



Funds Under Management

Pension and Fiduciary Service
September 2018




Objectives

- Define funds under management (FUM)
- Explain policy to supervise and protect funds
- Verify FUM
- Calculate the amount of VA FUM
- Determine if VA FUM requires protection



References


- FPM 1.A.1, *Fiduciary Program Responsibilities*
- FPM 2.D.3, *Financial Information of the Beneficiary*
- FPM 2.D.8, *Protection of Funds Under Management*
- FPM 2.F.8, *Protection of Funds Under Management*
- FPM 3.B.1, *When a Fiduciary Must Account*
- FPM 4.F.1, *Protecting Department of Veterans Affairs (VA) and Private Source Funds*
- FPM 4.G.1, *General Information on Corporate Surety Bonds*
- FPG, *Funds Under Management*



Definitions

- Funds Under Management (FUM)
- VA FUM
- Other FUM
- Partially derived
- Fully derived
- Verify FUM
- Calculate FUM


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Supervision of FUM

- Required when fiduciary appointed
- Proper utilization of benefit
- Accurate reporting
- Accounting and bond requirements in place
- Discovery of misuse


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Policy


- Field Examiners must verify FUM, except
 - When accounting is in place and submitted timely
 - Spouse fiduciary
- Initial appointment – no VA FUM

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 **Verification of FUM**


- No verbal statements/verification
- Financial institution statement(s)
- VA Form 21-4718a, *Certificate of Balance on Deposit and authorization to Disclose Financial Records*
- Combined from all accounts

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 **Documentation Requirements**


Field Examiner Documentation Requirements	
FUM under \$10,000	FUM greater than \$10,000
<ul style="list-style-type: none">• Name(s) of the financial institution,• Account number(s),• Amount(s) on deposit, and• Date of the financial institution statement ending balance.	<p>Must determine what liquid assets are derived from VA benefits, and not-derived. Can use either:</p> <ul style="list-style-type: none">• Factual evidence confirming only VA benefits are deposited• FUM determination from FELux

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 **Verification Follow-Up**

- Request VA Form 21-4718a or financial institution documents
- 30-day task within work item
- Unacceptable response:
 - Verbal verification
 - Written response
 - Telephone verification (automated teller)


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 **Calculate FUM**


- When account(s) show more than \$10,000
 - Factual evidence of VA funds on deposit, or
 - Complete a BFFS FUM Determination
- Use Accounting Wizard or FELux
 - Push to beneficiary record




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 **Assets in FELux**

- All financial assets in FELux
 - Checking Account
 - Savings Account
 - Certificates of Deposit (CD)
 - Individual Retirement Account (IRA)
 - Stocks and Bonds
- Document how derived




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 **Presumption as to Use**


- Computed on percentage of total income
- No presumption that VA funds expended first
- Use Accounting Wizard and/or FELux


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 **Funds Protection**

Accountings	Surety Bond
Required when VA FUM exceeds \$10,000	Required when VA FUM exceeds \$25,000


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 **Questions**



- FUM Definitions and Policy
- Supervision of FUM
- Verification of FUM
- Documentation Requirements
- Verification and Follow-up
- Calculate FUM
- Assets in FELux
- Presumption as to Use
- Funds Protection

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 **TMS Assessment & Survey**

- An assessment and satisfaction survey have been assigned to you in TMS.
- You should be able to complete the survey and assessment within ten minutes.
- Be sure to complete the survey and assessment to receive credit for this training.

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