

**Program:** SNAP

**Effective Date:** September 1, 2025

## **Overview**

Clarification of policy for overpayments and underpayments.

## **Description of Changes**

### **1. 1101 – Overpayments – Change**

Adding clarification to Establishing Claim Timely and Methods of Repayment. Also adding 2 new sections, Terminating Claims and Reinstatement of Claims.

### **2. 1102 – Underpayments – Clarification**

Adding clarification to Disputed Benefits.

## **Policy Section Updates**

### **1. 1101 – Overpayments – Change**

#### **Overview**

Evaluate the possibility of an [overpayment](#) claim against any [household](#) who received more SNAP benefits than it was [eligible](#) to receive (regardless of whether the household is currently participating in SNAP). Repayment of an over [issuance](#) is the legal responsibility of all household members aged 18 or older who were required household members during the overpayment period.

**SNAP overpayments are pursued for both agency-caused and [participant-caused errors](#).**

#### **Exceptions:**

1. For closed cases only, do not establish overpayment claims under \$125 unless:
  - a. There is evidence of an [Intentional Program Violation \(IPV\)](#); or,
  - b. The claim was the result of a Program Compliance [review](#).

**Note:** If a claim was established for less than \$125 on a closed case, a request should not be made to remove the claim due to claim not being cost-effective.

2. A claim must not be established if the over issuance occurred due to the eligibility staff member failing to ensure that the household signed the [application](#), recertification, or [work registration](#) forms.

#### **Categorically and Expanded Categorically Eligible Households**

##### **Expedited**

##### **Group Home, Drug/Alcohol Treatment and Rehabilitation**

##### **Dual Participation**

##### **Types of Claims**

##### **Refusal to Cooperate**

### Establishing Claim Timely

For **agency-caused and inadvertent participant-caused errors**, a claim must be established for any over issuance not to exceed 12 months retroactively from the month of discovery.

For **IPV errors**, a claim must be established back to the month the IPV act occurred. Amounts that occurred more than six years prior to the eligibility worker becoming aware of the overpayment are not included.

The eligibility worker must establish a claim and send both the notice of claim by the end of the quarter following the quarter that the overpayment is first identified. A quarter is identified as January - March, April - June, July – September, and October - December. Therefore, an error discovered in February must have a claim established by the end of June

**Exception:** Case corrections for Quality Control reviews, Management Evaluation reviews, and National Directory of New Hire (NDNH) cases must be completed based on each review's correction procedures.

**Note:** All claims must be established even if they are not established timely.

A Supervisor **must review** all overpayment claims for accuracy and timeliness of the claim. The overpayment claim must be approved by the supervisor and this approval must be documented in a narrative.

After the claim is confirmed and the Notice of Claim is issued, the participant has 30 days to either pay the entire claim or arrange a payment plan.

Claims will become delinquent 30 days from the last payment received. Once the claim is delinquent, an TOP address match will be requested allowing for an additional 30 days. Once address has been verified the TOP 60-day notice will be generated from the integrated eligibility system.

### Determining 1st Month of Overpayment

#### Loss of Disregards

#### Calculating an Overpayment

#### Under Issuance

#### Offsetting Claims

#### Fair Hearings and Claims

#### Methods of Repayment

1. **Lump Sum Payment** – the household may make a cash or SNAP payment for the entire claim amount. The household should not be required to liquidate all its resources to make this lump sum payment.
2. **Installment Payment** – If the household is unable to repay with a lump sum, payments may be accepted in regular installments or a partial payment and regular installments for the balance.
3. **Allotment Reduction** – This method is automatically used for all households still receiving SNAP benefits. Recipient households may choose lump sum or installment payments in addition to allotment reduction. The allotment reduction is \$10.00 or 10% of the current allotment, whichever is greater. Households determined to have committed an IPV must have an allotment reduction of \$20.00 or 20% whichever is greater. The household can elect to have a higher dollar amount (not percent) deducted. Allotment reductions for households with outstanding claims who reapply for assistance will begin with the first FULL month's allotment. SNAP benefits not accessed in 274 days are expunged and no longer available to the household. If there is an outstanding overpayment, the benefits are applied towards the overpayment prior to being expunged. **Expungement** is completed by the State SNAP Policy Office
4. **Treasury Offset Program (TOP)** - Accounts that are delinquent for ~~90~~ **120** days or more will be referred to TOP or the Department of Revenue for collection. Funds that can be recouped include federal salaries, income tax returns, Social Security benefits, and any warrants issued through the State Department of Revenue. Concerns regarding collections are to be referred to the State SNAP Policy Office.

**Note: Once a debtor is in TOP, they will not be removed from TOP until the claim is closed. The debtor can be put on hold while making payments, but if they go delinquent again, then they should be marked as active in TOP for collections.**

5. **Offset Debt with Electronic Benefit Balance** – SNAP participants may request the eligibility staff member to apply funds toward repayment of an overpayment claim from their North Dakota EBT account. To remove funds from the EBT account:
  - a. A household must be allowed to pay a claim using benefits from its EBT account. If the household is currently participating in the program, allotment reduction is automatic. The worker must explain

to the household that choosing repayment from its EBT account in addition to allotment reduction or an EBT benefit greater than allotment reduction is strictly voluntary. Written authorization must be obtained from the participant which specifies the amount. The Repayment Agreement (this is attached to the Notice of Claim) can be used. This information must be submitted to the State Office.

6. **Note:** participants should contact EBT Card Customer Service for the balance in their account prior to completing the form to ensure there is the amount of benefits in the account that they want to use for repayment.

### Compromising Claims

The State SNAP Program Office may compromise or reduce an overpayment claim or any portion of an overpayment claim if it is determined that the household's economic circumstances will prevent repayment of the overpayment claim within three years. Compromises are determined per program. TANF and SNAP overpayment claims cannot be combined when determining compromise.

Compromise will only be considered for:

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

Compromises will not be considered for:

1. Suspected/Established Intentional Program Violation Claims.
2. Claims due to receiving continued benefits pending a Fair Hearing; and, Court ordered restitutions.

If a household's circumstances indicate that a compromise is appropriate, please send the state office the following information:

1. The household's current earned and/or unearned income
2. The household's current shelter expenses
3. The household's current medical expenses if elderly or disabled
4. Representative payee fees

Compromises should not be made for current SNAP participants when their benefits are being reduced. If a claim is delinquent, it should remain so and be referred to the Treasury Offset Program (TOP), unless the household faces exceptional circumstances. Any compromise must take into account the household's potential to earn income in the future. Ultimately, compromise should be used only as a last resort, as agencies have a responsibility to protect taxpayer funds and recover overpayments.

### **Terminating Claims**

A terminated and written off claim is defined as follows:

- A terminated claim is a claim in which all collection action has ceased.
- A written off claim is no longer subject to continued Federal and State Office collection and reporting requirements.

Contact the State Office for the termination or write-off of a claim in the following instances:

1. When all adult household members die.
2. The claim is \$25 or less and the claim has been delinquent for 90 days or more.

#### **Exception:**

**Unless other claims exist against the household resulting in an aggregate claim total of greater of \$25.**

3. It is not cost effective to pursue the claim.
4. The claim is delinquent for three years or more.

#### **Exception:**

**If the claim is \$25 or more, it will be referred to TOP.**

5. You cannot locate the household.
6. The claim is invalid.

### **Reinstatement of Claim**

The agency will reinstate a previously terminated or written-off claim under the following:

- A new collection method is established or

- a significant event (e.g., winning the lottery) substantially increases the likelihood of recovering additional funds

## 2. 1102 – Underpayments – Change

### Overview

When it is determined that a [household](#) received fewer benefits than they were entitled to, the eligibility worker must take necessary actions to correct the [underpayment](#). Under-issuances are corrected by either underpayment or supplementing benefits.

**Underpayment** is an additional benefit issued for a past month.

[Supplement](#) is an additional benefit issued for the current month.

### Benefits Not Eligible for Underpayments or Supplements:

#### Cause of Underpayments

#### Offsetting Claims

#### Time Limits for Underpayment

#### Computing Underpayments

#### Corrections According to Reporting Requirements

#### Disputed Benefits

If the household does not agree with the amount or any other action taken by the eligibility worker to pay lost benefits, the household may request a fair hearing within 90 days of the date they are notified they are entitled to the benefits.

When a fair hearing is requested before or during the period the lost benefits are being issued, the household continues to receive the benefit amount pending the hearing decision. If the fair hearing decision is favorable to the household, the eligibility worker will restore benefits in accordance with that decision.

The household may request a fair hearing if they believe they have been underpaid benefits, but the eligibility worker disagrees. The eligibility worker must [document](#) in narrative requests for underpayments, including justification

for their decision and decision date. Households must be notified of the eligibility worker's decision.

If a fair hearing is ruled in the agency's favor and the household continued to received benefits, those benefits will be considered an overpayment and must be repaid.