

Daily Money Management: A New Kind Of Service

by Lisa M. Berlin

Daily Money Management (DMM) is a new and rapidly evolving field that has grown from both financial and social service roots. Daily money managers provide personal business and social support assistance to clients who have difficulty in managing their personal monetary affairs. The services meet a continuum of needs, from organizing and keeping track of financial and medical insurance papers, to assisting with check writing and maintaining bank accounts. Social support services include a variety of related assistance areas, such as arranging for in-home care and medical appointments, and providing information regarding community resources available to meet other needs.

Who needs the help of a daily money manager?

There are many factors that contribute to the need for a DMM. Most DMMs work with senior citizens, although some work with middle aged adults whose careers make it difficult for them to find time for their own paperwork. Within the senior client base, most have a need for DMM services due to a physical change precipitated by the aging process, such as limited vision, arthritis or other conditions that limit the ability to write, dementia, or a simple loss of ability to follow through on tasks. Some others are so active in their retirement that travel and social activities make it difficult to keep up with paperwork, and they prefer to simply let someone else handle things for them. It is not uncommon for the adult child of an older person to seek the assistance of a DMM if the child does not feel he or she has the time or ability to maintain the parents' affairs.

If I hire a daily money manager, why do I need an accountant, lawyer or social worker?

DMMs do not take the place of professionals in the accounting, investment or social service fields; rather, their work complements the work of other professionals by facilitating the completion of the day to day tasks rather than determining long-term plans. For example, a DMM, by organizing and maintaining accurate financial records for a client, can easily compile the necessary documents for tax preparation by an accountant. Unless your DMM happens to have

separate professional credentials in other fields, he or she should not be offering you legal, investment or tax advice. However, a good DMM should be able to recognize pertinent issues and refer you to professionals and organizations qualified to provide the other services you may need.



What are the types of tasks a Daily Money Manager will handle?

The expertise of DMMs covers a broad range of tasks, and the actual work they do depends on client need. However, the scope of a DMM's work generally includes the following:

- Bill-paying, including calls to payees regarding incorrect bills and preparation of checks for clients to sign
- Balancing checkbooks and maintaining organization of bank records
- Preparing and delivering bank deposits
- Organizing tax documents
- Negotiating with creditors
- Deciphering medical insurance papers and verifying proper processing of claims
- General organization assistance
- Providing referrals to legal, tax, and investment professionals
- Providing referrals to home healthcare providers.

Some, but not all, DMMs will also provide additional services, such as:

- Notary services
- Preparation of payroll checks for home employees including calculation of Federal and state withholding and FICA taxes
- Maintaining home payroll records for use in preparation of payroll tax reports
- Transportation to and from appointments
- Assistance with arrangements for moving from one's home to a retirement or nursing facility

- Acting as power-of-attorney or representative payee for Medicare.

Where do I find a Daily Money Manager in my area?

You can seek DMM referrals from many sources, but you should first try to get a referral from someone you know and trust. Friends, relatives, lawyers, doctors, accountants, social workers and residential community directors may be able to provide you with a name of a DMM. If not, contact your local Area Agency on Aging, senior center, church, or government social service agency. In the Washington, D.C. metropolitan area, contact the American Association of Daily Money Managers (301-593-5462) for Washington area referrals, or AARP (202-434-2143) for reduced-fee services through their volunteer program for adults with limited incomes.

What questions should I ask before hiring a Daily Money Manager?

The type of work DMMs handle for their clients is highly personal and confidential. Be ready to address the following issues before hiring one:

- Are you either bonded or insured?
 - With which local organizations are you affiliated? If your DMM is active in community organizations such as the chamber of commerce, a church or religious organization, community action groups, or a local provider's council, connections in these groups will help your DMM better serve you since he or she will be able to refer you to other professionals and resources in the community.
 - Can you provide a reference list?
 - Take the time to call the references on the list, asking them whether the DMM is: respectful, dependable, efficient, empathetic and professional in manner. How were any conflicts resolved? Have you ever felt uneasy about the work done by the DMM, and do you feel comfortable asking for explanations of things you don't understand?
 - Review the scope of the work before you agree to having the DMM start working for you. Many times this is accomplished at the initial meeting. Some DMMs offer a free initial consultation -- ask in advance for their policy on first meeting charges.
- Is the DMM willing to involve another person in his or her work, such as a lawyer, accountant or family member?
 - Your access to your own records, especially financial records, should not be restricted by the DMM.
 - How does the DMM bill? Be sure that you understand the billing arrangements before the work begins.

What will the services of a Daily Money Manager cost and what are the common billing methods?

Most DMMs charge for their services on an hourly basis, with rates varying with geographic areas. You should expect to pay a minimum of \$25 per hour and as much as \$60 per hour, depending upon where you live.

Will I be giving up my independence if I hire a Daily Money Manager?

On the contrary, the assistance of a DMM is often the piece of life's puzzle that allows many seniors to avoid guardianship or complete loss of independence. If you find that you are late in paying bills or do not understand certain financial forms that come in the mail, your family might pressure you to move out of your home or turn over your affairs to a legal representative. Often, a twice-monthly visit from a DMM will allow you to keep your finances under your own control, with the DMM helping you to keep on track and to avoid errors that may have raised the concern of loved ones.

This article was written for the American Association of Daily Money Managers and provided by Lisa M. Berlin, president of Taking Care of Business, Inc. She can be reached at (410) 730-6062.