TABLE OF CONTENTS

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) GUIDANCE MANUAL

Chapter 500 - Authorization and Payment
Amount of Payment 502.1
In the Regular TANF Program 502.1 A.
In Emergency Assistance to Needy Families with Children 502.1 B.
Period Covered by Payment 502.2
In the Regular TANF Program 502.2 A.
In TANF-UP 502.2 B.
In Emergency Assistance 502.2 C.
Method of Payment 502.3
Designated Payee 502.4
Money Payments 502.4 A.
Vendor Payments 502.4 B.
Issuance of Payment 502.5
Issuance Date 502.5 A.
Mailing of Checks 502.5 B.
Direct Deposit 502.5 C.
Debit Card 502.5 D.
Emergency Payments 502.5 E.

Intrastate Transfers 502.6
Transferring the Case 502.6 A.
Transferring Agency Responsibility 502.6 B.
Receiving Agency Responsibility 502.6 C.
Handling of Appeals 502.6 D.
Medicaid Coverage 502.6 E.
Situations Affecting the Transfer Process 502.6 F.

Protective and Vendor Payments 502.7
Need for Protective and Vendor Payments 502.7 A.
Procedures for Making Protective or Vendor Payments 502.7 B.
Provision of Services 502.7 C.
Periodic Review of Need for Protective or Vendor Payments 502.7 D.
Termination of Protective and Vendor Payments 502.7 E.
Right of Appeal 502.7 F.
Safeguarding Information 502.7 G.

Definition of Improper Payment 503.1
Statutory Provisions for Refund of Overpayments
and Payments to Ineligibles 503.2
Period Subject to Repayment 503.3
Computation of Repayment 503.4
Repayment Procedures 503.5
Waiver of Certain Overpayments 503.6
Overpayments Less than $125 503 6 A.
Overpayments of $125 or More 503.6 B.
Retention of Information 503.6 C.
Intentional Program Violations (IPV) 503.6 D.

Calculating Overpayments	503.7
Determination of Continued Eligibility	503.7 A.
Determination of When the Overpayment Began	503.7 B.
Impact on Earned Income Disregards When Calculating Overpayments	503.7 C.
Support Related Overpayments	503.7 D.
Income Related Overpayments	503.7 E.
Overpayments Not Related to Income	503.7 F.
Overpayments Resulting from Incorrect Composition Of the Assistance Unit	503.7 G.
Support Collected	503.7 H.
Overpayment Resulting from Redirected Support Paid to the Client	503.7 I.
Localities Meeting 100% of Need	503.7 J.
Calculating a VIEW Overpayment	503.7 K.
Notification, Recoupment and Recovery of Overpayments	503.8
Notification	503.8 A.
Recoupment	503.8 B.
Recovery	503.8 C.
Responsibility for Overpayments	503.8 D.
Prompt Correction of Overpayments	503.8 E.
Determining Intentional Program Violation (IPV)	503.8 F.
Reporting Overpayments	503.8 G.
Retention of Overpayment Records	503.8 H.
Correction of Prior Underpayments	503.9
Offsetting Overpayments and Underpayments	503.10

Appendix I – Check Handling Information and Procedures
Appendix II – Direct Deposit Information and Procedures
Appendix III – Debit Card Information and Procedures

502.1 AMOUNT OF PAYMENT -

A. In the TANF Program - The amount of the monthly payment is the amount of the budgetary deficiency (the appropriate standard of assistance for the assistance unit, as specified in Section 304, less countable income, as specified in Section 305), adjusted to the next lower dollar, except as provided below:

1. Maximum Reimbursable Payment in TANF - The State Board has approved an overall maximum amount of payment established for each group of localities, as shown in Appendix 2 to Section 304.

2. Minimum Payment - If the budgetary deficiency is less than $10.00, no payment is made. However, if an assistance unit's ineligibility is based solely on this minimum payment provision, the case will be approved and retained as an active TANF case.

B. In Emergency Assistance to Needy Families with Children - The total payment which may be granted to a family under the Emergency Assistance program must not exceed $500.

502.2 PERIOD COVERED BY PAYMENT

A. The payment covers the entire calendar month of eligibility (Section 401.1.I.), except when eligibility is determined in the same month in which an application for financial assistance is received or when an individual is added to an existing case. No payment may be issued prior to the date of application. The effective date of payment is the date that initial eligibility for assistance or a change in amount of assistance begins.

No payment shall be made on an approved application for periods prior to the date of application. If the beginning date of assistance is not the first of the month, the payment for that month must be prorated. This is accomplished by dividing the amount payable by 30 days, regardless of the total number of days in such month. This amount is then multiplied by the actual days in the month including and following the date of authorization. Additionally, when an individual is added to an existing case, the individual's portion of the **payment** must be prorated for the first month of eligibility with the beginning date of payment established in accordance with Section 401.2.B.2.c.

Example 1: A Group II locality receives a signed application from Ms. Doe on August 18. She requested assistance for herself and two children and reports no income. The agency determined she is eligible to receive an assistance payment on August 24. The beginning date of assistance for Ms. Doe is August 18. Her first month's payment is calculated as follows:

1. 14 days = number of days for which Ms. Doe is eligible to receive assistance in August.

2. **$344.00** = payment amount for full month's payment.

The method of computation is as follows:
$344.00 ÷ 30 = **$11.46** x 14 = **$160.58**
$160.00 payment (rounded down)

Example 2: A Group II locality receives an application on August 5 requesting assistance for a mother and two children. The family receives Social Security of $88.50 each month. The agency determines eligibility on August 10. The beginning date of assistance for Ms. Doe is August 5. The first payment will be computed as follows:

$344.00 - $88.50 = **$255.50** full month deficit
$255.50 ÷ 30 = **$8.51** daily rate
$8.51 x 27 days = **$229.77** prorated deficit
$229.00 payment (rounded down)

Example 3: On September 5, a timely report is received that on that date a sibling of the child(ren) in the assistance unit moved back into the home. The child being added has unearned income of $30 per month. Eligibility for the child is established on September 13. However, the payment is prorated for the period beginning September 5 (26 days), the date the required unit member entered the home.

Current **payment**	**$344**
Full **payment** after adding child	**$411** - $30 = **$381**
Child's portion to be prorated	**$381** - **$344** = **$37**
	$37 ÷ 30 = **$1.23**
	$1.23 x 26 days = $31.98
Supplement for September	**$31.00 payment** (rounded down)

If the individual's presence in the home is not reported timely, payment for the first month of eligibility will be prorated from the date the change was reported or became known to the agency. Or, if the unit failed or refused to cooperate in establishing eligibility without good cause, payment will be prorated from the date the last categorical verification is received or eligibility condition is met. (Refer to Section 401.2.B.2.c.)

B. TANF-UP - Follow guidance in 502.2 A. except when a second parent enters the home in an existing TANF case. Guidance in 401.2 B.2.c addresses handling the addition of a second parent.

C. Emergency Assistance - Payment covers specified needs related to the emergency as specified in Section 203.2. Payment is also limited to coverage of needs arising or anticipated during the 30-day period following initial authorization of Emergency Assistance.

502.3 METHOD OF PAYMENT - Financial assistance under the TANF program is a money payment which is made available to eligible recipients in the form of a check, direct deposit, or debit card payment.

Note: The following restrictions apply to the use of the TANF debit card - Recipients shall not use the TANF debit card to buy alcohol, lottery tickets, tobacco products, or sexually explicit visual materials; or, in a Virginia Alcoholic Beverage Control (ABC) store, an establishment in which para-mutual wagering or charitable gaming is conducted, or in an establishment in which tattooing or body-piercing is performed for hire, or any establishment that provides adult- oriented entertainment in which performers or other individuals connected with the business appear nude or partially nude.*

In some instances, a payment is not made directly to a client:

A. TANF - A "protective" vendor payment may be made under conditions specified in Section 502.7.

B. Emergency Assistance - A payment may be made either as a money payment to the recipient or by the vendor method to the provider of goods or services,** whichever is more practicable and advantageous to the family.

502.4 DESIGNATED PAYEE - The persons who may be designated as payee are as follows:

A. Money Payment

1. The grantee-relative with whom the eligible child(ren) is living. The grantee-relative is ordinarily the caretaker, but may be someone other than the caretaker in some situations. Examples:

   a. A child's father receives SSI and is the grantee-relative for the TANF payment which includes the mother as needy caretaker.

   b. A 16 year old mother is the caretaker in a TANF **payment**, but her mother, with whom she lives, is the grantee- relative; such a grantee-relative, if needy, may be included in the assistance unit (see Section 302.7.A.).

   c. An assistance unit consists of a 22-year-old parent and her children. However, a relative also residing in the home is exercising primary responsibility for care and control of the children and, therefore, is the grantee-relative.

2. The legal representative of the grantee-relative, if one has been appointed and has qualified.

3. The protective payee, under conditions specified in Section 502.7.

4. An emergency payee in an existing case, when a situation, such as sudden death, desertion, imprisonment, or commitment to a mental hospital, unexpectedly deprives the child of the care of the grantee relative. Payment to an emergency payee is for a temporary period, limited to the time necessary to make and carry out plans for the child's continuing care and, in any event, not to exceed 60 days.

* PL 112-96, 4004 (a) (12), Code of Virginia, Section 63.2-621
** 45 CRF 233.120(b)(2)(i)

B. Vendor Payment - The provider of goods and/or services.

502.5 ISSUANCE OF PAYMENT

A. Issuance Date -

1. The Monthly Money Payment - If the effective date is either the date of application or the first of the month following the month of application, payments should be authorized at the time of approval. **VACMS** will begin the process to issue the payment on the same business day the payments are authorized in **VACMS**. (Check payments will be mailed by the third business day following this action. Electronic payments will be **deposited** to the individual's account on the next business day.) Subsequent ongoing monthly payments will be issued on the first of the month to cover the needs for that month.

2. Supplemental Payment - A supplemental payment is defined as a payment given in addition to the pre-authorized assistance payment as a result of a change in circumstances which increases need for a specific month.

   Supplemental payments are to be issued immediately using an effective date of the first of the month for which the payment is being issued.

3. Support Disregard Payments are issued to the custodial parent (CP) by the **VACMS** system based on support collection information received from the DCSE automated system, APECS. These payments are issued the week after the NCP pays the support when:

   - the non-custodial parent (NCP) is obligated to pay at least $100 per month in child and/or spousal support and the NCP has paid at least $100 in current child support or child and spousal support during the month.
   - the NCP is obligated to pay less than $100 per month in child and/or spousal support during the month and the NCP has paid the obligated amount of current child and/or spousal support for the month.

   Support Disregard Payments are issued to the CP on the first day of the following month when the NCP is obligated to pay at least $100 per month in child and/or spousal support and the NCP has not paid at least $100 during the month. Note: If the NCP has not paid any support during the month, no disregard payment will be issued.

   Support disregard payments that have to be reissued require the EW to cancel the payment in **VaCMS** then the DCSE worker to complete a manual adjustment in APECS. After action is completed by the EW and the DCSE workers, the replacement payment will be issued by **VaCMS** as part of an automated process.

4. **TANF Child Support Supplement Payment (304.4) – TANF Child Support Supplement payments are issued in the month following the month support is collected and are issued as a payment separate from the TANF payment and the disregard payment.**

B. Mailing of Checks - All checks, including the initial money payment, are mailed via the United States Postal Service unless the recipient has a justifiable reason for requesting to appear in person at the office to pick-up the check. Such reasons should be stated by the recipient in writing and his signed and dated written request should be filed in the case record. A receipt should be secured for any checks delivered personally in the office. Proper identification should be requested if there is any doubt as to the identity of the recipient.

C. Direct Deposit - The process by which TANF payments are electronically posted to a client's bank account. The client must be provided the Direct Deposit Enrollment Authorization form (032-03-672) if she requests direct deposit. The form is available at http://localagency.dss.state.va.us/divisions/bp/tanf/forms.cgi. Direct deposit procedures are found See Section 500, Appendix II, Direct Deposit Procedures.

D. Debit Card - The process by which TANF payments are electronically posted to a state-issued debit card. Debit card procedures are found, at Section 500, Appendix III.

E. Emergency Payments – Emergency payments shall be issued by local boards in emergency situations or in the event of delay or error in a state issuance of checks for payments of assistance.* The Virginia Department of Social Services is to reimburse the local board for such payments. In emergency situations which result from lost or stolen checks, the Virginia Department of Social Services shall assume liability for losses incurred by local agencies due to fraudulent acts by recipients provided the local agency referred the case to the Commonwealth Attorney who has made the decision to prosecute the case or not.

1. In the event of lost or stolen checks, a replacement check will not be issued when the payee fails to report the lost/stolen check within 45 days of issuance. A replacement check cannot be issued prior to the fourth mail delivery day and completion of the stop payment process. The Virginia Department of Social Services and the local agency must ensure that no undue delays occur in issuing replacement checks. A replacement check must be issued upon receipt of notification that the stop payment process has been completed. This includes receipt of the notarized affidavits by the Virginia Department of Social Services Fiscal Processing Unit (FPU). For a stolen check, the payee must file a police report and provide a copy of the police report or the police report number to the EW at the time of the completion of the three required affidavits. See Chapter 500, Appendix I for detailed check handling procedures. The Affidavit on Check Endorsement (032-06-118) is available at http://localagency.dss.state.va.us/divisions/bp/tanf/forms.cgi.

* Code of Virginia, Section 63.2-323

2. When reissuing a Full Employment Program (FEP) stipend or bonus payment, the replacement check must be a State-issued check. Do not issue a FEP replacement check from local funds, as no process exists to reimburse the locality.

502.6 INTRASTATE TRANSFERS -

A. Transferring the Case

When a recipient of TANF or TANF-UP moves from one locality to live in another within the state and there is no other change in his circumstances which would render him ineligible, he is entitled to receive assistance without a break. To assure the continuation of assistance without interruption, the following procedure must be used.

1. If the move is the result of the family seeking temporary shelter/housing in another locality within the State of Virginia and the family intends to return to the original locality, the original locality may, at its option, keep the case for up to two payment months. If the family has not returned to the original locality after the second payment has been issued, the case must be transferred in accordance with the procedures outlined below. In making a determination as to whether the original locality should keep the case, the agency should work with the unit and consider the distance of the move and any hardships that would be encountered by the unit in reporting changes, etc. and whether the unit is residing in a different locality grouping. If the case is retained by the original locality, the payment will be based on the payment level of the original locality.

2. If the move is permanent (i.e., the assistance unit does not intend to return to the original locality or if the agency determines that the case should be transferred during a temporary move), the locality from which the recipient has moved (the transferring locality) must, within five working days of notification, complete a desk review and forward the eligibility case record along with a Case Record Transfer Form (032-03-227) to the receiving locality if the case continues to be eligible. The case record must contain all verification and other documentation substantiating eligibility. The transferring locality must forward the entire case file to the receiving locality. If the transferring locality wishes to maintain a part, or all of the case file, they must copy the portion that they wish to keep, and forward all of the original case file contents to the receiving locality.

The eligibility case record must be sent by certified mail, or by a courier service which is under contract with the Department of Social Services, or delivered personally, to the receiving locality and a receipt must be obtained.

Note: If the transferring and receiving agency both use an electronic case record system, the transferring agency may send a compact disk of the case information if that is acceptable to the receiving agency.

If the receiving agency does not use an electronic case record system, the transferring agency must print the case information and send the documents to the receiving agency.

B. Transferring Agency Responsibility

The transferring agency must complete a desk review to assure the correctness of the next payment as the transferring locality is responsible for the accuracy of this payment. The desk review entails reflecting all changes known or reported prior to the recipient's move which affect eligibility or payment and any changes occurring as a result of the recipient's move. As part of the review, the EW will verify the accuracy of the VIEW 24-month clock and the Federal 60-month clock and correct the clocks if they are inaccurate. The desk review also entails making sure that any other follow-up or special reviews have been completed. If the case is overdue for review, the transferring locality does not have to complete a renewal prior to transferring the case.

Local social services agencies may not transfer TANF cases in the following instances:

- The case has a suspension status due to temporary ineligibility for any reason (one month).
- The case has a suspension status because net support is greater than the current TANF payment.
- The TANF application is pending. The original agency must process the application. The agency must secure sufficient information to process the application unless the applicant elects to withdraw the application.

Cases that have been sanctioned for non-compliance with a VIEW requirement must be transferred, including cases that have been reopened so that payments can be issued during an appeal of the sanction.

The transferring agency must send the recipient a Notice of Transfer (032-03-0658) providing notice that their case has been transferred and listing the name, address, and telephone number for the receiving agency. If any changes during the desk review result in ineligibility or a decrease in the **payment**, procedures with respect to the Advance Notice of Proposed Action (032-03-018) are applicable.

The transferring locality will specify on the Case Record Transfer Form that the month following the month in which they send the form and case record to the new locality is the last month for which they will make payment. If the TANF case was receiving SNAP benefits, the transferring locality must note the impact of the transfer on the SNAP case on the Case Record Transfer form. If the case is open to services, the transferring locality will immediately notify the service worker of the client's move and new address, and upon completion of the Case Record Transfer Form, will forward a copy to the service worker. Verification of changes which could not be made for the next payment, due to the advance notice requirements, will be included in the case record and will also be specifically noted on the Case Record Transfer Form under additional remarks. The receiving locality will take the necessary action to make the change(s) and send the Advance Notice of Proposed Action immediately.

Payment adjustments necessary to conform with the standard of assistance in effect in the locality to which the recipient has moved must be made effective for the month following the recipient's move. If the adjustment results in a decrease or termination of assistance, timely notice must be given to the client. It is the responsibility of the transferring locality to give timely notice.

C. Receiving Agency Responsibility

The receiving locality is responsible for completing a desk review within 5 working days of receiving the case and acknowledging receipt to the transferring agency using the Case Record Transfer form.

1. For an on-going TANF case, the desk review must verify the following:

   - the presence of an eligible child in the home
   - new employment earnings

   Additionally, if the client is a VIEW participant, any change that might impact VIEW participation, including changes in employment, education/training, or child care, must be reviewed.

2. For an open VTP case, the EW must determine if the client continues to meet all of the eligibility requirements to continue to receive the VTP.

The receiving agency must impact these changes, affecting eligibility or payment for the first of the month following the month in which the transferring locality specifies as the last month they will make payment. This is the payment month for which the receiving locality will assume responsibility for the accuracy of the payment.

If the receiving locality determines that the case is no longer eligible, or is eligible for payments in an amount less than the prior payment, the receiving agency is responsible for sending the Advance Notice of Proposed Action (ANPA) to the client. If the case is a VTP case and the client is no longer eligible to receive the payment, the receiving agency is not required to send an ANPA. In these instances, the EW will send the client a Notice of Action stating that the VTP will end.

There are no circumstances under which it is permissible for the receiving locality to return the case to the transferring locality (other than if the recipient subsequently moving back to the original locality).

D. Handling of Appeals

1. If the desk review done by the transferring locality results in a determination of ineligibility, that locality will close the case. When the appeal is validated, the transferring locality will reinstate the **payment** in the original amount (if client remains in same group) or the amount appropriate to the locality in which the recipient is living. The case should then be transferred to the new locality. The Case Record Transfer form will advise the receiving agency of the appeal, and, if appropriate, the reinstatement of payments.

   When the appeal decision is final, the transferring locality will immediately notify the new locality of the appeal decision so that the appropriate action can be taken. If the case continues to be eligible, the receiving locality will be responsible for recouping any overpayments, by establishing the claim in **VaCMS** entering the FIPS code for the agency where the overpayment occurred. The FIPS for an agency other than the current FIPS can be entered in **VaCMS on the Claim Information Screen**. If the case is found to be ineligible, the transferring locality will be responsible for recovering any overpayments.

2. If the desk review done by the transferring locality results in a reduction of payment, and the client appeals the action, the appeal will be against the transferring locality, but the locality who is making the next payment will be responsible for restoring the **payment** to the correct level. The transfer procedure is to proceed as usual.

The Hearings Officer will send the receiving locality a copy of the appeal validation and notify them as to the original amount of assistance which must be restored. If the case continues to be eligible, the receiving locality will be responsible for recouping any overpayments. If the case is found to be ineligible, the transferring locality will be responsible for recovering any overpayments.

3. If an appeal is filed due to a decrease resulting from adjustments in the standards of assistance, the hearing will be allowed.

E. Situations Affecting the Transfer Process

1. Subsequent Moves During the Transfer Process - If the recipient moves to a third locality before the receiving locality can complete their redetermination, the redetermination does not have to be completed. The procedures outlined earlier in this section will be followed to effect this subsequent transfer.

2. Reapplications in Another Agency After Case Closings - If a former recipient of TANF reapplies in another locality, that locality may request the case record from the former locality. The former locality must comply with this request and forward the case record to the requesting locality within five working days of receipt of the request. The former locality should retain the financial and statistical forms.

3. Applicant Moving to Another Locality within the State - In the event an applicant moves to another locality, with the intent to remain there, prior to completion of the initial determination of eligibility, the sending agency must process the application. If eligibility exists, the case must be transferred following guidance under Transferring Agency Responsibilities (502.6.B.). If the application is denied, the agency will notify the applicant using the Notice of Action.

Note: There are no provisions for interstate transfer of cases. If a recipient moves to another state, assistance must be terminated and timely notice sent advising the recipient of the case action.

502.7 PROTECTIVE AND VENDOR PAYMENTS - According to federal regulations* protective and or vendor payments are to be made in TANF cases in the following situations:

A. Need for Protective or Vendor Payment

1. The use of a protective or vendor payment is appropriate only when there is specific evidence that funds are being mismanaged in such a way that the well-being of the child(ren) is threatened, in making diversionary assistance payments, or if the caretaker who is on probation or parole fails a drug test.**

a. Prior to making a determination of mismanagement, the following conditions must be considered:

1) whether the family has experienced some emergency or extra-ordinary event for which it was appropriate for available funds to be spent;

2) whether expenses for necessary bills exceed the recipient's **payment** and other income.

The above-mentioned conditions or any other relevant consideration would not be just cause for making a protective or vendor payment.

b. A protective or vendor payment should ordinarily be made only when a caretaker has persistently demonstrated an inability to manage funds in the best interest of the child(ren) and when continued receipt and management of the TANF payment would represent a threat to the health or safety of the child(ren).

Evidence of mismanagement includes but is not limited to:

1) continued evidence that the child(ren) is not properly fed or clothed and that expenditures for the child(ren) are made in such a way as to threaten the child's chances for healthy growth and development.

2) persistent and deliberate failure to meet obligations for rent, food, school supplies, and other essentials.

3) use of the TANF debit card to buy alcohol, lottery tickets, tobacco products, or sexually explicit visual materials; or, use of the TANF debit card at a Virginia Alcoholic Beverage Control (ABC) store, in an establishment in which para-mutual wagering or charitable gaming is conducted, or in an establishment in which tattooing or body-piercing is performed for hire, or in any establishment that

* 45 CFR 234.60
** Code of Virginia, Section 63.1-105.8

provides adult-oriented entertainment in which performers or other individuals connected with the business appear nude or partially nude.*

Protective payments are not to be used in situations where hazardous conditions other than misuse of funds, jeopardize the child's well-being to the extent that court adjudication of custody should be sought.

The TANF case record must contain a statement indicating the specific reason(s) why a protective or vendor payment is being made.

In the event a creditor requests that a protective or vendor payment be made as a result of nonpayment of bills, the recipient must be advised of the request.** The agency shall notify the recipient in writing that the creditor's request will not be honored.

Where no other suitable protective payee can be found, it may be necessary for a staff member of a private agency, the local welfare department/social services or other appropriate organization to serve as protective payee. Such a staff member must be a worker providing services (not eligibility determination) for families. If a staff member is designated as protective payee, provisions for bonding this employee must be made.

2. Unless a minor parent (on his/her own case) meets an exception to the residency requirement and lives independently, protective payments are to be made in these cases. Protective payments are to be made to the minor parent's parent, or person standing in loco parentis.

3. Vendor payments are to be made in diversionary assistance payments whenever possible.

4. If a TANF caretaker who is on probation or parole fails a drug test, the probation or parole officer will notify the local department of social services. Upon receipt of such notification, protective payments must be arranged as soon as administratively possible. The protective payment arrangement shall remain in place for one year, provided the caretaker does not fail a subsequent drug test.***

B. Procedures for Making Protective or Vendor Payments

1. In protective situations, the superintendent or local board may take actions to designate a protective payee to act for the recipient in receiving and managing the total assistance payment.

* PL 112-96, 4004 12 (A) (B), Code of Virginia, Section 63.2-621
** 45 CFR 234.60(a)(2)(iii)
*** Code of Virginia, Section 63.2 - 605

The protective payee should be a person who is interested in or concerned with the welfare of the grantee-relative and his child. The selection of the protective payee should be made by the grantee-relative, or with his participation and consent insofar as possible. The local department must have evidence that such protective payee has the ability and will in the best interest of the grantee-relative and his child. The agency will take appropriate action to protect recipients when it appears that problems are beyond the capacity of the protective payee to handle.

The protective payee must not be executive head of the local department of social services; the person determining financial eligibility for the family; the special investigator or member of the staff handling fiscal processes related to the recipient; the landlord; grocer, or other vendor of goods and services dealing directly with the recipient. Additionally, service workers, private agency staff, and staff of other organizations can only serve as protective payees in situations per 502.7.A.1. or 502.7.A.5.

2. In some situations, it may appear more appropriate to make certain portions of the assistance payment to a vendor, continuing to make the remainder of the **payment** to the family. Vendor payments may be made in TANF to appropriate persons providing goods and services, with the selection of such person being made by the recipient or with his participation and consent insofar as possible.

   The local department must have evidence that vendors have the ability and will act in the best interest and protection of the grantee-relative and his child.

   Authorization for vendor payments will be made according to current local agency procedures.

C. Provision of Services – In protective situations referral to social services staff must be made, to assure protection of recipients, where problems and needs for services are obviously beyond the ability of the protective payee to handle.

D. Periodic Review of Need for Protective or Vendor Payment – A review of the need for protective or vendor payments on the behalf of children and of the way in which a protective payee's responsibilities are being carried out will be made as frequently as indicated by the individual circumstances and at least every 12 months. This review can be coordinated with the eligibility renewal.

   Appropriate controls are to be established by the local department to insure that cases are reviewed within the specified period. The case documentation should include an evaluation of the situation at the time of review and a statement of the basis for the decision at that time to continue or to terminate protective or vendor payments.

E. Termination of Protective and Vendor Payment – Provision is to be made for appropriate termination of protective or vendor payments as follows:

1. When the grantee-relative is considered able to manage funds in the best interest of the children, there will be a return to money payment status.

   When it appears that the need for protective payment will continue or is likely to continue beyond two years, because all efforts have not resulted in sufficiently improved use of assistance in behalf of the children, judicial appointment of a guardian or personal representative will be sought. When such an appointment has been made, payment will be made to the guardian or personal representative.

2. Protective payments made on the basis of a caretaker's failed drug test will be terminated after one year.

F. Right of Appeal – Opportunity for a fair hearing will be given any recipient:

1. In relation to the determination that protective or vendor payments should be made or continued, or

2. In relation to the payee or vendors selected.

   The recipient is to be advised of his right of appeal when the determination is made that a protective or vendor payment will be initiated and at the time of any change in payment status.

G. Safeguarding Information – Release of information to the protective payee from the public assistance record must be confined to those facts about the family members and their situation that are pertinent to the fulfillment of the payee's responsibility in the home. Information from the social history of the case, such as the legitimacy of children, circumstances of previous marriages, facts concerning relatives of the recipient, medical data, etc., should be disclosed only when required for the welfare of the family or the protection of the protective payee. The information shared may vary according to the type of help offered the family and the payee's personal or professional qualifications.

503.1 DEFINITION OF IMPROPER PAYMENT – A TANF payment made by a local department is improper when the payment is incorrect because: (1) the assistance unit does not meet eligibility requirements in the category (payment received in error/payment to an ineligible case); or (2) payment is in an amount greater than the amount to which the assistance unit is entitled under established guidance (overpayment); or (3) payment is in an amount less than the amount to which the assistance unit is entitled under established guidance (underpayment); or (4) a VIEW participant is found to have committed an IPV for receiving a payment or purchase on his behalf which is in an amount greater than what he is eligible for or for which he is ineligible.*

Improper payments may occur as a result of overdue reviews or other agency errors or because of erroneous or incomplete information supplied by the client. Improper payments may be revealed by several sources, not necessarily limited to the following: Local Agency Reviews, Federal Program Reviews, Fair Hearings, or earnings reports furnished by the Virginia Employment Commission.
503.2

503.2 STATUTORY PROVISIONS FOR REFUND OF OVERPAYMENTS AND PAYMENTS – If a payment or overpayment is made to an individual who is ineligible, the amount of such overpayment shall be returned to the Virginia Department of Social Services by the locality. Repayments will not be required if the Department determines that the payments or overpayments are the result of vague or conflicting regulations issued by the Department, or the failure of the Department to make statutes, rules, regulations, and guidance decisions available to the locality in a timely manner. Repayments will not be required in situations in which the locality exercised due diligence, yet received incomplete or incorrect information **from the client** which caused the overpayment. If a locality fails to return an overpayment as required, the Department of Social Services shall withhold an equal amount from the next disbursement made by the Department to the locality.*

The criteria used for determining if a locality exercised due diligence are as follows:

A. A redetermination was not outstanding (overdue) in the case in question because the agency has received permission from the State to suspend reviews.

B. The error had not occurred at the time of the completion of a scheduled review.

C. It can be shown that the error was the result of the client willfully withholding information which would not have been discovered by verifications required at the time of the review.

D. The error was not the result of an anticipated change that was overlooked.

E. The error was not the result of the client reporting a change that the agency failed to follow-up on.

F. The error was not the result of failure to use available management tools. The case record must be thoroughly documented regarding efforts to obtain **all** necessary information.

* 2002, Acts of Assembly, **Chapter 899, Item 362 (Budget Bill, HB30.)**

503.3 PERIOD SUBJECT TO REPAYMENT – Overpayments and payments to **ineligible individuals which must be repaid to the state will be assessed monthly. See the VDSS Finance Guidelines Manual for Local Departments of Social Services, Section 3.45, for the specific procedures governing chargebacks (overpayments which could have been avoided by the local agency) and non-chargebacks (overpayments which could not have been avoided by the local agency).**

503.4 COMPUTATION OF REPAYMENT – **Guidance which is** in effect at the time of the improper payment shall be used in determining the amount of repayment. G**uidance** is considered **to be** in effect in relation to a specific case after the date when (l) **in all cases**, a standard or policy has become effective by State Board action, or (2) **guidance** has become effective **for** new and reviewed cases and the particular case is (a) a new case, (b) a case in which a review is due or (c) a case in which a change in circumstances has necessitated a partial review.

503.5 REPAYMENT PROCEDURES - The local department must notify the Division of Finance of the TANF/VIEW overpayment by entering the overpayment information into **VaCMS.**

If the overpayment was caused by agency error, it must be entered into both **VaCMS** and the Locality Automated System for Expenditure Reimbursement (LASER). The Division of Finance will deduct the amount from the next reimbursement made to the locality.

When an overpayment is **entered into VaCMS**, **the originating FIPS field will default to the FIPS of the worker initiating the claim. The originating locality in which the overpayment occurred is responsible for entering the claim.**

503.6 SUSPENSION OF COLLECTION FOR CERTAIN OVERPAYMENTS – The collection for certain overpayments to individuals no longer receiving assistance may be suspended. In the case of temporary suspension of overpayments, collection efforts will be resumed at the point the individual again begins to receive assistance.

A. Permanent Suspension of Collection for Overpayments less than $125 - All overpayments to individuals no longer receiving assistance which are less than $125 are to be permanently suspended after the local agency has: 1) notified the individual, or attempted to notify the individual if her whereabouts are unknown, in writing, that an overpayment has occurred which must be repaid; and 2) the individual fails to respond or refuses to cooperate with the request for repayment. No further action to recover the overpayment is to be taken. The case record must be documented. (Note: The agency must allow at least 10 days from date of mailing for the individual to respond to the request for repayment prior to permanently suspending recovery of the overpayment.)

B. Temporary Suspension of Collection for Overpayments of $125 or More - In situations where the outstanding overpayment of TANF/VIEW to an individual no longer receiving assistance is $125, or more, the local agency may temporarily suspend collection of the overpayment after reasonable efforts to recover the overpayment have been taken and it is determined that further efforts would not be cost-effective. The agency must notify the individual that an overpayment, which must be repaid, has occurred by sending a letter requesting repayment to the individual's last known address. In order to demonstrate reasonable efforts, the agency must take the actions listed below. The actions must be taken in the following order; however, the agency may evaluate whether further efforts would be cost-effective after any one of the actions to collect the overpayment is unsuccessful.

1. Attempt to locate the individual. If the individual's present whereabouts are unknown and attempts to locate the individual has been unsuccessful, the case record must contain documentation of attempts made to locate the individual, such as mail returned to the local agency;

2. Determine that the former recipient has no means with which to repay the overpayment. The case record must contain documentation of evidence used by the agency to determine the individual has no income or cash reserves;

3. Discuss methods of repayment with the individual If the individual refuses to cooperate, secure a written statement from the individual that he refuses to repay the overpayment.

Once reasonable efforts to collect the overpayment have proven to be unsuccessful, the agency must document the case record with evidence that further recovery efforts **from an individual no longer receiving assistance** would equal or exceed the amount of the over- payment. Such evidence may include the cost of staff time, the cost of legal/attorney fees, or any other evidence the agency has which demonstrates that further recovery efforts **while the individual does not receive assistance** would not be cost-effective. The agency head, or his designee, will make the final determination as to whether further efforts would be cost-effective.

When a TANF recipient declares bankruptcy and the court decides that the TANF debt will be part of the waived debts for the individual, the TANF overpayment will be waived.

B. Retention of Information – The agency must maintain information on individuals no longer receiving assistance who received an overpayment which was waived, including overpayments less than $**125**, for three years. (See 100.4 for information about the Library of Virginia schedule for retention of specific types of information.) The agency must initiate recoupment procedures should one or more of those individuals again be found eligible to receive assistance.

C. Intentional Program Violation (IPV) – In situations involving a TANF/VIEW IPV, the agency must make every effort to collect the overpayment regardless of the amount; the overpayment may not be waived. See Section 102 for guidance on handling Intentional Program Violations (IPV).

503.7 Calculating Overpayments – There are several factors which must be considered when calculating overpayments (IPV and non-IPV).

A. Determination of Continued Eligibility – When any change in circumstances which caused an overpayment is still in effect at the time of discovery, the agency must first prospectively determine the client's continued eligibility.

B. Determination of When the Overpayment Began – The worker is to determine when the overpayment began and secure all verifications necessary to calculate the overpayment. The overpayment began the month following the month the change occurred or as soon as administratively possible per guidance at 401.2B.

Assistance payments issued and payment reductions delayed as a result of the advance notice period are not overpayments. Refer to the examples below:

Example 1: On April 27, Mrs. Smith reports new employment. A prospective determination reveals that Mrs. Smith's May income is going to exceed need. Due to the advance notice period, the worker cannot close the case until June 1. The May payment is not an overpayment.

Example 2: On August 5, Ms. Carter reports her new job. Although the information is reported timely, the agency fails to take action to reflect the anticipated income for September. Since the reason the September payment was not reduced or terminated was because of the agency's failure to act and not the advance notice requirement, the September payment is an overpayment which must be recouped/recovered.

C. Impact on Earned Income Disregards When Calculating Overpayments - When calculating overpayments which are the result of the customer's failure to timely report receipt of earned income, the earned income disregards are not to be allowed in the 185% **screening but are allowed in the** standard of assistance screenings, **and** in determining the amount of the correct payment.

The earned income disregards are applied in accordance with Sections 3.05.1.A and B., when calculating an overpayment resulting from:

- the agency's failure to act on a change in earned income which was reported timely,
- any action which cannot be taken due to the advance notice period, or
- payments issued pending an appeal decision.

D. Support Related Overpayments – When an overpayment occurs which is the result of the client's failure to redirect support, the client's needs are not to be removed for purposes of calculating the overpayment.

E. Income Related Overpayments - The local agency must determine the correct amount of the payment the assistance unit should have received for those months the assistance unit actually received an overpayment.* Using conversion factors of 4.3 and 2.15, if appropriate based on Section 305.1.B.2.b, screen the income at 185% and at the standard of assistance to determine the monthly payment amount. In cases involving changes required to be reported or payments made pending an appeal decision, the local agency must determine the month that the overpayment initially occurred and all other months as follows:

1. If, due to a misunderstanding or inadvertent error on the part of the assistance unit, an assistance unit failed to report a change in its circumstances within 10 days of the date the change became known to the assistance unit, the first month of an overpayment will be the first month in which the change would have been effective had it been reported in a timely manner.

   The local agency may not determine as the first month in which the change would have been effective, any month later than two months from the month in which the change in income occurred, **unless it is determined that a verified disability affected the person's ability to understand the reporting rule. In that situation the local agency worker has the discretion to determine that the overpayment began at the time that the agency first learned about the overpayment or first determined that it had failed to act upon information correctly provided by the individual.**

2. If the assistance unit reported a change within the prescribed time limits, but the local agency did not act on the change timely, the first month affected by the local agency's failure to act must be the first month the local agency should have made the change effective. Therefore, if an advance notice was required but was not sent, the local agency must assume that the maximum advance notice period as provided in Section 401.4.C would have expired without the assistance unit requesting a fair hearing.

3. If prospectively ineligible, the full assistance payment is an overpayment.

4. If the prospective determination renders the case eligible, calculate each month's overpayment and apply earnings disregards as indicated in Section 503.7.C., if applicable.

F. Overpayments Not Related to Income - If an overpayment is the result of any factor other than income, the overpayment is to be based on the actual circumstances of the case each month.

* 45 CFR 233.20(a)(13)

Example: In June the worker discovers that an eligible child left the home on August 5 of the previous year. The child should have been reported no later than September 10. Overpayments must be calculated beginning with the October payment. The overpayment amount is the difference between the **payment** received each month and the correct **payment** for the actual number of eligible members living in the household.

G. Overpayments Resulting from Incorrect Composition of the Assistance Unit - When it is discovered that an individual required to be in the assistance unit is living in the home, it must be determined if an overpayment occurred. This determination is to be made as follows:

1. Redetermine eligibility for each month beginning with the month following the month the individual entered the home or was required to be in the assistance unit, including the individual's needs, and actual income. Any resulting overpayments must be recouped/recovered.

2. If during the period in which the individual was required to be in the unit he had no income or his needs exceeded his income, an under- payment has occurred only for the months in which all categorical requirements were met and the conditions of eligibility are retroactively deemed to be met per Section 401.2.B.2.c. (See Section 503.9).

H. Determining the amount of the overpayment when support has been paid for a child in the TANF assistance unit.

1. The agency must determine the amount of support paid for children in the AU using the report, **TANF Cases Current Collected Support Report.**

2. Current monthly support paid to DCSE not redirected to the recipient must be subtracted from the total TANF payment issued for the month:

   Example: A **$274** TANF payment was made for the month of April.
   The amount subject to recoupment is **$274** (Group II, AU = 2), minus total current support collected by DCSE in April (the month the overpayment occurred), which was $150; therefore, the April overpayment is $**124**.

I. Determining Overpayments Resulting from Redirected Support Paid to the Client

1. An overpayment must be determined when a TANF recipient who was receiving support at the time of TANF application fails to redirect following TANF case approval.

2. An overpayment will not exist when DCSE returns to the client support which the recipient has redirected to DCSE.

3. An overpayment amount will be determined for new support not redirected to DCSE only when the support amount will cause the total income for the AU to exceed 130% of the Federal Poverty Level.

If new support is reported at renewal, the EW will determine if an overpayment exists for any previous month.

4. An overpayment will exist when a TANF recipient fails to report at the time of renewal the receipt of new support.

5. If the TANF recipient continues to fail to redirect support to DCSE after a renewal has been completed and the receipt of new support discovered, the EW will impose the DCSE non-cooperation penalty and count the support as unearned income. Additionally, the $100 disregard will not be allowed on this income. These policies will be applicable whether an overpayment has been established or not.

J. Calculating a VIEW Overpayment – A VIEW overpayment occurs when a VIEW participant is found to have committed an IPV for receiving a payment or purchase on his behalf which is an amount greater than what he is eligible for or for which he is ineligible.

The worker must determine if the participant is still eligible for services and determine the correct cost of the services that the participant would continue to receive. The case record must be documented with information to support the establishment of the claim or the reason for not establishing the claim.

Example: The agency gives the client a $50 voucher for work clothing. The client changes the amount to $500 and the vendor honors the voucher. There is an overpayment of $450.

K. Determination of When the Overpayment Began – The agency is to determine when the overpayment began and secure all verifications necessary to calculate the overpayment. The worker is to use the best available evidence including, but not limited to:

a. past and existing vouchers from vendors that were paid in the period that the overpayment occurred,

b. the history of payments for supportive or transitional services that were paid for by the local agency in the period that the overpayment occurred and,

c. the amount calculated starting 10 days from when the client had knowledge of the information.

When calculating the overpayment amount the worker is not to include any amounts that the individual paid toward services that were provided in the period the VIEW overpayment occurred.

Note: The client is to repay the calculated amount unless the court orders differently.

503.8 NOTIFICATION, RECOUPMENT AND RECOVERY OF OVERPAYMENTS - The local department must promptly recoup or recover any overpayments including overpayments resulting from assistance paid pending hearing decisions. Repayment by either a former or current recipient of the overpayment can occur through recoupment or recovery or both. The agency should discuss voluntary repayment with the client prior to initiating a recoupment.

A. Notification to the assistance unit must be given before recoupment or recovery of an overpayment begins. After calculating the total amount of the overpayment, the local department of social services must send the Request for Repayment of TANF Payments and/or Payments for VIEW Services' form. The form is available in the Forms Drawer on the SPARK page. The first page of the form displays the period over which the overpayment occurred and the total amount of the overpayment. The second page allows the individual to select the method of repayment.

A copy of the form must be sent to the TANF recipient or payee or previous TANF recipient or payee and a signed copy filed in the case record. The signed form must remain in the case record until the overpayment has been satisfied. Note: If the recipient or payee fails to sign the form, the unsigned copy must be retained in the case record.

When the signed form is not returned, **if 30 days have passed since the initial demand letter was sent** on an active TANF case or on a case receiving a VIEW Transitional Payment (VTP), recoupment should begin the following month. When the TANF case closes prior to the month in which recoupment was scheduled to begin and the recipient or payee later reapplies for TANF assistance, she will be advised that recoupment will begin in the first month that the case is eligible for assistance.

B. Recoupment consists of withholding all or part of the assistance payment. An overpayment made to a current recipient or payee must be recouped by reducing the amount of any future assistance payable to any assistance unit of which the individual is a member or payee.

1. When the recipient or payee has no cash reserve or countable income (payment equals the Standard of Assistance for the AU), 10% of the assistance payment may be recouped until the overpayment has been repaid. **Under the Repayment Agreement Section on the Claim Information Screen,** enter the amount that equals 10% in the "**Amount Agreed To Pay**" field **or the percentage amount in the percentage field.**

   Example: TANF **Payment** of **$347**; Recoup 10% **($34.70);** amount of recoupment **= ($34.70);** New **payment** amount is **$312.30.**

2. In situations where a recipient (but not a payee) has earned income, unearned income, or any combination thereof, in addition to the assistance payment, part or all of the assistance payment may be recouped as long as the assistance unit retains at least 90 percent of the standard of assistance when the total gross income and the amount of the current **payment** are considered.

   To calculate the client's ability to repay the overpayment, the worker will follow steps a - d below:

   a. Determine the amount of the overpayment.

*45 CFR 233.20(a)(13)(i)
*§63.2 - 512

b. Combine all gross income including any income that would be disregarded for TANF purposes (such as SSI) and the current **payment** to determine the amount of income available to the AU.

c. Determine 90% of the standard of assistance for a family of equal size in the same locality. This represents the amount of money the client must have available.

d. Subtract the amount in step c from the amount in step b. The difference represents the amount the client is able to repay on the overpayment.

Note: When the additional income or the TANF **payment** amount is either increased or reduced, the recoupment amount is to be recalculated.

Example 1:
Step a: Determine the amount of the overpayment.

Step b: Available income	**$618.00**
($344 gross wages + **$274 payment** amount)	
Step c: Minimum amount AU retains **($274** X 90%)	**- $246.60**
Step d: Maximum amount that can be paid	**= $371.40**

The EW will recoup the entire **payment** amount of **$274.**

If the amount that can be paid is equal to or greater than the Standard of Assistance (**payment** amount), the amount to be recouped will be equal to the **payment**.

Example 2:
Step a: Determine the amount of the overpayment.

Step b: Available income	$**394.00**
($50.00 gross wages + **$344 payment** amount)	
Step c: Minimum AU retains **($344** X 90%)	**- $309.60**
Step d: Maximum amount that can be paid	**= $ 84.40**

The EW will recoup **$84.40** from the **payment**.

If the amount that can be paid is less than the Standard of Assistance (**payment** amount), the amount to be recouped will be equal to the amount that can be paid.

The monthly assistance payment will be reduced according to B (1) and (2) above until such time as the overpayment has been repaid. If, however, income and/or cash reserves have been counted in establishing the client's ability to repay, recovery of the overpayment may also be accomplished through voluntary repayment. This option is to be offered to the client prior to initiating a recoupment.

If recoupment reduces the **payment** to zero, the case will be retained as TANF eligible with no money payment.

C. Recovery consists of making arrangements with a former or current recipient or payee for voluntary repayment of all or a portion of the overpayment even though the client may no longer be eligible for assistance. If a former recipient or payee fails to make the voluntary repayment, the agency must initiate action under Section 63.2-512, Code of Virginia, to collect the amount as a debt.

Failure or refusal of a current recipient or payee to voluntarily repay the overpayment will result in court action only when recoupment is not possible because the **payment** amount is less than $10.00.

D. Responsibility for Outstanding Overpayments - Outstanding overpayments must be recovered or recouped when a former recipient or payee reapplies for assistance and is found eligible. The schedule of repayment is to be based on the current situation of the client.

The allowable amount of recoupment or recovery of the overpayment from the client is limited to the total amount of the overpayments.

1. When TANF payments or VIEW supportive services are overpaid, the caretaker(s) included in the assistance unit at the time the overpayment occurred shall be responsible for repayment of the overpayment. If there is no parent or non-parent caretaker included in the assistance unit, the payee for the case at the time the overpayment occurred shall be responsible for the overpayment. Individuals who were children on the case at the time of the overpayment are not responsible for repaying the overpayment either while they are children or when they become adults. A minor parent is not liable for the overpayment unless she is living with someone who is standing in *loco parentis.*

2. Recoupment process:

   a. Identify the liable individual(s) in **VaCMS** by selecting the liable person(s) from the **"Client Name" drop-down on the Liable Persons Screen.**

   b. For payee cases, **select the name of the payee .**

   c. **Minors are not responsible for overpayments unless included as a minor parent described in (1) above.**

Example 1: Ms. Thomas loses her job and requests assistance for her son, her daughter, and her daughter's baby. She returns to work one month after the case is approved but does not report her income (which exceeds 130% of the federal poverty level) until her next renewal. The agency establishes an overpayment for Ms. Thomas. The other three persons, including her daughter who is a minor caretaker, are children on the case and are not liable for the overpayment.

Example 2: Mrs. Allen is the payee on a case for her teenage grandsons. She is not needy and is not included in the **payment**. An overpayment occurs when the children move out to live with their father and Mrs. Allen does not report the change. The agency establishes the claim in **VaCMS, making** Mrs. Allen **the liable person by selecting her name from the** "**Client Name" drop-down on the Liable Persons Screen** before closing the case. Mrs. Allen agrees to voluntary repayment and begins sending the agency a small check each month. After three months, Mrs. Allen refuses to make any more payments. The agency begins to initiate legal action to collect the balance of the overpayment as a debt. (See 503.8C).

E. Prompt Correction of Overpayments - An overpayment must be recouped or recovered as soon as administratively feasible. One of the following actions must have occurred by the end of the calendar quarter following the quarter in which the overpayment was first identified.

1. Repayment must have already been accomplished.

2. Action to locate and/or recover from a former recipient must have been initiated.

3. Repayment from current recipient occurring either through recoupment or voluntary repayment.

If instances occur where none of the three actions have been taken by the time stated above, the overpayment must still be recouped or recovered.

If prosecution for an IPV occurs, then the amount of court ordered restitution will be the amount of the overpayment to be recovered from that case.

F. Determining Intentional Program Violations (IPV) - A client error may or may not be an IPV, which exists when there is evidence clearly establishing that the recipient willfully withheld information or gave false information affecting his eligibility or the amount of assistance. (See Section 102 for further procedures.)

G. Reporting Overpayments - In instances where the assistance payment is reduced or suspended to recoup an overpayment previously repaid to the Department of Social Services, or cash amounts are received as recovery of money previously repaid to the Department of Social Services from local funds, an adjustment must be reported on LASER in order that the locality can recover local funds paid to the State. The amount of the deduction made from the current payment, the amount of the suspended **payment**, or the cash amount received as recovery should be shown as an addition to expenditures in LASER.

H. Retention of Overpayment Records - All overpayment records must be maintained for three years after the claim is paid, administratively closed, or written off. (See 100.4 for information about the Library of Virginia schedule for retention of specific types of information). All documentation pertinent to the overpayment should be attached to the screen print of the overpayment **and maintained in the case file.** The file should contain the following screen prints: **the "Liable Person" screen, which will include the individuals liable for the claim and the "Benefits Adjustment" screen showing the calculation.**

* 45 CFR 233.20(a)(13)(ii)

503.9 CORRECTION OF PRIOR UNDERPAYMENTS - The agency is to correct any underpayment to any person who is currently in need, regardless of whether they are current recipients. (See 305.1.D.2.C.) The local agency shall notify a case not currently receiving assistance, in writing, of requirement to demonstrate their current need (that they would currently be eligible for TANF if they applied) in order to receive underpaid payments. Additionally, when the agency discovers that a household was incorrectly denied/ terminated, the former applicant/recipient must provide verification that the assistance unit was actually eligible for each month subsequent to the incorrect denial/termination. An underpayment will only be calculated for each month such verification is provided.

When it is learned that an underpayment has been made as a result of any (client or agency) error, there must be correction of the prior underpayment by repayment to the client as follows:

1. The total allowable repayment to the client shall be the amount of the underpayments.

2. Retroactive repayment of prior underpayments shall be made either in one lump sum payment or by monthly installment payments to the client until the full allowable repayment is made. The method of payment is to be selected by the local agency.

3. The retroactive corrective payment shall not be considered as income in determining need and the amount of the continuing assistance payment for which the recipient is eligible in the month in which it is paid or the next following month. The TANF maximum payment may be exceeded by the amount of such corrective payment.

The agency must also correct outstanding underpayments to former recipients who have reapplied and are found to be eligible.

The above instructions are not applicable when a corrective payment is made as a result of an appeal to the State Board or a court decision. In such cases, the terms of the State Board decision or court order apply.

At the time a **payment** is made or increased for the purpose of correcting a prior underpayment, the recipient must be informed in writing of the purpose of this special allowance; the amount and the period for which it will be made; and the fact that it will automatically terminate at the end of the specified period. If this is done and the recipient, at the time the special allowance is terminated, appeals within the advance notice period, assistance need not be continued in the original amount.

503.10 OFFSETTING OVERPAYMENTS AND UNDERPAYMENTS - In cases which have both an underpayment and overpayment, the agency will offset one against the other in correcting the payment.

CHECK HANDLING INFORMATION AND PROCEDURES

This appendix explains check handling procedures for cancellation or re-issuance of returned TANF checks and VTP checks, replacement of lost/stolen or mutilated checks, reimbursement of localities for locally issued checks, and obtaining a copy of a cashed check. Note: The **VaCMS** transactions below indicate how to complete fields related to check handling procedures. Routine procedures for completing screens and transmitting to view the next screen have been omitted.

A. Glossary

1. **VaCMS - Virginia Case Management System**

2. Cancelled Check - A cashable check that is returned to the State and redeposited in a State account. A check cannot be cancelled if it cannot be cashed, i.e., if there is a stop payment against the check, if the check has already been cashed or if the check is mutilated. When a check is cancelled, any recoupment is null.

3. EW - The eligibility worker or other local department of social services staff with check handling responsibility.

4. Forgery - A payee states that the signature on the back of a State check is not hers/his. The account of the first casher is debited, and the money is deposited into a special State account.

5. FPU - Fiscal Processing Unit. The FPU is the unit within the **Virginia** Department of Social Services, Division of Finance, which processes returned/undelivered checks, lost/stolen checks, cancelled, and mutilated TANF checks.

6. Fraud - The payee signs affidavits stating she did not cash the check, but the payee has cashed or cashes the check or receives payment of the check. The local agency must get local or state money back from the payee if any was given to the payee.

7. LASER - The Locality Automated System for Expenditure Reimbursement.

8. LDSS - The local department of social services.

9. Mutilated Check - A check is mutilated if it cannot be cashed, e.g., the magnetic ink has been torn, the amount or payee has been tampered with, or if one-half of the check cannot be recovered. If less than one-half of the check can be recovered, stop payment procedures must be followed.

10. **Issuance Summary/Search screen -** A history in **VaCMS** of the payments received by a case.

11. Replacement Check - A State check that is written to the payee to replace a check that is mutilated or has a stop payment placed against it.

12. Specific Payment Inquiry - Information specific to an individual payment on the Payment History.

13. Stop Payment - An action placed against a check so that it will not be honored, i.e., in the case of a lost/stolen or mutilated check. The check is stopped, not the payment to the client. Recoupment is not affected. A check generated through **VaCMS** should be issued to the payee.

14. VIEW Transitional Payment (VTP) - An incentive payment provided to prior VIEW participants after the TANF case has closed.

B. TANF Checks - Schedules and Mailing Information

1. Mailing - TANF and VTP checks are mailed by the State Treasurer's Office. The check date is the mailing date.

2. Monthly Cycle - Ongoing State-generated TANF and VTP checks to be issued/mailed on the first of each month.

3. Daily Cycle - Initial TANF, supplemental and VTP checks generated by the State.

C. Undelivered Check Procedures

1. Check Returned to VDSS by the Post Office

Responsible Party		Action
FPU	•	As soon as a check is returned to VDSS, FPU will enter the check status code of **"Returned to FPU"** (undelivered) in **VaCMS on the Check/Direct Deposit Action screen.**
FPU and LDSS	•	**A task and reminder will be generated to the LDSS worker that a check was returned to the FPU.** **Note: If the LDSS worker does not complete the Check/Deposit Action by selecting an Action Requested within 10 days, VaCMS generates a task and reminder to notify FPU worker to cancel the check.**

a. To re-mail the undelivered check within the 10-day time frame:

Responsible Party	Action
LDSS	• **Upon receipt of the task and reminder, from the Left Navigation, the LDSS worker will access the Maintain Check screen by selecting Benefit Issuance → Maintain Checks. Search by check number or other appropriated fields. The Check/Direct Deposit Action screen displays. Select the appropriate Action Requested from the drop down menu: Remail – New Address, Remail - Same Address or Cancel. If the action requested is Remail – New Address, a comment box is enabled. Enter the new address in the comment box for the Home Office FPU worker to reference. Click Continue.** **Notes: 1. VaCMS generates a task and reminder to notify the FPU worker of the action requested. 2. When applicable, remember to change the address in Data Collection for an open case or from the Case – Search/Summary screen for a closed case.**
FPU	• **FPU will select Benefit Issuance and then Maintain Checks. Search by Check Number or other appropriate fields. Click the pencil icon to edit a specific issuance. The Finance Check/Direct Deposit Action screen displays. Update the Finance Status based on Action Requested: Re-mailed - New Address, Re-mailed - Same Address, or Cancelled. Notes: 1. VaCMS will dispose of the task and reminder that notified the FPU worker of the action requested. 2. If the Cancelled status is selected, the VaCMS generates an task and reminder to notify the LDSS worker that the check was cancelled by the FPU. Upon receipt of the task and reminder, the LDSS worker should follow the next steps.**

b. To cancel the undelivered check within the 10-day time frame:

Responsible Party	Action
LDSS	• **From the Left Navigation →Benefit Issuance →Maintain Checks → Search by Check Number or other appropriate fields. Click the pencil icon to edit the specific Issuance. The Check/Direct Deposit Action screen displays. The Benefit Re-Issuance section is enabled and defaulted to prior check information. Update to a different Name and Address as appropriate. Enter Comments as appropriate. Click Continue.** **Notes: 1. If Re-Issuance is Yes, Check/Warrant is generated overnight with Issuance Type of Replacement. Entry will display in Benefit Details and Maintain Checks the following morning. 2. When applicable, remember to change the address in Data Collection for an open case or from the Case – Search/Summary screen for a closed case.**

2. State Check Returned to LDSS

Responsible Party	Action
LDSS	• **If a check was mailed to the incorrect address and is returned to the local agency, the local agency should re-mail the check to the correct address. If the check cannot be mailed to the correct address, the local agency should send the check to Home Office FPU. Action in the Maintain Checks link is not required.** **Note: 1. Do not write VOID on the check. 2. When applicable, remember to change the address in Data Collection for an open case or from the Case – Search/Summary screen for a closed case.**
FPU	• FPU cancels the check **and the cancellation can be seen in Maintain Checks with check status "Cancelled".** **Note: When applicable, remember to change the address in Data Collection for an open case or from the Case – Search Summary page for closed cases.**

3. Check Reported Undelivered by Payee

Responsible Party	Action
LDSS	• When the payee is a vendor who reports non-receipt of a Diversionary Assistance check, the EW will contact the Fiscal Processing Unit at Home Office to confirm the status of the check prior to taking any steps to reissue the check. • When the payee reports non-receipt of the check, the EW determines if the payee has moved since the last check was received. • If the payee has moved, the payee should inquire at the former address about the delivery of the check there. The EW must immediately update the address section in **Data Collection and select the appropriate Address Type (Physical or Mailing)** to ensure that future checks are sent to the new address. • The EW must verify that the check in question was issued. To do this, access the **VaCMS Issuance Summary/Search screen**. Note: The EW must search Is**suance Summary/Search screen in VaCMS** daily. • If **VaCMS** shows a check was processed, follow the lost/stolen procedures. If **VaCMS** shows anything other than processed, follow the procedures for that status.

4. Check Reported Lost/Stolen/Mutilated by Payee

a. The payee reports non-receipt of a TANF check:

A payee must report that a check has been lost or stolen within 45 days of issuance in order to be eligible for a replacement check. Additionally, the payee must complete three affidavits (which will include a Lost Check Report or Stolen Check Report forms) within 45 days of issuance of the original check. In the case of a Stolen Check Report, the payee must also file a police report and provide the LDSS with a copy of the report, or the report number, (within 45 days of issuance of the original check) in order to receive a replacement check.

Responsible Party	Action
LDSS	• **The pay FIPS reflected on the SNAP/TANF Detail Screen in VaCMS is the LDSS that issued the check, regardless of the present locality of residence. The original locality will initiate the stop payment action, and issue the replacement check.** • **Before initiating an action, review the Issuance Summary/Search screen to ensure the check has not been cancelled, undelivered, re-issued, mutilated or stopped.** • **From the Left Navigation → Benefit Issuance → Maintain Checks. If FPU has received the check, it will display on the Maintain Checks screen. If the check does not display go to step b.** **Note: A FEP recipient check must be a State-issued check. VaCMS does not have the capability to reimburse for local checks.**

b. Obtain three signed affidavits and the police report or police report number:

Responsible Party	Action
LDSS	• If a check was issued, have the payee complete and sign three State affidavits (Form 032-06-0118) and two Wells Fargo Bank forms. The entire affidavit (including the Lost/Stolen Check Report form) must be completed in full. The EW should allow the payee to complete (fill out) as much of the report as possible. The EW must ensure that all

questions are answered. The EW must also ensure that the payee is aware that by signing the affidavits/reports, he is agreeing to cooperate with the Department of Social Services and any law enforcement agencies in the investigation and/or prosecution of any person(s) who may be responsible.

- If the payee is reporting the check as stolen, the payee must agree to file a police report and provide a copy of the report, or the report number, within 45 days of issuance of the original check to the LDSS in order to be eligible to receive a replacement check.

- The EW should contact FPU to determine if a copy of the cashed check can be faxed to the LDSS while the payee is in the office to complete the affidavits. If not, schedule an appointment for the payee to return to the LDSS within 48 hours of receipt of the Lost/Stolen Check Report and the Wells Fargo Bank form. The payee must return to the LDSS to review the signature on the check prior to the LDSS issuing a replacement check to see if he recognize the signature.

- The affidavits must be notarized and stamped with the notary seal. (See Section **D** for mutilated check procedures.)

- If the affidavits are incomplete, incorrect, or are photocopies, FPU will return them to the LDSS for correction. FPU will not make corrections to the forms. All three affidavits must be original copies with an original signature.

  Note: The payee for the check is the only person allowed to sign the affidavits. If the payee and recipient are two different people, be sure the payee is signing the affidavits.

- Send two of the affidavits (which will include the Lost Check Report or Stolen Check Report containing the police report number to the FPU in a large envelope. The affidavits forms must not be folded. Send the affidavits via overnight pouch to:

  FPU –TANF Affidavits
  VDSS Home Office
  Division of Finance
  Fiscal Processing Unit

- File the third affidavit (which will include the Lost Check Report or Stolen Check Report with police report/ police report number) in the eligibility record.

- Furnish the police report to the Fraud Unit upon request.

c. Enter stop payment request in **VaCMS**:

Responsible Party	Action
LDSS	• After the fourth mail delivery day from the check date (same as the mail date), if the payee still has not received the check and the check has not been reported by the FPU as undelivered, initiate action to stop payment. • Note: If the payee reports that the check has been lost or stolen after receipt, the stop payment procedures still apply. • **To stop payment, from the Left Navigation →Benefit Issuance →Maintain Checks → Search by Check Number or other appropriate fields. Click the pencil icon to edit the specific Issuance. The Check/Direct Deposit Action screen displays. Enter Action Requested from the dropdown menu: Stop Payment – Check Lost, Stop Payment – Check Stolen, or Stop Payment – Check Mutilated. Enter date all required documents are submitted, click Save and Continue.** **Note: VaCMS generates a task and reminder to notify the FPU worker of the action requested.** • **Under no circumstances should a LDSS request a stop payment without having three completed affidavits with original signatures. A LDSS that requests a stop payment without first obtaining affidavits risks non-reimbursement.** **In order to be reimbursed, local checks are to be issued only in emergencies and with the approval of the TANF Program Manager.**

Responsible Party	Action
FPU	• **FPU receives a task and reminder of the EW's actions**. • Upon receipt of two correctly completed affidavits which will include the Lost Check Report or Stolen Check Report, the stop payment request through **VaCMS, FPU takes action to stop payment on the check. From the Left Navigation, the FPU Worker selects Benefit Issuance → Maintain Checks. The FPU worker will search by Check Number or other appropriate fields. Click the pencil icon to edit specific issuance. The Check/Direct Deposit Action screen displays. This screen is read only for the FPU worker. Click Continue to access the Finance Check/Direct Deposit Status screen. Update Finance Status to: Payment Stopped – Affidavit Received/Check Cashed, Payment Stopped – Affidavit Received/Check Not Cashed, or Payment Stopped – Other Certified Documents Received. Click Save.**

Notes: 1. VaCMS disposes the task and reminder that notified the FPU worker of the action requested. 2. VaCMS generates a task and reminder to notify the LDSS worker that the payment was stopped for the check by the FPU worker.

D. For Mutilated Checks – **Workers are to use the same instructions as the Lost or Stolen Checks instructions to replace checks that cannot be cashed, i.e. the check may have been tampered with, the check or the magnetic strip is torn, or less than ½ of the check is recovered. Do not cancel a mutilated check. A signed affidavit is not needed to replace a mutilated check. You may not need a police report for a mutilated check unless it was mutilated on purpose.**

E. Lifting a Stop Payment Order

Responsible Part	Action
LDSS	• Contact the Fiscal Processing Unit and request that the stop payment be lifted. • If the stop payment can be lifted **and another state check has not been issued, the LDSS may inform the payee she may cash the original check.** • **Local checks are to be issued only in an emergency and with the prior approval of the TANF Program Manager in order to be reimbursed.**

F. Check Cashed After Stop Payment Placed Against Check

Responsible Party	Action
FPU	• The bank voids the stop payment request if the check has been cashed on the same day. If the check is cashed the next day and the stop payment is in place, the casher must request replacement from the recipient who received the cash.

G. Check Cashed Before Stop Payment Request

Responsible Party	Action
FPU	• The bank is checked for the status of the check. Fraud action will be initiated by FPU.
LDSS	• The locality will issue the replacement check following procedures in C.4.c. above.

H. Procedure to Ensure Reimbursement for a Locally Issued Check - **VaCMS does not support reimbursement of locally issued checks**. **In order to be reimbursed, local checks are to be issued only with the prior approval of the TANF Program Manager.**

I. How to request a copy of a cashed check

Responsible Party	Action
LDSS	• The LDSS sends a written request for a copy of a cashed check to the FPU. The letter must include the payee name and address, case number, warrant number, date of check and amount or send a printed copy of the **Issuance Summary/Search screen**.
	• Note on the request if a certified copy is needed for court and include the court date.
FPU	• Upon receipt of the request, the FPU will send a copy of the check to the LDSS.

COMMONWEALTH of VIRGINIA

Department of Social Services

Affidavit on Check Endorsement

Locality: _____ **VaCMS** Case No: _____

Category: _____ Worker Name/ No.: _____

I hereby state that the Commonwealth of Virginia, Department of Social Services Assistance Check No._____, dated_____, in the amount of $_____, made payable to me, _____, by the Treasurer of Virginia, was not endorsed by me. I also state that I did not authorize any other person to endorse my name thereon. I further state that I have not received payment or **payment** of the said check directly or indirectly in any way, shape or manner, nor authorized anyone to receive payment of the said check.

I understand and agree to notify and return to the Department of Social Services the original check in the event I receive it after signing this statement.

I agree by signing this affidavit, to cooperate with the Department of Social Services and any law enforcement agencies in the investigation and/or prosecution of any person(s) who may be responsible. If I am reporting the said check stolen, I agree to file a police report and provide a copy of the report, or the report number, within 45 days of the original check issuance to the Department of Social Services in order to receive a replacement check.

I have read the above statement, or it has been read to me, and I state this information is true and correct. I understand that making a false sworn statement is subject to federal and/or state statutes and may be punishable by fines and/or imprisonment.

_____ _____

Signature of Payee/Client Date

SSN: _____ Address: _____

_____

Subscribed and sworn to me, a Notary Public for the City/County of _____in the State of Virginia, this _____ day of_____, 20_____.

My commission expires_____, 20____. _____

Notary Public

Stolen Check Report
All questions must be answered

Date of Report_____Payee_____

Address of Payee_____

_____

Phone #: Home _____ Work _____ Cell _____

Check Number _____ Amount _____ Date of Check_____

Were any other items, such as identification, taken? ☐ Yes ☐ No

If so, what type _____ ID Number _____

Where did the theft occur? ☐ Home ☐ Work ☐ Auto ☐ Other _____

Do you have any idea who may have taken this check? ☐ Yes ☐ No If so, who?_____

Description of Suspect: Height _____ Weight _____ Sex _____ Age _____ Race ____

Address of Suspect_____

_____

Why do you suspect this person? _____

_____

How do you know this person? _____

_____

Is this person related to you? ☐ Yes ☐ No If so, what relation is this person to you? _____

Have you moved in the last 60 days? ☐ Yes ☐ No

Please attach a separate piece of paper that lists all other adult household members in the home at the time of the theft.

A police report must be filed when a Stolen Check Report is made.

Police report number: _____

I agree by signing this report to cooperate with the Department of Social Services and any law enforcement agencies in the investigation and/or prosecution of any person(s) who may be responsible. (This information will be supplied to the financial institution who negotiated the check and law enforcement agencies to assist in prosecution.) Additionally, I state that this information is true and correct, and understand that making a false sworn statement is subject to federal and/or state statutes and may be punishable by fines and/or imprisonment.

Please sign your name on the following lines:

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

Lost Check Report
All questions must be answered

Date of Report _____ Payee_____

Address of Payee_____ _____

_____

Phone #: Home _____ Work _____ Cell _____

Check Number _____ Amount _____ Date of Check_____

Did you receive the check? ☐ Yes ☐ No

If yes, where did the loss occur? ☐ Home ☐ Work ☐ Auto ☐ Other _____

Are any other items, such as identification, lost/missing? ☐ Yes ☐ No

If so, what type? _____

I agree by signing this report to cooperate with the Department of Social Services and any law enforcement agencies in the investigation and/or prosecution of any person(s) who may be responsible. (This information will be supplied to the financial institution who negotiated the check and law enforcement agencies to assist in prosecution.) Additionally, I state that this information is true and correct, and understand that making a false sworn statement is subject to federal and/or state statutes and may be punishable by fines and/or imprisonment.

Please sign your name on the following lines:

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

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AFFIDAVIT ON CHECK ENDORSEMENT

FORM NUMBER- 032-06-0118-**11**-eng (10/18)

PURPOSE OF FORM – This is a three - part form which includes sections for the Affidavit on Check Endorsement, Lost or Stolen Check Report and Wells Fargo Bank. These forms are to be completed when requesting a stop payment. The form should be completed by the payee (as much as possible) to allow the Fraud Investigator to compare the handwriting on the form to the payee's signature.

USE OF FORM – To be used by the local social services agency when a check is reported lost or stolen to secure the payee's statement that he or she did not endorse the check.

NUMBER OF COPIES – Three original signed affidavits.

DISPOSITION– Submit two original signed affidavits (which will include the Lost Check Report or Stolen Check Report) to the VDSS Home Office, Division of Finance, Fiscal Processing Unit (FPU). File the third original signed affidavit (which will include the Lost Check Report or Stolen Check Report in the eligibility record). Additionally, when a copy of the police report is provided for a Stolen Check Report, file the report in the eligibility record and give a copy to fraud unit in the local agency upon request.

INSTRUCTIONS FOR PREPARATION OF AFFIDAVIT ON CHECK ENDORSEMENT

Locality	Locality that listed check on warrant register
Category	Type of check issued
VaCMS Case No.	Complete case number
Worker Name and #	Complete worker's name and number
Check No.	Complete 8-digit check (warrant) number
Dated	Show date on the check
$	Entire amount of the check, including cents
Payable to	Payee name
Signature	Only PAYEE signature
Date	Date the affidavits are signed
SSN	Payee's social security number
Address	Address as shown on the warrant register. Must have City, State and Zip
Notary	Blanks must be completed with Notary information, signed by Notary, and imprinted with the Notary seal.

STOLEN/LOST CHECK REPORT

The client must complete a lost or stolen check report as part of the affidavit. In the case of a stolen check, a police report must be filed.

Instructions For Preparation Of Stolen Check Report

Date of Report	Date affidavit is signed
Payee	Name of person check is made payable to
Address of Payee	Address as shown on warrant register, including City, State and ZIP
Home Phone	Payee's home telephone number
Work Phone	Payee's work telephone number
Cell Phone	Payee's cell phone number
Check Number	Complete 8 digit check (warrant) number
Amount	Entire amount of check, including cents
Date of Check	Date on check
Other ID taken	Check YES or NO
If so, what type	List each piece of stolen ID
Where did theft occur	Check appropriate box, Home – Work – Auto – Other
If Other	Indicate where
Idea Who?	Check YES or NO

If YES box is checked, complete the following 7 questions:

If so, Who:	Person's name
Description	Best possible description of suspect
Address of suspect	Address of the suspect, including City, State and Zip
Why this Person	Reason this person is suspected
How person is known	How payee knows the suspect
Related	Check YES or NO

What Relationship	If YES box is checked, answer how suspect is related to payee
Moved in last 60 days	Check YES or NO
Police report number	Number given to police report by local police department MUST BE COMPLETED
Sign name	10 original payee signatures

Instructions For Preparation Of Lost Check Report

Date of Report	Date affidavit is signed
Payee	Name of person check is made payable to
Address of Payee	Address as shown on warrant register, including City, State and ZIP
Home Phone	Payee's home telephone number
Work Phone	Payee's work telephone number
Cell Phone	Payee's cell phone number
Check Number	Complete 8 digit check (warrant) number
Amount	Entire amount of check, including cents
Date of Check	Date on check
Check Received	Check YES or NO
Where did the loss occur	Location of where check was lost
Other ID lost/missing	Check YES or NO
If so, what type	List each piece of lost identification
Sign name	10 original payee signatures

INSTRUCTIONS FOR PREPARATION OF AFFIDAVIT OF CHECK FRAUD BY PAYEE FORGED ENDORSEMENT

Endorsement Forged	The payee should check the box if check was not signed or authorized by the payee
Check No.	Enter the complete 8-digit check (warrant) number
Date	Enter the date on the check
Amount	Enter the entire amount of the check, including cents
Made Payable to	Enter the payee name
Payee Name and Title/Signature	Enter the payee printed name then signature
Date	Enter the date the affidavit is signed
Address	Enter the current address (as shown in **VaCMS**) City, State and Zip Code
Phone Number	Enter payee telephone number
Notary	Blanks must be completed with Notary information, signed by Notary, and imprinted with the Notary seal

DIRECT DEPOSIT INFORMATION AND PROCEDURES

This appendix explains procedures for direct deposit cases including mailing a check when a direct deposit did not post to a client's account. Note: The **VaCMS** transactions below indicate how to complete fields related to direct deposit procedures.

A. Glossary

1. **VaCMS – Virginia Case Management System.**

2. Direct Deposit – The process by which TANF payments are electronically posted to a client's bank account.

3. EW - The eligibility worker or other local department of social services staff with check handling responsibility.

4. FPU - Fiscal Processing Unit. The FPU is the unit within the Virginia Department of Social Services, Division of Finance, which processes returned/undelivered checks, lost/stolen checks, cancelled, and mutilated TANF checks as well as direct deposits that did not post.

5. Fraud - The payee signs affidavits stating she did not receive the benefit of the payment. The local agency must get local or state money back from the payee if any was given to the payee.

6. LDSS - The local department of social services.

7. **Issuance Summary/Search Screen** - A history in **VaCMS** of the payments received by a case.

8. **Benefit Issuance Details -** Information specific to an individual payment on the Issuance summary/Search screen.

B. TANF Payments - **Schedules Information**

1. Monthly Cycle - Ongoing State-generated TANF and VTP payments to be issued on the first of each month.

2. Daily Cycle - Initial and supplemental payments generated by the State.

C. How to Process a Direct Deposit Request

Responsible Party	Action
Client	• The client must provide a completed and signed Direct Deposit Enrollment Authorization Form (032-03-672) and a voided check.
	• The client is to complete Section 1 of the form. Section 2 must be completed by the bank if the client does not have avoided check.
EW	• The case must be in on-going mode. The case name must be on the bank account. The bank account can be a checking or savings account.
	• **From Left Navigation in VaCMS, the Eligibility Worker selects: Data Collection → Eligibility → Method of Issuance.**
	• **Enter the case number → Click Search → Enter the appropriate dates.**
	• **The account name is pre-filled with the name of the TANF Benefit Recipient selected on the SNAP/TANF Case Level - Details screen. The bank account must be in the TANF Benefit Recipient name. In the Issuance Method drop-down, select Direct Deposit.**
	• **Under Direct Deposit Information, if using a voided check, enter the account's "First" name → Enter the account's "Last" name → Enter the bank name.**
	• **For Account Type select checking or savings from the drop-down. Enter the account number which is the second set of numbers located at the bottom of the check. Enter the account number a second time.**
	• **Enter the bank routing number, which is the first set of numbers at the bottom left of the check. The routing number and account number is separated by a colon. Click Submit. The message "Request has been Successfully Submitted" will display.**
	• **If you are entering information from the Direct Deposit Enrollment form completed by the bank, enter the routing number and account number that is on the form. Click Submit. The message "Request has been Successfully Submitted" will display.**

- The direct deposit request is put into Pending status for seven days from the date it is entered. Once the information is verified by the client's bank that the account is valid the direct deposit becomes active.

- Information will be sent **from VaCMS** to the client's bank. **If the account is not valid, an ACH Reject Notice for TANF is generated to the client directing her to contact her eligibility worker. The notice also informs her that payments will be issued by check until direct deposit is set-up successfully.**

D. Procedures to reissue payments that did not electronically post (direct deposit) to client's bank account.

NOTE: A direct deposit payee has 45 days from the issuance date to report non-receipt of a payment that was not posted to his bank account.

Responsible Party	Action
FPU	• **If** a direct deposit is returned, **VaCMS displays Cancel on the Check/Direct Deposit Status screen. An alert is sent to FPU notifying them of the direct deposit reject.**
VACMS	• **The Issuance Summary/Search screen will be updated to display "Cancel".** **A task and reminder will generate to the eligibility worker.**
EW	• **The "Cancel" status will update to the Maintain Check screen. Upon receipt of the task and reminder. The EW will contact the client and discuss the incorrect information and inquire if the client wants to provide the correct information. The client will receive a notice from VaCMS automatically informing her about the status of her direct deposit.** **Confirm the direct deposit has been canceled by FPU. If the client would like to give new banking information, obtain this information prior to initiating the reissuing process.** • **To reissue, the EW will select Benefit issuance → Maintain Checks → the Check/Direct Deposit Search Screen displays → Click the pencil icon to edit a specific issuance. If the issuance you are searching for or no additional issuance displays, at the top of the screen enter the case number, or warrant number, and select program type from drop-down menu. Click Search. The Finance Status should display as Cancel. Select the pencil icon by the cancelled issuance.**

- **On the Check/Direct Deposit Action screen complete the Check/Direct Deposit Action section. Enter the date and Save and Continue. Under the Finance/Benefit Issuance section, enter the Date All Required Documents were Submitted. Select Yes or No from the Reissue drop-down. If yes is selected the Issuance Method page is enabled and mandatory.**

- **On the Issuance Method page, if direct deposit method is selected for reissuance, VaCMS will verify if the customer has direct deposit information entered. If debit card is selected as the reissue method, the system will verify that the customer has a valid social security number. Check may also be selected. Ensure the mailing address is correct.**

  Note: If direct deposit is chosen and new banking information is provided there will be a delay because the system has to verify the banking information is correct and in the interim a check will be issued. (Make sure the direct deposit information is correct prior to reissuing to direct deposit.)

E. How to cancel a direct deposit

Responsible Party	Action
EW	Client Request • Upon receiving a request in writing or the Request for Change of Issuance Method form (032-03-0996) completed by the client, the worker **will select from the VaCMS Left Navigation, Eligibility → TANF Method of Issuance screen. Select the new issuance method from the drop-down. Click Save and Continue. The direct deposit information will disappear.** • **The request to cancel the direct deposit must include the client's name, address, social security number, signature and date.** **Note: Once the direct deposit is cancelled, send the client the Direct Deposit Cancel Verification Letter (032-03-0676).**

DEBIT CARD INFORMATION AND PROCEDURES

This appendix explains procedures for debit card cases. Note: The **VaCMS** transactions below indicate how to complete fields related to debit card procedures. Routine procedures for completing screens and transmitting to view the next screen have been omitted.

A. Glossary

1. **Conduent -** through its Electronic Payment Processing and Information Control (EPPIC) system, is responsible for the processing and maintenance of debit cards for clients (including the creation, delivery, and replacement of the physical debit card to the client). The name of the card has been changed to **Way2Go** but the EPPIC acronym is still used in **VaCMS. Clients may contact Way2Go Card Customer Service at 1-800-961-8423 or Way2go.com regarding account specific questions.**

2. **VACMS - Virginia Case Management System**

3. Comerica - **is the** designated financial issuer **for Conduent.**

4. Debit Card – **an electronic payment option for receiving and accessing TANF payments**. TANF payments are electronically posted to an account which can be accessed through the use of a state-issued Virginia Debit MasterCard® (also referred to as **Way2Go** Card).

5. EW - The eligibility worker or other local department of social services staff with payment issuance responsibility.

6. LDSS - The local department of social services.

7. **Issuance Summary/Search screen -** A history in **VaCMS** of the payments received by a case.

8. **Benefit Issuance Details -** Information specific to an individual payment on the **Issuance summary/Search screen**.

B. TANF Payments - Availability Schedules

1. Monthly Cycle - Ongoing TANF and VTP payments will be available on the debit card on the first day of each month. **Note: Payments are typically posted on the first of the month.**

2. Daily Cycle - Initial and supplemental payments generated by the State will be available on the debit card by the fourth business day after approval of the payment for individuals who have requested debit card as the TANF issuance method but do not have a debit card. This will allow time for the card to be mailed and the client to activate the card. Payments will be available on the next business day after approval of the case for individuals who have a pre-existing TANF debit card account.

C. How to Process a Debit Card Request

Responsible Party	Action
Client/EW	• As part of the interview with new applicants and re-applicants, the EW will advise the client of the issuance methods available for TANF payments. The EW will advise the client that only one debit card will be issued for each TANF case. (The card will be issued to the individual who is listed as **the name of the TANF Benefit Recipient selected on the SNAP/TANF Case Level - Details screen.** The EW should advise the client that a debit card will only be issued to individuals with a valid social security number. Note: If the client requests a debit card, she should be advised that Diversionary Assistance payments cannot be issued through a debit card. Additionally, Full Employment Program (FEP) payments cannot be issued through a debit card.
EW	• Debit card (EPPIC Card) will be the default issuance method for **VaCMS**. If the client chooses debit card as the issuance method, the EW **will complete the required fields and verify that the "Pay To" the prefilled case name is correct, then Click Save and Continue.**

D. How TANF Payments Will Be Issued When the Request to Establish a Debit Card Account (Request a Debit Card) Is Rejected

Responsible Party	Action
VaCMS	• **When a debit card request is rejected, VaCMS will update the Benefit Issuance History and Benefit Details screen with the word "Check" and VaCMS will issue the first payment by check.**
EW	• **The EW will inquire the Issuance Summary/Search screen to view the details of the issuance. Once the issuance method is confirmed, the EW will inform the client payments were issued by check and the EW will research why payments did not go out by debit card.** • **The EW is to contact the Regional Consultant when a debit card rejects and sends a payment by check.**

E. How TANF Payments Will Be Issued When a Payment Fails to Post to an Existing Debit Card Account

Responsible Party	Action
VaCMS	• **If the client already has an existing account/Debit Card (not initial request) and the TANF payment fails to post to the debit card account (with another program such as VEC Unemployment Insurance), VaCMS will issue the payment by check. VaCMS will update the Issuance Summary/Search screen with the Issuance Method of "Check".**
EW	• **The EW will inquire the Issuance Summary/Search screen to view the details of the issuance. Once the issuance method is confirmed, the EW will inform the client payments were issued by check and the EW will research why payments did not go out by debit card.** • **The EW is to contact the Regional Consultant when a debit card rejects and sends a payment by check.**

F. How to Change the Payment Issuance Method from Check to Debit Card

Responsible Party	Action
	Client Request
EW	• Upon receiving a request in writing or a completed Request for Change of Issuance Method form (032-03- 0996) available at **http://localagency.dss.state.va.us/divisions/bp/tanf/.forms.cgi, the EW will select from the Left Navigation, Eligibility → TANF Method of Issuance → Enter the case number → Search.** • **The TANF Method of Issuance screen displays, the "Pay To" field will be prefilled with the name of the TANF Benefit Recipient selected on the SNAP/TANF Case Level - Details screen. From the drop-down, select Debit Card → Submit.** • **If the client has a valid social security number, the message "Request Submitted Successfully" will display in the upper left corner of the screen.**

G. How to Change the Payment Issuance Method from Direct Deposit to Debit Card

Responsible Party	Action
EW	Client Request • Upon receiving a request in writing or a completed Request for Change of Issuance Method form (032-03-0996) available at **http://localagency.dss.state.va.us/divisions/bp/tanf/.forms.cgi, the EW will select from the Left Navigation, Eligibility → TANF Method of Issuance → Enter the case number → Search.** • **The TANF Method of Issuance screen displays, the "Pay To" field will be prefilled with the name of the TANF Benefit Recipient selected on the SNAP/TANF Case Level - Details screen.** • **At the Method of Issuance field, from the drop-down select Debit Card → Submit. Debit Card will display as the issuance method and the direct deposit information will disappear.** • **On the upper left corner of the message "Request Submitted Successfully" will display. The debit card request will be sent to Conduent.** • **If the client already has an account, including an account establishment with another program such as DCSE or Unemployment Insurance, a separate TANF Program account will be set up for her TANF payments. A new card will not be sent unless it is time for a new card or the client requests a new card. If the client does not have an existing debit card account a new account will be set up. A MasterCard package with her debit card and instructions will be sent to her.**

H. How to Change the Payment Issuance Method from Debit Card to Check

Responsible Party	Action
EW	Client Request • Upon receiving a request in writing or a completed Request for Change of Issuance Method form (032-03-0996) available at **http://localagency.dss.state.va.us/divisions/bp/tanf/. From the Left Navigation, the EW will select Eligibility → TANF Method of Issuance → enter the case number. "Pay To" will be prefilled with the TANF Benefit Recipient selected on the SNAP/TANF Case Level - Details screen. At the Method of Issuance field click on the down-box and choose Check. Click Submit.** • **Check will display as the issuance method. The direct deposit information will disappear. Click Submit. At the top left hand side of the screen the message "Request Submitted Successfully" will display.**

I. How to Change the Payment Issuance Method from Debit Card to Direct Deposit

Responsible Party	Action
EW	Client Request • Upon receiving a request in writing or a completed Request for Change of Issuance Method form (032-03-0996) available at **http://localagency.dss.state.va.us/divisions/bp/tanf/.forms.cgi, the EW will select from the Left Navigation, Eligibility → TANF Method of Issuance → Enter the case number → Search.** • **The TANF Method of Issuance screen displays, the "Pay To" field will be prefilled with the name of the TANF Benefit Recipient selected on the SNAP/TANF Case Level - Details screen. At the Method of Issuance field click on the drop-down and select "Direct Deposit". Click Submit.** • **The bank account must be in the case name. Beside Issuance Method in the drop-down select the Direct Deposit.** • **Under Direct Deposit Information, if using a voided check, enter the account "First" name. Enter the account "Last" name. Enter the "Bank" name.** • **For Account Type select Checking or Savings from the drop-down. Enter the account number which is the second set of numbers located at the bottom of the check. Enter the account number a second time.** • **Enter the routing number, which is the first set of numbers at the bottom of the check on the left hand side. The routing number and account number are separated by a colon. Click Submit. On the upper left corner of the message "Request has been Successfully Submitted" will display.** • **If you are entering information from the Direct Deposit Enrollment form completed by the bank, enter the routing number and account number that is on the form from Section 2 of the form (032-03-0672). Click on Submit.** • **On the upper left corner of the message "Request has been Successfully Submitted" will display.**

J. Debit Card Reported Lost/Stolen by Cardholder

Responsible Party	Action
Client	• The cardholder will contact **Way2Go** customer Service at 1-800-961-8423 to report a lost/stolen card and obtain a replacement card.
EW	• No action is required. The EW should advise the cardholder to contact **Way2Go** customer service to report **the** lost/stolen card.

K. Debit Card/ Debit Card Funds Returned by Cardholder

Responsible Party	Action
EW	• When a cardholder attempts to return a debit card to the LDSS, staff should refuse to accept the card and provide the cardholder with a copy of the Returned TANF Debit Cards information sheet (032- 03-0200). (See the exception for overpayments in the note below). **Note: Funds received by debit card may be used to repay a previous overpayment. The cardholder will have to obtain the funds from the card and provide the funds to DSS as a cash payment.** If the cardholder mails the debit card to the LDSS, the EW should mail the card back to the cardholder along with a copy of the Returned TANF Debit Cards information sheet (032-03-0200**)**.

L. Change of Address Reported by Cardholder

Responsible Party	Action
EW	• When a debit cardholder reports a change of address the EW **is to make the corrections on the TANF case. The information will be transmitted to Conduent.**
Client	• If the client needs to request a replacement card, she will contact **Way2Go** customer service after the EW has received confirmation the address has been updated in the **Way2Go System.**

M. A Social Security Number and/or Date of Birth Has Been Corrected for a Debit Cardholder

Responsible Party	Action
EW	• When an EW **corrects** a date of birth and/or a social security number in **VaCMS for a debit cardholder the information will be transmitted to Conduent.**

N. A Name Change for a Debit Cardholder

Responsible Party	Action
EW	• When an EW changes a name in **VaCMS** for a debit cardholder, **the information will be transmitted to Conduent.**
Client	• If the client wishes to receive a new debit card with the new name on it, she will contact **Way2Go** customer service after the EW makes the changes in **VaCMS**.

O. Reporting Non-Receipt of Debit Card Funds

Responsible Party	Action
Client	• The cardholder must contact the EW within 45 days of the issuance date to report non-receipt of **payment** into his **Way2Go account.**
EW	• Whenever a client reports non-receipt of payments deposited to his **Way2Go** account, the EW **will check the Issuance Summary/Search screen in VaCMS to review the payment and the issuance method.** • **Once this information is reviewed and the EW notes that all the information is correct, she will inform the client that the payment was issued by check and the EW will research why the payment did not go to the debit card.** • **The EW will contact the Regional Consultant who will then contact Home Office to inquire if this case 'Rejected".** • **If the client does not report non-receipt of payment within 45 days of issuance, no assistance will be offered by the agency to obtain the payment**. Note: Once payments are posted to a debit card, the payment cannot be taken off the debit card by Virginia Department of Social Services.