

**CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES**

P.O. Box 419064, Rancho Cordova, CA 95741-9064



June 5, 2001

LCSA LETTER NO. 01-14

TO: ALL IV-D DIRECTORS

SUBJECT: UNDISTRIBUTED COLLECTIONS ITEMIZATION FORM  
(ATTACHMENT 2)Reason for this Transmittal

- State Law or Regulation Change
- Federal Law or Regulation Change
- Court Order or Settlement Change
- Clarification requested by One or More Counties
- Initiated by DCSS

As you know, the Department of Child Support Services' (DCSS) CSS Letter # 01-09 dated March 19, 2001, initiated a reporting process to identify the accurate amount of undistributed collections in order to provide accurate data on child support collections and distribution performance with the goal to insure that all money due is distributed appropriately to families as quickly as possible. Initial county reports have provided useful information causing the DCSS, in consultation with members of the Child Support Director's Association (CSDA) Finance Committee, to reconsider the Undistributed Collections categories and provide clarity in definition of each category. The new categories and definitions are to be used beginning with the monthly report due June 15, 2001 for the month ending May 31, 2001.

As a result of comments on our draft letter of May 25, 2001, the Department of Child Support Services (DCSS) has made the following changes to the Undistributed Collections Itemization form (Attachment 2):

- Federal and state tax refund offset held due to joint return and Refunds of overpayments to employers and other income providers, have been eliminated.
  - Any funds previously reported in federal and state tax refund offset held due to joint return, should now be reported in the category below.
- Funds held due to legal and/or fiscal disputes, has been added.
- All numbering has been changed appropriately.



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Also attached are definitions to clarify what is to be reported in each category and a document identifying the required activity for each item. As previously indicated, reports are due no later than the **15<sup>th</sup>** day of the month following the month of collection. Please send the Undistributed Collection Itemization form (Attachment 2) by:

Fax: (916) 464-5065  
E-mail: douglas.rose@dcss.ca.gov  
Mail: Department of Child Support Services  
Attention: Douglas Rose  
P.O. Box 419064, M.S. 50  
Rancho Cordova, CA 95741-9064

The next steps in resolving the issue of undistributed collections are independent on-site financial reviews of selected counties to be conducted by Sjoberg Evashenk Consulting, LLC during the month of June 2001. By July 1, 2001, once the categories and definitions are validated, we will issue a policy letter on efforts that must be taken with regard to each category.

We appreciate your cooperation in providing this required information and working with us on this important Undistributed Collections Initiative. If you have any questions or need further assistance, please contact Douglas Rose at (916) 464-5038 or email: douglas.rose@dcss.ca.gov.

Sincerely,

LEORA GERSHENZON  
Assistant Director  
Office Of Research and Program Design

Enclosures

**Attachment 2**

**UNDISTRIBUTED COLLECTIONS ITEMIZATION**

**See next page for instructions.**

County: \_\_\_\_\_

The ending balance as of \_\_\_\_\_ is itemized below:

Undistributed Collection Category	Amount
1) Child support payments processed and not yet certified for check issuance	\$
2) Child support payments processed but not yet transferred to TANF or Foster Care agency	\$
3) Collections for custodial parents which are unable to be dispersed	\$
4) Funds held due to legal and/or fiscal disputes	\$
5) Refunds of overpayments to non-custodial parents	\$
6) Unidentified payments	\$
7) Future child support payments	\$
8) Payments to be returned to non-custodial parents	\$
9) Other (Provide Explanation):	\$
10) Total:	\$
<b>I HEREBY CERTIFY</b> , under penalty of perjury, that I am the official responsible for the collection of support payments under the Title IV-D Program in and for aforesaid county; that I have not violated any of the provisions of Section 1090 and 1096, inclusive, of the Government Code; that to the best of my ability the allocation of the undistributed collections reflected herein have been made in accordance with all provisions of the Family Code and Welfare and Institutions Code and the rules and regulations of the California Department of Child Support Services.	<b>I HEREBY CERTIFY</b> , under penalty of perjury, that I am the officer in aforesaid county responsible for the examination and settle of accounts; that I have not violated any of the provisions of Section 1090 and 1096, inclusive, of the Government Code; that to the best of my ability the amounts reflected herein are in accordance with authorizations for the Child Support Enforcement Program made by the county in accordance with the rules and regulations of the California Department of Child Support Services.
Name of local IV-D Director	Name of County Auditor or Controller
Signature of local IV-D Director	Signature of County Auditor or Controller
Date	Date

## Attachment 2 Reporting Instructions

All undistributed collections must be reported in the month received on the Undistributed Collections Itemization form (Attachment 2). This report includes all collections in the possession of the local child support agency on the last day of the month. All figures must be actual and not rounded. One copy of Undistributed Collections Itemization form (Attachment 2) with original signatures must be sent to DCSS by the 15<sup>th</sup> day of the month following the month of collection.

This report is divided into two sections:

(1) Undistributed Collections Category – This section contains the detailed itemization of the undistributed collections. The definition for each item follows:

- Item 1 – Child support payments processed and not yet certified for check issuance – Funds in this item are those that are being processed for disbursement to custodial parties within 48 hours.
- Item 2 – Child support payments processed but not yet transferred to TANF or Foster Care Agency – Funds in this item are those that will be dispersed for welfare recoupment.
- Item 3 – Collections for custodial parents that are unable to be dispersed – Funds in this item are those which cannot be dispersed to the custodial party within 48 hours due to loss of contact information (e.g. incorrect address, no forwarding address, etc.). After 6 months of unsuccessful locate services, the funds are moved to Item 8.
- Item 4 – Funds held due to legal and/or fiscal disputes – Funds in this item are being held because of a legal action taken by one of the parents over paternity establishment or tax return offset due to joint return and will be held for the duration of the legal action, at which time they will be either moved to Item 1 or Item 5. (45 CFR 303.72(h)(5))
- Item 5 – Refunds of overpayments to non-custodial parents – Funds in this item are those that were collected from the non-custodial parent, by any means, beyond the legal obligation owed. Refunds should be made to NCPs within 15 days. (MPP 12-713.2) Refunds of overpayments which cannot be dispersed should also be included in this category. Note: Further research will be done to clarify final disposition of these funds.
- Item 6 – Unidentified payments – Funds in this item are those that cannot be associated with a case or in a suspense account and the CP or NCP cannot be located. Note: Further research will be done to clarify final disposition of these funds.

- Item 7 – Future child support payments – Funds in this item are those that are collected in excess of the current and arrearage obligation and on behalf of a current assistance case, which must be held for future payments. Funds in excess of the obligation owed on a non-assistance cases are to be sent to the family and are not reported on this form.
  - Item 8 – Payments to be returned to non-custodial parents – Funds in this item are those that are to be returned to the non-custodial parent after 6 months of unsuccessful attempts to disperse the funds to the custodial party (Item 3) (FC 17502). Note: Further research will be done to clarify final disposition of these funds.
  - Item 9 – Other – This is for collections that are not appropriate in other categories. **Any entry in this item must be accompanied by an explanation of what types of collections remain undispersed.**
  - Item 10 – Total – This is the sum of Items 1 –9.
- (2) Signature and Submission Requirements – One copy of Undistributed Collections Itemization form (Attachment 2) with original signatures must be sent to DCSS by the 15<sup>th</sup> day of the month following the month of collection. Copies may be sent by fax or email in advance of the original.

The Undistributed Collections Itemization form (Attachment 2) may be submitted with the CS 820 report. Please forward the completed report by:

Fax: (916) 464-5065

E-mail: douglas.rose@dcss.ca.gov

Mail: Department of Child Support Services  
Attn: Doug Rose  
P.O. Box 419064, MS 50  
Rancho Cordova, CA  
95741-9064

## UNDISTRIBUTED COLLECTIONS ITEMIZATION

ITEM	CATEGORY	STATUS	REQUIRED ACTIVITY
Item 1	Child support payments processed and not yet certified for check issuance	Legitimate	LCSA must not hold for more than 48 hours
Item 2	Child support payments processed, but not yet transferred to TANF or Foster Care Agency	Legitimate	
Item 3	Collections for custodial parents (CP) who are unable to be dispersed	Legitimate, but case must continue to be worked	<p>To work the case the LCSA must attempt to locate the CP for 6 months using the following appropriate locate sources:</p> <ul style="list-style-type: none"> <li>- California Parent Locator Service</li> <li>- Agencies which administer public assistance, general assistance, medical assistance, and social services</li> <li>- Friends and relatives of NCP</li> <li>- Current and past employers of NCP</li> <li>- Local telephone company</li> <li>- United States Postal Service</li> <li>- Financial institutions</li> <li>- Unions</li> <li>- Fraternal organizations</li> <li>- Police, parole, and probation offices</li> <li>- State agencies maintaining records of public assistance, wages and employment, unemployment</li> </ul>

			<p>insurance, income taxes, driver's licenses and vehicle registration, and criminal records such as: State New Hire Registry, Secretary of State, Board of Equalization, Department of Consumer Affairs, and DMV</p> <ul style="list-style-type: none"><li>- Federal agencies which locate or provide information to locate individuals such as: Federal Parent Locator Service, Federal Case Registry, National Directory</li><li>- Other resources such as: Interstate location networks</li><li>- Multi-state financial institution data match</li><li>- Public utilities</li><li>- Credit reporting agencies</li><li>- Internet</li><li>- Voter registration</li><li>- Private locate sources when appropriate</li></ul> <p>After six months of locate attempts the support payment shall be returned to the payor with a written notice advising:</p> <ul style="list-style-type: none"><li>- the returned payment does not relieve the payor of the obligation and</li><li>- the payor to set aside the payment in case the family appears and seeks</li></ul>
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			payment
Item 4	Funds held due to legal disputes	Legitimate	
Item 5	Refunds of overpayments to non-custodial parents(NCP)	Legitimate, but case must continue to be worked	<p>To work the case the LCSA must attempt to locate the NCP for three years when there is sufficient information to initiate an automated locate effort, or for one year if there isn't sufficient information to initiate an automated locate effort using the following appropriate locate sources:</p> <ul style="list-style-type: none"> <li>- California Parent Locator Service</li> <li>- Agencies which administer public assistance, general assistance, medical assistance, and social services</li> <li>- Friends and relatives of NCP</li> <li>- Current and past employers of NCP</li> <li>- Local telephone company</li> <li>- United States Postal Service</li> <li>- Financial institutions</li> <li>- Unions</li> <li>- Fraternal organizations</li> <li>- Police, parole, and probation offices</li> <li>- State agencies maintaining records of public assistance, wages and employment, unemployment insurance, income taxes, driver's licenses and vehicle</li> </ul>



			<p>registration, and criminal records such as: State New Hire Registry, Secretary of State, Board of Equalization, Department of Consumer Affairs, and DMV</p> <ul style="list-style-type: none"> <li>- Federal agencies which locate or provide information to locate individuals such as: Federal Parent Locator Service, Federal Case Registry, National Directory</li> <li>- Other resources such as: Interstate location networks</li> <li>- Multi-state financial institution data match</li> <li>- Public utilities</li> <li>- Credit reporting agencies</li> <li>- Internet</li> <li>- Voter registration</li> <li>- Private locate sources when appropriate</li> </ul>
Item 6	Unidentified payments	Legitimate, but payment must continue to be worked	<ul style="list-style-type: none"> <li>- To work the payment the LCSA must:</li> <li>- Check the name on the check against case files</li> <li>- Check with employer</li> <li>- Check the envelope for any identifying information such as: address, return address, postmark, etc.</li> <li>- Check with bank the account is drawn on</li> </ul>
Item 7	Future child support payments	Legitimate	
Item 8	Payments to be	Legitimate, but case	To work the case the LCSA

	<p>returned to non-custodial parents (NCP)</p>	<p>must continue to be worked</p>	<p>must attempt to locate the NCP for three years when there is sufficient information to initiate an automated locate effort, or for one year if there isn't sufficient information to initiate an automated locate effort using the following appropriate locate sources:</p> <ul style="list-style-type: none"> <li>- California Parent Locator Service</li> <li>- Agencies which administer public assistance, general assistance, medical assistance, and social services</li> <li>- Friends and relatives of NCP</li> <li>- Current and past employers of NCP</li> <li>- Local telephone company</li> <li>- United States Postal Service</li> <li>- Financial institutions</li> <li>- Unions</li> <li>- Fraternal organizations</li> <li>- Police, parole, and probation offices</li> <li>- State agencies maintaining records of public assistance, wages and employment, unemployment insurance, income taxes, driver's licenses and vehicle registration, and criminal records such as: State New Hire Registry, Secretary of State, Board of</li> </ul>
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			<p>Equalization, Department of Consumer Affairs, and DMV</p> <ul style="list-style-type: none"> <li>- Federal agencies which locate or provide information to locate individuals such as: Federal Parent Locator Service, Federal Case Registry, National Directory</li> <li>- Other resources such as: Interstate location networks</li> <li>- Multi-state financial institution data match</li> <li>- Public utilities</li> <li>- Credit reporting agencies</li> <li>- Internet</li> <li>- Voter registration</li> </ul> <p>Private locate sources when appropriate</p>
Item 9	Other	Legitimate	LCSA must provide an explanation of what types of collections remain undispersed
Item 10	Total		