

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

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



August 16, 2001

LCSA LETTER NO: 01-26

TO: ALL IV-D DIRECTORS

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

SUBJECT: FINAL VERSION OF THE *UNDISTRIBUTED COLLECTIONS ITEMIZATION (ATTACHMENT 2)* AND REPORTING AND POLICY INSTRUCTIONS

The purpose of this letter is to transmit the final version of the *Undistributed Collections Itemization (Attachment 2)*, as well as the reporting instructions and policy for taking appropriate actions to distribute collections. *Attachment 2* is a point in time report that captures the undistributed collections at the end of the month, regardless of when the TANF distribution occurs. *Attachment 2* is to be submitted each month no later than the **15th** day of the month following the month of collection.

It is imperative that all undistributed collections be correctly identified and categorized so that the Department of Child Support Services (DCSS) can develop an accurate accounting of the undistributed collection total. The *Undistributed Collections Itemization (Attachment 2)* will establish a consistent statewide process to identify the accurate undistributed collections totals for each local child support agency (LCSA) and to itemize those totals into discrete categories. *Attachment 2* lists eight specific categories that will be used to itemize undistributed collections. Any distribution that does not fit into the specific categories should be inserted in the "Other" category (Line 9) with an explanation attached that details the exact source and reason that the collection remains undistributed.

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 the *Undistributed Collections Itemization form (Attachment 2)* with original signatures must be sent to DCSS by the 15th 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 (CP) within 48 hours. This includes disbursements that are processed manually ('Manual Disbursements').
- 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 parties 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 incorrect contact information (e.g., posting errors, bad address checks, incorrect address, no forwarding address, etc). After six months of unsuccessful locate services, the funds are moved to Item 8.

The LCSA must attempt to locate the CP to which the funds are directed for six months using the following appropriate locate sources:

- California Parent Locator Service
- Agencies which administer public assistance, general assistance, medical assistance, and social services
- Friends and relatives of CP
- Current and past employers of CP
- Local telephone company
- Financial institutions
- Unions
- Fraternal organizations
- Police, parole, and probation offices
- 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 Equalization, Department of Consumer Affairs, and DMV
- Federal agencies which locate or provide information to locate individuals such as: Federal Parent Locator Service, Federal Case Registry, National Directory
- Other resources such as: Interstate location networks
- Multi-state financial institution data match
- Public utilities
- Credit reporting agencies
- Internet
- Voter registration

- Private locate sources when appropriate

After six months of locate attempts, the support payment must be returned to the payor with a written notice advising:

- the returned payment does not relieve the payor of the obligation and
- the payor should set aside the payment in case the CP appears and requests payment

- Item 4 Funds held due to disputes – Funds in this item are being held because a dispute between parents and/or the LCSA (e.g., paternity establishment, tax return offset due to joint return, one party files for bankruptcy, etc.) prevents passing the funds to the CP and the funds will be held for the duration of the dispute, at which time they will be forwarded to the CP or returned to the NCP. (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, which exceed the legal obligation owed ('Overpayment threshold' or 'Gross Overpayment'). Refunds should be made to the NCP within 15 days. (MPP 12-713.2) Refunds of overpayments which cannot be dispersed should also be included in this category.

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:

- California Parent Locator Service
- Agencies which administer public assistance, general assistance, medical assistance, and social services
- Friends and relatives of NCP
- Current and past employers of NCP
- Local telephone company
- United States Postal Service
- Financial institutions
- Unions
- Fraternal organizations
- Police, parole, and probation offices
- 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 Equalization, Department of Consumer Affairs, and DMV
- Federal agencies which locate or provide information to locate individuals such as: Federal Parent Locator Service, Federal Case Registry, National Directory
- Other resources such as: Interstate location networks

- Multi-state financial institution data match
 - Public utilities
 - Credit reporting agencies
 - Internet
 - Voter registration
 - Private locate sources when appropriate
- Item 6 Unidentified payments – Funds in this item are those that cannot be associated with any case.

To work the payment the LCSA must:

- Check the name on the check against case files
 - Check with employer who sent the funds to identify the fund source
 - Check the envelope for any identifying information such as: address, return address, postmark, etc.
 - Check with bank the account is drawn on
- Item 7 Future child support payments – Funds in this item are those that are collected in excess of the current and arrearage obligation on behalf of a current assistance case, which are held for future payments. Funds in excess of the obligation owed on a non-assistance cases are to be paid to the CP and are reported in Item 5.
 - 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).

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:

- California Parent Locator Service
- Agencies which administer public assistance, general assistance, medical assistance, and social services
- Friends and relatives of NCP
- Current and past employers of NCP
- Local telephone company
- United States Postal Service
- Financial institutions
- Unions
- Fraternal organizations
- Police, parole, and probation offices
- 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 Equalization, Department of Consumer Affairs, and DMV

- Federal agencies which locate or provide information to locate individuals such as: Federal Parent Locator Service, Federal Case Registry, National Directory
- Other resources such as: Interstate location networks
- Multi-state financial institution data match
- Public utilities
- Credit reporting agencies
- Internet
- Voter registration
- Private locate sources when appropriate

When the LCSA is successful in locating the NCP, funds should immediately be dispersed.

- 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 15th day of the month following the month of collection. Copies may be sent by fax or email in advance of the original.

Please continue to send the *Undistributed Collection Itemization (Attachment 2)* by the 15th day of the month following the reporting month:

Fax: (916) 464-5065
Mail: Department of Child Support Services
ATTN: Office of Research and Program Design
P.O. Box 419064, M.S. 50
Rancho Cordova, CA 95741-9064

Sincerely,

LEORA GERSHENZON
Assistant Director

Enclosure

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 parties which are unable to be dispersed	\$
4) Funds held due to 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:	\$
I HEREBY CERTIFY , 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.	I HEREBY CERTIFY , 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