

# Chapter 12

## Authorization of Goods and Services

### Table of Contents

12.1 Authority.....	1
12.2 Policy.....	1
12.3 Necessary and Appropriate Goods and Services at a Reasonable Cost.....	2
12.4 Informed Choice .....	3
12.5 Authorization for Tangible Items .....	3
12.6 Authorizing Prosthetic Appliances .....	10
12.7 Authorizing Maintenance.....	11
12.8 Authorizing Direct Payment to Clients.....	11
12.9 Authorizing Child Care Services .....	12
12.10 Transportation.....	13
12.11 Evaluative Restoration and Stabilization Services Prior to IPE Implementation.....	13
12.12 USE of USOR Client Services Purchasing Card (P-Card) .....	13
12.13 Out of State Purchases .....	14
12.14 Service Category on Authorizations.....	15
12.15 Pre Authorization Approval.....	15
12.16 Adjustment to Authorizations.....	15
12.17 Processing for Payment and Controls .....	15
12.18 Payment on a Closed Case.....	16
12.19 Timeliness of Authorizations and Retroactive Authorizations .....	16

12.20 Refund Process .....	18
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## 12.1 Authority

PL 113–128; 34 CFR 361.50(c); 2 CFR 200.34

Federal regulations require the Utah State Office of Rehabilitation (USOR) to establish and maintain written policies to establish rates of payment for purchased VR services. Regulations also allow USOR to establish a fee schedule designed to ensure reasonable costs to the program for each service purchased. Education Department General Administrative Regulations (EDGAR) under 34 CFR 80.22(a) Limitation on Use of Funds; states that USOR may only expend funds on allowable costs as outlined under 2 CFR **200.403**. For a cost to be allowable it must be necessary and reasonable for proper and efficient performance and administration of the program. 2 **CFR 200.404** defines reasonable cost as “if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.”

## 12.2 Policy

VR Counselors are required to ensure compliance with the following when purchasing goods and services:

1. All purchases shall be limited to that which is determined to be adequate and necessary to meet the specific VR need.
2. All purchases of goods and services must be approved and authorized at or before the time of purchase.  
**NOTE:** Utah State Office of Rehabilitation prohibits verbal authorizations. Retroactive authorizations are prohibited unless approved by exception at the Field Service Director level (see section 12.19).  
 In accordance with 2 CFR 200.403 allowable costs are those which are necessary and reasonable to perform the functions of the VR program and have been adequately documented.
3. Any vendor providing a service authorized by USOR must agree not to make additional charges or accept additional payment in excess of the total USOR fee for that service from the client or the client's family, unless that is specifically agreed to by USOR prior to the provision of the service.
4. USOR will not replace items lost by or stolen from clients. Exceptions are approved by the District Director. Clients who have items stolen must provide USOR with a police report indicating the theft has been reported.
5. USOR will not pay for repeat classes for training which has been failed or not completed. Exceptions are approved by the District Director.
6. For specifically approved client service fees see Appendix 12-B.
7. For Medical and Dental fees consult the USOR Medical and Dental Fee Schedule.

## 12.3 Necessary and Appropriate Goods and Services at a Reasonable Cost

Prior to authorizing for a good or service, the VR Counselor shall ensure the good or service is necessary and then identify the most appropriate option. Once necessity and appropriateness of a good or service has been determined the VR Counselor must exercise prudence and procure the good or service at a reasonable cost.

### 1. Necessary Goods and Services

A necessary good or service is one that is essential for the client to receive in order to assess his or her eligibility and significance of disabilities, engage in a comprehensive assessment of rehabilitation needs, overcome an impediment(s) to employment and obtain the chosen vocational goal.

When a client has requested a good or service which the VR Counselor has denied for not meeting the criteria of necessary, the client shall be notified and client record documentation will include the rationale for the decision.

### 2. Appropriate Goods and Services

An appropriate good or service is one that is of suitable and sufficient quality to fully meet the client's needs and circumstances. To be considered appropriate, the access to or use of a good or service must not require sacrifices or adjustments that would not be reasonably expected of an individual who does not have a disability. The good or service must first be determined to be necessary and then the exploration and informed choice of the most appropriate good or service must occur.

### 3. Reasonable Cost Goods and Services

All goods and services that have been determined to be necessary and appropriate must be procured at the reasonable cost to USOR insofar as they are adequate to meet the needs of the client. Goods and services must be planned and authorized according to USOR policies regarding financial participation and use of comparable benefits and resources; consistent with the USOR fee schedule and the purchasing rules and regulations of the State of Utah.

Reasonable cost is defined by 2 CFR 200.404 as a cost which by nature and amount, does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, consideration will be given to:

- a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the program.
- b. The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the Federal award.
- c. Market prices for comparable goods or services for the geographic area.
- d. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal Government.

- e. Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.

## 12.4 Informed Choice

USOR policy is to enable clients to make informed choices regarding goals, services, and service providers. As much as possible, the client should make these choices rather than USOR staff. Our role is to assist the client by providing options, information and counsel including information about state and federal rules related to purchases so that clients can make informed decisions.

## 12.5 Authorization for Tangible Items

Durable goods/tangible items are defined as items that can be touched. They are things rather than services. Repairs to tangible items also follow tangible items procedures. Tangible items include tools, initial inventory, computers, vehicles, wheelchairs, hearing aids, equipment, and other goods necessary for the client's employment and/or vocational training. Items that are lost or stolen should be reported to the appropriate authorities (law enforcement) and the VR counselor. The VR Counselor will determine if lost and/or stolen items are appropriate for replacement.

Ownership of items will vary depending on circumstance, item type, and cost. Items that remain the property of the State of Utah may be reclaimed when appropriate following the reclamation guidance in 12.5.c. Items that are reissued from USOR inventory are assumed to cost at least \$500.01 and will require the client to sign an Equipment Receipt Agreement (USOR form 53).

- a. Ownership released to client

Items released to ownership of the client should include use of the Equipment Receipt Agreement (USOR form 53). USOR relinquishes property rights for items allowing the client to assume ownership in the following circumstances:

- i. When the items purchased for a single planned service with aggregate cost less than or equal to \$500 dollars. The item/s shall become the property of the client immediately upon client's receipt of the tangible item/s.
- ii. When the item/s are being used to support a client in a successful employment outcome. In this instance the items will be automatically released to the client if he/she is using them to support employment at the time of successful case closure.
- iii. Items that are customized to meet a client's individual rehabilitation needs will not be reclaimed, regardless of cost, as these items cannot be reissued. Such items become the client's property upon receipt and include, but are not limited to, the following:
  - A. Canes
  - B. Wheelchairs
  - C. Hearing Aids

- D. Eye Glasses
- E. Prosthetics
- F. Dentures
- G. any personal medical equipment, device or accessory which by its nature creates a potential health issue for re-issue
- H. Items affixed to building structures or installed in vehicles that will require significant labor to remove.
- I. Items incorporated in building modifications (paint, etc)

Note: A-E requires a prosthetic receipt form signed by the client after receipt.

b. Ownership retained by VR

Items for a single planned service with aggregate cost over \$500.00 and not specifically listed in 12.5.b.iii above are considered the property of the State of Utah and require an Equipment Receipt Agreement. By signing this agreement the client agrees to the following terms and conditions:

- i. The client will return the equipment to USOR if:
  - A. the equipment is no longer used in connection with training and/or employment;
  - B. the equipment is no longer of significant benefit to training and/or employment; or
  - C. upon request by the Vocational Rehabilitation Counselor.
- ii. The client may not dispose of, sell, trade, or give this State of Utah property to another individual without the express written permission of the Utah State Office of Rehabilitation.
- iii. The client understands that to sell or pawn this state property without express written permission of the Utah State Office of Rehabilitation may result in misdemeanor charges against him/her.
- iv. The client agrees to cooperate with USOR's monitoring of use of the property, including efforts to determine the condition of the property and continued need for the property. Further, the client agrees to promptly return the property to USOR upon request.
- v. If this equipment is lost or stolen the client will report it to the appropriate authorities, (law enforcement), and the USOR Vocational Rehabilitation Counselor. The VR Counselor will use professional judgement to determine if it is appropriate to replace item/s that are lost or stolen.
- vi. The client is responsible for maintaining, repairing, and/or replacing this property in the event of damage or loss.
- vii. The equipment will be permanently released to the client at successful case closure if it is still used to support the client in employment.

c. Reclaiming Items

In the event that an item/s owned by the State of Utah is no longer being used to support VR services the VR Counselor should speak with the client in an attempt to ascertain the condition of the items. Only items in good or excellent condition should be sought for reclamation because they may be reissued to future clients. For example, equipment that may be considered in Excellent Condition includes items that are new, or lightly used and have no structural, functional, or cosmetic

defects. Equipment might be considered in good condition if the item shows some slight wear but is structurally and functionally sound with minimal cosmetic defects. Item/s that are in fair or unusable condition will not be reclaimed. Examples include items showing considerable defects, wear, structural or functional defects and irreparable damage.

If the item/s are believed to be in good or excellent condition, the VR Counselor will contact the client in writing to request the client return the item/s to the local VR office. If the VR counselor is unable to ascertain the condition of the items but believes the item/s are no longer being used to support VR services, the VR counselor may request the item/s return without assessing the condition of the item/s. The client will typically be responsible for returning the items however, in rare instances, the VR Counselor may arrange for USOR to retrieve the item/s if warranted by circumstances beyond the client's control.

Items returned to USOR in fair or unusable condition will not be reclaimed by USOR as the administrative cost to surplus these items outweigh the benefit of reclaiming them. Therefore if a client returns tangible goods that are no longer in use and USOR determines these items are in fair or unusable condition, the counselor may issue a letter releasing these items to the client. If the client does not wish to take the items, the state surplus process will be initiated. VR offices are encouraged to call the Facility Coordinator who will provide guidance and resources for the reclamation process. In addition, District Directors may initiate the surplus process for reclaimed items that are not reissued within two years after reclamation.

#### Reissuing Items

When the purchase of items is necessary to support a client's participation in VR services, USOR retains the right to provide a client with previously used items when available and appropriate. When the required item/s are not listed as available in the VR tool module or reissue is not feasible or appropriate (e.g. transportation limitations, time constraints, etc) new items may be purchased. Items available for reissue may be found in the AWARE tool module. See the AWARE tool module guidance document for instructions regarding recording returned items and reissuing items.

Note: All items purchased require a client signature on either the Equipment Receipt Agreement or the Prosthetic Appliance Receipt (USOR form 53).

#### d. State and USOR Procurement Procedures

Prior to authorizing for any purchase, refer to Appendix 12-A for service recommendation requirements. VR Counselors have fiduciary authority to authorize for goods and services within these policies and procedures. This fiduciary authority is accompanied by the responsibility to conduct due diligence to ensure that prices paid are reasonable fair market prices for comparable goods. Due diligence is defined as obtaining and documenting the required number of

bids, quotes, or offers to sell that demonstrate costs are reasonable fair market prices for comparable goods.

Tangible items will fall in one of four categories, each with a unique procedure for procurement. Exception: Tangible items purchased at a public state training institution as part of a training program do not fall under these purchasing procedures. The four categories are:

- i. Contract items (regardless of cost)
  - ii. Non-contract items less than \$1000
  - iii. Biddable items: these are non contract items greater than \$1,000 (ie, \$1000.01 and above)
  - iv. Sole source items: these are items for which there is only one identifiable source
- e. Contract Items

VR Counselors and clients, through the process of informed choice should seek to utilize state contracts when available and as appropriate for the purchase of durable goods. Counselors must examine the state contract to ensure the correct procurement process if followed. State contracts have a variety of procurement methods and VR Counselors are encouraged to contact the Purchasing Agent for assistance. When using a state contract the following steps should be followed:

- i. Obtain the item cost from the contract vendor and seek contract bids as directed by the contract terms. If approval is needed in accordance with Appendix 12-A. A Client Service Recommendation is developed and sent through the required supervisory channels. Once approved the item is then added to the IPE.
  - ii. Prepare the authorization including the state contract number in the body of the authorization, obtain a pre-authorization review, complete the authorization, and distribute to the appropriate vendor.
  - iii. Upon delivery of goods, the VR Counselor verifies delivery according to specifications and has the client sign and date all copies of USOR 53, if appropriate.
  - iv. Once a bill is received it is submitted to fiscal staff for payment. If a VR Counselor determines that a state contract will not meet the needs of the client due to delivery timelines, local ongoing service needs, level of quality of items needed, this decision must be documented and one of the purchasing procedures described below should be followed.
- f. Non contract Items \$1000 or less

Items which are \$1000 or less and not on state contract do not require bids. Follow the procedure below:

- i. Include items in IPE.
- ii. Prepare authorization.
- iii. Distribute authorization.

- iv. Upon delivery of goods, the VR Counselor verifies delivery according to specifications and has the client sign and date all copies of USOR 53, if appropriate.
- v. Once a bill is received it is submitted to fiscal staff for payment.

g. Biddable Items

A. Biddable items between \$1,000 and \$4,999

This procedure applies to non contract items between \$1,000 and \$4,999

- i. Obtain two (2) documented bids for comparable items (via written bid, telephone quote sheet, internet printout, etc). If an item is used obtain an expert appraisal. Document in the client record the reasons for awarding the selected bid.
- ii. Use the selected bid to complete a client service recommendation to the appropriate level in Appendix 12-A to obtain approval. Once approved, the item is added to the IPE.
- iii. Prepare the authorization, obtain pre-authorization review, complete the authorization and distribute to the appropriate vendor.
- iv. Upon delivery of goods, the VR Counselor verifies deliveries according to specifications and has the client sign and date all copies of USOR 53, .
- v. Once a bill is received it is submitted to fiscal staff for payment along with electronic copies of all bids and justification of bid award if the lowest bid was not selected.

B. Biddable items costing between \$5,000 and \$30,000. (Consult with Appendix 12-A for service recommendation requirements). The following procedure applies to non- contract items between \$5,000 and \$30,000 and requires the assistance of the Purchasing Agent. Under Limited Purchasing Delegation (LPD) from the Utah Division of Purchasing and General Services, LPD176, the Purchasing Agent has the authority to make purchases up to \$30,000 upon obtaining two (2) written bids.

Follow the procedure outlined below for these purchases:

1. The VR Counselor uses a price estimate to complete a service recommendation to the appropriate level in Appendix 12-A to obtain approval. Once approved, the item is added to the IPE or amendment including the language "specific vendor to be determined by bid process."
2. Prepare the authorization to "biddable item" using temporary vendor # RH0082 and obtain pre-authorization approval.
3. The VR Counselor then provides the DRS Purchasing Agent with the authorization and complete written specifications and any potential or recommended bidders.
4. The Purchasing Agent will use the written specifications to obtain two (2) written bids and discuss the two (2) bids with the VR Counselor to determine the appropriate bid that will meet the client's needs. The

- Purchasing Agent will notify the VR Counselor once the bid has been awarded
5. Prepare the authorization. List in the body of the authorization “LPD176”, obtain pre-authorization review, complete the authorization and distribute to the appropriate vendor.
  6. Upon delivery of goods, the VR Counselor verifies delivery according to specifications, signs the purchase order, and has the client sign and date all copies of USOR 53, Equipment Receipt Agreement.
  7. Once a bill is received the office specialist should list “LPD176” in the comments section for payment in AWARE system. Payment is then submitted to fiscal staff for payment along with electronic copies of all bids and justification of bid award if the lowest bid was not selected.
- B. Biddable Items \$30,000 and more, ie non-contract, requires assistance from both the Purchasing Agent and State Purchasing and follows the procedure outlined below:
1. The VR Counselor prepares a client service recommendation justifying the proposed purchase and obtains the appropriate level of consultation approval found in Appendix 12-A. Once approved, the item is added to the IPE or amendment including the language “specific vendor to be determined by bid process.”
  2. The VR Counselor prepares the authorization to “biddable item” using temporary vendor # RH0082 and obtains pre-authorization approval. In addition, the VR Counselor will prepare written complete specifications including estimated cost, shipping and handling and suggested vendor(s) and send this information with the authorization to the Purchasing Agent.
  3. The Purchasing Agent forwards the information to State Purchasing which may put the bid out through State Bid System, or review and use quotes already received.
  4. The VR Counselor is notified of bids and asked if the lowest bid is acceptable. If the lowest bid is not acceptable, justification for higher bid is agreed to and included in the client record.
  5. When the bid is awarded, State Purchasing sends a purchase order to the vendor and sends a copy to the Purchasing Agent who forwards it to the VR Counselor. Upon delivery of goods, the VR Counselor verifies delivery according to specifications, signs the purchase order, and has the client sign and date all copies of USOR 53, Equipment Receipt Agreement.
  6. Once a bill is received the office specialist should list “LPD176” in the comments section for payment in the AWARE system. Payment is then submitted to fiscal staff for payment along with

electronic copies of all bids and justification of bid award if the lowest bid was not selected. Authorization adjustments are completed in the field when necessary.

h. Sole Source Items

Sole Source procedure is used for non-contract items greater than \$1,000 for which it is believed there is only one source. All sole source items require assistance from the purchasing agent.

Check all potential vendors to verify the item is sole source and document a good faith effort to ensure that no other vendor can provide the same or similar goods.

i. Sole source items between \$1,000 and \$15,000 follows the procedure outlined below:

- A. The VR Counselor will utilize the available cost estimate to complete a service recommendation to the appropriate supervisory level in accordance with Appendix 12-A. Once the service recommendation is approved, the item is added to the IPE or amendment including the language "vendor determined by sole source or bid process."
- B. Prepare authorization made out to temporary vendor (RH0082) and obtain pre- authorization approval. Send the authorization and a detailed description of the item and vendors contacted to the Purchasing Agent.
- C. The DRS Purchasing Agent will carry out a good faith effort to locate a second vendor who provides comparable goods including a check of all potential vendors within the United States to verify if the item is sole source. Once satisfied that the item is sole source, the Purchasing Agent will complete Sole Source Form and list all vendors contacted.
- D. The Purchasing Agent will notify the VR Counselor who will add the sole source documentation to the electronic client record.
- E. Upon delivery of goods, the VR Counselor verifies delivery according to specifications and has the client sign and date all copies of USOR 53, Equipment Receipt Agreement.
- F. Once a bill is received it is submitted to fiscal staff for payment along with the sole source documentation.

ii. Sole Source Items \$15,000.01 and more follows the procedure outlined below:

- A. Prepare a Client Service Recommendation justifying proposed purchase and obtain the appropriate level of consultation approval necessary in Appendix 12-A. Once approved, the item is added to the IPE or amendment including the language "vendor determined by sole source or bid process."
- B. Prepare authorization made out to temporary vendor (RH0082) and obtain pre- authorization approval. Send the authorization and a detailed description of the item and vendors contacted to the Purchasing Agent.
- C. The Purchasing Agent will carry out a good faith effort to locate a second vendor who provides comparable goods including a check of all potential vendors within the United States to verify if the item is sole source. Once satisfied that the item is sole source, the Purchasing Agent will complete Sole

- Source Form and list all vendors contacted.
- D. The Purchasing Agent will then send the information to State Purchasing for sole source approval.
  - E. When sole source is awarded, State Purchasing sends a purchase order to the vendor and sends a copy to the Purchasing Agent who forwards it to the VR Counselor.
  - F. VR Counselor verifies delivery of goods by signing, dating the purchase order. VR Counselor obtains client signature and date on all copies of Equipment Receipt Agreement, USOR Form 53.
  - G. After Payment is entered in AWARE, the signed purchase order, authorization, and sole source documentation is attached and then submitted to fiscal staff for release of payment.

## 12.6 Authorizing Prosthetic Appliances

A prosthetic appliance is any device designed to support or take the place of a part of the body or to increase the acuity of a sense organ. Please review Chapter 14.10 for a summary of devices that meet these criteria. VR Counselors may provide authorization for prosthetic appliances to enhance a client's ability to obtain or maintain employment. Use of a prosthetic appliance is frequently a life-long need. VR Counselors should advise clients about his or her responsibility for future repairs, modification or replacement of the prosthesis.

- a. Prior to authorizing for any prosthetic appliance, the following procedures apply:
  - i. Obtain a written prescription by a qualified medical professional and obtain at least one written evaluation.  
It is best practice to have the client obtain two evaluations from different vendors. This gives the client more informed choice for service providers and what prosthetic they ultimately select. However, only one evaluation is required.  
The client needs to meet the vendor(s) in person. The VR Counselor and client will discuss the evaluation(s) and the client will select the vendor.
  - ii. Select a Purchasing pathway from 12.5.g above.  
Prosthetic Appliances are often customized to the individual; no two prosthetic limbs fit the same way. In most instances, procurement of prosthetic appliances will involve the sole source process listed in 12.5 (i) above.  
For reference note: Eyeglasses over \$1000 and Hearing Aids will follow the biddable purchase as two comparable written bids can be obtained. Refer to 12.5.g for LPD purchase. Wheelchairs are obtained using the state contract.
- b. Once the appropriate purchasing pathway has been followed and the prosthetic is delivered to the client, the VR Counselor will complete form 54 and obtain the client's signature and date.

- c. Once a bill is received it is submitted to fiscal staff for payment along with electronic copies of the purchasing documentation (bids, sole source, etc.) as outlined by the purchasing pathways in 12.5. Authorization adjustments are completed in the field when necessary.

## 12.7 Authorizing Maintenance

Maintenance is defined specifically as food, shelter, or clothing and is intended to be used only for additional costs incurred while participating in a rehabilitation program (34 CFR 361.5(c)(34)). Maintenance **must** be tied to other services under an IPE and is intended to cover **only** the added costs of participating in rehabilitation and **not** everyday living expenses. Prior to authorizing for maintenance, VR Counselors must document:

1. The need for maintenance.
2. The need is in addition to normal living expenses.
3. The need is a direct result of the client participating in an approved VR program.
4. The service will only be provided in conjunction with another IPE service.

## 12.8 Authorizing Direct Payment to Clients

Whenever possible, VR Counselors will authorize directly to service providers and/or vendors. Only after exhausting efforts to authorize directly to service providers and/or vendors will the VR Counselor consider authorizing direct payment to clients. The client should be informed that failure to remit receipts showing the funds were used for the intended purpose may result in a suspension or termination of all VR services.

Prior to inclusion in the IPE and authorizing funds directly to clients the VR Counselor must obtain District Director approval. The VR Counselor must adhere to and document the following in a Client Service Recommendation:

1. The reason that a direct authorization is necessary.
2. The good faith effort that the VR Counselor made to authorize directly to a service provider/ vendor and the reasons this good faith effort to directly authorize to a service provider/ vendor was not possible.
3. The duration of time the direct authorization will be provided.

If authorization of direct payment to the client is approved by the District Director, the following steps shall be followed:

1. The service and evaluation criteria for obtaining third party proof of payment will be added to the IPE.
2. Counselor prepares authorization for services.
3. Client signs the authorization.
4. Support Staff enters the request for payment and sends it to fiscal staff for release.
5. Client submits third party proof of payment (receipts, invoices, etc) showing that the funds were used for the specified purposes in the amount that was authorized.

6. Proof of payment is attached to the authorization as documentation.
7. Follow the above process for each direct payment to the client approved by the District Director.

## 12.9 Authorizing Child Care Services

A VR Counselor may authorize child care for a client who has a child or children under the age of 13 if the client cannot participate in planned vocational rehabilitation services or activities without child care. Children 13 and older who require supervision because of a disability also qualify for this service. Child care is a support service and therefore may not be provided as a stand-alone service.

Prior to the provision of child care services the VR counselor must verify and document that the following conditions are met:

1. Child care is necessary to allow the client to participate in the VR process or to participate in planned IPE services or activities.
2. Child care is only being provided for the legal dependents of the client.
3. Exploration of comparable benefits, services or other resources is conducted to see if they can meet the client's child-care needs. These include the client's family members, neighbors, community day care programs and the Department of Workforce Services child care assistance program.
4. If the client is not eligible for the Department of Workforce Services child care program and has no comparable benefits, the VR Counselor may authorize for child care services. The client must select a child care provider who is qualified, registered and listed on the Utah Office of Child Care Website. The client may also select licensed-exempt Afterschool programs operated by public and private educational institutions.
5. VR Counselors may not pay for child care services provided by a provider who is not identified on the Utah Office of Child Care Website or an Afterschool program through an educational institution unless they obtain supervisor approval through a basic client service recommendation. The VR Counselor must document the specific reason as to why a registered provider is not being used. Possible exceptions include, but are not limited to:
  - a. If the client and VR Counselor are not able to find a qualified, registered and listed provider who will agree to be set-up as a vendor and accept the established fee-for- service rate, or
6. If the client does not feel that an available setting is safe or that quality child care would be provided.
7. VR Counselors will authorize for child care services using the rates defined in Appendix 12-C, which reflect those used by the Department of Workforce Services.

## 12.10 Transportation

This refers to the necessary travel and related costs in connection with transporting individuals with a disability and, where necessary, members of their family, to provide VR services described throughout this manual. Transportation includes cost of travel for the client and personal assistance services, where such assistance is required.

Necessary transportation costs will be provided at public carrier rates, actual or equivalent, except where such rates cannot be computed or where public carriers do not operate. USOR will pay for private vehicle use at the rate listed in appendix 12A. See Chapter 29 which further explains the policy for the provision of Transportation Services.

## 12.11 Evaluative Restoration and Stabilization Services Prior to IPE Implementation

Occasionally the eligible individual's disability is in an acute phase that when left untreated prevents the individual from engaging in a meaningful Comprehensive Assessment of Rehabilitation Needs and impedes exercising informed choice in selecting a specific vocational goal and services needed to obtain that goal. When necessary, a VR Counselor may authorize the provision of evaluative and restoration services to stabilize an eligible individual in support of the development of a meaningful IPE.

The VR Counselor must monitor the scope and length of such services to ensure that progress leading to the development of an IPE is made. An IPE development extension (See Chapter 10) and a Client Service Recommendation for supervisory approval is required if such services exceed 3 months without leading to an IPE (See Appendix 12-A). VR Counselor's client record documentation justifying the scope and nature of these restoration services prior to an IPE is required.

## 12.12 USE of USOR Client Services Purchasing Card (P-Card)

The purpose of the USOR Client Service Purchasing Card (P-Card) is to increase access and efficiency in the procurement of difficult to obtain goods/tangible items for clients. The available credit on the P-Card is limited; therefore client purchases should be made using standard authorizations whenever possible.

### 1. Appropriate Use

In situations where vendors will not accept paper authorizations, VR Counselors may request to utilize the P-Card. Use of the P-Card is appropriate when:

- a. Purchasing tangible items on-line.
- b. Purchasing tangible items where the vendor refuses to accept an authorization and where no other vendor is available.
- c. The vendor requires full payment upfront.
- d. Paying for licensing or other fees.

If a VR Counselor encounters a client purchase that may benefit from the use of the P-Card, outside of the criteria defined above, they are encouraged to consult with their supervisor and the Authorized P-Card User.

## 2. Authorized Users

Purchases using P-Cards may be made only by authorized USOR Staff.

## 3. Requirements

All purchases made under the P-Card remain subject to the same Client Service procurement and approval level policies as purchases made with standard paper authorizations. When it has been determined that the use of the P-Card is appropriate and necessary, VR Counselors will adhere to the following process:

- a. All documentations on bids, sole source, etc. will be sent to the authorized P-Card User.
- b. An authorization will be made out to the vendor from which the item shall be acquired. If the company does not have a vendor number, VR Counselors should use vendor #00000R. Counselors will select P-card as the payment type when drafting the authorization.
- c. VR Counselors do not send the authorization to the vendor. Rather, they send the authorization and any bid information to the authorized P-Card User.
- d. Once the authorized P-Card User receives the authorization, they will purchase the item(s) that the VR Counselor has requested using the P-Card.
- e. When the authorized P-Card User receives the bill, they will submit the purchase authorizations along with the P-Card receipts to the originating District Office. Once these have been received, the District Office will enter the request for payment using the corresponding authorization and submit it to the Fiscal Department for final processing.

## 12.13 Out of State Purchases

As allowed under CFR361.50(b) the State of Utah has established a preference for in state purchases provided that the preference does not effectively deny an individual a necessary service.

If the individual chooses an out of state purchase at a higher cost than an in state purchase and if either purchase would meet the individual's rehabilitation needs, USOR is not responsible for those costs in excess of the cost of the in-state purchase. [34 CFR 361.50(a)(1)].

For additional information regarding out of state training purchases, refer to CSM 20.

## 12.14 Service Category on Authorizations

When entering new vendors in the AWARE system staff will select the provider type from the following list:

1. Public Community Rehabilitation Programs (CRPs)- public CRP's are programs that are operated by a state, county, municipal or other local government.
2. Private Community Rehabilitation Program- Private CRPs are programs that are operated as not for profit organizations.
3. Other public service providers- public service providers are organizations or agencies of State, county, municipal or other local government and third party cooperative arrangements. It also includes vendors funded through the legislature such as UTA, etc. This includes public schools such as U of U, Weber State, CEU, Dixie, etc.
4. Other private service providers- private service providers include private not for profit organizations, such as VR providers (other than CRP's), as well as proprietary businesses, such as private hospitals and mental health clinics as well as contracted service delivery staff. This is for services purchased from all other vendors such as doctors, private schools, etc. Private schools are schools such as BYU, Westminster, etc.

## 12.15 Pre Authorization Approval

USOR has implemented a control to ensure that authorization for each service adheres to policy. Each proposed service is subject to a pre authorization review conducted by a supervisor prior to issuing an authorization for that service. To begin the process, the counselor or support staff at a counselor's direction, will draft an authorization for a service and submit the draft for review by a supervisor. The supervisor will review the draft, ensuring that the authorization is in compliance with policy. Errors will be sent back to the counselor for correction. If the draft authorization is in compliance, the supervisor will add approval and notifies the support staff that the authorization is approved for issue.

## 12.16 Adjustment to Authorizations

All adjustments to authorizations are done in AWARE. Thresholds will be set in AWARE to alert staff to an authorization increase which requires further documentation prior to payment. Counselors are responsible for obtaining additional approval should the request for payment exceed the approval level obtained when the original authorization was generated.

## 12.17 Processing for Payment and Controls

There are two methods for submitting bills:

1. Invoice: Bills are paid by an invoice received from the vendor and should include the date(s) of service, vendor name and cost.
2. USOR Form 23: Bills may be submitted using the Authorization Form, USOR-23. Prior to submitting the form for payment, the vendor must complete the

bottom section including service provided, date of service, cost, vendor signature and signature date.

Once it has been determined that the bill meets the criteria listed below, the following control measures are implemented to ensure the services billed were provided as agreed.

1. The VR Counselor reviews, approves and initials amount to be paid.
2. The invoice endorsed by the counselor's initials is attached to the corresponding authorization in AWARE.
3. The Authorization is submitted to the USOR fiscal department for payment.
4. The Fiscal team conducts a final review of the bill to check for congruence with the authorization and either rejects for correction or approves the authorization for final submission to the State Fiscal Department.

**NOTE:** When submitting a bill for payment that includes tangible items, an itemized receipt should be included when available. When sending a bill where written bids or a Telephone Quotation form or DP-5 is needed, the form must accompany the bill.

## 12.18 Payment on a Closed Case

The Agency will make every effort to obtain billing and provide payment for authorized services prior to closing a client record. If, however, billing is received after the client record is closed, the open/closed status of the fiscal year of the authorization will determine the pathway for payment.

1. Bills for services which were authorized under an open fiscal year will be processed in AWARE following 12.17A or 12.17 B.
2. Bills received for services authorized under a closed fiscal year will be submitted through the supervisory channel via email to the District Director who will email a copy of the bill and the original authorization to the administrative fiscal team for payment in FINET. Fiscal staff will provide email confirmation of payment to the District Director. This confirmation will be added to the client record.

## 12.19 Timeliness of Authorizations and Retroactive Authorizations

The Agency must assure that written authorization is made in a timely manner defined for most services as either before or at the same time as the purchase of services. Although the purchasing policy requires prior or simultaneous written authorization, there may be extenuating circumstances which legitimately necessitate payment on a retroactive bill for administration of the VR program.

1. Timeliness of Training Authorizations  
Authorization for tuition and fees for training programs greater than one month in length at public and private training institutions should be issued within 30 days of the

first day of class. Calculation of the thirty days from the start of class includes the first day of class. Authorizations for tuition and fees issued more than 30 days after the first day of class are considered retro-active and should follow the appropriate retro-active process outlined in section 2 below.

Tuition and fee authorizations issued on or before the first day of class should list the first day of class as the service date. Tuition and fee authorizations issued after the first day of class but still within 30 days of the first day of class should list the authorization issue date as the date of service. Retro-active authorizations for tuition and fees (greater than 30 days after the first day of class) should list the first day of class as the date of service.

## 2. Retroactive Authorizations

Retroactive authorization applies only to circumstances in which the billed service was provided after its inclusion in the signed IPE but for which a specific authorization was not generated prior to service provision. Once a client has entered Service Status, services which are not included in the IPE will not be compensated by VR. Policy will allow exceptions for unforeseen services required for program administration, for example, medical record fees.

Retroactive authorizations come in 2 types. To identify which type it is, you must determine if the service being billed was provided in the current OPEN fiscal period (Type 1) or during a prior CLOSED fiscal year (Type 2).

- a. **Type One:** If the service date on the bill is in the current fiscal year:
  - i. The Counselor will create a basic Client Service Recommendation in AWARE explaining why retroactive authorization for the service is appropriate and attach an electronic copy of the bill.
  - ii. The Client Service Recommendation will then be submitted through supervisory channels to the Field Service Director for review and approval.
  - iii. Once approved by the Field Service Director, the counselor will proceed to draft the authorization per standard procedure.
  - iv. The FSD email approval of the retro-authorization and the bill should be attached to the authorization in AWARE prior to submitting the payment to fiscal.
- b. **Type Two:** The service date on the bill is from an old fiscal year which has been closed:
  - i. The Counselor will create a basic Client Service Recommendation in AWARE explaining why retroactive authorization for the service is appropriate and attach an electronic copy of the bill.
  - ii. The Client Service Recommendation will then be submitted through supervisory channels to the Field Service Director for review and approval.
  - iii. Once approved at the Field Service Director level, the Field Service Director will then forward the bill as an attachment through email to the administrative fiscal team for payment in FINET The administrative financial team will send email confirmation of payment to the District Director.

**NOTE:** It is illegal to change vendor invoices other than the amount billed. If changing the amount billed do not use whiteout. The amount billed can be changed by lining through it, putting in the correct amount, and initialing the change. Dates, vendor names or other data cannot be changed.

## 12.20 Refund Process

Periodically a situation will arise where a vendor or client will send a refund to the agency. These following are steps for processing:

1. VR Counselor receives refund check from vendor.
2. Upload a copy of the check and attach it to the original authorization in AWARE and include a short narrative describing the reason for refund.
3. Send check and copy of authorization to Fiscal and document it in the Client Record.
4. Fiscal will process and credit the authorization.
5. When the Authorization and Payment Report shows credit, adjust accordingly.

**NOTE:** Avoid cash refunds. For the accountability and protection of all parties, have the client obtain a money order, cashier's check, etc. The cost of the money order, cashier's check, etc. can be deducted from the refund.