

**205 - PAYMENT RULES AND BENEFIT ISSUANCE****Change # 1-2018****June 1, 2018****I. DETERMINATION OF CASE NOMINEE/ PAYEE FOR WORK FIRST CASH ASSISTANCE**

The adult caretaker relative who lives with and is responsible for the care and supervision of the child(ren) is the nominee/payee for Work First cash assistance case.

In no instance can a minor parent receive Work First cash assistance in their own name. A minor parent must live with a parent, legal guardian or in another adult supervised arrangement. When a minor parent lives with an adult, that adult receives the payment as the case nominee/payee. If the minor parent does not live with a parent, legal guardian, or in another adult supervised arrangement, the caseworker may approve the Work First cash assistance. This can only happen after the caseworker has determined there is not an adult with whom the minor parent can live or that such an arrangement would be detrimental to the minor parent or the minor parent's child. The Work First cash assistance payment in such cases must be made as a protective payment. See Work First Manual Sections 103 and 107 for additional information regarding minor parents.

An individual cannot be the nominee/payee for more than one Work First case. An adult or child cannot receive Work First in more than one case in North Carolina or from any other state for the same month.

**II. WORK FIRST PROTECTIVE PAYEE**

The protective payee is responsible for receiving the Work First cash assistance payment and assuring the payment is used to meet the needs of the family. A protective payee must be designated if one of the following conditions exists.

1. The adult caretaker is unwilling or unable to manage the Work First cash assistance payment.
2. The adult caretaker has misused funds to the extent that the health or safety of the child is threatened.
3. There is no adult with whom the minor parent can live or such an arrangement is detrimental to the minor parent or the minor parent's child.
4. The adult caretaker did not comply with the Substance Use/Mental Health Initiative and there is not good cause. See Work First Manual Section 104B.
5. The adult caretaker accessed the EBT cash assistance in the following specified locations:
  - a. Liquor Store; or
  - b. Any casino, gambling casino, or gaming establishment; or
  - c. Any retail establishment that provides adult oriented entertainment.

A protective payee must be an individual who will ensure benefits are used in the best way to meet the needs of the recipient(s). Appropriate individuals may include but are not limited to, professional staff of private agencies, interested private citizens, members of the clergy, relatives of the family, or social workers employed by the county department of social services or human services agency.

**A. Individuals Excluded from Being a Protective Payee**

1. A staff member of the North Carolina Division of Social Services (NC DSS) or the North Carolina Department of Health and Human Services (NC DHHS).
2. The director of a county department of social services or county human services agency.
3. A Work First Cash Assistance caseworker or staff with the ability to authorize Work First cash assistance payments.
4. A member of the Board of County Commissioners, County Board of Social Services, or the Social Services Commission.
5. An individual who can benefit directly from the payment such as the family's landlord, grocer, or another vendor of goods and services who deals directly with the family.
6. An employer of a Work First family member.

**B. Process for Appointing a Protective Payee**

1. Ask the adult caretaker or minor parent to recommend an individual to serve as protective payee. If the person named is appropriate and agrees, appoint that person as the protective payee.
2. If the adult caretaker or minor parent is unable or refuses to name a potential protective payee, the caseworker must locate a suitable individual. A county department of social / human services' social worker may serve as protective payee.
3. Explain and complete the Work First Cash Assistance Protective Payee Agreement (DSS-1665).
4. To add the protective payee to the case, refer to the following NC FAST Job Aid: Adding Protective Payees on a Cash Assistance or Special Assistance Product Delivery Case.
5. Evaluate the continuing need for a protective payee at each review or change in family situation.

**III. SELECTING THE PAYMENT ISSUANCE METHOD**

There are two methods of issuance for the cash assistance payment, Electronic Benefits Transfer (EBT) and Direct Deposit. NC FAST refers to the method of issuance as the delivery pattern. The delivery pattern must be set prior to case activation. Refer to the NC FAST Job Aid: Delivery Patterns for additional instructions.

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EBT is an electronic system that allows the participant to access their benefits with a plastic card, similar to a bank card. Direct Deposit allows the monthly cash payment to be electronically deposited to the personal savings or checking account of the case nominee/payee.

The worker must explain and provide information to participants about the two types of issuance so the participant can make an informed choice. Give the participant the Frequently Asked Questions (FAQ) flyer concerning electronic issuance and the EBT Brochure, How to Use Your North Carolina EBT Card. Provide this information, no less frequently than at application and review.

There are situations where the only option for issuing a payment may be an EBT card. These situations are as follows:

1. The recipient is unable to establish a bank account due to a disability, resides in a remote geographic location or is unable to meet the requirements of the financial institution.
2. Benefit Diversion payments, as they are a one-time issuance.

Once the participant selects an issuance method, no changes are allowed until the next review of eligibility. The county agency may change the issuance method before the next scheduled review if the agency determines there is good cause or the financial institution cancels the participant's deposit account.

**IV. Electronic Benefits Transfer**

The Electronic Benefits Transfer (EBT) card can be used at various retail vendors and allows the participant to withdraw funds at designated Automated Teller Machines (ATM).

**A. EBT Card Selection**

When the participant chooses to receive their benefits on an EBT card, the eligibility worker selects EBT Card Cash as the delivery pattern in NC FAST. A system generated EBT card and card carrier are mailed to the nominee/payee after case approval and benefit authorization.

The EBT card carrier instructs the nominee/payee to contact EBT Customer Service to activate the EBT card and select a personal identification number (PIN). The nominee/payee can select a PIN for the card and access the account without visiting the local social/human services agency. However, the initial EBT card must be processed by the county social/human services agency.

The case nominee/payee can change their PIN number at any time by calling the EBT Customer Service line using the automated system, Interactive Voice Response (IVR). The contact number for the EBT Customer Service line is 1-888622-7328. The nominee/payee may also request replacement EBT Cash cards by contacting the Customer Service line.

The IVR procedures are as follows:

1. EBT cardholders will hear a prompt to enter their EBT card number. If the EBT card number is entered successfully, a second prompt will follow.
2. Cardholders will hear a prompt to enter the last four digits of their Social Security Number (SSN) to complete the PIN process. If the card holder does enter a SSN, the card holder will hear a prompt to enter their date of birth.
3. Cardholders will hear a prompt to enter a four-digit PIN. The cardholder will then re-enter the PIN number for validation.

### **B. EBT Issuance for Combined Work First Cash and Food and Nutrition Cases**

The Work First cash payment will issue on the existing Food and Nutrition Services (FNS) EBT card if the recipient is the case nominee/payee for both the FNS and Work First Cash cases. When accessing the benefits on the EBT card the cardholder will see the option of selecting Food or Cash.

When the case nominee/payee on the FNS and Work First cash cases are different, the Work First cash assistance will be issued on a separate EBT CASH card.

### **C. EBT Benefits Not Received**

If an EBT card is lost, stolen or not received, the nominee/payee must contact the EBT Customer Service line to request a replacement card. If the EBT card is returned due to an invalid mailing address, the worker must take the following steps:

1. Verify if the correct address was entered in NC FAST and updated in EBTEdge, the automated system that support EBT services.
2. If not, the agency must update the mailing address in NC FAST, confirm the updated address in EBTEdge and order a new EBT card for the participant.
3. If the address in NC FAST and EBTEdge was entered correctly, the agency must contact the nominee/payee to resolve any discrepancies.

Refer to NC FAST HELP for instructions regarding returned payments, payment reissuance and changing delivery patterns.

If there is an issue or question regarding the amount of cash assistance benefits received, the nominee/payee should contact the local social/human services agency. If there is a technical issue related to the use of the EBT card, the nominee/payee should contact the EBT Customer Service line.

EBT card benefits can only be accessed when using an authorized PIN number, which should only be known to the case payee/nominee. Benefits accessed with an EBT card and a correct PIN are not replaceable.

**D. EBTEdge**

EBTEdge provides online access to EBT benefits (www.EBTEdge.com) for cardholders; they can easily view their current account balance and review transactions. They can also obtain a report of their EBT card transactions. There is not a charge to participants for using EBTEdge.

Agencies can also access EBTEdge to view agency specific EBT reports. Staff will need system access for EBTEdge to view reports and perform other administrative tasks.

**E. Inactive EBT Accounts and Expunged Benefits**

After 365 days of EBT account inactivity, the EBT Vendor will expunge the identified benefits. When the entire account reaches 365 days of inactivity; all benefits are expunged at once and the card deactivated. Benefits cannot be restored once expunged.

Workers are required to notify the participant when the EBT account reaches a maximum of 90 days of inactivity. The Aged Authorization Detail Report, in NCXPTR, lists accounts which meet the 30, 60 or 90-day inactivity criteria. The report is not cumulative; the information updates daily.

When an active case appears on the Aged Authorization Detail Report at 90 days take the following steps.

1. Attempt to contact the participant to determine why they are not using the available benefits.
2. Upon contact with the participant, notify them of the available benefits in the EBT account.
  - a. Offer to assist the nominee/payee with additional EBT system training or refer the nominee/payee to Customer Service at 888-622-7328.
  - b. If the nominee/payee has moved but remains in North Carolina, follow policy procedures related to change in residency.
3. If the worker is unable to contact the participant by telephone, send the DSS8146A, Information Needed to Determine Your Eligibility for Work First Cash Assistance. Request the nominee/payee contact the agency within 10 calendar days regarding their EBT account.
4. Do not act on the case if the participant fails to contact the agency regarding benefit usage. A case cannot be terminated for failure to use EBT benefits. 5. If the DSS-8146A is returned with a forwarding address that is within North

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Carolina, send a second DSS-8146A to the new address. Request the participant contact the agency within 10 calendar days regarding the new address and the EBT account.

6. If the DSS-8146A is returned without a forwarding address; send a second DSS-8146A to the last known address. Request the participant contact the agency within 10 calendar days to regarding the new address and their EBT account.
7. Follow policy procedures related to changes in residency/situation.

**F. Restrictions on EBT Card Usage**

The local social/human services agency must notify households that misuse of their EBT card benefits is against the law. It is a crime to defraud the system or sell their EBT card to others. An EBT card cannot be used in any liquor store; any casino, gambling casino, or gaming establishment; or any retail establishment which provides adult-oriented entertainment. Misuse of the card may result in the following:

1. a determination of fraudulent activity and repayment of benefits;
2. assignment of a protective payee; and/or
3. loss of cash assistance benefits.

Refer to Work First Manual Section 207, Fraud and Intentional Program Violations, for additional information.

**V. Direct Deposit**

The second method for benefit issuance is Direct Deposit to the case nominee/payee's personal bank account; checking or savings. Direct Deposit is not allowed for a business deposit account.

**A. Direct Deposit Authorization**

The case nominee/payee must complete and submit to the local social/human services agency the DSS-5023, Direct Deposit Authorization Form. The case nominee/payee must attach a voided check (for a checking account) or have the financial institution complete Section 2 of the form if depositing to a savings account.

1. The caseworker must enter the information on the DSS-5023 into NC FAST. The routing number is always on the lower left of the check. The account number is in the middle bottom of the check and the check number is on the right. (see the example below)

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A sample check form with the following fields and labels:

- NAME
- ADDRESS
- CITY, STATE, ZIP
- DATE
- 0123
- 01-23456789
- PAY TO THE ORDER OF
- \$
- DOLLARS
- BANK NAME
- ADDRESS
- CITY, STATE, ZIP
- 0123456789012
- 0123
- Bank Routing Number
- Bank Account Number
- Check Number

2. Explain to the case nominee/payee the form must be returned during the requested timeframe or the payment will be issued on an EBT Cash card.
3. Retain all forms related to electronic issuance as part of the case documentation. The agency must ensure direct deposit forms are stored securely. The information contained on completed forms is confidential and protected under the North Carolina Identity Protection Act of 2005.

**B. Direct Deposit Processing**

There is a three-day bank processing period when direct deposit is initially established in NC FAST. The availability of funds for a new application may take an additional three to five business days from the date the worker authorizes the benefits in NC FAST. For a newly approved Work First Benefits cases, the initial cash assistance payment is available the following month after verification of program compliance.

Ongoing cash assistance payments for Child Only cases are available to the payee by the 7<sup>th</sup> business day of the month. For ongoing Work First Benefits (WFB) cases, payment is available after verification of program compliance.

**C. Direct Deposit Transactions That Are Rejected or Not Received**

Direct deposits can be rejected for various reasons: a closed account, incorrect routing or account number etc. If the participant fails to notify the agency of account changes prior to the direct deposit, the deposit may be rejected by the financial institution. NC FAST will cancel the payment and it will be returned to the Controller's Office.

When a payment is returned, NC FAST will send the caseworker a task explaining why the payment was returned. The worker must research and correct any issues.

1. If the NC FAST payment information is correct, the caseworker must contact the case nominee/payee within two (2) business days from the date of the task to determine the reason for the failed deposit. Prompt action is required to minimize the disruption to the issuance.

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2. When the case nominee/payee provides updated information, the worker must re-enter the updated information into NC FAST to reissue the payment. Refer to NC FAST Job Aid: Processing Returned Payments and Reissuing Payments.
3. The case nominee/payee must provide a suitable account for direct deposit and a new DSS-5023 within five (5) business days from the date the worker contacts the case nominee/payee. If not, the county agency will update the NC FAST delivery pattern to EBT Cash Card.
4. When the family provides the updated account information, switch the delivery pattern from EBT Card Cash to Direct Deposit. Document the case record concerning any correspondence or communication with the case nominee/payee.

Once Work First cash assistance payments are deposited into a savings or checking account, the funds become the responsibility of the account holder. The funds are not replaceable by the Work First Program.

**VI. Fees Associated with the Method of Issuance**

There may be fees associated with both Direct Deposit accounts and EBT transactions.

**A. Direct Deposit**

Fees imposed by a financial institution associated with direct deposit account are the responsibility of the account owner. The financial institution cannot impose charges for an account that it does not impose on its other customers for the same type of account.

If there is a dispute or question relating to purchases or fees assessed on the direct deposit bank account, the account owner should contact the financial institution who holds the deposit account.

**B. Electronic Benefits Transfer**

Certain EBT card transactions may incur fees.

1. The first cash withdrawal transaction at an Automated Teller Machine (ATM) is free. There is a \$0.85 fee for each additional cash withdrawal. There are not any fees for point of sale (POS) transactions.
2. There is a \$2.50 cost for each replacement card. If the EBT card was damaged there is not a replacement fee. The participant must contact the EBT Customer Service line to request a replacement card.
3. Fees associated with the use of the EBT card will be deducted from the balance of the card based on the available benefits in the account.
4. If the participant is receiving FNS benefits and Work First Cash, the \$2.50 card replacement fee will be first deducted from the FNS benefits.

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5. If there are insufficient funds in the FNS EBT account or the participant does not receive FNS, the replacement card fee will be deducted from the program account with funds available to cover the fee.
6. If there are insufficient funds in any single account, the EBT system will issue the card and deduct the funds from the next benefit issuance.

Fees deducted from the balance on the card will be identified on the account. The participant can confirm the benefit online at [www.ebtedge.com](http://www.ebtedge.com), text message or by calling the EBT Customer Service line.

If the participant disputes the fees associated with the use of the card, the local social/human services agency should refer them to EBT Customer Service.

Advise applicants and recipients to keep their EBT card in a safe place and to not throw away the card even if their case closes.

**VII. Changes in Situation**

Once the participant selects an issuance method, changes are not allowed until the next review. The county agency may change the issuance method before the next scheduled review if the agency determines there is good cause or if the financial institution cancels the participant's deposit account.

**A. Direct Deposit**

Advise participants to report deposit account changes to the local social/human services agency as soon as possible to minimize disruptions to the payment delivery pattern. This includes a change in the account number, financial institution or a change in the head of household. Anytime there is a change in situation, the worker should verify if the head of household/case nominee wants to continue with the current delivery pattern.

If the participant decides to cancel the direct deposit or switch to a different deposit account, take the following steps.

1. Have the participant/account owner complete the Request to Cancel Direct Deposit form.
2. The participant/ must also complete a new DSS-5023 to authorize a new deposit account.

Changes to direct deposit information should be completed no later than five (5) business days prior to the end of the month to ensure benefits are available timely.

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**B. EBT Account**

Advise participants to report head of household changes for combined FNS and Work First Cash EBT card accounts. A separate EBT Cash card must be created when the head of household is no longer the same for the Work First cash assistance and FNS cases.

**VIII. Returning Unspent Funds**

**A. Protective Payee**

A protective payee must return funds when:

1. The participant does not respond to attempts to contact, and cannot be located, **and**
2. The agency determines that the case must be closed because the participant's whereabouts are unknown.

When the case is closed and the protective payee reports unspent Work First funds on an EBT card or in a deposit account they are unable to spend appropriately to benefit the family (for example, there are no outstanding bills to be paid), instruct the protective payee to return these funds to the county/ human services agency.

Collect the unspent funds from the protective payee. Complete a Refund Receipt Form (DSS-1656) and give a copy to the protective payee. Send the completed form along with a check from the county agency to:

NC DHHS Controller's Office  
Program/Benefits Payments Section  
2019 Mail Service Center  
Raleigh NC 27699-2019

Verify receipt of the funds by viewing the following report located in NCXPTR: DHRWFA CAADJUSTMENT SUMMARY WF38 (Report ID: W59). Do not enter the returned funds as a repayment into EPICS.

**B. Voluntary Return of Funds by Head of Household**

The head of household may request termination of their Work First Cash Assistance case at any time. In some instances, the head of household may choose to voluntarily return the monthly cash assistance received in the termination month.

Collect the unspent funds from the head of household. Complete a Refund Receipt (DSS-1656) and give a copy to the participant. Send the completed form along with a check from the county agency to:

NC DHHS Controller's Office  
Program/Benefits Payments Section  
2019 Mail Service Center

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Raleigh NC 27699-2019

Verify receipt of the funds by viewing the following report located in NCXPTR: DHRWFA CA ADJUSTMENT SUMMARY WF38 (Report ID: W59).

**IX. Benefit Issuance for Cases in Sanction**

Child only or WFB cases may be sanctioned for a variety of reasons. Work First Cash cases in sanction are not eligible for payment until compliance.

Once the case comes into compliance, the worker must end date the sanction evidence before a payment can be issued. Refer to NC FAST Help for instructions on how to end a sanction.

**X. NC FAST Processing Deadline**

The last day to make changes effective the next calendar month is known as the "program cut-off or keying deadline". The program cut off or keying deadline for NC FAST is the second to last business day of the month. Make every effort to process all case and/or individual changes on or before the program cut-off or keying deadline each month. Prompt action ensures the family receives the correct benefit amount in a timely manner.

Although WFB case benefits are not released until verification of program compliance, the program cut off deadline is the last date changes can be made to benefit amount or delivery pattern. Additional time may be needed when cancelling a direct deposit and changing the delivery pattern.

**XI. PAYMENT FOR A DECEASED CASE NOMINEE/ PAYEE**

If a case nominee/payee dies on or after the date of the monthly issuance of the cash assistance payment for which they were entitled, their estate is entitled to the remainder of the payment. The Clerk of Superior Court will administer the funds in accordance with North Carolina Law.

If the deceased nominee/payee is the sole owner of the deposit account and the account is "frozen", contact the clerk of court and file a claim against the estate for repayment of any benefit for which the household was not entitled. Funds returned by the clerk of court should be in the form of a check made payable to the county social/human services agency. The agency will deposit the payment into the agency's account and send a DSS-1656, Refund Receipt (Collection of Overpayment), to the DHHS Controller's Office.

If the cash assistance is on an EBT card, contact the remaining family members and request the return of any funds for which the household is not entitled. When the funds

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are returned, provide the family with a receipt or other document verifying the agency received the returned funds. The agency will deposit the payment into the agency's account and send a DSS-1656, Refund Receipt (Collection of Overpayment), to the DHHS Controller's Office.

If the funds for which the family is not entitled (deposit account or EBT cash) are not returned, refer the case to the Program Integrity Unit to determine if there was an overpayment.

Refer to the NC FAST Job Aid: Death of a Cash Assistance Client for additional instructions.