



# Starting Your Ohio Adult Care Facility

## Small Business Toolkit

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Disclaimer: This document was prepared by Communities Unlimited in cooperation with Ohio Mental Health & Addiction Services as a tool in assisting those starting and operating an Adult Care Facility. This document is informational only and not to be considered as professional business advice.

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## Congratulations...You're Starting Your Own Business!

Welcome to becoming an owner of an Adult Care Facility in the state of Ohio. The Ohio Department of Mental Health and Addiction Services (OhioMHAS) is a great place to get started with the process of becoming a licensed home. The primary purpose of this toolkit is to aid you in becoming a good business owner and to get you started in the licensure process. This toolkit should provide the necessary skills to help you along the way.

Adult Care Facilities in Ohio range from 1-2 beds, 3-5 beds, and 6-16 beds. Owning and operating an Adult Care Facility takes time, lots of preparation, and a commitment to serving the unique needs of your clients.

If the primary goal is anything other than to help vulnerable people, then owning, operating and running an Adult Care Facility probably isn't for you.

The job requires hard work, long hours, and significant expense. So you need to be able to find your reward in the good you're doing for others. While it is impossible to list all of the operational and legal requirements for any business, this toolkit serves as a guide for business owners launching their venture.

Business research should be thorough and ongoing to keep up with regulatory changes as they occur. In the sections below we provide you with information that is helpful in planning for this new business.

### *Consider This...*

Obtain a copy of the Administrative Rules & Adult Care Facility application! Visit

<http://mha.ohio.gov/Default.aspx?tabid=128>

## ABOUT ADULT CARE FACILITIES

Let's start by saying that getting licensed to operate an Adult Care Facility means that you want to be a business owner. You need to understand what is involved in starting, owning, and operating this type of business.

## What is an Adult Care Facility?

Adult Care Facilities (ACFs) and Adult Foster Homes (AFoHs) are residential care homes licensed by OhioMHAS for the purpose of providing accommodations, supervision and personal care services to unrelated adults. Residents of these facilities typically require a 24 hour level of support and assistance with daily living skills. The population that resides in these homes consist of individuals who without this level of support would be homeless, inappropriately residing in nursing homes, have extended hospital stays or would be incarcerated.

Facilities receive a two-year license to operate after complying with the statutory requirements prescribed in the Ohio Revised Code and the rules set forth in the Ohio Administrative Code. Homes must have a license prior to accepting residents.

Operators must undergo a comprehensive onsite inspection of the home in which inspectors verify the safe and sanitary condition of the facility, the capability of the operator and staff to meet their responsibilities in providing supervision and personal care services and the appropriateness of the placement of each resident in the adult care setting.

You must understand and follow the Ohio laws for owning and operating an Adult Care Facility so that you can be sure you are providing your new residents with the care, support, and supervision required by law.

## Learn the Adult Care Facility Terminology

Before you start your business, it is vital to understand some of the common terminology and definitions used by those involved in Adult Care Facility, what an Adult Care Facility is, and the basic licensure requirements for operating an Adult Care Facility. The complete list of definitions are cited in the Ohio Administrative Code, Chapter 5122-33-01:

(A) “**Accommodations**” means housing, meal preparation, laundry, housekeeping, transportation, social or recreational activities, maintenance,

security, and similar services that are not personal care services or skilled nursing care.

(B) “**Activities of daily living**” means walking and moving, bathing, grooming, toileting, oral hygiene, hair care, dressing, eating, and nail care.

(C) “**ADAMHS board**” means a board of alcohol, drug addiction, and mental health services

(D) “**Adult**” means an individual eighteen years of age or older.

(E) “**Adult care facility**” or “**ACF**” as defined in section 5119.70 of the Revised Code means an adult family home or an adult group home. For the purposes of this chapter, any residence, facility, institution, hotel, congregate housing project, or similar facility that provides accommodations and supervision to three to sixteen unrelated adults, at least three of whom require personal care services, is an adult care facility regardless of how the facility holds itself out to the public.

(G) “**Adult family home**” means a residence or facility that provides accommodations and supervision to three to five unrelated adults at least three of whom require personal care services.

(H) “**Adult group home**” means a residence or facility that provides accommodations and supervision to six to sixteen unrelated adults at least three of whom require personal care services.

(I) “**Boarder**” means an adult as defined by paragraph (C) of rule 3701-20-01 of the Administrative Code who does not receive supervision or personal care services from the adult care facility and resides within a separate and discrete part or unit of the adult care facility under section 5119.71 of the Revised Code.

(N) “**Local health department**” means the board of health, or entity having the duties of the board of health as authorized by section 3709.05 of the Revised Code, for the health district that has jurisdiction over the location of the adult care facility.

(O) “**Manager**” means the person responsible for the daily operation of an adult care facility. The manager and the owner of a facility may be the same person.

(P) “**Mental health agency**” means a community mental health agency, as defined in section 5119.22 of the Revised Code, under contract with an ADAMHS board pursuant to division (A)(8)(a) of section 340.03 of the Revised Code.

(Q) “**Mental health board**” means an alcohol, drug addiction and mental health services board, or a community mental health board authorized by Chapter 340 of the Revised Code.

(R) “**Mental health resident program participation agreement**” means a written agreement between an adult care facility and the ADAMHS board serving the alcohol, drug addiction, and mental health service district in which the facility is located, under which the facility is authorized to admit residents who are receiving or are eligible for publicly funded mental health services.

(S) “**Mental health services**” means those services specified in section 340.09 of the Revised Code and certified by the department of mental health in accordance with Chapter 5122-25 of the Administrative Code.

(T) “**Mental illness**” means a substantial disorder of thought, mood, perception, orientation, or memory that grossly impairs judgment, behavior, capacity to recognize reality, or ability to meet the ordinary demands of life. “Mental illness” does not include dementia, as defined by the most recent edition of the “Diagnostic and Statistical Manual of Mental Disorders.”

(U) “**Mental health plan for care**” means the individualized plan required by rule 5122-33-18 of the Administrative Code and entered into by the adult care facility owner or manager, a prospective resident and the lead mental health agency.

(W) “**Owner**” means the person who owns the business of and who ultimately controls the operation of an adult care facility and to whom the manager, if different from the owner, is responsible.

(X) “**Part-time, intermittent basis**” means that skilled nursing care is rendered for less than eight hours a day or less than forty hours a week.

(Z) “**Personal care services**” means services including, but not limited to, the following:

- (1) Assistance with activities of daily living;
- (2) Assistance with self-administration of medication, in accordance with paragraph (C) of rule 5122-33-17 of the Administrative Code; and
- (3) Preparation of special diets, other than complex therapeutic diets, for residents pursuant to the instructions of a physician or a licensed dietitian in accordance with paragraph (B) of rule 5122-33-20 of the Administrative Code.

“Personal care services” does not include “skilled nursing care.” A facility need not provide more than one of the services listed in this paragraph for a facility to be considered to be providing personal care services. Nothing in this paragraph shall be construed to permit personal care services to be imposed upon a

resident who is capable of performing the activity in question without assistance.

(BB) “**Respite care**” means temporary or periodic care provided in an adult care facility, nursing home, residential care facility, or other type of long-term care facility so that the usual caregiver can rest or take time off.

(CC) “**Skilled nursing care**” means procedures that require technical skills and knowledge beyond those the untrained person possesses and that are commonly employed in providing for the physical, mental, and emotional needs of the ill or otherwise incapacitated. “Skilled nursing care” includes, but is not limited to, the following:

- (1) Irrigations, catheterizations, application of dressings, and supervision of special diets;
- (2) Objective observation of changes in the patient’s condition as a means of analyzing and determining the nursing care required and the need for further medical diagnosis and treatment;
- (3) Special procedures contributing to rehabilitation;
- (4) Administration of medication by any method ordered by a physician, such as hypodermically, rectally, or orally, including observation of the patient after receipt of the medication; or
- (5) Carrying out other treatments prescribed by the physician that involve a similar level of complexity and skill in administration. Nothing in this paragraph shall be construed to permit skilled nursing care to be imposed upon an individual who does not require skilled nursing care.

(DD) “**Special dietary needs**” include, but are not limited to: low or no salt added foods; reduced fat foods; reduced cholesterol foods; reduced or no sugar added foods; frequency and/or portion size of meals; liquid only or clear liquids only for a period designated by a physician or dietician; and simple modification of food textures, such as pureeing.

(EE) “**Sponsor**” means an adult relative, friend, or guardian of a resident of an adult care facility who has an interest in or responsibility for the resident’s welfare.

(FF) “**Supervision**” means any of the following:

- (1) Observing a resident when necessary while he or she engages in activities of daily living or other activities to ensure the resident’s health, safety, and welfare;
- (2) Reminding a resident to do or complete such an activity as by reminding him or her to engage in personal hygiene or other self-care activity; or
- (3) Assisting a resident in keeping an appointment.



(GG) **“Unrelated”** means that an adult resident is not related to the owner or manager of an adult care facility or to the owner’s or manager’s spouse as a parent, grandparent, child, stepchild, grandchild, brother, sister, niece, nephew, aunt or uncle, or as the child of an aunt or uncle.

*Effective: 02/17/2012 R.C. 119.032 review dates: 11/30/2011 and 02/17/2017*

## The Assistance Required for Residents

As an owner of an Adult Care Facility, you must provide the residents in your home with more than just a safe place to live and sleep. Here is list of some of the things you need to do for the residents that live in your home:

- Each resident must have a bed and area for personal belongings
- Home must be neat and clean
- Arrange transportation for those residents that need to go for shopping and errands
- Prepare 3 nutritious, well-balanced meals and 2 snacks daily, according to the dietary needs of each resident,
- Make laundry services available
- Help with walking and moving, bathing, dressing, and undressing, going to the toilet, brushing teeth, hair care, nail care, and eating
- Provide reminders to take medications and assistance with self-administration of medication
- Assistance with Activities of Daily Living (ADLs) and/or Independent Activities of Daily Living (IADLs)



While you can own an Adult Care Facility and also be the manager, it is very likely that you will need to hire others to help you provide the level of care and supervision required by your license.

## Average Business Startup Costs

The amount of money needed to start an Adult Care Facility varies greatly depending upon many factors such as the number of beds you decide to offer for residents, the cost of repairs that will be needed for the home you choose, the cost for applications, the cost for obtaining permits and zoning approvals, and the amount for essential items you need to purchase to get started.

Here is a sample list of expenses to help get you started in thinking about how much money you might need prior to opening your Adult Care Facility opened:

<b>POTENTIAL STARTUP EXPENSES (assuming a 3 bed home)</b>	
Adult Family Home License Fee	\$25-\$50
Business checking account, initial deposit plus cost of checks	\$25-\$75
Certificate of Use & Occupancy	\$60
Zoning or Permit applications and requirements, such as fire inspection costs, adding smoke detectors, adding fire extinguishers	\$1250-\$2000
Supplies for your home (2 bed linens/resident, blankets, pillows, towels, toiletries, cleaning supplies)	\$300-\$450
Bedroom furniture for 3 new residents (bed, nightstand, dresser)	\$1200-\$1800
Mortgage or rent payments (varies greatly)	\$600-\$900
Utilities, gas, electric, water (varies greatly)	\$175-\$300

Supplies for your home office (copy paper, note pads, pens, file folders)	\$25-\$50
2-drawer filing cabinet	\$35-\$50
Initial food supply for 3 residents	\$75-\$100
Computer	\$400-\$600
Printer	\$50-\$75
Internet	\$30-\$60
Microsoft Office or Excel, if not already installed on computer	\$75-\$100
<b><i>Estimated total startup costs:</i></b>	<b><i>\$4,325-\$6,670*</i></b>

\*We are estimating economical brands and quality for the above estimates. Our mortgage or rent estimates are average estimates. Your costs will be higher or lower based upon your personal tastes and shopping savvy.

As you see in our example above, it could take a minimum of \$4,325 to start an Adult Care Facility business. Our example above assumes that you won't need any improvements to the home that you are using for the Adult Care Facility. This does not include any costs to renovating the residence to meet licensure standards.

### *Consider This...*

If it takes a month or more for you to locate paying residents, can you pay your monthly required bills?

- If you don't have the maximum number of residents that you have capacity for in the home, can you pay your monthly required bills?
- If the home you are using as the Adult Care Facility needs improvements in order to get licensing approval or maintain licensing, do you have the funds to cover the cost of improvements plus the minimum amounts listed above for startup costs?

If you answer "NO" to any of the bulleted items list above, then you are probably not ready to open an Adult Care Facility.

We suggest that before opening this business you make sure that you have enough money to cover your estimated startup costs and several months of your personal expenses.

## BUSINESS PLAN DEVELOPMENT

One of your first steps in deciding to start a new Adult Care Facility should be to develop a business plan along with a 3-year financial projections. The business plan is a roadmap for your business growth and success. Your business plan does not need to be a long and formal document. It needs to include the steps required to establish and grow your business over a specified period of time.

The financial projections help you to figure out a realistic amount of money needed to start your business, the income you should expect, and the related expenses. When you estimate your potential income and potential expenses, then you can see under what circumstances you can expect to have a profit or loss. These financial projections will also be a good budget that you can use in operating your business each month.

### *Consider This...*

Small Business Development Centers located across the state of Ohio have various types of business workshops with staff that can assist you with developing a business plan, including financial projections. In many cases they offer free assistance.

This toolkit is written with the assumption that you will complete a business plan and 3-year projections prior to or following review of this toolkit.

We will provide a sample Business Plan

for your review and a blank business plan template that you can use to develop a business plan.

## GETTING YOUR HOME LICENSED

### Contact the Department of Building and Zoning Services

While the home you've chosen for your Adult Care Facility may seem like the perfect location, this home may not be approved for operation as an Adult Care Facility business. So, before you can use your home or any other home for an Adult Care Facility, you'll need to get governmental approval to do so from your local Building and Zoning Offices. Contact YOUR LOCAL Building and Zoning Services to:

1. Obtain a certificate of zoning clearance or zoning letter for the home you want to use as an Adult Care Facility. A certificate of zoning clearance is required prior to the construction, alteration, or change in use of any building or structure.
2. Request a certificate of use and occupancy of the home you want to use as an Adult Care Facility. In some counties this may be called a certificate of use or certificate of appropriateness. Essentially you need to obtain written confirmation that the home you have selected can be used as an Adult Care Facility.

Your local Building and Zoning Service is responsible for enforcing state and local building and zoning codes to help manage the safety and quality of life of Ohio communities. You'll need to find the office that services the area where your Adult Care Facility will be located.

### Apply for Your Adult Care Facility License

After you have obtained your building and zoning certificates, you should apply for your Adult Care Facility license. Prior to opening an Adult Care Facility, you must complete the licensing process through OhioMHAS. Some states require you to obtain a business license. Basically, a business license is a document from the government that gives you authorization to start a business. For Adult Care Facilities, your OhioMHAS license is your business license. When applying for your Adult Care Facility license, you must complete a separate application

for each home that you will operate as this type of business. The licensing process involves the following steps:

1. Submit a complete Initial Application for licensure, including the application fee. The application fee is \$25 for Adult Care Facilities applicants of 3-5 beds and \$50 for Adult Care Facility applicants of 6-16 beds. You must submit a fully complete application with payment included or your application will not be reviewed.
2. The licensure department will review your application to confirm that you have submitted all required documents.
3. The licensure department will contact you to conduct an initial on-site inspection of the home that you propose to use for residential care. Inspectors verify the safe and sanitary condition of the facility.
4. The licensure department will interview the proposed facility operator to confirm the capability of the operator and employees to meet their responsibilities in providing supervision and personal care services as well as the appropriateness of the placement of each resident in the adult care setting.
5. Residential facilities that serve residents with serious mental illness have an additional obligation to have employees and managers oriented to the care and supervision needs of these residents and to require specific training on an annual basis relevant to persons with a diagnosis of mental illness residing in the facility.

In order to be prepared for the licensure process, we recommend that you use the OhioMHAS' Pre-application Checklist that was created to assist you in obtaining licensure.

## Prepare for Licensing with the OhioMHAS Pre-Application Checklists

OhioMHAS staff have created two pre-application checklists to assist you in preparing for the licensing process. There is a pre-application checklist for a 3 to 5 bed home and a pre-application checklist for a 6 to 16 bed facility. We have both pre-application checklists listed below.

### *Consider This...*

You can obtain copies of the pre-application checklist for 3 to 5 bed homes from the OhioMHAS website at:

<http://mha.ohio.gov/Portals/0/assets/Regulation/LicenseAndCertification/Residential-Facilities/Pre-Application-Checklist-for-Adult-Family-Homes-3to5-Residents.pdf>

You can obtain copies of the pre-application checklist for the 6 to 16 bed homes from the OhioMHAS website at:

<http://mha.ohio.gov/Portals/0/assets/Regulation/LicenseAndCertification/pre-application-checklist-for-agh.pdf>

If you have trouble opening either website pages above directly, then copy and paste into your browser to open the page.

## Pre-application Checklist 3 to 5 bed home

### Pre-Application Checklist for an Adult Family Homes (3 to 5 Residents)

This pre-application checklist is for an Adult Family Home (AFH) that will be used by an assigned Ohio Mental Health and Addiction Services (OhioMHAS) Behavioral Health Standards Surveyor during the inspection of your home for compliance.

Prior to the submission of an application, your home should be move in ready, and if you are able to respond "Ready" to each Ohio Administrative Code criteria you should be ready for your survey. Please review this form, and familiarize yourself with the rules found under [mha.ohio.gov/regulations/rules/in-effect](http://mha.ohio.gov/regulations/rules/in-effect).

Required Inspections		
Requirement	Ohio Administrative Code	Ready
Central Heating Inspection prior to licensure – any problems corrected	5122-33-22 (I)(7)	<input type="checkbox"/>
Inspection of operational fireplaces/firestoves	5122-33-22 (I)(8)(b)	<input type="checkbox"/>
Water and sewage inspections if water source is not public	5122-33-11(A) and (B)	<input type="checkbox"/>

Staff Requirements		
Requirement	Rule Cite	Ready
Staff are at least 18 years old; Manager is at least 21 years old	5122-33-13 (H)(1)	<input type="checkbox"/>
BCII Background Check – no disqualifying offenses	5122-33-13 (Q)	<input type="checkbox"/>
TB Test within 5 working days after beginning employment	5122-33-13 (I)	<input type="checkbox"/>
Orientation Training to include: <ul style="list-style-type: none"> <li>o Fire emergency and evacuation; Securing emergency assistance in the event of suspected fire, medical emergency, or other crisis</li> <li>o Job responsibilities</li> <li>o Orientation to the physical layout of the facility</li> <li>o Facility policies and procedures</li> <li>o Residents' rights</li> </ul>	5122-33-13 (J)	<input type="checkbox"/>
First Aid Training	5122-33-13 (K)(1)	<input type="checkbox"/>
Training in correct techniques for providing personal care services	5122-33-13 (K)(2)	<input type="checkbox"/>

Site Safety Requirements		
Requirement	Rule Cite	Ready
Exterior and interior stairways are equipped with sturdy and securely fastened handrails	5122-33-22 (I)(1)	<input type="checkbox"/>
The open sides of a porch and interior or exterior stairways are equipped with secure railings	5122-33-22 (I)(2)	<input type="checkbox"/>
Floors are in good repair. Rugs are securely fastened or have non-skid padding	5122-33-22 (I)(3)	<input type="checkbox"/>
All corridors, entrances, exits, and outside pathways are free of obstacles and in good repair	5122-33-22 (I)(4)	<input type="checkbox"/>
Sidewalks, escape routes, and entrances are free of ice and snow	5122-33-22 (I)(5)	<input type="checkbox"/>
Common areas and exits are well-lighted	5122-33-22 (I)(10)	<input type="checkbox"/>
Poisonous/hazardous materials are clearly labeled and stored away from foods and medication; Flammable materials are stored safely; Combustible materials are stored more than two feet of any heater.	5122-33-22 (I)(11)	<input type="checkbox"/>
First aid supplies are maintained in a closed, but unlocked container, easily accessible to the manager, staff, and residents	5122-33-22 (I)(14)	<input type="checkbox"/>
Telephone numbers of fire and police departments, crisis center and other emergency numbers are prominently displayed at each telephone in the home.	5122-33-22 (I)(15)	<input type="checkbox"/>
All interior and exterior doors are kept in a safe operating condition and are capable of latching securely when closed	5122-33-22 (I)(16)	<input type="checkbox"/>



### Pre-Application Checklist for an Adult Family Homes (3 to 5 Residents)

General Requirements		
Requirement	Rule Cite	Ready
Home has a well-lighted and adequately heated living area which contains sufficient comfortable, safe, and functional furniture to ensure a seating place for at least 50% of the residents.	5122-33-22 (A)	<input type="checkbox"/>
Residents are permitted to bring personal items to the facility	5122-33-22 (B)	<input type="checkbox"/>
Residents have access to at least one non-pay telephone at all times for making local calls and for use in case of an emergency.	5122-33-22 (F)	<input type="checkbox"/>
The facility launders or arranges for the laundering of all clothing and bed and bath linen for residents who require laundry services.	5122-33-21 (A)	<input type="checkbox"/>
\$25 application fee paid	5122-33-03 (D)(1)	<input type="checkbox"/>

Bedroom Requirements		
Requirement	Rule Cite	Ready
Resident bedrooms are separate and distinct from that of the owner, operator, manager, or live-in staff	5122-33-22 (D)	<input type="checkbox"/>
Space Requirements: <ul style="list-style-type: none"> <li>Single occupancy rooms have a minimum of 80 square feet</li> <li>Multiple occupancy rooms have a minimum of 60 square feet per resident with at least 3 feet between beds</li> </ul>	5122-33-22 (D)(2) and (D)(4)	<input type="checkbox"/>
For facilities licensed after 12/31/2006, no more than two residents per bedroom	5122-33-22 (D)(3)	<input type="checkbox"/>
Furniture does not block doorway	5122-33-22 (D)(4)	<input type="checkbox"/>
Bedrooms have permanent floor- to-ceiling walls	5122-33-22 (D)(5)	<input type="checkbox"/>
Bedrooms are not used as a passageway to other rooms/Bedrooms are accessible by a door opening into a hallway or common use area	5122-33-22 (D)(6)	<input type="checkbox"/>
Bedrooms are not located in a room containing a furnace	5122-33-22 (D)(7)	<input type="checkbox"/>
Bedrooms are not more than 50% below average grade level.	5122-33-22 (D)(8)	<input type="checkbox"/>
Bedrooms contain a bed for each resident consisting of springs and a clean, comfortable mattress	5122-33-22 (D)(10)	<input type="checkbox"/>
Residents are provided with bed linen, including at least 2 sheets, a pillow/pillow case, a bedspread, and a blanket (2 sets of linen is available for each bed at all times)	5122-33-22 (D)(11)	<input type="checkbox"/>
Bedrooms are equipped with: <ul style="list-style-type: none"> <li>closet and/or wardrobe space for storage of personal clothing and belongings</li> <li>bureau, dresser, or equivalent space</li> <li>mirror appropriate for grooming</li> </ul>	5122-33-22 (D)(12)	<input type="checkbox"/>
Each bedroom has a window capable of being opened and equipped with a screen and a curtain, shade, or other covering	5122-33-22 (D)(13)	<input type="checkbox"/>
Bedrooms are well-lighted and dry	5122-33-22 (D)(14)	<input type="checkbox"/>
Bedrooms have doors capable of being closed and latched	5122-33-22 (D)(15)	<input type="checkbox"/>
Bedrooms for non-ambulatory residents located on a floor that exits to the ground level		<input type="checkbox"/>
If bedroom doors lock, all locks are capable of being opened from the inside without the use of a key. If bedroom doors lock, all residents are given a key to the bedroom and the operator/manager maintains duplicate or master keys.	5122-33-22 (I)(12)	<input type="checkbox"/>

**Pre-Application Checklist for an Adult Family Homes (3 to 5 Residents)**

<b>Bathroom Requirements</b>		
<b>Requirement</b>	<b>Rule Cite</b>	<b>Ready</b>
There is at least one bathroom per 8 individuals living in the facility	5122-33-22 (E)	<input type="checkbox"/>
Bathrooms are clean, sanitary, and in good repair and accessible to residents at all times	5122-33-22 (E)(1)	<input type="checkbox"/>
Bathtub or shower is equipped with a secure handrail or grab bar and non-skid surfacing	5122-33-22 (E)(2)	<input type="checkbox"/>
Bathrooms are equipped with a sufficient supply of soap and toilet paper	5122-33-22 (E)(3)	<input type="checkbox"/>
Residents are provided with clean bath towels and washcloths	5122-33-22 (E)(4)	<input type="checkbox"/>
Bathtub/shower and sink have hot and cold running water. Hot water temperature is maintained between 105 and 120 degrees F.	5122-33-22 (E)(5)	<input type="checkbox"/>
Each bathroom is accessible to all users from a corridor, hallway, or common area.	5122-33-22 (E)(6)	<input type="checkbox"/>

<b>Kitchen and Dietary Services Requirements</b>		
<b>Requirement</b>	<b>Rule Cite</b>	<b>Ready</b>
Safe drinking water is readily accessible to residents at all times	5122-33-20 (B)(3)	<input type="checkbox"/>
Home has a one-week supply of staple foods and a two-day supply of perishable foods (e.g. Fresh milk, eggs, bread, fruits and vegetables)	5122-33-20 (C)(1)	<input type="checkbox"/>
Food is protected from contamination, including dust, insects, rodents, unclean utensils, hair, flooding, drainage, and overhead leakage or dripping.	5122-33-20 (E)(2)	<input type="checkbox"/>
Food stored in the refrigerator or freezer is properly wrapped, covered, or in a closed container and is labeled appropriately.	5122-33-20 (E)(3)	<input type="checkbox"/>
A clean and sanitary supply of eating and drinking utensils and pots and pans is maintained.	5122-33-20 (G)(2)	<input type="checkbox"/>
Kitchen appliances and equipment are kept clean and free of food debris	5122-33-20 (G)(3)	<input type="checkbox"/>
Home has a dining area where meals are served which shall be sufficient to allow at least 50% of all residents to eat comfortably together at one time	5122-33-22 (C)	<input type="checkbox"/>

<b>Fire Safety Requirements</b>		
<b>Requirement</b>	<b>Rule Cite</b>	<b>Ready</b>
Home has a written evacuation procedure, explained to all residents and posted on each floor of the home.	5122-33-09 (C)(1)	<input type="checkbox"/>
A floor plan indicating the location of the smoke detectors, fire extinguishers, evacuation routes, and exits is posted on each floor of the home.	5122-33-09 (C)(1)(b)	<input type="checkbox"/>
At least one battery-operated smoke detector or electrical smoke detector with battery back-up is located on each floor of the home, including the basement and attic, and any attached garage.	5122-33-09 (C)(2)	<input type="checkbox"/>
At least one smoke detector is installed in each hallway where resident bedrooms are located & in/near each designated smoking area and kitchen area	5122-33-09 (C)(2)(b)	<input type="checkbox"/>
At least one dry chemical fire extinguisher with a <u>minimum</u> rating of "40 BC" is located in the kitchen area	5122-33-09 (C)(3)(a)	<input type="checkbox"/>
Fire extinguishers shall be inspected annually and refilled as necessary by an individual certified by the state fire marshal	5122-33-09 (C)(4)	<input type="checkbox"/>
At least one dry chemical fire extinguisher with a <u>minimum</u> rating of "2A-10BC" is located on each floor of the home	5122-33-09 (C)(3)(b)	<input type="checkbox"/>

<b>Bedroom Requirements</b>		
<b>Requirement</b>	<b>Rule Cite</b>	<b>Ready</b>
Electrical cooking appliances are prohibited in residents' rooms	5122-33-09 (C)(5)	<input type="checkbox"/>
Non-ambulatory residents' bedrooms' shall be located on a floor that exits to ground level.	5122-33-09 (C)(6)	<input type="checkbox"/>

## Pre-application Checklist 6 to 16 bed group home

This preparation checklist for an Adult Group Home (AGH) will be used by an assigned Ohio Mental Health and Addiction Services, Behavioral Health Standards Surveyor that will inspect your home for compliance. Prior to the submission of an application, please review the required rules at: [Ohio Department of Mental Health & Addiction Services > Regulation > Licensure/Certification > Adult Care Facilities](#) or <http://codes.ohio.gov/>. Upon the completion of your self-survey, please sign and submit this form with your application and non-refundable application fee.

Required Inspections		
Requirement	Ohio Administrative Code	Ready
Central Heating Inspection prior to licensure – any problems corrected	5122-33-22 (I)(7)	
Fire Inspection prior to licensure – No violations or violations have been corrected	5122-33-10 (B)	
Inspection of operational fireplaces/firestoves	5122-33-22 (I)(8)(b)	
Certificate of Use and Occupancy issued from a local, certified building department or by the department of commerce	5122-33-10 (A)	
Water and sewage inspections if water source is not public	5122-33-11(A) and (B)	

Staff Requirements		
Requirement	Rule Cite	Ready
Staff are at least 18 years old; Manager is at least 21 years old	5122-33-13 (H)(1)	
BCII Background Check – no disqualifying offenses	5122-33-13 (Q) and 28	
TB test within 5 working days after beginning employment	5122-33-13 (I)	
Orientation Training to include: <ul style="list-style-type: none"> <li>○ Fire emergency and evacuation; Securing emergency assistance in the event of suspected fire, medical emergency, or other crisis</li> <li>○ Job responsibilities</li> <li>○ Orientation to the physical layout of the facility</li> <li>○ Facility policies and procedures</li> <li>○ Residents' rights</li> </ul>	5122-33-13 (J)	
First Aid Training	5122-33-13 (K)(1)	
Training in correct techniques for providing personal care services	5122-33-13 (K)(2)	

Site Safety Requirements		
Requirement	Rule Cite	Ready
Home has a written evacuation procedure, explained to all residents	5122-33-10 (C)	
Exterior and interior stairways are equipped with sturdy and securely fastened handrails	5122-33-22 (I)(1)	
The open sides of a porch and interior or exterior stairways are equipped with secure railings	5122-33-22 (I)(2)	
Floors are in good repair. Rugs are securely fastened or have non-skid padding	5122-33-22 (I)(3)	
All corridors, entrances, exits, and outside pathways are free of obstacles and in good repair	5122-33-22 (I)(4)	
Sidewalks, escape routes, and entrances are free of ice and snow	5122-33-22 (I)(5)	
Common areas and exits are well-lighted	5122-33-22 (I)(10)	
Poisonous/hazardous materials are clearly labeled and stored away from foods and medication; Flammable materials are stored safely; Combustible materials are stored more than two feet of any heater.	5122-33-22 (I)(11)	
First aid supplies are maintained in a closed, but unlocked container, easily accessible to the manager, staff, and residents	5122-33-22 (I)(14)	

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### Preparation Checklist for an OhioMHAS Adult Group Home (AGH)

Site Safety Requirements (continued)		
Requirement	Rule Cite	Ready
Telephone numbers of fire and police departments, crisis center and other emergency numbers are prominently displayed at each telephone in the home.	5122-33-22 (I)(15)	
All interior and exterior doors are kept in a safe operating condition and are capable of latching securely when closed	5122-33-22 (I)(16)	

Bedroom Requirements		
Requirement	Rule Cite	Ready
Resident bedrooms are separate and distinct from that of the owner, operator, manager, or live-in staff	5122-33-22 (D)	
Space Requirements: <ul style="list-style-type: none"> <li>• Single occupancy rooms have a minimum of 80 square feet</li> <li>• Multiple occupancy rooms have a minimum of 60 square feet per resident with at least 3 feet between beds</li> </ul>	5122-33-22 (D)(2) and (D)(4)	
For facilities licensed after 12/31/2006, no more than two residents per bedroom	5122-33-22 (D)(3)	
Furniture does not block doorway	5122-33-22 (D)(4)	
Bedrooms have permanent floor- to-ceiling walls	5122-33-22 (D)(5)	
Bedrooms are not used as a passageway to other rooms/Bedrooms are accessible by a door opening into a hallway or common use area	5122-33-22 (D)(6)	
Bedrooms are not located in a room containing a furnace	5122-33-22 (D)(7)	
Bedrooms are not more than 50% below average grade level.	5122-33-22 (D)(8)	
Bedrooms contain a bed for each resident consisting of springs and a clean, comfortable mattress	5122-33-22 (D)(10)	
Residents are provided with bed linen, including at least 2 sheets, a pillow/pillow case, a bedspread, and a blanket (2 sets of linen is available for each bed at all times)	5122-33-22 (D)(11)	
Bedrooms are equipped with: <ul style="list-style-type: none"> <li>• closet and/or wardrobe space for storage of personal clothing and belongings</li> <li>• bureau, dresser, or equivalent space</li> <li>• mirror appropriate for grooming</li> </ul>	5122-33-22 (D)(12)	
Each bedroom has a window capable of being opened and equipped with a screen and a curtain, shade, or other covering	5122-33-22 (D)(13)	
Bedrooms are well-lighted and dry	5122-33-22 (D)(14)	
Bedrooms have doors capable of being closed and latched	5122-33-22 (D)(15)	
Bedrooms for non-ambulatory residents located on a floor that exits to the ground level		
If bedroom doors lock, all locks are capable of being opened from the inside without the use of a key. If bedroom doors lock, all residents are given a key to the bedroom and the operator/manager maintains duplicate or master keys.	5122-33-22 (I)(12)	

### Preparation Checklist for an OhioMHAS Adult Group Home (AGH)

Bathroom Requirements		
Requirement	Rule Cite	Ready
There is at least one bathroom per 8 individuals living in the facility	5122-33-22 (E)	
Bathrooms are clean, sanitary, and in good repair and accessible to residents at all times	5122-33-22 (E)(1)	
Bathtub or shower is equipped with a secure handrail or grab bar and non-skid surfacing	5122-33-22 (E)(2)	
Bathrooms are equipped with a sufficient supply of soap and toilet paper	5122-33-22 (E)(3)	
Residents are provided with clean bath towels and washcloths	5122-33-22 (E)(4)	
Bathtub/shower and sink have hot and cold running water. Hot water temperature is maintained between 105 and 120 degrees F.	5122-33-22 (E)(5)	
Each bathroom is accessible to all users from a corridor, hallway, or common area.	5122-33-22 (E)(6)	

Kitchen and Dietary Services Requirements		
Requirement	Rule Cite	Ready
Safe drinking water is readily accessible to residents at all times	5122-33-20 (B)(3)	
Home has a one-week supply of staple foods and a two-day supply of perishable foods (e.g. Fresh milk, eggs, bread, fruits and vegetables)	5122-33-20 (C)(1)	
Food is protected from contamination, including dust, insects, rodents, unclean utensils, hair, flooding, drainage, and overhead leakage or dripping.	5122-33-20 (E)(2)	
Food stored in the refrigerator or freezer is properly wrapped, covered, or in a closed container and is labeled appropriately.	5122-33-20 (E)(3)	
A clean and sanitary supply of eating and drinking utensils and pots and pans is maintained.	5122-33-20 (G)(2)	
Kitchen appliances and equipment are kept clean and free of food debris	5122-33-20 (G)(3)	
Home has a dining area where meals are served which shall be sufficient to allow at least 50% of all residents to eat comfortably together at one time	5122-33-22 (C)	

General Requirements		
Requirement	Rule Cite	Ready
Home has a well-lighted and adequately heated living area which contains sufficient comfortable, safe, and functional furniture to ensure a seating place for at least 50% of the residents.	5122-33-22 (A)	
Residents are permitted to bring personal items to the facility	5122-33-22 (B)	
Residents have access to at least one non-pay telephone at all times for making local calls and for use in case of an emergency.	5122-33-22 (F)	
The facility launders or arranges for the laundering of all clothing and bed and bath linen for residents who require laundry services.	5122-33-21 (A)	
Non-refundable application fee	5122-33-03 (D)(1)	

I certify that the information supplied is true and accurate. I understand that if I am not prepared for an initial licensure, my application may be returned and I may be required to submit a new application and an additional non-refundable application fee.

Owner/Operator/Manager Signature

Date

## LEARN WHO TO CONTACT WITH QUESTIONS

You are likely to have many questions about the startup, launch, and operation of your Adult Care Facility. OhioMHAS staff can answer many of your questions. Prior to contacting them you should understand your role and the role of others involved in the operation and management of an Adult Care Facility: the OhioMHAS, the Adult Care Facility Manager, and the Adult Care Facility Owner.

### **OhioMHAS**

The OhioMHAS is responsible for licensing Adult Care Facilities. In order to be licensed and remain licensed, OhioMHAS must make sure that the Adult Care Facility is operating according to the statutory requirements of the Ohio Revised Code and the rules set forth in the Ohio Administrative Code. OhioMHAS is also responsible for receiving and investigating any reportable incidents that occur to residents of Adult Care Facilities.

### **ACF Manager (also called Operator)**

The Manager/Operator of the Adult Care Facility is the person responsible for the daily operation. The Manager/Operator and the Owner of a facility may be the same person. The Manager/Operator runs the facility each day, makes sure the facility residents receive proper care, makes sure the facility has proper staffing, and makes sure the facility operates consistent with the law.

### **ACF Owner**

The Owner of the Adult Care Facility can serve in the role as the Manager/Operator. The Owner is the person who owns the Adult Care Facility business and ultimately controls the operation of an adult care facility. The Manager/Operator reports directly to the Owner.

## **ADAMH Board**

The Alcohol, Drug Addiction and Mental Health (ADAMH) Services is a statewide county-based board to admit, treat and discharge individuals in need of acute care and community supports. The Board is a quasi-independent part of county government, governed by a volunteer Board of Directors. The Board contracts with provider agencies to deliver services that assist clients on the road to recovery.

# **BUSINESS STARTUP**

When you have your license to open your Ohio Adult Care Facility, you will need to follow the important next steps below in order to get your business operational:

1. **Select Your Business Name**

While your business name can be whatever you want it to be, you should select a name that is easy for customers to say, easy to remember, and one that speaks positively to the community. Your business name should represent the types of services that your business will offer.

2. **Determine Your Business Legal Structure**

You will need to determine whether your business will be formed legally as a Sole Proprietor, Partnership, Limited Partnership, Limited Liability Partnership, Limited Liability Company, C-Corporation, or S-Corporation. The legal formation of your business has legal and tax consequences. There are advantages and disadvantages of each type of legal structure. You should really do your homework to see which structure is best suited for your needs.

Here are the business legal structure options for businesses organized in the State of Ohio.

- **Sole Proprietorship**

- Partnership
- Limited Partnership
- Limited Liability Partnership
- Limited Liability Company (LLC)
- C-Corporation
- S-Corporation
- Nonprofit Corporation

In the section that follows, we give you a short description of each form of legal structure. You should set up an appointment with a qualified accountant or attorney to discuss these options before you finalize your decision.

## ***Business Legal Structure***

### **Sole Proprietorship**

The OhioMHAS is responsible for licensing Adult Care Facilities. In order to be licensed and remain licensed, OhioMHAS must make sure that the reportable incidents that occur to residents of Adult Care Facilities.

A sole proprietorship essentially means a person is operating business as a sole owner. When you operate as a sole proprietorship the legal name of the business defaults to the name of the sole business owner. If you want your sole proprietorship business to have a different name, then you must register your business name using an Assumed name, Trade Name, or Fictitious Doing Business As name that is different from your personal name.

### ***For Example...***

If Jane Doe starts an Adult Care Facility and chooses to name her business, “Jane Doe Adult Care Facility”. This name is considered a Doing Business As name and Jane will need to register it with the appropriate local government agencies like the Ohio Secretary of State.



**Pros:** No partnership agreements. The owner makes all decisions. Easy to form this type of business. Federal taxes pass through to the business owner's personal tax return.

**Cons:** The business owner's personal assets are open to attack if the business is sued.

The legal name of your business is required on all government forms and applications, including your application for employer tax IDs, licenses and permits.

### **Partnership**

A partnership is a business that is formed and operated by two or more people. When you operate as a partnership the legal name of the business defaults to the name of the partners. However, you can choose to file an assumed name, trade name, or Doing Business As name. Each partner contributes to running the business. The partners are responsible for the actions of all partners and employees. Partners report their share of profit or loss on their individual tax return.

The assets of the business are owned on behalf of the other partners, and they are each personally liable, jointly and severally, for business debts, taxes or tortious liability. For example, if a partnership defaults on a payment to a creditor, the partners' personal assets are subject to attachment and liquidation to pay the creditor.

**Pros:** The partnership business is not taxed, only the partner's share of profit is taxed.

**Cons:** Personal assets of each partner are open to attack in a legal case.

### **Limited Liability Company (LLC)**

A limited liability company (denoted by L.L.C. or LLC) is a legal form of business offering limited liability to its owners. It is similar to a corporation, and is often a more flexible form of ownership, especially suitable for smaller companies with a limited number of owners. The owners of the LLC are referred to as "members". In most states a member can be a single individual, two or more individuals, corporations, or other LLCs. You must register an LLC with the Secretary

of State. There are several additional legal documents that must be prepared and/or filed for this type of business.

**Pros:** Legal protection for the owner because business assets are subject to any legal action. These businesses are taxed only once. Members report their share of business income on individual tax returns. Personal assets are generally less open to attack in a legal case.

**Cons:** Usually you must have approval of all members before management duties are transferred.

### **C-Corporation**

C corporations (or "C corp") is a legal form of business that is owned by its shareholders. Shareholders can be made responsible for their own actions and actions of the business. Corporation's owners can be an individuals, other corporations, or other LLCs. Shareholders pay taxes on their earnings dividends. The Corporation also pays taxes on corporate earnings. C Corporations must register with the Secretary of State. There are several additional legal documents that must be prepared and/or filed for this type of business.

**Pros:** Legal protection for the shareholders. Easy to transfer shares.

**Cons:** Double taxation because shareholder pays taxes and the business pay taxes. Personal assets of shareholders can be attacked but business assets are taken first. You must hold annual shareholder meetings and record minutes from those meetings, adoption and updates to bylaws, stock transfers and records maintenance.

### **S-Corporation**

An S corporation or S corp, is a C-corporation that makes a valid election to be taxed under Subchapter S of Chapter 1 of the Internal Revenue Code. The added benefit of S corporation status is that the corporation does not pay federal income taxes. Shareholders pay income taxes on their earnings.

You must register an S Corporation with the Secretary of State. There are several additional legal documents that must be prepared and/or filed for with this type of business.

**Pros:** Legal protection for the owner because business assets are subject to any legal action.

**Cons:** You must hold annual shareholder meetings and record minutes from those meetings, adoption and updates to bylaws, stock transfers and records maintenance.

### **Nonprofit Corporation**

In Ohio you can file a Nonprofit Corporation when your business is focused on activities that benefit society with a goal that is not primarily for profit. No one owns shares or interest in the property of the nonprofit. Many ACF are structured as 501c3 Nonprofit Corporations. IRS Publication 557 describes 501c3 and the many other 501c types of Nonprofit Corporations.

**Pros:** Earnings are usually exempt from taxation and the business can receive grant money.

**Cons:** Income from a Nonprofit Corporation is put back into the business whereas for profit businesses can distribute profits to shareholders or the business owners.

## **Obtain Your Employer Identification Number (EIN)**

The EIN is a unique nine-digit number assigned by the Internal Revenue Service (IRS) to small businesses operating in the United States for the purposes of identification. When obtaining an EIN, you will need to have decided on a type of legal structure.

Most businesses need an EIN. An employer needs an EIN if it has employees, operates a partnership or corporation and/or withholds wages on income.

Contact the IRS to obtain an EIN. You can visit the IRS website online at [www.irs.gov](http://www.irs.gov) to apply for an EIN on its website. The IRS uses the EIN to identify taxpayers who are required to file various business tax

returns. Banking institutions might require an EIN for you to open a business bank account even if you do not have employees.

### **Apply for Your EIN Online**

Applying for an EIN number online is the easiest method for many business owners. The application for an EIN is free. Once the application is completed, the information is validated during the online session, and an EIN is issued immediately. The online application process is available for all entities whose principal business, office or agency or legal residence (in the case of an individual) is located in the United States or U.S. Territories. The principal officer, general partner, grantor, owner, trustee etc. must have a valid Taxpayer Identification Number (Social Security Number, EIN, or Individual Taxpayer Identification Number) to use the online application.

### **Apply for Your EIN by Mail or Fax**

Taxpayers can apply for an EIN by MAIL or FAX by sending their completed Form SS-4 (Search IRS website) application to:

<b>If your principal business, office or agency, or legal residence in the case of an individual, is located in:</b>	<b>Mail or Fax Form SS-4 to:</b>
One of the 50 states or the District of Columbia	Internal Revenue Service Attn: EIN Operation Cincinnati, OH 45999  Fax: (855) 641-6935
If you have no legal residence, principal place of business, or principal office or agency in any state:	Internal Revenue Service Attn: EIN International Operation Cincinnati, OH 45999  Fax: (855) 215-1627 (within the U.S.) Fax: (304) 707-9471 (outside the U.S.)

## **Register Your Business Name**

You are required by law to register your business with the Ohio Secretary of State when you decide to use one of the following legal business structures:

- For-Profit Corporation
- Nonprofit Corporation
- Professional Association
- Limited Liability Company
- Partnership
- Limited Partnership
- Limited Liability Partnership

Sole proprietors and general partnerships operating their business under what is called a fictitious or assumed name may also need to apply for a “Doing Business As” certificate with the county administrator in which the business is physically located. A fictitious name or “Doing Business As” name is a business name which is different from your personal name, the names of your partners, or the officially registered name of your LLC or corporation. The contact information for the Ohio Secretary of State is:

Ohio Secretary of State  
Continental Plaza  
180 E Broad St, Columbus, OH 43215  
Phone: 877-767-6446  
Website: [www.sos.state.oh.us](http://www.sos.state.oh.us).

You can register your business on the Ohio Secretary of State website or you can print the filing documents off their website and mail the completed forms to the address listed on the forms. You can contact the Ohio Secretary of State, Business Services division with any questions.

## Open a Business Bank Account

Keeping your personal finances separate from the operations of the facility is good business practice. You should open a business bank account for the income obtained from your Adult Care Facility residents. You should use this business bank account for paying any expenses that are related to your business such as food, rent, and utilities for the residents. Any personal transactions, like your automobile payment, mortgage or rent for where you live, should be paid out of a personal bank account. This separation of funds will help you when filing your annual business and personal income tax returns.

## Obtain Adequate Insurance

As a business owner, you don't want to wait until something horrible happens to find out if you and your Adult Care Facility are properly protected from a potential lawsuit. You are starting a home-based business so it is important to confirm that you have insurance that protects your home, auto, and business from any damages. You can limit your liability by purchasing insurance to help protect you and your business.

Here are some of the common types of insurance that you should consider purchasing to protect you and your business:

- Automobile Insurance
- Homeowner's insurance
- General liability insurance
- Worker's compensation insurance

### ***Automobile insurance***

If you will be transporting residents of your Adult Care Facility around in an automobile owned by you, your staff, your family, or friends, then you might be liable for any negligence if there is an accident that results in injuries to that resident. To protect yourself and the resident, be sure you only transport the resident in a vehicle that is adequately insured. It is also important that the person driving have a valid driver's license.

### ***Homeowner's insurance***

You should contact the agency that insures your home and be sure you understand the coverage that you have already in place. You should explain that you are opening an Adult Care Facility that will have residents paying to live in your home. Find out from your home insurance agency specifically what your insurance covers.

*For Example...*

If you have a grease fire in your kitchen your homeowner's insurance should cover the cost to repair resulting damages to your home.

Your insurance might require you to pay a deductible prior to the insurance agency covering any damages.

***General liability insurance***

General liability insurance can protect your business from claims of bodily injury and property damage such as if a resident or their family claims that you provided negligent care. You should contact different insurance companies and thoroughly explain what Adult Care Facilities are so you can obtain a quote for coverage.

*For Example...*

If you have a grease fire in your kitchen and one of your residents gets injured as a result, then this insurance should cover the cost for your resident's injuries.

You need to understand specifically what the general liability insurance will cover.

***Health insurance***

When you own your own business, you should consider whether you need to purchase health insurance for yourself or offer health insurance for your employees. Health insurance premiums for you and your employees is considered a business expense. If you were to offer health insurance for your employees, you can have the employees pay their premium or a portion of their premium.

The U.S. Department of Health and Human Services (HHS) is operating the exchange for the Affordable Healthcare Act for small business policies. They have created the Small Business Health Options Program (SHOP) which is a marketplace for small employers who want to provide health and dental insurance to their employees.

To use the SHOP Marketplace, your business must have 50 or fewer full-time employees. You can start offering SHOP insurance to your employees at any time of the year.

You can contact the Small Business Health Options Programs Call Center weekdays from 9am to 7pm Eastern Time at 800-706-7893 (TTY: 711). The website address is: <https://www.healthcare.gov/small-businesses/provide-shop-coverage>.

When contacting any insurance agency, you should ask questions to be sure you understand the coverage that you are purchasing. Obtain information on your insurance deductible and other requirements in case you need to file a claim in the future.

### ***Workers' compensation insurance***

Workers' compensation insurance that provides wage replacement and medical benefits to any of your employees that are injured while working for you. All Ohio employers with one or more employees must have workers' compensation coverage. This is a type of insurance required only when you have employees. This type of insurance is discussed in greater detail in the section, Paying Your Staff.

## **Obtain your OhioMHAS OAKS Vendor ID Number**

### ***Consider This...***

In order to receive funds from the State of Ohio, you must have an OAKS ID number.

If the state (OMHAS or other state agencies) have grant or funding opportunities to be paid directly to the operator, owner or facility, you must have an Ohio Administrative Knowledge System (OAKS) vendor ID number. In order to receive the payments from OhioMHAS. You must register with the Ohio Administrative Knowledge System (OAKS). OAKS is the state's centralized system for financial management.



To register a new account to obtain an OAKS Supplier Number, go to the Ohio Shared Services (OSS) Website  
<http://www.supplier.obm.ohio.gov/>.

If you need help in completing the application, there are step-by-step instructions to Register as a New Supplier at:  
[http://www.supplier.obm.ohio.gov/download/JobAid/OBM\\_RegisteringNewSupplier\\_JA.pdf](http://www.supplier.obm.ohio.gov/download/JobAid/OBM_RegisteringNewSupplier_JA.pdf).

You may want to print these instructions before getting started. To verify if your information has been processed or where it is in the process, or if you have questions about completing the required forms, please contact OSS at 1-877-644-6771 (Monday – Friday 8am-5pm EST).

## ORGANIZE YOUR BUSINESS

### Setup a Filing System

To get you started with organizing your business operations, you need a good filing system. Remember to keep all of this information in a safe and confidential place away from residents and guests. We suggest you start by purchasing a small 2 drawer filing cabinet that locks like this one:

Once you have purchased your filing cabinet, here is a filing system that we think will work well for you:



#### **1. CREATE A RESIDENT FILES CATEGORY.**

Create a file folder for each resident.  
Inside each resident's file folder include these documents:

- Resident Information Form
- Resident Agreement
- Resident Care Plan
- House Rules & Policies, signed by the resident

#### **2. CREATE EMPLOYEE FILES CATEGORY.**

Create a file folder that includes the following information for the employee your hire to help you take care of your residents:

- Completed Employment Application

### **3. CREATE COMPANY BLANK FORMS CATEGORY.**

Create a file folder that includes copies of these documents:

- Resident Information Form
- Resident Agreement
- House Rules & Policies
- Resident Care Plan
- Application for Employment
- Caregiver Job Description
- Invoice & Payments Summary Report
- Monthly Manual Bookkeeping Tool

### **4. CREATE COMPANY FINANCIAL RECORDS CATEGORY.**

Create a file folder that includes the financial information for your business.

- Manual Entry Bookkeeping Tool, upon completion each month
- Client Invoices & Payments Summary, upon completion each month
- File for bills due to be paid
- Bills paid, note the method of payment

### **5. CREATE REGULATORY INFORMATION CATEGORY.**

Create a file folder that includes all the important regulatory information that you need to provide training to employees or information that you place in binders in your Adult Care Facility or information that you post for your residents.

You should obtain a copy of the Rules for operating an Adult Care Facility and place a copy in a 3 ring binder to make it easily accessible. Here is an example of regulatory information you might include:

- Copies of license

- Copies of application
- Required Inspections Schedule (electrical, fire, heating systems)-
- Required Trainings Schedule- and copies of CEU's for each employee
- Emergency Evacuations Policy
- Patient's Rights
- HIPPA Consent Form
- Certificate of Use and Occupancy
- Personnel Policy
- Employee Screening & Training
- Policy on Providing 3 Nutritious Meals Daily

Any of the required regulatory information can be obtained from OhioMHAS.

Keep in mind that as a licensed Adult Care Facility you are responsible for being aware of all the legal and regulatory requirements to maintain your license. You need to properly train yourself and your employee to make sure you are following these regulations.

## Develop Your Business Forms

When owning an Adult Care Facility, it is important to have a process in place for smooth business operations and management. In this section we will give you some suggestions on how to get yourself and your business organized, including several business forms that you should use to help operate your business efficiently. All of your business files containing any resident information must be stored in a locked filing cabinet.

### ***Resident Information Form***

You should capture your new resident's information in writing and keep it in a file folder for easy reference.

Our sample "Resident Information Form" requests the resident's contact information, Social Security Number, legal guardian information, emergency contact information, and monthly income

information. You can use this form to verify the applicant's sources of income prior to accepting the applicant into your home.

### ***Resident Agreement***

The resident agreement is a written contract between you, the resident, and/or the resident's legal guardian. This document provides specific information regarding the resident's obligations for living in your home and your obligations to the resident for them living in your home. This contract should include the specific amount that you are charging the resident each month, the due date for payments each month, the date of any late charges or security deposits, and what income sources will be used to make the payments each month. This contract should also be signed by the owner or manager of the Adult Care Facility. For complete information on information that should be included in the Resident Agreement, refer to the Ohio Administrative Code Chapter 3701, Rule 5122-33-16 Resident Agreement; Other Information to Be Provided Upon Admission.

### ***Resident Care Plan***

The owner or manager should complete a Resident Care Plan. The Resident Care Plan captures information about your residents, such as their daily routine, daily activities, level of assistance needed, nutritional needs, supervision needed, etc. This plan will help you be prepared to provide the best care.

Understanding the needs of your new residents can help you confirm that you have adequate and appropriate staff to continue providing quality services to all your clients.

### ***Consider This...***

You need to interview each resident on an individual basis to consider their dietary, physical, mental, and other health needs and how this resident's needs will mix with the needs of your existing residents.

### *For Example...*

If you have all senior-aged residents in your home then you should strongly consider the impact of adding a really young resident.

### ***Employment Application***

You should have each individual that you consider allowing to work for you complete an employment application. You should also have volunteer workers complete an employment application. Once an employment application is completed, thoroughly review the completed application in advance of making your hiring decision. Make phone calls and do your research to confirm information on the employment application. You can ask the applicant for references that you can call and confirm their professional experience and character.

In the “Staffing Your Business” section below you will find suggestions on the types of skills you should be seeking in an employee for your Adult Care Facility.

### ***Caregiver Job Description***

You should have a job description for each employee position in your Adult Care Facility. The job description will include the duties, purpose, responsibilities of the job, the job title, and the name or designation of the person to whom the employee reports. Use this job description when you conduct any employee interviews.

### ***Resident House Rules & Policies***

The Resident House Rules & Policies explains important rules and information for those accepted as residents in your home. You might include information about how resident clients are expected to pick up after themselves, how resident clients should respect each other’s privacy, how resident clients should keep the noise levels respectful for others residing in the home.

## ***Manual Entry Bookkeeping Tool***

There is a sample of this manual entry bookkeeping tool provided with this toolkit. Instructions are included. You can use this tool to capture the income and expenses of your Adult Care Facility. Capturing income and expenses is really important in helping you to monitor how much money you have coming into the business versus how much money you have going out of the business.

You should track how much money you collect each month and the money you spend on business related expenses. You will need to calculate whether you have a profit or loss each month.

## ***Resident Invoices & Payments Summary***

On a monthly basis, you should keep a list of the amount of money you invoice third-party agencies for payments for your residents. We have included a sample form for this tracking purpose. On our sample form, we have a place for you to record the resident's source of income payments to you, the amount they owe you each month, and the dates you expect to be paid. If you are required to send an invoice or make a payment request each month, then you need to document each month the date you make your request. Once you receive payment each month for each resident, you should document the date payment was received. Keep this information in your files.

### ***Consider This...***

All your residents should have Payees because the Adult Care Facility is not allowed to manage resident's money.

As part of this toolkit, we have included a sample of each form listed in the sections above. You can use them as is or make modifications as you see needed.

## STAFFING YOUR BUSINESS

### Hire the Right Skills

Adult Care Facility Jobs	Essential Skills	Additional Skills Desired
<p>Manager</p>	<ul style="list-style-type: none"> <li>• CPR certified</li> <li>• Hire, train, and monitor staff</li> <li>• Be able to pass a background check as required by the Ohio Mental Health &amp; Addiction Services</li> <li>• Be able to pass a drug test</li> <li>• Ensure background checks completed on any new hire               <ul style="list-style-type: none"> <li>○ Confirm employee has no criminal record in violation of OhioMHAS rules</li> <li>○ Confirm employee that transports residents has valid driver's license</li> </ul> </li> <li>• Advocate for residents</li> <li>• Maintain accurate resident and staff files</li> <li>• Manage invoicing and collection of resident payments to ACF</li> <li>• Ability to perform all the duties of the Resident Caretaker</li> <li>• Ability to assist the owner, if not the manager, in marketing the business for additional residents when needed</li> </ul>	<ul style="list-style-type: none"> <li>• Experience caring for adults with developmental disabilities</li> <li>• Experience caring for adults with chronic mental illness</li> <li>• Prior management experience</li> </ul>
<p>Resident Caretaker</p>	<ul style="list-style-type: none"> <li>• CPR Certified</li> <li>• Be able to pass a background check</li> <li>• Be able to pass a drug test</li> <li>• Provide care to residents including but not limited to:               <ul style="list-style-type: none"> <li>○ Assistance with bathing, grooming, and other personal care</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Experience caring for adults</li> <li>• Experience caring for adults with developmental disabilities</li> <li>• Experience caring for adults with chronic mental illness</li> </ul>

<b>Adult Care Facility Jobs</b>	<b>Essential Skills</b>	<b>Additional Skills Desired</b>
	<ul style="list-style-type: none"> <li>○ Household chores like washing clothes, cleaning the home, and cleaning the dishes</li> <li>○ Cooking for residents</li> <li>○ Maintaining a safe environment for the residents</li> <li>○ Promoting dignity and independence for the residents</li> <li>○ Showing care and compassion to residents, their families, and other staff</li> <li>● Available to work a flexible schedule</li> <li>● Must have valid, active driver's license, if hired to drive residents around</li> </ul>	

## Conduct a Background Check

Another important aspect of owning an Adult Care Facility is protecting your residents and protecting your business. It is a good idea to do background checks on any individual you intend to employ in your business with residents

When you own an Adult Care Facility, you must make sure any paid or volunteer staff are eligible to work for you. There are certain offenses that disqualify an individual from being an owner or staff person of an Adult Care Facility.

Some of the permanent disqualifications include offenses like murder, assault, and abuse crimes. The complete list of disqualifications can be found in Ohio Administrative Code, Chapters 5122-33-12, 5122-33-13, and 5122-33-28.

Keep in mind that any person working with your residents must meet all the Ohio Mental Health and Addiction Services' licensing requirements:



- Any person working in your home must be at least 18 years of age.
- Managers must be at least 21 years of age.
- All staff must have first aid training.
- The manager and each staff person must complete a general orientation in caring for persons diagnosed with mental illness as well as complete instruction on how to access local mental health crisis and emergency services related to mental illness.
- The manager must arrange for all necessary inspections, approvals, and licenses.
- The manager is responsible for hiring, and supervising staff, and for making sure resident's rights are protected.

Think of the residents that you take into your home as extended family. Be sure you hire staff that you would allow to take care of your family members.

When conducting a comprehensive background check, the screening process gathers information from multiple sources and provides a clearer understanding of the applicant's qualifications and reduces your risks as a business owner.

If you are using this background check to make your hiring decision, there are federal laws that protect the applicant from discrimination based upon race, color, national origin, sex, or religion, disability, sexual orientation, genetic information and age. The Equal Employment Opportunity Commission (EEOC) enforces these laws.

### *Consider This...*

Licensure requires that a background check is completed on each staff person that you hire. Be sure to research the company that you use to complete your background checks and make sure they are a reputable company.

When you run background checks through a company that provides background information, you must comply with the Fair Credit Reporting Act (FCRA). The Federal Trade Commission (FTC) enforces the

FCRA. Typically, the company that you hire will provide you with the instructions to make sure you comply with these laws.

According to the Ohio Administrative Code, Chapter 5122-33-28, an Adult Care Facility owner must contact the Ohio Bureau of Criminal Identification and Investigation (BCI) to conduct a criminal records check on any applicant being considered for work in the home.

Here are the locations:

**BCI Main Office**

1560 State Route 56 SW  
P.O. Box 365  
London, OH 43140

Toll-free: 1-855-BCI-OHIO (1-855-224-6446)

Phone: (740) 845-2000

Email: [BCI@OhioAttorneyGeneral.gov](mailto:BCI@OhioAttorneyGeneral.gov)

**BCI Richfield Office**

4055 Highlander Parkway  
Richfield, OH 44286  
Phone: (330) 659-4600

**BCI Bowling Green Office**

750 North College Drive  
Bowling Green, Ohio 43402  
Phone: (419) 353-5603

**BCI Youngstown Office**

20 W. Federal Street  
Youngstown, OH 44503  
Phone: (330) 884-7555

**BCI Athens Office**

86 Columbus Circle, Suite 202  
Athens, OH 45701  
Phone: (740) 249-4378

**BCI Cambridge Office**

1225 Woodlawn Avenue  
Cambridge, OH 43725

You can use the employment application that applicants and volunteers complete for you to contact their previous employers for references.

In order to prove someone has Cardiopulmonary Resuscitation (CPR) Certification, you can request a copy of their CPR Certification card. If he/she has lost his/her CPR Certification card, he/she can ask the certifying agency for a new card. In some instances you can verify the certification by contacting the American Heart Association:

Data Inquiry Address  
American Heart Association  
ECC - International  
7272 Greenville Avenue  
Dallas, Texas 75231-4596  
Email: CPRVerify@heart.org

## Employees versus Independent Contractors

An employee is a person who is hired to provide services to your business on a regular basis in exchange for an hourly rate or salary. Employees do not provide services as part of an independent business.

An individual working in your Adult Care Facility would be considered an independent contractor if (s)he is paid an agreed amount of money to take care of your residents but you are not deducting any payroll taxes from the payments you make to this person. Unlike an employee, an independent contractor usually works for many businesses.

Deciding whether the people that work for your Adult Care Facility are employees or independent contractors is a very important decision. This decision can greatly affect the amount of money you spend to cover the cost of the staff you hire in your business.

Here are some common differences between classifying a staff person as an Employee versus classifying a staff person as an Independent Contractor:

<b>EMPLOYEE</b>	<b>INDEPENDENT CONTRACTOR</b>
Usually works for only one employer.	Usually works for more than one company.
Works the hours set by the employer.	Sets his or her own hours.

<b>EMPLOYEE</b>	<b>INDEPENDENT CONTRACTOR</b>
Usually works at the employer's place of business.	Works out of his or her own office or home.
Works under the control and direction of the employer.	Works relatively independently.
Accomplishes tasks in the manner the employer has requested.	Has the authority to decide how to go about accomplishing tasks, and does so without the employer's input.
Costs associated with the job is covered by the employer.	Costs associated with the job is covered by the independent contractor.
Has a general education and experience background, and receives special training from the employer in order to do the job better.	Has acquired very specialized skills and comes to the work relationship with a particularized education and experience background.
Receives net salary after employer has withheld income tax, Social Security and Medicare tax under the Federal Insurance Contributions Act (FICA).	Is not subject to tax or FICA withholding, but pays his or her own self-employment tax. Receives a flat rate of pay with no tax deductions.
Eligible to receive unemployment compensation after lay off or termination.	Is not eligible for unemployment compensation benefits.
Eligible to receive worker's compensation benefits for any workplace injury.	Is not eligible for worker's compensation benefits.
Is covered by federal and state wage and hour laws such as minimum wage and overtime rules.	Is paid according to the terms of the contract, and does not receive additional compensation for overtime hours worked.

Information taken from Findlaw.com

IRS Publication Topic 762 discusses the difference between an independent contractor and an employee. There are three tests that determine whether your employee is a contractor or an employee. If the person is found to be an employee under any one test, (s)he must be treated as an employee and the employer must withhold and pay payroll taxes for the employee as described below.

**Behavioral Control:** If the employer directs or controls how the work is done, through instructions, training, or other means the hired person is a common law employee for which payroll taxes must be paid. An independent contractor is given a task to perform, (s)he provides his own tools and equipment, schedules his own work and performs similar services to other employers.

Financial Control: If one or more of the following conditions applies to the hired person, (s)he is treated as a common law employee:

- The person is reimbursed for business expenses
- The person does not makes his or her services available to other businesses in the relevant market

Type of Relationship covers facts that show how the parties perceive their relationship. The hired person is a common law employee if:

- The business provides the worker with employee-type benefits, such as insurance, a pension plan, vacation pay, or sick pay
- The position is permanent and the services performed by the worker are a key aspect of the regular business of the company

Based on our assessment, a person hired to care for clients in an Adult Care Facility should be treated as common law employees unless they provide similar services for other small businesses like home health care agencies, nursing homes or other Adult Care Facilities.

However, if you choose to treat any new hire as an independent contractor, be sure you provide them with a contract that spells out the expectations that make him/her a contractor. Independent contractors are responsible for paying their own income taxes and their own self-employment tax.

### ***IRS form 1099-MISC***

When you pay an Independent Contractor \$600.00 or more for working for your Adult Care Facility, you will be responsible for preparing and mailing that independent contractor an IRS Form 1099-MISC by January 31st of the year following the payment. The Form 1099-MISC is used to report to the IRS and to report to the independent contractor the total payments you made to them.

The IRS has detailed information about the distinction between an employee and independent contractor and how to report payments made to employees and independent contractors. You may want to consult with your CPA, attorney, or other small business professional on this matter before making a final decision.

## PAYING YOUR STAFF

Now that you own an Adult Care Facility business you'll need to pay people to work for you, whether they are employees or independent contractors. Hiring employees in your business triggers certain laws and responsibilities of you as their employer.

### What Is Payroll?

When you start an Adult Care Facility business and hire employees, you'll need to start processing payroll. Payroll refers to the process of calculating and distributing your employee's wages and deducting payroll taxes. To calculate payroll accurately, you'll need to learn to make employee work schedules, track, and monitor employee's time worked each pay period. You will then use this information to process payroll.

For purposes of scheduling and processing payroll you will need to decide on what the workweek will be for your Adult Care Facility. A workweek is a fixed and regularly recurring period of 168 hours or seven consecutive 24-hour periods. The workweek does not have to coincide with the calendar week. It can begin on any day of the week and at any hour of the day. For many small businesses the workweek begins on Sunday and ends on Saturday of each week.

How often you pay your employee is your decision. Some of the common options are paying employees weekly, twice per month or once per month. You'll want to choose a payday that is the same each month to make it easy to remember. For example, you could pay your employee every other Friday or you could pay your employee on the 15th and last day of each month.

When setting up payroll, you may decide that you will handle the payroll processing for yourself. There is information available to help you.

#### *Consider This...*

There are companies that can help you with doing your own payroll. You can do an internet search to find them.

These companies do charge you a fee for processing your payroll so this might not be a good option for small Adult Care Facilities.

However, there are also various agencies that you can pay to process payroll for you.

## How Much Should I Pay My Employees?

As the owner of an Adult Care Facility, you must make sure you are aware of all state and federal laws regarding paying your employee.

The primary federal law that sets the minimum wage is the U.S. Fair Labor Standards Act (FLSA). The U.S. Department of Labor administers and enforces the labor laws.

The state of Ohio has a minimum wage rate of \$8.15 per hour. The federal minimum wage rate is \$7.25 per hour. In cases where the state minimum wage is higher than the federal minimum wage, you must follow your state’s laws for minimum wage pay.

In Ohio, if your business generates less than \$299,000 per year you may pay your employee the federal minimum wage rate of \$7.25 per hour. If your business generates more than \$299,000 per year, then you must pay your employee the Ohio minimum wage rate of \$8.15 per hour.

Ohio Minimum Wage Rate			
OHIO	Basic Minimum Rate(per hour)	Premium Pay After Designated Hours	
		Daily	Weekly
Employers with annual gross receipts of \$299,000 or more.	\$8.15		40
Employers with annual gross receipts under \$299,000	\$7.25		40

Rate is increased annually based upon a cost of living formula.  
The overtime premium rate is one and one-half times the employee's regular rate, unless otherwise specified.

You can choose to pay hourly or a salary so long as the total amount paid divided by the total number of hours worked is equal to at least the minimum wage.

### *For Example...*

Let's say you hire Sarah to work in your Adult Care Facility for 4 days each week for 6 hours each day, at a minimum wage rate of \$7.25. You pay Sarah \$174 for the week. You calculated Sarah's weekly wages by multiplying 4 days by 6 hours each day = 24 hours worked that week. You multiply 24 hours x \$7.25 per hour = \$174.

In the example above Sarah earned \$174 in gross pay. In the sections below you will see that you will also need to deduct payroll taxes from this employee person's pay.

The federal law also requires you to pay overtime pay to your employees for time worked over 40 hours each workweek. You should contact your local U.S. Department of Labor with any questions:

#### **Cincinnati Area Office**

US Dept. of Labor  
Wage & Hour Division  
550 Main Street  
Room 10-409  
Cincinnati, OH 45202-5208  
Phone: (513) 684-2908  
1-866-4-USWAGE  
(1-866-487-9243)

#### **Cleveland Area Office**

US Dept. of Labor  
Wage & Hour Division  
Federal Office Building  
1240 E. 9th Street, Room 817  
Cleveland, OH 44199-2054  
Phone: (216) 357-5400  
1-866-4-USWAGE  
(1-866-487-9243)

#### **Columbus District Office**

US Dept. of Labor



Wage & Hour Division  
200 North High Street, Room 646  
Columbus, OH 43215-2408  
Phone: (614) 469-5678  
1-866-4-USWAGE  
(1-866-487-9243)

When you have employees you are required to deduct various employment taxes from their pay each time you pay them.

Please see the section below for more information on what types of taxes you would need to pay, how you calculate these taxes, and where you send these tax deductions you subtract them from your employee's checks.

## What Are Payroll Taxes?

When you have employees, you are required by law to pay state and federal payroll taxes. These taxes are also called employment taxes. When you have employees, you might also be required to purchase workers compensation insurance and unemployment insurance.

### Federal payroll taxes

The two main federal payroll taxes deducted from employee's wages are known as Federal Insurance Contributions Act (FICA) taxes. Employees and employers both pay FICA taxes: employees usually have them withheld from their paychecks, while employers pay them in addition to any other taxes they owe. These two FICA taxes are paid at a total of 15.3% of gross employee wages:

- Social Security tax, is deducted at a rate of 12.4 percent (split evenly between employees and employers) up to a maximum amount of an employee's wages (\$118,500 in calendar year 2016). This wage cap is adjusted annually to take account of increases in average wages. The revenues go toward funding Social Security, which pays benefits to retirees, persons with disabilities, and survivors of deceased workers.
- Medicare tax is deducted at a rate of 2.9 percent of wages (split evenly between employees and employers); unlike the Social Security tax, there is no wage cap. Married filers' earnings over \$250,000 (and singles' earnings over \$200,000) are taxed at an additional 0.9 percent, for a total

of 3.8 percent on this income. Revenues from the Medicare tax support the hospital insurance portion of Medicare.

People who work for themselves pay a self-employment tax called the Self Employment Contributions Act (SECA) tax that also funds Social Security and Medicare. These taxes are equivalent to FICA taxes with the same basic rates and caps as paid by employees.

A third federal payroll tax is the Federal Unemployment Tax Act (FUTA) tax. Employers pay an effective rate of 0.6 percent on the first \$7,000 of a worker's wages. The revenues mainly go toward financing the administration of state unemployment insurance programs. Each state collects an additional unemployment payroll tax to further finance unemployment benefits

## **State of Ohio's Payroll Taxes**

Ohio State Income Tax is very similar to federal payroll taxes. Ohio collects taxes based on income "brackets." The higher a taxpayer's income, the higher rate s/he pays in taxes. For 2016, these rates vary from 0.495% of taxable income, up to 4.997%.

The state of Ohio's Employee Withholding Certificate Form IT4 must be completed and has very similar information as the federal W-4 employee withholding form.

The Ohio Department of Taxation provides the blank IT4 forms and the tax tables that are used for calculation of employee payroll tax deductions. The employee is to complete this form and turn it back in to you. The instructions on how to complete the form included with each form. This form should be kept in each employee's file.

## ***IRS form W-4***

As the business owner, you will have your employees complete the W-4 form when they are hired. This form is used to calculate the correct amount of income tax to be deducted from your employee's personal payroll check.

For more information on the W-2 form, contact the IRS. This form may change from year to year, and the employer is responsible to know about the changes. You can download and print the W-4 form from the IRS website at [www.irs.gov](http://www.irs.gov).

All new employees must fill out a W-4 form. If his/her marital status or number of dependents changes, (s)he complete a new W-4 form. It is best to check with your employee every year for any changes.

### ***I-9 Form, Employment Eligibility Verification***

Employers must complete and retain an I-9 Form for each employee, including non-citizens. The employer must examine the employment eligibility and identity document(s) an employee presents to determine whether the document(s) reasonably appear to be genuine and relate to the individual and record the document information on the Form I-9. The list of acceptable documents can be found on the last page of the form. This form can be found at [www.uscis.gov](http://www.uscis.gov).

## **Other Employer Taxes**

### **Federal Unemployment Tax Act (FUTA)**

Federal Unemployment Tax Act (FUTA) regulates state unemployment insurance systems. Currently, the tax rate is 6.2% and is applied to the first \$7,000 in wages paid to each employee during the year. Most Adult Care Facilities will pay a tax rate of 0.8%. FUTA tax deposits can be made quarterly and reported annually by using IRS Form 940 or 940-EZ.

### **State Unemployment Insurance Taxes**

When you pay unemployment insurance taxes, the money is used to pay any employees that lose their job through no fault of their own, such as if the employee is laid off, the job was discontinued, or the business closed.

When an employee is laid off for “just cause,” the employee may be found to be ineligible for unemployment benefits. Ohio law says that just cause is whether the action taken would be taken by an ordinary careful person under similar circumstances. Examples of just for an employer terminating an employee are as follows:

- Violated established company rules
- Neglected your job responsibilities

- Disregarded the employer's interest
- Performed their work poorly

The Division of Tax and Employer Service will make the determination as to whether an employee is terminated for just cause. This agency administers the tax and wage record provisions of the Ohio Unemployment Compensation Law.

Most employers are liable to pay unemployment compensation taxes and report wages paid to their employees on a quarterly basis. Highlighted below are two important pieces of information to help you register your business and begin reporting. To register your account by paper, please complete a Report to Determine Liability (JFS-20100) and mail it to:

Ohio Department of Jobs & Family Services  
Office of Unemployment Insurance Operations  
30 E. Broad Street 32nd Floor  
Columbus Ohio 43215  
Telephone: 614-466-2319  
Email: [unemployment.ohio.gov](mailto:unemployment.ohio.gov)

In most situations, you are required to pay unemployment insurance taxes under the Ohio unemployment compensation law if you meet either of the following requirements:

- You have at least one employee in covered employment for some portion of a day in each of 20 different weeks within either the current or the preceding calendar year; or
- You paid wages of \$1500 or more to employees in covered employment in any calendar quarter within either the current or the preceding calendar year.

There can be some exceptions. To learn more about these exceptions, contact the Ohio Department of Jobs & Family Services, Office of Unemployment Insurance Operations at the telephone/email address listed above.

## Workers Compensation

Workers Compensation insurance provides wage replacement and medical benefits to employees injured in the course of employment. The Ohio Bureau of Workers Compensation (BWC) manages the Ohio's Workers Compensation insurance program. You must contact BWC to determine what amounts, if any, you are required to pay:

Ohio Bureau of Workers Compensation  
30 W. Spring Street  
Columbus, OH 43215  
Phone: 800-644-6292  
Website: [www.bwc.ohio.gov](http://www.bwc.ohio.gov)

The average rate to employers for Ohio workers compensation coverage is \$1.07 per \$100 of payroll, for policy year beginning July 1, 2016.

## When Do I Pay Myself?

Many Adult Care Facilities are managed by the owners. These owners often work in the business. As an owner of the business, you decide if you will be paid in the same fashion as for those that work for you are paid. Typically, owners of small businesses pay themselves after all of their workers have been paid and after all of their business expenses have been paid.

An owner should take a salary only when the business has a profit for the month. Sometimes this is called an owner's draws. Owners will use the money for personal use. Owner draws from the business might include cash withdrawals, ATM transactions, debit cards, or cash for personal non-business purposes (paying a mortgage, car note, groceries, family vacations, dinners, etc.) When an owner takes money out of the business for personal use the amounts must be documented just as you document the income and business expenses.

You can decide to pay yourself as an employee of your business. In this case you would receive a paycheck from your business on a regular basis. You will likely need to make the decision on when you pay

yourself based upon how well you manage the money you generate you're your Adult Care Facility.

The best way to guarantee regular payments to yourself is learning to properly manage your business finances.

## Register Your Business for Required Business Taxes

If you have employees, all employment tax payments will need to be paid to the Ohio Department of Taxation. The Ohio Department of Taxation provides the collection and administration of federal, state and local business taxes. This department is responsible for collection of your employer withholding, unemployment compensation, and workers' compensation payments:

Ohio Department of Taxation  
4485 Northland Ridge Blvd.  
Columbus, OH 43229  
Phone: 888-405-4039  
Website: <http://www.tax.ohio.gov>

You'll need to contact the Ohio Department of Taxation to setup your business account to begin making payments. The Ohio Department of Taxation has setup an Ohio Business Gateway which is an online shop to make it easy for business tax filing. You can find this Ohio Business Gateway from their website listed above.

## BUSINESS FINANCES

When running a business, it is important to keep your finances in order. Because your business is home-based, it is easy to mix business and personal expenses. Business finances should be kept separate from personal finances. This separation helps keep business affairs easy to understand by you or the IRS, should you be audited. This separation is also why it is important to maintain a business bank account.

## Collecting Resident Payments

The residents of the Adult Care Facility are responsible for making payments to live at the facility. In many cases, the resident is receiving

some sort of governmental financial assistance that can be used toward their rent payments to the Adult Care Facility.

These are the most common types of income your residents will receive:

- Supplemental Security Income (SSI)
- Social Security Disability Income (SSDI)
- Ohio Residential State Supplement (RSS)

Other types of assistance may come from the following sources:

- Department of Developmental Disabilities
- Alcohol Drug Addiction and Mental Health Board
- Veterans Administration
- Family Members

Your residents would use these payments along with their other personal income to pay the monthly allowable rent amount to you.

## Ohio Residential State Supplement (RSS)

RSS is an optional state supplementation program for Ohio that provides financial assistance to Medicaid-eligible aged, blind, and disabled adults who have increased needs due to a disability that is not severe enough to require long-term care in a facility. RSS funds can be used to supplement monthly costs for residents of Adult Care Facilities.

The OhioMHAS administers the RSS Program and reviews all new applications. Once the RSS administrator has reviewed the forms, the applicant's information is forwarded to his or her local County Department of Job and Family Services (CDJFS) office for a financial eligibility determination. When the CDJFS office determines that the applicant's income is within limits, the applicant is enrolled in the RSS Program or placed on the RSS wait list.

## Supplemental Security Income (SSI)

Supplemental Security Income (SSI) is a federal program through the Social Security Administration that helps people who have disabilities, are blind, or are over age 65 and also have low income and

limited resources. The Social Security Administration (SSA) runs the program. If you qualify for SSI, you get monthly cash payments to help you pay for your basic needs and automatically qualify for Medicaid health coverage.

## Social Security Disability Income (SSDI)

Social Security Disability Income (SSDI) is a federal program through the Social Security Administration that gives money each month to people who have a disability that meets Social Security disability rules and who, in the past, worked and paid FICA taxes for enough time to qualify. SSDI has no income limits and no resource limits. The amount you get in SSDI benefits depends on your Social Security earnings record. After getting SSDI benefits for two years, you automatically qualify for Medicare health coverage.

SSDI also offers benefits to family members, including children and widows, when a primary wage earner in the family becomes disabled or dies. Additionally, adults whose disabilities began before they turned 22 may be able to get Childhood Disability Benefits (CDB).

## Verifying Resident Income

Some people may qualify for multiple income sources at the same time.

Here's how you verify an applicant's Supplemental Security Income:

- You can have the resident sign a Consent for Release of Information that authorizes your Adult Care Facility to obtain verification of their RSS, SSI, or SSDI payment amounts.
- You can also ask the resident to request a Benefit Verification Letter, sometimes called a Proof of Income Letter, or Proof of Award Letter. This is an official letter from the Social Security Administration that you can use to obtain proof of income. The resident or his or her legal guardian can call the Social Security Administration or log into their account on the internet to make the request. They can call the SSA at: 800-772-1213, Monday through Friday from 7 a.m. to 7 p.m.

Those individuals that do not receive any governmental income will be considered your private pay clients. You can offer accommodations to



private pay families so long as they can afford to pay the amount you are charging. You should make sure it is based upon a rate similar to other businesses that provide similar services as your business.

## Example of Potential Profit or Loss from Owning An Adult Care Facility

When obtaining licensing for an Adult Care Facility, you are licensed for a home with 3 to 5 beds. In other words, you can serve 3 to 5 residents. Keep in mind that when you start your business you might not have the number of residents that you are licensed to serve. It is possible that you will not maintain full capacity of clients each month.

### *For Example...*

- You have a licensed Adult Care Facility.
- You have 3 residents each receiving RSS monthly income of \$1,100.00.
- You are the owner living in the home as the manager.
- You are paying monthly rent of \$750.
- Your monthly expenses total \$1,880.

See the resulting Profit & Loss Statement below.

Here is a sample of potential monthly profit and loss:

<b>GROSS INCOME</b>	<b>\$</b>
RSS Income* (\$1100 each x 3 residents)	\$3300
<b>TOTAL INCOME</b>	<b>\$3300</b>

<b>MONTHLY EXPENSES</b>	
Bank Account Monthly Fee	\$10
Cable	\$20
Electric/Gas/Water	\$375
Internet	\$20
Minor repairs	\$50
Resident Food <sup>1</sup> (@ \$75 per resident)	\$225
Rent	\$750
Employee <sup>2</sup> (40 hours per week * \$7.25 per hour x 4 weeks)	\$1,160
Telephone (landline)	\$10
Water	\$10
Owner's Draws <sup>3</sup> (see section "When Do I Pay Myself" for further info)	\$0

<b>TOTAL MONTHLY EXPENSES<sup>4</sup></b>	<b>\$2630</b>
<b>NET PROFIT (OR LOSS)</b>	<b>\$670</b>

<sup>1</sup> We are assuming RSS payments of \$1,100 per month.

<sup>2</sup> We are assuming that the owner is working in the home for at least 16 hours of each day. This means the owner must pay someone to work 8 hours each day for an average of 30 days.

<sup>3</sup> Owner's draws is money the owner takes out of the business to use for non-business reasons.

<sup>4</sup> These expense estimates exclude startup expenses, payroll taxes, and insurance costs.

Based on this example Profit & Loss Statement, you can see the importance of creating a monthly budget for your Adult Care Facility in order to make sure you properly track the money coming in and going out of your business.

## MARKETING YOUR BUSINESS

Adult Care Facility owners and managers are responsible for getting their clients. There are no referrals from the state of Ohio. You need to create a marketing strategy of how you will make the community aware of your new Adult Care Facility business. Marketing your business is about building relationships and trust with both referral sources and families.

You should create a brochure or flyer that describes your Adult Care Facility, the services you provide, and any other information that makes your business unique from other Adult Care Facilities. You should develop a simple website and create a Facebook (FB) page.

Your brochure or flyer should have pictures of your home in its best setting. The brochure or flyer is a lasting impression that you can leave with potential customers. There should be mention of the services you provide, such as “3 healthy meals”, “Companionship”, “Personal Care”, etc. Carefully list your services so that they are appealing to potential clients and families.

A basic website will prove to be beneficial when individuals search the internet for services. This can be a one page site with your contact information and a picture of your home. Just like the brochure or flyer you should list your services so when viewed it makes a lasting impression. A simple website can be developed by a professional or you can go to hosting sites such as GoDaddy.com to create your own.

Craigslist can also be a great way to get the word out about your Adult Care Facility.

## Where Do I Find Clients?

Some good places to build relationships for potential clients include:

- Mental health service providers
- Discharge planners and social services professionals of local hospitals or health care facilities, and nursing homes
- Local Alcohol, Drug Addiction and Mental Health (ADMAH) Boards
- Area Agencies on Aging (AAA)
- Centers for Independent Living
- Departments of Social Services (state offices)
- Vocational Rehabilitation providers
- Physicians specializing in geriatrics, family practice or other specialty groups related to your target population(s)

You should develop relationships with the people that work at these agencies and leave them with information about your Adult Care Facility.

## TOOLKIT SAMPLE BUSINESS FORMS

- Manual Entry Bookkeeping Tool
- Resident Invoices and Payments History
- 12-month Income & Expense Projections (Budget)
- Startup Costs Worksheet
- ACF Before You Start Checklist
- ACF Employment Application

## Manual Entry Bookkeeping Tool (Page 1 of 2)

**Business Name:**

EXPENSES PAID BY CASH		
Date	To Whom	Amount
<b>Total Cash Spent This Month</b>		

**Month of:**

EXPENSES PAID BY CHECK				R
Date	Check #	To Whom	Amount	
<b>Total Checks Written This Month</b>				

MONTHLY EXPENDITURES		
Type of Expense	This Week	Total YTD
<b>Total Expenses This Month</b>		

Note: Mark "R" column once your check payment has cleared your bank.

## Manual Entry Bookkeeping Tool (Page 2 of 2)

MONTHLY SALES		
	Third-party or Private pay	Sales/ Income
Resident Name		
<b>Total This Month</b>		
<b>Total Year-to-Date</b>		

PAYROLL OR CONTRACT LABOR	
Name	Amount Paid
<b>Total This Month</b>	
<b>Total Year-to-Date</b>	

PROFIT AND LOSS THIS MONTH	
Total Sales this Month	
Minus Total Expenses this Month	
<b>Total Profit or Loss this Month</b>	
PROFIT AND LOSS YEAR TO DATE	
Total Sales Year-to-Date	
Minus Total Expenses Year-to-Date	
<b>Total Profit or Loss Year-to-Date</b>	

## Resident Invoice & Payments Summary Report

**ENTER MONTH & YEAR:**

RESIDENT FULL NAME	PAYING AGENCY	AMOUNT DUE	INVOICE DATE	DUE DATE	DATE PAID	BALANCE OWED
<b>GRAND TOTAL</b>						

# 12 Months Income & Expense Projections/Budget

	Mo 1	Mo 2	Mo 3	Mo 4	Mo 5	Mo 6	Mo 7	Mo 8	Mo 9	Mo 10	Mo 11	Mo 12
# of Residents RSS												
# of Residents SSI/SSDI												
# of Residents Private Pay												
<b>Total Paying Residents</b>												
<b>REVENUES</b>												
Resident Income												
Private Pay Income												
<b>TOTAL REVENUES</b>												
<b>EXPENSES</b>												
Food												
Resident Entertainment												
Personal Supplies												
Owner Salary												
Employee Payroll												
Payroll Taxes												
Marketing												
Home Maintenance												
Internet												
Insurance												
Office Supplies												
Telephone (land line)												
Postage & Delivery												
Rent/Mortgage Payment												
Automobile expenses												
Cable TV												
Water												
Gas												
Electricity												
<b>TOTAL EXPENSES</b>												
<b>INCOME (LOSS)</b>												

## **ADULT CARE FACILITY START-UP COSTS WORKSHEET**

Start- Up costs are often one-time expenses and those other expenses that you need to purchase prior to opening your business. Here are some examples:

- Initial food inventory
- Deposits for different services like telephone deposit or utilities deposit
- Filing fees for your licensing application
- Business license fee
- Costs for setting up legal structure
- Pre-opening marketing
- Business cards
- Bedroom furniture
- Consulting fees
- New linens
- Office supplies
- Cleaning supplies
- Certificate of Occupancy
- Insurance payments

LIST YOUR STARTUP COSTS BELOW

<b>Startup Costs List</b>	<b>Estimated Cost</b>
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	
17.	
18.	
<b>Total Startup Costs</b>	



## Adult Care Facility Before You Start Checklist

- Locate a copy of the Ohio Revised Code & the Rules of the Ohio Administrative Code to learn the laws and rules regulating Adult Care Facilities. Find these on the website at:  
<http://mha.ohio.gov/Default.aspx?tabid=333#1949350-applicable-rules-for-adult-care-facilities>
- READ and learn the laws
- Know the care you must provide to the residents
- Obtain zoning clearance from your local Building and Zoning Services
- Obtain Confirmation of Use of your home as an Adult Care Facility from the Department of Building and Zoning Services
- Use the Ohio MHAS Pre-Application Checklist to prepare your home for inspection
- Draft a budget, confirm that you have all the money needed to start this business, AND the money needed to sustain operations long-ter
- Register your business name
- Determine your legal structure: sole proprietorship, partnership, limited liability company, corporation
- Get your Employer Identification Number or Tax Identification Number from the Internal Revenue Service
- Open a bank account for the Adult Care Facility income and expenses that is separate from your personal bank account
- Obtain adequate insurance to protect your business
- Develop and print blank copies of all the business forms you will need for your Adult Care Facility
- Setup your business filing system
- Hire the right people for your business
- Learn how to run your own payroll or hire an outside payroll company
- Create a marketing plan to market your business
- Create, print, and monitor your business budget

## ADULT FAMILY HOME APPLICATION FOR EMPLOYMENT

### An Equal Opportunity Employer

We do not discriminate on the basis of race, color, religion, national origin, sex, age, disability, or any other status protected by law or regulation. It is our intention that all qualified applicants be given equal opportunity and that selection decisions be based on job-related factors.

**PLEASE PRINT**, except for signature at end of application. Today's Date \_\_\_\_\_

Position Applying for \_\_\_\_\_

Position Volunteering for \_\_\_\_\_

Are you seeking: Full-time  Part-time  Temporary  employment? When could you start work? \_\_\_\_\_

Last Name \_\_\_\_\_ First Name \_\_\_\_\_ Middle Name \_\_\_\_\_ Telephone Number \_\_\_\_\_

Present Street Address City State Zip Code

Are you 18 years of age or older? Yes  No

(If you are hired, you may be required to submit proof of age.)

Social Security # \_\_\_\_\_ If hired, can you furnish proof you are eligible to work in the U.S.? Yes  No

Have you ever applied here before? Yes  No  If yes, when? \_\_\_\_\_

Were you ever employed here? Yes  No  If yes, when? \_\_\_\_\_

Have you ever been convicted of any law violation? Include any plea of "guilty" or "no contest." Exclude minor traffic violations. Yes  No

If yes, give details \_\_\_\_\_  
(A conviction will not necessarily disqualify an applicant for employment.)

If employed, do you expect to be engaged in any additional business or employment outside of our job? Yes  No

If yes, give details \_\_\_\_\_

Do you have a valid driver's license? . Yes  No

Driver's License Number \_\_\_\_\_ Class of License \_\_\_\_\_ State Licensed In \_\_\_\_\_

Have you had your driver's license suspended or revoked in the last 3 years? Yes  No

If yes, give details: \_\_\_\_\_

List professional, trade, business or civic activities and offices held. (Exclude labor organizations and memberships which reveal race, color, religion, national origin, sex, age, disability or other protected status.) \_\_\_\_\_

\_\_\_\_\_

LIST NAME AND ADDRESS OF SCHOOLS	Number of Years Completed	Diploma/Degree/Certificate	Subjects Studied
High School or GED: _____			
College or University: _____			
Vocational or Technical: _____			
What skills or additional training do you have that relate to the job for which you are applying? _____			
What machines or equipment can you operate that relate to the job for which you are applying? _____			
_____			

List names of employers in consecutive order with present or last employer listed first. Account for all periods of time including military service and any periods of unemployment. If self-employed, give firm name and supply business references. **Note: A job offer may be contingent upon acceptable references from current and former employers.**

NAME OF EMPLOYER		JOB TITLE AND DUTIES
ADDRESS		DATES OF EMPLOYMENT (MO/YR): FROM TO
CITY, STATE, ZIP CODE		PAY: START \$ FINAL \$
SUPERVISOR(S)	TELEPHONE	Reason For Leaving
NAME OF EMPLOYER		JOB TITLE AND DUTIES
ADDRESS		DATES OF EMPLOYMENT (MO/YR): FROM TO
CITY, STATE, ZIP CODE		PAY: START \$ FINAL \$
SUPERVISOR(S)	TELEPHONE	REASON FOR LEAVING
NAME OF EMPLOYER		JOB TITLE AND DUTIES
ADDRESS		DATES OF EMPLOYMENT (MO/YR): FROM TO
CITY, STATE, ZIP CODE		PAY: START \$ FINAL \$
SUPERVISOR(S)	TELEPHONE	REASON FOR LEAVING
NAME OF EMPLOYER		JOB TITLE AND DUTIES
ADDRESS		DATES OF EMPLOYMENT (MO/YR): FROM TO
CITY, STATE, ZIP CODE		PAY: START \$ FINAL \$
SUPERVISOR(S)	TELEPHONE	REASON FOR LEAVING

Have you worked or attended school under any other names? ..... Yes  No   
 If yes, give names: \_\_\_\_\_

Are you presently employed? ..... Yes  No   
 If yes, whom do you suggest we contact? \_\_\_\_\_

Have you ever been fired from a job or asked to resign?..... Yes  No   
 If yes, please explain: \_\_\_\_\_

Give three references, not relatives or former employers.

Name	Address	Phone
_____	_____	_____
_____	_____	_____
_____	_____	_____

**PLEASE READ EACH STATEMENT CAREFULLY BEFORE SIGNING**

I certify that all information provided in this employment application is true and complete. I understand that any false information or omission may disqualify me from further consideration for employment and may result in my dismissal if discovered at a later date.

I authorize the investigation of any or all statements contained in this application. I also authorize, whether listed or not, any person, school, current employer, past employers and organizations to provide relevant information and opinions that may be useful in making a hiring decision. I release such persons and organizations from any legal liability in making such statements.

I understand I may be required to successfully pass a drug screening examination. I hereby consent to a pre- and/or post-employment drug screen as a condition of employment, if required.

I understand that if I am extended an offer of employment it may be conditioned upon my successfully passing a complete pre-employment physical examination. I consent to the release of any or all medical information as may be deemed necessary to judge my capability to do the work for which I am applying.

I UNDERSTAND THAT THIS APPLICATION, VERBAL STATEMENTS BY MANAGEMENT, OR SUBSEQUENT EMPLOYMENT DOES NOT CREATE AN EXPRESS OR IMPLIED CONTRACT OF EMPLOYMENT NOR GUARANTEE EMPLOYMENT FOR ANY DEFINITE PERIOD OF TIME. I UNDERSTAND THAT IF HIRED, IT IS AT THE WILL OF THE EMPLOYER AND MY EMPLOYMENT MAY BE TERMINATED AT ANY TIME, WITH OR WITHOUT REASON AND WITH OR WITHOUT NOTICE.

I have read, understand, and by my signature consent to these statements.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## Instructions for Completing the Asset and Liability Statement

### INTRODUCTION

The adult group home (AGH) Asset and Liability Statement identifies the assets which will be available as of the date of this form is completed for use in operating an AGH and the current liabilities which represent claims of creditors against these assets.

You may use the attached form to submit the required information or as a guideline to submit the information on forms used by your business.

### INSTRUCTIONS

Because this form has been designed to accommodate the spectrum of AGHs from individual businesses to corporations, not all of the blanks will be applicable to all AGHs. As a result, it is anticipated that in many cases, several additional lines will need to be added under the "other" categories.

If you need assistance with completing this form, it is suggested that you contact an accountant or a financial person. Filling in the applicable blanks of the current and fixed asset category and totaling completes the left hand or asset side of the form as indicated. Similarly, current liabilities, other liabilities and stockholders' or owners' equity should be totaled to obtain total equities for the right hand or liability and equity side of the balance sheet. Total assets must equal total equity. Definitions of the individual components of the balance sheet are below.

### ASSETS

- **Current assets** - These are assets which can be converted to cash quickly; and are therefore, reserved as ready sources of cash to meet immediate requirements.
- **Cash** - Enter the total of all forms of cash you have available which will be used to support the operation of the AGH. Items to be used to compute this value include currency, cash in checking accounts and in passbook savings accounts. The amount shown must be available to support the operations of the AGH.
- **Accounts Receivable** - Any monies owed to the applicant, which are due within one year and would be used as they materialize, if necessary, in support of the AGH operations.
- **Other** - Any other assets such as prepaid expenses, which could be converted into cash within the operating year and used for operation of the AGH.
- **Fixed Assets** - These are tangible, relatively long-lived resources. If they have been acquired in the last year, they must be listed at the actual measurable money amount they were acquired for. If they have been owned for more than one year, such a person who is converting a home into an AGH, they should be listed at their fair market value. Although this method of determining value is needed to adequately analyze an AGH's ability to operate, operators are cautioned that generally accepted accounting principles require that assets be listed at the dollar amount actually paid for them. As a result, this statement may not be appropriate for other uses by the AGH such as income tax preparation
- **Land** - Enter the amount paid for the land or fair market value as applicable.
- **Buildings** - Enter the amount paid for the building or fair market value as applicable.
- **Equipment** - Enter the amount paid for the equipment or the fair market value as applicable.

### LIABILITIES

- Liabilities are claims of outsiders against the AGH. Liabilities are reported, as the amount owned as of the asset and liability statement date, including interest accumulated to the date. Interest that will be owed subsequent to the asset and liability statement date is excluded.
- **Current liabilities** - These are existing liabilities which must be paid within the next 12 months.
- **Accounts payable** - The amount entered here should include the sum of the total unpaid salaries and payments of all unpaid bills and financial obligations which fall due within the next 12 months with the exception of mortgage payments and installment loans. Examples include: utility bills, unpaid wages to current employees, if any, charge accounts and credit cards such as VISA, MasterCard, American Express, etc.
- **Other** - This amount should include any other existing obligations, which are due the next 12 months. It includes payments of obligations, which are in arrears such as income taxes, property taxes, insurance, etc. Each item in this category must be itemized separately.
- **Mortgage Payable** - These include all first, second and other mortgages owed. Includes the unpaid balance of mortgage owed on land, building, equipment or other assets.

## Asset and Liability Statement Adult Group Home Use Only

Asset and Liability Statement as of:

License No.:

Facility Name:

Owner's Name:

**Current Assets**

Cash	<input style="width: 95%; height: 20px;" type="text"/>
Monetary Investment	<input style="width: 95%; height: 20px;" type="text"/>
Accounts Receivable	<input style="width: 95%; height: 20px;" type="text"/>
<b>Total Current Assets</b>	<input style="width: 95%; height: 20px;" type="text"/>

**Fixed Assets**

Land	<input style="width: 95%; height: 20px;" type="text"/>
Buildings	<input style="width: 95%; height: 20px;" type="text"/>
Equipment	<input style="width: 95%; height: 20px;" type="text"/>
Equipment	<input style="width: 95%; height: 20px;" type="text"/>
Other - Itemize	<input style="width: 95%; height: 20px;" type="text"/>
<b>Total Fixed Assets</b>	<input style="width: 95%; height: 20px;" type="text"/>

**Total Assets (Current + Fixed)**

**Current Assets**

Accounts Payable	<input style="width: 95%; height: 20px;" type="text"/>
Other - Itemize	<input style="width: 95%; height: 20px;" type="text"/>
Other - Itemize	<input style="width: 95%; height: 20px;" type="text"/>
<b>Total Current Liabilities</b>	<input style="width: 95%; height: 20px;" type="text"/>

**Other Liabilities**

Mortgage Payable	<input style="width: 95%; height: 20px;" type="text"/>
Other - Itemize	<input style="width: 95%; height: 20px;" type="text"/>
Other - Itemize	<input style="width: 95%; height: 20px;" type="text"/>
Other - Itemize	<input style="width: 95%; height: 20px;" type="text"/>
Other - Itemize	<input style="width: 95%; height: 20px;" type="text"/>
<b>Total Other Liabilities</b>	<input style="width: 95%; height: 20px;" type="text"/>

**Total Liabilities & Equity (Current + Other)**

## Instructions for Completing the Statement of Projected Revenues and Expenses

### **Introductions**

The Statement of Projected Revenues and Expenses provides financial information regarding anticipated revenue (income) to the Adult Group Home (AGH) as well as anticipated operating expenses for the first 12 months of operation from the date of the application for a license.

You may use the attached forms to submit the required information or as a guideline to submit the information on forms used by your business.

### **Instructions**

The Statement of Projected Revenues and Expenses has been designed to accommodate the spectrum of AGHs from small individual owners to corporations. As a result, in some cases many of the lines will not be applicable and should be left blank. In other cases, additional items will need to be added to the "other" categories. Amounts entered are to be based on valid sources of revenue and a realistic determination of anticipated expenses. The requested data is critical to the evaluation of the AGH's capacity to operate effectively and meet essential financial obligations during the first 12 months of operation. When completing this form, do not include any revenue or expenses, which are not directly associated with the operations of the AGH.

To predict the success or failure of the AGH as accurately as possible, the revenue and expenses are to be displayed monthly for the first 12 months of operation. In this matter, it can be demonstrated when probable early losses become profits. At the option of the AGH operator, additional months may be projected.

### **Definitions**

1. Private Pay Residents - Indicate the anticipated number of private pay residents in the AGH the last day of each month.
2. Number of SSI Residents - Indicate the anticipated number of SSI residents on the last day of each month.
3. Number of RSS Residents - Indicate the anticipated number of RSS residents on the last day of each month.
4. Resident Fee - Private Pay - Indicate the proposed fee to be charged each private pay resident. If variable rates are charged, list the average fee.
5. Average Resident Fee - SSI - Indicate the current SSI rate.
6. Average Resident Fee - RSS - Indicate the current RSS rate.

### **Anticipated Revenue (Income)**

This section should reflect anticipated monthly income from valid sources to the AGH. It should not include the personal income of the applicant(s) unless this income is to be used for operating the AGH. Amounts shown should be as accurate as possible and supported by confirming documentation to the maximum extent feasible.

7. Fees for Residents - The anticipated revenue, which will be received each month as, fees or payments for residents' care should be entered here. This figure can be obtained by multiplying the number of residents by the applicable monthly resident fees.
8. Endowments/Trust Funds - Enter the revenue to be received for the next 12 months from any endowments or trust funds, which currently exist and would provide income to be used to support the AGH operations.
9. Donations/Solicitations - Enter income to be received from such sources as religious or fraternal organizations, United Way, fund drives and solicitations and any other fund-raising activity.
10. Income from Investments - Enter income to support AGH operations which will be provided by any existing investments.
11. Other (Specify) - Enter the amount of income to be received from any other source(s) which will be used to operate the AGH. Specify each source and the amount.
12. Total Revenue - Add lines 1 through 11.

### **Instructions for Completing the Statement of Projected Revenues and Expenses** (continued)

13. Food/Groceries - The amount to be entered here is the anticipated cost to be used in the AGH. It includes the food required for three meals each day, and the cost of snacks, which are required to be available on a daily basis. This amount should not include the cost of food that is provided for the staff.

14. Salaries of Wages - The cost of salaries and wages for all staff.

15. Utilities - The cost of gas, electric, heating oil, water and sewage should be listed here.

16. Maintenance and Repairs - This entry should reflect the cost of all items used to maintain and carry out necessary repairs on the home. This would include such items as paint, lumber, nails, roofing materials and grass seeds.

17. Rent or Mortgage - The cost of AGH rent or mortgage should be entered here.

18. Taxes - Enter the amount of all taxes that must be paid by the home. This would include employer's FICA (Social Security) taxes and Federal Unemployment taxes which must be paid on employees' salaries and wages, as well as business licenses taxes, property taxes and real estate taxes (if not included as part of the mortgage payment, etc.)

19. Laundry and Linens - This item would reflect the cost of soap, detergents, etc., required for laundry of table linens, bed linens, etc. used by the AGH and the cost, if any, for outside laundry services.

20. Transportation - Include here all expenses related to the maintenance, operation and insurance costs of cars, vans, trucks, etc. owned by the AGH and/or used in support of the operation of the AGH.

21. Insurance - The cost of all insurance for the physical plant, such as fire and liability insurance, is shown here, as well as interest payments on any outstanding long-term debts not included in the rent or mortgage payments.

22. Other - Include the cost of any items of expenses not included in the above items. Specify each item of expense included here and the expense amount.

23. License Fee - Cost of license fees, e.g. AGH, food service.

24. Total Expense - Include the total of all the expenses listed in lines 13 through 23.

25. Net Income (Loss) - Subtract the total expense line (line 24) from the total revenue line (line #12) to get the net income (loss).

### Statement of Projected Revenues and Expenses Adult Group Home Use Only

Facility Name:  License No.:

**Number and amount on last date of the month**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
1. Number of Private Pay Residents	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<b>Census and Charges</b>
2. Resident Fee- Private Pay	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
3. Number of SSI residents	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
4. Resident Fee - SSI	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
5. Number of RSS Residents	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
6. Resident Fee - RSS	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
7. Fees from Resident	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<b>Anticipated Revenues</b>
8. Endowment/Trust Funds	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
9. Donations/Solicitations	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
10. Investment Income	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
11. Other	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
12. <b>Total Revenue</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
13. Food/Groceries	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<b>Anticipated Expenses</b>
14. Salaries/Wages	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
15. Utilities	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
16. Maintenance and Repairs	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
17. Rent or Mortgage	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
18. Taxes (property,sales etc)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
19. Laundry/Linens	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
20. Transportation	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
21. Insurance Premiums	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
22. Other	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
23. License Fees	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
24. <b>Total Expenses</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
25. <b>Net Income</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	