



STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
CHILDREN'S ADMINISTRATION
PO Box 45040 • Olympia WA • 98504-5040

June 24, 2016

Dear Foster Parent:

The Children's Administration is taking steps to increase the integrity of payments made to foster parents. Our goal is to ensure payments are both accurate and timely. The accuracy of payments is a shared responsibility between the department and the foster parent. The department sets up the structure for a payment in our payment system and you, as the foster parent, review and validate that the payment is correct through your monthly claiming process.

One of the steps the Children's Administration (CA) is taking is to no longer pursue the collection of overpayments made to foster parents that are older than two years, or those that have been deemed to be immaterial. This step excludes, however, those payments made through a private placement agency, payments for Guardianships, payments for Adoption, or those payments deemed to have been made due to blatant or fraudulent over claiming.

This action does not impact the shared responsibility to identify and correct errors in payments and we will continue to rely on foster parents through the claiming process to only validate accurate payments and bring to our attention any errors discovered. Overpayments may still be returned to the department when discovered and the Children's Administration will retain the right to resume referring overpayments to the Office of Financial Recovery (OFR) if we deem it necessary in the future.

The decision to not pursue collection of an overpayment has a direct impact on the taxability of the payments. Overpayments that are not repaid are considered reportable to the IRS as income.

The department will notify you if an overpayment is made and will provide information on how to discuss the overpayment with fiduciary staff and your right to request an administrative hearing to dispute the overpayment. For overpayments not being pursued, the purpose of the hearing will primarily be to validate that the payment was in error and not whether or not it should be repaid. The outcome of the hearing will impact whether the amount is reportable or not to the IRS.

For overpayments already reported to OFR, collection activities have been stopped and the outstanding balances will be reported to the IRS as income. If you have a balance, you will receive a letter explaining the action to be taken. You will also be given the opportunity to continue repaying the debt if you like.

If you have any questions about overpayments or reimbursements outlined in this letter, please contact Dan Ashby, Chief, Finance & Accounting, CA Headquarters at: Dan.Ashby@dshs.wa.gov or 360-902-7940.

Sincerely,

Jennifer A. Strus, Assistant Secretary
Children's Administration