



Iowa Department of Human Services

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GENERAL LETTER NO. 4-H-13

ISSUED BY: Bureau of Financial, Health and Work Supports
Division of Adult, Children and Family Services

SUBJECT: Employees' Manual, Title 4, Chapter H, **PAYMENTS AND ADJUSTMENTS**, pages 4, 5, 6, and 14, revised.

Summary

Chapter 4-H is revised to:

- ◆ Add policy that participants cannot access their FIP benefits with their electronic access card (EAC) at a:
 - Liquor store or any place that mainly sells liquor,
 - Casino or other gambling or gaming establishment, or
 - Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club).
- ◆ Add policy that overpayments caused by accessing FIP benefits at a prohibited location are a client error. The amount of the overpayment is the amount of FIP benefits accessed at the prohibited location.

Effective Date

February 1, 2014

Material Superseded

This material replaces the following pages from Employees' Manual, Title 4, Chapter H:

<u>Page</u>	<u>Date</u>
4, 5	August 17, 2012
6, 14	September 2, 2011

Additional Information

Refer questions about this general letter to your area income maintenance administrator.

- ◆ Daily issuances will be available in the client's electronic access account by noon of the day that is four working days after the date the action was taken in the ABC system. Daily issuances include:
 - Application approvals,
 - Special issuances,
 - PROMISE JOBS allowances, and
 - Reinstatements that are entered after the ABC system cutoff date.
- ◆ Benefits issued for a specific month will not be made available before the 1st day of the month for which they are intended.

Clients cannot use their electronic access card (EAC) to access FIP benefits at a:

- ◆ Liquor store or any place that mainly sells liquor,
- ◆ Casino or other gambling or gaming establishment, or
- ◆ Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club).

This includes using the card at the cash register's point-of-sale terminals as either a debit or credit card and at any ATMs at the location.

Clients can use the EAC at locations other than those above to:

- ◆ Make purchases and get cash back at store point-of-sale terminals, and
- ◆ Withdraw cash at an ATM or bank teller window.

Refer clients with questions or problems using the electronic access card to the Xerox Customer Service Center at 1-866-899-5611. This number is available toll free, 24 hours per day. Also refer clients to the Xerox website at www.EPPICard.com for additional information on electronic access card.

Once an electronic access account has been opened for a client, the account will not close, even if the client leaves FIP or changes to direct deposit or warrant issuance.

- ◆ Any balance remaining on the card remains available to the client even if FIP has been canceled.
- ◆ If the client returns to FIP or begins to get FIP by electronic access card again, the same electronic access account and card will continue to be used. If the client has not kept the card, the client must contact the Xerox Customer Service Center to request a replacement card.

- ◆ If the person named on the card dies or becomes incapacitated, the family will have to work with Xerox to gain access to funds in the account, just as they would for a bank account.

Comment:

The FIP electronic access card is similar in appearance to the VISA card used by Iowa Workforce Development for unemployment insurance benefits. The FIP card can be distinguished by a "D" following the client's name.

1. On Monday the income maintenance (IM) worker successfully enters approval of a FIP case into the ABC system. Payments will be issued by electronic access card, but the case name person has not previously had an electronic access account.

Tuesday evening the electronic access card is mailed to the client. The client should receive the card in the mail on Thursday or Friday. Friday at noon, the payment will be available in the electronic access account.

2. Same as Example 1, except that the ABC approval entries are successfully made on Wednesday. The electronic access card is mailed on Thursday evening. The following Tuesday at noon, the payment will be available in the electronic access account.

3. On Monday, October 26, the IM worker successfully makes ABC entries to reinstate FIP for November for a case. The fourth working day after the reinstatement was entered is October 30, but the November FIP benefits won't be available in the client's electronic access account until November 1.

Direct Deposit

Legal reference: 441 IAC 45.21(239B)

Policy:

Participants have the option to have their benefits deposited directly to their own account at a bank, savings and loan, or credit union. A payee who acts on behalf of a participant may also request direct deposit.

When a participant requests direct deposit, the following types of payments will be issued by direct deposit:

- ◆ Monthly benefits
- ◆ Special allowances
- ◆ Adjustive and corrective payments
- ◆ PROMISE JOBS allowances

Procedure:

When a participant requests direct deposit:

- ◆ Have the participant complete form 470-0261, *Agreement for Automatic Deposit*. The form must be submitted together with a voided check for the account. A deposit slip should be provided for savings accounts that do not provide checks. See [6-Appendix](#) for the form and instructions.
- ◆ The participant must provide the nine-digit route number for the account the benefits are to be deposited into. A checking account route number is printed on the checks between the two **I**: symbols.

NOTE: Do not use the routing number from a deposit slip, as it is not the same. A participant who requests direct deposit to a savings account must check with the bank to obtain the routing number.

- ◆ Use the Automated Direct Deposit (DIRD) system to start direct deposit. See 14-B(4), [DIRD = Automated Direct Deposit](#), for instructions on using the DIRD system.
- ◆ The beginning date for direct deposit must be ten working days past the date you enter the direct deposit request in the DIRD system, unless you request another, later beginning date.
- ◆ Remind participants to report promptly if the account is closed. Failure to timely end or change direct deposit when an account closes will result in a delay in receiving the payment, when the bank rejects the direct deposit.
- ◆ Remind participants that there is a risk that creditors holding past-due bills could attempt to garnish the account.

By law, FIP payments are protected from being garnished, even when converted to another form, such as a checking account. However, there is a question about whether the protection holds if the FIP payment is combined in the same account with money from other sources.

Participants are responsible for overdraft fees and other bank charges, as these are not considered a garnishment.

- ◆ Act promptly to stop or change direct deposit when the participant so requests. Benefits will continue to be sent to the account until the direct deposit is stopped in the DIRD system.

See 14-B(4), [DIRD = Automated Direct Deposit](#), for instructions for stopping direct deposit. Unless a future stop date is requested, enter the current date as the stop date. For active cases, the stop entries must be processed and the stop date must be effective before the ABC system's cutoff to stop direct deposit for the next calendar month.

Agency Errors

Legal reference: 441 IAC 46.21(239B), 46.24(239B)

Policy:

Agency errors include situations in which:

- ◆ A participant receives a duplicate warrant.
- ◆ The Department fails to take timely action on a change in circumstances.
- ◆ The Department incorrectly considers income, deductions, diversions, or household composition.
- ◆ FIP cancellation or benefit reduction must be delayed because of timely notice requirements or system limitations.

Procedure:

Compute an overpayment due to agency error as if the information had been acted upon timely. EXCEPTION: Do not initiate recovery if the client receives a benefit that is less than \$10 over the amount shown on the most recent notice.

Client Errors

Legal reference: 441 IAC 46.21(239B), 46.24(3)

Policy:

Client errors include the following situations:

- ◆ False or misleading statements (oral or written) about the client's income, resources, or other circumstances that affect FIP eligibility or the benefit amount.
- ◆ Failure to timely report changes in beginning income, resources, or other circumstances that affect FIP eligibility or the benefit amount.
- ◆ Failure to refund to the Collection Services Center any direct support received from an absent parent for members of the eligible group after the date the eligibility information is entered into the ABC system.
- ◆ Access of benefits issued with the EAC at a prohibited location.

Procedure:

Compute an overpayment due to client error as if the information had been timely reported.

For overpayments caused by accessing benefits at a prohibited location, the amount of the overpayment is the total amount of FIP accessed at the prohibited location.