

POLICIES AND PROCEDURES

Dept.: Administration	Policy # Admin - 01	Date Issued 11/28/1990	Date Reviewed 8/1991; 10/1995; 1/2005; 12/2012; 7/2014; 7/2019	Date Revised 8/28/1991; 10/25/1995; 2/3/2005; 3/28/07; 1/24/13; 7/15/2014 7/31/19
Subject: Resident Support Fund (Subsidy Fund)	Dept. Head:		Date:	
	Approved: <i>Annette J. Miller</i>		Date: 7-31-19	

POLICY: It is the intention of Sherwood Oaks to assist residents in financial need in respect to meeting their financial obligations to Sherwood Oaks. Sherwood Oaks is committed to subsidizing residents in need to the extent possible without impairing the ability of Sherwood Oaks to operate.

Each resident's contract with Sherwood Oaks anticipates the possible need of help in paying the monthly fees. Nothing in this policy should be interpreted as modifying the initial contract. Management will continue to screen applicants to minimize the need for future subsidies.

Every effort will be made to assist residents in maintaining a comfortable lifestyle. Every request for subsidy will be handled confidentially and compassionately. Some sacrifices may be necessary such as moving to a smaller unit.

Subsidy would be granted only for part or the entire monthly fee. It may be necessary for the resident to seek financial support from other sources and it may be necessary to spend down principal. Where possible, subsidy payments will be recovered from refundable contract funds, assignments of life-insurance or other death benefits, and/or estate proceeds.

PROCEDURE:

1. Resident(s) will be permitted to retain up to \$40,000 in assets for an individual and \$60,000 for a couple for eligibility purposes only. Depletion of assets toward these levels will be required. For planning purposes, it is recommended that residents contact the Executive Director when assets reduce to \$100,000
2. The maximum monthly expenses for personal and incidental items before the Monthly Fee will be capped at \$700 per month for an individual and \$1,000 per month for a couple. In addition, the maximum monthly expenses for medical costs before the Monthly Fee will be capped at \$1,000 per month for an individual and \$1,500 per month for a couple.

3. The resident(s) must submit a formal request to the Executive Director. Anyone holding an appropriate power of attorney may file the request.
4. The request may include, but is not limited to, an updated financial disclosure report (which includes details about any life insurance or other death benefits that could be assigned to repay subsidies), and the IRS and state income tax returns for the past two years.
5. The confidential information will be reviewed by the Executive Director and may be reviewed by the Sherwood Oaks Treasurer.
6. Before a resident may receive such a subsidy, the resident must sign an agreement that would, at a minimum:
 - a. Guarantee entire subsidy repayment from any entrance fee refunds and remaining estate proceeds;
 - b. Endeavor to place a priority claim for subsidy repayment ahead of other estate claims;
 - c. Require an annual request for renewal of subsidy with additional confidential disclosures;
 - d. Seek to prevent asset depletion or divestiture for any purpose without Sherwood Oaks' consent;
 - e. Not require the payment of any interest when a subsidy would be repaid.
7. When the required data has been received, reviewed, and verified, the Executive Director will present the request to the Subsidy Review Committee. This Committee is composed of the following:
 - a. From Sherwood Oaks:
 - i. Treasurer
 - ii. President
 - iii. one other Board member appointed by the Chairman
 - b. From SORA
 - i. Treasurer
 - ii. Two other past or present Board members appointed personally by the President of SORA.
8. All data given to this committee will be without name or other identifying information.
9. This committee must determine:
 - a. if subsidy is needed;
 - b. if all contract conditions and requirements have been met;
 - c. the amount of subsidy justified;
 - d. if any terms and conditions should be stated;
 - e. if any collateral should be set aside for repayment of any subsidy;
 - f. if the needed funds are available.
10. A comparison of the current financial conditions of residents must be made against the required confidential application that was submitted at the time of application for residency, to determine if a proper use of assets and funds has been maintained. Should the required information not be available, there can be no further need to consider the requested subsidy.

11. Upon receiving the committee's recommendation, the Executive Director will make the final determination and will notify the resident in writing not later than 90 days after receipt of all required information.
12. After the determination is made the resident will be asked to sign an Agreement outlining the terms and conditions for the subsidy and its repayment.
13. The applicant will be required to maintain detailed personal expense records for year-end review to help determine appropriate expense limits.

SUBSIDY FUND

1. A separate confidential ledger of subsidy payments will be maintained. A resident will receive annually a report of (a) the total received during the year and (b) the cumulative total to date.
2. Funds will be segregated from other funds.