

Chapter 12. Death Cases

Overview

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1. General Information about Death Cases

Change Date July 1, 2022, Change 2

- Subtopic a has been updated to reflect the delegation of authority to the Valuation Officer (VO) to approve death case reimbursement requests up to and including \$2,500.

a. Objective for Death Cases The objective for death cases is to return the Veteran's estate to the same condition it was prior to grant approval. All death case reimbursement requests over \$2,500 must be approved by Central Office (CO). All other death case reimbursement requests must be approved by the VO.

b. Grant Stages Which Death Might Occur The Veteran's death may occur at any point in the grant process. This chapter covers the vast majority of circumstances and how to process multiple types of death cases.

If the SAH Agent encounters a death case that does not fit into the scenarios described in this chapter, the Regional Loan Center (RLC) must contact CO for further guidance.

2. Next of Kin Notification

Change Date February 12, 2014, Change 1

- This entire section has been updated.

a. Purpose for Contacting Next of Kin The purpose for contacting the Next of Kin is to:

- extend condolences to the family, and
- request that the Department of Veterans Affairs (VA) be advised of any outstanding expenses incurred in relation to the Veteran's planned use of the Specially Adapted Housing (SAH)/Special Housing Adaptation (SHA) grant after the grant has been established.

b. When to Contact Next of Kin Use the Next of Kin Letter generated in the system to contact the family or estate upon notification of the Veteran's death for grants for which conditional approval has been granted. If a Veteran has not been granted conditional approval, a Next of Kin Letter will not be sent.

c. Documenting the Next of Kin Contact and Closing File for Lack of Response or No Expenses Claimed Utilize the Create Letters Function in the system to create the Next of Kin Letter. Mail or e-mail the letter to the family or estate.

Close the file when the Veteran's family/estate responds to the Next of Kin Letter and provides an indication that no expenses are outstanding or have been expended. The family/estate may contact the Agent by phone or e-mail, instead of returning the letter. The SAH Agent must document the system with the method of contact and close the case based on the details provided.

Close the file when the family/estate does not reply to the Next of Kin Letter for 90-business days (from the date the Next of Kin Letter was sent). If the family/estate responds to the RLC after the 90-business days, but before 1 year from the Veteran's date of death, the RLC must reactivate the grant and proceed with processing the death case reimbursement if applicable.

Note: Agents are expected to actively manage their caseload. Through active case management, agents should be aware of any potential reimbursement expenses that may have been incurred by the Veteran or the Veteran's family/estate.

3. Processing Death Cases When There is Conditional Approval and Outstanding Expenses are Claimed

Change Date July 1, 2022, Change 2

- Subtopic f has been updated to reflect the delegation of authority to the Valuation Officer (VO) to approve death case reimbursement requests less than or equal to \$2,500.

a. Introduction This topic contains information about handling cases when outstanding expenses are claimed by the family/estate and payment of outstanding expenses, including:

- purpose,
- who can claim outstanding expenses,
- facts to be developed,
- how to handle cases when expenses are claimed,
- maximum reimbursement, and
- how to handle payment of outstanding expenses.

b. Purpose The purpose of releasing grant funds for outstanding expenses is to reimburse the Veteran's family/estate for pre-construction costs incurred after conditional approval and before final approval.

Pre-construction costs incurred may not exceed 20 percent of the available grant amount (unless the RLC specifically authorized, in writing, pre-construction costs in excess of 20 percent). Pre-construction costs may include the following items:

- architectural/drafting services, in order to prepare plans and specifications,
- land surveys,
- attorneys' fees and/or title company fees, and/or
- other costs and fees necessary to plan for SAH/SHA grant use.

Note: Construction costs (e.g., costs for adaptations completed prior to final approval) are not pre-construction costs and will not be reimbursed, even when conditional approval has been granted.

c. Who Can Claim Reimbursement Reimbursement for pre-construction costs may be claimed by the Veteran's family/estate or third parties who have expended funds to provide certain services to plan for SAH/SHA grant use. Reimbursement requests must be submitted by the Veteran's estate (or other stakeholder) within 1 year of the VA RLC learning of the Veteran's death pursuant to 38 CFR 36.4406.

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3. Processing Death Cases When There is Conditional Approval and Outstanding Expenses are Claimed, continued

d. Facts to Be Developed

In order to provide CO with all the pertinent facts to make a decision concerning reimbursement prior to grant approval following a Veteran's death, the following information must be obtained:

- Evidence that the Veteran was rated medically eligible for SAH or SHA prior to the Veteran's death.
- Evidence that the Veteran established intent to use the grant by submitting [VA Form 26-4555, Application in Acquiring Specially Adapted Housing or Special Home Adaptation Grant](#). The application must be signed by the Veteran or an authorized designee and received by VA, prior to the Veteran's death.
- Evidence that the Veteran has met all of the criteria for, and has been granted, conditional approval, pursuant to 38 CFR § 36.4405(a).

In addition, the following documentation must be uploaded into the system in order to process a reimbursement request:

- [VA Form 26-4555](#)
- SAH Agent memorandum summarizing grant at time of Veteran's passing
- Next of Kin response indicating that expenses were incurred
- Death Certificate or print screen of SHARE with deceased date
- Evidence of SAH or SHA related expenses in the form of cancelled checks, bank statements, or receipts indicating dollar amount paid with form of payment tendered. A generic vendor invoice stating paid without transaction details is not sufficient evidence.

e. How to Handle Cases When Expenses are Claimed

Follow the steps below to handle cases when expenses are claimed by the Veteran's family/estate, or by the builder or other third party for all death case reimbursement requests. Upon completion of receiving the documents listed below, the RLC will proceed with reimbursing the family/estate if requested reimbursement was less than \$2,500, or notify CO if the reimbursement request exceeds \$2,500.

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3. Processing Death Cases When There is Conditional Approval and Outstanding Expenses are Claimed, continued

f. How to Handle Payment of Outstanding Expenses

Upon receiving VO approval for death case reimbursements less than or equal to \$2,500, or CO approval for reimbursements over \$2,500, the RLC/SAH Agent must:

- notify the family/estate of the reimbursement approval via phone call, e-mail, or mail;
- prepare a voucher in the system for the reimbursement amount and create the voucher so the reimbursement funds are sent directly to the RLC or the outbased SAH Agent;
- upload a copy of the reimbursement check to the system; and
- create a reimbursement funds receipt letter to be mailed/provided to the family/estate/third party stakeholder with the reimbursement funds. The SAH Agent must upload a signed copy of the family/estate/third party stakeholder's reimbursement receipt to the system to verify that reimbursement funds were received.

g. How to Handle Denying Death Case Reimbursement Expenses

If the family/estate cannot provide the required supporting documentation for a death case reimbursement, the SAH Agent must send the family/estate the system generated letter indicating the death case reimbursement request denial.

4. Processing Death Cases with an Approved Grant and Before Construction has Begun

Change Date February 12, 2014, Change 1

- This entire section has been updated.

a. Introduction This topic contains information about death cases with an approved grant, but the construction has not begun, including:

- when to complete, and
- how to handle cases with an approved grant, but construction has not begun.

b. When to Complete These procedures must be used when the grant check is issued, but not released prior to the Veteran's death. This must be done when the:

- grant check has been vouchered, but not received by the Agent Cashier,
- grant check has been received by the Agent Cashier, or
- grant check has been released to an escrow agent, but the check has not been signed by the Veteran.

Follow the steps in the table below to handle cases with an approved non-negotiated grant check.

c. How to Handle Cases with an Approved Non-Negotiated Grant Check

Step	Action
1	The RLC instructs the Agent Cashier for both in-house escrow and escrow to be held outside VA by memo to immediately return the grant check to the U.S. Treasury Department. The system is updated using Death Case processing to reflect the return of the grant check to the U.S. Treasury.
2	If the grant check has been forwarded to an escrow agent, but the Veteran has not endorsed the check: <ul style="list-style-type: none"> • Write a letter to the escrow agent and request that the grant check be returned to the SAH Agent. • Upon receipt of the grant check, return it to the Agent Cashier with a memo stating that the check is to be returned to the U.S. Treasury Department. • Document the grant file with copies of all memos and correspondence, telephone calls relating to the receipt, and return of the grant check.

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4. Processing Death Cases with an Approved Grant and Before Construction Has Begun, continued

**d. How to
Address Pre-
Construction
Costs**

If pre-construction costs were incurred, please follow the procedures outlined in Section 3 of this chapter.

**e. SAH
Agent's Role**

Through active case management, the SAH Agent should limit any expenses incurred by the Veteran's family/estate or construction beginning prior to grant funds being deposited into escrow. If the estate/family has incurred expenses related to anticipation of receiving the grant funds, or construction has begun prior to funds being received, the RLC is to follow the guidance within Section 3, Subsection e, of this Chapter.

5. Processing Death Cases with an Approved Grant and After Construction has Begun

Change Date February 12, 2014, Change 1
• This entire section has been updated.

a. Objective for Death Cases The objective for death cases is to make the Veteran's estate whole, either by returning the housing unit to the pre-grant approval state or by completing the SAH construction as approved (whichever is determined to be the most financially appropriate).

Note: Payment is *not* intended as a way of providing the Veteran's family/estate with a home or to reimburse for adaptations that do not meet Minimum Property Requirements or Recommended Adaptations.

b. How to Handle Cases When Notified of Veteran's Death After Construction has Begun

Upon notification of the Veteran's death, the SAH Agent must complete a death case field review to verify the construction status. The SAH Agent can assess the construction progress and help the family/estate determine if it is suitable to restore the Veteran's estate to its condition prior to grant approval based on the amount of construction completed. Generally, if only the first stage of construction has been completed, it may be feasible and cost beneficial to the government to restore the Veteran's estate to its condition prior to grant approval. The SAH Agent must document his/her findings from the inspection and note his/her recommendations in the system.

If the family/estate wishes to return the housing unit to its condition prior to grant approval, it must be approved by the Assistant Valuation Officer/Valuation Officer.

If the family/estate has indicated they prefer the construction to be completed per the approved plans and specifications, the RLC can approve this and does not need to contact CO for guidance.

If the family/estate would like to continue the construction with change orders, the RLC must contact CO for guidance.
