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490.1 Purpose

This section describes the action a local department must take to establish, calculate and collect a Food Supplement Program (FSP) /Supplemental Nutrition Assistance Program- (SNAP) overpayment.

490.2 Establishing Claims Against a Household

- A. A recipient claim is a federal debt subject to federal collection standards, owed because of Food Supplement Program (FSP) benefit being :
1. Overpaid; or
 2. Trafficked:
 - a. The buying, selling, stealing, or otherwise affecting an exchange of Food Supplement Program (FSP) benefits issued and accessed via Electronic Benefit Transfer (EBT) cards, card numbers and personal identification numbers (PINs), or by manual voucher and signature, for cash or consideration other than eligible food, either directly, indirectly, in complicity or collusion with others, or acting alone;
 - b. The exchange of firearms, ammunition, explosives, or controlled substances, as defined in section 802 of title 21, United States Code, for FSP (SNAP) benefits;
 - c. Purchasing a product with FSP benefits that has a container requiring a return deposit with the intent of obtaining cash by discarding the product and returning the container for the deposit amount, intentionally discarding the product, and intentionally returning the container for the deposit amount;
 - d. Purchasing a product with FSP benefits with the intent of obtaining cash or consideration other than eligible food by reselling the product, and subsequently intentionally reselling the product purchased with SNAP benefits in exchange for cash or consideration other than eligible food; or
 - e. Intentionally purchasing products originally purchased with FSP benefits in exchange for cash or consideration other than eligible food.
 - f. Attempting to buy, sell, steal, or otherwise affect an exchange of FSP benefits issued and accessed via Electronic Benefit Transfer (EBT) cards, card numbers and personal identification numbers (PINs), or by manual voucher and signatures, for cash or consideration other than eligible food, either directly, indirectly, in complicity or collusion with others, or acting alone.

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NOTE: FSP (SNAP) claims are federal debts.

- B. The local department will establish a claim against any household that received more FSP benefits than it was entitled to receive. The following are responsible for repaying a claim:
1. Each person who was an adult member (age 18 or older) of a household when the overpayment or trafficking occurred, or
 2. A person connected to the household, such as an authorized representative, who actually traffics or otherwise causes an overpayment or trafficking.
- C. The establishment of a claim is accomplished by the completion of a Benefit Error Group (BEG) on the Client Automated Resource and Eligibility System (CARES).

490.3 Types of Overpayment Claims

There are three types of claims:

- A. Agency Error (AE) (also called administrative error) – An overpayment caused by a local department’s action or failure to take action. Instances that may result in an administrative error include the following:
1. The local department fails to take timely action on a change reported by the household;
 2. The local department computes the household’s income or deductions incorrectly, or issues an incorrect allotment; or
 3. The local department continues to issue benefits to a household whose certification period expires without completing a re-determination.
- B. Customer Error (CE) (also called Inadvertent Household Error) - An overpayment caused by a misunderstanding or unintended error on the part of the household. Instances that may result in a customer error include the following:
1. The household unintentionally fails to provide the local department with correct or complete information; or
 2. The household unintentionally fails to report a change in its circumstances.
- C. Intentional Program Violation (IPV) (Fraud) – Is any claim for an overpayment or trafficking resulting from an IPV. A claim is handled as an IPV claim if one of the following occurs:

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1. A court determines that a household member committed an IPV;
2. It is determined at an administrative disqualification hearing that a household member has committed an IPV;
3. A household member signs a waiver of his or her right to an administrative disqualification hearing; or
4. A household member signs a disqualification consent agreement for suspected IPV after being referred for prosecution. (Only a court or the State's Attorney or County Prosecutor can offer a Disqualification Agreement)

490.4 Establishing a Claim

A. Definitions

1. The "date of discovery" is the date that the case manager has sufficient information to determine that an overpayment or trafficking offense occurred.
2. The "date of establishment" is the date that the initial demand letter (Notice 18) is sent to the household.

B. The local department:

1. Will establish a claim against any household that received an overpayment:
 - (a) Back no more than twelve months prior to when you become aware of the CE or AE.
 - (b) Back to the month the act of the IPV first occurred. However, do not include any amounts that occurred more than six years before you became aware of the overpayment.
2. Will not establish a claim if the overpayment occurred because the local department failed to ensure that the household:
 - (a) Signed the application form;
 - (b) Registered for work; or
 - (c) Was certified in the correct project area.

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Note: If the head of household refuses to sign the application or a mandatory household member refuses to complete work registration, the local department will establish a claim against the recipient household.

3. Will not establish any **Customer Error (CE)** claim that is \$125 or less for any **non-participating** household unless:
 - (a) The claim was already established; or
 - (b) The overpayment was discovered in a quality control review.

NOTE: Local departments may opt out of applying the \$125 threshold. If a local department opts not to apply this limit on collecting claims, it must be agency-wide and not on a case-by-case basis.

4. Will not establish any **Agency Error (AE)** claim that is \$300 or less for any **non-participating** household unless:
 - (a) The claim was already established; or
 - (b) The overpayment was discovered in a quality control review.

NOTE: Local departments may opt out of applying the \$300 threshold. If a local department opts not to apply this limit on collecting claims, it must be agency-wide and not on a case-by-case basis.

5. Will establish all CE, AE and IPV claims for participating households.

490.5 Time Frame for Establishing a Claim

To be in compliance with federal and state requirements, the local department must establish the claim before the last day of the quarter following the quarter in which the overpayment or trafficking was discovered.

Reminder: The date of discovery is the date that the case manager has sufficient information to determine that an overpayment or trafficking occurred.

Example: The agency identified the suspected overpayment in October. On December 13, all verification needed to calculate the overpayment was received (date of discovery). March 31 would be the last day for establishing the claim by sending a demand letter.

Reminder: You must establish a claim, even if you cannot establish it before the last day of the quarter following the quarter in which you discover the overpayment.

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490.6 Calculating the Amount of a Claim – Claims not Related to Trafficking

Local departments will primarily use CARES to establish and calculate the amount of a claim against a household and will not establish and calculate the amount of a claim manually except to illustrate the calculation for an administrative hearing. It may be necessary to manually calculate a claim if it occurred more than 3 years prior to establishment. Refer to the Overpayment and Underpayment Desk Guide for a detailed description of how to establish a claim on CARES. The following is a description of the policy and procedure for calculating the amount of a claim against a household.

- A. Prior to calculating a claim, attempt to obtain verification that clearly documents the household's circumstances for each month of the overpayment.
 1. When pay stubs or collateral verification are not available use the Maryland Automated Benefit System (MABS) to verify earnings.
The first month that shows unreported earnings on MABS can not be an overpayment because of reporting and adverse action time.
 2. The case manager may also contact "The Work Number" on line at www.theworknumber.com or by phone at 1-800-660-3399 to verify employment.
 3. Case manager s may use the information available in a New Hires Alert to contact the customer and obtain additional verification of the employment.
- B. Determine the correct amount of benefits for each month that a household received an overpayment.
- C. Do not apply the earned income deduction to that part of any earned income that the household failed to report in a timely manner when this act is the basis for the claim. (See special procedure outlined in the Overpayment and Underpayment Desk Guide)

EXAMPLE: If a FSP household reports monthly earned income of \$500 when it actually received \$600, do not apply the earned income deduction to the \$100 in unreported earnings.
- D. Subtract the correct amount of benefits from the benefits actually received.
- E. The claim amount is the difference between the monthly allotment the household received and what it should have received for each month of the overpayment.

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- F. In CE and AE cases, do not include any amounts that occurred more than twelve months before you became aware of the overpayment.
- G. For IPV claims calculate back to the month the IPV occurred but do not include any amounts that occurred more than six years from the month the claim was identified.
- H. In cases involving reported changes, determine the first month the overpayment occurred as follows:
 - 1. If the household fails to report a change in its household circumstances within ten days of the date it becomes aware of the change, the first month affected will be the first month in which the change would have been effective had it been reported timely.

Simplified reporting households only have to report if their household income exceeds 130% of the Federal Poverty level for the household size. Otherwise they are only required to report at redetermination.

- 2. If the household reports a change in a timely manner, but the local department did not act on the change within the required timeframes, the first month affected is the first month the change would have been effective had the agency acted timely. If a notice of adverse action is required but not provided, assume (for the purpose of calculating the claim) that the maximum advance notice period would have expired without the household requesting an administrative hearing.

NOTE: In no event is the first month in which the change is effective any later than two months from the month the change in the household's circumstances actually occurred.

- I. CARES will ensure that the eligibility policy and tables used in the claim calculation are correct for the period of time the claim covers.

EXAMPLE: An error began in April and was discovered in December. However, a mass change of the Thrifty Food Plan (TFP) allowance became effective in October. CARES will use the pre-October TFP table for one part of the claim calculation and the post-October TFP table for the remainder of the calculation.

NOTE: CARES will calculate a claim back for three years. When it is before the 3-year period, the case manager must complete a manual calculation.

- J. In calculating overpayment amounts, follow the appropriate policies described in section 490.12 when different types of errors (CE and AE) occur at the same time.

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- K. When it is necessary to manually calculate the separate claim types, address each error as follows:
1. Complete a separate set of calculations for each error by using the figures that were in effect for each month the error existed. Include the error element under examination in each calculation.
 2. Subtract the monthly issuance produced by each of these calculations from the amount the household actually received to obtain the specific overpayment amount for each error.

490.7 Trafficking Related Claims

Claims arising from trafficking-related offenses will be the value of the trafficked benefits as determined by:

- A. The person's admission,
- B. Adjudication, or
- C. The documentation that forms the basis for the trafficking determination.

490.8 Initiating Collection Action (Recoupment)

- A. CARES generates the Notice 18 to the customer upon completion of the BEG.
- B. For BEG pending a PLAN, initiate collection action unless the claim is collected through offset of benefits not yet restored or from a voluntary payment from the household's EBT account or a cash payment.
 - If the customer is in Treasury Offset there is no collection action taken.
 - Collection action begins when the system generates the notice 18.

NOTE: The local department **must request** that the matter of restitution is brought before the court or addressed in any agreement between the prosecutor and the accused individual.

490.9 Failure to Respond to a Demand Letter

- A. For participating CE and AE households CARES will reduce the household's allotment by the amount prescribed in section 490.11A of this manual. Participating households can request to repay in a lump sum or installments as long as the amount agreed upon is greater than the recoupment amount.
- B. Non-participating households have thirty days to respond to the demand letter.

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If the household does not respond by paying or agreeing to repay the claim, a referral is made to the Treasury Offset Program (TOP).

490.10 Acceptable Forms of Payment

The State may collect a claim by:

- A. Reducing benefits prior to issuance. This includes allotment reduction and offsets to restored benefits.
- B. Reducing benefits after issuance. These are benefits from the household's EBT account.
- C. Accepting cash or any of its generally acceptable equivalents. These equivalents include check, or money order. It also includes credit or debit cards if the agency has the capability to accept these payments.
- D. Conducting our own offsets and intercepts. When a delinquent overpayment is referred to the Central Collection Unit, they use various methods to collect these claims
- E. Requiring a household to perform community service. This form of payment must be ordered by a court and specifically be in lieu of paying the claim.
 - Community service hours can be performed full time or part time.
 - The community service hours performed are considered a court ordered compromise

490.11 Methods of Collecting Payment

The local department may collect payments for claims against households in any of the following ways:

- A. Reduction in the FSP Allotment

The local department must:	Unless:
1. Automatically collect claims by reducing the amount of the monthly benefits the household receives.	The claim is being collected at regular intervals at a higher amount.
2. For an IPV claim, limit the amount reduced to the greater of \$20 per month or 20% of the household's monthly	The household agrees to a higher amount.

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allotment.	
3. For a CE or AE claim, limit the amount reduced to the greater of \$10 per month or 10% of the household's monthly allotment.	The household agrees to a higher amount.
4. Not reduce the initial allotment when the household is first certified.	The household agrees to this reduction.
5. Not use additional involuntary collection methods against individuals in a household that is already having its benefits reduced.	The additional payment is voluntary, or the source of the payment is irregular and unexpected such as a State tax refund or lottery winnings offset.

NOTE: When establishing a plan on CARES to collect payment, indicate "EC" (eligibility computation) on the PLAN screen, in the payment source field and the system will calculate the correct percentage of the allotment to be recouped each month.

B. Benefits from EBT accounts.

The local department must permit households to pay claims using benefits from its EBT account.

1. For collecting from active or reactivated EBT benefits....	
The local department... needs written permission, which may be obtained in advance and done according to #4 below.	Or... oral permission for one time reductions with the local department sending the household a receipt of the transaction within 10 days.
2. For collecting from stale EBT benefits...	
The local department... must mail or otherwise deliver to the household written notification that it intends to apply benefits to the outstanding claim.	And... Give the household at least 10 days to notify you that it does not want to use these benefits to repay the claim.
3. For making an adjustment with expunged EBT benefits	
The local department... must adjust the amount of a claim by subtracting any expunged amount from the EBT account if you are aware of it.	And... This can be done anytime.

4. At a minimum, any written agreement with the household to collect a claim using active EBT benefits must include:

- (a) The statement that this is voluntary;

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- (b) The amount of the payment;
- (c) The frequency of the payments (i.e. monthly or one-time only);
- (d) The length, if any, of the agreement; and
- (e) A statement that the household may revoke the agreement at any time.

C. Lump Sum

- 1. The entire claim is paid.
- 2. A portion of the claim is paid.

NOTE: In neither case (1 or 2 above) is the household required to liquidate all of its resources in order to make payment.

D. Installments

- 1. The household may choose a negotiated monthly payment schedule to repay any claim balance.
- 2. For active cases the negotiated payment amount may not be less than the amount that may be recovered through allotment reduction as described in section 490.11 A.
- 3. The household may use its Electronic Benefit Transfer (EBT) account to make full or partial payment of any monthly installment.
- 4. Inform households choosing either method of repayment (lump sum or installments) to submit all payments to the fiscal office.

E. Public Service. If authorized by a court, the household may pay the value of a claim by performing public service.

490.12 Collection of Multiple Claims

- A. If a household has multiple claims against it, the type of claim determines the monthly re-payment amounts.
- B. CARES recovers claims of the same type sequentially applying the appropriate monthly rate. (The completion of a plan and proper BEG status on CARES determines the correct recoupment percentage.)
- C. CARES collects claims against households hierarchically according to which claim was established first.

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Example: AE is opened first. Then a CE is established. CARES will finish collecting on the AE before collection begins on the CE.

490.13 Failure to Comply with a Payment Schedule and Determining Delinquency

A. When a nonparticipating household fails to submit a scheduled payment in accordance with the households signed repayment Agreement, CARES initiates a secondary Notice 43 (Repayment Agreement).

- A notice 43 is ***only sent when a payment is not received on the due date.***

B. A claim is delinquent when:

1. The claim has not been paid in full by the due date in the initial demand letter (notice 18) and the household has not made a satisfactory payment agreement with the local agency.

Note: The date of delinquency is 30 days from the date of the initial demand letter (Notice 18). Once established, the date of delinquency does not change, except as a result of a fair hearing. The Fair Hearing decision notice or a subsequent demand letter will establish a new due date for payment or agreement by the household.

2. A payment arrangement has been established and a scheduled payment has not been made by the due date.

Note: The date of delinquency is the due date of the missed payment. The claim will remain delinquent until the claim is paid in full.

3. A customer fails to make a payment on a monthly basis in the amount specified in the repayment agreement, the debt is delinquent.

For Example:

Ms. January agreed to pay \$50 on the 10th of every month; in April she sends in \$100, but no payment in May. The date of Delinquency is May 10th
Mr. Joseph agreed to pay \$100 on the 15th of every month. In June he sends in \$50. The date of Delinquency is June 15th

C. A claim is not delinquent if another claim for the same household is being paid through an installment plan or recoupment.

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- D. A claim is not subject to the requirements for delinquent debts if the local department is unable to determine the delinquency status because collection is coordinated through the courts.

490.14 Fair Hearings and Claims

- A. A claim awaiting a Fair Hearing is not considered delinquent.
- B. If the Administrative Law Judge determines that a claim does, in fact, exist against the household, the local department **must re-notify** the household of the claim. Delinquency is based on this subsequent notice.
- C. If the hearing official determines that a claim does not exist, the claim is terminated and written off.

490.15 Criteria for Terminating Collection Action

Terminate any claim for a **non-participating household** if it meets **any** of the following criteria:

- A. Any claim found to be invalid in an fair hearing, administrative disqualification hearing or court determination or those claims that were found to have been established in error or loss of documentation.
- B. Any claim in which all adult household members are deceased and the local department does not plan to pursue collection from the estate.
- C. Any delinquent claim that has \$25 or less remaining on the claim, and the claim has been delinquent for 90 days or more.
- D. Any claim that is delinquent for 3 years unless there are plans to pursue the claim through the Treasury Offset Program (TOP). These cases would have been referred to the Central Collection Unit or referred to TOP by DHR.
- E. The household cannot be located.

490.16 Household Repayment Responsibility

- A. The local department will initiate collection action against the household that received the overissuance.

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B. If a change in household membership occurs, initiate collection action against any household that contains a member who was an adult member of the household that received the overissuance.

- CARES cannot process and account for multiple payments from separate sources. This process must be completed manually.

Example: Mr. and Mrs. Smith were on FSP and have an OP. They have gotten a divorce and both receive FSP benefits separately. Both are responsible for the previous OP. CARES cannot track the same OP case on both cases.

C. All adult members of a household that received an overissuance are jointly and severally liable for the repayment of the overissuance.

490.17 Claim Compromise

The department may compromise or reduce an overpayment claim or any portion of an overpayment claim if the department can determine that the household's financial situation will prevent repayment of the overpayment claim within three years.

A. Except as indicated in Section B below compromise will only be considered for:

B.

1. Agency caused error claims; and,
2. Inadvertent household caused error claims.

B. Compromises **will not be** considered for:

1. Established Intentional Program Violation Claims unless the individual has a proven change in economic circumstances that would prevent the individual from making restitution within three years
- Before compromising the amount of the debt, determine whether full restitution can be made if the customer is provided a longer span of time to repay such as 4 years or 5 years.
2. Court ordered restitutions.
3. Claims that have been sent to the Treasury Offset Program (TOP)
 - A claim that has been set to TOP **can be overridden** due to the customer's economic hardship. This allows the state to decrease the amount of the individual's monthly offset.

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- The LDSS must recalculate the amount the household can afford to pay using the compromise standards.

Example: Mrs. Johnson had an overpayment of \$1900. The OP was sent to TOP for collection. Mrs. Johnson was employed. She was paying \$200 per month. She now states she has a serious illness and cannot work. Her income is reduced to half of what she earned before. She asked for the payment to be reduced.

The case manager calculates Mrs. Johnson's reduced income and expenses based on the compromise procedures in Section 490.17-1 below and determines what her new payment should be.

Note: As of 3/2017, Gina Roberts in the Bureau of Systems Development and Management (BDSM) maintains responsibility all for TOP interactions. The case manager contacts Ms. Roberts (gina.roberts@maryland.gov) to discuss the need for the compromise with her.

490.17-1 COMPROMISE PROCEDURE

- A. If the full or remaining amount of any claim cannot be liquidated in three years, the local department may compromise the claim by reducing it to an amount that allows the household to make full restitution within three years.
 - The customer must put the request to compromise the claim in writing.
 - The decision to accept or deny the compromise must be in writing.
 - The decision must be based on the customer's economic circumstances at the time of the request.

- B. The household's financial circumstances must preclude repayment of the full claim within three years as determined by the compromise formula:
 1. Determine the monthly allotment for the current household size with zero income.
 - Use the Food Supplement Program maximum allotment.
 2. Multiply the allotment/standard by 10%.
 3. Multiply the result by 36 months.
 4. Subtract the computed amount from the amount of the established claim. Compromise any amount in excess of the computed amount.
 5. Compromise any amount remaining that is equal to or less than the claims establishment threshold.
 6. Any compromise of \$1000.00 or greater requires supervisory review.
 7. Other household circumstances that may preclude repayment of the full claim within three years will be determined on a case by case basis.

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- B.** Once a claim has been compromised, the claim will remain compromised even if payments become delinquent or the customer's financial circumstances change. The reinstatement of the compromised portion is prohibited except as in C below.
- C.** A claim that was compromised based on information provided by the household that was later found to be fraudulent may be re-established.
- D.** There is no requirement for the claim to be paid within three years.
- E.** Repayment plans can be negotiated to decrease monthly payments.

Example A:

Mr. B has a \$1,000 claim because had an unintentional customer error (IHE). His only income is his Social Security retirement benefit. He can barely pay all of his living expenses with his income. He said and submitted financial documentation (monthly expenses) that confirms he can afford to pay \$10 a month towards his FSP claim. The agency multiplies his \$10 payment by 36 months = \$360 and compromises \$640 from the claim.

- The case manager will enter \$360 on the 209 and not \$640.

Example B

Mrs. James overpayment claim was established for \$1000 due to an agency error (AE). Mrs. James requests in writing a compromise stating an inability to pay the amount owed.

Determine the compromise as follows:

- The difference between her monthly expenses (rent, utilities, work expenses, child care, on-going medical expenses the household is responsible for and any expense that may be specific to the household that is on-going and prevents the household from meeting financial obligations including but not limited to a lawsuit payment, wage garnishment, vehicle payment for a vehicle used for transportation to employment), her monthly income and 10% of the resources is \$200 which is the calculated funds available for repayment.
- 10% of Mrs. James' available funds is \$20; (\$20 x 36 months = \$720), the amount the household is expected to be able to repay in 36 months.

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\$280 is the compromised claim amount (\$1000 (claim) - \$720 (amount the household can pay) = \$280).

The household must repay \$720.

The local department sends Mrs. James a letter stating her compromise request has been approved. It tells her what amount she now owes and what the payment amount is.

G. The local department of social services must document the reason for the compromise or if the request is denied.

490.18 Re-applicants and Unpaid Claims

A. Re-applicants in the Same Jurisdiction

1. When a household re-applies in the jurisdiction, clear the case at the time of application with the unit within the local department (finance, overpayment, etc.) that has record of all claims that are unpaid but not terminated.
 - Use the same assistance unit number that CARES assigned to the household initially.
2. If the case had been referred to the State Central Collection Unit (CCU) at the point of the previous closure, inform CCU of the re-opening of the case, according to the Overpayment and Underpayment Desk Guide.

B. Application in a Different Jurisdiction

1. Question applicants who disclose that the household received Food Supplement Program (FSP) benefits in another jurisdiction about the existence of any unpaid claim.
2. Review CARES to determine if an unpaid claim exists.
3. If a pre-CARES claim exists, request the following from the local department through which the household received FSP benefits:
 - (a) Records of claim payments;
 - (b) CCU referral forms, if any, and
 - (c) Disqualification material and copies of any repayment demand letters.

C. Re-initiating Collection Action at Application

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In the case of a re-application with an unpaid claim, resume collection action at the point the collection process reached prior to the previous closure.

490.19 Central Collection Unit (CCU)

- A. Central Collection is a unit within the Department of Budget and Management. It is the organization responsible for pursuing the payment of debts owed the State of Maryland.
- B. Once a case is assigned to CCU, CCU controls it. Do not change the case status, debt balance, etc. without notifying CCU.
- C. Refer all delinquent claims to CCU according to the Overpayment and Underpayment Desk Guide.

490.20 Refunds of Overpaid Claims

If a household overpays a claim, the local department will repay the household any amount overpaid as soon as possible.

490.21 Claims Discharged Through Bankruptcy

The local department may choose to act on behalf of the Food and Nutrition Service (FNS) in any bankruptcy proceeding against bankrupt households owing a FSP benefit claim.

490.22 Interstate Claims Collection

- A. When a household moves out of Maryland, we are still responsible for initiating or continuing collection action for any overpayment, unless the claim is transferred to the other state
- B. The local department may accept a claim from another state if the household with the claim moves to Maryland. Once the local department accepts this responsibility, the claim is ours for future collection and reporting.

490.23 TREASURY OFFSET PROGRAM (TOP)

- A. Customer's who have not kept their agreed upon payment or have not responded to the demand notice can be referred to the Treasury Offset Program (TOP) to have their State and Federal payments intercepted to pay their overpayment claim.

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B. Debtors Rights

To avoid having their debts referred to Treasury, the customer must do one of the following within 60 days of receipt of the TOP notice (Notice: 60).

- Repay the debt:
- Request a TOP Appeal: If they believe that all or part of the debt is not past due or legally enforceable, this request must be in writing and sent to DHRIS 1111 Eastern Ave. Baltimore, MD 21221 Attention: BSDM
- Notify the agency of a pending bankruptcy proceeding

C. Effect on customers.

- i. If the customer has their claim referred to TOP, any eligible Federal payment that they **are owed** may be intercepted through TOP.
- ii. (ii) The customer may also be responsible for paying any collection or processing fees charged by the Federal government to intercept the payment.

D. Procedures when a claim is in TOP.

- i. As a State agency, we must follow FNS and Treasury procedures when the claim is in TOP.
- ii. We must remove a claim from TOP if:
 - a. FNS or Treasury instruct you to remove the debt; or
 - b. We discover that:
 - The debtor is a member of a food supplement household undergoing allotment reduction;
 - The claim is paid up;
 - The claim is disposed of through a hearing, termination, compromise or any other means;
 - The claim was referred to TOP in error; or
- iii. We make an arrangement with the customer to resume payments. As a State agency, we must follow the procedures set by FNS on receiving and reporting TOP payments.
- iv. As a State agency, we must follow FNS procedures regarding any security or confidentiality agreements or processes necessary for TOP participation

490.24 RETENTION OF OVERPAYMENT CLAIMS RECORDS

- A.** Scan the documents into On-Base but maintain a paper record of overpayment files including all evidence, notices, letters and fair hearing documents **for three years** after the close of the fiscal account.
- B.** IPV claims must be maintained for **six years** following the closing of the fiscal account.

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- C.** These files include but are not limited to:
- all Notice 18 sent to the customer/household
 - Claim calculation documentation showing how the OP was calculated
 - All Fair Hearing documents
 - Repayment Agreements
 - TOP notice
- D.** If the OP is related to an IPV the claim information must be retained until the customer is 82 years old.