

OIG/LTC-ADI

- ▶ What is an asset
 - ▶ What is valid documentation
 - ▶ FMV/Penalties
- 

Please send status of cases or
information to our

LTC-ADI designated email:

**HFS.OIG.LTC-
ADI@illinois.gov**



Asset (Resources)

- ▶ Annuities
- ▶ Bank Accounts, Money Markets, CD's, Mutual fund accounts, and Investment accounts
- ▶ Bonds
- ▶ Burial Funds
- ▶ Contents of Safe Deposit Box
- ▶ Inheritance
- ▶ IRA accounts/401K accounts
- ▶ Life Insurance
- ▶ Nursing Home trust funds
- ▶ Property
- ▶ Stocks or Exchange Traded Funds
- ▶ Trust
- ▶ Vehicles



Annuities



- ▶ Need the value of the asset at the beginning of the review period, or date of inception if opened during the review period.
- ▶ Verification of the source of funds used to open annuity if inception occurs during the review period.
- ▶ If paying out – date opened, terms of the annuity contract including number of payments, amount of payment, first payment date and/or current cash value. If withdrawals have occurred a history of \$1000.00 withdrawals will be requested.
- ▶ Surrendered annuities – date of surrender, amount received and direction of proceeds.

Bank Accounts, Money Market, Mutual Funds, Investment accounts, and CD's

- ▶ Monthly (quarterly) statements or transaction reports for the entire review period
- ▶ Verification of transactions (withdrawals or deposits) in excess of \$1000.00 – cancelled checks, deposit slips and specifically copies of items deposited.
- ▶ Verification of recurring deposit and withdrawals during the review.
- ▶ Direction of proceeds for closed accounts.



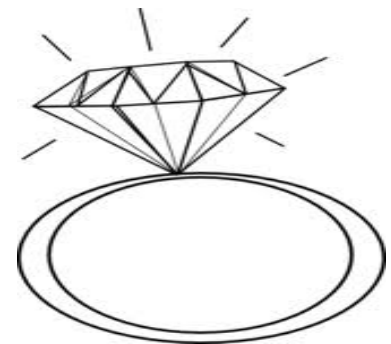
Bonds



- ▶ Verification of the face denomination of government and non-government bonds owned, redeemed or purchased during the review period.
- ▶ Verification supporting liquidation of bonds including date and amount.
- ▶ Direction of proceeds

Contents of Safe Deposit Box

- ▶ Verification of ownership of safety deposit boxes
- ▶ Needed is a list of contents of what is in the box
- ▶ Many times cash/jewelry/bonds are in the box. If needed an appraisal may be requested.



Inheritance

- ▶ Written confirmation from the Estate Attorney regarding amount of settlement and number of disbursements.
- ▶ Documentation to make sure that no more disbursements are to be made.



IRA Accounts / 401K accounts

- ▶ Monthly (quarterly) statements or transaction reports for the entire review period
- ▶ Verification of transactions (withdrawals or deposits) in excess of \$1000.00 – cancelled checks, deposit slips and specifically copies of items deposited.
- ▶ Verification of recurring deposit and withdrawals during the review.
- ▶ Direction of proceeds for closed accounts



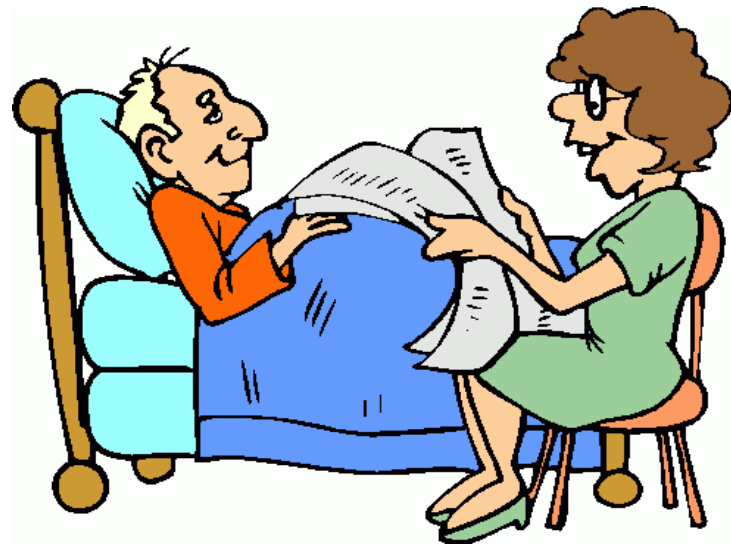
Life Insurance



- ▶ Verification of ownership of life insurance policy.
- ▶ Policy type, face value and current cash value of active life insurance policies owned by the applicant during the review.
- ▶ Loan transactions – date and amount
- ▶ Amount received from cashed in life insurance policies and direction of proceeds
- ▶ Life insurance provided through an employer as a benefit of retirement.

Nursing Home Trust Account

- ▶ Nursing home inquiry will be completed verifying any personal accounts
- ▶ Verification of any security deposits with the nursing home.



Property



- ▶ Verify FMV of all property owned by the applicant or transferred by the applicant during the review period. FMV can be derived from tax bills other than businesses or farmland. FMV for farmland is completed by LTC-ADI from U of I.
- ▶ Verify all property transfers that occur during the review period.

Property (cont.)

- ▶ Verify transfer date, value at time of transfer and reason for transfer
- ▶ Verify income received from rental and farm property.
- ▶ Verify mortgage agreements, reverse mortgage and home equity loans



Reverse Mortgage

- ▶ Verify if the funds have been dispersed in one lump sum or over a period of time.
- ▶ Verify where the proceeds went if dispersed during the review period.



Stocks and Exchange Traded funds

- ▶ Verify stock owned or acquired by the applicant during the review period from financial institution source, private or public entity or a copy of the certificate
- ▶ Verify the number of shares at the beginning of review (this could be on a 1099)
- ▶ Verify the current number of shares as of application date.



Stocks and Exchange Traded funds

- ▶ Verify source of funds used to purchase shares during the review
- ▶ Verify date and amount of shares sold during the asset review period.
- ▶ Direction of proceeds



Trust

- ▶ A copy of the trust is always needed regardless of what is in it.
- ▶ Make sure that all amendments are attached
- ▶ Verify assets that are used to fund the trust (schedule A if possible should be attached to the trust).



Vehicles



- ▶ Verify all vehicles owned by the applicant
- ▶ If vehicle is sold, verify when, how much and the direction of proceeds

Fair Market Value

- ▶ **Fair Market Value PM 07-02-20-b**
- ▶ Transfers for fair market value (FMV) are allowable.
- ▶ Fair market value is the value of the resource/income on the open market at the time of the transfer. It is **not** the highest value that the resource/income could be worth under ideal circumstances. Instead, it is the average value of the resource/income when all factors are considered.
- ▶ Neither the FMV nor the value received for the resource/income have to be figured exactly. The two values do not have to be equal for it to be an allowable transfer.