
RECOUPMENT

Recoupment for overpayments will be pursued retroactively to the date that eligibility ceased to exist.

Notice of Non-Support Process

When the DHS subsidy office is made aware that a child is no longer in the guardian(s) home and the guardian(s) are no longer providing any support for the child, the DHS subsidy office will send the DHS-1184-G, Initial Letter Regarding Guardianship Support, to the guardian(s).

The DHS-1184-G notifies the guardian(s) that the DHS subsidy office was informed that the child is no longer in their care and that they are no longer providing any support for the child. The DHS-1184-G informs the guardian(s) that they must notify the DHS subsidy office, in writing as to how they have been providing support for the child and how they intend to provide support for the child in the future. A written response and supporting documentation are required within 14 calendar days from receipt of the DHS-1184-G by the guardian(s).

Failure by the guardian(s) to provide the requested information will result in a DHS-4103-G, Juvenile Guardianship Assistance Case Closure/Overpayment Notice, being issued to the guardian(s) and commencement of the recoupment process. Recoupment will be retroactive to the date reported on the DHS-1184-G, that the child was no longer in the guardian(s) home and being supported by the guardian(s).

The DHS-4103-G notifies the guardian(s) of their right to an administrative hearing; see GDM 780- Administrative Hearings for more information.

Note: Recovery of juvenile guardianship assistance overpayments is handled by the Reconciliation and Recoupment Section in Central Office.

Recoupment Process When Eligibility Ceases to Exist

If fraud is suspected, the DHS subsidy office must make a referral to the Office of Inspector General for their investigation; see Office

of Inspector General Referral Process subsection below for process information. When a referral to the Office of Inspector General is not required, the DHS subsidy office will begin the process below.

The recoupment process for an overpayment will be immediately initiated when the DHS subsidy office is made aware that eligibility no longer exists; see GDM 745-Juvenile Guardianship Assistance Case Opening and Duration, for more information regarding eligibility criteria.

The DHS subsidy office will initiate the recoupment process by issuing the DHS-4103-G, Juvenile Guardianship Assistance Case Closure/Overpayment Notice, to the guardian(s). The DHS-4103-G must include the dates the overpayment was issued, the total amount of overpayment and a short description of the cause of the over payment. The DHS-4103-G also notifies the guardian(s) of their right to an administrative hearing; see GDM 780-Administrative Hearings for more information.

The DHS-4103-G must be mailed to the guardian(s) along with the DHS-325-AA, Debtor Repayment Agreement. The DHS-325-AA informs the guardian(s) that they have the option to make payment in full, have a reduction in their assistance (if currently receiving assistance for another child) or make monthly payments. The DHS subsidy office must upload a copy of the DHS-4103-G and the DHS-325-AA, into MiSACWIS. The guardian(s) must indicate which repayment option they have selected from the options listed above by one of the following actions:

- Send a check or money order for the entire amount due payable to the State of Michigan to the DHS Cashiers Unit, or
- Return a signed copy of the DHS-325-AA, to Reconciliation and Recoupment Section, Suite 710, PO Box 30037, Lansing MI 48909 with one of two boxes checked, either assistance reduction (only can occur if provider has an active assistance case) or manual monthly payments made payable to the State of Michigan and send to the DHS Cashiers Unit.

Note: Recovery of juvenile guardianship assistance overpayments is handled by the Reconciliation and Recoupment Unit in Central Office.

**Reconciliation and
Recoupment
Overpayment
Process**

When the DHS-325-AA, Debtor Repayment Agreement, is received by the DHS Reconciliation and Recoupment Section, the recoupment information will be entered into their unit recoupment database, as a receivable.

Whenever the guardian(s) have questions regarding how the amount of overpayment was determined, the Reconciliation and Recoupment Section will direct the guardian(s) to the DHS subsidy office. The DHS subsidy office will review the information on the DHS-4103-G with the guardian(s) and will address concerns and disputes with the guardian(s).

After the DHS subsidy office addresses any concerns or disputes with the guardian(s), the DHS subsidy office may make changes to the recoupment amount or dates for the overpayment time period. If a change is made, the DHS subsidy office will reflect this on a revised, DHS-4103-G and send an updated DHS-325-AA to the guardian(s). The DHS subsidy office may determine that the initial recoupment amount and dates were correct and will notify the Reconciliation and Recoupment Section to proceed with recoupment of funds.

If the DHS-4103-G is revised, a copy must be uploaded in MiSACWIS and copies must be sent to the Reconciliation and Recoupment Section and the guardian(s).

The Reconciliation and Recoupment Section establishes the receivable into the subsidy overpayment database, monitors for compliance of repayments based on the signed DHS-325-AA, Debtor Repayment Agreement, and assesses for delinquency in payments. Reconciliation and Recoupment Section receives notification of voluntary payments from the Cashiers Unit and adjusts guardian(s) debtor accounts accordingly to maintain the proper debtor claim balance.

Note: All phone calls or written correspondence received regarding payments will be addressed by the Reconciliation and Recoupment Section unless it is a new concern or debate of the overpayment amount.

**Attorney General
Referral**

In the event a debt due to an overpayment of juvenile guardianship assistance becomes delinquent, the debt may be referred by Reconciliation and Recoupment staff to the Attorney General's Office for further collection efforts. The Attorney General's Office will pursue collections on such claims through voluntary repayments, civil lawsuits, probation violations and seizure/garnishment on civil and criminal restitution orders.

**Office of Inspector
General's Referral**

A referral to the Office of Inspector General shall be made if fraud is suspected. The DHS subsidy office must make a referral to the Office of the Inspector General for investigation, using the DHS-834, Fraud Investigation Request.

UNDERPAYMENTS

Retroactive payments are issued to correct underpayments caused by administrative error. An underpayment occurs when the guardian is paid less than the amount of assistance they are eligible to receive. Examples of administrative errors are:

- Computer or machine errors.
- Misapplication of policy by DHS staff.
- Failure to process a change in a timely manner.

TAX IMPLICATIONS

Guardians with specific tax questions or requests for information about how guardianship assistance affects their income tax must be referred to the Internal Revenue Service (www.irs.gov) or the Michigan Department of Treasury (www.michigan.gov/treasury).