

## **.07 Establishing NA Overpayment Months - Budgetary Unit Error**

All budgetary unit error overpayments are initially considered unintentional. The local office determines which budgetary unit error overpayments should be considered POTENTIAL [Intentional Program Violation \(IPV\)](#). When a participant of the budgetary unit is later found to have committed an IPV, the related overpayment is reclassified by the Office of Accounts Receivable and Collections (OARC) in **ARICS** as an IPV overpayment. At that time, the claim amount is calculated over the total period of the overpayment.

The overpayment is considered as an unintentional error when the overpayment was caused by a misunderstanding or unintended error, on the part of either of the following:

- The budgetary unit
- The Social Security Administration (SSA) regarding [Supplemental Security Income \(SSI\)](#) benefits

An unintentional budgetary unit error occurs when the budgetary unit meets any of the following:

- Fails to provide FAA with correct or complete information through a misunderstanding.
- Proves good cause for failure to report timely changes to FAA.
- Receives benefits, or more benefits, than it was entitled to receive pending a [fair hearing](#) because the budgetary unit requested a continuation of benefits.

For untimely reported changes or unreported changes, the following apply:

- The initial month of the overpayment is the first month the change would have been effective had it been reported and acted upon correctly in accordance with the [10\\*10\\*10\\* rule\(g\)](#).
- The first month in which the change would have been effective can never be later than two months from the month in which the change in budgetary unit circumstance occurred.
- The error includes all months in which an overpayment occurred.

When the local office has evidence that the budgetary unit error WAS NOT intentional, the EI must include information on the Report of Cash Assistance/Food Stamp Overpayment (FA-529). Such information could include the following:

- The participant involved is mentally incompetent
- Other documented extenuating circumstances that indicate an IPV was not committed.

The local office determines which budgetary unit error overpayments should be considered a POTENTIAL [Intentional Program Violation](#) (IPV). When there is evidence that the error WAS intentional, the overpayment writer must include the information on the FA-529 summary. (See [Completing the Overpayment Report](#))

The [Office of Accounts Receivable and Collections](#) (OARC) determines which budgetary unit error overpayments to refer for an [administrative disqualification hearing](#).

The Office of Special Investigations (OSI) determines which budgetary unit error overpayments are [referred for prosecution](#).