

Financial Management Service Models

BY DISABILITY VOICES UNITED



Financial Management Service Models

01 BILL PAYOR

02 CO- EMPLOYER

03 SOLE EMPLOYER

1. Bill Payor



- YOU ARE NOT HIRING EMPLOYEES
- DO NOT NEED TO USE VENDORED SERVICES
- FINANCIAL MANAGEMENT SERVICES PAYS FOR GOODS AND SERVICES

2. Co-Employer



- THE FINANCIAL MANAGEMENT SERVICE HIRES THE EMPLOYEES ON YOUR BEHALF (CALLED THE “EMPLOYER OF RECORD”)
- THE FINANCIAL MANAGEMENT EMPLOYEE RULES WILL APPLY TO YOUR EMPLOYEES. EXAMPLE: OVERTIME, HEALTH INSURANCE, BACKGROUND CHECKS.
- THE PARTICIPANT CHOOSES WHO WILL BE HIRED/FIRED

3. Sole Employer



- THE PARTICIPANT IS THE EMPLOYER OF RECORD
- THE PARTICIPANT CHOOSES WHO TO HIRE/FIRE
- CHOOSE BACKGROUND CHECK (IF NOT PROVIDING PERSONAL CARE SERVICES)
- CAN USE SAME EMPLOYEE FOR MULTIPLE CLIENTS

Compare Co-Employer and Sole Employer Choose Employees

Co-Employer

You determine
who to hire
and fire

Sole-Employer

You determine
who to hire
and fire

Compare Co-Employer and Sole Employer

Employer of Record

Co-Employer

Financial
Management
Service

Sole-Employer

Participant
(or selected
person)

Compare Co-Employer and Sole Employer Background Checks

Co-Employer

Financial
Management
Service
decides

Sole-Employer

Participant
decides

Personal care providers must have a background check

Compare Co-Employer and Sole Employer Benefits

Co-Employer

Financial
Management
Service
company
benefits

Sole-Employer

Participant
decides

Compare Co-Employer and Sole Employer

Employer Burden

- FICA (Federal Insurance Contributions Act) Combines Social Security and Medicare
- Workers Comp and Liability Insurance
- Health Insurance**
- Sick Days**

Workers Comp and Liability Insurance

Workers Comp	Liability
Both cover workplace injuries	
Protects Employee	Protects Employer
Covers costs related to injury or sickness on the job without alleging liability Covers medical bills, lost wages, other costs the if employee is sick or injured due to their job	Covers expenses if the employer gets sued for punitive damages Claims against bodily injury, property damage, advertising injury

Health Insurance

Co-Employer

Medical insurance rules are based on financial management service policies

Sole-Employer

In Calif., you only are required to offer health insurance if you have over 50 employees.

You can offer to cover your employee's health insurance.

The best way is through reimbursement.

Financial Management Service (FMS) Model

Co Employer	Sole Employer
Participant determines who to hire and fire	
FMS pays taxes, payroll, monthly report, pays for services and goods	
Financial Management Service Employer of Record	Participant (or someone they choose) is Employer of Record
FMS determines background checks	Participant chooses background check (as long as person is not doing personal care)
FMS determines health insurance	Participant determines if they want to offer health insurance
Employee may not be able to work for multiple clients from same FMS	Employee can work for multiple clients
Employee liability and workers comp is through the FMS	Employee liability and workers comp MAY be through FMS or find own
May not be able to provide nursing or medicine management	Participant can hire employees to provide nursing or medicine management
Benefits are set by the FMS	Participant can offer additional benefit (paid

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