



FAMILY
INVESTMENT
ADMINISTRATION

INFORMATION MEMO

Issuance Date: August 21, 2002

Effective Date: August 23, 2002

Control Number: #03-08

**TO: DIRECTORS, LOCAL DEPARTMENT OF SOCIAL SERVICES
DEPUTY/ ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS AND CASE MANAGERS**

FROM: CHARLES E. HENRY, EXECUTIVE DIRECTOR

RE: OVERPAYMENT DEMAND LETTER (NOTICE 18)

PROGRAM AFFECTED: TEMPORARY CASH ASSISTANCE & FOOD STAMPS

ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH, AND SYSTEMS

SUMMARY:

The August 2000 UDSA Food Stamp Final Rule requires that the initial demand letter (**Notice 18**) displays how the overpayment was calculated. In addition, in October 2001, during an audit performed by FNS, MD was cited for having serious language deficiencies on this notice. FNS requires that all demand notices cover the 15 items required in the Claims Regulations. Currently some of these requirements are covered in the **Notice 18**. The required items that are not covered current within the notice are:

- The intent to collect from all adults 18 yrs. old & older in the household when the overpayment occurred.
- When the claim was calculated.
- How the claim was calculated. (This will appear on a table within the **initial** "first" Notice 18 only)
- If the claim is not paid, it will be sent to other collection agencies, which will use various collection methods to collect the claim.
- If the claim becomes delinquent the household may be subject to additional processing charges.
- The State agency may reduce any part of the claim if the agency believes that the household is not able to repay the claim.
- The opportunity for the customer to inspect and copy records related to the claim.

Effective August 23, 2002, the **Notice 18** will be modified to include the above-mentioned items. Attached is a copy of the revised Notice 18 with an explanation of the calculation table.

Please direct any questions regarding this bulletin to Gina Roberts at (410) 238-1297.

cc: FIA Management Staff
Constituent Services
DHR Help Desk
RESI
Attachments

Notice 18 – Closed AU Version

HARFORD COUNTY
DEPARTMENT OF SOCIAL SERVICES
2 S. BOND ST.
BEL AIR MD 21014

District: BEL AIR OFFICE
Customer ID: xxxxxxxxx
Case Manager: xxx xxxxx
Telephone: (xxx) xxx-xxxx
Date: xx/xx/xx

Insert in Return Envelope with
the Address Below Showing

xxx xxxx xxxxxx
xxx xxxxx xxxxx
BEL AIR MD 21015

HARFORD COUNTY DSS
FINANCE DEPARTMENT
2 SOUTH BOND STREET
BEL AIR MD 21014

INITIAL (FIRST) NOTICE

Dear xx. Xxxxxxx :

OVERPAYMENT NOTICE

We have determined that your household received more food stamps than you were eligible to receive during the month (s): xx/xxxx – xx/xxxx

Month	Amount Recvd	Right Amt	Prior Overpaid	Current Overpaid	Underpaid/ Adjustmnt	Current Balance
6/00	\$300	\$200		\$100	\$50	\$50
7/00	\$300	\$200		\$100		\$100
8/00	\$300	\$200	\$50	\$100		\$100

TOTAL OVERPAYMENT - TOTAL PAYMENT = TOTAL BALANCE
\$300.00 - \$50.00 = \$250.00

Food Stamp Claim Amount: \$250.00

The reason your household was overpaid food stamps was:
Failure to report earnings timely

Reason: Client Error
According to the Code of Maryland Regulations:
07.03.14,07.03.17.16

EVEN IF YOUR CASE IS CLOSED, YOU MUST STILL REPAY THIS AMOUNT. If you have other overpayments, we will add this amount to your balance. All adults age 18 or older that were included in the household at the time of the overpayment are responsible for

repayment. You must make payments until the total amount is repaid. If you are unable to repay the full amount, please call the telephone number listed on this notice. We may be able to reduce the amount that is owed.

If you get Food Stamps again and do not make the agreed upon payments, we will reduce your monthly benefit by 10% or \$10 (whichever is more).

Please complete the agreement below to tell us how you choose to repay this overpayment. If you do not return this completed agreement by 11/14/04, we will take further collection action. This could include referral to the State's Central Collection Unit or the Federal Treasury Offset Program, which may lead to taking all or part of your future State income tax refunds or any federal payments. Remember, you can agree in writing to repay the overpayment before we refer it for federal collection action.

REPAYMENT AGREEMENT
CUSTOMER ID: xxxxxxxxx
CUSTOMER NAME: xxxxxx xxxxxxxx
AU ID : xxxxxxxxx

I, _____, agree to pay \$_____ beginning

_____ in the following manner:

Month Year

____ In one payment for the full amount. I understand
I can pay with cash, check, or money order.

____ In monthly payments of \$_____. I will be paying by
____ Cash
____ Check
____ Money Order

PLEASE MAKE ALL PAYMENTS DIRECTLY TO THE HARFORD COUNTY
FINANCE OFFICE. PLEASE RETURN THIS AGREEMENT IN THE
ENCLOSED ENVELOPE BY 11/14/04. IF YOU ARE LATE MAKING YOUR
PAYMENTS, YOU COULD BE SUBJECT TO ADDITIONAL PROCESSING CHARGES.

Signed _____ Date _____

DO NOT MAIL CASH

You have a right to review and copy any records regarding the overpayment. If you think our decision is incorrect, you may ask for a Fair Hearing within **90 days** from the date of the first notice. Additional information about the Fair Hearing rules is on the other side of this notice.

Calculation Table Explanation:

- **Month** – month in which the overpayment occurred
- **Amount Recvd** – grant amount that was issued to the customer for that benefit month
- **Right Amt.** - grant amount the customer **should have** received for that benefit month
- **Prior Overpaid** – previous overpayment in that benefit month. This overpayment was reported to the customer in a prior notice.
- **Current Overpaid** – current overpayment amount calculated for the benefit month.
- **Underpaid/Adjustmnt** – any underpayments or adjustments (payments received) that were applied to the overpaid amount. These payments will be appearing as one payment in the first row in this column only.
- **Current Balance** - current overpaid amount for the benefit month. **NOTE:** The current balance for the benefit month **will not include** any prior overpayments for that month.

The calculation table will only be included on the initial (first) Notice 18 that is sent to the customer. To determine the overpayment amount take the “Amount Recvd” and subtract the “Right Amt”. This amount will appear in the “Current Overpaid” column.

Example: In the above Notice 18 the customer received a benefit amount of \$300 (Amount Recvd) but should have only received \$200 (Right Amt). The customer also had an underpayment for \$50.

$$\begin{array}{r r r r r} \text{Amount Recvd} & - & \text{Right Amt} & = & \text{Current Overpaid} \\ \$300 & & - \$200 & & = \$100 \end{array}$$

After the “Current Overpaid” amount is determined subtract any “Underpaid/Adjustmnt” to determine the “Current Balance”.

$$\begin{array}{r r r r r} \text{Current Overpaid} & - & \text{Underpaid/Adjustmnt} & = & \text{Current Balance} \\ \$100 & & - \$50 & & = \$50 \end{array}$$