

## **Financial Documentation FAQ's**

### **Q: Why is my agency required to provide proof of back wages?**

A: 19 CSR 30-105.030(4)(D) requires that before an application can be approved or renewed, agencies must provide the department with proof of financial responsibility, specifically proof of sufficient funds or access to funds to pay each of its employees with four weeks of back wages.

### **Q: Which employees am I required to provide proof of back wages for?**

A: You must provide proof of the ability to pay back wages for all health care personnel or independent contractors employed by the agency who work in Missouri. Documentation should be dated within thirty (30) days of registration application submission to the department and remain effective while an agency is registered with the department. Financial responsibility should continue to be documented if personnel increase at the agency since the time of the registration application submission.

### **Q: Is an escrow account permissible?**

A: Yes. You can provide documentation showing your agency establishes and maintains an escrow account consisting of cash or assets eligible for deposit documenting sufficient funds for four weeks of back wages per each health care personnel or independent contractor employee. Documentation should clearly state account is Escrow.

### **Q: Can I provide a letter of credit to satisfy the back wages requirement?**

A: Yes. You must provide documentation showing you possess an unexpired irrevocable letter of credit with sufficient funds for four weeks of back wages per each health care personnel or independent contractor. Letter of credit should reflect the date issued, amount of credit, state if it is un-expiring or include an expiration date, current balance on the line of credit, and agency name/owner name the line of credit is for.

### **Q: Is a CD acceptable?**

A: A Certificate of Deposit (CD) is permissible if funds are sufficient to cover the four weeks of back wages per each health care personnel or independent contractor plus the early termination/penalty fee (if the financial institution enforces one). CD should include a maturity date and the agency name/owner name the CD is issued for.

### **Q: Is a surety bond or bond permissible?**

A: The department does not have an authorized bond form and cannot be listed as the beneficiary or obligee.

### **Q: Our agency uses a third party administrator to handle our payroll. What documents do we need to provide?**

A: If your agency uses a third party administrator to do your payroll, you must provide the department with a letter from that third party administrator confirming the relationship with your agency. The third party must provide written assurance to the department guaranteeing payment for payroll/wages and proof of funds for the four weeks of back wages per each health care personnel or independent contractor working in Missouri. You should provide a copy of the contract between your agency and the third party administrator.

**Q: Is an asset balance sheet acceptable as proof for the back wages requirement?**

A: No.

**Q: Are annual audited financial statements acceptable as proof for the back wages requirement?**

A: No.

**Q: Are statements from our business checking account showing a balance sufficient to show 4 weeks of back wages acceptable?**

A: Business Checking Account statement(s) are not permitted at this time unless it is an escrow account or unless the account is only used for payroll that consists of cash or assets eligible for deposit documenting sufficient funds for four weeks of back wages per each health care personnel or independent contractor working in Missouri.