
OVERPAYMENTS

EP – 810 OVERPAYMENTS

Change #1-2008

May 1, 2008

810.01 OVERPAYMENTS

A. Requirement

Unless an error is determined to be a county responsible error, federal regulations require the State and counties to take all reasonable steps to recover any overpayments promptly. Adjustments for overpayments must begin at the time the error first occurred. You are also required to take action on suspected fraud cases.

B. Definitions

An overpayment is defined as receiving more assistance than eligible to receive.

C. Overpayments

1. An overpayment occurs when:
 - a. The recipient receives assistance for which he is not eligible due to an error in processing or in applying program regulations; or
 - b. The recipient provides false or incorrect information which if it had been reported would have resulted in a denial or reduction of assistance; or
 - c. The recipient receives assistance greater than the authorized amount.
2. Collection of Overpayments
 - a. Collect all overpayments unless the county board or its designee determines that an overpayment results from suspected fraud, if so, follow the recommended of the county board or his designee.
 - b. Take prompt action to initiate recovery of all overpayments. Prompt action is defined as within the second quarter following the quarter in which the overpayment is first identified.
 - c. Attempt to collect all overpayments from the household unless the overpayment occurs because of a State or county error in processing the case or in applying program regulations.
 - d. Collect the overpayment from all income and assets of the household. Collect up to a maximum of 10% of the household's gross monthly income and resources.
 - e. Collect the recipient responsible overpayment from the recipient. You must obtain an agreement, dated and signed by the recipient, showing the amount of the repayment, when the repayment will be made, and the reason for the repayment. Give the recipient a copy and maintain a copy in the record.
 - f. If the recipient refuses to repay the overpayment voluntarily, consider initiating civil court action against the income or resources of the household.

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- g. When the original overpayment is less than \$35, do not collect.
- h. If an overpayment occurs because of a State Office error in interpreting federal and State rules and regulations, the overpayment is charged to the State.

3. Calculations of Overpayments- see EP 800 of the Energy Manual.

D. County Responsible Overpayments – Current or Prior Year

If a household receives LIEAP funds for which it was not eligible due to an error by the agency, do not collect the overpayment from the household. Complete a DSS-8201, County Responsible Overpayment Form. Submit the completed form to the following address:

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

Attention: Debbie Hawkins

The amount of the prior year overpayment will be drafted from the county s account via Electronic Funds Transfer (EFT).

E. Current Year Client Responsible Overpayments

Report the amount collected for a current year client responsible error as a negative number against current month LIEAP reported expenditures on the DSS-1571.

F. Prior Year Client Responsible Overpayments

Report the amount collected for a prior year client responsible error or vendor refund for a prior year as a negative number against current month LIEAP reported expenditures on the DSS-1571 using the new application code LIEAP PY Refunds. Refer to the DHHS Controller s Office letter dated July 15, 2005, regarding the appropriate coding. This letter is located on the Controller s Office website at:
<http://www.dhhs.state.nc.us/control/socserv/reccorr2.htm>. These funds will be deducted from the county s reimbursement and returned to the Federal government.

810.02 SUSPECTED FRAUD

Fraud is, by law, a crime against society which can only be determined in a criminal court. It is the willful and intentional act that creates the crime, rather than the resulting overpayment.

An applicant/recipient (a/r) is suspected of fraud when he willfully and knowingly with the intent to deceive:

- 1. Makes a false statement or misrepresentation; or
- 2. Fails to disclose a material fact and as a result obtains or attempts to obtain assistance.