

Memorandum

CD25-18

ISSUED DATE: August 28, 2025**TO:** ☒ Children's Division ☒ Contracted Staff**FROM:** Sara Smith, Children's Division Director**SUBJECT:** **Changes to How Federal Benefits May Be Used for Children in the Legal Custody of Children's Division**

RATIONALE: Historically, federal funds that were received by Children's Division on behalf of a child have been used first for cost of the child's care, with remaining funds being accessible to the child for unmet needs.

Section 210.560 RSMo was amended effective August 28, 2025 and states:

- Federal funds received by a child in the legal custody of the division shall not be used for the child's cost of care.
- The division shall establish financial accounts, such as ABLE accounts, special needs trusts and pooled special needs trusts, which do not interfere with asset limitations for any benefit program.
- Within sixty (60) days of a child entering the division's custody, the division shall determine whether the child is receiving or may be eligible to receive federal benefits.
- Annually, the division shall review children's cases to determine whether the child may have become eligible for benefits.
- The division shall apply for said benefits on behalf of the child.
- In consultation with the child and the Guardian ad Litem, the division shall identify a representative payee and only when no other suitable representative payee is available shall the division be the representative payee.
- Annually, the division shall review whether someone other than the division is available and is in the child best interests to become the representative payee.
- The division shall furnish the child, the Guardian ad Litem and the child's counsel with an annual statement of all transactions involving funds received by the division.

OVERVIEW: Due to these legislative changes, substantial policy updates have been made. The updated policy outlines the actions to be taken to comply with the legislation and conserve funds for the child.

Two new forms are required and available to aid the worker:

- Federal Benefits Eligibility Assessment (CD-340) is to be used to determine the child's eligibility for federal benefits.
- Federal Benefit Representative Payee Form (CD-341) is to be used to determine who should be receiving and managing the child's funds.

The Older Youth Change of Payee Request (CD-271) has been eliminated. The contents of that document are now incorporated into the updated and retitled Social Security Payee Change Process (CD-270).

NECESSARY ACTION:

1. Review this memorandum with all Children's Division and contracted staff.
2. Review revised Child Welfare Manual chapters and forms as indicated below.

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NEW/ REVISED CHILD WELFARE MANUAL POLICY AND COLLATERAL DOCUMENTATION:

[CWM 4.12.6 Supplemental Security Income \(SSI\)](#)

Changes: This has been renamed "Social Security and Federal Benefits Application and Information".
Information updated.

[CWM 4.12.8.4 Children's Income Disbursement System \(KIDS\)](#)

Changes: Information updated

ARCHIVED MEMOS AND PRACTICE ALERTS:

PA22-CM-16 Quarterly Financial Statement (KIDS account statements)

CD 18-44 Revisions and Reminders for Children Receiving Outside Income

CD 13-11 Introduction of Policy and Procedures for the Process of Transitioning Youth into Individualized Supported Living, Guardianship or Conservatorship

CD 12-25 KIDS Account Policy Update

NEW FORMS:

CD-340 [Federal Benefit Eligibility Assessment](#)

CD-341 [Federal Benefit Representative Payee form](#)

CD 270 and CD 271 combined.

CD-270 [Social Security Payee Change Process](#) will be the updated form.