

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

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



July 12, 2006

CSS LETTER: 06-26

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

SUBJECT: DIRECT DEPOSIT ENROLLMENT

The purpose of this letter is to inform local child support agencies (LCSAs) of the available methods for Custodial Parties (CPs) to enroll in direct deposit for child support payments.

There are various options available to CPs for enrolling in direct deposit. CPs can enroll in direct deposit via the Internet at the State Disbursement Unit (SDU) Web site or through the SDU interactive voice response (IVR) system. For CPs that do not have access to the Internet or a telephone, the LCSA can provide a copy of the DCSS 0485 Direct Deposit Authorization form, which is available in both the ARS and CASES systems. Enrollment through the Internet or IVR is preferred. LCSAs should encourage CPs to access the Web site or IVR to enroll in direct deposit. Additional details for the enrollment options are as follows:

- a. CPs can access the SDU Web site at: www.casdu.com. At this Web site CPs can:
 - Use the SDU's online application to enroll in direct deposit, or
 - Download the DCSS 0485 Direct Deposit Authorization form.
- b. CPs can enroll in direct deposit by calling the SDU IVR at 1-866-325-1010.
- c. CPs can contact the SDU Electronic Help Desk at 1-866-325-1010 to obtain assistance with the online or IVR enrollment, request a DCSS 0485 Direct Deposit Authorization form or ask questions regarding direct deposit.
- d. CPs can contact the LCSA by telephone or in person to request a copy of the DCSS 0485 Direct Deposit Authorization form. This form is also available in

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

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ARS and CASES and needs to be returned to the SDU at the return address listed on the form.

As recently advised in SDU and CSDA Automation committee calls, LCSAs are no longer authorized to enter direct deposit information received from CPs on the DCSS 0485 Direct Deposit Authorization form. When an LCSA receives a completed DCSS 0485 Direct Deposit Authorization from a CP, the LCSA must forward it to the SDU at the following address for data entry:

CASDU
Direct Deposit
P.O. Box 989064
West Sacramento, CA 95798-9064

The LCSAs can assist CPs in completing the forms or refer them to the SDU Web site, IVR or Help Desk. LCSAs that enter new direct deposit information after July 14, 2006, shall be responsible for providing funds to cover any errors that occur due to LCSA entry of direct deposit data.

Additional information, Direct Deposit Questions and Answers, and LCSA Procedures for handling Direct Deposit Errors are attached and available on the CIME Web site. If you have any questions or concerns regarding this matter, please contact Daniel Hawkins at (916) 464-5346 or via e-mail at daniel.hawkins@dcss.ca.gov.

Sincerely,

o/s/CHER WOEHL

CHER WOEHL
Deputy Director,
Administrative Services Division

Attachment

Direct Deposit Questions and Answers Updated 7/12/06

1. What are the methods for enrolling in direct deposit?

There are various options available to CPs for enrolling in direct deposit. CPs can enroll in direct deposit via the Internet at the State Disbursement Unit (SDU) Web site or through the SDU interactive voice response (IVR) system. For CPs that do not have access to the Internet or a telephone, the LCSA can provide a copy of the DCSS 0485 Direct Deposit Authorization form, which is available on both the ARS and CASES systems. Enrollment through the Internet or IVR is preferred. LCSAs should encourage CPs to access the Web site or IVR to enroll in direct deposit. Additional details for the enrollment options are as follows:

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- c. CPs can contact the SDU Electronic Help Desk at 1-866-325-1010 to obtain assistance with the online or IVR enrollment, request a DCSS 0485 Direct Deposit Authorization form or ask questions regarding direct deposit.
- d. CPs can contact the LCSA by telephone or in person to request a copy of the DCSS 0485 Direct Deposit Authorization form. This form is also available in ARS and CASES and needs to be returned to the SDU at the return address listed on the form.

2. What is the LCSA responsibility when the CP calls the LCSA and requests assistance with the direct deposit authorization on the SDU web site?

Generally, the CP will contact the SDU, as the SDU's Electronic Help Desk phone number is prominent on the web site, disbursement checks, and is on the enrollment form. However, LCSA staff may receive these types of phone calls. LCSAs may attempt to assist the CP by providing an explanation of direct deposit and its benefits, but should not enter direct deposit information on behalf of the CP.

3. If the LCSA receives hard copy direct deposit authorizations, what should they do?

LCSAs are no longer authorized to enter direct deposit enrollments. When the LCSA receives a DCSS 0485 Direct Deposit Enrollment form, the LCSA must forward it, via first class mail, to the SDU for data entry.

The SDU has a separate PO Box for receipt of direct deposit authorization forms. This PO Box is on the CASES and ARS forms. The SDU SP enters the data into SWS or the SDU direct deposit application.

4. LCSAs are prohibited from entering direct deposit enrollments. Can the LCSA perform maintenance on the data?

LCSAs that are on ARS have direct deposit data that is not in SWS and is maintained in ARS only. There may be instances where an ARS LCSA needs to correct the ARS-only direct deposit data. For instance, as LCSAs merge participants in SWS or certain merging programs are run in SWS, some ARS-only direct deposit data may be altered. ARS LCSAs are not prohibited from correcting the direct deposit data that may be altered by this functionality.

5. Are the LCSAs required to copy/image and retain DCSS 0485 Direct Deposit Authorization forms received at the LCSA and forwarded to the SDU?

No. The LCSAs are not required to copy/image the DCSS 0485 Direct Deposit Authorization. Upon receipt and data entry, the SDU SP will image the forms into the SDU Collection Engine. These images will be retained for four years and four months from the date of case closure.

6. Is the CP required to submit a DCSS 0485 Direct Deposit Authorization form to back up the data entered by the CP in the SDU website or IVR?

No. The CP is not required to submit a hard copy of the form to back up the data entered by the CP in the SDU SP's direct deposit enrollment website or IVR.

7. If a direct deposit payment can't be deposited because the CP has closed or changed bank accounts, will the LCSA have to research or will the SP?

When a direct deposit is rejected by the CP's bank (because the CP no longer has the account), the CP's bank transmits the status to the SDU. This information is sent through SWS to ARS/CASES. The payment information will appear on an Exception Report. It is up to the LCSA to research the returned disbursement and then cancel the payment transaction.

The LCSA should verify it has a valid address for the CP or update the CP address. The LCSA must access SWS/ARS and change the disbursement method for the CP from "EFT" to "Check." ARS/CASES will create new disbursement instructions based on the address and SWS update.

8. What if the direct deposit fails and the LCSA doesn't have a valid physical address for the CP?

The LCSA should cancel the payment transaction. Additionally, the LCSA should access SWS/ARS and update the disbursement method as described above. The payment will remain on hold until either a new address is located for the CP or the CP provides new direct deposit information to the SDU.

9. Does the memo line on the disbursement checks encourage CPs to enroll in direct deposit?

Yes. The current memo line tells the CP to call the SDU Electronic Help Desk and provides the SDU phone number and web site to enroll in direct deposit.

10. After a CP enrolls, how soon will the direct deposit take effect?

When a CP applies for direct deposit, it may take up to 14 days for the direct deposit to be activated. Depending on the NCP's payment cycle, it could take longer for the CP to be aware of the activation. There is no confirmation notice of direct deposit activation.

Example: NCP normally pays once monthly at the first of the month. The CP applies for direct deposit service on the fifth of the month. The direct deposit is activated, but no payment will be deposited until the first of the following month when the NCP pays support.

If a CP contacts the LCSA and requests information on the direct deposit activation status, the LCSA can check ARS/CASES/SWS to determine the disbursement method. If the disbursement method is direct deposit, the LCSA should instruct the CP to check his/ her bank account on a regular basis to watch for the next support payment.

However, if the CP indicates that she/he has received a paper check and it has been more than 14 days after she/he has enrolled in direct deposit, the LCSA should check ARS/CASES/SWS to verify that direct deposit is the disbursement method. The timing of the activation may have been such that the paper check was issued just prior to activation. If ARS/CASES/SWS do not show that direct deposit is the disbursement method and the CP indicates that she/he has enrolled, the LCSA should instruct the CP to contact the SDU Electronic Help Desk for assistance with the activation and enrollment.

11. Is direct deposit available through a foreign financial institution?

Direct deposit is only available through U.S., U.S. Territories, and Canadian financial institutions. If the CP resides in another country, but has an account with a U.S., U.S. Territory or Canadian financial institution, he/she can enroll for direct deposit using that account.

12. What should the LCSA do if a CP calls about not receiving a payment by direct deposit and upon research, the LCSA finds that the banking information for the CP in SWS/ARS/CASES is incorrect and that the CP's the payment went to the wrong account?

There are instances where a direct deposit is deposited to an incorrect account due to data entry errors at the LCSA, SDU or by the CP. LCSAs should change the CP's disbursement method to "Check" and request the CP visit the SDU web site or call the SDU Electronic Help Desk to re-enroll with the correct number, if desired.

Additional research must be done to determine what caused the incorrect data and if the CP is entitled to a re-disbursement, so LCSAs should not inform the CP a re-disbursement will occur until this research has been completed. The LCSA should immediately contact their assigned DCSS SDU Operations analyst to request assistance in researching the error. The LCSA must also send an email to CCSAS Business Problems at: CCSASBusinessProblems@dcss.ca.gov.