

1. A credit adjustment transaction shall be provided only if a household timely reports such an overcharge to the EBT Customer Service Hotline within 90 days of the transaction date and research documents that an overcharge occurred.

2. If it has been determined that the household was overcharged by a food retailer, then the refunded benefit will appear as a credit in the amount that was overcharged.

3. If it has been determined that the household was not overcharged by the retailer, the participant shall be informed in writing and supporting documentation shall be provided as applicable.

(b) Additional information concerning adjustments to a household's food stamp account can be found at N.J.A.C. 10:88-3.9.

New Rule, R.2004 d.181, effective May 17, 2004.

See: 36 N.J.R. 28(a), 36 N.J.R. 2425(a).

Former N.J.A.C. 10:87-9.9, Case records, recodified to N.J.A.C. 10:87-9.12.

10:87-9.10 Replacement of lost/stolen Families First cards

Replacement of Families First cards shall be made available no later than two business days from the date that the loss is reported to the CWA. Since payees, as part of the card replacement procedure, shall visit the CWA's Card Issuance Site (CIS) in order to select a new PIN, it is critical that payees be referred to the CIS in an expedited manner.

New Rule, R.2004 d.181, effective May 17, 2004.

See: 36 N.J.R. 28(a), 36 N.J.R. 2425(a).

Former N.J.A.C. 10:87-9.10, Security and control of ATPs, recodified to N.J.A.C. 10:87-9.13.

10:87-9.11 Miscellaneous administrative procedures

(a) The CWA shall provide qualified employees as necessary to insure prompt and correct action on all applications. If necessary, staff shall be employed as required by DFD pursuant to FNS bilingual staffing requirements as well as for serving those with limited English proficiency and/or disabilities. Only such qualified employees shall interview applicants and determine the household's eligibility or ineligibility and food stamp benefit amount. Additionally, unless prior approval is obtained from DFD, certification offices with more than two eligibility workers shall schedule food stamp certification services so that there is no break in service during the lunch period. Furthermore, only authorized employees of the CWA shall have access to Families First card stock or other issuance material and documents.

(b) A volunteer, or any other person not employed by the CWA shall not conduct application interviews. However, such persons may participate in the following activities:

1. Volunteers may locate potential recipients (through prescreening workshops, etc.), provide them with application forms, provide transportation to the Food Stamp

Office, teach Nutritional Education (if requested), and generally promote the Food Stamp Program.

2. If requested to do so by the applicant, a volunteer may assist the household in completing relevant forms and in securing needed verification.

3. If a household is unable to apply for benefits in person, a volunteer may serve as an authorized representative for that household provided the volunteer has been designated as such by the head of household, spouse, or any other responsible member of the household.

(c) Customer service standards are as follows:

1. County agencies shall ensure that services are provided in a prompt and courteous manner to all customers, including those with limited English proficiency, as well as, those with disabilities.

2. County agencies shall provide interpreter services to those customers with limited English proficiency, as well as, to those with disabilities.

3. County agencies shall have a system in place to ensure that telephone calls are answered promptly and courteously, and routed to the proper person.

i. Phone etiquette shall include:

(1) Using appropriate salutation;

(2) Worker shall identify self;

(3) Callers shall be asked for their permission before being put on hold;

(4) Holds shall be activated with courtesy word or phrase;

(5) When ready, recall the caller to the conversation by speaking his or her name as a question; and

(6) Thank the caller for waiting.

ii. For agencies with a voicemail system, the agency shall ensure that:

(1) All messages are retrieved and responded to within one working day;

(2) Callers have an opportunity to speak to an agency employee instead of voicemail; and

(3) Voicemail shall include information on what to do in an emergency.

4. County agencies shall include customer service training as part of its new employee orientation when identified in the customer service surveys and as addressed in the corrective action plan. Such training shall include cultural diversity, civil rights requirements and conflict resolution.

5. County agencies shall implement a process to monitor customer waiting time and have established standard acceptable lengths of waiting time.

6. County agencies shall conduct customer service surveys.

7. County agencies shall have a system in place to analyze data from available sources to assess customer service.

8. County agencies shall have a customer service improvement plan.

9. County agencies shall have a system in place to monitor the implementation of the customer service improvement plan and assess the effectiveness of the plan.

10. County agencies shall provide food stamp information flyers to all persons who express an interest in the food stamp program.

11. County agencies shall ensure waiting rooms are clean and provide sufficient seating.

12. County agencies shall ensure access for private conversation with receptionist or other screening staff.

13. County agencies shall display "And Justice for All" posters.

14. County agencies shall display all required postings.

15. County agencies shall have in place a means for customers to drop off documents without a wait.

16. Customers shall have ready access to clean, safe and secure restrooms.

17. All customer interviews shall be conducted in area(s) that ensure privacy with minimal interruptions.

(d) Persons or organizations who are parties to a strike or lock out, and their facilities may not be used in the certification process except as a source of verification for information supplied by the household.

(e) Each CWA is responsible for the timely and accurate issuance of benefits to certified households. The Division of Family Development shall establish a standardized issuance and accountability system applicable to all counties which will ensure compliance with Food Stamp Program procedures as follows:

1. That only certified households receive benefits;
2. All certified households have access to their benefits;
3. The benefits are timely distributed in correct amounts;
4. Families First cards are accepted and stored with adequate security after delivery to receiving points within the county; and
5. Food stamp benefit and reconciliation activities are conducted timely and accurately.

Repealed, R.1984 d.17, effective February 6, 1984.

See: 15 N.J.R. 1821(a), 16 N.J.R. 246(a).

This section formerly contained the rules entitled "Rights of households in the new project area".

As amended on an emergency basis, R.1981 d.398, effective September 30, 1981 (operative October 1, 1981), expires November 30, 1981.

See: 13 N.J.R. 769(a). Recodified, R.1981 d.517, effective December 31, 1981.

See: 13 N.J.R. 769(a), 14 N.J.R. 103(a).

(b)1 "Information activities" was "outreach efforts".

As amended, R.1981 d.64, effective February 26, 1981.

See: 13 N.J.R. 226(b).

(d) added.

Amended by R.1989 d.121, effective February 21, 1989.

See: 20 N.J.R. 2689(a), 21 N.J.R. 511(b).

Substantially amended and recodified from 9.17. The original section 9.8 was "Reporting of illegal aliens". The following are amendments to that section:

As amended, R.1980 d.117, effective March 19, 1980.

See: 11 N.J.R. 517(a), 12 N.J.R. 194(b).

(a)4: Added "California".

As amended, R.1984 d.17, effective February 6, 1984.

See: 15 N.J.R. 1821(a), 16 N.J.R. 246(a).

This section formerly contained rules on the sixty day continuation of verification.

Recodified from N.J.A.C. 10:87-9.8 and amended by R.2004 d.181, effective May 17, 2004.

See: 36 N.J.R. 28(a), 36 N.J.R. 2425(a).

Rewrote the section. Former 10:87-9.11 was reserved.

10:87-9.12 Case records

(a) The CWA shall keep such records and other information as may be required by FNS and the DFD.

(b) Case records shall be available for review or audit by FNS and the Division of Family Development for a period of three years from the date of last activity of each record.

(c) The case record shall include applications for certification or recertification; worksheets used in the computation of income for eligibility and basis of issuance; documentation, including verification techniques employed by the certification worker; copies of forms sent to data processing authorizing or changing participation or basis of issuance; copies of notices of adverse action and other notices sent to the household and replies thereto; actions related to the fair hearing process; fiscal adjustments including claims, refunds, and credits; and any other data which affects a household's eligibility or basis of issuance.

See: 15 N.J.R. 1821(a), 16 N.J.R. 246(a).

This section formerly contained the rules entitled "Certification during participation under form FNS-286".

Amended by R.1989 d.121, effective February 21, 1989.

See: 20 N.J.R. 2689(a), 21 N.J.R. 511(b).

This section was recodified from 9.18. The original section 9.9 was reserved and the amendments to that section follow:

Repealed, R.1984 d.17, effective February 6, 1984.

See: 15 N.J.R. 1821(a), 16 N.J.R. 246(a).

This section formerly contained the rules entitled "Responsibilities of the former CWA".

Recodified from N.J.A.C. 10:87-9.9 and amended by R.2004 d.181, effective May 17, 2004.

See: 36 N.J.R. 28(a), 36 N.J.R. 2425(a).

In (a), substituted "DFD" for "DPW"; in (b) and (c), deleted the introductory phrases and "for lost benefits" following "and credits" in (c).

xiii. That the CWA may reduce any part of the claim if the agency believes that the household is not able to repay the claim;

xiv. A due date or time frame to either repay or make arrangements to repay the claim, unless the CWA is to impose allotment reduction; and

xv. If allotment reduction is to be imposed, the percentage to be used and the effective date.

5. The due date or time frame for repayment shall be not later than 30 days after the date of the initial written notification or demand letter.

6. Subsequent demand letters or notices shall be sent in accordance with N.J.A.C. 10:87-11.22(a)1.

(j) Rules on repayment agreements are as follows:

1. Any repayment agreement for any claim shall contain due dates or time frames for the periodic submission of payments.

2. The agreement shall specify that the household shall be subject to involuntary collection action(s) if payment is not received by the due date and the claim becomes delinquent.

(k) Rules on determining delinquency are as follows:

1. Unless specified at (k)4 below, a claim must be considered delinquent if:

i. The claim has not been paid by the due date and a satisfactory payment arrangement has not been made; or

ii. A payment arrangement has been established and a scheduled payment has not been made by the due date.

2. The date of delinquency for a claim covered at (k)1i above is the due date on the initial written notification/demand letter. The claim shall remain delinquent until payment is received in full, a satisfactory payment agreement is negotiated, or allotment reduction is invoked.

3. The date of delinquency for a claim covered at (k)1ii above is the due date of the missed installment payment. The claim shall remain delinquent until payment is received in full, allotment reduction is invoked, or if the CWA determines to either resume or renegotiate the payment schedule.

4. A claim shall not be considered delinquent if another claim for the same household is currently being paid either through an installment agreement or allotment reduction and the CWA expects to begin collection on the claim once the prior claim(s) is settled.

5. A claim is not subject to the requirements for delinquent debts if the CWA is unable to determine delinquency status because collection is coordinated through the court system.

(l) Rules concerning fair hearings and claims are as follows:

1. A claim awaiting a fair hearing decision shall not be considered delinquent.

2. If the final hearing decision, affirmed by the DFD Director, finds that a claim does, in fact, exist against the household, the household shall be re-notified of the claim. The demand for payment may be combined with the notice of the hearing decision. Delinquency shall be based on the due date of the subsequent notice and not on the initial pre-hearing demand letter sent to the household.

3. If the final hearing decision, affirmed by the DFD Director, finds that a claim does not exist, the claim is disposed of in accordance with (n) below.

(m) Rules on compromising claims are as follows:

1. The CWA may compromise a claim or any portion of a claim if it can be reasonably determined that a household's economic circumstances dictate that the claim will not be paid in three years.

2. The CWA may use the full amount of the claim (including any amount compromised) to offset benefits in accordance with N.J.A.C. 10:87-11.15(d) and (p)3 below.

3. The CWA shall reinstate any compromised portion of a claim if the claim becomes delinquent.

(n) Rules on terminating and writing-off claims are as follows:

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

2. The claim termination procedures are as follows:

i. If the CWA finds that the claim is invalid, the CWA shall discharge the claim and reflect the event as a balance adjustment rather than a termination. However, if it is appropriate to pursue the overpayment as a different type of claim (for example, as an IHE rather than an IPV claim), the CWA shall not discharge the claim.

ii. If all adult household members die, the CWA shall terminate and write-off the claim. The CWA may, however, take action to pursue the claim against the estate.

iii. If the claim balance is \$25.00 or less and the claim has been delinquent for 90 days or more, the CWA shall terminate and write-off the claim. However, if other claims exist against this household resulting in an aggregate claim total of greater than \$25.00, the claim shall not be written off.

iv. If the claim is delinquent for three years or more, the CWA shall terminate and write-off the claim. The

CWA may, however, continue to pursue the claim through the Treasury Offset Program (TOP).

v. If the CWA cannot locate the household, the CWA shall terminate and write-off the claim.

vi. If, after a claim has been terminated and written-off, a new collection method or a specific event occurs (such as winning the lottery) that substantially increases the likelihood of further collections, the CWA shall reinstate the claim.

(o) Acceptable forms of payment on claims are as follows:

1. The CWA may collect a claim by:

i. Reducing benefits prior to issuance. This includes allotment reduction and offsets to restored benefits. However, the CWA shall follow the instructions and limits found at (p)1 and 3 below;

ii. Reducing benefits after issuance. These are benefits from EBT accounts. However, the CWA shall follow the instructions and limits found at (p)2 below;

iii. Accepting cash or any of its generally accepted equivalents. These equivalents include check, money order, and credit or debit cards. However, the CWA does not have to accept credit or debit cards if it does not have the capability to accept these payments;

iv. Conducting own offsets and intercepts. This includes but is not limited to wage garnishments and intercepts of various State payments. These collections are considered "cash" for claim accounting and reporting purposes. However, the CWA shall follow any limits that may apply at (p) below;

v. Requiring the household to perform public service. However, this form of payment shall be ordered by a court and specifically be in lieu of paying any claim; or

vi. Participating in the Treasury collection programs. However, the CWA shall follow the procedures found at N.J.A.C. 10:87-11.21.

(p) Collection methods for claims are as follows:

1. Rules on allotment reduction are as follows:

i. The CWA shall automatically collect payments for any claim by reducing the amount of monthly benefits that a household receives. Unless, the claim is being collected at regular intervals at a higher amount or another household is already having its allotment reduced for the same claim (see (p)1vi below).

ii. The CWA shall, for an IPV claim, limit the amount reduced to the greater of \$20.00 per month or 20 percent of the household's monthly allotment or entitlement, unless, the household agrees to a higher amount.

iii. The CWA shall, for an IHE or AE claim, limit the amount reduced to the greater of \$10.00 per month or 10 percent of the household's monthly allotment, unless, the household agrees to a higher amount.

iv. The CWA shall not reduce the initial allotment when the household is first certified, unless, the household agrees to this reduction.

v. The CWA shall not use additional involuntary collection methods against individuals in a household that is already having its benefits reduced, unless, the additional payment is voluntary; or the source of the payment is irregular or unexpected, such as a State tax refund or lottery winnings offset.

vi. The CWA may collect, using allotment reduction, from two separate households for the same claim. However, the CWA is not required to perform this simultaneous reduction.

vii. The CWA may continue to use any other collection method against any individual who is not a current member of the household that is undergoing allotment reduction.

2. Rules on collecting benefits from EBT accounts are as follows:

i. The CWA shall allow a household to pay its claim using benefits from its EBT account in accordance with N.J.A.C. 10:88-8.2. The CWA shall comply with the following EBT claims collection and adjustment requirements:

(1) For collecting from active (or reactivated) EBT benefits the CWA needs written permission, which may be obtained in advance and done in accordance with (p)2iii below; or oral permission for one time reductions with the CWA sending the household a receipt of the transaction within 10 days. The retention rates described at (v) below apply to this collection.

(2) For collecting from stale EBT benefits the CWA shall mail or otherwise deliver to the household, written notification that the CWA intends to apply the benefits to the outstanding claim, and give the household at least 10 days to notify the CWA that it does not want to use these benefits to pay the claim. The retention rates described at (v) below apply to this collection.

(3) For making an adjustment with expunged EBT benefits the CWA shall adjust the amount of any claim by subtracting any expunged amount from the EBT benefit account which the CWA becomes aware of. This adjustment can be done at any time. The retention rates described at (v) below do not apply to this balance adjustment.

- ii. A collection from an EBT account shall be non-settling against the benefit drawdown account.
- iii. At a minimum, any written agreement with the household to collect the claim using active EBT benefits shall include:
 - (1) A statement that this collection activity is strictly voluntary;
 - (2) The amount of the payment;
 - (3) The frequency of the payments (that is, whether monthly or one time only);
 - (4) The length (if any) of the agreement; and
 - (5) A statement that the household may revoke this agreement at any time.
3. The CWA shall reduce any restored benefits owed to a household by the amount of any outstanding claim. This is called offsetting a claim and may be done at any time during the claim establishment and collection process.
4. The CWA shall accept any payment for a claim whether it represents full or partial payment. The payment may be in any of the acceptable forms described at (o) above.
5. The CWA may accept installment payments made for a claim as part of a negotiated repayment agreement. If the household fails to submit a payment in accordance with the terms of the negotiated repayment schedule, the claim becomes delinquent and it shall be subject to additional collection actions.
6. Contingent upon agreements established between DFD and the Department of Labor and Workforce Development, for inactive cases, the CWA may intercept an individual's unemployment compensation benefits (UIB) by obtaining a court order. The CWA shall report any intercept of UIB as "cash" payments to USDA.
7. If authorized by a court, the value of a claim may be paid by the household performing public service.
8. The CWA 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, State tax refund and lottery offsets, wage garnishments, property liens and small claims court.
9. Rules on unspecified joint collections are as follows:
 - i. When a CWA receives an unspecified joint collection in which the food stamp claim has been combined with one or more other program claims, the CWA shall allocate the repayment to reflect the proportionate share of monies recovered for each program. Unspecified collections for more than one program are not to be assigned solely to the non-food stamp programs.
 - ii. The proportionate share is determined by what percentage is owed to each program (TANF, FS and Medicaid). For example, where the client owes \$1,000 to Medicaid, \$500.00 to TANF and \$500.00 to Food Stamps, the shares are to reflect one-half of the monies returned to Medicaid, and one-quarter each respectively to TANF and the Food Stamp program.
 - (q) No interest or court fees are to be applied to claims established due to the overissuance of or ineligibility for food stamp benefits.
 - (r) Rules on refunds for overpaid claims are as follows:
 1. If a household overpays a claim, the CWA shall provide a refund for the overpaid amount as soon as possible after it finds out about the overpayment. The household shall be paid by whatever method the CWA deems appropriate considering the circumstances.
 2. The household is not entitled to a refund if the overpayment amount is attributed to an expunged EBT benefit.
 - (s) Policy on interstate claims collection is as follows:
 1. Unless a transfer occurs as outlined at (s)2 and (t) below, the CWA is responsible for initiating and continuing collection action on any food stamp recipient claim regardless of whether the household remains in New Jersey.
 2. The CWA shall accept a claim from another state agency if the household with the claim moves into New Jersey. Once the CWA accepts this responsibility, the claim is the CWA's for future collection and reporting. CWAs shall report interstate transfers in accordance with instructions provided by USDA/FNS.
 - (t) If a recipient moves from one county of residence to another county of residence within the State of New Jersey, the collection of an outstanding claim can be transferred to the new county upon mutual agreement.
 - (u) The CWA shall act on behalf of, and as, USDA/FNS in any bankruptcy proceeding against any bankrupt households owing food stamp claims. The CWA shall possess rights, priorities, interests, liens or privileges, and shall participate in any distributions of assets, to the same extent as USDA/FNS. Acting as USDA/FNS, the CWA shall have the power and authority to file objections to discharge, proofs of claims, exceptions to discharge, petitions for revocation of discharge, and any other documents, motions or objections which USDA/FNS might have filed. Any amounts collected under this authority shall be transmitted to the DFD as provided at (w) below.
 - (v) Retention rates for CWA use are as provided in (v)1 through 4 below:

1. If the CWA collects an IPV claim, the retention rate is 35 percent;
2. If the CWA collects an IHE claim, the retention rate is 20 percent;
3. If the CWA collects an IHE claim by reducing a person's unemployment compensation benefit, the retention rate is 35 percent;
4. If the CWA collects an AE claim, the retention rate is zero.

(w) Receipt and transmittal of collections are as follows:

1. The CWA shall instruct the household to submit checks or money orders payable to the respective CWA.

- i. The CWA shall issue a lawful receipt for any repayment which is accepted. Payments received shall be deposited in the CWA Clearing Account and a record of the receipt of the payment maintained on a separate section of the Clearing Account Subsidiary Ledger.

- ii. The collections received during the reporting quarter must be submitted to DFD by issuing a check, payable to "Treasurer, State of NJ" either monthly or quarterly.

- (1) For purposes of recordkeeping, each CWA shall maintain a schedule of collections received during the quarter indicating the case number, household's name, amount of claim, current payment, amount paid to date and balance due.

(x) Accounting procedures are as follows:

1. The CWA shall be responsible for maintaining an accounting system for monitoring claims against households. The accounting system shall be designed to accomplish the following:

- i. Document the circumstances which resulted in a claim, the procedures used to calculate the claim, the methods used to collect the claim and, if applicable, the circumstances which resulted in suspension or termination of collection action.

- ii. Identify those situations in which an amount not yet restored to a household can be used to offset a claim owed by the household.

- iii. Identify those households that have failed to make installment payments on their claims.

- iv. Document how much money was collected and how much was submitted to DFD.

2. At a minimum, the accounting system shall document the following for each claim:

- i. The date of discovery;

- ii. The reason for the claim;
 - iii. The calculation of the claim;
 - iv. The date the claim was established;
 - v. The methods used to collect the claim;
 - vi. The amount and incidence of any claim processing charges;
 - vii. The reason for the final disposition of the claim;
 - viii. Any collections made on the claim; and
 - ix. Any correspondence, including follow-up letters, sent to the household.

3. At a minimum, the accounting or certification system shall also identify the following for each claim:

- i. Those households whose claims have become delinquent;

- ii. Those situations in which an amount not yet restored to a household can be used to offset a claim owed by the household; and

- iii. Those households with outstanding claims that are applying for benefits.

4. When requested and at intervals determined by USDA/FNS, the accounting system shall also produce:

- i. Accurate and supported outstanding balances and collections for established claims; and

- ii. Summary reports of the funds collected, the amount submitted to DFD, the claims established and terminated, any delinquent claims processing charges, the uncollected balance and the delinquency of the unpaid debt.

5. On a quarterly basis, unless otherwise directed by DFD, the accounting system shall reconcile summary balances reported to individual supporting records.

Repeal and New Rule, R.2004 d.181, effective May 17, 2004.

See: 36 N.J.R. 28(a), 36 N.J.R. 2425(a).

Section was "Change in household composition".

Amended by R.2007 d.129, effective May 7, 2007.

See: 38 N.J.R. 4374(a), 39 N.J.R. 1719(a).

In (a)1, substituted "food stamp benefits" for "coupons" and "EBT" for "APT"; in (o)1i through (o)1iii, substituted a semicolon for the period at the end; deleted (o)1iv; recodified (o)1v through (o)1vii as (o)1iv through (o)1vi; in (o)1iv, substituted a semicolon for a period at the end; in (o)1v, substituted "; or" for the period at the end; in (o)1vi, updated the N.J.A.C. reference; and in (p)6, substituted "and Workforce Development" for "DOL" and "to USDA" for "for reporting purposes".

10:87-11.21 Treasury Offset Program

- (a) Rules on Treasury Offset Program (TOP) are as follows:

1. Procedures for referring debts to TOP are as follows: