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**ENERGY PROGRAMS**  
**EP-140 Requirements for Establishing Recipient Claims**

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**EP-140 REQUIREMENTS FOR ESTABLISHING RECIPIENT CLAIMS**  
**CHANGE #4-2025**  
**July 15, 2025**

**140.01 GENERAL POLICY**

The Energy Application head of household is solely liable for the value of any overissued benefits and will be the only debtor on a claim (unless there is an Authorized Rep). An investigation can be opened by an eligibility worker or a PI Investigator. The claim or PLC (Product Liability Case) can only be established by an Investigator. All documentation during the investigation must be uploaded into NC FAST, including the DSS-1682.

Once the claim is established, a Letter of Over issuance (LOI) will be sent to the head of household (HOH). This will advise the HOH that they have an over issuance and must pay it back to the county. The LOI advises the HOH that they are the debtor and must pay the full amount or sign a VRA (Voluntary Repayment Agreement) that the county approves. The minimum payment can be no less than \$25.00. Once the PI Investigator accepts the VRA, then the PI Investigator will enter the VRA into the claim in NC FAST. If payments are made timely, then this will prevent the debtor from being considered delinquent.

If at any time a block must be placed on the claim to prevent delinquency, such as Bankruptcy, Hearing, or legal actions, the worker will document in NC FAST on the claim. The block must be applied in the system by the State.

- A. Establish a claim against a head of household that received more CIP or LIEAP funds than the recipient was entitled to receive.
- B. If the recipient refuses to repay the overpayment voluntarily, consider initiating civil court action against the income or resources of the household.
- C. When the overpayment amount is less than \$35, do not collect. The maximum amount a claim can be is \$600.
- D. CROP - County Responsible Overpayments  
Established by county.  
County will not receive any addition to their funds source for CROP's
- E. SROP - State Responsible Overpayments  
Established by State.  
County will not receive any addition to their funds source for SROP's
- E. Claims may not be established for supplement payments, nor for Disaster Energy Assistance Program (DEAP) payments.

**140.02 TYPES OF CLAIMS**

There are two types of recipient claims.

- A. Agency Error (AE) – agency action or inaction. This includes CROP (County Responsible Over Payment) and SROP (State Responsible Over Payment)

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agency errors. Do not use SROP as a claim type without State Office Authorization.

- B. Inadvertent Household Error (IHE) – the household’s misunderstanding or unintentional error and must be paid back by the recipient.

Note: The head of household and authorized representative are equally liable for any erroneous issuance as a result of incorrect or incomplete information provided by the authorized rep and only one claim needs to be established.

The only exception is when benefits are misused by the authorized rep without the energy unit’s knowledge. In this instance, the HOH will not be a debtor.

**140.03 DETERMINING THE CLAIM TYPE**

- A. Agency Error (AE) Claims – An Agency Error claim may result from, but is not limited to any of the following:

1. Failure to act on reported case evidence by the head of household.
2. Failure to act on information known to the agency from any of the following sources.
  - 2a: Income verification obtained by FNS, Medicaid, or Work First.
  - 2b: Online Verification System (OVS).
  - 2c: IV-D Payment Reports (ACTS) as verified at application.
3. Incorrect computation of income or deductions.
4. Incorrect keying of client information in NC Fast.
5. State agency errors.
6. Failure to include an ineligible member’s income and/or resources.

- B. Inadvertent Household Error (IHE) - A recipient claim may result from but is not limited to any of the following situations.

1. Failure to provide correct or complete information at the time of application.
2. Failure to report a change in circumstances required by Sections 400.03C.

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C. Client Responsible Overpayment

All payments are applied to the PLC (Product Liability Case) also called the claim. Payments made within the current 2 fiscal years will be applied back to the County's current funding source balance. Any payments applied outside of the current 2 fiscal years will not be applied to the County's current funding source balance. These payments are still entered into the PLC to reduce the claim balance; however, the County must also send a DSS-1571 to report the payment to the DHHS Controller's Office since it is outside of the 2 current fiscal years.