



SNAP 1504-1 Over Issuance

References:	7 CFR 273.18(a), (d), (g), (3); 7 CFR 273.16
Overview:	<p>GENERAL RULE: Evaluate the possibility of an overpayment claim against <u>any</u> household who received more SNAP benefits than it was eligible to receive (whether or not the household is currently participating in SNAP). Repayment of an over issuance is the legal responsibility of all household members age 18 or older who were required household members during the overpayment period. All SNAP overpayments are pursued regardless of whether the errors are agency-caused or household-caused errors.</p> <p>EXCEPTION:</p> <ol style="list-style-type: none"> 1. For <u>closed cases</u> only, do not establish overpayment claims under \$125 unless: <ol style="list-style-type: none"> a. there is evidence of an Intentional Program Violation (IPV); b. the claim was already established; or, <p>NOTE: If a claim is under \$125 and the case is closed at the time the claim is being established, the claim does not need to be established.</p> <p>If a claim was established for less than \$125 on a closed case, a request should not be made to remove the claim.</p> <ol style="list-style-type: none"> c. the claim was the result of a Program Compliance review. 2. A claim must not be established if the over issuance occurred as the result of the OPA Case Manager failing to ensure that the household signed the application, recertification, six month report, or work registration forms.
Policy:	<p>CATEGORICALLY ELIGIBLE HOUSEHOLDS</p> <p>Claims against categorically eligible households are only established when the claim can be calculated on the basis of changed net adjusted income and/or household size. Other issues unrelated to net income or household size such as, resources do not result in overpayment claims.</p>
	<p>EXPEDITED</p> <p>If it is determined after receiving postponed verification that some of the information was not accurate on an expedited case, there may not be an overpayment if the household provided information he/she believed to be true. Benefits are adjusted for the following month. However, if the applicant made a false or misleading statement, concealed information, or withheld facts on the application, an overpayment is established and an IPV must be considered.</p>
	<p>GROUP HOME, DRUG/ALCOHOL TREATMENT AND REHABILITATION PROGRAMS</p> <p>Group homes are liable for repayment for agency and household- caused overpayments when representatives of the group home act as authorized representatives (SNAP 201-6). Residents of drug/alcohol treatment and rehabilitation program are required to designate the drug/alcohol treatment, rehabilitation, or mental health center as authorized representatives (SNAP 201-7). Drug/alcohol treatment, rehabilitation, and mental health centers are liable for repayment for agency and household-caused overpayments. The household’s benefits must not be reduced to repay the over issuances.</p>
	<p>CHILD SUPPORT/TANF</p> <p>All child support income received after initial TANF or Tribal TANF benefit</p>

	<p>authorization is excluded income due to the requirement to turn the money over to the Child Support Enforcement Division (CSED); therefore, there is not an overpayment for SNAP benefits for this situation. If the Tribal TANF program does not require the child support income to be turned over to CSED, there could be a possible overpayment.</p>
	<p>DUAL PARTICIPATION Generally, the state where duplicate benefits were authorized is the one who establishes the claim.</p>
	<p>TYPES OF CLAIMS When a household was over issued benefits, the CSC must determine if the error was caused by the agency or the household. An error is considered an agency-caused error if caused by:</p> <ol style="list-style-type: none"> 1. A state agency action or failure to take action on information known; 2. Incorrect application of policy by an CSC; 3. An action by the CSC which results in an incorrect determination of categorical eligibility, and the claim can be calculated based on a change in net income and/or household size; or, 4. The Social Security Administration (SSA) failed to take an action that resulted in the household incorrectly being determined categorically eligible. <p>Agency-caused errors include but are not limited to:</p> <ol style="list-style-type: none"> 1. The CSC failed to take timely action (within 10 days) on a reported change. 2. A computation error was made or policy was applied incorrectly. 3. A change in the SNAP allotment was not made after changing the TANF cash grant. <p>NOTE: If the CSC could have known information at application, recertification, the six month reporting period, or when adding a household member via a query but does not query or does not correctly query the other computer systems, it is considered an agency caused error. An error is considered a household-caused error when the household failed to report, provide information, or provided incorrect information. The OPA Case Manager must determine if the household <u>inadvertently</u> or <u>intentionally</u> caused the error.</p> <p>Errors caused as a result of one of the following are considered inadvertent household-caused errors:</p> <ol style="list-style-type: none"> 1. A misunderstanding or unintended error on the part of the household. 2. A misunderstanding or unintended error on the part of a categorically eligible household; provided the claim can be calculated based on a change in net income and/or household size. <p>Inadvertent household-caused errors include, but are not limited to, those claims in which the household:</p> <ol style="list-style-type: none"> 1. Unintentionally failed to provide correct or complete information; 2. Unintentionally failed to report changes in household circumstances; or, 3. Received continued benefits pending the outcome of a Fair Hearing and the decision determined the household was ineligible or received an over issuance. <p>Intentional household-caused errors include, but are not limited to, those claims in which an applicant/participant intentionally:</p> <ol style="list-style-type: none"> 1. Makes a false or misleading statement;

	<p>2. Misrepresents, conceals or withholds facts; or, 3. Commits any act that constitutes a violation of the Food Stamp Act or regulations, or any state statute relating to the use, presentation, transfer, acquisition, receipt, or possession of SNAP benefits (SNAP 1505-1). Overpayments determined to be a household-caused error must be evaluated for Intentional Program Violations (IPVs). Household-caused errors must have a case note documenting whether or not an IPV is being pursued, and the reasoning behind the decision. If an IPV is not being pursued the case note must include justification to substantiate this decision. A case note must be entered at the point of discovery, throughout the investigation, and when the claim is established. Clients are informed about their rights and responsibilities (SNAP 103-3) and their reporting requirements (SNAP 1501-3 and 1501-4). Therefore, a household simply indicating they did not understand reporting requirements, forgot to report changes, or did not intentionally cause the error alone does not constitute an inadvertent household error. There must be substantiated and documented unusual circumstances that cause the error to be inadvertent such as:</p> <ol style="list-style-type: none"> 1. Client has a documented mental condition that causes comprehension or memory problems. 2. Client reported income untimely, but had relocated to a domestic violence shelter during the reporting time frames and caused the untimely reporting. IPV disqualifications are referred to the Program Compliance Unit even when an over issuance is not established (SNAP 1505-1). All household-caused over issuance claims are initially established as inadvertent household-caused errors.
	<p>REFUSAL TO COOPERATE When the OPA Case Manager discovers information not reported according to the participant's reporting requirements, a request for information notice should be sent requiring the household submit information/verification within 10 days. If the household refuses to provide the required information/verification (e.g., actual wage amounts) the case must be closed (timely notice must be provided). A program and person alert should be set. The participant may be required to respond to the request in writing or over the telephone, but not in person. The OPA Case Manager should attempt to obtain the information from the source (e.g., employer). If the information/ verification cannot be obtained, a case note should state there is an outstanding claim issue and what information/ verification is needed to determine the amount of the claim. If the case is closed and the household later reappplies, it must cooperate by providing information necessary to calculate the claim. The application will be denied if the household continues to refuse to cooperate with providing verification of actual income during the period of overpayment.</p> <p>EXCEPTION: If the household is entitled to expedited services, the application must be approved for the first month and the second month held for the information/verification. When the application date is on or after the 16th (SNAP 105-1), hold the third month for the information/verification.</p> <p>EXCEPTION: If the household is unable to obtain the information/verification due to no fault of their own, the new application can be approved and benefits are not held for the information/ verification. The OPA Case Manager will case note why the information could not be obtained.</p>

	<p>PROGRAM COMPLIANCE INVESTIGATOR</p> <p>A request for contact may not be issued as an attempt to require an individual to meet with, or supply information to, a fraud investigator. Threatening to terminate the individual/household for failure to respond to a request for contact, when the response involves communicating with a fraud investigator, circumvents the right to remain silent. An individual does not face closure if the accused fails to attend an Administrative Disqualification Hearing (ADH), nor is the individual determined guilty of the IPV for failure to appear at the ADH unless the State is able to successfully argue its case before the hearing official. An individual cannot be closed for failure to cooperate in a fraud investigation.</p>
	<p>ESTABLISHING</p> <p>For agency-caused and inadvertent household caused errors, a CLAIM TIMELY claim must be established for any over issuance not to exceed 12 months retroactively from the month of discovery.</p> <p>For Intentional Program Violation (IPV) error, a claim must be established back to the month the IPV act occurred.</p> <p>The CSC must establish a claim and send a demand notice and over issuance history notice by the end of the quarter following the quarter that the overpayment is first identified. A quarter is identified as January - March, April - June, July - September and October - December. Therefore, an error discovered in February must have a claim established by the end of June. These dates also apply to over issuances that have been identified by a finalized Program Compliance review.</p> <p>EXCEPTION: Case corrections for Quality Assurance reviews, and Management Evaluation reviews, and National Directory of New Hire cases must be corrected according to the procedures outlined for each of the reviews. NOTE: Claims still must be established even if they are not established timely.</p>
	<p>DETERMINING 1ST MONTH OF OVERPAYMENT</p> <p>The first month of overpayment is determined according to the reporting requirements the household was given for household and agency caused errors. All <u>unreported changes and changes that are not reported timely</u> should be evaluated for a possible IPV disqualification (SNAP 1505-1).</p> <p>NOTE: When determining if a change was reported timely for change reporting households, if the 10th day to report the change falls on a weekend or holiday, the household has until the next working day to report the change. When determining if a change was reported timely for six month reporting households, if the 10th day of month following the month that the change occurs falls on a weekend or holiday, the household has until the next working day to report the change. When processing a change and the 10th day to act on the change falls on a weekend or holiday, the OPA Case Manager has until the next working day to act on the change.</p> <p>Six month reporting households are required to report no later than the 10th of the following month when their actual income exceeds the GMI for their household size. The households are also required to report if an ABAWD's hours decrease below 20 hours weekly when that member is identified as an ABAWD and the member's eligibility depends on working 20 hours weekly. This also is required to be reported by the 10th of the following month the ABAWD's hours decrease below 20 hours.</p> <p>NOTE: An overpayment may exist for TANF and/or Medicaid but may not exist for</p>

	<p>SNAP benefits because reporting requirements differ between programs. SNAP overpayments are determined based on reporting requirements for SNAP.</p> <p>NOTE: 10-10-10 guideline does not apply when determining the first month of overpayment for six month reporting households.</p> <p>Change reporting households must be treated as if all maximum time frames applied. 10-10-10 is a program guideline to establish the first over issuance month. 10-10-10 refers strictly to calendar days counting weekends and holidays. These time frames are as follows:</p> <p>10 calendar days for the participant to report; 10 calendar days for the worker to act, and, 10 calendar days for notice of adverse action (SNAP 1505-1).</p> <p>NOTE: For agency-caused over issuances, such as a worker failing to act on a reported change, the first 10 days is not a consideration. If the household reported timely, the allowance is only 10 days from date of report for worker to act and a 10-day notice for adverse action.</p>
	<p>LOSS OF DISREGARDS</p> <p>If the income was not reported timely, earned income disregards cannot be allowed on the <u>portion</u> that was not reported/verified timely.</p>
	<p>PROCEDURE TO CALCULATE OVERPAYMENT</p> <p>For change reporters, when an error is discovered, request actual circumstances of the element(s) that caused the error to calculate the overpayment.</p> <p>For six month reporters, the amount of the claim is based on the corrected circumstances that should have been used at certification, six month report period, recertification, or when a change was reported/discovered that required action. An overpayment could be the result of one of the following four circumstances:</p> <ol style="list-style-type: none"> 1. When a household provides the OPA Case Manager with inaccurate information at the interview, the OPA Case Manager only requests verification of the inaccurate information. 2. When the OPA Case Manager inadvertently enters incorrect information, the OPA Case Manager should compute the overpayment using only the corrected information for that particular circumstance. 3. When the household's actual income exceeds the gross monthly income (GMI) standard during the six month reporting span, the household does not report the increased income timely, and the prospectively budgeted income exceeds the GMI. 4. When an ABAWD work hours decreased below 20 hours (averaged monthly), and the household does not report the decreased hours timely. <p>For self-employed households, the actual annualized income should be used when computing an overpayment involving self-employment income.</p>
	<p>UNDER ISSUANCE</p> <p>If more than one past month is being re-evaluated, all overpayment months will be totaled into one overpayment claim. If some of the months reworked result in an under issuance, the restoration should <u>only</u> be authorized if the error was caused by the <u>agency</u> (SNAP 1504-2).</p>
	<p>OFFSETTING CLAIMS</p> <p>In cases when an initial allotment is received within 60 days of the date the application is filed and is paid retroactive to the date of the application; the allotment cannot be reduced to offset prior claims. If an over issuance claim has not</p>

	<p>yet been established and there is also an under issuance that needs to be authorized, both actions must be taken. If there is an open over issuance claim for months prior to the under issuance month, the entire restoration (SNAP 1504-2) will be applied to the oldest outstanding claim up to the total amount needed to satisfy the overpayment claim. If a household is entitled to a supplement and there is an open over issuance claim for months prior to the under issuance month, the amount recouped will be \$10.00 or 10% of the supplement, whichever is greater, up to the outstanding over issuance amount. Households determined to have committed an IPV must have an allotment reduction of \$20.00 or 20% whichever is greater.</p>
	<p>FAIR HEARINGS AND CLAIMS The CSC will re-notify the household of a claim determined within fair hearing decision. If the amount of claim is not included in the fair hearing, the CSC will send the household a demand notice.</p>
	<p>METHODS OF REPAYMENT</p> <ol style="list-style-type: none"> 1. <u>Lump Sum Payment</u> - The household may make a cash or SNAP payment for the entire amount of the claim. The household should not be required to liquidate all its resources to make this lump sum payment. 2. <u>Installment Payment</u> - If the household is unable to repay with a lump sum, payments may be accepted in regular installments or a partial payment and regular installments for the balance. Installment payments must be negotiated with CIU. Refer the household to CIU for the repayment agreements. 3. <u>Allotment Reduction</u> - This method will automatically be used for all households still receiving SNAP benefits. Recipient households may choose lump sum or installment payments in addition to allotment reduction. The allotment reduction is \$10.00 or 10% of the current allotment whichever is greater. Households determined to have committed an IPV must have an allotment reduction of \$20.00 or 20% whichever is greater. The household can elect to have a higher dollar amount (not percent) deducted by sending a request to CIU. Allotment reductions for households with outstanding claims who reapply for assistance will begin with the first FULL month's allotment. QAD will maintain a record of: <ol style="list-style-type: none"> a. The full allotment amount the household is eligible to receive; b. The amount withheld from the household's monthly allotment; and, c. The amount the household actually receives. SNAP benefits not accessed in 365 days are expunged and no longer available to the household. If there is an outstanding overpayment, the benefits are applied towards the overpayment prior to being expunged. This is completed at Central Office. 4. <u>Treasury Offset Program (TOP)</u> - Accounts that are delinquent for 90 days or more will be referred by CIU to TOP or the Department of Revenue for collection. Funds that can be recouped include federal salaries, income tax returns, Social Security benefits, and any warrants issued through the State Department of Revenue. Concerns regarding collections are to be referred to CIU. 5. <u>Offset Debt with Electronic Benefit Balance</u> – SNAP participants may request the OPA Case Manager to apply funds toward repayment of an overpayment claim from their Montana Access account. To remove funds from the EBT account, the OPA

	<p>Case Manager completes a 'Request to Offset form', HCS/SNAP-004. This is applied as a one-time reduction and is not for future ongoing reductions. The household's signature is required on the form. One copy must be provided to the participant and the original scanned into the client file in DMS. After scanning it into DMS, the CSC must send an email to Nancy Putz, nputz@mt.gov, and cc this to Rachel Heaton, RHeaton@mt.gov. The email should include the case number and DMS document number for the SNAP-004 form and indicate the amount of the deduction requested by the participant. SNAP participants may also verbally request to apply funds toward repayment of an overpayment claim from their Montana Access account by contacting QAD, Monica West 444-9085. NOTE: Participants should contact Customer Service for the balance in their account prior to completing the form to ensure there is the amount of benefits in the account that they want to use for repayment.</p>
	<p>COMPROMISING CLAIMS</p> <p>The department may compromise or reduce an overpayment claim or any portion of an overpayment claim if the department can determine that the household's financial, mental or physical situation will prevent repayment of the overpayment claim within three years.</p> <p>Compromises are determined per program. TANF and SNAP overpayment claims cannot be combined when determining compromise.</p> <p>Compromise will only be considered for:</p> <ul style="list-style-type: none"> a. Agency caused error claims; and, b. Inadvertent household caused error claims. <p>Compromises will not be considered for:</p> <ul style="list-style-type: none"> a. Suspected/Established Intentional Program Violation Claims; b. Claims as a result of receiving continued benefits pending a Fair Hearing; and, c. Court ordered restitutions.
	<p>COMPROMISE PROCEDURE</p> <p>The household's financial circumstances must preclude repayment of the full claim within three years as determined by the compromise formula:</p> <ul style="list-style-type: none"> a. Determine the monthly allotment for the current household size with zero income. b. Use the SNAP maximum allotment. c. Multiply the allotment/standard by 10%. d. Multiply the result by 36 months. e. Subtract the computed amount from the amount of the established claim. f. Compromise any amount in excess of the computed amount. g. Compromise any amount remaining that is equal to or less than the Department's claims establishment threshold. h. Any compromise of \$1000.00 or greater will require supervisory review. <ul style="list-style-type: none"> • Other household circumstances that may preclude repayment of the full claim within three years will be determined on a case by case basis. • Compromised claims will remain compromised even if payments become delinquent. • There is no requirement for the claim to be paid within three years. • Repayment plans can be negotiated to decrease monthly payments. • No further compromise of any specific overpayment is allowed.

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