

11—40.4(8A) Duties of the agency. Public agencies that seek to place debts in the offset program shall have the following duties regarding the department and debtors.

40.4(1) Notification to the department.

a. A public agency seeking to place debts in the offset program must provide a list of debtors to the department. This list must be in a format and type prescribed by the department and include only information relevant to the identification of the debtors owing debts to the public agency.

b. The director shall not process a claim under the provisions of Iowa Code section 8A.504 until notification is received from the public agency that the debt satisfies the requirements of rule 11—40.3(8A) or, in the case of a debt owed to a district court clerk, is a “court debt” as defined in Iowa Code section 602.8107(1) which has been due for 30 or more days. The agency shall provide, along with each liability file, a written statement to the director declaring that the provisions of this paragraph are satisfied.

40.4(2) Notification of change in status of debt. Each public agency that has chosen to submit a debt for participation in the offset program must notify the department immediately of any change in the status of the public agency’s individual debts submitted under the offset program. This notification shall be made no later than 30 calendar days from the occurrence of the change. A change in status may come from payment of the debt, invalidation of the liability, alternate payment arrangements with the debtor, bankruptcy, or other factors.

40.4(3) Semiannual certification of file. Each public agency that has provided a liability file to the department shall be required to recertify the file to the department semiannually. This recertification shall be made in a manner prescribed by the director. Debtors not recertified in the manner prescribed will be removed from the liability file.

40.4(4) Notification to debtor. Each public agency shall send notification to the debtor within 10 calendar days from the date the agency was notified by the department of a potential offset. This notification shall include:

- a.* The public agency’s right to the payment in question.
- b.* The public agency’s right to recover the payment through the offset procedure.
- c.* The basis of the public agency’s case in regard to the debt.
- d.* The right of the debtor to request the split of the payment between parties when the payment in question is jointly owned or otherwise owned by two or more persons.
- e.* The debtor’s right to appeal the offset and the required appeal procedure.
- f.* The name of the public agency to which the debt is owed, with a telephone number for the debtor to contact the public agency regarding questions about the offset.

The department may require that a copy of this notice be sent to the department, but an agency is not required to routinely send such notices to the department.

40.4(5) Payment of residual funds to debtor. It is the responsibility of the public agency to reimburse the debtor for the difference between the amount of liability payable and the amount of the claim payable to the debtor.

40.4(6) Appeal. Debtors shall have the right to appeal the application of an offset upon notice of the potential offset. An agency subject to Iowa Code chapter 17A shall give notice, conduct hearings, and allow appeals in conformity with Iowa Code chapter 17A. Other public agencies shall give notice, conduct hearings, and allow appeals in a manner substantially equivalent to that provided under Iowa Code chapter 17A.

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