

400 RECOVERY

401 COLLECTION OF CLAIMS

Eligibility and Payment (E&P), Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Medicaid, Employment and Training (E&T), Energy Assistance Program (EAP) and Child Care Program claims are referred to the Division of Welfare and Supportive Services (DWSS), Investigations and Recovery (I&R) Unit for establishment and/or recovery of the claim unless the program specifies other means of recoupment such as through vendor credits (EAP) or future provider payments (Child Care Program).

All claim collections are handled by either the Reno or Las Vegas I&R office depending on where the debtor currently resides, or if the debtor moves out of the state, it is assigned to the I&R office in which the debtor last resided.

402 WHO IS RESPONSIBLE FOR REPAYMENT OF CLAIMS?

402.1 TANF

All members of the assistance unit are jointly and separately liable for the value of any over issuance of benefits received by the unit. Each member of the overpaid household will be pursued for repayment of the DWSS claim.

Non-needy caretakers are considered part of an assistance unit when their failure to report or their incorrect reporting of eligibility information causes a claim occurrence.

In cases where the identified claim is a result of a child(ren)'s absence from the assistance unit, the claim is collected only from the adult members of the overpaid assistance unit.

Exception: Only TANF Loan adult household members who sign the Loan Agreement are responsible for repaying the debt.

402.2 SNAP

All adult members of the assistance unit are jointly and separately liable for the value of any over issuance of benefits received by the unit. Each adult member of the overpaid household will be pursued for repayment of the DWSS claim.

A person connected to the household such as an authorized representative or a sponsor of an alien household who actually trafficks or fails to report or incorrectly reports eligibility information and causes an claim occurrence are considered part of the assistance unit

402.3 Medicaid

Claims are recovered from any adult member of the overpaid assistance unit regardless of their current eligibility status.

If the eligibility application is completed by an individual other than the recipient, and information is found to be incorrect, that individual will also be held responsible for repayment of the Medicaid claim.

402.4 Child Care

All adult members of the child care household are jointly and separately liable for the value of any overissuance of benefits received by the child care household, unless the overissuance is the result of a Contractor error.

Relative Caretakers, Foster Parents and/or Authorized Representatives are considered part of the child care household when their failure to report or their incorrect reporting of eligibility information causes a claim.

I&R will pursue collection of non-active Provider claims when referred by the Contractor. All claims for active child care Providers are pursued by the Contractor in accordance with their contract with DWSS. Active Provider claims are normally pursued through future provider payments.

402.5 EAP

All adult members of the household listed on the application are jointly and separately liable for the value of an over issuance of benefits received by the household. Each adult member of the overpaid household will be pursued for repayment of a DWSS claim. A person connected to the household such as an authorized representative or sponsor of an alien household is also liable for repayment if it can be determined they were part or party to misrepresentation.

402.6 E&T

All members of the assistance unit are jointly and separately liable for the value of any over issuance of benefits received by the unit. Each member of the overpaid household will be pursued for repayment of the claim.

403 DEMAND LETTERS

403.1 Initial Notification / First Demand Letter Contents

The initial notification/demand letter will notify the debtor of the following:

A. Claim Information

- the reason for the claim;
- the time period the claim covers;
- the type of claim, IPV, IHE, AE or L;
- how the claim was calculated;
- any offsetting done to reduce the claim; and
- the amount owed

B. Debtor's Rights

- the debtor's right to a hearing within ninety (90) days, if there is a disagreement regarding the amount of the claim;
- the opportunity to inspect and receive copies of records related to the claim; and
- receive information pertaining to free legal assistance

C. Method of Payment

- DWSS's intention to collect from all household members liable for repayment of the claim;
- the start date and percentage of the grant amount to be applied to the claim, if applicable;
- how the debtor may pay the claim in full, or make timely payments;
- the agency may reduce the payment or the amount of the claim if the debtor is not able to pay; and
- the delinquency date and if the claim becomes delinquent the household may be subject to additional processing charges

D. Other Collection Methods

- if the claim is not paid, the agency may refer the to a civil or small claims court for judgment;
- if the claim is not paid, in whole or in part and timely, the claim may be referred to a collection agency that may use other collection methods to collect the claim; and
- if a SNAP claim is not paid, and the claim meets the criteria set forth in I&R Policy manual section 415, the agency will refer the claim to the Treasury Offset Program (TOP) where the claim will be withheld from an IRS Tax Return or other federal payment with the processing fee paid by the debtor

The Notification of Claim and Claim Repayment Agreement need not be sent if the claim is:

- terminated; or
- suspended because the action may compromise a case sent to a prosecutorial or hearings office. See I&R Policy manual section 304.3.

403.2 Initial Notification / First Demand Letter

After the initial Notification of Claim form 2521-EG/A) and Claim Repayment Agreement (Form 2521-EG/B) is mailed, I&R staff will not initiate any subsequent action until the claim becomes delinquent.

- if the debtor responds with full repayment, no further collection action is necessary;
- if the debtor communicates with I&R staff, a repayment contract may be negotiated which is acceptable to both parties;
- if the debtor sends a payment in the amount specified on the repayment agreement by the due date, this is considered the debtor's agreement to the terms of the repayment agreement and no further action is necessary unless the claim becomes delinquent;
- if the debtor fails to respond to the first demand letter within thirty (30) days (or by the specified due date) of the date the notice was mailed, send the final demand letter no later than 15 calendar days from the due date of the Initial Notification; or
- if the debtor requests a fair hearing within ninety (90) days of the initial demand for payment notice, all collection actions cease until a decision letter is issued.

NOTE: If a debtor is receiving TANF or SNAP benefits, a benefit reduction must be initiated when a claim is established for the same program. In order to prevent a claim from becoming delinquent, take into consideration the time it will take before the benefit reduction will show as a payment in the system and adjust the due date on the repayment agreement. In this situation, it may be necessary to extend the due date beyond thirty (30) days.

403.3 Final Demand Letter

- if the debtor responds with full repayment, no further collection action is necessary; or
- if the debtor communicates with I&R staff, a repayment contract may be negotiated which is acceptable to both parties.

If the debtor fails to respond to the final demand letter within fifteen (15) days of the date the notice is mailed, I&R staff will take one of the following actions:

- review the case circumstances to ensure the debtor is a resident of the State of Nevada and possesses the ability to repay the claim; and
- complete and mail the debtor a Notice of Court Filing, Form 6387-AF, if the debtor is a Nevada resident, has the ability to pay, and the total combined claim(s) is at least \$100 or more; or
- forgo mailing of the court letter and place the case on a 30-day (SNAP) or 60-day (all other claims) review if the combined amount of all program claims does not exceed \$100.

If the individual is not a Nevada resident or does not possess the ability to pay, future action the case for no more than 30 days (for SNAP claims) or 60 days (for all other claims) after which the case must be re-evaluated for pending or ongoing benefits, TOP intercept (SNAP claims only) or referral to the Collection Agency.

To determine the debtor's residence or ability to pay:

- obtain quarterly ESD printouts and retrieve new hire data on all debtors;
- identify all real property (e.g., land, buildings and structures), property (e.g., automobiles, boats and trailers), earned and unearned income;
- identify all other assets or resources belonging to the debtor; or
- obtain Department of Motor Vehicle records for driver's license and registration information.

When determining the debtor's ability to pay, I&R staff must remember certain assets may be considered, but are "exempt from execution" and include:

- industrial insurance compensation;
- life insurance proceeds;
- public employees' retirement;
- spendthrift trusts; and
- veteran's benefits

If at any time circumstances change permitting recovery action, I&R staff will initiate action to recover the claim without repeating steps already accomplished.

403.4 Court Letter/Action

After mailing of the Notice of Court Filing, I&R staff will wait at least ten (10) days from date the court notice was mailed before case submission to Justice or District Court.

- if the claim is paid in full, no further action is necessary;
- if the debtor communicates with I&R staff, a repayment contract may be negotiated which is acceptable to both parties;

- if the debtor fails to respond to the Notice of Court Filing within ten (10) days of the date the notice is mailed, I&R staff will:
 - prepare the case for submission to small claims court if the amount owed is \$5,000 or less; or
 - if the amount owed is more than \$5,000, transmit a written request to the appropriate Deputy Attorney General requesting District Court action for recovery of the claim.

Once a judgment has been made, pursue a wage garnishment or any other method of repayment to recover the claim. If no payment has been made after 180 days of the judgment, I&R staff may refer the claim to the collection agency if it meets the criteria.

A. Renewing Judgments

Each claim with a judgment should be evaluated after six years, prior to the statute of limitation expiring, to see if the judgment should be renewed. Review the following criteria to determine whether you should renew a judgment:

- the claim balance is greater than \$100.00; and
- the debtor owns property or is employed

404 STATUTE OF LIMITATIONS

Nevada Revised Statutes (NRS) 11.190 and 11.200 detail limitations concerning recovery actions. Collection of claims must be accomplished in accordance with these statutes.

Three-Year Limitation:

Legal action to pursue collection of claims cannot be taken if more than three (3) years have elapsed from the notice of debt or the last payment received (whichever comes later).

Six-Year Limitation:

I&R staff may pursue **legal** action to collect claims if no more than six (6) years have elapsed from the notice of debt or the last payment received (whichever comes later) and the claim file contains, at a minimum, a:

- signed repayment agreement;
- small claims judgment on the amount;
- civil or criminal court judgment on the amount; or
- promissory note or other evidence of indebtedness

Court action aimed at recovery of a claim will not be initiated against any overpaid individual who was under the age of 18 at the time when the incorrect issuance of benefits occurred.

405 REPAYMENT AMOUNTS AND FREQUENCIES

A. Lump Sum

Claims are collected in one lump sum whenever possible.

B. Benefit Reduction

The computer calculates benefit reduction when this repayment method is used (only available for TANF and SNAP claims).

C. Installments

Payment may be accepted in regular installments if the debtor is financially unable to pay the claim in one lump sum. If the installment method of repayment is utilized, the worker determines the monthly payment amount by dividing the combined total of all program claims by thirty-six (36). Payments received should be applied equally against each program's claim.

Example: TANF claim of \$450, SNAP claim of \$250 and Medicaid claim of \$1,100.00. Total claims owed equal \$1,800. The \$1,800 owed is divided by 36 to arrive at a monthly payment amount of \$50. The monthly payment amount of \$50 is recorded on Form 2521-EG/B, Recipient Repayment Agreement.

If the debtor reports their financial circumstances do not allow them to meet the established monthly payment schedule, the worker requests the debtor to complete a Financial Statement (Form 6035-AF/B) with a Request for Financial Statement (Form 6035AF/A). The debtor completes the Financial Statement and attaches verification and documentation of all reported income and expenses.

The worker reviews the Financial Statement (Form 6035-AF/B) and subtracts allowable expenses from income. Allowable expenses include:

- shelter;
- basic utilities (gas, electricity and water);
- food; and
- child care

The minimum acceptable monthly payment is 10% of all remaining monies. In cases where the verified expenses exceed the income, the minimum acceptable monthly payment is set at \$25, unless approved otherwise by designated I&R staff. For all ongoing cash recipients, payments must not be smaller than the monthly amount collectable through benefit reduction.

406 BENEFIT REDUCTIONS

406.1 TANF

When a debtor is part of an eligible case, a portion of the program benefits will be withheld and applied against the claim.

Exception: A benefit reduction may not be applied against a TANF Loan recipient to repay an established TANF Loan debt.

When a debtor is not part of an eligible case, the debtor must make direct payments to the I&R Unit.

A. Open Cases

Benefit reduction is initiated against open cases without the assistance unit's permission even when the assistance unit fails to respond to a Repayment Letter and Agreement.

Note: The assistance unit must be notified and allowed the required 13-day adverse action period unless issues associated with the claim have already been addressed in a previous eligibility or disqualification hearing.

The amount deducted from the grant is:

- 10% of the combined total of the unaffected grant, earned and all unearned income IF THE CLAIM IS A DEBTOR ERROR; or
- 20% of the combined total of the unaffected grant, earned and all unearned income IF THE CLAIM IS AN INTENTIONAL PROGRAM VIOLATION (IPV)

The percentage deduction may result in the amount being reduced to zero or less than \$10. If the entitlement is more than \$10 with a resulting amount less than \$10 after the claim deduction, a check is issued.

If an underpayment or supplemental payment is due when there is an existing claim balance, the amount deducted from the supplemental/ underpayment is not to exceed 10% or 20%, whichever is appropriate, of the total gross benefit amount.

10% of all Restored Lost Benefits (RLB) are applied to offset the balance of the claim for open TANF cases. The full amount of the RLB is applied to the claim balance for closed cases (see manual section B-831).

Debtors wishing to repay an amount larger than the 10% or 20% calculation must pay the excess by cash, check, online bill pay or money order.

B. Closed Cases

Recovery of claims for cases which are not eligible for program benefits fall within the functional responsibilities of the I&R Unit. Notifications, follow-up and enforcement actions will be done by I&R personnel.

If an underpayment or supplemental payment is due when there is an existing claim balance, the entire amount of the underpayment or supplemental payment is offset against the claim balance. NO underpayment or supplemental payment may be issued to a debtor against a CLOSED case when there is an existing claim balance.

406.2 SNAP

When an adult debtor is part of an eligible case, a portion of the program benefits will be withheld to be applied against the claim.

When an adult debtor is not part of an eligible case, payments must be made directly to the Investigations & Recovery (I&R) Unit.

A. Open Cases

Benefit reduction is initiated against open cases where adult members are responsible for repayment, without the assistance unit's permission even when the assistance unit fails to respond to a Repayment Letter and Agreement.

Note: The assistance unit must be notified and allowed the required 13-day adverse action period unless issues associated with the claim have already been addressed in a previous eligibility or disqualification hearing.

The amount deducted from the benefit issuance prior to the posting of the EBT SNAP account:

- is equal to 10% of the gross benefit; or
- 20% of the gross benefit if the claim is classified as an IPV

If an underpayment or supplemental payment is due when there is an existing claim balance, the amount deducted from the supplemental/ underpayment is not to exceed 10% or 20%, whichever is appropriate, of the total gross benefit amount.

Restored Lost Benefits (RLB) must be applied to any active, suspended or terminated claim to offset the balance (see manual section B-831).

Debtors wishing to repay an amount larger than the 10% or 20% calculation must pay the excess by cash, check, online bill pay or money order.

B. Closed Cases

Recovery of claims for cases which are not eligible for program benefits fall within the functional responsibilities of the I&R Unit. Notifications, follow-up and enforcement actions will be done by I&R personnel.

If an underpayment or supplemental payment is due when there is an existing claim balance, the entire amount of the underpayment or supplemental payment is offset against the claim balance. NO underpayment or supplemental payment may be issued to a debtor against a CLOSED case when there is an existing claim balance.

407 METHOD OF REPAYMENT

A. Open TANF/SNAP Cases

In addition to benefit reduction, a debtor or any other party representing the debtor may make an additional payment by:

- cash;
- check;
- online bill pay;
- money order; or
- electronic benefits

B. Closed TANF/SNAP Cases

When the case is closed, the assistance unit is given an opportunity to choose a repayment method. Repayment can be by:

- cash;
- check;
- online bill pay;
- money order; or
- electronic benefits

C. Child Care Program, EAP, E&T and Medicaid Program

All Child Care, EAP, E&T and Medicaid claims referred to I&R are collected ONLY by cash, check, online bill pay and money order or in accordance with the execution of a court order or other legally authorized means.

NOTE: A claim balance may be deducted from the subsequent year's benefit amount to satisfy an EAP claim. This is the responsibility of EAP staff who must notify the I&R Unit whenever this offset is done. I&R staff will make a system adjustment to update the claim balance.

408 RECEIVING AND ACCEPTING REPAYMENT

Individuals authorized to receive payments must not perform the deposit process. These activities must be separate and performed by two different individuals and approved by the supervisor.

When receiving or accepting repayment:

- immediately stamp all checks and money orders on the back with a restrictive endorsement;
- made by cash, check, money order, online bill pay or electronic benefit, post the payment to the RCPT screen in NOMADS; and
- give or mail a copy of the receipt to the payee for payments made by cash, check, money order, online bill pay or electronic benefit

CASH MUST NOT BE SENT THROUGH THE MAIL. Payments will be deposited on Thursday of each week and the last business day of the month. When accumulated receipts total more than \$10,000, a deposit MUST be made prior to the close of the business day.

All cash, checks, and money orders must be kept in the office safe at all times until deposited.

The I&R Unit or District Office must maintain a log of all direct payments received which includes:

- case name;
- amount received;
- I&R office;
- receipt number; and
- name of person(s) accepting the cash

NOTE: Criminal restitution payments owed to DWSS are forwarded directly to Central Office Accounting via Journal Voucher (JV) from the Nevada Department of Public Safety, Division of Parole and Probation. Designated Central Office I&R staff post these payments to the RCPT screen in NOMADS and send a copy of the JV and receipt(s) to the appropriate field office for filing to the claim file. A copy of the receipt(s) showing the office and debt type (TANF, Medicaid, etc.) are attached to the JV and returned to Central Office Accounting for final processing.

409 NON-SUFFICIENT FUND PAYMENT

DWSS will not accept personal checks, business checks or online bill pay from a debtor or other party who previously submitted payment from an account containing non-sufficient funds. All future payments will be by cash, money order, electronic benefit or cashier's check.

As authorized by NRS 353C.115, staff shall charge a debtor a \$25 fee for each check or other method of payment that is returned to DWSS. Additionally, debtors or other parties who submit payment from an account containing non-sufficient funds may be subject to further action as allowed per NRS 41.620.

410 PAYMENTS EXCEEDING THE CLAIM BALANCE

If the debtor overpays a claim, send a memo to the Central Office I&R designee requesting the debtor be reimbursed. The memo must include:

- the debtor's name;
- the claim number;
- the benefit program;
- the responsible I&R office;
- the debtor's last known address;
- the overpaid balance due for refund;
- an explanation of case circumstances which necessitate a refund; and
- copies of debtor's DHIS and DEBT screens

NOTE: I&R staff shall not forward refund requests to Central Office unless the debtor has a verifiable address at which they can receive mail.

411 DEFINITION OF A DELINQUENT CLAIM

Delinquency Date – a claim becomes delinquent if not paid by the due date, which is:

- thirty (30) days from the date of the Repayment Agreement if no repayment agreement was negotiated or payment was received;
- if an acceptable repayment agreement was negotiated prior to the demand for payment date, the date the debtor fails to make the obligated payment is the delinquency date; or
- if an acceptable repayment agreement was negotiated after the original demand for payment date, and the debtor fails to make the obligated payment, the delinquency date is the original demand for payment due date

If the debtor requests a fair hearing within ninety (90) days of the initial demand for payment notice, all collection actions cease until a decision letter is issued. If the decision finds the debtor owes the claim, then payment will be demanded by a specified date (ten (10) days from the date of the new Notification of Debt and Repayment Agreement). The new delinquency date will be:

- the specified demand for payment date on the new Repayment Agreement (Form 2521-EG/B);
- if the debtor contacts the agency and enters into an acceptable repayment agreement by the demand for payment date, the delinquency date is the date the debtor misses the first obligated payment; or

- if an acceptable repayment agreement was negotiated after the demand for payment date, and the debtor fails to make the obligated payment, the delinquency date is the demand for payment date of the notice sent after the hearing decision

Examples:

December 1, 2008 is the Notification of Debt and Repayment Agreement which informs the debtor they owe a claim and demands payment by 12/31/08, debtor does not pay, the delinquency date is 12/31/08.

January 15, 2009 is the Notification of Debt and Repayment Agreement, which informs the debtor they owe a claim and demands payment by 2/14/09, the debtor enters into an acceptable repayment agreement on 2/5/09 to make monthly payments by the fifth of every month. The debtor makes timely payments but misses the 5/5/09 payment; the delinquency date is 5/5/09.

March 1, 2009 is the Notification of Debt and Repayment Agreement which informs the debtor they owe a claim and demands payment by 3/31/09. The debtor enters into an acceptable repayment agreement on 4/2/09 to make monthly payments on the second of each month. The debtor makes timely payments but misses the 7/2/09 payment. The delinquency date is 3/31/09 since the repayment agreement was not established prior to the original demand for payment date.

The process applies for debtors who request a fair hearing on their claim; however, the delinquency date will be the specified demand for payment date on the new Notification of Debt sent after the hearing decision has been rendered.

412 DEBTOR LOCATE

To locate a debtor, check NOMADS, DMV records, employment records, ANRS, INTR child support screens, and TOP notices to determine which address is the best or most likely the most recent address.

Recovery staff must initiate action to locate a debtor when mail has been returned or there is a documented loss of contact. Document all efforts made to locate a debtor. If the debtor cannot be located, future action the case for a 90-day review and attempt to locate the debtor again. Recovery staff may also seek the assistance of I&R investigative staff to help locate the debtor.

413 REVIEW OF CLAIM FOR NEXT ACTION

If a claim does not meet the criteria to be pursued through small claims court, the DAG, referral to a collection agency or TOP future action the claim for a 90-day review. Continue to evaluate the claim every 90-days, following up until the claim is paid in full or circumstances change where it meets the criteria for other means of collection. All claim recovery attempts will be documented.

Staff is encouraged to use reason and apply good judgment in making decisions. A reasonable decision made by staff based on the best information available using common sense, program knowledge, experience, and expertise in a particular situation is referred to as the “**Prudent Person Principle**”.

414 REFERRAL TO COLLECTION AGENCY

All valid and legally enforceable claims, which meet the required criteria, may be referred to the State of Nevada, Office of the State Controller for assignment to a contracted private claim collector.

A list of all claims referred to the collection agency will be sent to the Central Office I&R designee by the fifth of the following month.

414.1 Claims Referred To a Collection Agency

All public assistance claims incurred by responsible adult household members, regardless of the claim classification, will be considered for referral to the State Controller’s Office when the following criteria are met:

- no payment has been made on the account for 90-days;
- the claim is not pending adjudication;
- the claim is not in bankruptcy;
- the debtor is not currently receiving benefits where a benefit reduction may be initiated;
- the total claim is \$25.00 or more;
- at least 91 days has passed since the claim was established and the claim is delinquent and does not meet the criteria to be pursued through small claims court;
- the claim is not currently being pursued through TOP intercept or the claim does not meet the criteria for submission to TOP intercept (SNAP claims only); and
- a judgment has been issued through court; however, there have been no payments made in the last 12-months

Referral to the Controller’s Office may not be made until the debtor has been sent a final notice advising them that the past due account(s) may be subject to additional fees and referred for private collection unless the claim is paid.

Note: Most SNAP claims will not be referred to an outside collection agency due to the requirement to pursue recovery through TOP. If there is no responsible adult member with a valid SSN, SNAP cases may then be referred to an outside collection agency because they cannot be submitted to TOP without a valid SSN.

414.2 Reclamation of Claims Referred to the Collection Agency

The recovery specialist shall send the Central Office I&R designee a memorandum requesting reclamation of the referred claim from the Controller's Office when any debtor/claim is:

- approved for benefits and a benefit reduction is initiated. If benefits cease, the claim may be re-submitted to the Controller's Office as long as the claim meets the criteria;
- pending or files bankruptcy. The I&R worker will file any outstanding claims with the Bankruptcy courts; or
- submitted to the Controller's Office in error

414.3 Accepting Payment after Submission to the Collection Agency

Misdirected payments, other than misdirected cash payments, may be accepted by I&R staff from a referred debtor. The collection will not be posted in NOMADS but will be forwarded to the Office of the State Controller.

414.4 Posting Payments Made to the Collection Agency

Payments made to the collection agency are sent to the Office of the State Controller. The Controller's Office sends a Journal Voucher (JV) to the DWSS's Central Office Accounting showing payments that have been made against referred claims. Designated Central Office I&R staff will post the payments to the RCPT screen in NOMADS and distribute copies of receipts to the appropriate I&R office for filing in the claim file. A copy of the receipt(s) showing the office and claim type (TANF, Medicaid, etc.) are attached to the JV and returned to Central Office Accounting for final processing.

415 TREASURY OFFSET PROGRAM (TOP)

The Treasury Offset Program (TOP) allows money to be intercepted from federal sources (e.g., IRS tax refund and Social Security benefits, etc.) and applied against delinquent **SNAP** claims.

Claims eligible for TOP collection include:

- Inadvertent household errors;
- Intentional Program Violation errors; and
- Agency errors

Eligible claims must be referred to TOP when they are at least 180 days delinquent and meet the following criteria:

- at least the minimum amount prescribed by TOP, which is currently \$25.00;
- not included under an automatic stay due to bankruptcy;
- not currently under litigation or review;
- not currently being collected through allotment reduction;
- not currently under a repayment plan approved by the agency; and
- at least one responsible person has a valid SSN (pseudo numbers may not be submitted to TOP)

When claims meet the criteria as outlined above, the I&R worker must designate the case for TOP intercept by marking the "TREASURY INTRCPT" flag and inputting the social security number of the responsible persons in the "TRS UNT RESP PRSN" field on the DEBT details screen in NOMADS.

60-Day Notice – Due Process:

- informs the debtor their claim is being referred to TOP unless action is taken;
- allows the debtor the opportunity to inspect and receive copies of the Division's records with respect to the claim;
- allows the debtor the opportunity to review the Division's determination of the claim and the opportunity to present evidence that all or part of the claim is not past-due or legally enforceable;
- allows the debtor an opportunity to enter into an acceptable repayment agreement. If the debtor signs and returns the agreement within the due process timeframe, the claim will not be submitted to TOP. However, failure to abide by the terms of the agreement may result in the claim being referred to TOP; and
- informs the debtor that fees may be added to the claim amount

The request for review must be made in writing within the 60-day notification period to avoid the claim from being sent to TOP. The agency has thirty (30) days to review the case and inform the debtor of the decision in writing.

The agency must also inform the debtor of the intent to refer to TOP if the decision is not in favor of the debtor and the debtor's right for an FNS review.

When TOP notices are sent to the I&R offices, a copy of the notice is to be placed in the claim file and may be used to update the debtor's mailing address in NOMADS.

416 ELECTRONIC BENEFITS TRANSFER (EBT) COLLECTION ACTIVITY

416.1 EBT Claim Payment

Separate individuals must be responsible for receipting and posting adjustments. Individuals authorized to receipt adjustments should not perform the NOMADS computer posting of the same adjustment.

- A debtor, or their authorized representative, may apply EBT SNAP benefits toward an existing SNAP claim in person, by phone or by mail. An agreement to surrender EBT benefits must be secured in writing; or
- A debtor, or their authorized representative, may apply TANF EBT benefits to any claim owed to the Division.

To accomplish this:

- the worker will have the debtor or authorized representative sign and date an EBT Account Repayment Request form. If the request is by phone or by mail, an Account Repayment Request form will be mailed to the debtor or authorized representative. Once received, signed and dated, the adjustment may be completed;
- the worker will generate a receipt through the IMEN screen in NOMADS;
- the benefit account will be adjusted through the EBT administrative terminal and the payment will be posted to NOMADS; and
- give or mail the original receipt and Account Repayment Request form to the payee for payments made

Mail a copy of the Account Repayment Request form and a screen print of the EBT screen and the NOMADS payment screen to the EBT Adjustment desk (Central Office Accounting Unit) the same day.

416.2 Dormant (Stale) EBT Accounts

Definition: SNAP EBT accounts, which have not been accessed for 360 days by the debtor, are considered dormant.

A SNAP EBT account, with available benefits, which is DORMANT (360 days), but not EXPUNGED (365 days), may be applied against an existing SNAP claim. This allows a 5-day window to recover an claim from a dormant account before the benefits are expunged. Once the benefits are expunged, the benefits are no longer available to the debtor or the agency. To adjust an account:

- the I&R worker will verify by reviewing the most recent application for assistance, whether the debtor signed and gave permission to allow EBT benefits to be applied against an existing SNAP claim. If permission from the debtor cannot be verified, the worker must gain permission prior to making any adjustment to an EBT account;

- when permission is verified or obtained, a receipt will be mailed to the debtor, which will include:
 - claim balance; and
 - the net claim remaining after the benefit is applied;
- if the debtor gave permission, the I&R worker will complete a receipt and mail the original to the debtor's last known address;
- the benefit account will be adjusted through the EBT Administrative system and the payment will be posted to the NOMADS claim system;
- mail a screen print of the EBT screen and the NOMADS payment screen to the EBT Adjustment desk (Central Office Accounting) the same day; and
- make all necessary claim file entries, including screen prints

416.3 Expungement

Definition: SNAP electronic benefits not used by the debtor within 365 days from the date of availability that are returned to Food and Nutrition Services (FNS).

POSTING BENEFITS TO A SNAP CLAIM BEFORE THEY ARE EXPUNGED:

- Dormant EBT benefits will be applied against a SNAP claim automatically through NOMADS, which notifies the debtor of the adjustment.
- All adjustments must be completed within five (5) days from the date the benefits become dormant in an EBT account.

TANF EBT Benefits will be expunged if the benefits have not been used within 180 days from the date of issuance. These benefits will not be applied towards any claim.

416.4 Incorrectly-Linked and Cross-Linked EBT Errors

An incorrectly linked error occurs when an ICI number is linked to another cardholder's EBT account. When this happens, the EBT card belonging to one cardholder (debtor A), whose account was incorrectly linked through the EBT card issuance process, is cancelled. The person who just received their new card (cardholder B), which was linked to cardholder A's account rather than cardholder B's, can access cardholder A's EBT account but not their own.

Cross-linked errors are when an ICI number is linked to another cardholder's account and visa-versa. Each cardholder has access to the other cardholder's account but not their own.

Incorrectly-linked and Cross-linked errors are usually discovered when a cardholder reports:

- an incorrect benefit amount;
- an incorrect balance;
- a rejected retail transaction; or
- a non-working card

Correcting a Linked error will:

- unlink the cardholder from the wrong account and link them to their own account;
- restore benefits to the person or persons whose account was used by the other cardholder; and
- establish a link error claim against the incorrectly linked person for the amount of benefits used from the incorrect account if necessary.

The intent of this process is to assure that each cardholder has access to the correct amount of benefits they were issued. Cross-linked and Incorrect-linked errors are agency errors.

In the case of Cross-linked accounts, when calculating any potential claim, consider that each cardholders' use of the other's account may be in sum, or in part, offsetting to any supplement or claim.

Linked errors may require action by an EBT Specialist, Eligibility staff and I&R staff.

EBT specialists will:

- investigate and verify the link error;
- review the EBT account to make an initial determination of the amount, which may have been misused;
- status or cancel the card belonging to cardholder B (the card that is incorrectly linked to cardholder A's account);
- print all supporting documentation and process a claim referral;
- inform both cardholders involved a new EBT card needs to be issued in order for them to access their benefits; and
- complete and forward the Intra-Office Referral Report (Form 6009) requesting the eligibility case manager's supervisor to supplement the correct cardholder's benefits in NOMADS. Keep a copy of the 6009 in the case file

I&R staff will:

- adjust the benefit account through the EBT administrative terminal. DO NOT POST THE CLAIM/CROSS-LINKED ERROR TO THE NOMADS SYSTEM or attempt to collect the claim through benefit reduction;
- give or mail the original receipt and Account Repayment Request form to the payee for payment made;
- fax AND mail a copy of the receipt, a copy of the Account Repayment Request form, and a screen print of the EBT account repayment screen to the EBT Adjustment desk (Central Office Accounting Unit) the same day; and
- process any claims that may exist

417 REIMBURSEMENT OF COSTS AND FEES

Nevada Revised Statute 353C.135 authorizes DWSS, in addition to the claim, be reimbursed for costs and fees actually incurred to collect the claim when a person owes a claim of \$300 or more. Added costs and fees may not exceed 35% of the amount of the claim or \$50,000, whichever is less.

418 COMPROMISING CLAIMS

Under certain circumstances recovery staff may negotiate a reduced payoff amount with the debtor as long as the debtor is paying the compromised claim balance in one lump sum.

Example: Debtor received an insurance settlement and wants to pay off the claim to the Division but does not have enough money to pay the full balance. The debtor needs to payoff the claim to clear their credit so they will qualify for a loan. The claim balance is \$8,568.00; however, the debtor only received \$7,711.00 in the settlement. The debtor is willing to pay the lump sum as long as we forgive the remaining balance. The recovery specialist may accept the \$7,711.00 and adjust the remaining balance of the claim in the system to show the claim has been compromised and close out the claim.

Staff has the authority to negotiate or compromise a percentage of the claim as follows:

- I&R staff have the authority to compromise up to 10% of the claim balance (\$1,000 debt compromised to \$900); or
- I&R supervisors or their designee have the authority to compromise up to 20% of the claim balance

All other requests must be forwarded to the Chief of I&R for approval.

419 CLAIM ADJUSTMENTS

Claim adjustments are modifications to the claim amount which, when completed, will reflect an accurate remaining claim balance. Examples of situations requiring claim adjustment are:

- normal updates to a Parental Financial Obligation;
- claim calculated incorrectly; or
- claim established in system(s) incorrectly

All claim adjustment requests must be reviewed and approved by designated I&R staff. After approval, I&R staff will adjust the claim amount, narrate the circumstances regarding the claim adjustment and maintain the information in the claim file for possible future review.

420 DIVISION ADMINISTRATOR WAIVER

All program benefit claims, both debtor and agency caused, may be waived permanently and temporarily by DWSS Administrator if the claim were not the result of an intentional misrepresentation or omission by the debtor when collection would cause an undue hardship to the debtor.

Clients are required to submit documentary proof (financial statement, medical report etc.) substantiating the circumstance under which the hardship request was initiated. All information will be subject to verification by I&R staff.

Requests for hardship waivers must be submitted, in writing, by the debtor to the DWSS Administrator. Requests received by DWSS are referred to the Chief of I&R for review and recommendation of action to the DWSS Administrator.

Circumstances, which may constitute undue hardship, include, but are not limited to:

- medical hardship, which compromises the debtor's ability to repay the claim;
- collection would jeopardize the debtor's ability to provide shelter/ housing and other basic necessities for immediate family members (dependents);
or
- gross income is less than 100% of the federal poverty income guidelines

The DWSS Administrator will be advised of the I&R Chief's recommendation in the form of a letter addressed to the debtor. This letter will be accompanied by the original request and documentation of the facts used to formulate the recommended action. Upon receipt of this letter, DWSS Administrator will either endorse the recommendation by signing the letter and thereby notifying the client of the decision or returning the letter to the Chief requesting additional information or a revised letter.

If the hardship waiver is granted, the Chief of I&R or their designee will take the appropriate steps to write off the claim in the statewide computer system.

DWSS Administrator's decision is final, may not be delegated, and cannot be appealed to a hearing officer.

421 BANKRUPTCY

DWSS will represent its own interest in bankruptcy proceedings initiated by individuals owing a claim. Notify the Deputy Attorney General (DAG) and Chief of I&R when a "Notice to Creditors" is received and the DWSS claim amount is \$5,000 or greater.

Upon receiving notification, an individual has filed for bankruptcy:

- suspend all collection action, including recoupment;
- if the claim amount is \$5,000 or greater, the I&R worker will consult with the DAG to provide assistance and/or information, if needed, in determining the next course of action; or
- if the claim amount is less than \$5,000, the I&R worker will hold the claim in abeyance pending final resolution;
- resume or initiate collection action after, and in conformance with, the final court action

If the Bankruptcy Court discharges the claim, a copy of the Notice of Discharge and the affected Claim Processing Screen(s) must be sent to the Chief of I&R or their designee.

If there is a fee for filing a creditor claim, the worker must first secure the approval of the Chief of I&R before obligating DWSS.

422 CLAIM WRITE OFF

Designated I&R staff shall submit DWSS program claim to the Chief of I&R or their designee for claim write off consideration under specific circumstances only. These circumstances are:

- death;
- bankruptcy; or
- hardship (Administrator approval only)

The Chief of I&R or their designee will review the claim write off request and approve or deny. If approved, collection actions cease and the claim is removed from the DWSS's computer system. The claim file will be maintained according to DWSS record retention guidelines. If denied, routine collection activities will continue.

All claims written off during the month shall be logged on an approved spreadsheet and a soft copy sent to designated Central Office I&R staff by the fifth of the following month.

423 VOLUNTARY REIMBURSEMENT OF PROGRAM BENEFITS

Clients are under no obligation to repay correctly distributed program benefits. However, if the client voluntarily chooses to reimburse benefits, the payment should be by personal check, cashier's check or money order payable to the Nevada State Treasurer.

For repayment of TANF, SNAP, Child Care and EAP benefits I&R staff will:

- accept the payment and establish an accounts receivable in NOMADS;
- process the payment according to policy outlined in I&R Policy Manual section 408; and
- CLOG the payment transaction in NOMADS

For repayment of Medicaid benefits I&R staff will:

Send the payment instrument and a memorandum to the Accounting Unit of the Division of Health Care, Financing and Policy. The memorandum must identify the client by name and case number and indicate the payment is a voluntary reimbursement of program benefits.

I&R staff shall not assemble a claim file or establish an accounts receivable in NOMADS. If the client requests a receipt, staff will issue a non-NOMADS receipt. Staff shall maintain a copy of the packet as verification of the transaction.

NOTE: Household-initiated reimbursement of medical expenses related to Third Party Liability (TPL) issues should be referred to the Subrogation Unit of the Division of Health Care, Financing and Policy. (See MAPS 150)