10A NCAC 10.0309 CORRECTION OF OVERPAYMENTS AND UNDERPAYMENTS

(a) For purposes of this Rule, "agency" shall mean the Local Purchasing Agency or the Division.

(b) An overpayment made to an owner as a result of an inadvertent error by the agency or the operator shall be recouped by withholding the amount overpaid from monies due to the owner for services provided pursuant to the state's Subsidized Child Care Assistance Program in an amount not to exceed 20 percent of each payment to the owner.

(c) Should the owner cease to participate in the Subsidized Child Care Assistance Program before the overpayment is fully repaid, the remaining monies shall be recouped by:

- (1) Repayment agreement made with the Local Purchasing Agency; however, the Local Purchasing Agency shall prosecute the owner for failure to make timely payments as required to comply with the terms of the agreement;
- (2) Involuntary repayment by pursuing court action; or
- (3) Wage garnishment as permitted by law.

(d) An overpayment made to an owner as a result of fraudulent misrepresentation by the recipient or owner shall be recouped by:

- (1) Withholding up to the entire amount overpaid from monies due to the owner for services provided pursuant to the state's Subsidized Child Care Assistance Program;
- (2) Repayment agreement made with the Local Purchasing Agency; however, the Local Purchasing Agency shall prosecute the owner for failure to make timely payments as required to comply with the terms of the agreement;
- (3) Involuntary repayment by pursuing court action; or
- (4) Wage garnishment as permitted by law.

(e) An underpayment made due to agency or owner error shall be corrected in the Subsidized Child Care Assistance Program records and by remitting payment to the owner within 30 days of discovery of the error, but in no event shall an underpayment be corrected more than 90 days from the date of the underpayment unless the owner was unaware of the underpayment because the director or other person having primary responsibility for operation of the child care facility failed to notify the owner. In no event shall the agency correct an underpayment more than one year from the date of the underpayment.

(f) Appeals pursuant to this Rule shall be in accordance with 10A NCAC 10.0311 and 10A NCAC 10.0312.

History Note: Authority G.S. 143B-153; Eff. April 1, 2001; Amended Eff. December 1, 2011; Readopted Eff. November 1, 2018.