



Iowa Department of Human Services

## Financial Management Service Agreement

\_\_\_\_\_ agrees to be an  
(Name of banking institution or credit union)

Organized Health Care Delivery System Medicaid provider and a provider of Financial Management Services (FMS) for the Iowa Medicaid Enterprise.

\_\_\_\_\_ agrees to be the  
(Name of banking institution or credit union)

Vendor Fiscal/Employer Agent for Consumer Choices Option consumers and legal guardians, as applicable, who are the common law employers of the support service workers they hire directly. As a Vendor Fiscal/Employer Agent operating under section 3504 of the IRS code and Revenue Procedures 70-6 and 2003-70,

\_\_\_\_\_ agrees to perform  
(Name of banking institution or credit union)

the following tasks:

- ◆ Establish and manage consumers' directly hired service workers' and FMS documents and files.
- ◆ Provide monthly and quarterly status reports for the Department and for consumers, legal guardians, and their individual supports broker that include a summary of expenditures paid and amounts of budgets unused.
- ◆ Assist consumers and legal guardians in understanding their fiscal and payroll related responsibilities.
- ◆ Assist consumers and legal guardians in completing required federal and state tax and insurance forms.
- ◆ Assist consumers and legal guardians in collecting and submitting criminal background, adult and child abuse waivers on potential employees to the Medicaid Department and maintain copies of relevant documentation.
- ◆ Assist consumers in verifying directly hired service workers' citizenship or alien status and maintain copies of relevant documentation.
- ◆ Prepare and disburses payroll for consumers or their legal guardians who hire support service workers directly. Key employer-related tasks include:
  - Verifying that directly hired support service workers' hourly wages are in compliance with federal and state Department of Labor rules;
  - Collecting, verifying, processing, maintaining copies, and monitoring directly hired support services workers' time sheets to assure it matches the consumer's written individual budget;

- Withholding, filing and paying federal Medicare and Social Security (FICA), federal (FUTA) and federal income tax withholding, and state income tax withholding and state (SUTA) unemployment insurance taxes;
  - Computing and processing other benefits, as applicable;
  - Preparing and issuing service workers' payroll checks;
  - Refunding over collected FICA, when appropriate, to directly hired support service workers and the State (employer portion of over collected FICA);
  - Processing all judgments, garnishments, tax levies, or any related holds on directly hired support service workers' pay as may be required by federal, state or local laws, as applicable; and
  - Prepare and disburse IRS Forms W-2 and W-3 annually.
- ◆ Assist consumers and legal guardians in obtaining and renewing worker's compensation insurance policies and paying premiums, as required.
  - ◆ Process and pay invoices for approved goods and services included in the consumers' written individual budgets, maintain documentation and monitor that payments are reflected in the consumer's written individual budget.
  - ◆ Make sure all payments made to directly hired support service workers and vendors that are returned to the FMS provider for any reason are processed in accordance with Iowa State's Abandoned Property Law.
  - ◆ Assist in implementing the State's quality management strategy related to FMS.
  - ◆ Establish an accessible customer service system and communication path for the consumer and the individual support broker.
  - ◆ Provide real time individual budget account balances, at a minimum during normal business hours (9 am – 5 pm, Monday – Friday).
  - ◆ Have the ability to interface with the tracking system chosen by the Iowa Department of Human Services.

As a condition of providing services under this agreement the directly hired support service worker agrees to the following:

- ◆ The directly hired support service worker of the consumer understands and acknowledges that the consumer or the consumer's guardian (indicate by inserting the person's name and title here \_\_\_\_\_) is the common law employer.
- ◆ The directly hired support service worker of the consumer understands and acknowledges that neither the Iowa Medicaid Enterprise nor the Financial Management Service organization is the common law employer and are not responsible for the actions of the common law employer, the consumer, or the legal guardian.
- ◆ The directly hired support service worker of the consumer or legal guardian understands and acknowledges that funds available for payment are authorized on the consumer's individual budget by the Iowa Department of Human Services, Iowa Medicaid Enterprise, in advance for work performed.

- ◆ The directly hired support service worker of the consumer or legal guardian understands and acknowledges that work performed in excess of the authorized amount on the consumer's individual budget will be paid for by the personal funds of the common law employer and not by the Iowa Department of Human Services, Iowa Medicaid Enterprise or the Financial Management Service organization.
- ◆ The directly hired support service worker of the consumer or legal guardian meets the necessary skills and requirements to be able to perform the services hired to perform.
- ◆ The directly hired support service worker of the consumer or legal guardian is able to successfully communicate with the common law employer (the consumer or legal guardian).
- ◆ The directly hired support service worker of the consumer or legal guardian, if providing self-directed personal care services, is sixteen years of age or older. (Employee under the age of eighteen must have a parent co-sign this agreement.)
- ◆ The directly hired support service worker of the consumer or legal guardian, if providing the independent support broker service or providing self-directed community supports and employment services, is eighteen years of age or older.
- ◆ The directly hired support service worker understands and acknowledges that employees without a valid driver's license may not transport individuals in connection with their employment responsibilities.
- ◆ The directly hired support service worker understands and acknowledges that all documents required by the Employment Packet, including the request to obtain a criminal record check and adult and child abuse registry information, must be completed, submitted to and processed by the FMS prior to the employee performing work.
- ◆ The directly hired support service worker understands and acknowledges that the results of the criminal record and adult and child abuse registry must be obtained prior to the employee performing work. The FMS will notify the common law employer when this has been obtained.
- ◆ The directly hired support service worker agrees to sign and submit to the common law employer (the consumer or legal guardian, as appropriate) a bi-weekly accurate time sheet of all services rendered including the type of service rendered, the date, and the number of services hours delivered (to the nearest quarter hour). Both the common law employer and the employee must sign time sheets. Time sheets need to be submitted to the FMS within five business days from the end of the payroll cycle. Time sheets received after five business days will be paid with the next payroll cycle. Time sheets received after 30 days of the last day of service provided will not be paid. Incorrect time sheets will be returned and will need to be corrected before a paycheck is issued.
- ◆ The funds used to pay the directly hired support service worker are Medicaid funds and submission of false information on time sheets may subject the directly hired support service worker to criminal action, in addition to repayment of any funds.

- ◆ The directly hired support service worker agrees that Federal income tax withholding, Medicare, Social Security and Iowa State income tax withholding (as applicable) shall be withdrawn from the directly hired support service worker's wages per state and federal laws by the FMS.
- ◆ The directly hired support service worker agrees to provide the service as specified by the common law employer (the consumer or legal guardian, as appropriate) on a schedule mutually agreed upon between the common law employer and the employee. Occasional variations in tasks and in the schedule may occur, based on mutual agreement of the parties.
- ◆ In the event of illness, emergency or incident preventing the directly hired support service worker from providing scheduled services to the common law employer (the participant or the legal guardian, as appropriate), the directly hired support service worker agrees to notify the common law employer as soon as possible so that the common law employer can obtain their services from someone else.
- ◆ The directly hired support service worker agrees to participate in training if required by the common law employer.
- ◆ The directly hired support service worker agrees to maintain all information regarding the common law employer in a confidential manner and to respect the common law employer's privacy at all times.

By signing below, the directly hired support service worker certifies that the directly hired support service worker has read and understand the information presented in this agreement and agrees to be bound by the terms of this agreement.

\_\_\_\_\_  
Banking institution or credit union authorized representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee of the consumer

\_\_\_\_\_  
Date

This form is part of the Employment Packet and must be completed by each hired employee and sent to the FMS with all required paperwork before work can begin.