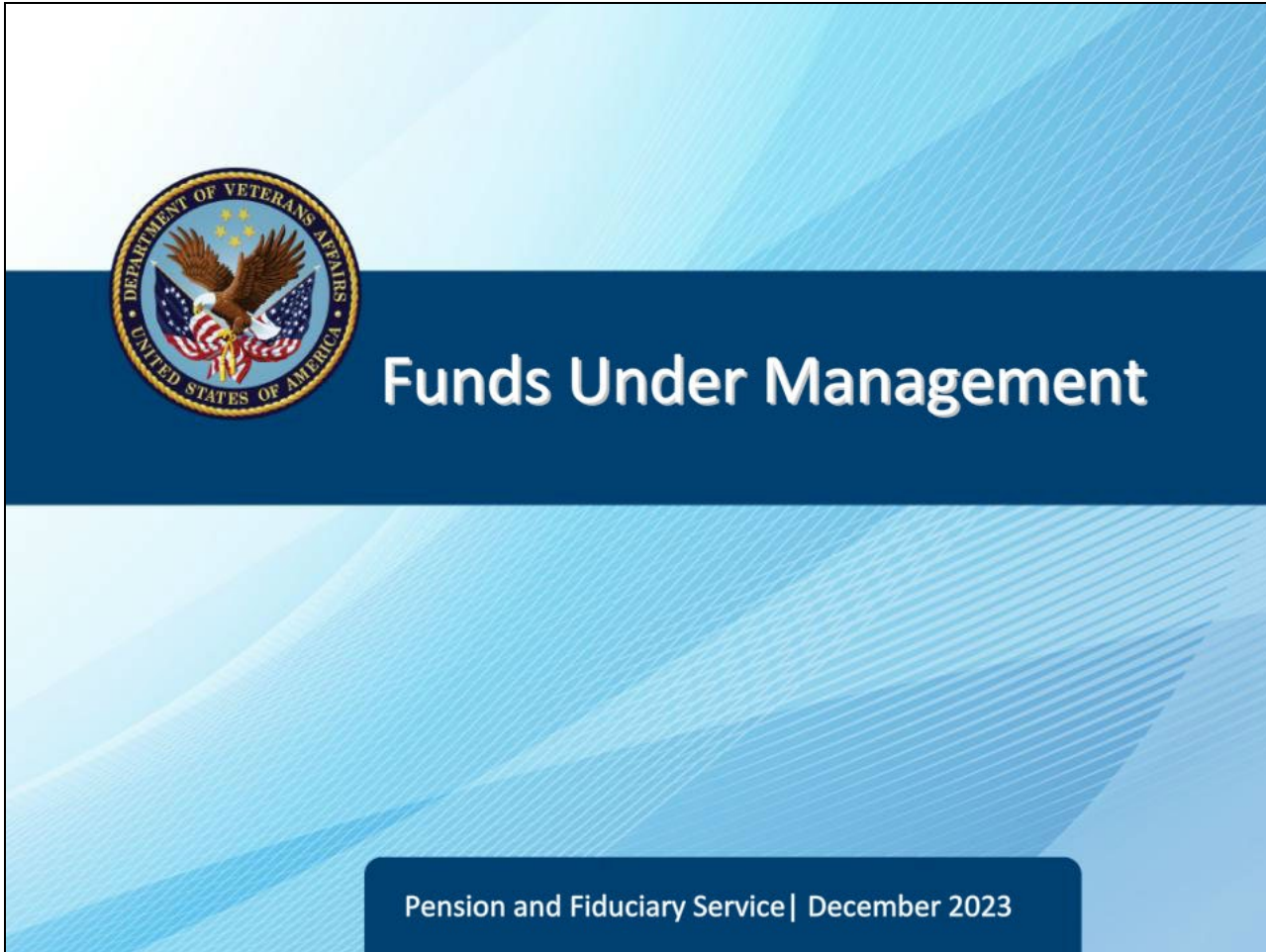


Slide 1 - Funds Under Management




Slide notes

Course Description:

This lesson teaches how to calculate and verify funds under the management of a fiduciary to ensure proper protection of a beneficiary's VA benefits.

Slide 2 - Objectives



Funds Under Management

Objectives

- Define Funds Under Management (FUM)
- Identify when and how to verify FUM
- Explain how to determine FUM
- Identify methods of FUM protection

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Slide notes

Instructor Notes:

At the end of this lesson, given the training and references, the learner will be able to do the following:

- Define Funds Under Management (FUM)
- Identify when and how to verify FUM
- Explain how to determine FUM
- Identify methods of FUM protection

Slide 3 - References



Funds Under Management

References

- FPM I.2.C.3.e.
- FPM I.2.C.3.k.
- FPM I.2.C.3.l.

Pension and Fiduciary Service 3


Slide notes

Instructor Notes:

These are the relevant references pertaining to this course:

- FPM I.2.C.3.e. Documenting and Verifying Liquid Assets
- FPM I.2.C.3.k. Determining VA FUM
- FPM I.2.C.3.l. Appropriate Actions if the FUM Exceeds Limits for Accounting and Protection of FUM Limits

Slide 4 - VA FUM



Funds Under Management

VA FUM

- Definition
 - VA Funds under management (FUM)
 - Combined value of VA funds maintained in fiduciary account(s)
 - Accounts managed by a fiduciary for a beneficiary
 - Any VA funds invested by the fiduciary for the beneficiary
 - includes interest income and return on investment derived


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Slide notes

Policy Reference(s): FPM I.2.C.3.k.

Instructor Notes:FUM means the combined value of the VA funds maintained in a fiduciary account or accounts managed by a fiduciary for a beneficiary and any VA funds invested by the fiduciary for the beneficiary, to include any interest income and return on investment derived from any account

Slide 5 - IA/EIA FUM



Funds Under Management

IA/EIA FUM

- VA FUM = retroactive payment due to beneficiary
- If retroactive payment pending
 - Not documented as VA FUM at time of field exam
 - FSR updates VA FUM upon authorization of award
- Do not include:
 - Benefit payments paid directly to beneficiary or 3rd party beneficiary
- Supervised Direct Pay
 - Withhold retro until beneficiary competent or fiduciary appointed

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Slide notes

Policy Reference(s): FPM I.2.C.3.k.


Instructor Notes:

If the field examination type is an IA/EIA, then the VA FUM is the retroactive payment due to the beneficiary, if any, upon release to the fiduciary. If a retroactive payment is pending, the retroactive payment is not documented as VA FUM at the time of the field examination conducted by the FE. The Fiduciary Service Representative will update VA FUM within the beneficiary profile to reflect the amount of the retroactive payment released to the fiduciary immediately upon authorization of the award.

Determining VA FUM during an IA/EIA shall not include any regular or irregular benefit payments which are paid directly to a beneficiary or to a third-party beneficiary other than the potential fiduciary. This includes all non-VA benefits, as well as VA benefits which are structured to provide payments for specific expenses (for example, clothing expenses, education benefit, specially adapted housing/special home adaptation grants, automobile grants, etc.) which are not paid directly to the fiduciary. Any determination of VA FUM following an IA/EIA shall include any VA benefits deposited within a properly titled account managed by an existing or previous fiduciary.

When VA appoints a beneficiary under SDP, retroactive funds are withheld until the beneficiary is rated competent or a fiduciary is appointed. As a result, retroactive funds are not considered FUM upon authorization of an SDP award.

Slide 6 - SIA FUM



Funds Under Management

SIA FUM

- VA FUM = amount of funds to be transferred to successor
- COMMENTS AND OBSERVATIONS section of field exam
 - Document if funds transfer to successor completed or pending
- If funds transfer occurred before SIA
 - Include transferred funds in calculation of assets
- Supervised Direct Pay
 - Funds managed by SDP beneficiary not considered VA FUM
 - Do not instruct SDP beneficiary to transfer VA funds to successor
 - FUM transfer from outgoing fiduciary to SDP beneficiary
 - Transferred in full to SDP beneficiary

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Slide notes

Policy Reference(s): FPM I.2.C.3.k.

Instructor Notes:


If the field examination type is an SIA, then the VA FUM is the amount of funds to be transferred to the appointed successor fiduciary or beneficiary with an SDP appointment.

The field examination must also document in the COMMENTS AND OBSERVATIONS section of the report if the funds transfer to the successor fiduciary has been completed or is pending. If the funds transfer has occurred before the SIA, include the transferred funds in the calculation of assets. The field examination may not be submitted for closure without documenting the status of the funds transfer.

Funds managed directly by a beneficiary under an SDP appointment are not considered VA FUM. Therefore, the hub should not instruct the beneficiary under an SDP appointment to transfer VA funds when VA appoints a fiduciary because SDP is no longer appropriate.

The hub must not consider FUM that is being transferred from an outgoing fiduciary appointed by VA to the beneficiary with an SDP appointment as a retroactive or one-time payment subject to withholding. The outgoing fiduciary must transfer all FUM to the beneficiary when the beneficiary receives an SDP appointment.

Slide 7 - FUM Verification



Funds Under Management

FUM Verification

- Item easily converted into cash
- Review and document each liquid asset
 - IA and SIA field examinations
- Visual verification of liquid assets is required
- Acceptable methods of asset verification
 - Financial institution document not older than 90 days
 - Online statement viewed from financial institution's website
 - VA Form 21P-4718a obtained from financial institution

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Slide notes


Policy Reference(s): FPM I.2.C.3.e.

Instructor Notes: The FE must review and document each liquid asset identified during all IA and SIA field examinations. A liquid asset is an item that may easily be converted into cash.

Visual verification of liquid assets is necessary. Acceptable methods of asset verification include viewing one of the following items:

- an original, photocopied, or computer-generated financial institution document which does not exhibit any signs of alteration, not older than 90 days from the date of the field examination
- an online statement viewed from the financial institution's website, or
- a VA Form 21P-4718a, Certificate of Balance on Deposit and Authorization to Disclose Financial Records, obtained from the financial institutions.

Slide 8 - FUM Verification



Funds Under Management

FUM Verification

- SIA field examinations
 - Verify liquid assets listed in previous field exam
 - Review and document amount, sale, or distribution
 - Beneficiary no longer holds asset documented in previous field exam
 - Explain the condition of the assets


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Slide notes

Policy Reference(s): FPM I.2.C.3.e.

Instructor Notes: During SIA field examinations, the FE must verify liquid assets listed in the previous field examination by reviewing and documenting the amount, sale, or distribution of assets identified in the previous field examination. If the beneficiary no longer holds an asset (for example, sold property or closed an account) or has exhausted an asset that was documented in the previous field examination, the FE must explain the condition of the assets.

Slide 9 - FUM Verification



Funds Under Management

FUM Verification

- When visual verification impossible during videoconference
 - Complete interview
 - Inform fiduciary they must submit required verification
 - Establish appropriate development activity
 - Allow 14 days for receipt of information
 - Keep field exam open until 14-day suspense expires
- If asset verification not received
 - Appoint next most qualified fiduciary

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Slide notes

Policy Reference(s): FPM I.2.C.3.e.


Instructor Notes:

If the FE cannot visually verify liquid assets during the field examination

- complete the interview
- inform the fiduciary that they must submit the required verification to the hub using a secure communication method (for example, fax, mail)
- establish the appropriate development activity
- allow 14 days for receipt of the information, and
- keep the field examination open until the 14-day suspense expires.

If the proposed fiduciary does not submit the asset verification within the requested timeframe, the FE must proceed with appointing the next most qualified fiduciary.

Slide 10 - FUM Verification



Funds Under Management

FUM Verification

- Authorized commingled account
 - Verify that financial information provided clearly identifies the income and expenditures of the specific beneficiary
- EIA field examination.
 - FE not required to verify non-VA assets

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Slide notes


Policy Reference(s): FPM I.2.C.3.e.

Instructor Notes:

If the fiduciary has an authorized commingled financial account, the FE must verify that the financial information provided clearly identifies the income and expenditures of the specific beneficiary.

The FE is not required to verify non-VA assets during an EIA field examination.

Slide 11 - FUM Verification



Funds Under Management

FUM Verification

Asset Description	Field Examination Asset Verification Requirements
Financial accounts such as <ul style="list-style-type: none"> •checking •savings •money market accounts •cash on hand •short-term investments approved by VA •other items that may be easily converted to cash <p>Note: This includes savings and/or checking accounts where VA benefits are deposited</p>	<ul style="list-style-type: none"> • account type • account description • verification date • verification method • by whom the account is managed • name of financial institution • date of financial institution statement • statement ending balance • if the account is properly titled • whether the account houses VA derived funds • corrective action taken, if applicable

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Slide notes

Policy Reference(s): FPM I.2.C.3.e.

Instructor Notes: This table provides information on the types of liquid assets and the verification requirements.

Important: When adding an asset, enter the information in the appropriate fields. Use the DESCRIPTION field to document any required information for which there is not a designated field

Slide 12 - FUM protection



Funds Under Management

FUM protection

If the FUM exceeds ...	Then the FE must ...
\$10,000	require an accounting
\$25,000	<ul style="list-style-type: none"> require an accounting ensure protection of FUM

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Slide notes

Policy Reference(s): FPM I.2.C.3.1.

Instructor Notes: Use this table to determine the appropriate actions if the FUM exceeds the limits for accounting and protection of FUM limits.

Slide 13 - Questions?

The slide features a blue header with the Department of Veterans Affairs logo on the left and the title "Funds Under Management" in white. Below the header, the word "Questions?" is written in blue. To the left of the text is a 3D illustration of a white figure sitting on a large blue question mark. To the right is a bulleted list of four items: "VA Funds Under Management", "FUM Verification", "Determining VA FUM", and "Protection Requirements". At the bottom, a grey bar contains "Pension and Fiduciary Service" on the left and the number "13" on the right.

Funds Under Management

Questions?

- VA Funds Under Management
- FUM Verification
- Determining VA FUM
- Protection Requirements

Pension and Fiduciary Service 13

Slide notes

Instructor Notes:

(Recall) These are our learning objectives as stated from the beginning of the training:

- Define Funds Under Management (FUM)
- Identify when and how to verify FUM
- Explain how to determine FUM
- Identify methods of FUM protection


(Recap) We discussed each of these learning objectives through the following topics in each slide today:

- VA Funds Under Management
- FUM Verification
- Determining VA FUM

- Protection Requirements

Are there any additional questions?

Slide 14 - TMS Survey



Funds Under Management

TMS Survey

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

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Slide notes

Instructor Notes:

A satisfaction survey has been assigned to you in TMS. You should be able to complete the survey within ten minutes. Completing the survey will allow you to receive credit for this training.