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Bulletin No. 91-27

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IRS Interface

A. IRS 1099 Tape Match

1. General Information

The IRS 1099 is submitted to IRS by banks and other institutions to report unearned income such as interest, dividends, cash prizes, and royalties. The 1099 tape reports the total calendar year income for each account held during the year being processed.

Data on a particular year does not become available until the fall of the following year. At that point, an average of 5,000 cases are matched against ACCESS each month until the entire caseload for ANFC, Food Stamps, and Medicaid has been processed.

The Department also receives one update tape per month which reports new discrepancies. In order to minimize discrepancies, enter BANK panels for all bank accounts, including accounts closed in the last two years.

2. Process

When an IRS 1099 tape is received, the tape is run against the ACCESS data base. If the BANK account number does not equal the 1099 account number, ACCESS records the new data on the BANK panel for the household which currently includes the person with the asset.

If no BANK panel exists with that account number, a BANK panel will be created.

3. Discrepancies

- a. If the discrepancy resulting from bank account interest is less than \$100, a BANK panel is created immediately and a MAIL message will be generated to the worker for the 15th of the month prior to the review month. The ES will investigate the discrepancy at the review.

If a person is active in more than one household (ex. household head in Medicaid, member in Food Stamps) the message goes to the worker for the case where the person is the household head. That worker then informs any other worker(s) involved with the person.

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A. IRS 1099 Tape Match (Continued)

2. Process (Continued)

- b. Discrepancies of \$100 or more (or that total \$100 or more) will be reported to the Central Verification Unit (CVU) who will be responsible for mailing verification letters which are computer generated. For reference, they are the DSW 208C and DSW 208D in the forms manual. If the asset is a savings account, the letter will be sent to the institution
- c. (DSW 208D). If the asset is life insurance, stocks, bonds, or trust accounts, the letter will be sent to the client
- d. (DSW 208C). In either situation, if a long-term-care case is involved, CVU may request the case file or otherwise coordinate with the ES before sending a verification letter in case the information is known to the Department but not recorded in ACCESS.

Once verification is received, CVU will examine the case on ACCESS. If the new information does not affect eligibility, CVU will update the panel and send the verification to the ES for the case file.

If the information does affect eligibility and it is a long-term-care case, CVU will determine how much over resources the person is, recover the money and notify the ES of all actions. For all other cases, CVU will enter the new data, notify the ES by phone or MAIL, and send all paperwork to the ES. The ES then decides whether or not to contact the client for further verification based on the individual case circumstances. If the ES does not request more verification, he or she will then approve the new eligibility result. If the ES does request more verification, a DSW 202V (and DSW 202V2 if necessary) is used.

If the client does not respond to CVU requests for information, CVU will notify the ES of the discrepancy and the failure to cooperate, and provide documentation. The ES then enters a non-cooperation code to close the case.

- c. If the ES updates a BANK or STOK panel in a discrepancy case for which CVU is responsible (according to the INFC panels), CVU should be notified via a MAIL message so the INFC panel can be updated.
4. Overpayments

If the verification received indicates an overpayment, the DSW 108FSA and/or DSW 220R will be sent by CVU who will take responsibility for all claim forms, recoupment entries and repayment agreements. After the claim or recoupment is established, all documentation will be sent to the ES for the case record.

If CVU does a fraud referral, only the information needed for the classified files will be sent to the District.