

Article 5  
Investigation and Recoupment Office

**§1501. Memorandum of Understanding** For the purpose of legally entering a Memorandum of Understanding (MOU) authorizing the Department of Revenue and Taxation (DRT) to offset tax refund due the clients who owe the Department of Public Health and Social Services (DPH&SS) of overissued Program (Food Stamp and Public Assistance) benefits, the following procedures must be observed and followed:

(a) No overissued Program benefits shall be referred by the Investigation and Recoupment Office (IRO) to the DRT for tax refund offset unless determined by IRO to be a 'past due legally enforceable debt'.

(b) A past due legally enforceable debt that may be referred by IRO for tax refund offset to DRT are as follows:

(1) Only debts (unpaid overissued Food Stamp and Public Assistance benefits) incurred after June 30,1986 shall be referred to DRT for tax refund offset.

(2) Which, in case of a judgement debt, only debts that have been delinquent for at least six (6) months but have not been delinquent for more than ten (10) years at the time the offset is made.

**NOTE:** Debts are considered delinquent whenever three (3) demand letters are sent by IRO to the client but all were futile.

(3) Debts cannot be collected through salary deduction (i.e. No agreement to this effect.)

(4) Debts are ineligible for administrative offset.

(5) Notify the client at least sixty (60) days to present evidence that all or part of the debt is not past due or legally enforceable, has considered evidence presented by the client and determined that an amount of the debt is past due and legally enforceable.

(6) With respect to which that the agency has notified, or has made a reasonable attempt to notify the client that the debt is past due and unless repaid within 60 days thereafter will be referred to the DRT for offset against any tax refund due the client.

(7) That the debt is at least \$25.

**NOTE:** In order to make a reasonable attempt to notify the client, IRO must exert every effort or use such address information as may be obtainable from the DRT. Also, for this purpose the client's evidence that the debt is not past due or legally enforceable must be presented directly and considered directly by IRO.

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