

## **Family Members as Financial Administrators following Acquired Brain Injury (ABI) - Making it Work Advice for Family Members and Carers of People with ABI**

People who are deemed unable to manage their own finances following ABI are likely to be appointed what is referred to as a financial administrator. A financial administrator is appointed when a 'financial administration order' is deemed necessary to protect the financial interests of a cognitively impaired person. This is done through the Victorian Civil and Administrative Tribunal (VCAT).

It is the role of the financial administrator to act in the best interests of the person with the ABI, to make financially related decisions on their behalf and to carry out transactions on their behalf. It is the financial administrator's responsibility to do this in a way which protects the person's interests, but also in a way which is minimally invasive. This means maximising the level to which the person can participate in decision making and working together towards increasing the person's financial independence.

Having a family member as a financial administrator can have many benefits. In addition to reducing fees, the family member is likely to have firsthand knowledge regarding the person's financial decision making prior to their injury, and will possibly have more time and contact with the person to keep them informed regarding financial decisions and their financial situation. However, there can also be potential problems with this arrangement. In some situations the person with the ABI may resent the family member for having control over their finances. Having a family member who has financial control may negatively complicate the relationship between the person and their family member. There may be occasions when the financial administrator needs to say 'no' to the person which can be difficult and may lead to conflict. As a general rule, if having a family member act as a financial administrator is having an enduring negative impact on family relationships, it is worth considering the use of an individual or organization external to the family, to act in this role.

To be an effective financial administrator for a family member with ABI, it may be helpful to:

- Understand the goals that the person with an ABI has for their finances. Ensure that their goal is your combined goal no matter how unrealistic you might think it is (this is explained further below).
- Identify the amount of information the person wants regarding their finances and how often they want to receive that information. Determine the extent to which they want to participate in decision making and spending their money and the way that this will be done. Find out whether they want to be involved in decisions about investments.
- Understand how the person made financial decisions before their injury and try to manage their finances in a similar way.
- Keep the person informed. This alone can significantly reduce frustration.
- Empathise with the person if they express their frustrations and remind them that you are helping them work towards their goals.
- Always keep in mind that it is your role only to do what the person is unable to do. If there are financial tasks they can complete independently, then allow them do so.
- If a person's goal is to increase their financial independence, it is important that you actively work with them towards this goal. This needs to be done in a way that does not put their finances at an unacceptable level of risk, but enables some calculated risks to be taken to allow the person to demonstrate their competence. The person should only have access to money they have demonstrated their competence to manage, or access to an account that is known to be an acceptable level of risk. It is helpful to map out a number of steps or tasks that lead to their goal of financial independence. Once the person is able to reliably demonstrate competence in one step, they can move on to the next. If they are not able to demonstrate competence within a step, they should continue developing their skills within that task until competence is achieved. Only then should they progress to the next step. The steps should be progressively demanding of the person, but not put their finances at unreasonable risk.
- As an example, if a person's goal was to be financially independent and therefore no longer require a financial administrator, they may need to demonstrate competence in the following steps:
  - Taking money to the shops for a small purchase, making the purchase, collecting the change and returning the change to the financial administrator.

- o Going to the shops to collect a number of items, making the purchases, collecting the change and returning the change to the financial administrator.
  - o Developing and managing a small weekly budget for incidental spending (food, activities, socialising).
  - o Paying bills.
  - o Managing an increased weekly budget with increased responsibilities (such as purchasing groceries, paying rent, public transport, clothing, petrol).
  - o Developing and managing an increased weekly budget to cover all aspects of weekly spending (including budgeting and putting money aside for bills, holidays).
  - o Participating in, and making sound decisions about, long term budgeting and investing.
- If the person demonstrates the ability to progress through these steps, it would be advisable to monitor them managing their own finances over a period of time before applying to VCAT for their administration order to be revoked and for the person to resume full responsibility for their own finances.

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This information sheet has been prepared by Melbourne ABI Counselling. Melbourne ABI Counselling provides specialist counselling for people affected by Acquired Brain Injury. If you would like to discuss your situation with a counsellor, please feel free to contact our office on 1300 29 76 09.

For more information sheets on topics related to acquired brain injury please see <http://melbourneabiccounselling.com.au/abi-information-sheets.htm>