

**PROSPECT/RESIDENT FINANCIAL DATA
FORMS AND INSTRUCTIONS FOR
YOUR RETIREMENT COMMUNITY**

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Introduction

The purpose of this document is to assist the individual who is responsible for collecting information about prospects'/residents' financial data in regard to assets and income and subsequently inputting such information in the A.V. Powell & Associates LLC ("AVP") software for projecting financial subsidy liabilities. This document contains:

- A description of the process for collecting financial data about assets and income from prospects
- The AVP standard Resident Financial Data Form that identifies the type and format of data to be collected from prospects/residents. This document, included in **Appendix A**, can be customized and shared with prospects/residents.
- Quick start instructions, included in **Appendix B**, for entering prospect financial data into AVP FINAID software, assuming that it has been previously installed on your PC.

In order to avoid delays in completing the actuarial analysis or the potential need to redo data collection efforts, it is essential that any changes to either AVP's Resident Financial Data Form or process be discussed with your AVP consultant before proceeding.

For more information, contact your AVP consultant in Atlanta at 800.441.4969 or in St. Louis at 800.828.6309.

Resident Financial Data Collection Process

Who should complete the Resident Financial Data Form (i.e., participate in survey)?

The objective of the data collection process is to obtain financial information about those prospects/residents who may be at risk of needing financial aid in the future. Since it is generally not known which prospects/residents may be at risk, up-to-date financial information should be requested from all prospects. Financial information from the admission application should be updated if the resident provided it more than one year ago.

Decisions about whether to collect this financial information from direct entrants to assisted living or nursing or for those prospects who are expected to receive Medicaid benefits immediately should be discussed and resolved with your AVP consultant. Typically this information is collected only for continuing care contractholders.

What type of financial information should be collected?

Appendix A contains AVP's format for requesting financial information from the prospect/resident. This format is consistent with the data input screen for the FINAID actuarial software product. Information about individual resident's assets and income characteristics can be recorded on this form prior to input into the software or it can be directly input into the software.

We strongly recommend distributing the Resident Financial Data Form in its entirety. However, before distributing the form to prospects, the community may edit the form, omitting any sections that do not apply. For example, if you plan to apply a global personal allowance policy to all residents, the Monthly Expenses section of the form can be omitted. All other sections should be included; the prospect may omit sections that do not apply.

How should the returned forms be stored prior to input into the software and for future reference?

We recommend that completed forms be alphabetized and stored in a three-ring binder or notebook. This will facilitate reference if there are questions about the provided information or to verify the data that was entered into the software.

What is the procedure for inputting resident information into the database software?

After current financial information is obtained, it must be entered into the prospect screen. A sample screen from the FINAID product is given below. The steps to access the prospect screen are given in **Appendix B**.

Prospect

Edit Options Help

General Information

| | |
|---------------------|-------------------------------------|
| Record ID | 3 |
| Include 2nd Person | <input type="checkbox"/> |
| Contract Type | 20 Fee-for-service; 90% refundable |
| Unit Type at Entry | 102 One Bedroom |
| Expected Entry Date | 12/01/2002 |
| Apply LTC Insurance | <input checked="" type="checkbox"/> |

Demographics and Entry Fees

| | |
|---------------------|------------|
| Person 1 | |
| Last Name | DOE |
| First Name | JANE |
| Gender | Female |
| Date of Birth | 01/01/1930 |
| Care Level At Entry | ILU |
| Entry Fee | 100,000 |

Monthly Expenses

| Description | ILU Single | PCU Single | NCU Single |
|----------------------|------------|------------|------------|
| Contractual fees | 1,800 | 2,400 | 3,600 |
| Non-contractual fees | | | |
| Prescriptions | 250 | 250 | 250 |
| | | | |
| | | | |

Long Term Care Insurance

| | |
|---------------------------|-------------------------------------|
| Person 1 | |
| Benefit Period (Years) | 4 |
| Elimination Period (Days) | 90 |
| PCU Daily Benefit | 70.00 |
| NCU Daily Benefit | 120.00 |
| Inflation Adjusted | <input checked="" type="checkbox"/> |
| Annual Premium | 2,400 |
| Premium Inflation (%) | 4 |

Assets and Income

| Type | Description | Own | Balance | APR % | Freq | Income | Begin | Dur | Inf Adj | Tax | Surv % |
|-----------------|-------------------|-----|---------|-------|------|--------|-------|-----|-------------------------------------|-----|--------|
| Real Estate | Land, 123 Main St | 1 | 100,000 | NA | NA | NA | NA | NA | <input checked="" type="checkbox"/> | N | 0 |
| Savings/CD | Money market | 1 | 50,000 | 4.0 | A | 2,000 | NA | NA | <input type="checkbox"/> | Y | 0 |
| Life Insurance | Whole life | 1 | 75,000 | NA | NA | NA | D | NA | <input type="checkbox"/> | N | 100 |
| Other | Investment | 1 | 250,000 | 4.0 | A | 10,000 | 1 | L | <input type="checkbox"/> | N | 50 |
| Social Security | Jane Doe's | 1 | NA | NA | M | 743 | 1 | L | <input checked="" type="checkbox"/> | SS | SS |
| Pension | Retirement | 1 | NA | NA | Q | 5,000 | 1 | 13 | <input type="checkbox"/> | Y | 0 |
| Roth IRA | Jane Doe | 1 | 25,000 | NA | M | 100 | 1 | L | <input checked="" type="checkbox"/> | N | 0 |

Buttons: Save, Summary Report

What instructions are available for how to input the prospect information into the resident financial data screens of the AVP software?

The instructions are available in the HELP menu in the software package. A copy of these HELP documents is available upon request. These documents explain the format of (a) monthly expenses, (b) long-term care (LTC) insurance, and (c) assets and income.

Appendix A

Resident Financial Data Form

Name(s): _____

As of date: _____

Resident Financial Data

The following forms are used to gather information to assist your CCRC in its planning for future benevolent care. This information will be held in the strictest confidence.

In order to uniquely track the completed forms, please provide the following information and record your name and the date that the information is provided at the top of each of the following pages. Couples (or roommates) should complete one set of forms jointly. Leave blank any items that do not pertain to you. Please fill out all items as completely as possible or we may not be able to use the supplied information.

Person 1: _____

Birthdate: _____

Person 2: _____

Birthdate: _____

In the following example, Jane Doe was born on January 1, 1930

Person 1: _____ Jane R. Doe

Birthdate: _____ January 1, 1930

Name(s): _____

As of date: _____

Monthly Expenses

Please record your personal monthly expenses. Do not include monthly resident fees, long-term care insurance premiums, and income taxes (state or federal). For couples (or roommates), record the expenses for the first person in the Person 1 column and the additional expenses for the second person in the Person 2 column. All expenses should be recorded as **monthly** amounts, so if you have an annual expense, divide by 12 and record that amount.

| | Person 1 | Person 2 |
|---|----------|----------|
| Prescriptions and other medical costs | \$ | \$ |
| Meals and utilities that are not included in monthly resident fee | \$ | \$ |
| Travel and entertainment | \$ | \$ |
| Personal items and clothing | \$ | \$ |
| Automobile expenses | \$ | \$ |
| Insurance premiums, excluding LTC insurance | \$ | \$ |
| Other (describe) | \$ | \$ |
| | \$ | \$ |
| | \$ | \$ |
| | \$ | \$ |

In this example, Person 1 has annual prescription costs of \$3,000, which equals \$250 monthly.

| | Person 1 | Person 2 |
|---------------------------------------|----------|----------|
| Prescriptions and other medical costs | \$ 250 | \$ |

Name(s): _____

As of date: _____

Long-Term Care Insurance

Please describe the provisions of your long-term care insurance policy. Circle your response for YES or NO questions. Circle your response for number of payments per year: 1 means annual, 4 means quarterly, and 12 means monthly.

In the following example, Jane Doe owns a LTC policy that has a benefit period of 4 years after a 90-day elimination period. The current assisted living benefit is \$70 per day and the nursing care benefit is \$120 per day. The benefits are increased annually at the rate of 3%. The premium is \$200 per month, or \$2,400 annually, and is increased by 4% annually.

| | Person 1 | Person 2 | Example Jane Doe |
|--|--------------------|--------------------|---------------------|
| Benefit period (indicate number of years or record "L" for lifetime) | | | 4 years |
| Elimination period (i.e., record the number of days from 0 to 365 before benefit payments start) | | | 90 days |
| Daily benefit for assisted living in current dollars | \$ | \$ | \$ 70.00 |
| Daily benefit for nursing care in current dollars | \$ | \$ | \$120.00 |
| Does the policy include a benefit inflation adjustment rider? | Yes or No | Yes or No | Yes |
| If so, indicate the inflation amount | % | % | 3.0% |
| Premium (number of payments per year) | \$ _____ 1 4 12 | \$ _____ 1 4 12 | \$ 200 12 |
| Assumed inflation rate on premiums | % | % | 4.0% |

Name(s): _____

As of date: _____

Assets and Income

A variety of asset and income types can be recorded for each resident. The commonly used asset types are:

- Real estate (including primary residence)
- Stocks/mutual funds
- Life insurance
- Savings/CD
- Bonds/bond funds
- Other assets

The commonly used income types are:

- Social security
- Annuity
- Roth IRA
- Pension
- IRA/401(k)
- Other income

Forms for each of these types are attached. Additional comments or explanations of any assets may be detailed below.

Name(s): _____

As of date: _____

Real Estate

Please provide information for real estate that does not generate income (income-generating real estate must be recorded on the Other Assets form; page 8). In regard to owner name for couples, enter "joint" if owned jointly; otherwise, record first name of owner. The Net Value should be your share of market value (or purchase price, if unsure) minus any mortgage and/or home equity loans and expected selling costs. The survivor percentage is the amount of real estate that is bequeathed to surviving spouse. Circle your response for YES or NO questions.

| | <i>Location and type</i> | <i>Owner Name</i> | <i>Net Value</i> | <i>Does asset appreciate?</i> | <i>Survivor percentage</i> |
|---|--------------------------|-------------------|------------------|-------------------------------|----------------------------|
| Primary residence (other than CCRC) | | | \$ | Yes or No | % |
| Other NON-income generating real estate | | | \$ | Yes or No | % |
| | | | \$ | Yes or No | % |
| | | | \$ | Yes or No | % |
| | | | \$ | Yes or No | % |

In this example, Jane Doe owns a \$100,000 non-income producing property at 123 Main Street that she expects will appreciate in value. Upon her demise, none of the real estate is bequeathed to her surviving spouse.

| | | | | | |
|------|--------------------------------|----------|------------|-----|----|
| Land | 123 Main Street, Anywhere, USA | Jane Doe | \$ 100,000 | Yes | 0% |
|------|--------------------------------|----------|------------|-----|----|

Name(s): _____

As of date: _____

Savings, Stocks, Bonds, and Investments

Provide information about your investments. It is preferable to record totals for stocks and bonds rather than listing all individual accounts. In regard to owner name for couples, enter "joint" if owned jointly; otherwise, record first name of owner. The Current Value should be the market value. In the APR% or income column, record either (a) the annual percentage earnings rate or (b) the total income and dividends, and circle your response for number of payments per year: 1 means annual, 4 means quarterly, and 12 means monthly. The survivor percentage is the amount of each asset that is bequeathed to surviving spouse. Circle your response for YES or NO questions.

| <i>Description</i> | <i>Owner Name</i> | <i>Current Value</i> | <i>APR% or income and dividends</i> | <i>Does asset appreciate?</i> | <i>Is income taxable?</i> | <i>Survivor percentage</i> |
|--|--------------------------|-----------------------------|--|--|--------------------------------------|---------------------------------------|
| Savings/CDs | | \$ | APR equals ___% | | Yes or No | % |
| Stocks/mutual funds (payment frequency) | | \$ | \$ _____ 1 4 12 | Yes or No | Yes or No | % |
| Bonds/bond funds (payment frequency) | | \$ | \$ _____ 1 4 12 | Yes or No | Yes or No | % |
| (payment frequency) | | \$ | \$ _____ 1 4 12 | Yes or No | Yes or No | % |
| | | \$ | APR equals ___% | Yes or No | Yes or No | % |
| | | \$ | APR equals ___% | Yes or No | Yes or No | % |

In this example, Jane Doe holds a \$50,000 money market account that provides income at an annual percentage rate of 4%. None of the funds are bequeathed to her surviving spouse.

| | | | | | | |
|--------------|----------|-----------|-----------------|--|-----|----|
| Money market | Jane Doe | \$ 50,000 | APR equals 4.0% | | Yes | 0% |
|--------------|----------|-----------|-----------------|--|-----|----|

Name(s): _____

As of date: _____

Life Insurance

Please provide information for any life insurance policies in which your spouse (or roommate) has been designated as a beneficiary. Do not record life insurance policies in which your spouse (or roommate) is NOT listed as a beneficiary. The death benefit recorded should equal the greater of the face amount or the cash value amount minus any policy loans.

In regard to owner name for couples, record first name of owner. The survivor percentage is the amount of insurance that is bequeathed to surviving spouse.

| | <i>Type of Policy</i> | <i>Owner Name</i> | <i>Death Benefit</i> | <i>Survivor percentage</i> |
|-----------|------------------------------|--------------------------|-----------------------------|-----------------------------------|
| Policy #1 | | | \$ | % |
| Policy #2 | | | \$ | % |
| Policy #3 | | | \$ | % |
| Policy #4 | | | \$ | % |
| Policy #5 | | | \$ | % |

In this example, Jane Doe owns a whole life policy with net death benefit of \$75,000 that goes 100% to her surviving spouse.

| | | | | |
|-----------|------------|----------|-----------|------|
| Policy #1 | Whole life | Jane Doe | \$ 75,000 | 100% |
|-----------|------------|----------|-----------|------|

Name(s): _____

As of date: _____

Other Assets

(such as income-generating real estate)

For Net Value, record your estimate of the market value minus any outstanding obligations and costs of disposing of or selling the asset. In regard to owner name for couples, enter "joint" if owned jointly; otherwise, record first name of owner. In the APR% or income column, record either (a) the annual percentage earnings rate or (b) the total income and dividends, and circle your response for number of payments per year: 1 means annual, 4 means quarterly, and 12 means monthly. For the Date Began column, record when payments began, or if unknown, record NOW. In the Date Ends column, record month and year when payments end, or record "L" if lifetime. Circle your response for YES or NO questions. The survivor percentage is the amount of each asset that is bequeathed to surviving spouse.

| Description | Owner Name | Net Value | APR% or income and dividends | Date began | Date ends | Does asset appreciate? | Does income adjust for inflation? | Is income taxable? | Survivor percentage |
|---------------------|------------|-----------|------------------------------|------------|-----------|------------------------|-----------------------------------|--------------------|---------------------|
| | | \$ | APR equals ___% | | | Yes or No | Yes or No | Yes or No | % |
| | | \$ | APR equals ___% | | | Yes or No | Yes or No | Yes or No | % |
| (payment frequency) | | \$ | \$ _____ 1 4 12 | | | Yes or No | Yes or No | Yes or No | % |
| (payment frequency) | | \$ | \$ _____ 1 4 12 | | | Yes or No | Yes or No | Yes or No | % |

In this example, Jane Doe holds a non-taxable investment that is currently worth \$250,000. This asset is expected to appreciate and provides a constant \$10,000 annually in tax-exempt annual income for life. Of this asset, 50% is bequeathed to her surviving spouse.

| | | | | | | | | | |
|-----------------------------------|----------|------------|---------------|-------------|----------|-----|----|----|-----|
| Investment (payment frequency) | Jane Doe | \$ 250,000 | \$10,000 1 | Jan 1990 | Lifetime | Yes | No | No | 50% |
|-----------------------------------|----------|------------|---------------|-------------|----------|-----|----|----|-----|

Name(s): _____

As of date: _____

Social Security

Please provide information regarding your social security income. Circle your response for YES or NO questions.

| | <i>Owner Name</i> | <i>Monthly Income</i> | <i>Are you currently receiving social security income?</i> | <i>If not, when do you plan to begin drawing social security?</i> |
|-----------|-------------------|-----------------------|--|---|
| Person 1: | | \$ | Yes or No | |
| Person 2: | | \$ | Yes or No | |

In this example, Jane Doe is currently receiving monthly social security income in the amount of \$743.

| | | | | |
|-----------|----------|--------|-----|----|
| Person 1: | Jane Doe | \$ 743 | Yes | NA |
|-----------|----------|--------|-----|----|

Name(s): _____

As of date: _____

Pensions and Annuities

Please provide information regarding your pension and annuity income. In regard to owner name for couples, record "joint" if owned jointly; otherwise, record first name of owner. In the income column, record the total income, and circle your response for number of payments per year: 1 means annual, 4 means quarterly, and 12 means monthly. For the Date Began column, record when payments began, or if unknown, record NOW. In the Date Ends column, record month and year when payments end, or record "L" if lifetime. Circle your response for YES or NO questions. The survivor percentage is the amount of each asset that is bequeathed to surviving spouse.

| | <i>Description</i> | <i>Owner Name</i> | <i>Income</i> | <i>Date began</i> | <i>Date ends</i> | <i>Does income adjust for inflation?</i> | <i>Survivor percentage</i> |
|--------------------------------|---------------------------|--------------------------|------------------------|--------------------------|-------------------------|---|-----------------------------------|
| Pension (payment frequency) | | | \$ _____ 1 4 12 | | | Yes or No | % |
| Pension (payment frequency) | | | \$ _____ 1 4 12 | | | Yes or No | % |
| Annuity (payment frequency) | | | \$ _____ 1 4 12 | | | Yes or No | % |
| Annuity (payment frequency) | | | \$ _____ 1 4 12 | | | Yes or No | % |

In this example, Jane Doe receives a \$5,000 annuity payment that is paid quarterly through August 2015. The benefit remains constant during the payment term. Upon her demise, no benefit is payable to the surviving spouse.

| | | | | | | | |
|---------|--------------------|----------|---------------|--------------|-------------|----|----|
| Pension | Retirement savings | Jane Doe | \$ 5,000 4 | Sept 1995 | Aug 2015 | No | 0% |
|---------|--------------------|----------|---------------|--------------|-------------|----|----|

Name(s): _____

As of date: _____

IRAs, 401(k) Plans, and Roth IRAs

Please provide information regarding your IRA and 401(k) plans. In regard to owner name for couples, record "joint" if owned jointly; otherwise, record first name of owner. In the Balance column, record the balance that corresponds to your "as of date," or most current balance available. In the Draw column, record the income draw and circle your response for number of draws per year: 1 means annual, 4 means quarterly, and 12 means monthly. For the Date Began column, record when payments began, or if unknown, record NOW. In Date Ends column, record the month and year when payments end, or record "L" if lifetime. The survivor percentage is the amount of each asset that is bequeathed to surviving spouse.

| | <i>Description</i> | <i>Owner Name</i> | <i>Balance</i> | <i>Draw</i> | <i>Date began</i> | <i>Date ends</i> | <i>Survivor percentage</i> |
|---------------------------------|---------------------------|--------------------------|-----------------------|--------------------|--------------------------|-------------------------|-----------------------------------|
| IRA (payment frequency) | | | \$ | \$ _____ 1 4 12 | | | % |
| 401(k) (payment frequency) | | | \$ | \$ _____ 1 4 12 | | | % |
| Roth IRA (payment frequency) | | | \$ | \$ _____ 1 4 12 | | | % |
| (payment frequency) | | | \$ | \$ _____ 1 4 12 | | | % |
| (payment frequency) | | | \$ | \$ _____ 1 4 12 | | | % |

In this example, Jane Doe plans to start drawing from her IRA in January 2005 and continue until it is depleted or she dies. Upon her demise, no benefit is payable to the surviving spouse.

| | | | | | | | |
|-----|--------------|----------|-----------|--------------|-------------|----------|----|
| IRA | Trusted Bank | Jane Doe | \$ 25,000 | \$ 100 12 | Jan 2005 | Lifetime | 0% |
|-----|--------------|----------|-----------|--------------|-------------|----------|----|

Name(s): _____

As of date: _____

Other Income Only

Please provide information regarding other income in which you do not own any portion of the asset, such as alimony. In regard to owner name for couples, record "joint" if owned jointly; otherwise, record first name of owner. In the Income column, record the income and circle your response for the number of payments per year: 1 means annual, 4 means quarterly, and 12 means monthly. For the Date Began column, record when payments began, or if unknown, record NOW. In Date Ends column, record the month and year when payments end, or record "L" if lifetime. Circle your response for YES or NO questions. The survivor percentage is the amount of each asset that is bequeathed to surviving spouse.

| | <i>Description</i> | <i>Owner Name</i> | <i>Income</i> | <i>Date began</i> | <i>Date ends</i> | <i>Does income adjust for inflation?</i> | <i>Is income taxable?</i> | <i>Survivor percentage</i> |
|-------|---------------------------|--------------------------|----------------------|--------------------------|-------------------------|---|----------------------------------|-----------------------------------|
| Other | | | \$ _____ 1 4 12 | | | Yes or No | Yes or No | % |
| | | | \$ _____ 1 4 12 | | | Yes or No | Yes or No | % |
| | | | \$ _____ 1 4 12 | | | Yes or No | Yes or No | % |
| | | | \$ _____ 1 4 12 | | | Yes or No | Yes or No | % |

In this example, Jane Doe will receive monthly alimony of \$400 for five years starting in January 2003 as part of a structured settlement for an accident judgment. The income is taxable, but does not increase over time. Upon her demise, no benefit is payable to the surviving spouse.

| | | | | | | | | |
|-----------------------|-------------------|----------|--------------|----------|----------|----|-----|----|
| Structured Settlement | Accident Judgment | Jane Doe | \$ 400 12 | Jan 2003 | Dec 2007 | No | Yes | 0% |
|-----------------------|-------------------|----------|--------------|----------|----------|----|-----|----|

Appendix B

Quick Start Instructions for Inputting Data into FINAID Software

“Quick start” resident financial data input instructions assume that the AVP software has been successfully installed on your personal computer. If not, contact your AVP consultant or your MIS or IT manager.

FINAID ver 4.05 user

- (1) Click on the FINAID icon on your desktop to start the program.
- (2) Open the file group that you wish to use by left-click* on File-Open menu option if not automatically opened at startup.
- (3) To go to edit mode for resident data, click on the Database node and then on the Resident Data icon to open that screen.
- (4) Use the mouse to select the resident that you wish to edit and either double click on that resident or click on that resident and then click on Edit button.
- (5) **Monthly Expenses** grid—enter monthly expense information from the Resident Financial Data Form (page 2).
- (6) **Long Term Care Insurance** grid—enter the long-term care insurance information from the Resident Financial Data Form (page 3). To access the Long Term Care Insurance grid, click on the button to the right of the “Apply LTC Insurance” option in the General Information grid.
- (7) **Assets and Income** grid—enter the real estate, savings, stocks, bonds, and investments, life insurance, other assets, social security, pensions and annuities, IRAs, 401(k) plans, and Roth IRAs, and other income information from the Resident Financial Data Form (pages 5 through 12). Each item from the Resident Financial Data Form should be entered as a separate row.
- (8) Note: At least one row of information must be entered into the **Assets and Income** grid. If the resident does not have any assets or income, select Social Security on the first line in the Assets and Income grid and use the default values of \$0 income with monthly frequency.

*The terminology “click” means pressing the left ear on your mouse one time. If you have customized operations of your mouse ear, apply click terminology to the ear that corresponds to the single click option.