

## 26.5 CASE MAINTENANCE AND CORRECTIVE ACTION

Adjustments in LIEAP payment amounts result from Worker or client errors or decisions from Fair Hearings.

**NOTE:** Corrections or changes in payment amounts are not permitted at the county level after the check has been written. Workers or Supervisors must contact the State LIEAP Coordinator before taking any action that results in the issuance of a payment other than the initial approval. Financial clerks must contact the LIEAP Coordinator before attempting to enter payment information that does not match the amount of LIEAP approved for the AG.

All changes affecting the amount of payment must be made by the Office of Accounting, Accounts Receivable.

Corrective action must be initiated on all cases in which an error has occurred, regardless of who made the error.

### A. CASES DENIED IN ERROR

When a case has been denied in error, the case must be re-entered in RAPIDS as an approval in order to generate payment. The Worker must notify the client in writing that his Regular and/or Emergency LIEAP application was denied in error and include the amount of the payment and to whom payment will be made. A recording of the corrective action must be entered in the recording space in Section IV of the application form and/or in case comments, as appropriate.

### B. UNDERPAYMENTS

When a case has received an underpayment, the Worker must send a memorandum to the Office of Accounting that indicates the case name, address and case number, the amount of the underpayment and the amount of the correct payment, and the type of payment (vendor or direct) to be made on behalf of or to the AG, including the vendor number, as appropriate. The Worker will also notify the client in writing that an error has been made and is being corrected.

The Office of Accounting will write a check as instructed in the memorandum and make the necessary corrections in RAPIDS. Under no circumstances must staff in the local office attempt to issue a corrected payment.

### C. CASES APPROVED IN ERROR

When an ineligible case is approved, an overpayment occurs, or an incorrect payment is made, regardless of who makes the error, the Worker must take the action outlined in item D below. The State must be reimbursed for all payments issued in error.

An inappropriate payment results when a client incorrectly states the primary method of home heating on page 2 of the DFA-LIEAP-1 or during the intake interview. If it is determined prior to the Emergency LIEAP approval that the client received an inappropriate Regular LIEAP payment, the Emergency LIEAP application is denied. Otherwise, the client must repay the LIEAP benefit.

#### D. REPAYMENT

The repayment process involves notifying the client that repayment is necessary for a certain amount, obtaining the client's signature on an agreement form to repay a certain amount, receiving the funds from the client, and returning the funds to the Office of Accounting, Accounts Receivable.

##### 1. Repayment Agreement

When the client and the Worker discuss repayment, the client must agree to repay by any of the three methods indicated on the **DFA-LIEAP-3** form. The Worker must enter the client's name, the amount of repayment and type of payment (Regular or Emergency LIEAP) and the type of error (overpayment, incorrect payment, duplicate payment, case approved in error, etc.).

The Worker must insure the client understands the statement concerning the disposition of the remaining balance when not paid by the due date. The client must sign and date the form along with the Worker and Supervisor.

The form is prepared in duplicate, unless additional copies are required. The original goes to the client and the copy is placed in the case record.

When repayment involves the energy needs of another AG, the repayment process is not complete until that AG receives the LIEAP benefit. The Worker must send a copy of the completed LIEAP repayment agreement to the Office of Accounting with instructions to write a check to the correct case.

##### 2. Repayment By The Vendor

When the error involves payment to the wrong vendor, the vendor must return the payment to the State. The Office of Accounting notifies the Worker of the returned payment, and the Worker must provide the correct vendor number and instructions for reissuing the check.

When the vendor is unaware that he has received a payment in error, the Worker must contact the vendor and request repayment. If the Worker is unable to effect repayment, the case is referred to the Office of Accounting and/or the State LIEAP Coordinator.

When the vendor has received a payment for an AG that subsequently is determined ineligible due to an error of any type, the vendor must be asked to return the payment. If the vendor refuses or otherwise fails to refund the money to the State, the client is responsible for making repayment as outlined above.

### 3. Refusal To Sign The Repayment Agreement

The Worker must explain the Fair Hearing process to the client if he refuses to sign the **DFA-LIEAP-3** form. In addition, the Worker must follow up the discussion with a letter which states that certain LIEAP benefits the client may otherwise be entitled to receive will be affected by his refusal to sign the repayment agreement.

When the client refuses to make repayment, he is penalized. Penalties are assessed only after the Worker has completed the instructions outlined above.

The penalty for refusal to make repayment is imposed by withholding payment of Regular LIEAP. Therefore, penalties can only be imposed during a program year following the program year in which the client refused to repay.

The Worker must record that the applicant may be eligible for LIEAP but that payment must be reduced or withheld to satisfy repayment for a previous year.

### 4. Tracking The Penalty

All Regular LIEAP cases must be screened to determine if repayment is due from a previous year. When a case is approved for Regular LIEAP and identified as one in which repayment is due, the Worker must ask the applicant to come to the office to discuss repayment. After the Worker explains the need for repayment, the applicant is given the following options:

- When the repayment amount is equal to the Regular LIEAP payment, the applicant makes repayment in full or the Regular LIEAP payment is withheld.
- When the repayment amount is less than the Regular LIEAP payment, the applicant makes repayment in full or the Regular LIEAP payment is reduced by the amount of the repayment and the balance is paid to the applicant.

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Low Income Energy Assistance Program (LIEAP)

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- When the repayment amount is more than the Regular LIEAP payment, the applicant makes payment in full or the Regular LIEAP payment is withheld and deducted from the amount of the repayment. The applicant then receives written notice from the Worker of the balance due.

5. Withholding The Regular LIEAP Payment

When it is necessary to withhold a LIEAP payment, the Worker must contact the State LIEAP Coordinator at Division of Family Assistance for instructions.

6. Making Adjustments In The Regular LIEAP Payment

Adjustments to the LIEAP payment must be made in the Office of Accounting. In a memorandum addressed to Office of Accounting, Accounts Receivable, the Worker must provide the identifying information and explain how the Regular LIEAP payment must be adjusted.

7. Client Notification

The client must receive written notification of all decisions made on the Regular LIEAP payment or repayment, any adjustments to the Regular LIEAP payment, and/or fulfillment of the repayment.

E. RETURNED CHECKS

Checks are sometimes returned by clients, vendors, or the Postal Service. The following sections provide instructions regarding these situations.

1. Check Returned By **The** Postal Service

Checks returned by the Postal Service are sent to the Office of Accounting. That Office will contact the local office requesting disposition of the check. The Worker must attempt to contact the client to obtain a new address or other information.

2. Change Of Payee

Supervisory approval is required to change the name of the payee. When the payee is deceased and the check needs to be rewritten in the name of a survivor (usually the spouse), a copy of the death certificate and a court order naming the survivor as administrator of the estate must be submitted to the Office of Accounting. A memorandum stating the case number, name and address of the old payee and the name and address of the new payee must accompany these documents.

### 3. Check Returned By **The** Vendor

Checks are often returned by the vendor to the local office and to the Office of Accounting. When this occurs, the reason for the check return must be obtained and an effort made to determine that the client receives the benefits to which he is entitled. The check may be rewritten by the Office of Accounting as a direct or vendor payment depending upon the client's wishes, provided he is eligible for the payment. This also applies when the vendor has returned only part of the LIEAP payment.

**NOTE:** Checks received in the local office must be forwarded to the Office of Accounting.

### 4. Client Refuses To Accept The LIEAP Check

When the client refuses to accept the LIEAP or a vendor payment, the Worker must determine the reason for refusal and clarify any confusion on the part of the client. If the client continues to refuse the payment, it is returned to the Office of Accounting via memorandum explaining why the check is being returned.

## F. LOST, STOLEN OR DESTROYED CHECKS

LIEAP recipients who claim that their checks were lost, stolen or destroyed must complete an affidavit attesting to the specific occurrence. Form DF-36, with the appropriate changes in terminology to reflect the LIEAP check, is used for this purpose. This request for a stop payment action must be made as soon as possible by sending the affidavit with a memorandum of explanation to the Office of Accounting. This action cannot be requested by telephone and no action will be taken without the written affidavit.

The client must be informed that he must wait up to 30 days from the date of the stop payment action in order to receive his check. No checks are written at the local level to replace lost, stolen or destroyed checks. After the check has been cleared by the State Treasurer's office, payment is made promptly to the client. If the client is placed in an emergency situation as a result of the stop payment action, an Emergency LIEAP application may be taken.

## G. CLIENT REFUSES EMERGENCY LIEAP DELIVERY OF BULK FUEL

When the client refuses to accept a bulk fuel delivery, the Worker must first allow the client and vendor to work out a solution. The decision about what action will be taken must be made primarily by the client.