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**WORK FIRST**

**Change # 5-2010**

**Payment Rules And Benefit Issuance**

**August 1, 2010**

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**205 - PAYMENT RULES AND BENEFIT ISSUANCE**

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**I. DETERMINATION OF PAYEE FOR WORK FIRST FAMILY ASSISTANCE**

- A. The adult caretaker relative who lives with and is responsible for the care and supervision of the child(ren) is the payee for *Work First Family Assistance (WFFA)*.

When there are two parents in the family unit, both parents must be listed as payee. (Refer to EIS instructions in the *Work First User Manual*.) Both parents are listed on all checks, Medicaid cards, and automated notices. Any manual notices or requests for information must contain both parents' names.

**NOTE:** In order for the EIS interface with ACTS to work properly, the parent who will have a child support referral completed for his children must be listed as the payee on the DSS-8125 with the second parent listed as the sub-payee. In those instances where both parents must have a referral, either parent can be listed as payee. When sending the referral to child support, indicate on the notepad that there are two parents in the case, each with their own child support case. (Refer to Child Support Procedures in the *Work First User Manual*.)

- B. In no instance can a minor parent be the payee for WFFA. When a minor parent lives with an adult, that adult receives the payment. A protective payee is required if the minor parent does not live with an adult and other eligibility requirements are met. See Section 103, and Section 107.

- C. If one of the following conditions exists, a protective payee must be designated. The protective payee is responsible for receiving the *WFFA* payment and assuring the payment is used to meet the needs of the family.

1. The adult caretaker is unwilling or unable to manage the *Work First Family Assistance* payment;
2. The adult caretaker has misused funds to the extent that the health or safety of the child is threatened;
3. There is no adult with whom the minor parent can live or such an arrangement is detrimental to the minor parent or the minor parent's child.
4. The adult caretaker does not comply with the substance abuse treatment plan without good cause. See Section 104B.

**II. APPOINTMENT OF A PROTECTIVE PAYEE**

- A. A protective payee must be an individual who will ensure that benefits are used in the best way to meet the needs of the recipient(s). Appropriate individuals may include professional staff of private agencies, interested private citizens, members of the clergy, relatives of the family, or social workers employed by the county department of social services. When a protective payee is entered on the DSS-8125, the protective payee's name as well as the caretaker's name is printed on the check.

- B. The following individuals cannot be protective payees.

1. A staff member of the State Division of Social Services or the Department of Health and Human Services;
2. The director of a county department of social services;
3. A county *Work First Family Assistance (WFFA)* caseworker or staff member with the ability to authorize WFFA payments;
4. A member of the Board of County Commissioners, County Board of Social Services, or the Social Services Commission;
5. An individual who can benefit directly from the payment such as the family's landlord, grocer, or another vendor of goods and services who deals directly with the family; or
6. An employer of a WFFA family.

**C. PROCESS FOR APPOINTING A PROTECTIVE PAYEE**

1. Ask the adult caretaker or minor parent to recommend an individual to serve as protective payee. If the person named is appropriate and agrees, appoint that person as the protective payee.  
  
If the adult caretaker is unable or refuses to name a potential protective payee, the caseworker must locate a suitable individual. A county department of social services' social worker may serve as protective payee.
2. Explain and complete the Work First Family Assistance Protective Payee Agreement (DSS-1665).
3. Complete the DSS-8125 function to establish a protective payee as instructed in the Work First User Manual.
4. Evaluate the continuing need for a protective payment at each review or as the family's situation changes.

**III. RETURNING FUNDS NOT SPENT BY A PROTECTIVE PAYEE**

A protective payee must return funds when:

1. The recipient does not respond to attempts to contact, and can not be located, **and**
2. The department of social services determines that the case must be closed because the recipient's whereabouts is unknown.

When the case is closed, if the protective payee reports Work First funds on hand or in a bank account that they are unable to spend appropriately to benefit the recipient (for example, there are no outstanding bills to be paid), instruct the protective payee to return these funds to the county department of social services.

Collect the unspent funds from the protective payee. Complete a Refund Receipt Form (DSS-1656) and give a copy to the protective payee. Send the completed form with a check from the county department of social services to:

NC DHHS Controller's Office  
Program/Benefits Payments Section  
2019 Mail Service Center  
Raleigh NC 27699-2019

Verify receipt of the funds by reviewing the Division of Social Services Adjustment Register. The report is in NC/XPTR entitled "DHRWFA ADJUSTMENT REGISTER". A negative (-) adjustment will also be posted to the recipient's EIS Check History (PC) screen.

Do not enter as a repayment into EPICS.

**IV. CHECK AND MEDICAID IDENTIFICATION CARD**

WFFA checks are issued by the Division of Social Services according to authorization by the county director or designee.

**A. Check Issuance for "Child Only" Cases**

"Child only cases" are WFFA cases which include only children and no adults are displayed on the DSS-8125. The Payment Type is 1 for child only cases.

1. Checks for active child only cases are printed once a month in "regular runs", the 4<sup>th</sup> work night from the end of the month.
2. The checks are produced in advance of the benefit month and mailed the last workday of the month. For example, January checks are mailed the last work day of December.
3. The county department of social services is responsible for checking registers from the State office against county authorizations to see that all changes have been made by data processing deadlines. These reports are listed in NC/XPTR, entitled "DHRWFA Recipient Register Run."

**B. Check Issuance for Work First Benefits (WFB)**

Work First Benefits (WFB) cases are WFFA cases in which at least one adult is displayed on the DSS-8125. The Payment Type is 2 for WFB cases.

1. EIS does not produce payments from the DSS-8125.
2. WFFA benefit amounts for active cases are displayed on an issuance screen in EIS entitled the Work First Benefits (WB) screen. Checks are issued after the caseworker verifies that MRA requirements are met for the benefit month(s) and keys the appropriate code (I) on the WB screen in the month following the benefit month.
3. WFFA benefit amounts for approved applications are automatically displayed on the WB screen after the DSS-8125 processes in EIS. The WB screen will display the ongoing and retroactive payment(s) for each benefit month.
4. A check will be produced and mailed on the second work day after the "I" has been keyed on the WB screen. For example, the "I" is keyed for the May benefit on Friday, June 4. The check will be produced and mailed on Tuesday June 8.

5. The caseworker can view benefits issued from the WB screen on the Check History (PC) screen two work nights after the "I" has been keyed to issue the check. For example, if a check is written the night of August 9, Check History is updated with the check information the night of August 10. The worker can view the updated Check History on August 11.

6. EIS does not allow issuance from the WB screen after regular run following the benefit month.

**Example:** A check for January cannot be issued from the WB screen after regular run deadline in February. The January benefit amount will be in "Frozen" status after regular run deadline in February.

7. EIS does not allow checks to be issued for a future month. For example, a February check cannot be issued in January.

See the Work First Users Manual Work First Benefit screen instructions.

### **C. Check Issuance for Cases in Sanction**

Child only or WFB cases may be sanctioned for a variety of reasons. Work First Family Assistance cases in sanction are not eligible for payment issuance until compliance. The payment type is "S" for sanction cases.

1. EIS does not produce payments from the DSS-8125 for cases in payment type "S".

2. Benefit amounts are displayed on the Work First Benefits (WB) screen in EIS but cannot be issued from the WB screen.

3. The sanction must end and the payment type must be 1 or 2 before a payment can be issued. See the Work First Users Manual for instructions on how to end a sanction.

### **D. EIS Processing Deadline**

1. The last day to make changes effective the next calendar month is known as the "program cut-off deadline."

2. The program cut-off deadlines vary from month to month to determine the monthly deadlines refer to the report in NC/XPTR, entitled "DHRHR Calendar."

3. Make every effort to key all case and/or individual changes on or before the Work First program cut-off deadline each month. This ensures that the *Work First Family Assistance* individual(s) receives the correct benefit in a timely manner.

4. Although WFB checks are not printed and mailed until they are issued from the WB screen, the program cut off deadline is the last date that a change can be made to the payment amount.

### **E. Mailing and Delivering Checks**

1. All checks except for replacement checks are mailed directly to the address entered on the DSS-8125 as given by the payee.

2. Replacement checks are mailed to the county department of social services.
3. Regular run checks for child only cases are delivered to the post office on the last workday of each month.
4. WFB checks are delivered to the post office the next work day after the "I" is keyed on the WB screen.

**F. State and County Issued Checks**

1. When an application is approved, the county has the option of issuing a county issued check for the first check and for retroactive checks.
2. Use the DMA-5022, Retroactive Eligibility, to request the following payments and/or reimbursements that may result from changes to a WFFA case.
  - a. State-issued adjusted WFFA payments
  - b. State-issued WFFA payments at application approval
  - c. Reimbursement for county-issued adjusted payments
  - d. Reimbursement for county-issued regular payments
  - e. State-issued benefit amount (s) displayed on the Work First Benefit (WB) screen and the status is "Frozen"
  - f. Add on and Inclusion if the payment is less than \$25.00
3. Instructions for completing the DMA-5022 are in the Work First User Manual.

**G. Medicaid Card Issuance**

One Medicaid Identification (MID) card is issued per year to each recipient. The annual Medicaid cards are issued by keying an indicator on the DSS-8125 for new approvals, reapplications, or add-on approvals. If an individual already has a Medicaid card from an earlier time, a new card is not needed. This process is the same for all payment types. See the Work First User Manual for Medicaid card issuance instructions.

**V. RETURNED AND UNDELIVERABLE WORK FIRST CHECKS**

When a Work First check is returned to a county department of social services because it could not be delivered or is returned by a Work First recipient, the check must be returned **within 30 days** to:

NC DHHS Controller's Office  
Program/Benefits Payments Section  
2019 Mail Service Center  
Raleigh, N.C. 27699-2019

The Program/Benefits Payments Section will cancel the check.

- A. If the check is returned, write "VOID" over the signature on an endorsed check, and send it to the address above. Do not mark over the printed information on the check.

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- B. If the check is returned by a Work First recipient, give the recipient a receipt and retain a copy of the receipt for the case record.
- C. Verify the cancellation of the check by reviewing the monthly Adjustment Register. This report is listed in NC/XPTR. The report name is "DHRWFA Monthly ADJ Register."

**VI. PAYMENT FOR DECEASED PAYEE**

If a payee dies on or after the first day of the month without having endorsed check(s) to which he was entitled, the county department of social services must deliver the check(s) to the Clerk of Superior Court who administers the funds in accordance with North Carolina law.

For example, a parent who has met all requirements for issuance of the June check dies on June 25. Issue the June check from the Work First Benefits screen (WB). The check must be delivered by the family or the county department of social services to the Clerk of Superior Court. The July check would not be issued.

**VII. LOST OR STOLEN CHECKS**

- A. When a payee reports that a State issued check has not been received, determine if the check was mailed to the recipient's current address and if the address in EIS is correct before requesting a replacement check. If the recipient has moved, determine if the check has been returned to the department of social services.
- B. When a State issued check is believed to be lost or stolen before the payee endorsed it:
  - 1. Have the payee sign immediately the Request for Replacement Check (DSS-8129). The DSS-8129 serves as a request to the Controller's Office to cancel the old check and reissue a new check in the same amount. It also serves as an affidavit; sworn by the payee that they have not and will not cash the old check should it be located.
  - 2. Complete all items on the DSS-8129 and submit immediately to:

NC DHHS Controller's Office  
Program/Benefits Payments Section  
2019 Mail Service Center  
Raleigh NC 27699-2019

Retain a copy of the completed form in the case record.

- 3. Upon receipt of the Request for Replacement Check (DSS-8129), the Program/Benefits Payments Section issues a stop payment order to the Office of the State Treasurer.

If the check has not been paid, a replacement check is issued.

- 4. If the check has been paid, the agency will receive a photocopy of the check and a Forgery Affidavit (BPS-8920). If the Controller's office does not receive forgery credit, the county is charged for the amount of the check. Use the form sent or the interactive form available online.

(<http://info.dhhs.state.nc.us/olm/forms/ooc/bps-8920-ia.pdf>)

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5. Compare the signature on the back of the check to verified signatures of the payee(s). The county is solely responsible for investigating and determining whether a replacement check is issued. Therefore, if forgery credit is not received, the county is charged for the amount of the check.

**C. Suspected Forgeries Procedures**

In any case where forgery is suspected, encourage the recipient to file a theft report with the local police department.

Submit the notarized Forgery Affidavit (BPS-8920) signed by the payee to the Program/Benefits Payments Section. Complete all fields on the form including the check number, the benefit month in the "dated" field, and amount of the check. Enter TNF in the "fund" field. Maintain a copy of the completed form in the case record and provide a copy to the payee. A replacement check is then issued.

When there is suspicion that the payee(s) endorsed and cashed the check;

1. Notify the Program/Benefits Payments Section. That section voids the Request for Replacement Check (DSS-8129) submitted originally. A replacement check is not issued.
2. Send a DSS-8110 to the payee explaining that a replacement check will not be issued and why.

**D. If a recipient reports that a WFFA check has been lost or stolen after it has been endorsed:**

1. Inform the recipient that a report can be filed with the local police department.
2. Submit a Request for Replacement Check (DSS-8129) to the Program/Benefits Payments Section. The form cannot be submitted until the endorsed check has been cancelled as outstanding after 90 days. Note on the DSS-8129 that the check was endorsed.
3. The Program/Benefits Payments Section will issue a stop payment order.

**NOTE:** If a merchant calls the agency regarding a stop payment on a check issued to their company, inform the merchant that the client is responsible for repayment. The county department of social services nor the State of North Carolina is responsible for payment to a merchant.

- a. If the check has not been paid by the Office of the State Treasurer, a replacement check is issued.
- b. If the check has been paid by the Office of the State Treasurer, a replacement check will not be issued.

It is the responsibility of the recipient(s) to take legal action if they wish. Upon request, the Program/Benefits Payments Section will furnish a copy of the paid check to the local department of social services.

**E. If at any time the recipient decides that a replacement check is not required, immediately contact the Program/Benefits Payments Section.**