

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

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



November 1, 2005

CSS LETTER: 05-32

ALL IV-D DIRECTORS
 ALL COUNTY ADMINISTRATIVE OFFICERS
 ALL BOARDS OF SUPERVISORS
 ALL COUNTY AUDITOR CONTROLLERS

SUBJECT: STATE DISBURSEMENT UNIT - FUNDS TRANSITION PLAN

Pursuant to the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, enacted by Assembly Bill 739, the Department of Child Support Services (DCSS) worked cooperatively with the Child Support Directors Association in developing the attached State Disbursement Unit (SDU) Funds Transition Plan (FTP) to ensure that the local child support agency (LCSA) child support funds are transitioned to the SDU effectively and efficiently.

The FTP identifies the financial activities to be performed by the LCSAs. Additionally, the FTP outlines crucial activity timeframes and communicates corresponding instructions for the following four transition phases: 1) Pre-Transition; 2) Transition Day; 3) Post-Transition; and 4) Close-Out.

DCSS is committed to working with the stakeholders to accomplish successful transition to the SDU and the transfer of child support funds to the State. Any comments or questions should be directed to the CCSAS Fiscal Support Branch staff assigned to your Wave as identified in the table below.

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

Roll Out Schedule	Contact Person	Number	E-mail Address
Waves 1 & 4a	Stephen Fullenwider	(916) 464-5365	CCSAS FSB@dcss.ca.gov
Waves 2 & 5 ARS Counties	Debbie Richardson	(916) 464-5488	CCSAS FSB@dcss.ca.gov
Waves 3 & 4b	Eric Tjai	(916) 464-3869	CCSAS FSB@dcss.ca.gov

Sincerely,

O/S Dianne Koelzer

DIANNE KOELZER
CCSAS Project Leader

Attachment

DEPARTMENT OF **C**HILD **S**UPPORT **S**ERVICES

**Administrative Services Division
CCSAS Fiscal Support Branch
Audit and Funds Transition Section**



State Disbursement Unit Funds Transition Plan

**Transfer of Local Child Support Agencies
Financial Activities/Funds to the State**

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INTRODUCTION

To ensure that the Local Child Support Agencies' (LCSA) child support funds are transitioned to the State Disbursement Unit (SDU) effectively and efficiently, the Department of Child Support Services (DCSS) has devised this Funds Transition Plan to communicate the instructions necessary for the counties to transfer child support program funds to the State and close local trust accounts. The goal of this document is to present a solution that fulfills the requirements of the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and enacted by Assembly Bill 739, while minimizing the impact on the LCSAs' resources.

BACKGROUND

Assembly Bill 739, Chapter 387, Statutes of 2003, Section 17311.7 states, "(a) Upon the transfer of collection and disbursement activities from each county to the State Disbursement Unit, the auditor and controller of each county shall perform closeout activities as directed by the Department of Child Support Services to ensure accounting for all collections, obligations, and payments. All child support collections remaining undisbursed and interest earned on these funds shall be transferred to the Department of Child Support Services for deposit in the Child Support Payment Trust Fund. (Note: interest earned on funds are not transferred to the State but are abated on the LCSAs' Child Support (CS) 356 Quarterly Administrative Claim). The local child support agency director and auditor and controller shall perform these activities based on guidelines provided by the department and shall certify the results of these activities in a report submitted to the department within one year of transfer of collection and distribution functions to the state. (b) The department may contract for the audit of each county report submitted under subdivision (a). Each audit shall be completed within one year after the receipt of the report from the county."

Adequate accounting documentation shall be maintained at the county to support the required certified close-out report validating the results of the transfer of collection and disbursement activities. The format of the close-out report will be developed by DCSS cooperatively with representatives from the Child Support Directors Association (CSDA), county Auditor Controller's offices and the State Controller's Office.

OVERVIEW

The DCSS recognizes the diversity in size and complexity of the 58 counties in California; therefore, to develop these transition instructions, the DCSS staff worked collaboratively with all program stakeholders, including the LCSAs, the county Auditor Controller's Offices and the Child Support Directors Association.

As a result of this collective effort, DCSS provided pertinent information and valuable instructions through the following:

Child Support Services (CSS) Letter 04-34, County Funds Transition Letter, was released December 30, 2004. This letter was the first official correspondence to address this transition and also brought in the County Auditor Controllers as an important stakeholder group. The counties were asked to reconcile all program trust funds, to report the number of trust accounts, and to provide an estimate of accounts receivable and undistributed collections.

In early 2005, DCSS released the rollout schedule that identified the timing that each county would transition to the SDU. With excellent support and coordination from the LCSAs, a schedule was produced that presented a significant number of volunteer counties. This was regarded as an encouraging show of county dedication to the success of this project.

CSS Letter 05-14, County Funds Detail Survey, dated May 10, 2005, in conjunction with CSS Letter 04-34, requested specific detail on the reconciliation activities of each LCSA. The data received will become the baseline for each LCSA and will support decision making and process development.

The information gathered in these letters was supplemented by ongoing communication through the CSDA SDU Sub-Committee and the SDU Rollout Issues Workgroup. These meetings created a productive atmosphere for interaction between LCSA and State representatives. Furthermore, these discussions provided important input for the solutions of numerous transition issues.

TRANSITION SUMMARY

The Funds Transition Plan (FTP) identifies the required activities to be performed by the LCSA. The FTP also identifies crucial timeframes and corresponding activities within the following four transition phases:

Pre-transition. Time period prior to implementation to the SDU.

Transition day. Business day prior to the SDU implementation day.

Post-transition. Time period after SDU implementation.

Close-Out. The components of this phase are: 1) LCSA close-out report and 2) State audits. The format of the close-out report has yet to be defined and will be a collaborative effort by the identified stakeholder group. Audits of LCSA's close-out reports shall be conducted by the State within one year after submission.

TRUST FUND COMPONENTS

The local child support agency funds components have been identified as:

- Undistributed Collections (UDC)
 - Non-Custodial Parent (NCP) Voluntary Child Support Payments
 - Obligation Overpayments
 - NCP
 - Employer Remitted Weekly/Bi-Weekly Wage Payments
 - Others
 - Court Order and Other Account Holds
 - Unknown Custodial Parent (CP) Address
 - Unidentified Receipts
- Warrants
 - Undeliverable Checks/Warrants
 - Cancel/Void/Reissue Checks/Warrants Pending
 - Stale Dated Checks/Warrants (If not included on UDC reports; legacy warrants.)
- Escheatment (Pending – not transferred to Child Support/General Fund.)
- Costs/Fees due to Child Support/General Fund (Genetic testing, etc.)
- Pending Welfare Transfer to State and County IV-A (Transfer per CS35, and transfers held and/or pending by CASES/ARS.)
- Receivables
 - Dishonored Payments/Non-Sufficient Funds
 - Misapplied/Rebatch
 - Negative Internal Revenue Services (IRS) Offsets
 - Legacy
 - Unfunded Disbursed Payments (ARS)
 - Electronic Funds Transfer (EFT) Reversal
- Unreconciled/Unidentified Balances

FUNDS TRANSITION ACTIVITIES

All counties shall be required by the State to maintain an audit trail, which includes accounting documentation, to support all collection and disbursement transactions supporting funds transferred to the State.

1. Pre-Transition Phase

One Month Prior to Transition

a. The county identification and validation of each Trust Fund account is critical in determining the appropriate timelines to transition collection and disbursement activities. Each LCSA is required to identify and reconcile all child support related Trust Funds. The reconciliation of the Trust Funds and supplemental documents shall be submitted by the LCSA to DCSS. The reconciliation reports should be existing ARS or CASES reports when possible. The Trust Fund Reconciliation information for the most recent month-end completed must be submitted to the DCSS one month prior to the county's established transition date. Therefore, each LCSA shall be required by the State to complete the Financial Funds Transition Tools for the following:

- Identify and submit a listing of all Trust Fund accounts
Refer to: CSS Letter 04-34, Child Support Trust Funds, Data Collection Survey, Attachment C
- Reconcile all Trust Funds and submit the Child Support Trust Fund Detail Reconciliation Survey
Refer to: CSS Letter 05-14
- Submit Subsidiary ledger reports that identify the following:
 - Undistributed Collections Balance
ARS: NFB365/375 Collections/Distributions Holds Reports and NFB355 Unresolved Suspense Items
CASES: DAX070 Exception Report, DAX072 Expired Warrants Report, DAX602 Prepaid Report and DAX4015 Welfare Rejects Reports (DAX4010/DAX4015, Welfare Rejects Report – The last cumulative daily report/job.)
 - Stale Dated Checks/Warrants
ARS: NFB365/375 Collections/Distributions on Hold Reports. If not listed on the reports, the Auditor Controller report should be provided.
CASES: If using the automated process, stale dated warrants will be listed on the DAX072, Expired Warrants Report. If not using the process, the Auditor Controller or

- bank report should be provided. For LCSAs not using a Trust Fund, a manual list of State Dated warrants prepared by the LCSA should be provided.
- Outstanding Checks/Warrants
 - ARS: There is no ARS report. The Auditor Controller report should be provided.
 - CASES: There is no CASES report. The Auditor Controller report or bank report should be provided. For LCSAs not using a Trust Fund, a list of outstanding warrants prepared by the LCSA should be provided.
 - Escheatment
 - Provide a report of funds in process of escheatment that have not been transferred to the Child Support/General Fund and have not been abated on the CS356 Administrative Claim.
 - Receivables
 - ARS: NFR369 CP Receivable Listing and NFB379 NCP Receivable Listing. A separate list is not provided by receivable types.
 - CASES:
 - Dishonored Payments/Non-Sufficient Funds
CASES: TF-05 CASES Dishonored Payments A/R
 - Misapplied
CASES: TF-06 CASES Misapplication/Rebatch A/R
 - Negative IRS Offsets
CASES: TF-07 CASES Negative Tax A/R
 - Legacy A/R
CASES: TF-09 Legacy A/R
 - Unfunded Disbursed Payments (ARS)
 - Electronic Funds Transfer Reversal
 - Pending Welfare Transfer to State and County IV-A (Transfer per CS35, and transfers held and/or pending by CASES/ARS.)
 - ARS: No formal reconciliation report. LCSAs have designed their own processes.
 - CASES: TF-04 CASES Welfare Reconciliation
 - Legacy Data
 - Provide a detailed report of the information submitted on the CS 34X and CS 35X Legacy Reports.
 - ARS: There is no report.
 - CASES: DAX4771, DAX4772, and DAX4773 Legacy Detail Reports

Ten (10) Business Days Prior to Transition

b. As instructed in CSS Letter 04-34, County Funds Transition Letter, dated December 30, 2004, each LCSA was expected to identify all Child Support Program (CSP) funds/accounts and make a determined effort to reconcile all CSP related trust funds including the legacy data. As a result, if additional Trust Fund Reconciliation have been completed since the last reporting period (one month prior to transition), the LCSA shall provide the following documentation ten business days prior to transition for the most recent month-end reconciliation:

- Listing of all Trust Fund accounts (The most current listing.)
Refer to: CSS Letter 04-34, Child Support Trust Funds, Data Collection Survey, Attachment C
- Reconcile all Trust Funds and submit the Child Support Trust Fund Detail Reconciliation Survey (Most recent month-end completed.)
Refer to: CSS Letter 05-14
- Submit Subsidiary ledger reports that identify the following:
 - Undistributed Collections Balance
ARS: NFB365/375 Collections/Distributions Holds Reports and NFB355 Unresolved Suspense Items
CASES: DAX070 Exception Report, DAX072 Expired Warrants Report, DAX602 Prepaid Report and DAX4015 Welfare Rejects Reports (DAX4010/DAX4015, Welfare Rejects Report – The last cumulative daily report/job.)
 - Stale Dated Checks/Warrants
ARS: NFB365/375 Collections/Distributions on Hold Reports. If not listed on the reports, the Auditor Controller report should be provided.
CASES: If using the automated process, Stale Dated Warrants will be listed on the DAX072 Expired Warrants Report. If not using the process, the Auditor Controller or bank report should be provided. For LCSAs not using a Trust Fund, a manual list of stale dated warrants prepared by the LCSA should be provided.
 - Outstanding Checks/Warrants
ARS: There is no ARS report. The Auditor Controller report should be provided.
CASES: There is no CASES report. The Auditor Controller or bank report should be provided. For LCSAs not using a Trust Fund, a list of outstanding warrants prepared by the LCSA should be provided.

- Escheatment
 - Provide a report of funds in process of escheatment that have not been transferred to the Child Support/General Fund and have not been abated on the CS356 Administrative Claim.
- Receivables
 - ARS: NFR369 CP Receivable Listing and NFB379 NCP Receivable Listing. A separate list is not provided by receivable types.
 - CASES:
 - Dishonored Payments/Non-Sufficient Funds
CASES: TF-05 CASES Dishonored Payments A/R
 - Misapplied
CASES: TF-06 CASES Misapplication/Rebatch A/R
 - Negative IRS Offsets
CASES: TF-07 CASES Negative Tax A/R
 - Legacy A./R
CASES: TF-09 Legacy A/R
 - Unfunded Disbursed Payments (ARS)
 - Electronic Funds Transfer Reversal
- Pending Welfare Transfer to State and County IV-A (Transfer per CS35, and transfers held and/or pending by CASES/ARS.)
 - ARS: No formal reconciliation report. LCSAs have designed their own processes.
 - CASES: TF-04 CASES Welfare Reconciliation
- Legacy Data
 - Provide a detailed report of the information submitted on the CS 34X and CS 35X Legacy Reports.
 - ARS: There is no report.
 - CASES: DAX4771, DAX4772, and DAX4773 Legacy Detail Reports

- c. Complete the disbursement of Temporary Assistance to Needy Families (TANF) (IV-A) and Foster Care (IV-E) payments (CS35 report). LCSAs must confirm that funds have been paid to the State and County IV-A agencies for welfare distributions reported on all prior CS35 reports. The month prior to transition the LCSA shall forward to the State funds for welfare distribution, no later than the last business day of the transition month. The following process shall be utilized to properly calculate the total welfare distribution amount to be forwarded to the State:

ARS: There is no formal reconciliation report and each LCSA has designed their own processes. Therefore, each LCSA must provide supporting documentation of welfare distribution sent to the State and County.

CASES: The TANF IV-A and Foster Care IV-E funds to be forwarded to the State shall be calculated by adding the sum total of cells 57, 104, and 190 on the CS35 Report (this represents the State and county share of welfare distributions). Add to the sum total amount the total welfare checks issued for the month prior to transition, which is reported on the DAX4010, Daily Welfare Warrant Creation Report (DAX4002A/DAX4010 job). The welfare checks will be issued by the SDU after Welfare Recoupment/Distribution has run at the LCSA. The DAX4010, Daily Welfare Warrant Creation Report is printed once this process has run, usually between the first and the fifth of the transition month.

The check, a copy of the CS35, ARS/CASES paper reports, and the Welfare Distribution Worksheet (*See Attachment I (ARS) or Attachment II (CASES)*) must be forwarded together to the State as outlined in the method of payment section of this report.

2. Transition Day

The point of transition to the SDU will occur at close of business on the last business day prior to the implementation date. The LCSA must perform the following:

- Do not start processing collections that have not already been input to ARS or CASES at point of transition.
 - All collections not processed prior to the point of transition shall be bundled and forwarded overnight to the SDU. (Note: Do not endorse or stamp negotiable instruments forwarded to the SDU.)
- All collections received and entered into ARS and CASES prior to the point of transition shall be disbursed at the County.

Roll Out Schedule

County	Last Business Day	Point of Transition	SDU Implementation Date
Wave 1	10/31/05	Close of Business	11/01/05
Wave 2	12/30/05	Close of Business	01/02/06
Wave 3	01/31/06	Close of Business	02/01/06
Wave 4	02/28/06	Close of Business	03/01/06
Wave 5	03/31/06	Close of Business	04/03/06

3. Post Transition Phase

On an ongoing basis, each LCSA shall continue to be responsible for the daily and monthly fund reconciliations that include:

- Reconciling the ARS or CASES LCSA daily reports to the DCSS Daily Summary Fund Reconciliation report.
- Reconciling LCSA daily and/or monthly fund reports to the monthly CS 34, CS 35, and quarterly Schedule of Undistributed Collections.

The LCSA directors shall continue to electronically approve and certify the monthly CS 34 and CS 35 Reports.

Sixty (60) Business Days (Funds shall not be submitted prior to forty-five (45) business days.)

- a. Within sixty (60) business days of implementation to the SDU (but not before forty-five (45) business days), each county shall perform the following:

The LCSA shall request the Auditor Controller to issue a check payable to the State for Undistributed Collections (UDC) less the amount of outstanding receivables. The check, CASES/ARS paper reports, and the Funds Transition Report (*See Attachment III (ARS) or Attachment IV (CASES)*) must be forwarded together to the State as outlined in the method of payment section of this report.

b. Month-end reconciliation reports:

- Reconcile all Trust Funds and submit the Child Support Trust Fund Detail Reconciliation Survey
Refer to: CSS Letter 05-14
- Submit Subsidiary ledger reports that identify the following:
 - Undistributed Collections Balance
ARS: NFB365/375 Collections/Distributions Holds Reports and NFB355 Unresolved Suspense Items
CASES: DAX070 Exception Report, DAX072 Expired Warrants Report, DAX602 Prepaid Report and DAX4015 Welfare Rejects Reports (DAX4010/DAX4015, Welfare Rejects Report – The last cumulative daily report/job.)
 - Stale Dated Checks/Warrants
ARS: NFB365/375 Collections/Distributions on Hold Reports. If not listed on the reports, the Auditor Controller report should be provided.
CASES: If using the automated process, stale dated warrants will be listed on the DAX072 Expired Warrants Report. If not using the process, the Auditor Controller or bank report should be provided. For LCSAs not using a Trust Fund, a manual list of Stale Dated warrants prepared by the LCSA should be provided.
 - Outstanding Checks/Warrants
ARS: There is no ARS report. The Auditor Controller report should be provided.
CASES: There is no CASES report. The Auditor Controller or bank report should be provided. For LCSAs not using a Trust Fund, a list of outstanding warrants prepared by the LCSA should be provided.
 - Escheatment
Provide a report of funds in process of escheatment that have not been transferred to the Child Support/General Fund and have not been abated on the CS356 Administrative Claim.
 - Receivables
ARS: NFR369 CP Receivable Listing and NFB379 NCP Receivable Listing. A separate list is not provided by receivable types.

CASES:

- Dishonored Payments/Non-Sufficient Funds
CASES: TF-05 CASES Dishonored Payments A/R
- Misapplied
CASES: TF-06 CASES Misapplication/Rebatch A/R
- Negative IRS Offsets
CASES: TF-07 CASES Negative Tax A/R
- Legacy A./R
CASES: TF-09 Legacy A/R
- Unfunded Disbursed Payments (ARS)
- Electronic Funds Transfer Reversal
- Pending Welfare Transfer to State and County IV-A (Transfer per CS35, and transfer held and/or pending by CASES/ARS.)
ARS: No formal reconciliation report. LCSAs have designed their own processes.
CASES: TF-04 CASES Welfare Reconciliation
- Legacy Data
Provide a detailed report of the information submitted on the CS 34X and CS 35X Legacy Reports.
ARS: There is no report.
CASES: DAX4771, DAX4772, and DAX4773 Legacy Detail Reports

The TANF (IV-A) and Foster Care (IV-E) payments, for the month prior to transition and thereafter, shall be remitted by DCSS to the proper government agencies through the State Controller's Office. DCSS will prepare the required claim schedule for each transitioned county by the 30th of the month following the report month. The State Controller's Office will issue a warrant to each county treasurer by the 15th of the month following the approval month. No other action with regard to these payments shall be required by the LCSA.

Ongoing Monthly Activities

c. Months two through eleven

Forty-five (45) days after each month-end, forward the current month-end reconciliation reports:

- Reconcile all Trust Funds and submit the Child Support Trust Fund Detail Reconciliation Survey
Refer to: CSS Letter 05-14

- Submit Subsidiary ledger reports that identify the following:
 - Undistributed Collections Balance
 - ARS: NFB365/375 Collections/Distributions Holds Reports and NFB355 Unresolved Suspense Items
 - CASES: DAX070 Exception Report, DAX072 Expired Warrants Report, DAX602 Prepaid Report and DAX4015 Welfare Rejects Reports (DAX4010/DAX4015, Welfare Rejects Report – The last cumulative daily report/job.)
 - Stale Dated Checks/Warrants
 - ARS: NFB365/375 Collections/Distributions on Hold Reports. If not listed on the reports, the Auditor Controller report should be provided.
 - CASES: If using the automated process, stale dated warrants will be listed on the DAX072 Expired Warrants Report. If not using the process, the Auditor Controller or bank report should be provided. For LCSAs not using a Trust Fund, a manual list of stale dated warrants prepared by the LCSA should be provided.
 - Outstanding Checks/Warrants
 - ARS: There is no ARS report. The Auditor Controller report should be provided.
 - CASES: There is no CASES report. The Auditor Controller or bank report should be provided. For LCSAs not using a Trust Fund, a list of outstanding warrants prepared by the LCSA should be provided.
 - Escheatment
 - Provide a report of funds in process of escheatment that have not been transferred to the Child Support/General Fund and have not been abated on the CS356 Administrative Claim.
 - Receivables
 - ARS: NFR369 CP Receivable Listing and NFB379 NCP Receivable Listing. A separate list is not provided by receivable types.
 - CASES:
 - Dishonored Payments/Non-Sufficient Funds
 - CASES: TF-05 CASES Dishonored Payments A/R
 - Misapplied
 - CASES: TF-06 CASES Misapplication/Rebatch A/R
 - Negative IRS Offsets
 - CASES: TF-07 CASES Negative Tax A/R
 - Legacy A./R
 - CASES: TF-09 Legacy A/R

- Unfunded Disbursed Payments (ARS)
 - Electronic Funds Transfer Reversal
- Pending Welfare Transfer to State and County IV-A (Transfer per CS35, and transfer held and/or pending by CASES/ARS.)
ARS: No formal reconciliation report. LCSAs have designed their own processes.
CASES: TF-04 CASES Welfare Reconciliation
- Legacy Data
Provide a detailed report of the information submitted on the CS 34X and CS 35X Legacy Reports.
ARS: There is no report.
CASES: DAX4771, DAX4772, and DAX4773 Legacy Detail Reports
- The LCSA shall request the Auditor Controller to issue a check payable to the State for the sum total for pre-SDU warrants/checks cancelled.
ARS: There is no ARS report. The Auditor Controller report should be provided.
CASES: DAX180-B, Warrant Cancellation Report

d. Month Twelve

- Financial Close-Out Report.
The format and content of this report is to be determined.

FINANCIAL TRANSITION TEAM CONTACT LIST

Should you have any questions on this process please contact the staff member designated to your roll out wave:

CCSAS Fiscal Support Branch

Roll Out Schedule	Contact Person	Number	Email Address
Waves 1 & 4a	Stephen Fullenwider	(916) 464-5365	CCSAS FSB@dcss.ca.gov
Waves 2 & 5 and all ARS Counties	Debbie Richardson	(916) 464-5488	CCSAS FSB@dcss.ca.gov
Waves 3 & 4b	Eric Tjai	(916) 464-3869	CCSAS FSB@dcss.ca.gov

METHOD OF PAYMENT:

All payments made from the county to the State related to this plan shall follow this method. The LCSA shall request that the county Auditor Controller expedite a check made payable to the California Department of Child Support Services. At this time, DCSS cannot accept funds electronically. Therefore, checks must be sent via overnight mail.

For overnight mail:

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES
ATTENTION: ACCOUNTING SECTION
Address on File at LCSA Office

Each LCSA should have the current State address on file. If not, contact the CCSAS Fiscal Support Branch representative assigned to your WAVE.

For LCSAs unable to send via overnight mail, the mailing address to be used is provided:

For standard mail:

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES
ATTENTION: ACCOUNTING SECTION
P. O. BOX 419064
RANCHO CORDOVA, CA 95741-9064

SUBMISSION OF REPORTS:

All required reports shall be forwarded with a cover memorandum or the Monthly Trust Fund Checklist and Certification Report (*See Attachment V (ARS) and Attachment VI (CASES)*), which must be signed and dated by the LCSA Director and/or the County Auditor Controller, or their designee, certifying to the accuracy of the data presented in each document. Send all reports to the attention of:

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES
ATTENTION: CCSAS Fiscal Support Branch (MS 23)
P. O. BOX 419064
RANCHO CORDOVA, CA 95741-9064

RECORD RETENTION:

Supporting documentation must be retained for either a minimum of four (4) years and four (4) months or until completion of DCSS close-out audit or whichever comes last.

UNRESOLVED FUND TRANSITION ISSUES:

1. Accounts Receivable

The timeline and method for final disposition of funds classified under the county Trust Fund for accounts receivable (A/R) has yet to be determined.

- Receivables
 - Dishonored Payments (Non-Sufficient Funds, Stop Payments, etc.)
 - Misapplied
 - Negative IRS Offsets
 - Legacy
 - Unfunded disbursed payments (ARS)
 - EFT Reversals

MONITORING AND CLOSE-OUT REPORTING:

1. Monitoring

To minimize financial risk to the child support program, the State will monitor the status of the identified Trust Fund accounts to ensure that all funds remaining at the LCSA have been transitioned to the Child Support Program Trust Fund (CSPTF) within one year after the date of transition.

- DCSS shall review and compile required transition documents submitted by the LCSA on a continuous basis.

2. Financial Report

- The State, CSDA, and county Auditor Controllers shall jointly develop a close-out report for the LCSAs. This report shall be forwarded to the State within one year after the date of transition as required by legislation.
- The LCSA Director and Auditor Controller shall ensure that the closeout report accounts for and certifies that all child support funds have been reconciled and accurately transferred to the CSPTF.

3. Auditing

- The State will determine the criteria and methodology to audit the county closeout reports and develop a timeline.

**Welfare Distribution Worksheet
ARS LCSA**

For the Month Prior to Transition

County of _____

Month/Year: _____

Report Title	Cell / Report #	Description	Amount
CS35	Cell 190	Federal/State Share	
CS35	Cell 57 plus Cell 104	County Share	
No formal reconciliation report. LCSAs have designed their own processes.	Report Name: _____	Welfare warrants created for the month prior to transition, which were issued in the month created.	
Total Transferred to DCSS Prior to Transition			
Total Transferred to County Prior to Transition			

Prepared By		Phone	
Date Prepared		Email Address	

I certify that the data presented in each document is accurate and true to the best of my knowledge.

Approved By		Signature			
Date Approved		Title	<input type="checkbox"/> Director	<input type="checkbox"/> Auditor/Controller	<input type="checkbox"/> Designee

Updated: 11/1/2005

**Welfare Distribution Worksheet
CASES LCSA**

For the Month Prior to Transition

County of _____

Month/Year: _____

Report Title	Cell / Report #	Description	Amount
CS35	Cell 190	Federal/State Share	
CS35	Cell 57 plus Cell 104	County Share	
Daily Welfare Warrant Creation Report	DAX4002A/DAX4010	Welfare Warrants Created for the Month Prior to Transition but issued in the following Month	
Total Transfer to DCSS			

Prepared By		Phone	
Date Prepared		Email Address	

I certify that the data presented in each document is accurate and true to the best of my knowledge.

Approved By		Signature			
Date Approved		Title	<input type="checkbox"/> Director	<input type="checkbox"/> Auditor/Controller	<input type="checkbox"/> Designee

Updated: 11/1/2005

FUNDS TRANSITION REPORT
ARS LCSA

60 DAYS POST TRANSITION PHASE

County of _____

As of Date: _____

Report/ Worksheet #	Report/Worksheet Description	Amount
NFB355	Unresolved Suspense Items Report	
NFB365	Collections on Hold Reports	
NFB375	Distributions on Hold Reports	
NFR369	CP Receivable Listing	()
NFB379	NCP Receivable Listing	()
NET FUNDS TRANSFER TO THE STATE		\$

Prepared By	
Date Prepared	
Phone	
Email Address	

Funds due to State 60 business days post transition.

FUNDS TRANSITION REPORT
CASES LCSA

60 DAYS POST TRANSITION PHASE

County of _____

As of Date: _____

Report/ Worksheet #	Report/Worksheet Description	Amount
DAX070	Exception List	
DAX072	Expired Warrant List	
DAX602	Prepaid List	
TF-05	Dishonored Payment A/R	()
TF-06	Negative Tax A/R	()
TF-07	Misapplication/Re-batch A/R	()
TF-09	Legacy A/R	()
NET FUNDS TRANSFER TO THE STATE		\$

Prepared By	
Date Prepared	
Phone	
Email Address	

Funds due to State 60 business days post transition.

**MONTHLY TRUST FUND TRANSITION REPORT
ARS LCSA
Checklist and Certification**

County of _____ Month/Year: _____

Report/ Worksheet #	Report/Worksheet Description	✓ If Provided
	Child Support Trust Fund Detail Reconciliation	<input type="checkbox"/>
NFB355	Unresolved Suspense Items	<input type="checkbox"/>
NFB365	Collections on Hold Reports	<input type="checkbox"/>
NFB375	Distributions on Hold Reports Expired (stale) warrants <i>(If not listed on the NFB375/365, the Auditor Control report should be provided.)</i> Outstanding warrants/checks <i>(Provide Auditor/Controller or Bank Report)</i>	<i>Check one box</i> <input type="checkbox"/> <input type="checkbox"/>
NFB369	NCP Receivable Listing	<input type="checkbox"/>
NFR379	CP Receivable Listing	<input type="checkbox"/>
Welfare Reconciliation Report	ARS does not generate a standard reconciliation report. LCSA must provide proper documentation to support reconciliation. Report Name/Process: _____	<input type="checkbox"/>
Legacy Data	ARS does not generate a standard report. LCSA shall provide documentation supporting data reported on the CS 34X and CS35X Legacy Report. Report Name/Process: _____	<input type="checkbox"/>

Prepared By		Phone	
Date Prepared		Email Address	

I certify that the data presented in each document is accurate and true to the best of my knowledge.

Approved By		Signature	
Date Approved		Title	<input type="checkbox"/> Director <input type="checkbox"/> Auditor <input type="checkbox"/> Designee

**MONTHLY TRUST FUND TRANSITION REPORT
CASES LCSA
Checklist and Certification**

County of _____ Month/Year: _____

Report/ Worksheet #	Report/Worksheet Description	✓ If Provided
	Child Support Trust Fund Detail Reconciliation	<input type="checkbox"/>
DAX070	Exception List	<input type="checkbox"/>
	Expired Warrant List DAX072 (If using the automated process in CASES) Auditor/Controller or Bank Report Expired (stale) warrants (If not using the automated process in CASES)	<i>Check one box</i> <input type="checkbox"/> <input type="checkbox"/>
DAX602	Prepaid List	<input type="checkbox"/>
DAX4015	Welfare Rejects (last cumulative daily report)	<input type="checkbox"/>
DAX4015	Welfare Rejects (monthly report)	<input type="checkbox"/>
	Auditor/Controller or Bank Report Outstanding (Unpaid) Warrant List	<input type="checkbox"/>
TF-05	Dishonored Payment A/R	<input type="checkbox"/>
TF-06	Negative Tax A/R	<input type="checkbox"/>
TF-07	Misapplication/Re-batch A/R	<input type="checkbox"/>
TF-09	Legacy A/R	<input type="checkbox"/>
TF-04	CASES Welfare Reconciliation	<input type="checkbox"/>
DAX4771 Section A thru D	Legacy Detail Reports (Detail of CS34X and CS35X entries)	<input type="checkbox"/>
DAX4772 Section E	Legacy Detail Reports (Detail of CS34X and CS35X entries)	<input type="checkbox"/>
DAX4773 CS34 Section A CS35 Section A	Legacy Detail Reports (Detail of CS34X and CS35X entries)	<input type="checkbox"/>

Prepared By		Phone	
Date Prepared		Email Address	

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Approved By		Signature	
Date Approved		Title	<input type="checkbox"/> Director <input type="checkbox"/> Auditor <input type="checkbox"/> Designee