



<i>Financial Administration Act, R.S.P.E.I 1988, Cap. F-9</i>	<b>Program</b>	<b>Child and Family Services</b>	
	<b>Subject</b>	<b>Recovery of Overpayments</b>	
<b>Effective Date:</b> June 22, 2021		<b>Authorized by:</b>	
		<b>Deputy Minister David Keedwell</b>	

## 1.0 PURPOSE

1.1 To identify, account for, and recover Child Protection benefits received in excess of eligibility by all who receive money under the Child Protection Program.

## 2.0 DEFINITIONS

2.1 **Overpayments:** cash which the recipient was not entitled to receive.

2.2 **CRA Set Off Program:** a federal government program administered by Canada Revenue Agency (CRA) that allows other government programs to register an applicant's outstanding overpayment balance for collection. CRA will direct all or a portion of an income tax refund and other identified federal refunds/credits to the provincial department to be applied to an outstanding overpayment.

## 3.0 POLICY STATEMENT

3.1 Overpayments are amounts owed to the government, which may be recovered by the Minister from the recipient of the excess payment.

3.2 The level and method of recovery will be appropriate to the amount of the overpayment, the means of the recipient of the excess payment, and the cost effectiveness of taking collection action.

3.3 The recipient of the excess payment will be notified by Child and Family Services of the overpayment amount including an explanation of the overpayment and terms of repayment.

3.4 The recipient of the excess payment has a responsibility to repay an overpayment, regardless of whether the Foster Parent currently provides a service. Government has an obligation to recover overpayments on behalf of taxpayers.

#### 4.0 PROCEDURE STATEMENT

- 4.1 All overpayments must be recorded in the electronic and paper file of the Child in Care or Child Not in Care, to whom it relates. An explanation of the circumstance and a description of the calculation must be included.
- 4.2 The recipient of the excess payment must be notified of the overpayment amount, circumstance and repayment terms.
- 4.3 The Administrative Assistant will notify the Child Protection Social Worker and the Financial Officer when an excess payment has been received. The Financial Officer will be responsible for determining the method and level of recovery.
- 4.4 Overpayment recoveries may be negotiated as follows:
- (a) Repayment in lump sum;
  - (b) A withhold from the monthly entitlement;
  - (c) Suspension of monthly payments until the applicant has expended an amount equivalent to the overpayment, or
  - (d) Some combination of the above.
- 4.5 In the case of Overpayment recoveries in the form of a withhold from monthly entitlement:
- (a) Recovery rates are typically a minimum of \$25 and maximum of \$100 with discretion given by the Child Protection Social Worker to adjust based on consultation with the Financial Officer and consideration of the client's circumstances.
  - (b) Amounts are withheld from an applicant's monthly entitlement until the overpayment is fully recovered, the service is terminated, or the applicant provides documentation that they have filed for bankruptcy, whichever occurs first.
  - (c) Overpayments on client files may be reviewed annually, or upon completion of payment of the overpayment.

<b>Overpayment Amount</b>	<b>Withhold Recovery Rate</b>
\$0.01 - \$24	One time deduction of full amount
\$25 - \$250	\$25 or one time deduction of full amount
\$251 - \$500	\$25 - \$50
\$501 - \$750	\$50 - \$75
\$751 - \$1,000 +	\$75 - \$100

4.6 The Financial Officer will supervise and monitor the recovery of overpayments.