

Ops Memo 21-08 Attachment 3: Chapter 4 Activity Break Period Overpayment Policy Changes

4.5.2.2.1 Overpayment Period

The overpayment period must be established with a begin date and end date. The overpayment period depends on whether:

1. The change was reported timely or untimely, or
2. The client presented false information, or withheld information, at the time of the application, review, or ~~notice of~~ reported change.

Timely reported changes will not result in an overpayment, unless an administrative error occurs that affects eligibility. ~~in situations where~~ If a local agency fails to enter reported information timely, ~~or enters reported information incorrectly~~ resulting in the parent receiving an incorrect subsidy amount, ~~the client may be responsible for an overpayment~~ and if the parent makes a payment to the provider (see section 4.5.4.1).

Any timely reported changes, that are entered into the system timely by the local agency, ~~that~~ **which** result in a reduction in subsidy amount will not be applied in CSAW until the first of the next month. This includes instances in which an individual is no longer eligible or if ~~their~~ **the** circumstances ~~in~~ **of** their case have changed. See Section 4.5.2.2.1.1.2 for adverse action directions.

If a parent reports a permanent loss or temporary break in approved activity after adverse action in the month that an annual renewal had been completed, and the local agency is not able to end the authorization until the following month, the parent will not be responsible for an overpayment for paying the following month's subsidy to their provider, unless it is determined that the parent committed an intentional program violation (see 4.5.4.3.1.5).

Example 1: John completes his annual eligibility renewal on March 10. On March 31, John reports online through ACCESS that his employment ended on March 30. The local agency receives the notice of loss of approved activity on April 1. The local agency ends the authorization because ACTS cannot start the month following a renewal. Since the authorization was not ended until April 1, funds had already loaded to John's EBT card for the month of April. John will not be responsible for an overpayment of April funds unless a determination is made that John committed an intentional program violation.

Example 2: Terri completes her annual eligibility renewal on March 10. Terri experiences a permanent loss of approved activity on March 30 but does not report the change to her local agency. The local agency discovers on July 10 that Terri has not been in an approved activity since her employment ended on March 30. Terri is not eligible for ACTS because she lost her approved activity during the renewal month and failed to report the change timely. Terri may be responsible for an overpayment of any funds issued to her and paid to her provider beginning April 1.

Untimely reported changes that result in an alteration or end to eligibility or an authorization should begin on the first day of the month following the change and end on the last day of the current month.

In **income** cases where the date of change **in income** is unknown, the begin date should be the first day of the month following the paycheck that placed the client over the reporting requirements. When determining the overpayment amount, count the actual earned and unearned income received during the overpayment period (see [Section 1.4.2](#) and [1.4.3](#) on income that must be included or excluded for child care).

Example 3: Mary has an authorization for her daughter. On November 10, Mary and Ted were married. The local agency discovered this December 15. The change was not reported timely [Mary had 10 calendar days to report her marital status change]. Therefore, if the change in AG size would have resulted in loss of eligibility, a decrease in subsidy, or an increase in copayment, an overpayment would be assessed from the first day of the month following the change through the last day of the current month (December 1 - December 31).