

A Financial Assessment & Capacity Test (FACT) For A Psychogeriatric Population: *Development and Concurrent Validity*

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Abstract

Context: Given the central importance of financial competence for independent functioning with increasing age, clinicians require clear criteria to determine financial competence in the elderly.

Objective: The authors investigated the psychometric properties and concurrent validity of the Financial Assessment & Capacity Test (FACT).

Method: The study was a double blind, one factor, two-level, matched-patient design involving financial competency classification. The authors examined the ability of the FACT to predict financial capacity in geriatric psychiatry patients when the assessors were blind to a medical evaluation of their competency.

Participants: A group of 94 geriatric psychiatry patients (ranging in age from 60 to 88 years) were enrolled in this study from five regional geriatric psychiatry wards comprising a total of 140 beds.

Measures: Financial Assessment & Capacity Test (FACT); Folstein Mini Mental State Exam (MMSE); Managing Money subscale of the Independent Living Scale (ILS); Global Assessment of Functioning (GAF); socio-demographic variables; and psychiatric diagnosis.

Results: Correlations between FACT Total score, ILS and competency provide for adequate concurrent validity. Adequate interrater reliability, internal consistency and predictive Receiver Operating Characteristics (ROC) were demonstrated.

Practice Implications: The FACT appears useful in formally assessing a geriatric psychiatry patient's capacity for financial decision-making ability and in matching intervention strategies with an individual patient's functional needs. Although the FACT can never replace a physician's judgment, it provides a clear starting point for a discussion on competence.

INTRODUCTION

Clinicians are increasingly called upon to make decisions regarding a patient's capacity to handle financial matters^{1,2}. Until recently, this important area of clinical assessment received little theoretical or empirical attention. Financial competence is an important and complex issue, which may be the best single indicator of the capacity to live independently. Given its central importance to independent functioning, there is a strong need for continued model building and instrument development in this area³. The prevalence of cognitive disorders increases with age and clinicians require clear criteria to determine financial competence in elderly individuals. Competency is broadly defined as the ability to make a decision, and is ultimately a legal determination made via the court system that incorporates assessment of decision-making capacity⁴.

The criteria for competence to care for oneself and to manage one's financial affairs are not clearly defined when compared to the criteria for capacity to consent and for fitness to stand trial^{5,6}. A review of relevant studies found highly heterogeneous definitions and measurements of decisional capacity. This summary found that most studies involve the capacity to consent to treatment, but very few address financial competence. The review also found that the use of expert judgement based methods might mitigate the problem of a criterion standard⁷. However, earlier studies evaluating clinicians' ability to determine the financial competence of psychiatric patients also identified the need for clinicians to become more aware of the issues surrounding financial competence of elderly patients^{2,8}.

A literature search revealed few assessment instruments or procedures designed to assist with the assessment of financial competence in psychiatric patients^{7,9,10}. Some assessment tools include questions related to a patient's ability to manage financial affairs, such as the Independent Living Scale (ILS)⁶, the Kohlman Evaluation of Living Skills⁴, and the Cognitive Competency Test¹¹. They do not, however, address important criteria such as judgement, knowledge of assets and expenses, the ability to make specific decisions related to property, the patient's appreciation of the consequences of financial decisions, the presence of irrational beliefs with regard to finances, and awareness of debt⁹. Furthermore, there were no instruments that assessed irrational thinking patterns concerning money.

One approach to developing a criterion-based measure uses two standard deviations below the mean on an ability measure as a threshold to determine competency^{12,11}. This pure psychometric approach may have limited clinical application. The Financial Capacity Instrument (FCI)¹³, for example, is designed to assess competence through a psychometric standard in relation to levels of dementia determined by the MMSE. This approach may provide important information regarding impairment but does not yield data on how cognitive impairment relates to competency status in a clinical setting. Other widely used methods involve experts' evaluation of competence or the use of instruments validated only against an expert (e.g. psychiatrist's) judgement⁷. In contrast, our instrument is validated against a criterion reference group determined through a combination of expert judgement and the Money Management scale of the ILS.

The current study investigated the psychometric properties of the Financial Assessment and Capacity Test (FACT) and established the test's ability to correctly determine whether elderly patients have the capacity to manage their personal finances. This article describes the development and pilot testing of the FACT.

METHOD

Subjects

Ninety-four out of a hundred and twenty-three patients from five psychogeriatric wards of a regional mental health care centre consented to participate in this study. The research ethics committee of the University of Western Ontario, London, Ontario approved this study.

Measures

The measures used included the Financial Assessment and Capacity Test (FACT); Folstein Mini Mental State Exam (MMSE)¹⁷; Global Assessment of Functioning (GAF)¹⁸; Independent Living Scale - the managing money subscale; and socio-demographic information.

The Mini-Mental Status Exam (MMSE) is the most widely used mental status examination in the world. Extensive psychometric data on the MMSE confirm that it has very good test-retest and joint reliability and excellent validity as measured against independent clinical diagnosis of dementia and Alzheimer's disease, functional impairments and performance on neuropsychological measures¹⁹. Studies have indicated that the GAF is a reliable and valid instrument in assessing the severely mentally ill²⁰. The ILS money managing subscale is reported as being reliable and valid in chronic psychiatric populations, including the elderly²¹.

The Financial Assessment and Capacity Test(FACT)

In an earlier pilot project by the authors identified and compiled potentially relevant items for inclusion in a rating scale measure of financial capacity. Appelbaum's conceptual model¹⁴ was used as a basis for the development of the FACT (see Table 1). He describes four conditions necessary to demonstrate decision-making capacity: the ability to communicate choices; to understand relevant information, to comprehend risks; and to manipulate information rationally^{4,14,15}. These concepts are also incorporated into Ontario's current legislation assessing the understanding and appreciation financial capacity¹⁶. Professionals in psychology, occupational therapy and psychiatry established the face validity of the FACT through the selection of content items using Appelbaum's model (see Appendix B).

In addition to financial capacity, the FACT has the potential to identify areas of specific difficulty such as memory, reading/writing ability, calculating, general financial knowledge, understanding of assets, financial insight, financial stress, and the presence of irrational beliefs about money. This specific information can assist in matching intervention strategies with an individual patient's functional needs².

The Mental Health Act¹⁶ in Ontario requires that psychiatric admissions have a determination made by an attending physician regarding an individual's capacity to manage finances. The attending physicians were not involved in the study; however, they completed routine capacity assessments for legal and clinical reasons. To this end, the physician explores decision-making processes with the patient, including insight, judgment regarding appreciation of financial need, and evidence of reasoned choices. The law requires a physician's judgment of a patient's capacity as capable or incapable with no option of marginal capacity⁵.

Table 1 The domains and probes of the FACT assessment tool in relation to Applebaum's categories.

FACT Domains*	Applebaum's Four Categories**				FACT***
	1	2	3	4	
Memory/Reading/Writing Skills				X	
Calculation/Attention				X	
Daily Financial Tasks			X	X	
Understanding (managing) Assets			X	X	
Financial Insight	X			X	
Financial Confidence					X
Rational Beliefs				X	X

*For details see Appendix C: FACT Summary Sheet.
 ** Applebaum's Four Categories.
 (1) ability to communicate choices
 (2) to understand relevant information
 (3) to comprehend risks
 (4) manipulate information rationally
 ***FACT unique contribution – rational beliefs about money

Procedure

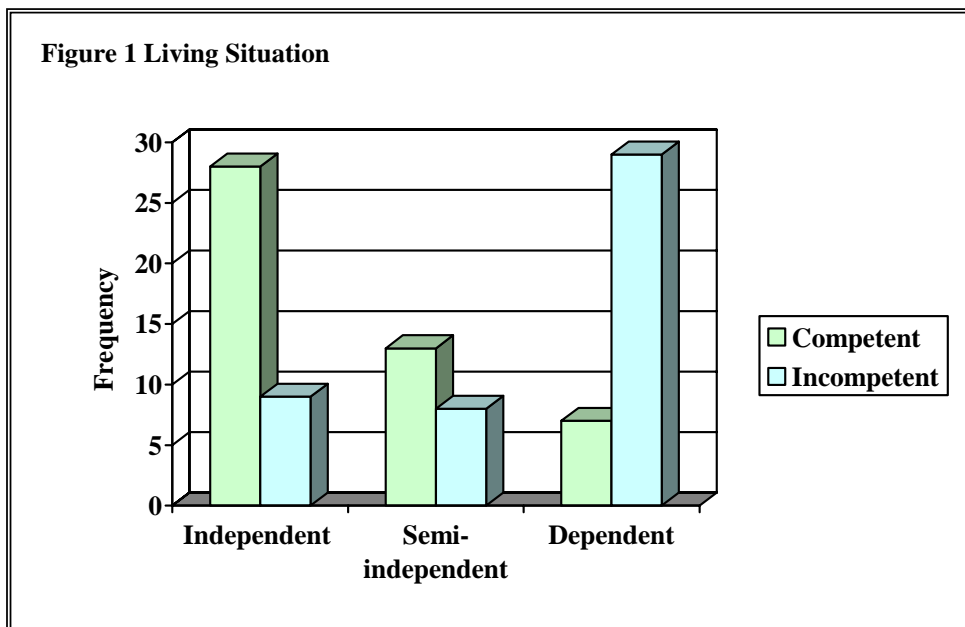
The four research assistants (RA) were undergraduate university students trained to administer the instruments. Each RA was trained by the principle investigators to administer the measures. Inter-rater reliability was established after four patients were assessed using the entire battery. The assistants saw each patient in a ward interview room. The inter-rater reliability was calculated using Guilford's formula. The criterion reference groups were established through a combination of the routine financial determination (a Psychiatrist's judgement) and a psychometric measure (money management scale of the ILS). The research assistants were blind to the evaluation of competence made by physicians. Age and education levels have been identified²¹ as salient demographic factors with regard to financial competency. Therefore, patients were closely matched on age and education in the competent and incompetent groups. The total battery required 60 minutes to complete and the FACT was completed in 30 minutes.

Criterion Reference Groups

The principal investigators assigned patients to a reference group based on the physician rating of competency and the ILS subscale score. Patients in the Incompetent group (51-24 males and 27 females, average of 74.1 years, 10.6 years education) had been declared financially incompetent by a physician and had an ILS subscale score in the impaired

range - standard score less than 30 (two standard deviations below the mean). The manual for the Independent Living Scales indicated that a score of thirty would be considered the criterion for low functioning.

Individuals in the competent group (43-24 males and 19 females, 75.2 years, 11.2 years education) had an ILS subscale score greater than 30 and had been declared competent. These criteria resulted in the exclusion of two subjects with high ILS scores and rated incompetent by the physician and nine subjects with low scores on the ILS rated as competent. The criteria resulted in clearly defined reference groups, as both criteria were met (see Figure 1). Subjects with extreme memory problems, behavioral disturbances, and delirium were not considered eligible for the study.



Study Design

This study involved a double blind, one factor (competency), two-level (incompetent or competent), matched-patients design (age and education) where the independent variable involves classification. This research design was chosen to test whether the FACT total score was able to discriminate between those individuals who are or are not considered financially competent as determined by expert judgement and the ILS. It is within this context that the dependent variable score in the FACT was tested for validity and utility.

Statistical Analysis

Inter-rater reliability was calculated; Guilford's formula for estimating reliability ratings from a number of judges was employed. An internal reliability was assessed with coefficient alpha²².

To examine the properties of these assessment measures, receiver-operating characteristic (ROC) curves were constructed which compared the FACT total score to reference standards^{23,24}. Performance on the FACT was examined in order to assess the FACT's

ability to discriminate between those who were financially competent and those who were financially incompetent. The greater the area under the curve the better the predictor can determine the categorical membership²⁵.

RESULTS

Concurrent Validity

With respect to demographic characteristics of patients in this study, approximately one third of the total sample had no serious on-going medical problems, whereas two thirds reported some serious medical problems. The most frequent medical conditions, included diabetes, cardiovascular disease, and cancer. The primary psychiatric diagnosis was Affective Disorder 54.3%, Dementia 19.6%, Schizophrenia 21.7%, and Personality Disorder 4.4%. The correlation (Pearson's) between the FACT total score and the ILS was 0.859. This indicated a very close relationship between these two variables. There was a high correlation 0.847 between the FACT and the participants' psychiatric assignment classification as competent. These two correlations provide for satisfactory concurrent validity of the FACT.

Reliability

The inter-rater reliability calculated using Guilford's formula was 0.858. Internal consistency reliability of the full scale calculated using Cronbach's Alpha coefficient was 0.896. The mean difference between all FACT subscales for the competent and incompetent groups were significant using a two-tailed t-test for equality of means. Effect size for two independent groups was calculated using Cohen's d ²⁶ (see Table 2).

Table 2 Fact Group Mean Comparisons							
Subscale	Competent	S.D.	Incompetent	S.D.	Sig	t-scale	Effect Size
Memory/Reading	5.23	(1.11)	4.04	(1.46)	0.001	4.37	0.928
Writing Skills	11.98	(2.74)	5.51	(4.40)	0.001	8.33	1.813
Calculation							
Daily Financial Tasks	19.99	(1.09)	13.78	(5.27)	0.001	7.58	1.953
General Financial Knowledge	8.86	(1.42)	6.02	(2.75)	0.001	6.09	1.360
Understanding Assets	6.65	(0.65)	4.98	(1.55)	0.001	6.59	1.512
Financial Insight	19.09	(2.83)	14.08	(3.60)	0.001	7.35	1.558
Financial Confidence	6.19	(1.74)	5.10	(1.78)	0.004	2.95	0.620
Rational Beliefs	11.77	(2.32)	9.67	(3.33)	0.001	3.46	0.744
FACT Total Score	92.77	(6.43)	65.79	(14.83)	0.001	11.05	2.538

Correlations with Other Measures

As shown in Table 3, there were significant correlations between the total FACT scores

and ILS, GAF, MMSE and living situation. Also all factor scores were significantly related to competency. There was a moderate correlation between living situation categories and competency (see Table 3).

	FACT Total	Competency
Competent Vs. Incompetent	0.763**	
ILS/Managing Money Subscale	0.859**	0.714**
GAF	0.608**	0.514**
MMSE	0.840**	0.593**
Age	0.073	0.128
Education	0.382**	0.205
Gender	0.043	0.013
Living/Situation	0.514**	0.492**
Occupation	0.273**	0.183
Medical Problems	0.048	0.143

** Significance .001 * Significance .05

Sensitivity and Specificity (utility and validity)

ROC analyses were performed for the FACT, MMSE, ILS and GAF total scores in order to predict financial competency. Areas under the curve were calculated for the three instruments. The areas under the curve were FACT = .981, ILS= .909, MMSE= .849 and GAF = .792.

Test Result Variable(s)	Area	Std. Error	Asymptotic Sig.	Asymptotic 95% Confidence Interval	
				Lower	Upper
FACT total score	0.981	0.01	0.01	0.98	1.00
GAF score	0.792	0.05	0.01	0.71	0.89
Mini Mental State	0.849	0.04	0.01	0.76	0.92

Cut off scores for sensitivity ranged 93% to 100% and specificity 70% to 100% for the estimation of financial competence. The results of the receiver operating curves are shown in Figure 2. ROC analyses were performed for FACT scores comparing competent and incompetent individuals on the basis of FACT cut off scores.

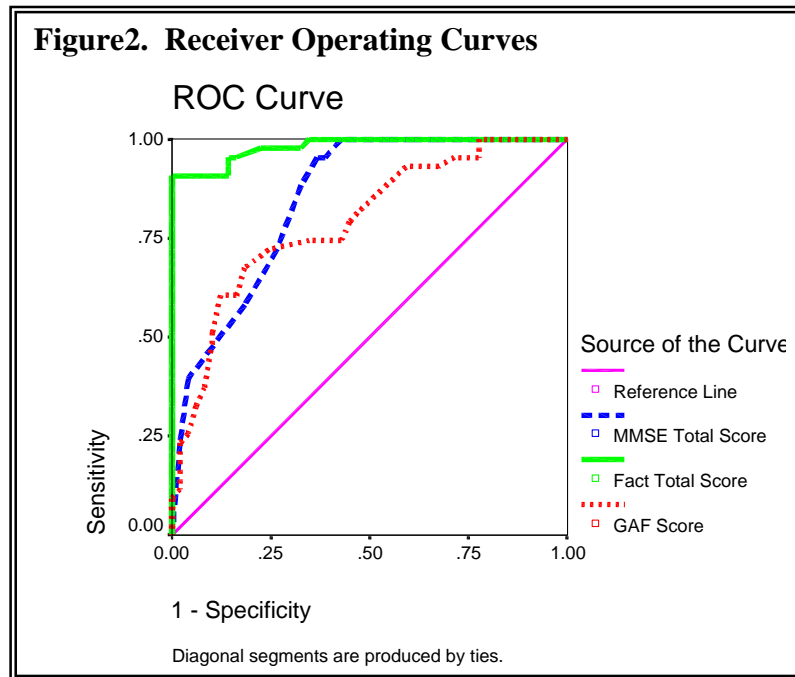


Table 5. Sensitivity and Specificity based on ROC Analyses

FACT TOTAL SCORE		
Cutoff Score	Sensitivity	1- Specificity
74.00	1.00	.347
75.75	.977	.327
76.75	.977	.306
77.50	.977	.224
78.50	.953	.163
80.00	.953	.143
81.50	.930	.143
82.50	.907	.143
83.75	.907	.122
84.75	.907	.082
85.25	.907	.000
INDEPENDENT LIVING SCALE – MANAGING MONEY SUBSCALE		
17.50	1.00	.490
19.50	.953	.388
20.50	.860	.388
21.50	.860	.286
22.50	.814	.163
23.50	.814	.122
24.50	.791	.102
25.50	.744	.082
26.50	.698	.082
27.50	.628	.061
28.50	.512	.041
29.50	.465	.020
30.50	.372	.000

The ILS money managing scale does not seem to have an optimal cut score to best determine high Sensitivity and 1-Specificity. A FACT total score above 85 correctly identified competent individuals (50%) in the competent reference group. The ILS correctly identified only 24% of the competent reference group. A FACT score below 75 correctly identified (34%) of those deemed to be incompetent and the ILS correctly identified 23% of the incompetent reference group.

Consequently, a FACT cut off score above 85 would (most likely) correctly classify individuals as financially competent whereas a cut off score below 75 would (most likely) correctly classify individuals as financially incompetent. Scores between 75 and 85 would make the determination of financial competency less clear. Individuals scoring in this range may possess marginal financial capacity. The percent of individuals scoring in the marginal capacity range was 16% for the FACT and 53% for the ILS.

DISCUSSION

The result of this study supports the utility of the FACT in formally assessing psychogeriatric patients' capacity for financial decision-making. The high correlation between the FACT and competency suggests that this tool is effective in determining decision-making capacity in this population. The added value of this instrument involves its ability to identify the extent to which individuals rationally manipulate information through the assessment of imbedded questions related to beliefs about finances. The FACT places emphasis on determining irrational beliefs, knowledge of assets, budgeting, personal financial strengths and weaknesses, and degree of financial insight.

This study suggests that the FACT is clearly superior when classifying financial competence as indicated by the ROC analysis. The law requires a physician's judgment of a patient's capacity as capable or incapable with no option of marginal capacity. Consequently, the FACT is better able to inform this decision.

Scores between 75 and 85 may be indicative of marginal financial capacity. Scores above 85 would produce the lowest false positive rates and scores below 75 would produce the highest false negative rates. In a legal system that requires a dichotomous decision, a finding of marginal competency would require the highest level of clinical judgement. This tool also provides specific information, whereby clinicians are able to match intervention strategies with an individual patient's functional and treatment needs. Interventions by clinicians have included development of support resources and or implementation of skills development training for patients.

The FACT correlates highly with the ILS, which supports its concurrent validity as an assessment tool. In this study, FACT total scores were not systematically related to gender and age. The importance of age and educational level seems consistent with previous research and justifies matching for these variables. The moderate correlation between living situation categories may be a natural consequence of the degree of

financial capacity in the real world. Individuals living independently are more likely to be financially competent. Yet, contrary to expectations, living situation did not correlate highly with competency in our study.

Nearly all of the participants report English as their first language and it will be important for future studies to involve multicultural sampling. If the FACT were administered using another language, the assessor would have to evaluate the stimulus materials in that language through the use of an interpreter. The interpreter may be able to evaluate the cultural context of the concepts used in the FACT. Using this instrument through an interpreter may also provide qualitative information if the translator is able to assess the semantic and content equivalence²⁷. Criterion equivalence is not available at this time and it is not recommended that the FACT be used with an interpreter.

The majority of patients were diagnosed with an affective disorder but this reflects the psychiatric nature of the population at Regional Mental Care London, SJHC. There were no significant differences with respect to medical condition as it relates to competency, however future studies may investigate medical issues as they relate to competency. Physicians' ratings of competence were not formally defined on a protocol therefore rater reliability of the psychiatric evaluation could not be measured.

Future studies will need to obtain a non-psychiatric, geriatric control comparison group, as well as samples from other diagnostic groups. Financial competency is a major issue for adults with severe mental illnesses living in the community and it would be useful for future studies to obtain a sample from this population. Finally, test-retest reliability should be investigated with a representative population sample. It will be important for researchers to investigate longitudinal changes over life course in order to determine capacity loss in relation to loss of cognitive functions.

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Appendix A: Financial Assessment & Competency Test (FACT): Administration

For purpose of this research, the patient was assessed alone.

Administration of the FACT takes approximately thirty minutes. Testing time can vary according to the patient's level of functioning. It is important to give the entire test in one session. It is essential to establish and maintain a rapport with the client. Items may be repeated at the request of the client. If the client only gives one response to a two-point question, the examiner is required to query the client for a second response. After completing the true/false questions in this measure, it is recommended that the examiner query the client as to why they answered the question in such a manner. This type of questioning after the test may reveal clinically relevant information.

Test materials include the complete protocol. However, the examiner must provide the following denominations of bills/coins: 2 five-dollar bills, 3 toonies, 1 loonie, 6 dimes, 11 nickels, and 10 pennies. Also available upon request is an excel-based scoring program and the stimulus booklet. For the purposes of screening, use item number one and have the client read the statement. If the client is unable to read and comprehend the statement, the test should not be given.

Demographic Information

Client's Name: _____

Date of Birth:(dd/mm/yyyy) _____

Education Level: _____ (highest grade achieved)

Occupation: _____

Ethnicity: white
 black
 hispanic
 asian
 other

Gender: female male

Marital Status: single married separated divorced widowed other

First Language: English Other

Primary Psychiatric Diagnosis: _____ none

Primary Medical Diagnosis: _____ none

Ongoing Medical Problems: none = 0 some = 2 or 3 many = more than 3

Living Situation: independent (living without assistance)
 semi independent (receives some assistance with daily living)
 dependent (resides in a supervised environment)

Geographic Region: _____

GAF score _____

MMSE score _____

ILS money management score _____

Date of Testing:(dd/mm/yyyy) _____

Examiner: _____

Appendix B: FACT Test Protocol

1. ***“Please read the following statement: “(Show client the cue card) “Mrs. Jones needs to buy 3 items at the local store. These items are bread, toothpaste and dish soap.”***

2 points reading statement correctly

1 point one or more errors

0 points if unable to read

2. ***“Please repeat the three items on Mrs. Jones list. Try to remember those items because I will ask you about them later on.”***

1 point for each correct item

3 points total

3. ***“Please count backwards from 20.”***

2 points counts correctly

1 point one error

0 more than one error

4. ***“Please identify each coin and bill by name and value.”*** Present in the same order for each administration of this question. If the client identifies the coin/bill, but does not state the value then cue by asking ***“What is it worth?”***

Denominations include a penny, nickel, dime, quarter, 1 dollar coin/bill, two dollar coin/bill, 5 dollar bill, 10 dollar bill

2 points for each to total 4 points. Client may manipulate coins in order to identify them.

5. Client is given a sum of money that adds up to \$20.00. The following denominations of bills/coins should be placed in front of the client:

2 five dollar bills

3 toonies

1 loonie (Canadian one dollar coin) 7 quarters

6 dimes

11 nickels

10 pennies

Examiner asks client to: ***“Look at the money in front of you and count out \$13.37”***

3 points for the correct change

2 points within 10 cents of \$13.37

1 point within 25 cents of \$13.37

0 points error greater than 25 cents

6. ***Delayed Recall: “Do you remember that I asked about Mrs. Jones going to the store?” “What were the items that Mrs. Jones needed to buy at the store?”***

1 point for each correct item (bread, toothpaste, dish soap)

Total score 3 points

7. ***“If those 3 items cost \$6.37, and Mrs. Jones gave the clerk \$20 dollars to pay for them how much change, if any, should she get back? You may use a pen and paper to calculate your answer.”***

3 points for calculating a difference of \$13.63

2 points within 10 cents of \$13.63

1 point within 25 cents of \$13.63

0 points for an error greater than 25 cents

8. ***“Mrs. Jones’ monthly income is \$755. Please write that amount down on this piece of paper.”***

One point for writing down the correct amount

9. ***“Mrs Jones receives two bills in the mail. Please look at the first one.” “Tell me as much as you can about this bill.” “Tell me as much as you can about the second bill.”***

Cue if examinee is unable to give full information as to type of bill, due date, amount.

“Can you tell me more about this bill?” Acceptable prompts are: ***“What type of bill is it?” “When is the bill due?” and “What amount needs to be paid?”***

1 point for each type of bill (phone/electric)

1 point for each correct date due (February 1/ February 1)

1 point for each correct amount due (\$55.25/ \$65.50)

If cued for any of the above questions, give a half point for every cued answer.

Total possible score is 6 points.

10. ***“Please add the phone and the electric bills together and then subtract them from Mrs. Jones’ monthly income of \$755. You may use this pen and paper to calculate your answer”.***

Adding the bills together:

3 points for correctly calculating a total of **\$120.75**

2 points within 10 cents of \$120.75

1 point within 25 cents of \$120.75

0 points if error is greater than 25 cents

Mrs. Jones’ remaining income (after subtracting bills):

3 points for subtracting and calculating a remaining income of **\$634.25**

2 points within 10 cents of \$634.25

1 point within 25 cents of \$634.25

0 points if error is greater than 25 cents

TOTAL 6 points

11. ***“Name all the different ways that a person can pay their bills?”***

2 points are given for 2 or more of the following plausible ways to pay bills: write a cheque, telephone banking, paying through the bank, paying in person or by mail (using credit card, cheque interac, or cash), automatic bill payment, or over the internet.

0 points if unable to give a plausible answer

12. “How do you usually pay your bills?” If the client states that they would **write a cheque**, then ask **“Can you describe any other way that you could pay your bills?”** 2 points are given for adequately describing 1 of the 3 options below.

0 points are given if the client is unable to describe any other method of paying bills other than by cheque or declines answering.

If the client states that they would **pay cash directly at the bank** or by interac ask **“Can you tell me the name of your bank?” “Where is the bank located?”**

If the client indicates that they **bank by telephone** ask them to indicate how they would go about this task. **“How does a person pay a bill using telephone banking?”** The client should know the telephone number to call or be able to look it up; and indicate somehow that it is an automated system.

If the client states that they would pay the bill by **going to the company office** ask **“Where is the telephone company office located?” “What steps would you take to pay the bill at the office?”** Payment options include cash, debit card, cheque, and credit card payment.

13. “Please write a sample cheque for the Cable Television Company for \$46.82”.

1 point is given for each of the following: correctly filling in the date (do not penalize if client asks the examiner the date), the correct amount (numerically and written), company name, and client’s own signature. Total points = 4 points.

14. “You are now going to see a list of budget items.” “Please match each item on the left with the most reasonable cost on the right.” “Draw a line from each budget item to the most reasonable monthly cost.”

If an example is needed say: **“For example, if you were asked to choose the cost of a loaf of bread you would choose \$1.29 rather than \$7.00 or 20¢.”**

Budget items	Amount
A. RENT/MORTGAGE:	1. \$30
B. BASIC PHONE:	2. \$150
C. FOOD:	3. \$500

Ask the client: **“How much do you think rent would be in a month?” “How much do you think that basic phone would cost in a month?” “How much might food cost in a month?”**

1 point for each correct match (Rent=\$500, Basic phone=\$30, Food=\$150) 3 points total

15. “Why is it important to have savings?”

Save for something that you want or need.

To pay bills.

Save money to invest or for retirement/old age.

Save for some type of emergency.

Leave something behind for loved ones.

2 points for any one of the above

0 points for being unable to give a reason

16. “List two reasons for having a bank account”. If client gives only one response from this list ask **“Can you think of any other reasons?”**

Keep your money in a safe place.

To account for your money.

To help you budget your money.

Make interest on your money.

So that you can save to pay bills or write checks to pay bills.

2 points for each correct answer

17. “What are the sources of your monthly income?” If client does not understand, simply ask: **“Where does your money come from?”**

government pension(s)

work pension

insurance payments (compensation)

savings

inheritance

pay from work/employment income

tax rebates

investments (includes retirement plans, stocks, bonds etc.)

monetary support from family

retirement savings plan (RSP or RRSP)

disability payment

loans/bursaries

2 points for any two of the above

18. “Please estimate your monthly income”. Amount \$ _____

1 point for any reasonable amount (check with any available sources)

0 points if unable to estimate income

19. “Which bills are you responsible for paying regularly each month?”

heat (electric or gas), hydro, utilities, phone, food, cable, credit cards, car payments, insurance, mortgage, rent, bank loans.

2 points for any two of the examples given above

20. “What does having power of attorney for finances mean?”

0 points if the client is unable to answer

1 point for stating that it is a person who helps manage your money

2 points for indicating that this is a person who helps manage your money and has legal authority

21. “What is the purpose of a will?”

0 points if the client is unable to answer

1 point for giving an example of an item or items that are contained in a will

2 points idea that a will allows person to choose how their estate and or care will be handled

22. “Do you have any unpaid bills or debts?”

0 if the client is unable to answer

2 if the client is able to describe their current situation

23. “What would it mean if a person is made financially incompetent?”

0 points if the client is unable to answer

1 point for giving the vague idea that a person is unable to manage their money

2 points for generating the idea that a person is legally unable to manage their money/finances

24. “What two things would happen if you were having difficulty managing your money?”

0 points if the client is unable to answer

1 point each for any one of the following (maximum 2 points): difficulty paying your bills; you could get into credit problems; unable to provide for necessities (food, shelter, clothing, transportation); you would be appointed a power of attorney-someone else who controls your finances.

25. “Think back over your life and name at least one strength that you have had in handling your money”.

0 points if the client is unable to answer

1 point for giving a strength

“Again think back over your life and name at least one weakness that you have had in handling your money”.

0 points if the client is unable to answer

1 point for giving a weakness

26. “Why is important to pay your taxes?” If client immediately answers It’s not important” then say: “Why do you think that people should pay their taxes?”

0 points if the client is unable to answer or it claims it is not important (even when cued)

1 point for stating to avoid penalty from the government or because it is illegal not to pay them

2 points for stating to support the government so they can provide services

27. “When are your personal income taxes due?”

0 points if the client is unable to respond or gives an incorrect answer

1 point for giving the correct month (April)

28. “If you had limited funds and needed to pay your phone bill, rent bill, and credit card bill, what order would you pay them?”

0 points if the client is unable to answer

1 point if they would pay the telephone bill or credit card first.

2 points for indicating that they would pay the rent bill first.

29. “What should you do if someone tries to sell you something over the phone?”

0 points if client is unable to answer or states that they would buy what is offered without further consideration

2 points for delaying the purchase until the credentials of the company/person can be checked or declines purchasing items over the phone.

30. “You have run out of money for food. What would you do?”

0 points if the client is unable to respond, would not take action, or would do something illegal

2 points for taking appropriate action such as visiting a food bank, calling friends or family for help, contacting a social service organization (i.e. shelter, hospital), finding employment, or any other creative and legal solution.

31. “Give examples of assets or possessions that a person could have”.

0 points if the client has no knowledge of assets

2 points for listing any two assets such as a home, car, personal belongings, or investments

“The following questions relate to your finances. Please answer them either true or false as they apply to you.” If the client is having difficulty ask them **“Is the statement mostly true or mostly false in your situation?”**

32. I have had difficulty managing money recently (True or False).

33. I am happy with my financial situation (True or False).

34. I have some ideas about money that other people think are strange (True or False).

35. Certain people go out of their way to steal my money (True or False).

36. I am often confused about money (True or False).

37. Most people who handle money have good intentions (True or False).

38. I have a lot of money problems (True or False).

39. I don't worry about having enough money to get by (True or False).

- 40. I hardly ever buy things on impulse (True or False).*
- 41. Relationships have been strained because of money (True or False).*
- 42. I spend money too easily (True or False).*
- 43. My financial plans will make me famous some day. (True or False).*
- 44. My financial situation makes me feel tense. (True or False).*
- 45. I am not overly concerned about the safety of my money (True or False).*
- 46. I often buy things I don't really need (True or False).*

Appendix C: FACT Summary Sheet

Memory:		(32) Insight	Points	_____ 2 F
(2) Recent Memory	_____ 3	(33) Insight		_____ 2 T
(6) Remote Memory	_____ 3	(40) Insight		_____ 2 T
		(42) Insight		_____ 2 F
Reading/Writing Comprehension:				
(1) Reading	_____ 2	Financial Confidence:		
(8) Copying	_____ 1	(38) Stress		_____ 2 F
		(39) Stress		_____ 2 T
Calculating/Attention:		(41) Stress		_____ 2 F
(3) Counting	_____ 2	(45) Stress		_____ 2 T
(5) Complex Calculation	_____ 3			
(7) Complex Calculation	_____ 3	Rational Beliefs about Money:		
(10) Complex Calculation	_____ 6	(34) Delusions		_____ 2 F
		(35) Delusions		_____ 2 F
Daily Financial Tasks:		(36) Delusions		_____ 2 F
(4) Identify Coins, Bills	_____ 4	(37) Delusions		_____ 2 T
(9) Bill Identification	_____ 6	(43) Delusions		_____ 2 F
(11) Bill Payment	_____ 2	(44) Delusions		_____ 2 F
(12) Bill Payment	_____ 2	(46) Delusions		_____ 2 F
(13) Cheque Writing	_____ 4			
(14) Budgeting	_____ 3			
		TOTAL SCORES		
General Financial Knowledge:		Memory:		_____ 6
(15) General Knowledge	_____ 2	Reading/Writing:		_____ 3
(16) General Knowledge	_____ 2	Calculating/Attention:		_____ 14
(21) General Knowledge	_____ 2	Daily Financial Total:		_____ 21
(22) General Knowledge	_____ 2	Financial Knowledge:		_____ 11
(27) General Knowledge	_____ 1	Understanding Assets:		_____ 7
		Financial Insight:		_____ 24
Understanding Assets		Financial Confidence:		_____ 8
(17) Understanding Assets	_____ 2	Rational Beliefs		
(31) Understanding Assets	_____ 2	about Money:		_____ 14
(19) Understanding Assets	_____ 2			
(18) Understanding Assets	_____ 1	FACT TOTAL SCORE:		_____ 105
Financial Insight:				
(20) Insight	_____ 2			
(23) Insight	_____ 2			
(24) Insight	_____ 2			
(25) Insight	_____ 2			
(26) Insight	_____ 2			
(28) Insight	_____ 2			
(29) Insight	_____ 2			
(30) Insight	_____ 2			