

DRS POLICY AND PROCEDURE MANUAL MEMORANDUM 22-03

To: DRS Offices, DARS Central Office, WWRC Offices
From: Catherine Harrison, Director of Policy and Legislative Affairs
Re: Changes to the DRS Policy and Procedure Manual
Date: TBD

The following policy change becomes effective _____. The new and revised policy will be available in the online Policy and Procedures Manual.

POLICIES

Chapter 14.1 Purchasing is being amended to address changes in staffing and pre-approval procedures for purchases over certain monetary thresholds. The following pre-approvals will apply:

Amount	Supervisor	DRS District Director	FRS Director	DRS Deputy Commissioner	DARS Commissioner
\$5,000 to \$19,999	X	X	X		
\$20,000 to \$49,999	X	X	X	X	
\$50,000 and up	X	X	X	X	X

*Division of Rehabilitative Services (DRS)

**Field Rehabilitative Services (FRS)

***Department for Aging and Rehabilitative Services (DARS)

FORMS

None

AWARE LETTERS

None

Chapter 14.1. - PURCHASING

1. Procedures to Authorize VR Services for Consumers

[REVISED: 3/30/22]

1. This policy does not apply to purchases for VR clients at WWRC. See [Chapter 13, WWRC, Policy 2.](#)
2. Timeliness.
The VR counselor shall make every effort to ensure timely authorization of services (per 2016 [Federal Regulation 34 CFR § 361.50](#)).
3. Case status.
The case must be in AWARE in Application status or beyond.
4. Methods.
 - a. Authorizations must be in writing. For purchase under emergency situation that requires verbal instead of written authorization, [see Policy 4 of this chapter.](#)
 - b. The Authorization Form, or Small Purchase Charge Card (SPCC) for clients, or store gift card/fuel card is used by DRS staff to authorize the vendor to provide the services (including goods). For Authorization form and screen, [see Policy 2](#) of this chapter. For Small Purchase Charge Card, [see Policy 2: Section C](#) of this chapter. For store gift card and fuel card, [see Policy 2: Section E](#) of this chapter.
 - c. The information must always also be entered into the AWARE Authorization Page screen.
5. Single purchase.
The counselor may split a single purchase among different vendors (e.g., authorizing personal computer hardware from one vendor and the required adaptive device from another vendor) or may split the purchase into a series of authorizations to the same vendor (e.g., authorizing additional therapy sessions with the same service provider). However, based on the total amount of the authorizations for a single purchase, the counselor must, when required by DRS written policy and procedure, obtain documentation of supervisory pre-approval, medical or dental consultant pre-approval, insurance carrier pre-approval, and quotes from multiple vendors.

Note 1: A single purchase for a hearing aid includes the hearing aid(s), required ear molds, necessary batteries, initial fitting and orientation, one to two up to two hearing aid checks during the trial period, programming changes during the first six months, in-house repairs during the first year, and processing manufacturer repairs during the two to three year manufacturer warranty period.

Note 2: A single purchase for a personal computer includes the hardware (i.e., CPU, monitor, printer, etc.), input device (i.e., mouse, keyboard, etc.), software (i.e., operating, applications, etc.),

accessories (i.e. mouse pad, surge protector, etc.), and assistive technology. The computer furniture and training are separate purchases from the computer system.

6. Sole source.
Purchases from a sole source private vendor require the DARS commissioner pre-approval and must be processed through the Logistical Support and Supplies unit in the DARS Central Office (per agency mandate). Sole source means a determination has been made that there is only one vendor practicably available for a particular service or goods (e.g., the community is served by only one physician, "used" equipment, only one brand name is recommended in the needs assessment and there is only one dealer/distributor that sells that brand). A purchase in which only one brand name meets client needs is not a sole source if there are at least two dealers/distributors that sell that brand.
7. Fee schedule.
DRS established, as is our option under federal regulation (per 2016 [Federal Regulation 34 CFR § 361.50](#)), a fee schedule designed to ensure reasonable costs to the Vocational Rehabilitation program for each purchased service or goods. The fees are published in the [DARS Services Reference Manual](#) and the DRS Training and Facilities Manual and updated as needed. If the service has a Service/Item (S/I) code and a fee amount, the counselor can authorize for that amount, subject to policies for consumer financial participation, comparable benefit, school training funding, and self-employment enterprise funding. Contact Robert J. Johnson in DARS DDS if a client is effectually being denied a necessary service because the fee is so low that no vendor will accept it.
8. Price quotes.
 - a. If the service is a medical service not listed in the [DRS Services Reference Manual](#), the DARS medical consultant establishes the fee (see [Chapter 8.14, PHYSRES, Policy 1](#)).
 - b. If the service has a Service/Item (S/I) code but no fee amount, the counselor shall obtain quote(s) from qualified vendor(s). The number of quotes varies by the purchase amount:
 - i. Less than \$5,000 requires one price quote (oral or written) documented in the case file (per agency mandate). Counselors are expected to rotate the use of vendors and to ensure the price reasonableness of the quote. If the quote does not meet the consumer's VR needs, or if this is the first time the counselor has purchased the service (including goods), the counselor may wish to obtain an additional quote or to consult another counselor or the supervisor about the reasonableness of the price quote.
 - ii. \$5,000 to \$50,000. Obtain a minimum of four (4) quotes in writing or electronically. If the counselor is unable to obtain four quotes, the justification must be documented (i.e., sole source, there are only two vendors, etc.).
 - iii. Over \$50,000. Obtain a minimum of six (6) written quotes. If the counselor is unable to obtain six quotes, the justification must be documented.
 - c. Proper documentation of a price quote means description of services to be provided, name and address of vendor, first and last name of vendor contact who provides the quote, date

quote is given and length of time for which quote is valid, anticipated date service will begin (or goods will be delivered), total cost, and payment terms.

- d. DRS staff shall make every effort to secure quotes from minority- or women-owned businesses when these vendors can meet quality and performance specifications (per [§ 2.2-4310 of the Code of Virginia](#)). A directory of minority-owned businesses is available in every DRS local office.
 - e. When multiple quotes are required, award to other than the lowest bidder must be pre-approved in writing by management in accordance with the pre-approval dollar level policy. The counselor must attach written justification and pre-approval to the bid document. Justification may include location of vendor to consumer, DARS or DRS or counselor past experience with the vendor, delivery date or service start date, maintenance and repair services, product warranty on goods, etc.
 - f. Quotes are not required for purchases from a government entity (i.e., city transit authority, Consumer Services Board, community college, state licensing agency) or for purchases under state contract (i.e., supported employment services, interpreter services) since a fee schedule is established in the contract.
9. Exemption from state sales tax.
When the purchase is exempt from state sales tax, the counselor shall make sure the purchase price does not include state sales tax. For information on exemption from state sales tax, see [Policy 2: Section D](#) of this policy.
 10. Leases.
When authorizing room and board under a housing rental agreement, the client name, not DARS or DRS, must be used on the rental agreement.
 11. Consumer cannot obligate DARS.
If the client incurs an expense before the counselor authorizes the vendor in writing to provide the goods or services, DRS shall not be obligated to pay for it or to reimburse the client (per 2016 [Federal Regulation 34 CFR § 361.50](#) (e)). Contractual negotiations undertaken by a client (or family) with a vendor are not binding upon DARS or DRS staff. DARS must comply with state purchasing requirements and cannot be obligated to contract for services through a particular vendor (per [§ 2.2-4303 of the Code of Virginia](#)).
 12. Consumer loans.
DRS shall not make monetary loans to clients.
 13. Additional requirements.
For additional procedures for authorizing a specific service (i.e., needs assessment, supervisory pre-approval, prescriptions, insurance carrier pre-approval, agency fund code) see the policy for the service.

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2. Use of Forms and AWARE Screens

A. Use of Authorization Page Screen and Authorization Form

[REVISED 5/1/16]

1. The Authorization Page in AWARE must be completed.
Do not keep a paper copy; your AWARE logon and password is your "signature" for internal purposes.

Note: DRS has designed the Authorization Form to meet the federal requirement for written authorization of services (per 2016 [Federal Regulation 34 CFR § 361.50](#)). The Form serves as the purchase order, therefore Purchase Order Form DGS 41-056 is not required for any purchases for VR clients (per Department of General Services).
2. Vendor copy.
The counselor shall:
 - a. Send a signed Authorization Form to the vendor, except do not send it when using the Small Purchase Charge Card (to avoid double billing).
 - b. Ensure the printed Authorization Form clearly indicates the vendor's obligation (e.g., surgery and post-op report, personal computer system and warranty and delivery and installation, bill insurance first, etc.).
 - c. Attach the appropriate Release form when required by confidentiality policy (see [Chapter 1.1, CONFIDENTIALITY, Policy 1, Section D](#)).
 - d. Attach the Administrative Voucher when purchasing services from another agency of the Commonwealth of Virginia that accepts them.
 - e. Ensure the authorization amount does not include state sales tax when the purchase is exempt from state sales tax.
 - f. Prepare a separate Authorization Form for each vendor when multiple vendors are involved (e.g., when authorizing surgery, prepare a separate form for the hospital, physician, and anesthesiologist).
3. On-site authorization.
It is not necessary for DRS staff to accompany the client on every type of purchase. At counselor discretion, the client may take the Authorization Form to the vendor.
4. Consumer copy.
Send a copy to the client upon request.

5. Expiration.
AWARE automatically puts 180-day expiration date on the Authorization to notify the vendor. AWARE automatically cancels any amount on an Authorization left unpaid 180 days after the Authorization Date (not the effective date of the service). If the service is still required, the counselor must generate a new Authorization. This applies to all service items. No exceptions or waivers shall be granted.

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[B. Use of Cancellation Order](#)

[REVISED: 3/1/08]

Cancel the authorization in AWARE and send written notice to the vendor.

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[C. Use of Small Purchase Charge Card \(SPCC\) for Clients](#)

[REVISED: 7/9/2020]

1. Definition.
Cardholder means the person named on the account and the card itself.
2. Application for SPCC.
Supervisory pre-approval and supervisor and cardholder training are required before DRS staff may apply for a SPCC.
3. For purchases for VR clients. Only the cardholder is authorized to use the Small Purchase Charge Card (SPCC) for clients.
 - a. Only the cardholder is authorized to use the Small Purchase Charge Card (SPCC) for clients.
 - b. SPCC may be used to purchase services and "expendable" (e.g., medications, gasoline, etc.) and "non-expendable" (e.g. tools, textbooks, etc.) tangible goods for VR clients.
 - c. Purchases made with the SPCC are subject to all existing purchasing policies within this Policy and Procedure Manual, including but not limited to: consumer financial participation, use of comparable benefits, exemption from state sales tax, etc.

- d. There is a monthly limit. See Small Purchase Charge Card Program (SPCC) and Program Administrator (PA) Policies and Procedures – Client Services.
 - e. There is a transaction limit. See Small Purchase Charge Card Program (SPCC) and Program Administrator (PA) Policies and Procedures – Client Services.
 - f. All purchases shall comply with DARS' Fiscal Policies and Procedures located on the DARS' Intranet page.
- 4. Misuse.
See Small Purchase Charge Card Program (SPCC) and Program Administrator (PA) Policies and Procedures – Client Services.
 - 5. Cardholder responsibilities.
See Small Purchase Charge Card Program (SPCC) and Program Administrator (PA) Policies and Procedures – Client Services.
 - 6. Supervisor responsibilities.
See Small Purchase Charge Card Program (SPCC) and Program Administrator (PA) Policies and Procedures – Client Services.

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[D. Use of ST-12 Virginia Sales and Use Tax Exemption Certificate](#)

[REVISED: 7/1/12]

1. The Virginia Use and Tax Exemption Certificate (Department of Taxation ST-12 form) notifies the vendor that DARS is exempt from state sales tax. The vendor keeps this on file for audit purposes. A vendor that is being used by DARS for the first time will usually not have this form on file. If the state sales tax exemption applies to the purchase, the counselor shall attach an Exemption Certificate (ST-12 form) to the Authorization form. If field staff need assistance with the form, call the DARS designated vendor services personnel.
2. DARS is exempt from paying Virginia sales tax on goods purchased for consumers when:
 - a. The counselor provides a voucher or certification from DARS (i.e., Authorization Form) and the vendor bills the agency directly (or DARS uses an official purchase order to be paid out of public funds), or
 - b. DARS retains title to the item (see [Chapter 8.18, TOOLS, Policy 1](#)), or
 - c. The good is specifically exempt from state sales tax.

3. Goods specifically exempt from state sales tax under [§ 58.1-609.10 of the Code of Virginia](#) are:
 - a. Medicines, drugs, hypodermic syringes, artificial eyes, contact lenses, eyeglasses and hearing aids dispensed by or sold by prescriptions or work orders of licensed physicians, dentists, optometrists, ophthalmologists, opticians, audiologists, and hearing aid dealers and fitters.
 - b. Wheelchairs and parts therefore, braces, crutches, prosthetic devices, orthopedic appliances, catheters, urinary accessories, and other durable medical equipment and devices, and related parts and supplies specifically designed for those products when such items or parts are purchased by or on behalf of an individual for use by such individual.
 - c. Special equipment installed on a motor vehicle when purchased by a person with a disability to enable such person to operate the motor vehicle.
 - d. Special typewriters and computers and related parts and supplies designed for those products used by individuals with disabilities to communicate when a licensed physician prescribes such equipment.
4. Except for goods specifically exempt by law in subsection B4(b), purchases by the consumer typically will not be exempt from the state sales tax, even when DARS will reimburse the individual.

Example 1: The VR counselor approves a clothing allowance for a VR client. The client purchases the clothes. The counselor issues the Authorization form to the consumer to reimburse the consumer. The purchase is not exempt.

Example 2: The VR counselor approves a clothing allowance for a VR client. The counselor issues the Authorization for clothes to the retail store. The purchase is exempt.

Example 3: A licensed physician prescribes a computer for a VR client. The purchase is exempt from state sales tax regardless of whether the client purchases it, insurance pays for it, or the counselor issues an Authorization to the vendor or issues a Direct Authorization to reimburse the client.

5. Lodging, meals, and food expenses are taxable under state law.

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[E. Use of Gift Cards for Client Purchases](#)

[REVISED: 7/9/2020]

1. Gift cards.
The counselor and/or support staff may purchase store gift cards for the VR client use as needed for vocational rehabilitation.

2. All gift card purchases shall comply with DARS' Small Purchase Charge Card Program (SPCC) and Program Administrator (PA) Policies and Procedures located on the DARS' Intranet page.
3. The purchase of VISA, MasterCard, or other generalized monetary gift cards is not allowed.
4. Log.
DRS staff shall maintain a log of each card issued and to whom.
5. Client Receipt of Gift Card Letter.
The counselor shall provide the Client Receipt of Gift Card Letter to the client for signature. It is mandatory that the client acknowledge receipt of the gift card by signing the Client Receipt of Gift Card Letter or acknowledged receipt by email and the staff shall keep the signed letter in the client case record. Client usage of the card shall signify receipt and agreement to use the card only for the VR purpose stated.

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3. Pre-Approval Dollar Levels

[REVISED: **TBD3/30/22**]

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1. This policy applies to new and amended Employment Plans.
2. Before committing to sponsorship, the counselor shall obtain pre-approval for any single item that exceeds \$5,000 and any combination of items being authorized simultaneously as a package that exceeds \$5,000. These dollar limits are intended for use under normal operating circumstances. However, circumstances can vary greatly and management may sometimes require staff to follow other dollar limits.

Under \$5,000:

No pre-approval is required based on dollar amount.

\$5,000 to \$19,999:

Supervisor pre-approval is required first, followed by ~~DARS District Director~~ pre-approval, followed by Field Rehabilitative Services (FRS) Director ~~DRS Director~~ pre-approval.

\$20,000 to \$49,999:

Supervisor pre-approval is required first, followed by DRS District Director pre-approval, followed by FRS Director pre-approval, followed by DRS Deputy Commissioner approval.

~~\$5~~20,000 and up:

Supervisor pre-approval is required first, followed by ~~DRS District Director~~ pre-approval, followed by ~~FRS~~DRS Director pre-approval, followed by DRS Deputy Commissioner approval, followed by DARS Commissioner pre-approval.

3. Examples of combinations of items authorized as a package include, but are not limited to, physical restoration service involving surgery, anesthesia, hospitalization etc. when the total cost is \$5,000 or more; a semester of school training costing \$5,000 or more; etc.
4. Obtain DARS' Commissioner pre-approval via DRS Support Team General Administration Supervisor in DARS Central Office.
5. Pre-approval from supervisory, chief medical consultant, deaf services program manager, audiologist consultant, etc. may be required based on the type of service regardless of the dollar amount. For more information, see Section A. Eligibility, of the policy for the specific service.

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[4. Emergency Procurement of Service for Consumer](#)

[REVISED: 7/1/12]

1. Definition.
Emergency means an occurrence of a serious and urgent nature that demands immediate action. For example, authorizing an immediate psychiatric evaluation for a suicidal VR client. It may be an acute or chronic medical complication or medical emergency that the practitioner indicates is either inherent in the condition being treated by the VR service (i.e., treating a respiratory infection for a client with AIDS or Sickle-Cell Anemia), or resulted from provision of a VR service (i.e., treating an infection the VR client contracted during the hospital stay for VR surgery) (per [State Regulation 22 VAC 30-20-120\(b\)](#)). Emergency room (ER) cost is not considered to be an emergency, unless it meets one of the criterion (i.e., ER treatment of a seizure for a client with cerebral palsy or epilepsy). The potential loss of funds at the end of a fiscal year is not considered to be an emergency.
2. Under IPE or PES.
The client must have an Employment Plan or Post-Employment Services Plan.
3. Price quotes.
The counselor is not required to obtain multiple price quotes.
4. Documentation.
The counselor shall immediately send a written confirmation of the details and oral authorization to the vendor, and keep a copy in the client file (per agency mandate).

5. Insurer notification.

When services are provided to deal with a medical emergency, the counselor shall follow the client insurance provider's established notification procedures for emergencies.

6. Comparable benefits.

If comparable benefit exists but is not readily available at the time needed, the counselor shall provide the service until the comparable benefit becomes available (per 2016 Federal Regulation [34 CFR § 361.53\(c\)\(2\)](#)), see [Chapter 14.2, COMPARABLE, Policy 1](#).

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[5. Administrative Purchases](#)

[REVISED: 7/1/12]

The DRS Policy and Procedure Manual does not apply to procurement (i.e., state contract, purchase order, administrative charge card, e-v, etc.) of administrative goods and services (office leases, interpreter services contract, DRS office equipment, staff travel, staff working lunches, etc.). They are subject to DGS Procurement Policy and Procedure Manual, DARS administrative procedures, and Virginia Public Procurement Act ([per § 2.2-4300 of the Code of Virginia](#)).

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[6. Lowest Cost Goods and Services](#)

[Revised: 3/30/22]

1. The counselor shall authorize the product, service, or accommodation alternative that meets client VR need, is available at the time needed for VR, and is the most cost efficient for DRS. If the lower cost options are not selected, the case record must justify why they do not meet client VR needs.
2. For policy on when multiple price quotes/bids are required, [see Policy 1](#) of this chapter.
3. If the client chooses an out-of-state service at a higher cost than an in-state Virginia service that meets client VR needs, DARS shall not (per 2016 [Federal Regulation 34 CFR § 361.50](#) (b)) be responsible for costs in excess of the in-state service cost, including clients exempt from consumer financial participation and regardless of Client Financial Statement RS-13 form results.
4. For use of out-of-state vendors, see [Chapter 14.4, VENDORS, Policy 1](#).
5. For goods, the counselor should consider industry- or government- issued safety and quality standards, whether replacement parts and technical support will be available during the life of the

case, whether the goods will be adaptable to client anticipated needs during the life of the VR case, etc.

6. For goods, all upgrades, add-ons, increased quantity, and additional products or services unnecessary for client VR must be compatible with the authorized items (or item components), and shall be at client expense, including clients exempt from consumer financial participation and regardless of the Client Financial Statement RS-13 form results. The client, not the counselor, is responsible for negotiating the price with the vendor. The vendor must bill the VR client, not DRS, and the counselor shall add a statement to the Authorization instructing the vendor to bill the client for the additional cost.
7. For home modification, the case record must document (such as Home Modification Assessment Tool RS-33 form) that there is no other more cost-effective and reasonable way (such as renting an accessible apartment during training period or extended evaluation), or alternative accommodation (such as moving to a downstairs bedroom, stair chair rather than elevator, etc.), or low-cost low-technology solution to enable the client to access necessary vocational rehabilitation services. DRS staff shall not (see [Chapter 8.06, HOME MOD, Policy 1](#)) authorize home additions (new permanent structures, rooms, or units) unless approved by the DRS rehabilitation engineer as the most cost-effective solution to removing an impediment to employment.
8. For vehicle modification, the case record must (per [State Regulation 22 VAC 30-20-120](#)) document that less costly transportation options do not meet client transportation needs for VR. The Transportation Assessment RS-32 form may be required by the vehicle modification assessment policy. Modification of an automobile shall (see [Chapter 6.05, VEHICLE MOD ASSESSMENT, Policy 2, Section B](#)) be ruled out before considering van modification.
9. For comprehensive vocational and medical rehabilitation with on-site access to vocational training, rehabilitation counselor, education support services, and medical rehabilitation services, see [Chapter 13, WWRC, Policy 1 for referral to, and funding policy for, Wilson Workforce and Rehabilitation Center](#).
10. For school training, DRS will consider the lowest-cost option that meets client VR needs, such as public institution of higher education versus private/proprietary school, in-state school versus out-of-state school, community college for the first two years of a bachelor degree, etc. See [Chapter 7, SCHOOL](#), for DRS maximum allowances and funding the Cost of Attendance at vo-tech and career schools, colleges, universities, and other institutions of higher education.
11. For physical restoration, the fee schedule in the [DARS Services Reference Manual](#) shall apply. For an unforeseen medically-necessary service related to an authorized diagnostic service see [Chapter 6.01, MEDICAL DIAGNOSTICS, Policy 1](#), or if related to a treatment service see [Chapter 8.14, PHYS RES](#). For incidental procedures performed in conjunction with a surgical procedure, see [Chapter 8.14, PHYS RES](#).
12. For transportation services, the counselor shall (per [State Regulation 22 VAC 30-20-120](#)) pay the most economical rate for travel and travel-related expenses. The case record must document that public transportation (such as city bus, Metro, etc.) is not available at the time needed for VR, or

the client cannot travel by public transportation because of disability, before the counselor authorizes the most economical type of private transportation that meets client VR needs.

13. For Job Coach Training Services (JCTS), the maximum allowances listed in the DARS Training and Facilities Manual shall apply.
14. For Supported Employment (SE) services, the negotiated rates listed in DARS Training and Facilities Manual, ESO Rate Sheets, shall apply.
15. For interpreters for the Deaf, the counselor must (per [Chapter 8.07, INTERPRETERS, Policy 1](#)) make every effort to use interpreters on the VDDHH state contract so the payment rate will not be in question.
16. For hearing aids, consult with the Deaf Services Program Manager regarding approved vendors before purchase. Approval is also required by the Audiologist Consultant before purchasing hearing aids, see [Chapter 8.14, PHYS RES.](#)

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[7. Retaining Title, Taking Inventory, and Repossessing Goods](#)

[A. Retaining Title to Goods](#)

[Revised: 3/3/14]

1. For audit and management purposes, information about purchases for clients shall be maintained in AWARE authorization screens. The AWARE system shall maintain data for at least three years (per Department of Accounts) after the monetary value of the goods reaches \$0. MIS staff shall print a report of any data purged from AWARE after three years (per Department of Accounts).
2. Goods purchased through a bulk contract, and goods purchased for agency or agency employee/contractor, use shall be treated as state property (per [§ 2.2-1124 of the Code of Virginia](#)) and shall not be donated to a client or group of clients at time of purchase. When the depreciated value reaches \$0, it shall be treated as agency surplus.
3. DARS does not own or retain title to home modifications installed equipment (see [Chapter 8.06, HOME MOD, Policy 1](#)).
4. DARS does not own or retain title to vehicle modifications installed equipment (see [Chapter 8.21, VEHICLE, Policy 5](#)).
5. DARS retains title to some assistive technology devices (see [Chapter 8.02, REHABILITATIVE TECHNOLOGY, Policy 1](#)), some occupational tools and equipment (see [Chapter 8.18, TOOLS, Policy 1](#)) and some initial inventory for self-employed clients (see [Chapter 8.17, SELF EMPLOYMENT, Policy 1, Section C](#)).

6. When policy requires DARS to retain title/ownership:
 - a. Client and counselor shall complete the Title of Agreement RS-14 form.
 - b. Counselor shall tag the item with a tracking number in a manner that does not damage the item.
 - c. Client may take possession of the item once the Title of Agreement RS-14 form is completed and the goods are tagged.
 - d. DRS staff shall use the To Do feature in AWARE to set up a reminder for taking annual inventory of the goods listed on the RS-14 form, even if the case is closed, until the depreciated value is \$0.
 - e. Client shall fully cooperate with DARS staff assigned to take inventory of goods listed on the Title of Agreement RS-14 form. For procedure, [See Policy 7: Section B](#) of this chapter.
 - f. Client becomes the owner when the item is fully depreciated using a straight-line method of depreciation and accounting principles established by DARS and the Virginia Department of Accounts in accordance with generally accepted accounting principles (per [§ 2.2-1124 of the Code of Virginia](#) and [§ 51.5-67 of the Code of Virginia](#)).
 - g. On the Amortization Date listed on the Title of Agreement RS-14 form, the item is automatically donated to the client and no counselor paperwork is required.

[B. Taking Annual Inventory When DARS Retains Title to Goods](#)

[REVISED: 3/3/14]

1. While DARS retains title to goods purchased for a client, taking inventory shall (per DARS internal auditor) be done by local office staff other than the counselor who authorized the purchase, to ascertain if the item is still in client possession and being used as intended for VR. Take inventory:
 - a. annually during the life of the case,
 - b. when case closure is pending, and
 - c. annually after VR case closure until the item is fully depreciated.
2. Taking inventory may be as simple as contacting the client by telephone, letter, etc. The supervisor shall determine the criteria under which a physical inspection must be done.
3. The client shall fully cooperate with DARS staff assigned to take inventory of goods listed on the Title of Agreement RS-14 form.

4. Staff shall record the inventory results in a case note in AWARE.
5. For policy on when to retain title, see Policy 7: Section A of this chapter.

C. Repossessing Goods from Clients

[REVISED: 3/3/14]

1. If policy does not require DARS to retain title, the client owns the item upon receipt. However, in consultation with the DARS internal auditor, DRS may repossess any goods the client obtained by collusion, fraud, or illegal means. DRS may accept any goods the client voluntarily returns to DRS due to non-use, provided the goods are in good working order and are re-assignable to the loaner pool or another client.
2. Although DARS retains title to some assistive technology devices, DRS does not repossess them unless the client obtained it by collusion, fraud, or illegal means, or the client is no longer using it and voluntarily returns it in good working order and it can be re-assigned to the loaner pool or another client.
3. Unless the DARS internal auditor justifies a policy exception, the counselor shall repossess all occupational tools and equipment, and initial inventory to which DARS retains title when:
 - a. Client is no longer using the item for the purposes intended, regardless of whether the client wishes to keep the item (per [State Regulation 22 VAC 30-20-120](#)).
 - b. Pending case closure for all cases closed in Closed - Other status, including closure after Post Employment Services (PES), unless the client needs the item to maintain current employment.
 - c. Client has misused the item, is using the goods for illegal purposes, obtained the goods by collusion, fraud, or illegal means, or has violated the terms of the Title of Agreement RS-14 form.
 - d. Client voluntarily returns the item to DRS because client is no longer using it.
4. If the client does not voluntarily comply with the repossession notice, DARS staff is not required to personally retrieve the goods. Because the goods are state property, state or local law enforcement officers may be available to retrieve the goods.
5. Until reassignment, the counselor must store the item in an appropriate and secure place.
6. The counselor shall not treat the item as state surplus property, or reassign it to DARS staff or non-VR clients. There are several options for reassigning the items:
 - a. Immediately reassign the repossessed item to a different client.
 - b. Notify the DRS regional office of any repossessed computer equipment available for reassignment (to be reassigned to VR client who needs a computer for short-term or evaluation services uses).

- c. If the item is an assistive technology device, the counselor may notify the DRS regional rehabilitation engineers, or WWRC staff who may know of a VR client who needs it.

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[8. Client Debts and Loans to Clients](#)

[Revised: 11/22/16]

1. DRS shall not (per federal OMB Circular A-87 revised May 10, 2004) pay client bad debts, liens, or judgments; interest payments; client fines, court costs, and similar expenses (such as collection costs, suspended driver license reinstatement fee, etc.).
2. DRS shall not (per 2016 [Federal Regulation 34 CFR § 361.48](#) (g) and 2016 [Federal Regulation 34 CFR § 361.5](#) (b) (35)) authorize home purchases, including down payment, monthly mortgage, or monthly rent. The counselor may authorize monetary support for food, shelter and clothing that are in excess of normal living expenses needed to participate in a VR assessment or Individual Plan for Employment service (see policies on Maintenance, School, Training, and Emergency Shelter).
3. For vehicle, watercraft, or aircraft purchase, see [Chapter 8.21, VEHICLE, Policy 4](#).
4. Monetary loans to individuals are strictly prohibited by DARS VR policy. The counselor may assist the client to apply for a loan from Virginia Assistive Technology Loan Fund Authority to finance the purchase of assistive technology devices.

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[9. Client Entertainment/Social Activities](#)

[Revised: 4/1/14]

DRS shall not (per OMB Circular A-87 revised May 10, 2004) pay client entertainment expenses, including costs of amusements and social activities.

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