



Housing and Redevelopment Association Audit Information

Allison Strom | Revenue Collection Officer

- Who we are
- Why we audit
- The oversight audit cycle
- Housing and Redevelopment Association (HRA) Compliance
- Available resources

- Minnesota Department of Revenue
- Collection Division
- Audit team members

What We Audit

- Qualifying agencies
- Referred debts
- Adherence to Minnesota Statutes, Administrative Rule, and the Service Level Agreement (SLA)

Why We Audit

- Ensure everyone follows state laws and the SLA
- Protect agency and taxpayer rights
- Reduce risk to taxpayers, agencies, and Revenue
- Promote efficient and effective debt collection

Identify Opportunities for Improvement

- Increase collaboration
- Provide education
- Use resources

Debt Collection Act and Referring Agencies

- Revenue's responsibilities
- Revenue's collection tools

Revenue Recapture & Client Team Support

- Available to answer your questions
- Promotes Compliance

Oversight Audit Cycle Preparation

Tools and knowledge for success:

- Annual Revenue Recapture agency training
- Minnesota Revenue website
- Educational audits

Educational Versus Oversight Audit Cycles

Educational versus Oversight Audit Cycles

Minnesota Administrative Rule 8165.0200 allows agencies to:

- Make corrections and remain in Revenue Recapture
- Be suspended from Revenue Recapture when corrections are not made

First Notice of Non-Compliance

Auditors will discuss agency's violations and necessary corrections.

Your agency will receive:

- A first notice detailing violations and have 30 days to:
 - Correct these violations
 - Establish controls to prevent future violations

Second Notice of Non-Compliance

Your agency will receive:

- A second notice if not compliant after 30 days
- An additional 30 days to:
 - Correct these violations
 - Establish controls to prevent future violations
- A Notice of Suspension if not compliant after 30 days

Statutory Violations

- Insufficient notification letters
- Active claims with expired statute of limitations
- Adding new debt to existing claims
- Timely payment and adjustment reporting

Notification Letter – Debt Detail

What debt do I owe and when did it occur?

Debt Owed	Unpaid [rent, damage charges, etc.] to [agency name]. [See enclosed invoice (if applicable).]
Date Debt Occurred or Date Range Debt Occured	MM/DD/YY or MM/DD/YY-MM/DD/YY
Amount of Debt	\$000.00
Total Amount of Claim	\$000.00

Notification Letter – Rights to Refunds

Your refunds may be applied to your debt

We are filing a claim against your future state income and property tax refunds, lottery winnings and other funds to pay a debt you owe our agency as allowed under the Revenue Recapture Act, Minnesota Statute 270A.

Why can you take my refunds?

This statute allows us to take your refunds until the debt is paid or until the time allowed by law for collecting the debt has expired.

Notification Letter – Exemption Language

Am I exempt from Revenue Recapture?

If you are no longer a client of the Housing and Redevelopment Authority (HRA) program you may be exempt from Revenue Recapture. The debt must be an overpayment of assistance granted by HRA and you are currently receiving (See Minnesota Statutes 270A.03, subdivision 5, for a definition of guidelines):

- Food support
- Transitional child care
- Transitional medical assistance

If you are a client of the HRA program, you may be exempt from Revenue Recapture if the debt is an overpayment of the assistance granted by the HRA and:

- You have not signed a waiver authorizing Revenue Recapture
- There is not an administrative or judicial finding that you unintentionally violated the terms of the HRA assistance program

Notification Letter – Contested Case Hearings

How do I dispute the claim?

You may request a hearing to dispute the validity of the claim. To do so, you must send written notice to our office at the address listed below. We must receive the request within 30 days and notify you of the date, time, and place for the hearing.

If you have been provided with the opportunity to contest the validity of the claim through a hearing under rules promulgated by the United States Department of Housing and Urban Development of the public agency, you cannot request another hearing.

Most debts referred for Revenue Recapture operate under
Minnesota Statute 541.05

Priority of Claims Compliance

Adding new debt to existing claims

Payment and Adjustment Reporting Compliance

- Statutory requirements
- Service Level Agreement requirements

Oversight Audit Suspension

- Failing to remove
 - Satisfied claims
 - Expired claims
- Failing to properly notify the debtor of the basis and the validity of the agency's claim

Minnesota Revenue Website Resources

Visit www.revenue.state.mn.us and search **Revenue Recapture Agencies:**

- Resources
- Related Information
- Contact Us

Thank You!

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Questions?

Contact Revenue Recapture: 651-556-3037