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Informational Letter

Section 1

Transmittal:	04-INF-16
To:	Local District Commissioners
Issuing Division/Office:	Temporary Assistance
Date:	June 23, 2004
Subject:	Electronic Benefit Transfer (EBT) Voluntary Repayment of Overpayments
Suggested Distribution:	Temporary Assistance Directors Food Stamp Directors Fiscal Directors EBT Coordinators Staff Development Coordinators Fraud Coordinators Accounting Supervisors
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Attachments:	LDSS- 4844: "Agreement For Voluntary PA Repayment From Cash EBT Account" (Attachment I) LDSS- 4845: "Agreement For Voluntary FS Repayment From FS EBT Account" (Attachment II)
Attachment Available On – Line:	<input checked="" type="checkbox"/>

Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
00 ADM-8 01 INF-17		352.31(d) 387.19	7 CFR 273.18 (g)(2)	EBT Fiscal Manual	

Section 2

I. Purpose

The purpose of this informational letter is to advise local districts of a standardized format for a case payee to voluntarily repay a Temporary Assistance (TA) or Food Stamp (FS) overpayment through the Electronic Benefit Transfer system (EBT). With the new standardized format, locally developed forms may no longer be used.

II. Background

In EBT, cash and FS benefits are authorized to a payee's cash account and FS account respectively, which are currently maintained by the EBT contracted vendor. A payee may voluntarily repay all, or part, of an established cash or FS overpayment by authorizing the local district to deduct the required funds from the appropriate EBT account. To deduct the funds, local district fiscal/accounting staff have access to a repayment function on the EBT vendor Administrative PC system (Admin PC) (function 8). Local district fiscal/accounting staff have received training regarding the repayment function. This procedure may be referenced within the State EBT Fiscal Manual.

The LDSS-4844: "Agreement For Voluntary PA Repayment From Cash EBT Account" (Attachment I) and LDSS-4845: "Agreement For Voluntary FS Repayment From FS EBT Account" (Attachment II) have been specifically developed for use in the EBT voluntary repayment process for active cases. There is a special shaded area at the bottom of the forms to be completed by fiscal/accounting staff upon successful implementation of this procedure. These forms are not vendor printed and will have to be reproduced locally as needed. Both of these forms can also be downloaded from the LDSS E-Forms website at http://sdssnet5/otda/ldss_eforms/default.htm for this purpose.

The existing LDSS-4053: "Food Stamp Repayment Agreement" (vendor printed) and LDSS-4790: "Public Assistance Repayment Agreement" (camera ready only) are being revised to accommodate voluntary repayment through EBT for closing or closed cases. We expect that printed versions of the LDSS-4053 will be available through the normal forms ordering procedures and a downloadable version of the LDSS-4790 will be available for use, in August 2004.

III. Program Implications

Use of the Admin PC Repayment Function (Function 8)

The repayment function may be used in the following situations:

- A. An individual is the current payee for an active TA or FS case, and the payee wishes to repay an overpayment with benefits authorized through that case.
- B. An individual is the most recent payee on a closed or closing TA or FS case, and the payee wishes to repay an overpayment with benefits authorized through that case.

A payee may allocate any amount available in his/her cash account to repay a cash overpayment, or any amount available in his/her FS account to repay a FS overpayment, up to the amount of the actual outstanding overpayment balance. Each repayment involving a particular account is a separate Admin PC transaction, and a separate repayment form is required for each account debited. The amount designated as the repayment amount cannot exceed the balance in the payee's account. If the repayment amount attempted does exceed the account balance, the repayment transaction will not be completed. The repayment screen will indicate a transaction error due to insufficient funds, and inform the user of the actual account balance. If this situation should occur, the local district may deduct what is currently available and/or attempt to complete the repayment transaction by the end of the month following the month in which the payee authorized the repayment. If at this time the local district is

still unable to complete the repayment transaction for the amount indicated, the repayment agreement for EBT purposes will be considered null and void. The local district should not continue to pend the same repayment agreement beyond this point. The repayment forms are intended to obtain the payee's permission for a one-time deduction from their account at the time the repayment is authorized by the payee. This is also true if the payee checks the box on the repayment form that indicates to take everything in the EBT account, up to the amount of the overpayment. This should be treated as a one-time deduction when the local district receives the form. If the payee wishes to make other EBT repayments, the payee will need to complete subsequent repayment forms when benefits become available. Due to program requirements and system design, a FS account cannot be debited to repay a cash claim, and a cash account cannot be debited to repay a FS claim.

In the voluntary repayment process, the forms mentioned above will serve the following purposes:

1. They will document the payee's permission to allow the local district to access the payee's cash or FS account and debit a specified amount or an entire account balance to apply toward an outstanding TA cash or FS overpayment. The local district must have the payee's signed written permission in order to access the payee's account(s) via the repayment function.
2. They will act as an action transmittal to local district fiscal/accounting staff who use the Benefit Repayment function on the Admin PC.

For a situation in which the local district has contact with a payee of an active FS or TA case who wishes to voluntarily repay an overpayment by authorizing access to his/her cash and/or FS account as outlined in the criteria above, a LDSS-4844 and/or LDSS-4845 must be completed, signed by the payee, and sent to appropriate staff for action. Procedures need to be in place to insure that these forms are properly routed to the correct area that will perform this function on the Admin PC. If necessary, these forms may be mailed to the payee for completion of the appropriate EBT repayment section, and authorizing signature of the payee. In order for fiscal/accounting staff to take action through the Admin PC, the LDSS-4844 and/or LDSS-4845 must be completely filled out, including payee signature and worker signature. There must be a separation of duties so that the worker who initiates completion of these forms with the payee is not the same person who performs the repayment function on the Admin PC. In order to determine an appropriate repayment amount, the worker completing the LDSS-4844 and/or LDSS-4845 should confirm for the payee the amount owed.

The same principles apply for any LDSS-4053 and LDSS-4790 forms received by the agency indicating a payee's desire to voluntarily repay all or part of an overpayment through their EBT account. Procedures also need to be in place to insure that these forms are routed to the proper agency location for appropriate action. Before agency action is taken, these forms should be reviewed to make sure they are properly completed, signed and dated by the payee.

Instructions for the Accounting Section

Local district staff responsible for performing the repayment function on the Admin PC must keep a copy of the appropriate repayment form, and a print of the updated repayment screen. All information required for data entry on the repayment screen will be contained in the repayment forms. The shaded area at the bottom of the forms is for accounting use only, and will need to be completed as follows:

Date Entered on Admin Screen: The date that the accounting worker enters the transaction on the Admin PC.

Transaction Amount: The repayment amount entered in the Admin PC (this amount cannot be greater than the amount authorized by the payee.)

Entered By: Signature of the worker entering the repayment in the Admin PC is required.

Date Verified: Date the repayment is verified on the monthly CAMS repayment report. CAMS will post EBT repayments on the fourth weekend of the month for Upstate districts. In NYC, CAMS produces daily reports for postings. For non-CAMS districts, the date the district posts the repayment to the claim on their claims system is OTDA (Rev. 3/2004)

the date that the repayment is verified. Once the repayment has been verified and the form has been completed, a copy of the completed form should be returned to the worker who sent it.

CAMS Implications

For Upstate districts, voluntary repayments will be posted to CAMS once a month on the fourth weekend. In NYC, WMS posts the voluntary repayment transactions on a daily basis and those transactions are then passed to CAMS each day. CAMS will produce both a FS Voluntary Repayment Activity Report (Upstate file name RPYACTFS00 and NYC file name WINR0801) and a TA Voluntary Repayment Activity Report (Upstate file name RPYACTPA00 and NYC file name WINR0803).

Each report consists of two parts:

Part 1 - Lists repayments posted to claims.

Part 2 - Lists unposted repayment amounts. See Section 6 of the CAMS manual for examples of these reports.

An unposted amount would occur if the repayment amount is more than the outstanding claim amount, or if there are no outstanding claims. Local districts will have to reissue any unposted voluntary repayment amount to the payee.

Non-CAMS districts must manually post the voluntary repayments to the claim on their claim system.

Repayments processed by the EBT vendor will be reported on the daily EBT Exceptions Accounting List and the Worker Action List produced by BICS.

Issued By _____

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