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<tr><td>DHR

Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201</td><td>FIA ACTION
TRANSMITTAL</td></tr>
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Control Number: 03-05	**Effective Date: September 30, 2002**
	Issuance Date: August 8, 2002

TO: **DIRECTORS, LOCAL DEPARTMENT OF SOCIAL SERVICES**
                DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
                FAMILY INVESTMENT SUPERVISORS/ELIGIBILITY STAFF
                FISCAL OFFICERS

FROM: **CHARLES HENRY, EXECUTIVE DIRECTOR, FIA**

                TED MARTIN, CHIEF FINANCIAL OFFICER

RE: **CLAIMS COLLECTION PROCEDURES**

PROGRAM AFFECTED: FOOD STAMP PROGRAM

ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND SYSTEMS

SUMMARY

On June 23, 2001, the two-way automated interface between CARES and the Central Collections Unit (CCU) was successfully migrated. As a result, CARES now generates a series of interface reports that assist Local Finance Officers to manage collection activity. This action transmittal gives a brief overview of the CARES/CCU Interface reports, and provides procedures for processing overpayments on CARES and reconciling cash receipts and CCU collections.

OVERVIEW

The reports that follow are generated on a monthly basis. Some of these reports are generated for informational purposes while others identify overpayments that still require manual intervention. Now that the interface is complete, it becomes essential that Local Department FIA and Fiscal staff work closely together to ensure that overpayment information is accurately reflected on CARES. Where possible, it is advisable that FIA identify a staff person(s) that will be responsible for handling overpayment discrepancies referred by Local Department Fiscal Staff.

➢ Overpayment Interface Reports

♦ **CCU Acknowledgement Exception report – SGXOB1PR**
This report will be generated daily and will identify cases that were not automatically updated with a debtor number. Fiscal staff will process all exceptions identified on this report. This report is sent to the Central DHR Fiscal unit for processing.

♦ **CCU Caseload Discrepancy Report – SGXOC4PR**
This report identifies cases that are on CARES but not on CCU files, or cases that are on CCU files, but are not on CARES. Cases that are not on CARES may need to be referred to FIA staff so that a BEG (Benefit Error Group) and Plan can be established. Cases that are on CARES but not on CCU will need to be reviewed to determine if the case has been paid off at CCU or removed from their records for some reason. These cases will continue to show on this report until they are corrected.

♦ **CCU/CARES Reconciliation Summary Report – SGXOC2PR**
This report identifies discrepancies between CARES balances and CCU balances. This report should be reviewed by local Fiscal staff to reconcile the overpayment balance information between CARES and CCU. If it is determined by Fiscal staff that the balance difference between CARES and CCU will require an adjustment or compromise on CARES, the overpayment will need to be referred to an FIA staff person to take the appropriate action. If an adjustment needs to be made to the CCU file, an adjustment form will need to be completed and sent to CCU. This has to be done manually and not through the interface. Cases that appear on this report will continue to be identified on a monthly basis until balances between CARES and CCU are reconciled.

♦ **CCU to CARES Exception Report – SGXOC7PR**
This report documents all payments from CCU that could not be posted to CARES. Local Fiscal staff will have to review this report and manually post payments. If the overpayment is not yet on CARES, the case will have to be referred to FIA staff to add the BEG and Plan. By adding the overpayment and the CCU debtor number to CARES (Option S from RMEN), subsequent payments will be automatically posted via the two-way interface, and no further manual intervention will be required.

The following reports are informational only:

♦ **<u>CCU Monthly Statement</u>**
This report remains unchanged, and is generated for informational purposes only to identify payment made by CCU on all DHR debts. **It should not be used to post payments. The CCU to CARES Exception Report** should be used to identify payments that require manual postings.

♦ **<u>Tax Intercept Report</u> – SGXOC6PR**
This report identifies federal and state collections resulting from tax intercepts.

♦ **<u>CCU/CARES Interface Posting Report</u> – SGXOC5PR**
This report identifies all debts collected by CCU that were successfully posted to CARES.

➢ <u>TCA/TANF AND Food Stamp Overpayment Processing</u>
There continues to be some confusion concerning the CARES/CCU interface process.   Please keep in mind the following points:

- **Only TCA/TANF (Client Code 100) and Food Stamp (Client Code 300) overpayments should be processed on CARES**. CCU <u>will</u> <u>not</u> accept paper CCU Debt Referral forms for client codes 100 and 300 debts, as this process should be handled through the interface. CCU will however accept paper Debt Adjustment forms for client codes 100 and 300 in the following situations:
    - To reduce the CCU balance amount to match the CARES balance amount
    - To separate TCA and FS debts that may have been lumped together under client code 100
    - To close a duplicate debtor number at CCU
    - To notify CCU that the customer is deceased
    - To close a debt at CCU that **<u>was never</u>** established on CARES

    For each of the above situations, a cover memo explaining the reason for the requested adjustment must accompany the adjustment forms. This information should then be forwarded to:

    Jack E. Hand, Director
    Central Collection Unit
    300 W. Preston Street, Room 500
    Baltimore, Maryland 21201

Please refer to **Section III, CARES Procedures of the <u>Overpayment and Underpayment Desk Guide</u>** for more detail on processing TCA/TANF and Food Stamp overpayments on CARES.

- Overpayments in other programs of assistance should be maintained <u>off-line</u>, and referred manually to the CCU according to procedures established prior to the CARES/CCU interface. Please refer to the CCU Client codes listed further in this transmittal.

➤ <u>Reconciling Cash Receipts and CCU Collections</u>
Effective September 30, 2001, the CARES online FNS209 report became the official record of Federal reporting for all local departments. To ensure the accurate reporting of receipts, we have attached procedures for reconciling cash receipts entered on CARES, depositing funds for receipts, and for reconciling CCU collections to CARES. In addition, we have provided a list of solutions to exceptions that may be found on the CARES/CCU Exception Report.

<u>INQUIRIES</u>

Please direct questions concerning FIA overpayment actions/procedures to Fern Parson at (410) 767-7064, and CARES Fiscal activity to Aaron Moore at (410) 767-7643.

Attachments

cc: DHR Executive Staff
       FIA Management Staff
       Constituent Services
       OIM Help Desk
       RESI

Procedures for Reconciling Cash Receipts Entered on CARES

Local departments receive a copy of the **CARES Total Monthly Receipts Report (SGXO85PR-SO18)**, which is run near month end. This report includes all receipts entered on CARES for SSI, Public Assistance recovery, and Food Stamp recovery for collections to the three payment sources listed on the report (i.e., SSI, REF, and COR). To assist in the reconciling of these receipts and to complete the **Receipt Reconciliation Worksheet** (copy attached), the local departments must provide the following: check log, cash receipts log, EBT Account Repayment log and the monthly CCU/CARES Interface reports for both the posting and exception reports (Section I of the Receipt Reconciliation Worksheet). This worksheet has four sections that should be completed to accurately account for all receipts entered into the CARES system.

♦ <u>**SSI**</u>
These are SSI checks that have been entered on CARES by the fiscal office through the LMEN screen (Option F). The local fiscal office should reconcile these receipts to their check log. Any remaining SSI checks on the log should be investigated to determine if they need to be entered on CARES.

♦ <u>**REF**</u>
These are checks that have been entered on CARES by the fiscal office through the RMEN screen (Option M) as recovery payments on BEGS. These are also payments that have been successfully posted to CARES from the CCU/CARES interface. The local fiscal office should reconcile these receipts to their check log and their copy of the CCU statements. Any remaining items on the check log or CCU statements should be investigated to determine if they need to be entered on CARES. If a BEG does not exist, the overpayment should be referred to an FIA staff person to establish on CARES.

♦ <u>**COR**</u>
These entries reflect corrections entered on an existing BEG by FIA to correct receipt posting errors or to compromise the CARES BEG amount so that it matched the CCU overpayment amount. These entries do not reflect the receipt of money by the local fiscal office.

<u>Procedures for Depositing Funds from Collected Receipts</u>

➢ SSI receipts which offset DALP Public Assistance expenditures are recorded in CARES and the money forwarded to the CARES Fiscal Unit. **Note: DALP overpayments/collections should be tracked outside of the CARES system.**

➢ Receipts for recoveries of TANF (AF) overpayments are recorded in CARES and the money is forwarded to the CARES Fiscal Unit. Please note that although CCU retains a 17% commission on TANF and DALP/TEMHA overpayments that they collect, the entire amount collected should be credited to the debtor's account. Collection fees are chargeable to project 0500.01 (PCA G5000) utilizing object 0841.

➢ All Food Stamp overpayment receipts are recorded in CARES and the money is deposited in the Comptroller's account. CCU retains 17% of Food Stamp overpayments they collect. In addition, overpayments collected by CCU through the Federal Treasury Offset Program (FTOP) are further reduced by 65%. The full amount of the overpayment collected by CCU less the 65% retention of any FTOP collections should be deposited in the Comptroller's bank account. Collection fees are chargeable to project 0500.01 (PCA G5000) utilizing object 0841.

➢ FNS 209 & 209 TOP Supplemental Reports:

♦ All Food Stamp overpayment collections are summarized on the **CARES Total Monthly Receipt Report.** This amount is equal to the amount reported on line 14 of the FNS 209 report (See Section IV of the Receipt Reconciliation Worksheet).

♦ Food Stamp overpayment FTOP collections are reported manually on the 209 TOP Supplemental Report. The federal government tracks TOP payments by weekly cycle numbers, and the local department is required to include complete cycles in monthly TOP Supplemental reports that are compiled from local reports. In order for the Department to accurately report TOP activity, all local jurisdictions must post CCU collections completely within the same period. This includes those receipts reported on the CCU/CARES Exception Report. (See Section III of the Receipt Reconciliation Worksheet).

♦ The amount deposited in the Comptroller's account is equal to the amount reported on line 22 "Cash Total" of the 209 Report **<u>Less</u>** any FTOP Federal Funds retained.

- ➢ Cash Refunds
  - ♦ <u>TANF</u>
    Post exact amount of the overpayment balance and return the excess payment to the customer. If CCU charges a commission, this fee should be charged to the local administration account.

  - ♦ <u>FOOD STAMPS</u>
    If not collected through FTOP, post the exact amount of the overpayment balance and return the excess payment to the customer.

    If the payment is collected through FTOP, post the exact amount of the overpayment and report the cash refund on the 209 supplemental. Then reduce the deposit of FS receipts by 65% and charge CCU commission to local administration.

Procedures for Verifying the Posting of CCU Collections to CARES

➤ Upon receipt of the monthly CCU statements by CCU client number, local fiscal staff must verify the net collections of all CCU client account statements to the wired deposit. CCU collections can be for debt categories established in CCU under the following CCU client numbers:

3309<u>XX</u>**100 -** Used for TCA   Customer is <u>not</u> charged a collection fee
3309<u>XX</u>**200 -** Used for DALP/TEMHA   Customer is <u>not</u> charged a collection fee
3309<u>XX</u>**300 -** Used for Food Stamps   Customer is <u>not</u> charged a collection fee
3309<u>XX</u>**400 -** Used for Foster Care   Customer is charged a collection fee
3309<u>XX</u>**600*-** Used for Miscellaneous   Customer is charged a collection fee
3309<u>XX</u>**900 -** Used for Purchase of Care   Customer is charged a collection fee

  * Client Code 600 should be used for any other debt that is not covered in the above referenced debt categories.

  (Note: XX= Local Department Code 01-30)

➤ The automated interface between CCU and CARES updates CARES with collections made by CCU for 100 and 300 coded cases. Following the monthly interface, verify that all collections reported on the 100 and 300 CCU statements are accounted for on either the **CCU/CARES Posting Report** or the **CCU/CARES Exception Report.** In addition, the amounts posted to CARES must equal the "Amount Paid Us" column on the CCU statements (See Section II of the Receipt Reconciliation Worksheet).

  Note: Cases coded 200-DALP/TEMHA should not be updated through the interface. This interface is for TANF and FS cases only. Old DALP/TEMHA cases with a Debtor Number may filter through, but new cases for this program should not be put in CARES.

➤ Receipts listed on the **CCU/CARES Exception Report** require an action to post the receipt into CARES prior to the end of the month. Listed below are the exception error messages and the required action to correct the exception.

➤ Payments posted by CCU for a case that has relocated must be forwarded to the local department where the customer resides as identified in CARES. Please refer to procedures in **Section 490.18, A& B of the Overpayment and Underpayment Desk Guide.**

CCU/CARES EXCEPTION REPORT

EXCEPTION REASONS

EXCEPTION REASON	ACTION REQUIRED
AU Number is Invalid	Refer debt to FIA to research the AU. There could be multiple AU's, or the AU may not have a debtor number. FIA staff should take the following actions: • If there are multiple AU's, research CIS to identify the correct AU. • If the BEG and Plan is established, enter the CCU debtor number on the Debt screen (option S) on RMEN. • If the BEG and plan is not established, complete this action and enter the debtor number on the debt screen. Fiscal staff should post the payment through the RECM screen.
BEG sequence number is invalid	This is an informational error message. All new referrals should have a BEG sequence number issued by CARES. This debt should be referred to FIA to review to make certain that the debtor number is present. If not, enter the debtor number on the DEBT screen (Option S) on RMEN.
Invalid Payment Type must be TF, TS or CC payment type	Fiscal staff should contact CCU to get appropriate payment type
Judgement Indicator is not Y or N	Fiscal staff should contact CCU

Reversal of Payment	May occur due to an injured spouse Claim, bounced check or a simultaneous collection from Feds. If a corresponding payment is reported, fiscal should note. Fiscal may need to refer the AU to FIA staff to take the following actions to correct the BEG amount: • Remove the existing BEG. FIA staff must <u>first</u> delete the CCU debtor number from the DEBT screen (Option S) on RMEN so that it can be re-entered once the new BEG is established. • Remove (BEG status code RM) the incorrect BEG amount that resulted from the reversal. • Re-establish and approve a corrected BEG and plan. • Re-enter the CCU debtor number on the DEBT screen (option S) on RMEN. <u>Note:</u> The above actions must be taken on the same day.
Amounts not Numeric	Fiscal staff should contact CCU
Commission & Check Amount not equal to amount posted	Fiscal staff should contact CCU to determine difference
CCU Debtor Number is invalid	Refer debt to FIA to research CARES to see if a correct debtor number exists. If a debtor number does not exist on CARES, one will need to be entered on the DEBT screen (Option S) on RMEN. CCU needs to be contacted.

BEG status code not SC or JU – Posting Completed	This is an information alert. If a debtor number is known, enter the number on the DEBT screen (Option S) on RMEN. Note: You will be unable to change a BEG status code to "JU".
AU number not found in CARES	Refer debt to FIA to research the AU Number. FIA staff should take the following actions: • If an AU exists (active closed or denied), but the BEG has not been established, a BEG and a plan will have to be established and approved. Once this is completed, enter the CCU debtor nuraber on the "DEBT" Screen (Option S from RMEN If and AU has never been established on CARES in the program code of the debt, pend and deny an AU. Once this is completed, a BEG and a plan will have to be established and approved. Once this is completed, enter the CCU debtor number on the "DEBT" Screen.
Related CCU record is in error	This error message occurs when one or more BEGS for the same AU has an error that needs to be corrected. The overpayment should be referred to FIA to research the source of the error.
No SC or JU BEGS found – Posting Not Done	If a "SC" or "JU" BEG status code does not exist, the debt will need to be referred to FIA to enter the debtor number on the DEBT screen (Option S) on RMEN. This will automatically change the BEG status code to "SC".

Payment exceeds balance for AU	Fiscal staff will need to Inquire on debtor number and verify the AU number. The exact amount of the BEG balance will need to be posted through the Receipt Maintenance Screen. Any excess money will need to be returned to the customer by writing a check from the account that the wire was deposited.