



Starting Your Residential Facility Class 2

Small Business Toolkit

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Disclaimer: This document was prepared by Communities Unlimited in cooperation with the Ohio Department of Mental Health & Addiction Services as a tool in assisting those starting and operating a Residential Facility Class 2. This document is informational only and not to be considered as professional business advice.

About this Toolkit

This toolkit is meant as a guide for you when opening a Residential Facility Class 2. Much of the information in this manual is suggestions for how to run your business efficiently. However, it is not meant to replace the rules and regulations of OhioMHAS. Please be sure you read the Residential Rules in Section 5122-30 of the Ohio Administrative Code (OAC). If you have specific questions about the rules, please forward your question(s) to the OhioMHAS Bureau of Licensure and Certification at 614-752-8880 or LicCert@mha.ohio.gov.

The forms attached to this document are meant as a guide and can be modified to accommodate your specific Residential Facility Class 2. Please keep in mind Licensure Rules when modifying the forms.

The information and suggestions contained in this document are not all-inclusive and do not replace consulting legal counsel.

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Consider this...

Obtain a copy of the Administrative Rules for a Residential Facility!

Visit <https://mha.ohio.gov>

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

Welcome! So, you want to become an owner of a Residential Facility Class 2 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 Residential Facility Class 2. 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.

Residential Facility Class 2s in Ohio range from one to 16 beds. Owning and operating a Residential Facility Class 2 takes time, lots of preparation, and a commitment to serving the unique needs of your residents. If the primary goal is anything other than to help vulnerable people, then owning, operating and running a Residential Facility Class 2 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 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 that follow we provide you with information that is helpful in planning for this new business.

About Residential Facility Class 2s

Let's start by saying that getting licensed to operate a Residential Facility Class 2 (also referred to in this document as RF2) 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 a Residential Facility Class 2?

Residential Facility Class 2's are residential care facilities 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 residents of these homes are 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 during which OhioMHAS surveyors 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 RF2 setting.

You must understand and follow the Ohio laws for owning and operating an RF2 so that you can be sure you are providing your new residents with the care, support and supervision required by law.

Learn the Residential Facility Class 2 Terminology

Before you start your business, it is vital to understand some of the common terminology and definitions used by those involved with Residential Facility Class 2s, what a Residential Facility Class 2 is and the basic licensure requirements for operating a Residential Facility Class 2. The complete list of definitions are cited in the Ohio Administrative Code, Chapter 5122-30-03:

- 1. "Abuse"** means any act or absence of action inconsistent with human rights which results or could result in physical injury to a resident unless the act is done in self defense or occurs by accident; any act which constitutes sexual activity, as defined under Chapter 2907, of the Revised Code, when such activity would constitute an offense against a resident under Chapter 2907 of the Revised Code; insulting or coarse language or gestures directed toward a resident which subjects the resident to humiliation or degradation; or depriving a resident of real or personal property by fraudulent or illegal means. For children, in addition to the above, the definition of abuse is the same as in sections 2919.22 and 2151.031 of the Revised Code.
- 2. "Accommodations"** means housing, daily meal preparation, laundry, housekeeping, arranging for transportation, social and recreational activities, maintenance, security, and other services that do not constitute personal care services or skilled nursing care.
- 3. "Administration of medication"** means the direct application of a single drug to the body of a resident either by injection, inhalation, ingestion or any other means. The complete act of administration entails the following: removal of an individual dose from a previously dispensed, properly labeled container; verification of drug dose with the practitioner's order, properly identifying the resident before giving the individual dose; and properly recording the time and dose given in the resident's integrated clinical record and administered by a licensed professional in accordance with rule 5122-30-03 of the Administrative Code.
- 4. "Adult"** means a person eighteen years of age or older, and who is unrelated to the operator.
- 5. "Adult day care"** means non-residential facilities or specifically designed units of operation within an adult care, assisted living residence, nursing home or other type of long-term care facility that provides a variety of health, social and related support services in a protective setting during part of the day to aged, infirm or disabled adults who reside elsewhere.
- 6. "Application for licensure"** means a completed application and all the information, reports, inspections, and other such materials that are required to be submitted to the department and all applicable fees.
- 7. "Assistance with activities of daily living"** means advice or aid provided in relation to matters of community living, such as, matters of self-care or emotional growth and stability, personal hygiene; bathing, grooming, dressing, eating, interpersonal relationships. Assistance with activities of daily living also means structuring and supervising all activities to promote self care or emotional growth and stability, and to ensure the well-being of the resident, and also includes providing or arranging for the provision of clothing, education, medical and dental care.
- 8. "Board"** has the same meaning as community mental health board or board of alcohol, drug addiction and mental health services, as defined in Chapter 340. of the Revised Code.
- 9. "Certification"** means the written authorization from the department for a provider to operate specific services and provide activities according to Chapters 5122-24 to 5122-29 of the Administrative Code.

- 10. "Chemical restraint"** means any medication that alters the functioning of the central nervous system in a manner that limits physical and cognitive functioning to the degree that the resident cannot attain the resident's highest practicable physical, mental, and psychosocial well-being.
- 11. "Child or adolescent"** means persons under the age of eighteen years, or person with a severe mental disability under the age of twenty-one years.
- 12. "Community mental health services provider"** has the same meaning in Section 5119.01 of the Revised Code, and may be referred to as a provider.
- 13. "Crisis stabilization unit"** means a residential unit providing crisis stabilization for persons needing an intermediate level of care. The standard general services and crisis intervention are offered. Treatment interventions are focused on stabilizing the current crisis and mobilizing support and resources so that the person can be treated in a less restrictive setting. The unit provides twenty-four hour observation, supervision and voluntary treatment services for individuals who do not require the intensive medical treatment of inpatient care. Length of stay on a crisis stabilization unit is anticipated to be no longer than fourteen days duration.
- 14. "Custodian"** means one who has been granted the authority or right by a court to exercise care, supervision, or control over a person pursuant to Chapter 2151 of the Revised Code.
- 15. "Deficiency"** means violations of requirements, or inadequate, or substandard compliance with the requirements of this chapter or Chapters 5122-24 to 5122-29 of the Administrative Code.
- 16. "Department"** means the Ohio Department of Mental Health and Addiction Services.
- 17. "Director"** means the director of the Ohio Department of Mental Health and Addiction Services.
- 18. "Emergency"** means an impending or crisis situation which creates circumstances demanding immediate actions for prevention of injury to the person or others. An emergency may be determined by either a licensed physician, registered nurse or other qualified person(s).
- 19. "Facility"** has the same meaning as residential facility.
- 20. "Guardian"** means one who has been legally entrusted by a probate court with the custody and control of the person or property of a person pursuant to Chapter 2111 of the Revised Code.
- 21. "Hospital"** means the same as inpatient psychiatric service provider.
- 22. "Household member"** means any person living in the residential facility, including but not limited to: residents, the operator, staff, family, or friends of the operator or staff.
- 23. "House rules"** means those facility policies, requirements, or procedures by which household members, staff, and visitors are expected to comply with, such as smoking areas, meal times, etc.
- 24. "Inpatient psychiatric service provider"** means a psychiatric hospital, or psychiatric inpatient unit administered by a general hospital, or community mental health services provider or other facility, that

provides inpatient psychiatric services.

25. "ITP" means individualized treatment plan as described in rule 5122-27-03 of the Administrative Code.

26. "License" means the signed, numbered, dated document issued by the department to the facility which specifies the and term of licensure (full, probationary, or interim). The category of facility as defined in paragraph (B) of section 5119.34 of the Revised Code, and the resident limitations imposed by the facility category.

A. "Full license" means a license issued by the Ohio department of mental health for the period of three years for a class one facility or two years in the case of a class two or three facility in accordance with division (F) of section 5119.34 of the Revised Code.

B. "Interim license" means a license issued by the department, which is valid for no more than ninety days. An interim license will be issued in accordance with division (F) of section 5119.34 of the Revised Code.

C. "Probationary license" refers to the status of a facility license in which the department determines that circumstances require a temporary interruption in the full licensure cycle. The term of a probationary license shall be determined at the discretion of the department as specified in division (F) of section 5119.34 of the Revised Code.

27. "Manager" means the person responsible for the daily operation of a facility. The manager, operator, and owner of a facility, may be the same person.

28. "Mechanical restraint" means any method of restricting a person's freedom of movement, physical activity, or normal use of his or her body, using an appliance or device manufactured for this purpose.

29. "Mental health resident" means a resident of a residential facility who is an adult with mental illness or a severe mental disability or a child or adolescent with a serious emotional disturbance or in need of mental health services.

30. "Mental health services" means those services certified by the department in accordance with Chapter 5122-25 of the Administrative Code.

31. "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.

32. "Neglect" means a purposeful negligent disregard of duty by an employee or staff member. Such duty is one that is imposed on an employee or staff member by statute, rule, or professional standards and which is owed to the person served by that employee or staff person.

33. "Non-ambulatory" means an individual who:

A. is unable to get in and out of bed independently;

B. is unable to walk without physical assistance from another individual: or

C. requires a wheelchair.

34. "Operator" means the person or persons, firm, partnership, provider, governing body, association, corporation, or other entity that is responsible for the administration and management of the residential

facility and who is the applicant for a residential facility license as the approved licensee.

35. "Owner" means the person, provider, association, corporation, or other entity who owns the business of and who ultimately controls the operation of an adult care or residential facility and to whom the manager or operator, if different from the owner, is responsible.

36. "Personal care" means assisting residents with activities of daily living, assisting residents with self-administration of medication, or preparing special diets other than complex therapeutic diets, for residents pursuant to the instructions of a physician or licensed dietitian. Personal care does not include skilled nursing as defined in division (D) of section 3721.01 of the Revised Code.

37. "Physical restraint", also known as "manual restraint", means any method of physically restricting a person's freedom of movement, physical activity, or normal use of the person's body without the use of mechanical restraint devices.

38. "Referral" means advising, assisting or directing an adult with mental illness or a severe mental disability, or a child or adolescent with a serious emotional disturbance or in need of mental health services, to a residential facility for the purpose of becoming a resident of that facility.

39. "Resident" means any person who lives in a residential facility in order to receive room and board, personal care, mental health services, from the staff of that facility, regardless of the source or amount of compensation provided to the facility for the resident's room and board, services, or care. Resident does not include the operator or the operator's family or staff or family members of staff.

40. "Residents' rights advocate" means an employee or representative of any state or local government entity that has a responsibility regarding residents, or an employee or representative of a private nonprofit corporation or association permitted by law to educate and counsel residents, assist residents in resolving problems and complaints concerning their care and treatment, and assist them in securing adequate services to meet their needs.

41. "Resident agreement" means the written agreement between a residential facility, placing provider, prospective mental health resident or guardian, and community mental health services provider, as applicable. In the case of children and adolescents, the agreement shall be between the facility and the resident's parent/guardian, placing provider, or legal custodian.

42. "Residential facility" means a publicly or privately operated home or facility defined in division (B) of section 5119.34 of the Revised Code.

The categories of facility are:

A. Class one facilities provide accommodations, supervision, personal care services, and mental health services for one or more unrelated adults with mental illness or one or more unrelated children or adolescents with severe emotional disturbances.

B. Class two facilities provide accommodations, supervision, and personal care services to any of the following:

- One or two unrelated persons with mental illness;
- One or two unrelated adults who are receiving residential state supplemental payments; or
- Three to sixteen unrelated adults.

C. Class three facilities provide room and board for five or more unrelated adults with mental illness.

43. "Room and board" means the assumption of responsibility by a facility for the provision of sleeping and living space, housekeeping, meals, and/or meal preparation, and laundry for a period of twenty-four hours or more.

44. "Serious emotional disturbance" means a combination of duration of impairment, intensity of impairment, and diagnosis, as specified in paragraph (B)(65) of rule 5122-24-01 of the Administrative Code.

45. "Residential state supplement" ("RSS") means the program administered under section 5119.41 of the Revised Code and Chapter 5122-36 of the Administrative Code.

46. "Room and board" means the provision of sleeping and living space, meals or meal preparation, laundry services, housekeeping services, or any combination thereof.

47. "Seclusion" means the involuntary confinement of a person alone in a room where the person is physically prevented from leaving.

48. "Serious emotional disturbance" means a combination of duration of impairment, intensity of impairment, and diagnosis, as specified in the definition for a "person with serious emotional disturbance" rule 5122-24-01 of the Administrative Code.

49. "Severe mental disability" means a condition that meets at least two of the three criteria of diagnosis, duration, and disability as specified in the definition of a "person with severe mental disability" in rule 5122-24-01 of the Administrative Code.

50. "Short-term illness" means a medical condition for which recovery can be expected to occur with not more than one hundred and twenty days of skilled nursing care provided on periodic, scheduled basis not to exceed one hundred twenty days.

51. "Special diet" means simple diets and calculated diets which have been ordered by a physician or registered dietitian.

A. Simple diets means simple food regimens including, but not limited to:

- No added salt food regimens;
- Reduced fat, reduced cholesterol food regimens;
- Reduced or no simple sugar food regimens;
- Small frequent meals;
- Full liquid or clear liquid food regimens for no more than seventy-two hours; and
- Simple textural modifications.

B. "Calculated diets" mean calculated nutritive regimens including, but not limited to:

- Diabetic and other nutritive regimens requiring a daily specific calorie level;
- Renal nutritive regimens;
- Dysphagia nutritive regimens excluding simple textural modifications; and
- Any other nutritive regimens requiring a daily maximum or minimum level of one or more specific nutrients, or a specific distribution of one or more nutrients.

"Special diets other than complex therapeutic diets" has the same meaning as special diets as defined rule 3701-17-50 of the Administrative Code.

52. "Staff" means any person or persons participating in the physical operation of the facility, the provision

of mental health services, personal care, room and board, or supervision of residents, whether or not that person is compensated for that assistance. Staff shall be understood to include the operator of the facility when the operator is a participant in the performance of those activities.

53. "Substance abuse" means use of any drug or alcohol by an individual to the extent of physical or psychological dependency on the drug or to the extent that a person's health, safety or welfare is endangered.

54. "Supervision" means observing a resident to ensure the resident's health, safety, and welfare while the resident engages in activities of daily living or other activities; reminding a resident to perform or complete an activity, such as reminding a resident to engage in personal hygiene or other self-care activities; or assisting a resident in making or keeping an appointment.

55. "Topical medication" means a medication, such as a topical anti-infective, that is applied to a certain area of the skin and that only affects the area to which it is applied.

56. "Unrelated" means a resident not related to the operator or staff, or the operator or staff's spouse, as a parent, grandparent, child, stepchild, grandchild, brother, sister, niece, nephew, aunt, uncle, or as a child of an aunt or uncle.

57. "Variance" means written permission granted to a residential facility by the director, or his designee, to alter the requirements of a rule.

58. "Waiver" means written permission granted to a residential facility by the director, or his designee, to be exempted from all or a portion of the requirements of a rule.

The Assistance Required for Residents

As an owner of a Residential Facility Class 2, 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 or provide transportation for those residents that need to go for shopping, errands, programs and appointments.
- Prepare and serve 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 RF2 and be the manager, it is very likely (depending on the number of residents) that you will need to hire others to help you provide the level of care and supervision required by your residents and OhioMHAS licensure requirements.

Administrative and Operational Considerations

As a Residential Facility Class 2 operator, you will be operating a business and must ensure that you have an appropriate business plan and budget.

Create a Mission Statement

Having a well-defined mission statement will help you stay focused as you develop your business plan. Your mission statement can be one sentence or multiple paragraphs. A mission statement is a concise explanation of your organization's reason for existence—your purpose and intention—and should include who you intend to serve. Your mission statement will serve as a reminder of why you founded your business.

Consider this...

Questions to ask yourself when developing a mission statement:

- *What is your purpose? Why are you here?*
- *What sets you apart from other Residential Facilities?*
- *Who are you serving?*
- *What is your role in the community?*

Physical Property

There are many considerations when selecting the property that will become your Residential Facility Class 2. First and foremost is safety, you need to ask yourself if is this a safe location for the residents that you will be serving? It is highly suggested that you ensure that the potential location of your RF2 is appropriate prior to acquiring the property.

You should also ask yourself the following questions: Is the neighborhood safe and well-maintained? Is public transportation available nearby? What mental health and medical services are in the area? Is there outdoor space available and accessible for residents? Are there other community resources nearby (shopping, spiritual/religious centers)?

Building and Zoning

While the home you've chosen for your Residential Facility Class 2 may seem like the perfect location, it may not be approved for operation as a Residential Facility Class 2 business. So, before you can use your home or any other home for an Residential Facility Class 2, you'll need to get governmental approval from your local building and zoning offices. Contact your local building and zoning services to:

1. Determine if you need a zoning letter and/or Certificate of Use. Depending on your jurisdiction, you may or may not need these documents.
2. Obtain a zoning letter and/or a certificate of use for the home you want to use as a Residential Facility Class 2. A zoning approval may be required prior to the construction, alteration or change in use of any building or structure.

3. Request a certificate of use and occupancy for the home you want to use as a Residential Facility Class 2. 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 a Residential Facility Class 2.

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 RF2 will be located.

Average Business Startup Costs

The amount of money needed to start a Residential Facility Class 2 varies greatly depending upon many factors such as: costs associated with acquiring the house, 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 (furniture, appliances, office supplies, linens, toiletries, cleaning supplies, food, operator and staff training, reserve fund for vacancies and/or unexpected expenses/repairs). See Attachment 15 for the RF2 Start up Costs Worksheet.

Here is a sample list of expenses to help you consider how much money you might need before opening your Residential Facility 2:

Potential Startup Expenses (assuming a 3-bed home)

Residential Facility Class 2 License Fee	\$75
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 residents (bed, nightstand, dresser)	\$1200-\$1800
Mortgage or rent payments (varies greatly)	\$600-\$1200
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/month
Microsoft Office or Excel (if not already installed on computer)	Free-\$100
<i>Estimated total startup costs:</i>	<i>\$4,375-\$6,997*</i>

*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, shopping saavy and location.

As you see in our example above, it could take a minimum of \$4,325 to start a Residential Facility Class 2 business. Our example above 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 an RF2 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 a Residential Facility Class 2.

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

Prudent Reserve

Operating a Residential Facility Class 2 involves financial risk. You can help mitigate the risk by setting aside a specific amount each month to develop a reserve of funds. These funds can then be used for ongoing maintenance, major repairs or other unexpected expenses.

Consider this...

When determining how much to set aside for a prudent reserve, you may want to think about:

- The condition of the property and when to replace or repair the roof, windows, siding, driveway, etc.*
- The condition of the appliances and when they will likely need to be replaced.*
- The condition of the paint, flooring and furniture.*
- The condition of your major systems—furnace, water heater, air conditioner, the ongoing maintenance of these systems and when they will need to be replaced.*

Consider this...

Small Business Development Centers located across 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. You can find more information on their website at https://development.ohio.gov/bs/bs_sbdc.htm

Business Plan Development

One of your first steps in deciding to start a new Residential Facility Class 2 should be to develop a business plan along with a 3-year financial projection. 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.

Financial projections help you 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, 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 for operating your business each month.

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

You can find simple templates and instructions on writing a business plan at: <https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan#section-header-2>

Note: You have to register on the website to gain access to the templates.

Learn Who to Contact with Questions

You are likely to have many questions about the startup, launch, and operation of your Residential Facility Class 2. OhioMHAS staff can answer many of your questions. Prior to contacting OhioMHAS, you should understand your role and the role of others involved in the operation and management of a Residential Facility Class 2—OhioMHAS, the RF2 Manager, the RF2 Owner and the ADAMH Board.

OhioMHAS

The OhioMHAS is responsible for licensing all Residential Facility Class 2s. In order to be licensed and remain licensed, OhioMHAS must ensure that the Residential Facility Class 2 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 with residents of RF2s.

Residential Facility Class 2 Manager (also called the Operator)

The Manager/Operator of the Residential Facility Class 2 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.

Residential Facility Class 2 Owner

The Owner of the Residential Facility Class 2 can also serve as Manager/Operator. The Owner is the person who owns the Residential Facility Class 2 business and ultimately controls the operation of the facility. The Manager/Operator reports directly to the Owner.

ADAMH Board

All localities are covered by an Alcohol, Drug Addiction and Mental Health Services (ADAMHS) board. These boards contract to admit, treat and discharge people 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.

Depending on the population you want to serve, reaching out to your local ADAMHS Board to express your interest in opening a home is a good idea to:

- Identify and verify the need in your community.
- Establish a relationship.
- Identify and locate possible referral sources.
- Gain information on potential funding that might be available.

You can find your local ADAMHS Board at <https://www.oacbha.org/mappage.php>

Business Startup

Once you have decided to move forward with starting a Residential Facility Class 2, you will want to follow the next steps 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 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, S-Corporation or non-profit corporation. The legal formation of your business has legal and tax consequences. There are advantages and disadvantages of each type of legal structure.

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 sole proprietorship is the simplest legal structure for owning your own business. A sole proprietorship essentially means a person is operating the 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 a Residential Facility Class 2 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 government agencies like the Ohio Secretary of State.

Pros: There are no partnership agreements. The owner makes all decisions. It is easy to form this type of business. Federal taxes pass through to the business owner's personal tax return. That means you report all business income or losses on your personal income tax return; the business itself is not taxed separately.

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 with more than one owner that has not filed papers with the state to become a corporation or LLC (limited liability company). 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 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 (LLC) is a business entity that combines elements of partnership and corporate structures and may be formed in Ohio for a profit or nonprofit purpose. An 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: There is 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.

You can find Ohio Secretary of State's "Guide to Starting a Limited Liability Company in Ohio" at <https://www.sos.state.oh.us/globalassets/publications/busserv/llc.pdf>

C-Corporation

In forming a corporation, prospective shareholders exchange money, property or both for the corporation's capital stock. 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 individual, 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: There is legal protection for the shareholders. It is easy to transfer shares.

Cons: Double taxation occurs because shareholder pays taxes and the business pays 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 and stock transfers. You must maintain these records.

S-Corporation

S-Corporations are corporations that elect to pass corporate income, losses, deductions and credits through to their shareholders for federal tax purposes. 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: There is 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 as 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 Residential Facility Class 2s 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. If sued, the assets of owners are generally protected.

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.

You can find the Ohio Secretary of State's "Guide to Starting a Nonprofit in Ohio" at <https://www.sos.state.oh.us/globalassets/publications/busserv/nonprofit.pdf>

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 purpose 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 at <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online> to apply for an EIN. 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. The online application process is available for all entities whose principal business, office or agency or legal residence (in the case of an individual) are 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 the [IRS website](#)) application to:

If your principal business, office or agency, or legal residence in the case of an individual, is located in:	Mail or Fax Form SS-4 to:
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 for the county in which the business is physically located. A fictitious name or "Doing Business As" name is a business name that 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: <https://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 Residential Facility Class 2 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 RF2 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 your residents in an automobile owned by you, your staff, your family or friends, or your coporation then you might be liable for any negligence if there is an accident that results in injuries to residents. To protect yourself and the residents, be sure you only transport the residents 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 a Residential Facility Class 2 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 Residential Facility Class 2s are so you can obtain a quote for coverage.

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 9 a.m. to 7 p. m. Eastern Standard Time at 1-800-706-7893 (TTY: 711). The website address is <https://www.healthcare.gov/small-businesses>.

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 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 State of Ohio Administrative Knowledge System (OAKS) vendor ID number

If the state (OhioMHAS or other state agencies) have grant or funding opportunities to be paid directly to you as an operator, owner or to your facility, you must have an OAKS vendor ID number. 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 at <http://supplier.ohio.gov>.

For Example...

If you have a grease fire in your kitchen and one of your residents gets injured as a result, then general liability insurance should cover some or all of the cost for your resident's injuries depending on your coverage.

Consider this...

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

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

Organize Your Business

Set Up 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, two-drawer filing cabinet that locks like the one pictured here:

The following steps are a suggested filing system:

1. 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 (Attachment 1)
- Resident Invoices & Payments Summary Report, upon completion each month (Attachment 2)
- 12 Months Income & Expense Projections/Budget (Attachment 3)
- Asset and Liability Statement (Attachment 4)
- Statement of Projected Revenues and Expenses (Attachment 5)
- File for bills due to be paid
- Bills paid (Note the date and method of payment)



2. Create company blank forms category

Create these forms and place in a file folder that includes copies of these documents.

- List of residents (Attachment 6)
- Resident Information Form (Attachment 7)
- Resident Agreement (Attachment 8)
- House Rules & Policies
- Resident Personal Plan of Care (Attachment 9)
- Provision of Personal Care Services Weekly Progress Note (Attachment 10)
- Medication Observation Record Form (Attachment 11)
- Application for Employment (Attachment 12)
- Caregiver Job Description

3. Create regulatory information category

The following regulatory items should be kept in a file. This is not an exhaustive list. Please read the rules and regulations and/or contact your surveyor for specific items needed.

- Copy of the Rules and Regulations
- Copy of licensure application
- Copy of license
- Disaster and Emergency Plan
- Emergency Evacuation Policy

- Protocol for Medical and Psychiatric Emergencies
- Schedule for electrical, fire and heating system inspections
- Copies of electrical, fire and heating system inspections
- Staff Qualification Form (Attachment 13)
- Copies of required training certificates for each employee
- Resident Rights and Grievance Procedure
- Certificate of Use and Occupancy (if required by your jurisdiction)
- Personnel Policies and Job Descriptions
- Employee Screening & Training
- Required Trainings Schedule and copies of CEU's for each employee
- Policy on Providing three Nutritious Meals and two snacks Daily with a 30-Day Meal Plan

Keep in mind that as a licensed Residential Facility Class 2, 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 employees to make sure you are following these regulations.

4. Create a resident files category

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

- Resident Information Form (Attachment 7)
- Resident Agreement (Attachment 8)
- Resident Personal Plan of Care (Attachment 9)
- Provision of Personal Care Services Weekly Progress Notes (Attachment 10)
- Resident Medical Emergency Protocol
- Resident Psychiatric Emergency Protocol
- Medication Observation Record Form (Attachment 11)
- Resident Rights, Policy, Procedure Acknowledgement Form, signed by the resident (Attachment 12)

5. Create employee files category

Create a file folder for each employee that includes the information below.

- Job Description
- Completed Employment Application
- Reference and Background Checks
- Completed BCI
- Result of TB Test
- I-9 and W-4 Tax Forms
- Training Certificates

Develop Your Business Forms

When operating a Residential Facility Class 2, 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 forms containing resident information must be stored in a locked filing cabinet. You can find examples of some of these forms on the OhioMHAS website: <https://mha.ohio.gov>.

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 (Attachment 7) 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 (Attachment 8) 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 Residential Facility Class 2. For complete information on information that should be included in the Resident Agreement, refer to the [Resident Agreement sample document](#).

Resident Personal Plan of Care (Resident Care Plan)

The owner or manager should complete a Resident Care Plan (Attachment 9). 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 be sure that you have adequate and appropriate staff to continue providing quality services to all your clients.

Consider this...

Interviewing each potential resident to learn his/her/their dietary, physical, mental and other health needs and how this resident's needs will mix with the needs of your existing residents will assist in the smooth operation of your home.

Resident House Rules and Policies

The Resident House Rules and 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 or how resident clients should keep the noise levels respectful for others residing in the home. Be sure each resident reads and understands the house rules and policies before he/she/they signs the document.

Caregiver Job Description

You should have a job description for each employee position in your Residential Facility Class 2. The job

For Example...

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

description will include the position title, duties, purpose of the position, responsibilities of the job and the name or designation of the person to whom the employee reports. Use this job description when you conduct employee interviews for that position.

Manual Entry Bookkeeping Tool

There is a sample of a Manual Entry Bookkeeping Tool provided with this toolkit (Attachment 1). Instructions are included. You can use this tool to capture the revenue and expenses of your Residential Facility Class 2. Capturing revenue and expenses is important in helping you 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 how much money you spend on business-related expenses. You will need to calculate whether you have a profit or loss each month.

Resident Invoices and Payments Summary

On a monthly basis, you should keep track of the amount of money you invoice third-party agencies for payments for your residents on the Resident Invoice & Payments Summary Report (Attachment 2). 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, you need to document the date you make each request. Once you receive payment each month for each resident, you should document the date the payment was received. Keep this information in your files.

Staffing Your Business

Determine Your Staffing Needs

Finding talented people with the right skills and experience is essential. But also consider finding people with the right character traits. Do they have a passion for working with this population? What are their attitudes and beliefs? Do those attitudes and beliefs align with your mission statement?

Hiring Protocol and Employment Application

The hiring protocol should include how the organization ensures that a person is qualified for a particular position. This protocol should include, at a minimum, a review of the employment application, employee interviews and checking employee records and references.

Consider this...

All of your residents should have payees because the Residential Facility Class 2 operator and staff are not allowed to manage residents' money.

You should have each person that you consider hiring complete an employment application (Attachment 12). You should also have volunteer workers complete an employment application. The application should ask questions that will help you determine if the person is qualified for the job. Once an employment application is completed, thoroughly review the completed application before 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 to confirm their professional experience and character.

In the Hire the Right Skills section below you will find suggestions on the types of skills you should be seeking in an employee for your Residential Facility Class 2.

Hire the Right Skills

Adult Care Facility Jobs	Essential Skills	Additional Skills Desired
Manager	• CPR and First Aid certified • Hire, train, and monitor staff • Be able to pass a drug test • Ensure background checks completed on any new hire • Confirm employee has no criminal record in violation of OhioMHAS rules • Confirm employee that transports residents has valid driver's license • Advocate for residents • Maintain accurate resident and staff files • Manage invoicing and collection of resident payments to RF2 • Ability to perform all the duties of the Resident Caretaker • Ability to assist the owner, if not the manager, in marketing the business for additional residents when needed	• Experience caring for adults with developmental disabilities • Experience caring for adults with chronic mental illness • Prior management experience

Adult Care Facility Jobs	Essential Skills	Additional Skills Desired
Resident Caretaker	• CPR and First Aid certified • Be able to pass a background check • Be able to pass a drug test • Provide care to residents including but not limited to: • Assistance with bathing, grooming, and other personal care • Household chores like washing clothes, cleaning the home, and cleaning the dishes • Cooking for residents • Maintaining a safe environment for the residents • Promoting dignity and independence for the residents • Showing care and compassion to residents, their families, and other staff • Available to work a flexible schedule • Must have valid, active driver's license, if duties include transporting residents	• Experience caring for adults • Experience caring for adults with developmental disabilities • Experience caring for adults with chronic mental illness

Conduct a Background Check

Another important aspect of owning a Residential Facility Class 2 is protecting your residents and protecting your business. You must complete background checks on any person you intend to employ in your business with residents.

When you own a Residential Facility Class 2, 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 RF2.

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 5122-30-31\(D\)](#).

Keep in mind that any person working with your residents must meet all of the Ohio Department of 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 and CPR training.

- The manager and each staff person must complete a general orientation in caring for persons diagnosed with mental illness and 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 residents' 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.

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.

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, religion, disability, sexual orientation, genetic information and age. The Equal Employment Opportunity Commission (EEOC) enforces these laws.

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 5122-30-31](#), a Residential Facility Class 2 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

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) 884-7500

BCI Athens Office

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

BCI Cambridge Office

1225 Woodlawn Avenue
Cambridge, OH 43725
Phone: (740) 845-2107

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 the person has lost his/her/their CPR Certification card, the certifying agency can issue 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 Residential Facility Class 2 is considered an independent contractor if he/she/they 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 RF2 are employees or independent contractors is very important. This decision can greatly affect your staffing costs.

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

Employee	Independent Contractor
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
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 are 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 layoff or termination	Is not eligible for unemployment compensation benefits
Eligible to receive workers' compensation benefits for any workplace injury	Is not eligible for workers' 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 a 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, he/she/they 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, (provides his/her/their own tools and equipment, schedules his/her/their own work and performs similar services for other employers.

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

- The person is reimbursed for business expenses.
- The person does not make his/her/their services available to other businesses in the relevant market.

Type of 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 a Residential Facility Class 2 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 RF2s.

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

IRS Form 1099-MISC

When you pay an independent contractor \$600.00 or more for working for your Residential Facility Class 2, 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 a Residential Facility Class 2 business, you'll need to pay people to work for you as employees or independent contractors. There are laws and responsibilities that apply if you hire people.

What is Payroll?

When you start a Residential Facility Class 2 business and hire employees, you'll need to start processing payroll. Payroll refers to the process of calculating and distributing your employees' wages and deducting payroll taxes. To calculate payroll accurately, you'll need to learn to make employee work schedules and track and monitor employees' time worked each pay period. You will then use this information to process payroll.

For purposes of scheduling and processing payroll, you need to decide on your RF2's workweek. 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 employees is your decision. Some of the common options are paying employees weekly, twice per month or once per month. Choose a payday that is the same each month to make it easy to remember. For example, you could pay your employees every other Friday, or you could pay your employees on the 15th and last day of each month.

When setting up payroll, you may decide that you will handle the payroll processing yourself. There is information available to help you. However, there are also various agencies that you can pay to process payroll for you.

Consider this...

There are companies that can help you with payroll. You can do an internet search to find them. These companies charge you a fee for processing your payroll, so this might not be a good option for small Residential Facilities Class 2s.

How Much Should I Pay My Employees?

As the owner of a Residential Facility Class 2, you must make sure you are aware of all state and federal laws regarding paying your employees.

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 \$8.55 per hour (as of January 1, 2019). The federal minimum wage rate is \$7.25 per hour (as of July 2009). 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 \$314,000 per year (as of January 1, 2019) you may pay your employee the federal minimum wage rate of \$7.25 per hour. If your business generates more than \$314,000 per year, then you must pay your employee the Ohio minimum wage rate of \$8.55 per hour.

Please note these rates are subject to change.

Ohio Minimum Wage Rate 2019		Premium Pay after Designated Hours	
Ohio	Basic Minimum Rate (per hour)	Daily	Weekly
Employers with annual gross receipts of \$341,000 or more.	\$8.55		40
Employers with annual gross receipts under \$314,000	\$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

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 Residential Facility Class 2 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'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 office 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)

What are Payroll Taxes?

All small businesses (except Partnerships) must file an annual income tax return. Partnerships file an information return. 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.

Disclaimer: The rates in the next few paragraphs can change annually. Please go to the links provided to check on current rates. As a business owner you are responsible to be up to date on payroll. It is strongly encouraged that you consult an accountant or an expert in small business taxes.

Federal Payroll Taxes

The two main federal payroll taxes deducted from employees' wages are known as Federal Insurance Contributions Act (FICA) taxes. Two types of taxes fall under the category of FICA taxes: Medicare taxes and Social Security 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. In 2019, these two FICA taxes are paid at a total of 15.3% of gross employee wages (7.65% from the employee and 7.65% from the employer).

More information about the FICA tax can be found at: <https://smartasset.com/taxes/all-about-the-fica-tax>

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. Federal Unemployment Tax Act regulates state unemployment insurance systems. In 2019, employers pay an effective rate of 6% on the first \$7,000 of a worker's wages. The revenues mainly go toward financing the administration of state unemployment insurance programs. FUTA tax deposits can be made quarterly and reported annually by using [IRS Form 940](#) or [IRS Form 940-EZ](#). Each state also collects an additional unemployment payroll tax to further finance unemployment benefits. More information can be found below in the State of Ohio's Payroll Taxes.

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 the tax rate. For 2019, these rates vary from 0% of taxable income, up to 4.997%. The lowest bracket of 0% applies to income up to \$10,850 and the highest bracket only applies to income above \$200,000. Additionally, there are more than 600 Ohio cities and villages that add a local income tax in addition to the state income tax.

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 are included with each form. This form should be kept in each employee's file.

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 cause for an employer terminating an employee are:

- Violating established company rules
- Neglecting your job responsibilities
- Disregarding the employer's interest
- Performing 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 Job & Family Services
Office of Unemployment Insurance Operations
30 E. Broad Street 32nd Floor
Columbus Ohio 43215
Telephone: 614-466-2319

Website: <https://unemployment.ohio.gov/PublicSelfServiceChoice.html>

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 Job & Family Services, Office of Unemployment Insurance Operations at the telephone/web address listed above.

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-4 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.

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

Consider this...

Depending on your business structure (sole proprietorship, partnership corporation, LLC, etc.), you will have different payroll tax responsibilities and tax forms. The IRS has a comprehensive list of your tax liabilities on their website:

<https://www.irs.gov/businesses/small-businesses-self-employed/business-structures>

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. 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.

Other Employer Taxes

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: bwc.ohio.gov

When Do I Pay Myself?

Many Residential Facility Class 2s 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 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 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 on your RF2.

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: 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 on 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 Residential Facility Class 2 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 rent payments to the RF2.

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:

- Ohio Department of Developmental Disabilities
- Alcohol Drug Addiction and Mental Health boards
- 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 RF2s.

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/her/their 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 a person qualifies for SSI, he/she/they get monthly cash payments to help pay for 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 a person gets in SSDI benefits depends on past Social Security earnings. After getting SSDI benefits for two years, a person automatically qualifies 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 a resident's Supplemental Security Income:

- You can have the resident sign a Consent for Release of Information that authorizes your Residential Facility Class 2 to obtain verification of his/her/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/her/their legal guardian can call the Social Security Administration or log into their account on the internet to make the request. He/she/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 as long as they can afford to pay the amount you are charging. You should make sure your rate is comparable to similar businesses and services.

Example of Potential Profit or Loss from Owning a Residential Facility Class 2

When obtaining licensing for a Residential Facility Class 2, you are licensed for a home with one to 16 beds. The OhioMHAS Licensure and Certification Office will make the final decision on how many residents can live in your house (depending on square footage rules and home layout). 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 Residential Facility Class 2. You have 3 residents each receiving RSS monthly income of \$1,100.*
- *You are the owner living in the home as the manager.*
- *You are paying monthly rent of \$750.*
- *Your monthly expenses total \$2,095.*

See the resulting Profit & Loss Statement below.

Here is a sample of potential monthly profit and loss from the example above:

Gross Income	\$
RSS Income* (\$1,100 each x 3 residents)	\$3,300
Total Income	\$3,300.00

Monthly Expenses	
Bank Account Monthly Fee	
Cable/Internet/Telephone	
Electric/Gas	
Minor repairs	
Resident Food ¹ (@ \$75 per resident)	
Rent/Mortgage/Property Tax	
Employee (20 hours per week * \$7.25 per hour x 4 weeks)	
Water/Sewer/Trash	
Owner's Draws ² (see section "When Do I Pay Myself?" for further info)	
Total Monthly Expenses³	\$2,165.00
Net Profit (Or Loss)	\$1,135.00

¹We are assuming RSS payments of \$1,100 per month.

²Owner's draws is money the owner takes out of the business to use for non-business reasons.

³These expense estimates exclude startup expenses, payroll taxes, and insurance costs.

A monthly budget is important for your RF2 to make sure you properly track the money coming in and going out of your business.

Getting Your Home Licensed

Apply for Your Residential Facility Class 2 License

After you have obtained your building and zoning certificates, you should apply for your Residential Facility Class 2 license. Prior to opening an RF2, you must complete the licensing process through OhioMHAS. Basically, a business license is a document from the government that gives you authorization to start a business. For RF2s, your OhioMHAS license is your business license. When applying for your Residential Facility Class 2 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:

- Submit a complete initial application for licensure, including the application fee. The application fee is \$75 for all Class 2 facilities. You must submit a fully complete application with payment included or your application will not be reviewed.
- The OhioMHAS Bureau of Licensure and Certification will review your application to confirm that you have submitted all required documents.
- The Bureau of Licensure and Certification will contact you to conduct an initial on-site inspection of the home that you propose to use for residential care. Inspectors verify the safety and sanitary condition of the facility.
- The Bureau of Licensure and Certification will interview the proposed facility operator to confirm the capability of the operator and employees to in provide supervision and personal care services. They will check the appropriateness of the placement of each resident in the home.
- 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' Survey Tool that was created to assist you.

Prepare for Licensing with the OhioMHAS Survey Tool

OhioMHAS staff have created the Surveyor Tool to help you prepare for the licensing process.

Consider this...

You can obtain copies of the Surveyor Checklist from the OhioMHAS website at <https://mha.ohio.gov>. Click on Licensure and Certification.

Marketing Your Business

Residential Facility Class 2 owners and managers are responsible for finding residents. There are no referrals from the State of Ohio. You need to create a marketing strategy for how you will make the community aware of your new Residential Facility Class 2 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 Residential Facility Class 2, the services you provide and any other information that makes your business unique from other RF2s. You should develop a simple website and can create a Facebook 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 “three healthy meals”, “companionship”, “personal care” or more. 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 as on the brochure or flyer, you should list your services so when viewed they make a lasting impression. A simple website can be developed by a professional or you can go to hosting sites to create your own. Online forums can also be a great way to get the word out about your Residential Facility Class 2.

Where Do I Find Residents?

OhioMHAS is not responsible for resident referrals nor is OhioMHAS responsible for filling beds to capacity. It is the sole responsibility of the Owner/Operator to get resident references. Some good places to build relationships for potential residents include:

- Behavioral 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 Services (ADAMHS) 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)

Developing relationships with these agencies will help in the sustainability of your home.

Residential Facility Class 2 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 Residential Facilities Class 2's. Find these on the website at: <http://mha.ohio.gov/>
- ☐ 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-term
- ☐ 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 RF2 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 RF2
- ☐ 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

Manual Entry Bookkeeping Tool (Page 1 of 2)

Business Name:

EXPENSES PAID BY CASH		
Date	To Whom	Amount
Total Cash Spent This Month		

Month of:

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

MONTHLY EXPENDITURES			
Type of Expense	This Week	Total YTD	
Total Expenses This Month			

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

Manual Entry Bookkeeping Tool (Page 2 of 2)

MONTHLY SALES			PAYROLL OR CONTRACT LABOR		PROFIT AND LOSS THIS MONTH	
Resident Name	Third-party or Private pay	Sales/Income	Name	Amount Paid	Total Sales this Month	
					Minus Total Expenses this Month	
					Total Profit or Loss this Month	
					PROFIT AND LOSS YEAR TO DATE	
					Total Sales Year-to-Date	
					Minus Total Expenses Year-to-Date	
					Total Profit or Loss Year-to-Date	
Total This Month			Total This Month			
Total Year-to-Date			Total Year-to-Date			

[illegible][illegible][illegible][illegible]

Instructions for Completing the Asset and Liability Statement

INTRODUCTION

The Residential Facility Class 2 (RF2) 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 RF2s from individual businesses to corporations, not all of the blanks will be applicable to all RF2s. 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 RF2. 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 RF2.
- **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 RF2 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 form more than one year, such a person who is converting a home into an RF2, they should be listed at their fair market value. Although this method of determining value is needed to adequately analyze an RF2'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 RF2 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 RF2. 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
RF2 Use Only

Asset and Liability Statement as of:

License No.:

Facility Name:

Owner's Name:

Current Assets

Cash	
Monetary Investment	
Accounts Receivable	
Total Current Assets	

Fixed Assets

Land	
Buildings	
Equipment	
Equipment	
Other - Itemize	
Total Fixed Assets	

Total Assets (Current + Fixed)

Current Assets

Accounts Payable	
Other - Itemize	
Other - Itemize	
Total Current Liabilities	

Other Liabilities

Mortgage Payable	
Other - Itemize	
Other - Itemize	
Other - Itemize	
Other - Itemize	
Total Other Liabilities	

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 Residential Facility Class 2 (RF2) 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 RF2s 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 RF2'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 RF2.

To predict the success or failure of the RF2 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 RF2 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 RF2. It should not include the personal income of the applicant(s) unless this income is to be used for operating the RF2. 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 RF2 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 RF2 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 RF2. 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 RF2. 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 RF2 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 RF2 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 RF2 and/or used in support of the operation of the RF2.
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. RF2, 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

RF2 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														Census and Charges
2. Resident Fee- Private Pay														
3. Number of SSI residents														
4. Resident Fee - SSI														
5. Number of RSS Residents														
6. Resident Fee - RSS														
7. Fees from Resident														Anticipated Revenues
8. Endowment/Trust Funds														
9. Donations/Solicitations														
10. Investment Income														
11. Other														
12. Total Revenue														
13. Food/Groceries														Anticipated Expenses
14. Salaries/Wages														
15. Utilities														
16. Maintenance and Repairs														
17. Rent or Mortgage														
18. Taxes (property,sales etc)														
19. Laundry/Linens														
20. Transportation														
21. Insurance Premiums														
22. Other														
23.. License Fees														
24. Total Expenses														
25. Net Income														

Roster of Residents

5122-30-23 Facility Records

**Each facility shall maintain a current roster of the names and ages of all residents and dates of residence.
The roster shall include information on residents for 3 years after the date of discharge.**

Facility Name:		License No.:	
Name of Resident			
Date of Birth			
Move In Date			
Move Out Date			
Classification			
RSS - Res State Supplement Vet - Veteran			
MI - Mental Illness SUD - Substance Use Disorder			
1.			☐ RSS ☐ SUD ☐ Vet ☐ MI
2.			☐ RSS ☐ SUD ☐ Vet ☐ MI
3.			☐ RSS ☐ SUD ☐ Vet ☐ MI
4.			☐ RSS ☐ SUD ☐ Vet ☐ MI
5.			☐ RSS ☐ SUD ☐ Vet ☐ MI
6.			☐ RSS ☐ SUD ☐ Vet ☐ MI
7.			☐ RSS ☐ SUD ☐ Vet ☐ MI
8.			☐ RSS ☐ SUD ☐ Vet ☐ MI
9.			☐ RSS ☐ SUD ☐ Vet ☐ MI
10.			☐ RSS ☐ SUD ☐ Vet ☐ MI

Resident Record Keeping

OhioMHAS Sample Form

An individual record for each resident which shall be stored at the facility in which the resident currently resides, and in a manner that protects and ensures confidentiality, except that information shall be immediately accessible for an emergency.

Facility Name: License No.:

Manager:

Resident Name:

Previous Address:

City: State: Zip Code:

Date of Birth: Date of Admission:

E-Mail: Telephone 2:

Physician Name:

Address:

City: State: Zip Code:

E-Mail: Telephone:

Referring Agency or Person:

Address:

City: State: Zip Code:

E-Mail: Telephone:

Emergency Contact:

Address:

City: State: Zip Code:

E-Mail: Telephone:

Sponsor:

Address:

City: State: Zip Code:

E-Mail: Telephone:

Attachment 7

Resident Agreement Sample Form

5122-30-24 Class Two Residential Facility

Name of Facility , a Class 2 Residential Facility
agrees to provide room and board, accommodations, supervision, and personal care services, as stated in
this agreement, effective on the date of admission to the facility, for the resident listed below.

for , the resident.

Admission Date

The monthly charge for these provisions in a :Private Room is \$ Double Occupancy is \$

Payment is due by the day of each month.

Provisions for exceptions, late payments, security deposits, if any, are as follows:

No charges, fines, or penalties will be assessed against the resident other than those stipulated in this agreement. Should an increase in the charge for provided services become necessary, the operator shall give the resident and/or responsible party at least 30 days verbal and written advance notice.

For a resident receiving RSS, the monthly charge for room and board, supervision and personal care services shall not exceed the amount specified in Chapter 5122-36 of the Administrative Code. The allowable fee paid by the resident is \$1,100.00.

At no time shall the staff or operator of a facility assume payeeship for a resident's income, require income checks to be signed over to or be cashed by facility staff, nor in any manner establish controls over the handling of any resident's funds.

The operator may not charge an additional fee beyond the standard monthly charges for room and board (sleeping and living space, meals or meal preparation, laundry services, housekeeping services or any combination there of), provision of personal care services, if applicable to the resident, and basic cable service if offered.

The resident is responsible for the providing the following items:

In the event of the resident's absence, discharge or transfer from the facility, the facility will refund the monthly charges and security deposit, if applicable, as follows;

Refund Process

Resident Initials

SAMPLE RESIDENT AGREEMENT

Health Assessments 5122-30-23 (A)(2)(c)

The resident agrees to have a medical assessment conducted by a qualified healthcare practitioner within 12 months prior to the date of admission. The assessment shall include, but not be limited to, identifying whether the resident is capable of self-administration of medication and if assistance is needed, the type of assistance.

Skilled Nursing Care and Changes in a Resident's Health 5122-30-25

The facility, by law, cannot provide skilled nursing care. However, if the resident develops a medical condition for which recovery can be expected to occur with not more than 120 days of skilled nursing care or a medical condition requiring skilled nursing care provided on a periodic, scheduled basis, and the condition requires skilled nursing care to be rendered by the home health agency for less than eight hours a day or less than forty hours a week, the resident may contract with a Medicare home health agency, licensed hospice program or a MH/SUD Provider or Board for not more than 120 days per year. The resident is responsible for arranging and paying for such home health agency services.

If the resident's condition requires more skilled nursing care than permitted under this paragraph, the facility will transfer or discharge the resident, according to rule 5122-30-27 of the Administrative Code.

Central Locked Storage Space

The facility may provide central locked storage space for resident's funds or other valuables.

Facility ☐ provides central locked space ☐ does not provide central locked space.

If provided, the resident may access the locked storage space as follows : (restrictions may ONLY be in accordance with instructions from a guardian, if applicable.)

☐ anytime ☐ daily ☐ upon request Specify hours

Staffing Requirements and Supervision 5122-30-21

The facility shall provide sufficient numbers of staff in the facility, scheduled for appropriate periods of time during each twenty-four hour period, to assure that the room, board, personal care, or mental health service needs of each resident are met in a timely manner, as appropriate to the individual needs of each resident.

Staff are available in the facility as follows:

If not 24 hrs. specify days and time staff are onsite

Personal Care Services 5122-30-26

The facility agrees to provide the resident with the following personal care services:

- | | | | | |
|--|------------------------------------|--|---------------------------------------|--|
| ☐ Walking | ☐ Hair Care | ☐ Dressing | ☐ Oral Hygiene | ☐ Assistance with self administration of medication |
| ☐ Eating | ☐ Grooming | ☐ Toileting | ☐ Nail Care | |
| ☐ Budgeting or Teaching Money Management Skills | | ☐ Preparation of a Special Diet (see below) | | |

Preparation of a Special Diet as required by a physician or licensed dietician (attach documentation) This does not include a therapeutic diet that is a modification of a regular diet, such as a low sodium diet.

Other Services
(explain)

Resident Initials

SAMPLE RESIDENT AGREEMENT

Transportation

The facility will provide or arrange for transportation to:

☐ Shopping ☐ Health Care Appt. ☐ Behavioral Health Care Appt. ☐ Day Treatment Program

Other:

Other:

Other:

Sleeping and Living Space

5122-30-14 (Q)

The facility will provide for laundering, including laundry soap, of all residents' clothing and bed and bath linen (does not include any dry cleaning) in the following way: (must provide one)

☐ Yes ☐ No Facility Does Laundry

☐ Yes ☐ No Washer and dryer provided for resident's use

☐ Yes ☐ No Transport residents to and from laundromat and provision of money to use the machines

Social, Recreation and Leisure Activities

5122-30-30

The facility will provide at least one of each of the following:

☐ Yes ☐ No Local newspaper OR

☐ Yes ☐ No Current community activity brochures and advertisements

☐ Yes ☐ No Transportation to community activities OR

☐ Yes ☐ No Information about available transportation to community activities

In addition, the facility will provide leisure time activities, and make available recreational equipment and activities to implement recreational programs to encourage physical activities, appropriate to the age and sex of the residents, as follows:

Nutrition and Food Safety

5122-30-13

The facility will provide three nutritionally balanced meals daily at approximately the following times:

Breakfast:

Lunch:

Dinner:

The facility will provide a nutritious evening snack if there is more than 8 hours between dinner and breakfast.

Medication

5122-30-28

The resident's medication will be ☐ locked centrally or ☐ in an individual compartment in the resident's room.

Resident Initials

SAMPLE RESIDENT AGREEMENT

Bedroom and Linens

5122-30-15 (E)

The facility will provide the resident with a bed and mattress and 2 sets of bed linen and 2 sets of bath linen. The facility will also provide bedroom space and personal storage space. The facility will change the bed linen weekly and more often if soiled and towels and washcloths at least twice weekly and more often if soiled. The facility will provide soap and toilet paper. The resident may choose to bring his or her own bed, other furnishings, and linen.

Resident chooses to bring his/or her:

☐ Bed

☐ Bed Linen

☐ Bath Linen

Other:

Other:

Other:

Other:

Telephone

5122-30-14 (S)

The resident will have unrestricted access at all times to a house phone for local calls and may make long-distance calls at the resident's expense. Arrangements for paying for the calls are:

Closing of the Facility

If the facility is to close, the owner or manager of the facility will inform each resident, his or her guardian, his or her sponsor, or any organization or agency acting on behalf of the resident of the closing of the facility and the date of the closing at least thirty days prior to the proposed date of closing. Payments for services not rendered will be refunded to the resident within seven (7) days after the closing.

This agreement and the following documents has been reviewed by me, my guardian, if applicable, and explained by the owner/ manager. I have received copies of the following:

☐ Resident Agreement

☐ Resident Grievance Policy and Procedure

☐ Facility Roommate Policy

☐ Transfer & Discharge Rights

☐ Smoking Policy

☐ Dietary Procedure

☐ Mental Health Referral Policy

☐ Facility Visitation Policy

☐ Resident Rights

☐ House Rules

☐ Facility Access to Resident's Locked Storage Space Policy

Owner/Manager Signature

Date

*Resident Signature

Date

Guardian/POA

Date

*If the resident is unable to sign his/her name, signature of person signing on resident's behalf with resident's permission.

Ohio Department of Mental Health and Addiction Services

Sample Personal Care Plan
5122-30-26

Date of Plan:

Resident Name or Agency Identifier

Date of Admission

Date of Birth:

Previous Placement

Gender:

☐

Male

☐

Female

Reason for Personal Care Plan

☐ Admission to Facility (completed within 14 days of the date of admission)

☐ Significant Change

Explain Change

Name and address of Residential Care Facility

Name:

Address:

City:

State:

Zip Code:

County:

Telephone:

Name and contact information for current Behavioral Health Agency and Casemanager/CPST

Name:

Casemanager/CPST

Address:

City:

State:

Zip Code:

Phone:

Ext.

Cell Phone:

E-Mail:

Name and Contact Information for Medical Care Provider

Facility Name:

Provider Name:

Address:

City:

State:

Zip Code:

Phone:

Ext.

Cell Phone:

E-Mail:

Name or Agency Client Identifier:

Does the resident have a Dentist?

☐

Yes

☐

No

If yes, please provide contact information:

Name:

Address:

City:

State:

Zip Code:

Phone:

Ext.:

Cell Phone:

E-Mail:

Does the resident have a guardian ?

☐

Yes

☐

No

If yes, please provide contact information:

Name:

Address:

City:

State:

Zip Code:

Phone:

Cell Phone:

E-Mail:

Does the resident have a parole or probation officer?

☐

Yes

☐

No

If yes, please provide contact information:

Name:

Address:

City:

State:

Zip Code:

Phone:

Ext.:

Cell Phone:

E-Mail:

Emergency Contact :

Name:

Relationship:

Address:

City:

State:

Zip Code:

Phone:

Cell Phone:

E-Mail:

Name or Agency Client Identifier:

Informal Supports (Friends/Family)

Name:

Relationship:

Address:

City:

State:

Zip Code:

Phone:

Cell Phone:

E-Mail:

Does the resident have:

Health Insurance? ☐ Yes ☐ No If yes, attach a copy.

Medical advance directive? ☐ Yes ☐ No If yes, attach a copy.

Psychiatric advance directive? ☐ Yes ☐ No If yes, attach a copy.

What does the facility need to have to provide personal care services for the resident? (This may include items like a first floor bathroom, walk in shower, handicap access eating area, etc.)

What should staff be aware of when providing personal care services for the resident? (This may include special instructions about how to provide personal care to the resident)

Name or Agency Client Identifier:

Does the resident have any known allergies? ☐ Yes ☐ No ☐ Unknown If yes, please list them below:

List all diagnosed physical or mental health conditions:

List current medications and most common possible side effects: (Note - this information must be supplied by the agency physician, nurse or staff member with comparable scope of practice) Summer heat can negatively affect individuals taking psychotropic (mental health) medications. Please provide accommodation such as fans, air conditioning when available, wet towels, shade, etc during extremely warm/hot days.

Medications	Dosage	Frequency	Possible Severe Adverse Side Effect(s)	Potential Dangerous Interactions

Additional Comment

Name or Agency Client Identifier:

Does the resident have any physical limitations? ☐ Yes ☐ No

Does the resident have any dietary restrictions? ☐ Yes ☐ No If yes, explain below, include religious, ethnic and cultural preferences

Does the resident require the preparation of a special diet, as required by instructions of a physician or a licensed dietitian? ☐ Yes ☐ No If yes, explain below (does not include therapeutic diet that modifies a regular diet, such as a low sodium diet)

Please identify additional limitations to care, e.g. language or cognitive, or other factors, e.g. religious or cultural considerations, that are important to the provision of personal care services:

Date of last medical hospitalization?

Date of last mental health hospitalization?

Does resident have a current or past SUD abuse issue? ☐ Yes ☐ No If yes, please describe:

Name or Agency Client Identifier:

Does resident have a current or past history of violence towards others, including, but not limited to physical violence, sexual violence, use of weapons or homicide? ☐ Yes ☐ No If yes, describe:

Does resident have a current or past history of self-injury? ☐ Yes ☐ No If yes, describe:

Does resident have a recent or past history of suicide attempts? ☐ Yes ☐ No If yes, describe:

What are the personal care needs or concerns identified by the resident , casemanager or guardian/family members?

Name or Agency Client Identifier:

Does the resident require?

Assistance with Hygiene

☐ Yes ☐ No

Comment:

Assistance with Walking/Moving

☐ Yes ☐ No

Comment:

Assistance with Dressing

☐ Yes ☐ No

Comment:

Assistance with Grooming/Hair Care

☐ Yes ☐ No

Comment:

Assistance with Toileting

☐ Yes ☐ No

Comment:

Assistance with Eating

☐ Yes ☐ No

Comment:

Assistance with Nail Care

☐ Yes ☐ No

Comment:

Assistance with Budget/Money Management

☐ Yes ☐ No

Comment:

Preparation of Special Diets

☐ Yes ☐ No

Comment:

Other:

☐ Yes ☐ No

☐ Unknown

Other:

☐ Yes ☐ No

☐ Unknown

Assistance

☐ Prompting Assistance Needed

☐ Indicate Resident Independent

☐ Prompting Assistance Needed

☐ Indicate Resident Independent

☐ Prompting Assistance Needed

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☐ Prompting Assistance Needed

☐ Indicate Resident Independent

Responsible Party(s)

☐ Treatment Provider Staff

☐ RCF Staff Member ☐ Both

☐ Treatment Provider Staff

☐ RCF Staff Member ☐ Both

☐ Treatment Provider Staff

☐ RCF Staff Member ☐ Both

☐ Treatment Provider Staff

☐ RCF Staff Member ☐ Both

☐ Treatment Provider Staff

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☐ Treatment Provider Staff

☐ RCF Staff Member ☐ Both

☐ Treatment Provider Staff

☐ RCF Staff Member ☐ Both

☐ Treatment Provider Staff

☐ RCF Staff Member ☐ Both

Resident Signature

Date

☐ refused to sign

Residential Staff Signature

Date

Guardian/Family Signature

Date

Casemanager/CPST Signature

Date

Other Provider (if applicable)

Date

Sample Provision of Personal Care Services Weekly Progress Notes
5122-30-23 (2)(k)

Resident Name:	Week Beginning:	Week Ending:
Residential Facility Name:		

Personal Care Services are provided as stated in the Resident's Personal Care Services Plan

Prompting: Verbal reminders or direction to complete activity **Assistance:** Requires supervision and/or needs assistance in completing the activity
Resident Independent: No supervision, verbal reminders, directions or personal assistance needed to complete the activity

Provision of Personal Care Services- Resident's Progress of Functional Status. Functional Status means the resident's ability to perform basic activities of daily living (ADL) as listed below.

Personal Care Service	Assistance Provided (Check one)	Progress or Functional Status -note progress or any significant change in function
Assistance with Walking/Moving	☐ Prompting ☐ Assistance ☐ Resident Independent	☐ No Change ☐ Progress Noted: (explain) ☐ Significant Change: (explain)
Assistance with Dressing	☐ Prompting ☐ Assistance ☐ Resident Independent	☐ No Change ☐ Progress Noted: (explain) ☐ Significant Change: (explain)
Assistance with Grooming/Hair Care	☐ Prompting ☐ Assistance ☐ Resident Independent	☐ No Change ☐ Progress Noted: (explain) ☐ Significant Change: (explain)
Assistance with Toileting	☐ Prompting ☐ Assistance ☐ Resident Independent	☐ No Change ☐ Progress Noted: (explain) ☐ Significant Change: (explain)
Assistance with Eating	☐ Prompting ☐ Assistance ☐ Resident Independent	☐ No Change ☐ Progress Noted: (explain) ☐ Significant Change: (explain)
Assistance with Nail Care	☐ Prompting ☐ Assistance ☐ Resident Independent	☐ No Change ☐ Progress Noted: (explain) ☐ Significant Change: (explain)
Assistance with Budgeting/Money Management	☐ Prompting ☐ Assistance ☐ Resident Independent	☐ No Change ☐ Progress Noted: (explain) ☐ Significant Change: (explain)
Preparation of Special Diets	☐ Prompting ☐ Assistance ☐ Resident Independent	☐ No Change ☐ Progress Noted: (explain) ☐ Significant Change: (explain)
Assistance with Self-Administration of Medication	☐ Prompting ☐ Assistance ☐ Resident Independent	☐ No Change ☐ Progress Noted: (explain) ☐ Significant Change: (explain)
Other: Specify	☐ Prompting ☐ Assistance ☐ Resident Independent	☐ No Change ☐ Progress Noted: (explain) ☐ Significant Change: (explain)
Comments:		

Sample Self-Administration of Medication Observation Record (MOR)

The Self-Administration of Medication Observation Record lists a resident's medications, along with spaces to record when the doses have been given and to specify exactly *how much* is given when the directions state, for example, 'one or two'.

It is also important to keep a record when the resident does not take prescribed medicine. Different letter 'codes' can be used to record reasons for when medicines have not been given. The MOR sheet must explain what the codes mean. There should be no 'gaps' on a MOR sheet.

The Self-Administration of Medication Observation Record can be a useful tool for the facility to keep track of medicines that are self-administered with assistance, and may contain information that is useful to the resident's other care providers, such as prescribing physicians or case managers.

You may also check with your resident's pharmacy to see if it supplies medication record sheets.

Facility staff may assist with PRN "as needed" orders only at the request of the resident. Assistance with self-administration of medication does not include medications ordered to be given PRN "as needed" unless the order is written with specific parameters that preclude independent judgment on the part of the facility staff person, and at the request of a competent resident.

Class II Residential Facility

[illegible]

Residential Facility Class 2 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: _____

Class Two Application Attachment One

"Staff" means any person or persons participating in the physical operation of the facility, the provision of mental health services, personal care, room and board, supervision of residents, *whether or not that person is compensated for that assistance*. Staff shall be understood to include the operator of the facility when the operator is a participant in the performance of those activities.

INSTRUCTIONS: List each staff, date of hire, and fill in the dates of completion for the applicable Ohio Administrative Code (OAC) requirements for each column. If “Not Applicable”, enter “N/A”. Note, Department staff will verify the training below, as well as compliance with OAC 5122-30-20 (F) and 5122-30-(H), during the on-site survey. Submit additional copies if necessary. The facility may submit a computer printout if it contains all of the required information

[illegible]

Ohio Department of Mental Health and Addiction Services

Sample Resident Rights/Policy/Procedure Acknowledgement

Facility Name:

License No.:

I, have received and have had explained to me, a copy of the following:
Resident's name

- ☐ The Resident's Rights Policy
- ☐ Transfer and Discharge Rights and Procedures
- ☐ House Rules
- ☐ Facility Smoking Policy
- ☐ Facility Grievance Procedure
- ☐ Mental Health Evaluation and Services Referral Policy
- ☐ Special Diet Procedures
- ☐ Facility Visitation Policy
- ☐ Facility Roommate Policy

I have also received a copy of the Resident Agreement. The contents of these documents have been explained to me and I understand my rights set forth therein.

Signature of Resident

Signature of Guardian or Legal Representative

Signature of Case Manager (optional)

Date

Residential Facility Class 2 Startup Costs Worksheet

Startup 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

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

