

Kent County Council

Direct Payments Factsheet #4

Managing your Direct Payment Records

1. Who is this factsheet for?

This factsheet is about the direct payment records you must keep if you have direct payments from Kent County Council. By law, we must monitor the financial records of people who have direct payments. Where you employ your own staff, you also need to follow any rules of HM Revenue and Customs about tax and National Insurance.

2. Where you can get information about direct payments

Kent County Council has a Direct Payment Support Team to provide information and support to people who would like to have direct payments, or who are already receiving them.

The Direct Payment Support Team can give information on keeping direct payment records and how to recruit personal assistants and the responsibilities of being an employer.

You can contact the Direct Payment Support Team yourself, or ask your Case Manager to refer you.

Direct Payment Support Team

Access to Resources

4th Floor Invicta House

Maidstone

Kent

ME14 1XX

Phone: 03000 413 600

Email: direct.payments@kent.gov.uk

Website: www.kentdp.co.uk

3. Why Direct Payment records are important

It is important that you manage the direct payments properly so that you are able to get the care and support that you need, as shown in your care and support plan. You must provide KCC with details of how you are spending the direct payment. It must also be clear that your assessed client contribution is being paid onto your Kent Card, or into your separate direct payments bank account (your contribution should **not** be paid either directly to a provider or to a PA). The Direct Payment Support Team will contact you when they need to check your records which will be at regular intervals.

The direct payment records you keep must show how you have used the money to pay for care and support in line with your agreed care and support plan. You must keep all records such as bank statements, bills, cheque stubs, wage slips, receipts, and so on. You must also be prepared to share any, or all of these, with KCC if we ask.

4. The minimum Direct Payment records you need to keep

Keeping direct payment records will help to protect you, the money you use to buy your care and support, and the people you pay to provide you care. KCC suggests that you keep monthly records to make it easier for you to keep track of your income and spending.

When you receive direct payments from KCC you will need to keep:

- a copy of your care and support plan (your Case Manager will give you this);
- bank or building society bank statements
- bills and receipts; and
- petty-cash receipts if you have to make any payments in cash

With the Kent card, KCC will be able to view the bank statements online therefore reducing the amount of paper work you need to maintain. However you should keep these statements for your own records.

If you employ your own staff, even if they are only temporary, you will also need:

- a list of their names and addresses;
- a signed HM Revenue and Customs P45 (or use HMRC's Starter Checklist if they don't have a P45) for each of your staff and a salary and wages book, or individual deductions working sheets (please note a payroll organisation can help with this and you can find out more information from the Direct Payment Support Team)
- employment contracts for each person;
- Insurance documents; and
- time sheets that your carers must fill in and sign.

If you do not employ the person to provide your support, you must ensure that the person or organisation providing the support accepts and acknowledges in writing that they are not employed by you and also has relevant and sufficient insurance, skills and qualifications, DBS checks and work permits from the outset and you must check on a regular basis that such cover remains in place and, when necessary, is varied in accordance with changes to the support provided. You are reminded that an individual can

be registered as self-employed but regarded as employed on a specific contract (or "set of contractual terms"). If there is any doubt about whether the terms and conditions under which a worker is carrying out their duties are those of self-employment, then you as the engager are responsible for seeking advice from the HMRC.

5. Giving us information about how you have paid for your care and support

Within six months from the date you first receive your direct payment there will be an initial check to see how you are managing the direct payment. Following this KCC will write to you at regular intervals requesting that you return original bank statements and documents that relate to the direct payments you receive, for example: receipts and bills in a prepaid envelope. Once KCC has completed the check these will be returned to you.

If you do not make the information available on request KCC shall look into this and may stop the direct payment.

If you receive your direct payment through the Kent card you will not be asked to send the bank statements as KCC can view these online. However you may be asked to send in receipts to show how cash has been used.

If you need help with this, you can ask the Direct Payment Support Team or friend or family member to help you.

6. What does KCC do with this information?

KCC will use the bank statements and documents to complete direct payment monitoring. The monitoring will:

- Check that you are paying your assessed financial contribution onto your Kent Card or into your separate direct payment bank account.
- ensure you are using the direct payment as set out in the care and support plan.
- check if there is any money building up in the account – if you have more than 5 weeks balance on the account you will need to highlight the reasons. It could be that you have not used the direct payment due to hospital admission therefore KCC may seek to reclaim this surplus money. Or money may be reserved to cover PA holiday pay, bills you have not yet paid or cheques that have not yet cleared. However, it may also mean that your care and support plan needs to be reviewed. Your Case Manager will look at this with you.

7. Making payments from your care payment account

Wherever possible, you should pay for care and support by CHIP and PIN, online banking, direct debit or cheque. Do not make any payments with your direct payment that are not included in your agreed care and support plan.

KCC recommends that you do not make cash payments.

You must keep the original paperwork as proof of your payments (for example, wages and salary records, bills, receipts and claim forms). You should not pay any bills that are photocopied, unless you are sure you have lost the original and you have not paid it yet. Before making a payment you should check that:

- Any bill shows the name and full address of the person providing care;
- It adds up correctly;
- It is for a service you have already received; and
- The payment is due.

8. Employing your own staff – Salaries and wages

As an employer it is important that you keep to relevant employment and tax laws, otherwise you could find yourself having to pay expensive interest and fines, or possibly have legal action taken against you. Also ensure you keep documents relating to insurance (public liability/employers liability). The Direct Payment Support Team can provide information on employing Personal Assistants.

9. Checking your payment account statement against your records

When you receive your bank statements you should check them against the bills and receipts you have filed. If you do not recognize a payment that has gone from your direct payment account, you should contact your bank or building society straight away.

10. How long you need to keep your records for

You or your nominee or authorised person must keep all supporting documents relating to the direct payment and the provision of the support for at least six complete financial years from the date of the payment, even if the payments have stopped

11. What to do if things go wrong

If you have a problem and it directly affects your ability to pay for your immediate care needs, you must tell your Case Manager at once.

If you have questions you can contact the Direct Payment Support Team:
Telephone: 03000 413 600 or email: direct.payments@kent.gov.uk
Or you can find more information on: www.kentdp.co.uk