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April 22, 2005

**OFFICE OF FAMILY INDEPENDENCE POLICY MANUAL
VOLUME IV BENEFIT RECOVERY
MANUAL TRANSMITTAL #4**

TO: County Department of Family and Children Services
OFI Regional Managers
OFI Program Specialists
OFI State Operations Staff

FROM: Steven E. Love, Acting Director
Division of Family and Children Services

RE: Updates to the Benefit Recovery Manual

PURPOSE:

This manual transmittal contains updates and clarifications received since the last manual transmittal issued. The updates/clarifications are effective May 1, 2005.

DISCUSSION:

This manual transmittal contains the following updates:

- Record of Receipt of Manual Transmittals: added form used to record manual transmittals for Benefit Recovery Manual.
- Table of Contents: revised, adding Appendix B.
- Section 4000, General Overview: expanded on Standard of Promptness to reflect that a 60-day SOP does not apply to reinstated benefits; clarified action to take on Office of Investigative Services referrals returned to the county departments as non-fraud claims (the claims must be approved and scheduled for collection within 12 months of the original referral date or within 60 days, whichever comes first); and added Head of Household as responsible party for debt.
- Section 4005, Claim Types: changed policy to reflect that agency error and inadvertent household error claims are calculated back to the month the overpayment should have been effective, but no more than 12 months prior to the discovery date. Step 3, Agency Error: added a statement to read "Allow earned income deductions"; changed wording from over payment to claim; and updated policy to read that benefit errors found as a result of a Quality Control review must be scheduled within 60 days of QC notification, instead of within 60 days of QC date of discovery.

- Section 4010, Intentional Program Violation: under step 2, added text to read, “record log number on form 5667”; changed Step 4 to reflect the requirement to annotate the return date of referrals for both “claim establishment and adjudication” disposition letters on 5667 log; and clarified when and where to enter disqualification information on active and inactive FS and TANF IPV cases.
- Section 4015, Disqualified Recipients Subsystem (DRS): verbiage added to requirement to reflect that Disqualified Recipient Subsystem is used to record periods of Food Stamp Program disqualification; added verbiage to state the need for the Office of Investigative Services to be notified if a previously adjudicated claim is referred for a fair hearing as well as the need for an OIS representative to be present at the hearing; and this section also updated to state “prior to imposition of a disqualification, all out of state matches must be verified through a secondary source”.
- Section 4020, Collection Methods: terminology changed from “benefit amount” to “entitlement”; added verbiage to read that a formula recoupment is calculated based on the entire AU, including any sanctioned AU member; added a statement to read that active and stale EBT benefits are posted as claim payments while expunged benefits are reflected as a balance adjustment; updated expunged benefits to include the following statement, “when a claim is established, any amount previously expunged should be applied to the current claim balance to reduce the debt and once expunged benefits have been used to offset a claim, the same expunged benefits cannot be used again to offset a different claim”; and deleted Citibank and added JP Morgan Electronic Financial Services, Inc.
- Section 4025, State Tax Offset: changed wording under County Office procedures to read, “The obligation has been included in bankruptcy”.
- Section 4030, Treasury Offset Program: removed “60 day notice” verbiage and continued to use just “Notice 1056” verbiage; page 4030-3 was completely rewritten to explain the Treasury Offset process; and added a statement to say that payments may be removed for the current tax year and/or prior years.
- Section 4035, Over-Collection of Claims: clarified policy on how to process over-collected funds; Changed the wording, “is created from expunged TANF or FS benefits” to read “exists due to expunged TANF or FS benefits”; and added wording to read, over-collections as a result of Federal/State intercepts or cash payments can be applied to an existing debt.
- Section 4040, Bankruptcy: changed the bankruptcy chart to delete “place debt back in RP or OP status”; and also to delete “unsuspend and collect “and replace with “resume collection”.
- Section 4045, Transferring Claims: added the wording “request information from previous State of residence when DRS indicates active claim exists in another State”.
- Section 4050, Termination of Aged and Uncollectible Claims: updated termination guidelines to reflect the following policy statement, “FS claims are terminated only if all liable adult household members are deceased or the claim has a current balance of \$25 or less and no payment has been made during the past 90 days or more and there is no other debt in the same case causing the

aggregate debt to be more than \$25”; also updated policy to have only two termination guidelines for Food Stamp claims.

- Section 4055, Special Considerations: removed Whistleblower referrals from the chart because they are seldom received, if received, contact your Claims Program Specialist; clarified procedure for handling Hotline Referrals; redefined “Food Stamp Trafficking” to reflect Food and Nutrition definition in the final rule of the Federal Regulations.
- Appendix A, Claim Forms: soft copies of Claim Forms 17, 18, 19, 269 and 486 are now available for download via ODIS.
- Appendix B, Benefit Recovery Manual Transmittal Cover Letters: when a manual is being updated with a manual transmittal, filing the cover letter in Appendix B will become part of the manual maintenance instructions.

MANUAL MAINTENANCE

- Add Record of Receipt of Manual Transmittals to the front of Volume IV Benefit Recovery Manual.
- Remove Table of Contents and replace with revised Table of Contents.
- Remove Section 4000, Section 4005, Section 4010, Section 4015, Section 4020, Section 4025, Section 4030, Section 4035, Section 4040, Section 4045, Section 4050, Section 4055 and replace with the attached sections with the same numbers.
- Insert the cover letter from this manual transmittal in Appendix B following Appendix A, Claim Forms.

Make a notation on the Record of Receipt of Manual Transmittals for Volume IV. Any updates or clarification of Claims Policy in this manual transmittal are effective May 1, 2005.

ONLINE MANUAL (ODIS) UPDATE

The material contained in this manual transmittal will be updated in ODIS effective May 1, 2005.