49. Overpayment Definitions/Forms

49.1 Definitions [EAS 44-350.2]

49.1.1 Action for Civil Judgment

An Action for Civil Judgment is an action by Collections to take the client to court to recover the balance of an overpayment.

49.1.2 Administrative Overpayment

An Administrative Overpayment is an overpayment caused by the Agency (or the EW) when all the information necessary to determine the correct grant was in the possession of the county. This generally occurs when the client reports the income or change but appropriate action is not taken timely.

49.1.3 Balancing

Balancing is a method for recovering all or part of an overpayment by applying it against a payable underpayment.

49.1.4 Claim ID

When a claim (over/under payment) is determined and authorized in CalWIN, it is assigned it's own unique ID number (Claim ID) that is linked to the Eligibility Determination and Benefits Calculation (EDBC) run and historical data that resulted in the claim's creation.

49.1.5 Client Error (aka Other) Overpayment

A Client Error (CE) (aka Other) Overpayment is an overpayment which does not meet the criteria to be considered an administrative overpayment, a fraudulent overpayment, an IPV, or a technical overpayment.

49.1.6 Collect

Collect means to recover CalWORKs funds which are overpaid to a person by using collection methods other than grant adjustment.

49.1.7 Corrective Payment

A Corrective Payment is a payment made to an AU when it is determined that the AU has been underpaid. This usually occurs as the result of a retroactive court order, delayed implementation of regulations, or the correction of a misinterpretation of regulations.

49.1.8 Demand for Repayment

A Demand for Repayment is a notice sent by Collections to the client, stating that an overpayment has occurred and that the client must repay these funds. This may be sent at the same time as any other notices of overpayment and/or adjustment.

49.1.9 Extended Filing Date

The Extended Filing Date is the date the SAR 7 must be received in order for the recipient to have continued CalWORKs eligibility. The SAR 7 must be received by the end of the business day on the first working day of the payment period in order for the recipient to continue eligibility without a break in aid.

49.1.10 Fraud

Fraud exists when a person, on behalf of himself or others, has:

- Knowingly and with the intent to deceive or defraud made a false statement or representation to obtain benefits, obtain a continuance or increase of benefits, or avoid a reduction of benefits.
- Knowingly and with intent to defraud failed to disclose a fact which, if disclosed, could have resulted in denial, reduction, or discontinuance of benefits.
- Accepted benefits knowing that there was no eligibility for those benefits, or accepted any amount of benefits knowing that this was greater than the amount to which entitled.
- Made statements which that individual did not know to be true for the purpose of obtaining, continuing, or avoiding a reduction or denial of benefits.

A notification that fraud has occurred will be sent by the IEVS unit to the assigned EW. This decision is NOT made by EW staff.

49.1.11   Grant Adjustment

Grant Adjustment is a method of recovering an overpayment by reducing the grant of a currently eligible individual or AU.

49.1.12   IPV

An Intentional Program Violation (IPV) is a determination made by a state or federal court, or pursuant to an Administrative Disqualification Hearing, that an individual has intentionally:

- Made a false or misleading statement or misrepresented, concealed, or withheld facts, or

- Committed any act intended to mislead, misrepresent, conceal, or withhold facts or propound a falsity, and

- Committed these acts to establish or maintain CalWORKs eligibility, or to increase or prevent a reduction in the amount of the CalWORKs grant.

49.1.13   Liable Individual

The person who is determined to be accountable for the claim (overpayment/overissuance). This person will be responsible for collection on the claim via methods such as monthly grant recoupment, cash payments, or tax intercepts.

49.1.14   Liquid Resources

Liquid Resources include cash, other financial instruments such as checking and savings accounts, securities, stocks, bonds, mutual fund shares, cash surrender value of life insurance policies, promissory notes, mortgages, and deeds of trusts.

49.1.15   Month of Discovery

The Month of Discovery is the month in which the county obtained information sufficient to support a determination both that an overpayment occurred and the amount of the overpayment. When information is required from the client, the month of discovery is the month the information is received and the EW can take appropriate action.

49.1.16   Overpayment

An Overpayment is any amount of aid an AU has received to which it is not eligible. This may be all or a portion of the aid payment. It includes but is not limited to, an immediate need payment, a special need payment or aid paid pending state hearing.

49.1.17 Recoupment

Recoupment is the method of recovering an overpayment by grant adjustments, or voluntary grant offset from individuals or the AU.

49.1.18 Recovery

Recovery is any method of getting back CalWORKs funds which were overpaid. Methods of recovery include grant adjustment (recoupment), voluntary grant offset, voluntary cash recovery, demand for repayment, action for civil judgement and balancing.

49.1.19 Regrouping

When the data (i.e. discovery date, error type or claim amount) in a claim is changed in CalWIN and EDBC is run again, a new EDBC number is assigned and the recalculated claim is assigned a new number based on the new EDBC run. The old claim number does not disappear within the system, but is closed out as "recalculated." This allows historical data to remain available for tracking purposes and to create an audit trail.

49.1.20 Supplemental Payment

A Supplemental Payment is issued to an eligible AU when the current budget is recomputed and determined that the client is due a payment in order to receive the correct amount of CalWORKs for the month.

49.1.21 Technical Overpayment

Technical Overpayment is one which meets ALL four of the following requirements:

- The client fails to meet a condition of eligibility for CalWORKs. Examples of this include, but are not limited to, failing to:

  - Secure a Social Security Number.

  - Assign support rights.

  - Meet the Sponsored Alien requirements.

  - Apply for potentially available income.

  - Apply for UIB.

- The client's failure to meet the condition of eligibility is caused by the state, county, or EW error and not by the client's error.

- The amount of aid paid would have been the same had the client met the condition of eligibility.

- This overpayment is discovered, calculated or recouped after January 1, 1985.

49.1.22   Underpayment

An Underpayment occurs when the applicant or recipient receives less than the amount to which the AU is entitled in a given month or months. If an underpayment comes to the attention of the EW, reasonable steps to correct the underpayment must be taken.

49.1.23   Unlocatable

Unlocatable means either of the following:

- The EW is unable to determine the physical whereabouts of the overpaid payee, or

- The overpaid payee can be located but the county is unable to execute a legal process to collect. This occurs when the payee is no longer on aid, the overpayment is nonfraudlent and the balance of the overpayment is less than $35.

49.1.24   Voluntary Cash Recovery

Voluntary Cash Recovery is a repayment voluntarily made to the county by a recipient who has incurred an overpayment.

49.1.25   Voluntary Grant Offset

Voluntary Grant Offset is a voluntary repayment made to the county by a recipient's foregoing all or a portion of a grant for which he or she is eligible.

49.2   Notification of Overpayment Adjustment Activity

Claim records remaining in the **Benefit Recovery** subsystem are used to notify another county of the balance on an overpayment when adjustment activity on the overpayment has occurred in this county.

The EW must print overpayments/overissuance records from the **Display Benefit Discrepancy** window in the Benefit Recovery subsystem and send it to the new county with the "Intercounty

Overpayment/Overissuance Adjustment Request"
(SC 14) and the overpayment NOA when:

- The case is closing and a balance remains on the overpayment.

- The overpayment balance has been recovered in full.

49.3 SC 14, "Intercounty Overpayment Adjustment Request"

49.3.1 Usage

The "Intercounty Overpayment/Overissuance Adjustment Request" (SC 14) is used when an CalWORKs AU with an outstanding overpayment balance is being transferred to another county. The EW must attach copies of all documentation which supports the outstanding balance. This includes copies of the NOAs, screen print from the **Benefit Recovery** subsystem, and any other documentation.

49.3.2 Completion

The SC 14 is completed by the EW making appropriate entries in the spaces provided, based upon the specific situations in the case.

When initiating the ICT, send the SC 14 and any supporting documents including the "Notification of Intercounty Transfer" (CA 215), if applicable. When the receiving county adjusts the overpayment or closes the CalWORKs case, they are asked to notify Collections in our county of any remaining balance on the overpayment.

49.4 Fraud Referral to Special Investigative Unit"

Fraud referrals are processed through the **Client Referral subsystem** of CalWIN only when the EW suspects that fraud is occurring, or has occurred, in a particular case. This is not be to be used for general referrals to Collections or for overpayment computations. Refer to the CalWIN Online User's Manual (OLUM) for step-by-step instructions.

49.5 Refer to Collections When Case Closes

When a CalWORKs program is discontinued with open and/or active overpayment CalWIN sends the claim to the Collections system, "Ventura Accounting Collection System" (VACS), via a daily interface process. This also applies to Food Stamp overissuance claims.

49.6   SC 1002, "Referral to Collections - Whereabouts of Overpaid Payee Are Known"

49.6.1   Usage

The "Referral to Collections - Whereabouts of Overpaid Payee Are Known"
(SC 1002) is used to refer an overpaid payee to the Collections Manager when:

- The whereabouts of the overpaid payee are known, and
- Collection activity must be instituted against that individual as recoupment by grant adjustment cannot occur.

49.6.2   Completion

The SC 1002 is completed by the EW making the appropriate entries in the spaces provided, based upon the information in the case record or information provided by the current payee.

49.7   "Supportive Services Repayment Agreement" (WTW 12)

49.7.1   Usage

The WTW 12 is used by the CWES worker to inform the overpaid individual of the repayment terms and conditions. It also includes different methods of repayment. The overpaid individual will have to mark their choice of how they would want to repay the overpayment. The CWES worker enters the Repayment Agreement in CalWIN indicating the method of repayment the client selected, including a Grant Adjustment.

49.7.2   Completion

The CWES worker completes this form by making appropriate entries in the spaces provided, based upon the specific situations in the case. The "Overpayment Notice" (WTW 11) and the "Overpayment/Underpayment Computation" (SC 1842C) are sent by the CWES worker with the WTW 12 when notifying the individual of the overpayment.