balance at the end of each quarter. This must be provided for all accounts used to manage ICOF funding. This includes grocery, rent, health expense and/or savings accounts as well as investments where ICOF funding was used. Also, a copy of the petty cash log with the current balance for the quarter needs to be provided if applicable.

Uncleared Transactions

A list of all outstanding transactions at the end of each quarter. An outstanding transaction is an income or expense that has been listed in the report but has not cleared the bank account at the end of the quarter.

For example: A cheque is mailed to Hydro for $200 on June 23. The $200 is listed as an expense on the report for the quarter ending June 30th. As of June 30th, the $200 has not “cleared” or been withdrawn out of the bank account yet. The $200 would be considered an “uncleared transaction” and needs to be listed on the report.

Liabilities/Payables

A list of all liabilities/payables at the end of each quarter. A liability/payable is something that is still owed but has yet to be paid. The most common liabilities/payables are related to payroll deductions, accrued staff vacation, loans, credit cards.

For example: The employees were paid on June 14th and June 28th, and $500 has been withheld each time from the employees’ pay to cover the income tax, CPP, and EI contributions to CRA. The cheque for Receiver General is written on July 4th. The $1000 withheld in the month of June is considered “liability/payable” and needs to be listed on the report.

Accumulation

All the information provided in the Quarterly Financial Report is used to calculate the accumulation of ICOF funding at the end of each quarter. Twice per year Innovative LIFE Options Inc. is required to submit a report to CLdS that provides general information about accumulation.

Guidelines indicate that up to three months of accumulation is acceptable. If the accumulation is too high or too low, LIFE staff will assist in reviewing finances and determining a course of action. There are a few options:

- A month or two of funding deposits can be held back to reduce the accumulation below three months.
- A review of the pattern of spending to determine if the ICOF budget should be adjusted up or down to better meet current needs.

Due Dates

Quarterly Reports are due on the following dates:

- January, February, and March - submit by April 30th
- April, May, and June - submit by July 31st
- July, August, and September - submit by October 31st
- October, November, and December - submit by January 31st

If Quarterly Financial Reports are not current, LIFE staff will assist in resolving any issues that prohibit the submission. If financial reporting is overdue by six months or more, the LIFE Executive Director will be involved to discuss options.

The financial reports are the main requirement from CLdS to access ICOF funding. The reports show fiscal responsibility and accountability to the funding.

Please submit Quarterly Financial Reports by email: financial@icof-life.ca or by fax: 204-784-4816

Pension & Benefit Funding

What is Pension & Benefit Funding?

Pension and Benefit funding is a program that addresses challenges experienced with staff recruitment and retention. These funds are available to offer employees a contribution towards a RRSP or Health Plan.

These funds are provided over and above the approved ICOF budget, must be tracked separately, and cannot be used for any other purpose.

Requirements and Process

Pension and Benefit funding must be applied for every year. The funding year runs from April 1st - March 31st.

Estimated wage information will need to be provided to LIFE staff on an annual basis to determine eligibility for the application. This information is due on May 31st of the current year. The estimated wage information form must be filled out regarding all employees who work 40 hours or more in a two-week period.

Funding is requested on a semi-annual basis. The first half runs from April 1st - September 30th. The second half of funding runs from October 1st - March 31st.

Each time another six months of funding is requested, proof that the previously received funding was utilized by employees as a contribution toward a pension or health benefit is required.

Proof of Distribution

Pension and benefit funding may be distributed amongst all employees regardless of how many hours they work, even though the funds received are based on employees who work 40 hours or more in a two-week period.

In most cases, the employees will deposit these funds directly into their own RRSP or Health Plans. It is recommended to create a letter of agreement outlining the expectations of these contributions with employees to ensure accountability.

RRSP Contributions

Contributions can only be used towards a Registered Pension Plan. Proof of distribution for an RRSP contribution must come from the employee's financial institution. The proof must show the employee's name, the date, the amount of contribution and indicate that it was deposited into an RRSP account (CLdS will not accept personal letters).

Contributions made to employees' RRSP's are considered a taxable benefit and subject to CPP and/or EI deductions depending on how the account is set up. Although the contribution is taxable and must be reported on your employee's T4 slip, income tax does not have to be deducted.

Information from payroll showing CPP & EI deductions at the time of distribution is part of the backup required by CLdS.

Health Benefit Contributions

If the contribution is going towards a Health Spending account such as Olympia Trust, a statement from Olympia Trust showing the date and amount of the contribution must be provided for proof of distribution.

If the contribution is going towards a Health Plan such as Blue Cross, a receipt showing the deposit or a copy of a bank statement showing the automatic withdrawal must be provided as proof of distribution. The receipt or bank statement must show the employee's name, the date, the amount of contribution and the health plan provider

Due Dates

Pension and Benefit funding has the following due dates:

Estimated wage information is due on or before May 31st of the current year

Proof of distribution of the first half of funding (April 1 to Sept 30) is due on or before October 31st of the current year.

Proof of distribution of the second half of funding (October 1 to March 31) is due on or before March 31st of the current year.

Please submit Pension and Benefit documents by email: financial@icof-life.ca
or by fax: 204-784-4816

Other Financial Considerations

Income Tax and GST Rebate

There are rebates and benefits associated with filing an income tax return. ICOF funding is not considered personal taxable income for the purposes of filing a return.

The personal GST rebate is a tax-free quarterly payment. GST payments come every three months and do not need to be accounted for in the financial quarterly reports.

An income tax return must be submitted to CRA if OAS, MSPD or earnings from a paying job is received. An income tax return must also be submitted if a family member or friend has SDM (Substitute Decision Making) status for finances. This is a requirement of the Vulnerable Persons Commission.

For additional clarification or information, please contact Revenue Canada at:

1-800-959-8281 or
https://www.canada.ca/en/services/taxes/income-tax/personal-income-tax.html

Disability Tax Credit

The Disability Tax Credit (DTC) is a non-refundable tax credit that helps people with a disability or their supports to reduce the amount of income tax they may have to pay. An individual may claim the disability amount once they are eligible for the DTC.

To be eligible, a medical professional must certify a severe and prolonged impairment and fill out and sign the T2201 tax form as well as the Disability Tax Credit Certificate. CRA then must approve the application.

It is recommended to apply for the DTC prior to filing a personal income tax return. It can take up to eight weeks to process the application, and the personal income tax return will be delayed until the DTC is approved.

For additional information and clarification, please contact a tax specialist or medical professional. You can also find more information at:

1-800-959-8281 or
https://www.canada.ca/en/revenue-agency/services/tax/individuals/segments/tax-credits-deductions-persons-disabilities/disability-tax-credit.html

Primary Caregiver Tax Credit

The Primary Caregiver Tax Credit is a provincial credit that provides recognition and financial support to individuals who serve as primary caregivers for more than 90 days. Care recipients may have cognitive, physical, or behavioral barriers. Therefore, they require assistance in completing personal care and home making activities and in using community resources, so that they can remain in the community longer.

The primary caregiver may be a spouse, other relative, neighbor, or friend who provides care without remuneration. One support network member can be identified to apply for this tax credit. It may help cover personal expenses related to being part of a support network.

For additional information or clarification please contact the Tax Assistance Office at:
1-800-782-0771 or
https://www.gov.mb.ca/finance/tao/caregiver.html

Registered Disability Savings Plan

A Registered Disability Savings Plan (RDSP) is a savings plan intended to help parents and others save for long term financial security of a person who is eligible for the Disability Tax Credit (DTC).

Contributions to an RDSP are not tax deductible and can be made until the end of the year in which the beneficiary turns 59. Any amount can be contributed to the RDSP each year, up to a lifetime contribution limit of $200,000. A beneficiary can only have one RDSP at any time. With written permission from the RDSP holder, anyone may contribute to the RDSP.

ICOF funding cannot be used to contribute to an RDSP. Monetary gifts, employment earnings, income tax returns, and GST rebates are all eligible to be used.

For additional information or clarification please contact Revenue Canada at:
1-800-959-8281 or
https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/registered-disability-savings-plan-rdsp.html

Protecting Assets and Identity

It is important to protect personal information and assets so that identity or financial theft is diminished. Discussing safeguards with support network members can help with making informed decisions.

Consider the following suggestions:

Banking

Have paycheques deposited directly into a bank account. Avoid adding employee names to financial accounts. Keep ATM card and PIN numbers private.

ICOF bank accounts should not be linked to online shopping platforms. Consider opening a separate personal account. Any accounts involved with connections to online purchase platforms should consider extra safety measures like 2-step verification with one-time push codes.

Confidential Information and Items

File and lock personal papers in a filing cabinet, safety deposit box or a safe.

Have cash in a secure location and only have a select few who access it.

Pick up mail and review it personally or with a support network member. This can include bank and credit card statements, as well as phone bills.

Provide house keys to select people. If an employee requires a key, ensure it is brought back at the end of their employment, or consider having the locks changed.

File and lock employee information in a filing cabinet to ensure confidentiality.

Online Safety

Passwords should be kept confidential or shared only with a trusted support network member.

Avoid sharing personal information such as phone numbers, addresses, email addresses, passwords, and banking information.

Avoid using public Wi-Fi to access sensitive information. Avoid responding to unexpected messages or emails from unknown people. Be wary of suspicious links and attachments.

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