

Manitoulin-Sudbury District Services Board POLICY & PROCEDURES MANUAL	
Section: H. Ontario Works	Effective Date: July 1, 2009
Topic: 11. Administration	Replaces: November 2004
Subject: 11.3. Direct Bank Deposit	
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POLICY

Overview

All monthly payments to applicants and recipients will be made by Direct Bank Deposit however exceptional circumstances will be considered.

Manitoulin-Sudbury DSB processes Ontario Works Direct Bank Deposits through the Royal Bank. When bank account information is provided, OW payments will be transferred electronically from Manitoulin-Sudbury DSB's bank account to an applicant's account. OW-DBD payment numbers will begin with a 75 million number.

An applicant may choose to deal with any financial banking institution (i.e. bank, trust company, credit union or Caisse Populaire). The account should be in the applicant's name. If it is a joint account, the applicant should be cautioned that the other account holder will have access to the deposit as well.

Pay direct parties are paid by cheque. Alternate payees (i.e. trustees) are eligible for Direct Bank Deposit.

Garnisheed

The courts have now ruled that monies deposited by Ontario Works **cannot be garnisheed** as per MCSS Directive 6.15. The Ontario Works Act" prohibits any creditor from seizing or garnisheeing a participant's financial assistance to satisfy a debt". Corresponding changes have been made to the Courts of Justice Act (Ontario) Section 143.1.

A banking institution may be able to take monies owing to them from a line of credit or due to an overdraft, however if the institution recovers **any other** funds from an applicant's account, the institution should be referred to the "Courts of Justice Act" which protects an individual's OW funds. A copy of Directive 53 may also be sent to the institution.

In the event that the institution still refuses to reimburse the applicant for funds that were seized, the case should be discussed with your Supervisor and the local MCSS office should be advised accordingly.

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PROCEDURE

1. Case Manager is required to have the DBD form completed by the Client's financial institution. The client is required to fill out a Direct Deposit Information form and sign and date it. The information is then entered into **SAMS** and a new note with the banking information is created. **Where the client is unable to open a bank account, the reason will be recorded by the Case Manager and must be approved by the Supervisor. Possible situations hindering client's ability to open a bank account include but are not limited to, previous legal situations, homelessness, lack of identification etc. Case managers are required to work with the client to remove the barriers.**
 - * The bank/institution number is a three-digit numeric field, which is used in conjunction with the branch/transit and account numbers.
 - * The branch/transit number is a five-digit numeric field which identifies a branch/transit number, used in conjunction with the Bank/institution number and the account number. **All fields must be filled on the SAMS page.**
 - * The account number can be three to twelve digits in length which identifies the applicant's account number. All fields do not need to be filled on the **SAMS** page.
2. **Verify the numbers** on the voided cheque or the DBD form with the numbers on the **SAMS** page to ensure that there are no errors. The DBD application and/or voided cheque are not to be filed until this has been done.
3. **Do not accept pass books** for the DBD information as they do not always reflect the full information.
4. Emphasize to the applicant that they **must not** close their bank account until the Direct Bank Deposits are rerouted to their new account (if they change banks, etc.)

If the applicant has closed their account prior to the Direct Bank Deposit, do not assume that the applicant cannot receive their Direct Bank Deposit. Check with the Financial Assistant to determine if other arrangements can be made with the bank to enable the applicant to receive their Direct Bank Deposit, **before** canceling.

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5. The Financial Assistant **must immediately** advise the Case Manager of **Errors** on the Royal Bank Reports showing invalid DBD numbers. The Case Manager corrects the DBD account information. The Financial Assistant calls the bank to try to re-issue the DBD. If the error cannot be corrected, the Case Manager must cancel the DBD and **SAMS** will automatically reissue a cheque.

SAMS INFORMATION

- * DBD information can be added to a pending or ongoing (hold) case.
- * DBD information can be added, changed or deleted. When adding DBD information the bank/institution number, the branch/transit number and the account number must be completed each time.
- * If an applicant has a pay direct on file, the pay direct portion of the monthly entitlement will be issued by cheque.

ROYAL REJECTED / RETURNED RECORDS & ITEMS

The Financial Assistant receives the report from Royal Bank and:

1. Identifies each item by Case Manager number
2. makes copies of report
 - original to be kept for bank reconciliation
 - copy 1 filed in DBD Binder
 - copies given to appropriate Case Managers

Reports **must** be actioned by the Case Manager immediately, and reported to Financial Assistant.

CANCEL / STOP

Cancels or Stops can be placed **3 days before** the negotiable due date. They should only be used in the rarest of circumstances and **are not a tool for caseload management** - instead place your client on hold **before** cut-off.

Cancels or Stops can be requested when the applicant is no longer eligible for assistance, has been overpaid, or when the money has been posted to the

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wrong branch or bank account.

1. Case Manager will complete the Banking Requisition Report Form (0002) and sends/faxes it to the Financial Assistant. The CM is required to confirm the Financial Assistant has received the Banking Requisition Report Form (BRR)
2. The Financial Assistant calls/faxes the Bank to Stop the payment.
3. The Financial Assistant will confirm by answering through the **SAMS** notes that the payment has been stopped. The Case Managers **cannot re-issue** until this confirmation is received.

RECALL / REVERSAL

Can be done up to **four days after** the due date; however, there are NO guarantees that the monies will be recovered.

1. Case Manager will complete the Banking Requisition Report Form (0002) and sends/faxes it to the Financial Assistant. The CM is required to confirm the Financial Assistant has received the Banking Requisition Report Form (BRR).
2. The Financial Assistant contacts the bank and tries to do a recall.
3. If the recall can be done, and the client is entitled, the Case Manager cancels the DBD, and a new cheque will automatically be issued by **SAMS**.
4. If the recall can be done, and the client is ineligible, the Case Manager is required to place the client on hold by making them temporary ineligible and then cancel their DBD (so **SAMS** doesn't issue another cheque).
5. If the recall cannot be done, the Case Manager will have to put in an overpayment for the client.

TRACERS

Tracers cannot be done less than 24 hours after the due date. These can be requested when the Direct Bank Deposit has not occurred and it is not recorded in the returned/rejected items report.

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If the payment has not been placed in the applicant's account and has not appeared on the returned/rejected items report, a trace can be placed. The trace will determine where and when the deposit was placed. Tracers do not retrieve the money.

Upon confirmation of the tracer, a cheque/Direct Bank Deposit will be reissued.

1. The trace list must be checked to see if the Direct Bank Deposit occurred and to ensure that the details regarding the bank, branch, and account numbers are correct.
2. The returned/rejected items report must be checked to see if the Direct Bank Deposit transfer is recorded. If the DBD does appear on this report, a trace/recall request is not required.
3. If the bank, branch, and account numbers are correct and the transfer was not returned or rejected, the Case Manager advises the Financial Assistant to make an information call to the bank. The information received from the bank is to be noted in the **SAMS** notes.

or

- If any of the bank, branch, and account numbers are incorrect, the Case Manager contacts the Financial Assistant who requests that the bank transfers the monies into the correct account. The information received from the bank is to be recorded in the **SAMS** notes.
4. If Step 3 does not solve the problem, complete a Bank Requisition Report Form and then follow the process for a Recall / Reversal.

Note: DBD will be reissued if there is no change made on **SAMS.**

NON-OW APPLICANTS WHO HAVE MISTAKENLY HAD MONIES DEPOSITED INTO THEIR BANK ACCOUNT:

1. Follow the process for a Reversal/Recall and cancel the DBD in **SAMS**.

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2. Financial Assistant to telephone bank where monies was deposited. Situation to be discussed with bank manager requesting that money be returned.

3. If bank cannot return the money, the Financial Assistant to telephone the person who has had the monies mistakenly deposited in their account as quickly as possible advising them of the situation in a friendly manner. The person should be told that they have 2 days to return the money. If it is inconvenient for the person to return the money to this office, other arrangements will be made. The person can be given an informal receipt.

4. If the person is unwilling to do this, details must be forwarded to the Manitoulin-Sudbury DSB Solicitor immediately. Details should include:
 - a. who the person is
 - b. the name and branch number of the bank
 - c. the account number
 - d. the date the money was deposited
 - e. when the person was contacted
 - f. how the person responded

Legal will then follow up the situation.

OW APPLICANTS WHO HAVE MISTAKENLY HAD MONIES DEPOSITED INTO THEIR BANK ACCOUNT:

1. Follow the process for a Reversal/Recall and cancel the original client's DBD in **SAMS**. Correct the DBD information. A new cheque is automatically issued.

1. Contact the client who received the extra entitlement and advise him/her of the situation. Issue an overpayment to them.