

90-700.07. UNDERPAYMENTS

A. General This section provides information regarding the treatment of underpayments in the GR Program.

B. Definition An underpayment occurs when a recipient is eligible to a larger grant than actually received. When an underpayment has occurred due to improper or incorrect grant amount, the Supervisor may authorize a supplemental issuance. These adjustments shall be limited to underpayments that have occurred less than six months prior to the current month or since the last 10-day break in aid, whichever is later.

C. Underpayments and Overpayments in the Same Case When both an underpayment and an overpayment exist in the case, the underpayment will be balanced against the overpayment. There shall be a three-year limitation on these types of underpayments. Complete form 11-57 HHSA to determine if there is an outstanding overpayment or underpayment after balancing these against one another.

D. Examples The table below shows a couple of examples of underpayments.

Example	Situation
1	The case reveals that there has been a prior overpayment of \$84 and a prior underpayment of \$35. After balancing (overpayment of \$84 minus underpayment of \$35), there is \$49 overpayment balance remaining. Proceed to recoup the overpayment by budget reduction (not to exceed three years from date of discovery).
2	The case reveals that there has been a prior overpayment of \$28 and a prior underpayment of \$43. After balancing (underpayment of \$43 minus overpayment of \$28), there is a \$15 underpayment balance remaining. A supplemental issuance may be authorized by the supervisor if the underpayment has occurred within the past six months or since the last 10-day break in aid, whichever is later.
