SECTION 21 – SUPPORTIVE SERVICES AND PAYMENT PROCEDURES

21.1 Purpose

This section establishes detailed operational procedures governing the request, review, approval, documentation, obligation, payment, tracking, and monitoring of supportive services, needs related payments, and participant incentives.

These procedures ensure:

• Payments are necessary and reasonable
• Documentation exists prior to obligation
• Duplication of benefits is avoided
• Segregation of duties is maintained
• Internal controls align with fiscal policy
• Disallowed costs are prevented

Supportive services must also comply with the policy framework established in Section 6 – Supportive Services.

All disbursements must comply with the Financial Management and Procedures Manual.

21.2 General Payment Workflow

The following steps must occur in order:

1. Participant request or case manager identification of need
2. Documentation of need in case notes
3. Collection of required supporting documentation
4. Verification of allowability
5. Verification of budget availability
6. Program Manager approval
7. Entry into obligation tracking system
8. Fiscal review

9. Payment processing
10. File documentation and reconciliation

No payment may occur without completion of all required steps.

21.3 Supportive Services Request Procedure

When a supportive service is requested:

1. Case manager documents:

• Type of service requested
• Justification
• Relationship to program participation

2. Case manager collects:

• Invoice, bill, quote, or cost estimate
• Vendor information
• Supporting documentation demonstrating program participation

3. Case manager verifies:

• Participant is actively enrolled
• Service is necessary to enable participation
• Service is allowable under the applicable funding source

4. Case manager completes the Supportive Services Approval Form.

Documentation must be retained in the participant file consistent with Section 19 – Case File Management and Documentation Standards.

21.4 Duplication of Benefits Verification

Prior to approval, staff must:

• Ask the participant whether assistance is available from another source
• Document referral attempts when applicable
• Confirm the service is not being reimbursed by another program or funding source

Duplication-of-benefits verification must be documented in the participant file.

21.5 Approval Routing

The approval process shall occur as follows:

1. Case manager recommends approval.
2. Program Manager reviews:

• Documentation completeness
• Allowability of the request
• Budget availability

3. Program Manager signs the approval form.
4. Fiscal staff verify documentation and budget alignment.
5. Obligation is entered into the tracking system.
6. Payment request is submitted to the Fiscal Agent.

Segregation of duties must be maintained at all times.

21.6 Vendor Payment vs Participant Reimbursement

Direct vendor payment is the preferred payment method.

When vendor payment is possible:

• Payment shall be made directly to the vendor.
• The vendor invoice must be retained in the participant file.

Participant reimbursement may occur only when:

• Direct vendor payment is not possible; or
• A documented emergency situation has been pre-approved.

Reimbursement requires:

• Original receipt
• Proof of payment
• Supervisory approval

Cash payments are strongly discouraged and require documented justification.

21.7 Needs Related Payment Procedures (Where Authorized)

When Needs Related Payments are authorized:

1. Confirm statutory eligibility.
2. Verify participant is enrolled in qualifying training.
3. Confirm attendance documentation.

4. Calculate payment based on the allowable formula.
5. Complete the Needs Related Payment Calculation Worksheet.
6. Obtain Program Manager approval.
7. Submit documentation for fiscal processing.

Calculation worksheets must be retained in the participant file.

21.8 Incentive Payment Procedures

Incentives must:

• Be tied to documented milestone achievement
• Be applied consistently across participants
• Be approved prior to payment

Procedure:

1. Case manager verifies milestone completion.
2. Supporting documentation of milestone is retained (credential, attendance record, etc.).
3. Incentive Approval Form is completed.
4. Program Manager approves the payment.
5. Obligation is entered into the tracking system.
6. Fiscal processing is completed.

Incentives may not be discretionary or arbitrary.

21.9 Payment Tracking and Reconciliation

Supportive service payments must be tracked through:

• Obligation tracking spreadsheet
• Budget monitoring reports
• Participant payment log

Monthly reconciliation must confirm:

• Payment matches approval documentation
• Payment matches the invoice or receipt
• Payment matches the obligation entry
• Budget remains within allowable limits

Any discrepancies must be corrected immediately.

21.10 Participant Supportive Service Cap Monitoring

Where supportive service caps exist by funding stream or organizational policy, cumulative participant payments must be tracked in the obligation system.

The tracking system must identify when a participant reaches 80 percent of the applicable cap.

Prior to exceeding established supportive service thresholds, supervisory review and written justification are required.

Payments exceeding established caps without documented approval are prohibited.

21.11 Internal Control Safeguards

To ensure proper financial oversight, no single individual may:

- Authorize payment
- Process payment
- Reconcile payment

Segregation of duties must align with the internal control standards established in the Financial Management and Procedures Manual.

21.12 Red Flags Requiring Escalation

Immediate supervisory review is required if any of the following occur:

- Repeated high-dollar requests
- Altered receipts
- Duplicate invoices
- Participant requesting reimbursement without documentation
- Vendor legitimacy concerns

Suspected fraud must be reported in accordance with organizational fraud reporting procedures.

21.13 Monitoring and Quality Assurance

Supervisory staff shall conduct:

- Quarterly review of supportive service payments
- Random spot checks of documentation
- Review of participant payment logs
- Verification of duplication-of-benefits documentation

Findings must be documented and corrective action implemented when necessary.

Monitoring activities must align with Section 12 – Internal Monitoring and Quality Assurance.

21.14 Record Retention

All supportive service documentation must be retained consistent with:

- 2 CFR §200.334
- Virginia Works requirements
- Grant-specific requirements
- Organizational record retention standards

Records must remain accessible and audit-ready for monitoring, audit, or review.