



## Ohio Administrative Code

### Rule 5101:4-8-19 Food assistance: initiating collection action and managing claims.

Effective: December 1, 2020

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(A) When shall a county agency initiate collection on a claim?

(1) When a claim is over one hundred twenty-five dollars.

(2) When a claim is one hundred twenty-five dollars or less if:

(a) The assistance group is participating in the program; or

(b) The claim has already been established; or

(c) The claim was discovered as an overpayment in a quality control review; or

(d) The county agency has adopted the policy to pursue all claims regardless of the amount. When the county agency chooses this option, assistance groups shall be informed of this policy.

(B) When can a county agency opt not to collect on a claim?

(1) For claims of one hundred twenty-five dollars or less that cannot be recovered by reducing the assistance group's allotment because they are not participating in the program, the county agency shall record the amount of the claim in the case file so that this amount may be used to offset any lost benefits that may be owed the assistance group at a later date. The county agency does not have to complete the JFS 07424, "Report of Claim Determination/Lost Benefits".

(2) The county agency shall have the option to initiate collection action for claims of one hundred twenty-five dollars or less at such time multiple overpayments for an assistance group total in excess of one hundred twenty-five dollars. When the county agency chooses this option, assistance groups shall be informed of this policy.



(C) What is the process for notifying assistance groups of the intent to collect on a claim?

(1) The county agency shall send a demand letter or written notification to the assistance group of the intent to begin the collection action on a claim, in accordance with Chapter 5101:6-2 of the Administrative Code.

(2) The claim is considered established for tracking purposes as of the date of the initial demand letter or written notification.

(3) When the claim or the amount of the claim was not established at a hearing, the county agency shall provide the assistance group with a one-time notice of adverse action.

(4) The due date or time frame for repayment shall be no later than thirty days after the date of the initial written notification or demand letter.

(5) When any nonparticipating assistance group, against which collection action has been initiated, does not respond to the first demand letter, additional demand letters may be sent at reasonable intervals, such as thirty days, until the assistance group has responded by paying or agreeing to pay the claim, the criteria for terminating collection action has been met, or the county agency initiates other collection actions. When an assistance group falls behind in making payments or is unable to pay the claim, the assistance group's eligibility shall not be affected.

(D) What shall repayment agreements contain?

Any repayment agreement for any claim shall contain:

(1) Due dates or time frames for the submission of payments; and

(2) Language specifying that the assistance group is subject to involuntary collection action when payment is not received by the due date and the claim becomes delinquent.

(E) What determines when a claim is delinquent?



Notwithstanding paragraph (F) of this rule, a claim is considered delinquent when:

(1) It has not been paid by the due date and a satisfactory payment arrangement has not been made. The date of delinquency is the due date on the initial written notification/demand letter, issued in accordance with paragraph (C) of this rule. The claim will remain delinquent until payment is received in full, a satisfactory payment agreement is negotiated, or allotment reduction is invoked; or

(2) A payment arrangement is established and a scheduled payment has not been made by the due date. The date of delinquency is the due date of the missed installment payment. The claim will remain delinquent until payment is received in full, allotment reduction is invoked, or when the county agency determines to either resume or renegotiate the repayment schedule.

(F) When is a claim not considered delinquent, even though payments on the claim have not been received?

The claim is not considered delinquent when:

(1) Another claim for the same assistance group is currently being paid either through an installment agreement or allotment reduction and the county agency expects to begin collection on the claim once the prior claim is settled;

(2) The county agency is unable to determine delinquency status because collection is coordinated through the court system; or

(3) The claim is awaiting a fair hearing decision.

(G) How are claims handled when a claim is subject to a fair hearing?

(1) When the hearing officer determines a claim exists against the assistance group, the assistance group shall be re-notified of the claim. Delinquency shall be based on the due date of this subsequent notice and not on the initial pre-hearing demand letter sent to the assistance group.

(2) When the hearing officer determines a claim does not exist then the claim is terminated or



written off in accordance with paragraph (J) of this rule.

(H) What amount should be collected when the claim is reduced by a court or local prosecutor?

Reduction by a court or local prosecutor of the amount an assistance group owes on a claim does not automatically relieve the county agency from administratively pursuing collection of the total claim amount. For example, when the amount of the original claim was two hundred dollars but this amount was arbitrarily reduced by a local county prosecutor to one hundred dollars, the county agency has the obligation to administratively pursue the total of two hundred dollars. The county agency may attempt to collect any overpayment it has determined to have been received by an assistance group in excess of the amount ordered to be repaid by a court. The assistance group cannot be forced, however, to pay the excess amounts. The county agency shall not invoke allotment reduction without the assistance group's permission to collect amounts in excess of the court-ordered restitution. Should new evidence be produced that, according to current regulations, alters the county's determination on the original claim, the original claim amount shall be revoked and a new amount initiated.

(I) When can a county agency compromise on a claim amount?

A county agency may compromise a claim or any portion of a claim when it can be reasonably determined an assistance group's economic circumstances dictate that the claim will not be paid in three years. Compromising a claim is an agreement to adjust the total owed at the end of three years when the assistance group has made payments corresponding with its financial circumstances throughout that period of time.

(1) The county agency may use the full amount of the claim (including any amount compromised) when determining the amount of benefits that shall be offset in accordance with rule 5101:4-8-03 of the Administrative Code.

(2) The county agency may reinstate any compromised portion of a claim when the claim becomes delinquent.

(J) When can a county agency terminate and write off a claim?



A terminated claim is a claim in which all collection action has ceased. A claim written off is no longer considered an account receivable subject to continued federal, state and county agency collection and reporting requirements.

The following describes the claim termination policy:

(1) Invalid claim: when the county agency finds the claim is invalid it shall discharge the claim and reflect the event as a balance adjustment rather than a termination, unless it is appropriate to pursue the overpayment as a different type of claim (i.e., as an inadvertent household error rather than an intentional program violation claim.)

(2) Death of all adult assistance group members: when all adult assistance group members die then the county agency shall terminate and write off the claim, unless the county agency plans to pursue the claim against the estate.

(3) Claim balance less than twenty-five dollars: when the claim balance is less than twenty-five dollars and the claim has been delinquent for ninety days or more the county agency shall terminate and write off the claim, unless other claims exist against this assistance group resulting in an aggregate claim total of twenty-five dollars or more.

(4) Not cost effective: when the county agency determines it is not cost effective to pursue the claim any further (i.e., the cost of further collection action exceeds the amount that can be recovered) the county agency shall terminate and write off the claim.

(5) Delinquent claim: when the claim is delinquent for three years or more the county agency shall terminate and write off the claim unless it plans to continue to pursue the claim through the treasury offset program.

(6) Cannot locate the assistance group: when the assistance group cannot be found the county agency may terminate and write off the claim.

(K) When can a terminated or written off claim be reinstated?



(1) Previously terminated or compromised claims may be reactivated when the assistance group provides a voluntary payment. County agencies shall only reactivate an amount equal to the offset or voluntary payment amount, rather than reactivating the full value of the outstanding claim amount. Reactivating only the amount equal to the offset or the voluntary payment does not change the status of the original claim. The balance remains in terminated or compromised status. To reactivate a previously compromised claim, the balance of the claim shall be recompromised by renegotiating with the assistance group.

(2) When a specific event (e.g. winning the lottery) occurs that increases the likelihood of further collections, the county agency may reinstate the claim.

(L) What are acceptable forms of payment?

(1) Reducing benefits before issuance: this includes allotment reductions and offsets to restored benefits; however, the county agency shall follow the instructions and limits found in paragraphs (M)(1) and (M)(3) of this rule.

(2) Reducing benefits after issuance: benefits may be recouped from an assistance group's electronic benefit transfer (EBT) account; however, the county agency shall follow the instruction and limits found in paragraph (M)(2) of this rule.

(3) Cash: cash, check, money order and credit or debit cards are acceptable forms of repayment; however, when a county agency does not have the capability to accept credit or debit cards it does not have to accept this form of repayment.

(4) Public service: an assistance group member may be required to perform public service to repay a claim; however, this form of payment shall be ordered by a court specifically for the repayment of a claim. When the court does not order a rate of pay, the federal minimum wage shall be used.

(5) Treasury offset program: to offset the claim with federal payments the county agency shall follow the procedures described in rule 5101:4-8-30 of the Administrative Code.



(M) What collection methods are available to the county agency?

(1) Allotment reduction: a county agency shall automatically collect payments for any claim by reducing the amount of monthly benefits an assistance group receives in accordance with rule 5101:4-8-17 of the Administrative Code unless the assistance group agrees to make higher regular payments to repay the claim.

(a) For an intentional program violation claim, limit the amount reduced for each category of the claim to the greater of twenty dollars per month or twenty per cent of the assistance group's monthly entitlement, before disqualification of the assistance group member found to have committed the intentional program violation, in accordance with rule 5101:4-8-17 of the Administrative Code, unless the assistance group agrees to a higher amount.

(b) For an inadvertent household error or agency error claim, limit the amount reduced for each category of the claim to the greater of ten dollars per month or ten per cent of the assistance groups monthly allotment, unless the assistance group agrees to a higher amount.

(c) The county agency shall not reduce the initial allotment when the assistance group is first certified unless the assistance group agrees to this reduction.

(d) When an assistance group has multiple claims against it, the county agency shall invoke allotment reduction on one claim at a time. The county agency shall recoup claims in sequence, obtaining full payment on the oldest claim before proceeding to the next claim.

(2) EBT reduction: the county agency shall allow an assistance group to pay its claim using benefits from its EBT account.

The county agency shall comply with the following EBT claims collection and adjustment requirements:

(a) Collecting from active (or reactivated) EBT benefits:

(i) The county agency shall obtain written permission from the assistance group pursuant to



paragraph (M)(2)(d) of this rule. This permission may be obtained in advance.

(ii) Oral permission is allowed for one time reductions as long as the county agency sends the assistance group a receipt of the transaction within ten days after the reduction.

(iii) The county agency may retain a percentage of the collection as an incentive pursuant to rule 5101:4-8-23 of the Administrative Code.

(b) For making an adjustment with expunged EBT benefits:

(i) The county agency shall adjust the amount of any claim by subtracting any expunged amount from the EBT benefit account for which the county agency becomes aware. The county agency shall document the use of the expunged benefits as a claim offset in the statewide automated eligibility system to ensure no duplicate use.

(ii) The county agency shall not retain a percentage of the collection as an incentive pursuant to rule 5101:4-8-23 of the Administrative Code when using expunged benefits to collect on an overpayment claim.

(c) A collection from an EBT account shall be non-settling against the benefit drawdown account.

(d) At a minimum, any agreement with the assistance group to collect a claim using active EBT benefits shall include:

(i) A statement that this collection activity is strictly voluntary;

(ii) The amount of the payment;

(iii) The frequency of the payment (i.e., whether monthly or one time only);

(iv) The length (if any) of the agreement; and

(v) A statement that the assistance group may revoke this agreement at any time.





(3) Offsets to restored benefits: the county agency shall reduce any restored benefits owed to an assistance group by the amount of any outstanding claim, except for an "initial" benefit month in accordance with paragraph (G) of rule 5101:4-8-03 of the Administrative Code. Offsetting may be done at any time during the claim establishment and collection process.

(4) Lump sum payments: the county agency shall accept any payment for a claim whether it represents full or partial payment. The payment may be in any of the acceptable formats.

(5) Installment payments: the county agency may accept installment payments made for a claim as part of a negotiated repayment agreement.

When the assistance group fails to submit a payment in accordance with the terms of its negotiated repayment schedule, the assistance group's claim becomes delinquent and will be subject to additional collection actions.

(6) Public service: when authorized by a court, the value of a claim may be paid by the assistance group performing public service. When the court does not order a rate of pay, the federal minimum wage shall be used.

(7) Other collection actions: the county agency may employ any other collection actions to collect claims. These actions include, but are not limited to, referrals to collection and/or other similar private and public sector agencies, and small claims court.

(8) Unspecified joint collections: when an unspecified joint collection is received for a combined public assistance and supplemental nutrition assistance program (SNAP) recipient claim, each program shall receive its pro rata share of the amount collected. An unspecified joint collection is when funds are received in response to correspondence or a referral containing both the SNAP and other program claim and the debtor does not specify which claim to apply the collection.

The county agency shall not use additional collection methods against individuals in an assistance group that is already having its benefit reduced unless the additional payment is voluntary.



The county agency may continue to use any other collection method against any individual who is not a current member of the assistance group even when the assistance group is undergoing allotment reduction.

For agency error claims established prior to September 22, 1996 the county agency may not use involuntary allotment reduction for the collection. When an individual volunteers for allotment reduction the county agency shall accept the allotment reduction for collection.

(N) What happens when an assistance group overpays on a claim?

When an assistance group has overpaid a claim, the county agency shall determine if there are other SNAP claims the overage can be applied to. When there are no other claims the overage shall be refunded. The assistance group shall be paid by whatever method the county agency deems appropriate considering the circumstances. The county agency shall issue the amount to the assistance group that includes the incentive retained by the county agency.

(O) How is the claim handled when a SNAP recipient moves to or from another state?

(1) Unless a transfer occurs as outlined in paragraph (O)(2) of this rule, the county agency is responsible for initiating and continuing collection action on any SNAP recipient claim regardless of whether the assistance group remains in the state.

(2) The county agency may accept a claim from another state agency when the assistance group with the claim moves into the county. The state agency that overpaid benefits to the assistance group shall have the first opportunity to collect any overpayment. However, when the state agency that overpaid benefits to the assistance group does not take prompt action to collect, then the county agency administering the area into which the assistance group moves should initiate action to collect the overpayment. Prior to initiating action to collect such overpayments the county agency shall contact the state agency that overpaid benefits to ascertain that it does not intend to pursue prompt collection. The incentive for any collected claims shall be retained by the county agency collecting the overpayment. Once a county agency accepts the responsibility for an overpayment claim, the claim is the county agency's responsibility for future collection and reporting.



(P) How is a claim handled when a SNAP recipient moves to a different county?

(1) When an assistance group moves and applies for or receives SNAP benefits from a new county of residence, the assistance group case file material shall be transferred to the new county of residence.

(2) Any associated claim case shall not transfer from the original county of residence to the new county of residence. However, the transferred assistance group case file shall contain copies of documentation that a claim exists. When there is an associated claim case, the county shall follow the procedures outlined in the case file transfer procedures for SNAP.

(3) The county establishing the claim remains responsible for any applicable court action or collection action concerning an outstanding claim balance.

(4) The new county of residence shall implement allotment reduction for claim collection upon the request of the original county.

(5) When the new county of residence makes a collection on a claim, it shall be entered into the statewide automated eligibility system.

(6) The county agency that initially completes the claim and, in the case of an intentional program violation the prosecution or administrative disqualification hearing, is entitled to the applicable incentive. These incentives will be restored on a quarterly basis.

(Q) What happens when a claim is included in a bankruptcy proceeding?

A county or state agency shall act on behalf of the United States department of agriculture food and nutrition service (FNS) in any bankruptcy proceeding against bankrupt assistance groups with outstanding recipient claims. Bankruptcy information shall be documented in the statewide automated eligibility system. Bankruptcy of one assistance group member does not terminate a claim when there are other adult assistance group members liable for the claim.