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## Overpayments and Recoveries

### General Principle

In certain circumstances, social assistance benefits may be recovered from clients by the band social development worker (BSDW) on behalf of the administering authority. Recovery of benefits is required where benefits are issued that the client is not entitled to, or while the client is awaiting other income or benefits.

### Client-initiated Overpayment

Where the BSDW becomes aware that clients have initiated an overpayment, and are therefore receiving benefits to which they are not entitled, the following procedures apply:

- The client must be contacted immediately.
- The BSDW must discuss the nature of the overpayment and request an explanation from the client.
- Depending upon the client's explanation and the BSDW's knowledge of the situation, the BSDW may conclude that a fraud has occurred or that the overpayment was not deliberately intended by the client. If the BSDW believes that a fraud has occurred, refer to section 2.5, Fraud.
- Where the BSDW believes that the client's actions were unintentional, pertinent procedures should be reviewed with the client, and the client cautioned as to the legal nature of these procedures. Advise the client of how to proceed in future to avoid overpayment.
- Unintended client-initiated overpayments must be recorded on the client file and recovered by completing a repayment agreement. Discuss with the client a suitable plan of recovery of funds. If the client refuses to enter into a voluntary plan for repayment, recovery may be effected by reducing any allowance payable to the client, or by proceedings in a court of competent jurisdiction to recover the funds. For more information, see section 2.5, Fraud.

- Reimbursement payments should be made to the BSDW.
- BSDW must record the amount of a reimbursement payment and the date on which the payment is made on the client file.
- Deductions made from allowances for recovery of overpayments must be noted on the Budget and Decision Form (901-25), until such time as the overpayment is recovered in full.

## Office-initiated Overpayment

Where an overpayment has been made to a client due to an error by the BSDW, the following procedures apply:

- The client must be contacted.
- The BSDW must explain to the client the nature of the office error, and the amount of overpayment. The client's correct entitlement should be re-established, and noted on file and on the *Budget and Decision Form* (901-25).
- Office-initiated overpayments must be recovered.
- The above must be explained to the client.
- The BSDW and the client negotiate the best method of recovery (i.e., cheque or money order, or deduction from assistance).
- The BSDW and the client complete a repayment agreement.
- If the client has spent the overpaid funds on essential items such as food, clothing, or furniture, and receipts are provided, the BSDW may decide to waive recovery if the client would suffer hardship as the result of a reduced allowance. Where such a decision is made, the specific circumstances of the situation, and the reasons for the decision must be recorded on the client's file for auditing purposes.
- The client has the right to appeal a decision that reduces benefits.