

**DEPARTMENT OF BENEFIT PAYMENTS**

744 P Street, Sacramento, CA 95814



October 7, 1975

ALL-COUNTY LETTER NO. 75-211

TO: COUNTY WELFARE DIRECTORS  
DISTRICT ATTORNEYS  
COUNTY AUDITORS  
WELFARE FISCAL SUPERVISORS  
ADMINISTRATIVE SERVICE OFFICERS

SUBJECT: FISCAL CLAIMING INSTRUCTIONS FOR THE CHILD SUPPORT ENFORCMENT PROGRAM

REFERENCE: AFDC ALL-COUNTY LETTER NO. 75-204

This letter is to provide fiscal instructions for claiming under the IV-D federal child support program. Implementing legislation was signed by the Governor on September 19. Under this program, all child support collections are to be deposited into a trust fund or account by the collecting agency for disbursement by the IV-D Unit in the County Welfare Department (CWD).

A separate IV-D claim will deal exclusively with reporting the distribution of child support payments. The portion of the contribution which applies as an offset to the grant will continue to be reported on lines 8A and 8B of the IV-A Assistance Claim (CA 800) as well as being reflected on the IV-D claim.

Attached are six forms for reporting and recording the treatment of child support contributions from the point of collection to the claim.

1. CS 831 Collection Agency - Accounts Receivable Welfare

The District Attorney (or his delegated collection agent) will use Form CS 831 for welfare cases to accumulate data necessary for reporting and auditing purposes.

CS 831 forms are color coded in blue and white. The blue cards are for collections made by other counties and states for recipients residing in your county. The white are for collections made by your county regardless of the residence of the recipient.

Where available, the social security numbers and names of both the absent parent and the caretaker of the Family Budget Unit are required. The recipient's state case number is also required.

# OBSOLETE

Superseded by ACL # 72-15Issued 3-17-77

Additional requirements include the amount of the current established support obligation, assigned arrearages, and the date the court order was signed, if one exists.

The tabulating section is divided into three main sections, one for current payments, a second for SEIF reimbursement information, and the third for payments on arrearages.

The first column "Collection Agency Code" on the blue card indicates the agency doing the collecting (all blue card recipients reside within your county). The white card "Collection Agency Code" indicates the residence of the recipient (all white card collections are made by your county). Since most of your collections will be for your county, in most instances your own county's code will be shown, but where the money has been transmitted to another locality, that locality's code will be reflected.

This coding arrangement is necessary for two purposes:

- a. To provide ready identification of who is doing the collection for whom, and
- b. To simplify the accumulation of data for proper payment of SEIF reimbursement. (SEIF reimbursement will be addressed more fully in our discussion of Form CS 800 to follow.)

The "Payment NO." columns are required to provide an easy audit trail and also to determine proper SEIF reimbursement. Payment number is the breakout of the number of payments made on monthly support obligations whether received in individual payments or lump sum amounts.

"Date of Collection" is the date the child support payment is received by the collection agency in your county. "Amount Received" in the current section is the total amount of the current collection (up to the monthly support obligation). Anything in excess would be shown in the arrearages section under Amount Received. Also, in the arrearages section are columns to permit increased obligation where current payments are not made and a month/year column for application to the period owed. If there are no arrearages, any excess amount should be considered as payment on future support obligations and entered under the current section as if it were received in the future month(s).

## 2. CS 831A Collection Agency - Accounts Receivable Nonwelfare

This form is for nonwelfare cases and deviates only slightly from Form CS 831. The CS 831A is also coded blue and white with blue for collections by other localities for families residing in your county, and white for all collections made by your collection agency regardless of the residence of the family for whom the collection is made.

The state case number has been included since nonfederal BHI cases are considered nonwelfare by DHEW and must therefore be reported to them as nonwelfare.

The SEIF Reimbursement section has been screened out since it is not applicable to either nonwelfare or nonfederal BHI cases.

### 3. CS 278M - Child Support Form

#### Section A

The CS 278M Child Support Form is a combined information transmittal, computation worksheet, and action document. This form must be completed upon receipt of each welfare Child Support Payment. The collection agency completes Section A in original and three copies. The three copies are transmitted no later than 10 days after the end of the month in which the collection was received to the IV-D Unit in the County Welfare Department and the original retained by the collection agency.

Each CS 278M is to be identified by the collection agency by a number as indicated on the top line of the form. The "No." should be a progressive series with no repetition in any given month. This number serves as a control for audit purposes.

The "collecting agency" (Line 1. a.) must always indicate the locality that did the actual collection of the Child Support Payment. The "originating county" will show your county's name or code.

Absent parent and recipient identification information is required in Parts 2 and 3 of Section A.

Collection information obtained from the CS 831 is reported under Part 4 of Section A. This includes the amount of the collection, the amount of current obligation and assigned arrearages, the date of the court order where one exists, and the date of collection. Line 4e requires identification of the payment number, that is, is this contribution one of the first twelve to be received for this case since it became or was restored as a welfare case. If so, the first space of Line 4e is completed; if the payment is in excess of the twelfth payment, the second space is completed. This information is necessary so that proper percentages of federal and state incentive payments may be made to your county. If there is an arrearage collection, the number of payments, including collection on the support obligation, that apply to payment number "1-12" and "13+" are entered in Line 4e.

Upon completion of Section A, the collection agency retains the original for their case files. The three copies of the CS 278M are transmitted to the CWD IV-D Unit. The budget clerk in the IV-D Unit completes Sections B and C of the three copies of the CS 278M.

Section B

- A. The child support collection is divided into current obligation, arrearages, and future payments, Line 1, a., b., and c., of Section B.
- B. The "Current Month" is the month in which the current support obligation was received by the collection agency in your county. Assistance paid in the "Current Month" (Line 2a) is obtained from the IV-A case file.

The distribution of the child support payment is then determined.

- C. The total collections on the current support obligation is recorded on Line 2B. This amount must equal Line 1a.
- D. Disregard, Line 2c - Disregard is a bonus payment made to the family and considered as exempt income. Forty percent of the first \$50 paid on the current support obligation (Section B, Line 1a) is recorded on Line 2c as "disregard". (It is applicable only on payments on the current support obligation.)

Disregard is paid to the family in the month following the month of collection.

- E. Recoupment, Line 2d - This is the amount of the current support collection that is applied as a recoupment against the grant. Disregard is subtracted from the total collection (Line 2b) and the remainder applied against the grant that was paid for the month. If this remainder is less than or equal to the assistance paid, the entire amount becomes recoupment.
- F. Pass-on, Line 2e - Pass-on is the remaining amount of the collection on the current support obligation after deducting the disregard and recoupment. Pass-on is paid to the family and considered as income in future grant computations. Pass-on can occur only on a current month basis.

A family can only be eligible to receive pass-on if there is a court ordered support obligation in effect. The IV-D clerk verifies the existence of a court order from Item 4c of Section A.

If there is any remaining amount of collection for the current month obligation after deducting the disregard and recouping the entire amount of assistance paid in the current month, this remaining amount (pass-on) is entered on Line 2e and will be sent to the family in the month following the month of collection.

If a court order is not in effect the difference between assistance paid and the support obligation for the month shall be applied against prior month obligations. If there are no unpaid prior month obligations, this amount will be entered in Column 5, Line 3(4), under "Excess." Excess amounts will be discussed later.

- G. Assistance less recoupments (Line 2f) is determined by deducting recoupment (Line 2d) from assistance paid (Line 2a).

Collections received that are determined to be payment on future months obligations will be treated for distribution purposes as if the amount had been received in the future month. (No "future" payments can be made unless the absent parent is current in his obligation, that is, no arrearages exist.)

Since a CS 278M will not be received from the collection agency for future months in which a collection has already been made, IV-D Units in the Welfare Departments should make provisions to complete a CS 278M in the future months for which the collection has already been received. Reference should be made to Part A of the CS 278M on which the future payments were reported.

It is possible that amounts received in excess of the support obligation are not an early payment of a future month's obligation. This is an "Invalid Payment" and should be returned to the absent parent. "Invalid Payments" could occur when a child had died or reaches the age of majority.

#### Prior Months

If the child support payment received is in excess of the current month's support obligation and there are assigned arrearages, this excess is first applied against all unpaid prior support obligations to reimburse past assistance payments up to the amount of the required support obligation.

Any remaining excess, after all prior support obligations are met, that is an assigned arrearage will have accrued prior to or whenever the recipient was not receiving assistance. Collections on this arrearage are used to reimburse past assistance payments up to the amount of the assistance payment that exceeded the required support obligation.

The distribution of collection on arrearages is made as follows.

#### Arrearages Accrued While Recipient Was Receiving Assistance

- (1) The month and year of a prior month in which the required support obligation was not met is entered on line 3a. If there is more than one past month in which there is an unpaid support obligation, the county has the option of selecting which month's or sequence of months' assistance payments will be reimbursed.
- (2) The assistance paid in the month(s) on line 3a is entered on line 3b.
- (3) The support obligation owed for the month(s) on line 3a is entered on line 3c.
- (4) Any prior collections made on the support obligation, (line 3c), are entered on line 3d.

- (5) The support obligation remaining to be paid (line 3e) is determined by deducting the prior collections, (line 3d), from the support obligation owed (line 3c).
- (6) The amount of collection to be entered on line 3f is the amount of arrearages collected (line 1b).
- (7) Recoupment of assistance from collection of the support obligation (line 3g) is determined by entering the amount of collection (line 3f) or the current obligation remaining (line 3e) whichever is less.
- (8) If the amount of collection (line 3f) is greater than the amount of recoupment (line 3g), then the amount of collection remaining (line 3h) is determined by deducting the amount of recoupment (line 3g) from the amount of collection (line 3f).

Any collection remaining is applied against the next month selected (repeat steps 1-5) and is entered on line 3f in the next column. This process is repeated until the total amount of arrearage collected is applied in steps 1-8 or all unpaid past support obligations have been met.

If all unpaid past support obligations were met (steps 1-8) and there is an excess with no arrearages accrued while the recipient was not receiving aid, this excess is entered in Column 5, line 3(4) under "Excess" and this amount is forwarded to the family in the month following the month of collection and considered as income in future grant computations.

If all unpaid past support obligations have been met (Steps 1-8) and there is collection on arrearages which accrued while the recipient was not receiving aid, this collection is used to reimburse past assistance in excess of the support obligations as follows.

Arrearages Accrued While Recipient Was Not Receiving Assistance

- (9) The amount of unreimbursed assistance in a prior month is entered on line 3(1). This amount is determined by deducting the recoupment made on the assistance by collections on the support obligation (lines 3d and 3g) from the assistance paid in the month (line 3b).
- (10) The amount of collection that represents payment on arrearages accrued while the recipient was not receiving aid is entered on line 3(2). This amount is obtained from the collection remaining (line 3h) after all prior support obligations have been met, or line 1b if there are no prior unmet support obligations.

- (11) Recoupment of assistance (line 3(3)) is determined by entering the amount of collection (line 3(2)) or the amount of unrecouped assistance (line 3(1)), whichever is less.
- (12) If the amount of collection (line 3(2)) is greater than the amount of assistance recouped (line 3(3)), then the amount of collection remaining (line 3(4)) is determined by deducting the amount of assistance recouped (line 3(3)) from the collection (line 3(2)).

Any collection remaining (line 3(4)) is applied against the next month selected and is entered on line 3(2) in the next column. This process is repeated until the total amount of arrearage collected is applied in steps 9-12 or all past assistance payments have been reimbursed.

If all past assistance payments have been reimbursed, any excess remaining will be entered in Column 5, line 3(4) under "Excess," and this amount is forwarded to the family in the month following the month of collection and considered as income in future grant computations.

### Section C

The "Authorization" for payment of Disregard/Pass-on/Excess to the family (Section C) requires the name of the recipient family and the state case number obtained from lines 3a and 3b in Section A. The amount of "Disregard" (line 2c) and any "Pass-on" (line 2e) and/or Excess (Excess box on line 3(4)) are totaled and entered. After completing Form CS 278L (see next section) the IV-D Unit budget clerk signs and dates the CS 278M authorization and distributes the three copies.

One copy of the CS 278M is forwarded to the auditor for issuance of the Disregard/Pass-on/Excess payment to the family and compilation of the CS 801 Payroll Form and CS 800 Summary Report of Absent Parent Support Payments.

A second copy is sent forward to be integrated into the IV-A claim.

The third copy is forwarded to the IV-A case file.

#### 4. CS 278L Child Support Case History and List of Authorizations

This form serves as both an authorizing document and a record of IV-D transactions to the case. It is to be retained in the IV-D case file at all times. It is compiled from Form CS 278M.

The top section provides space for the recipient's name, case number and social security number, the absent parent's name and social security number, and support obligation information.

The bottom section of the CS 278L is divided into columns for recording information from Form CS 278M including the document number provided by the collecting agency. Authorization of warrant issuance for disregard, pass-on, or excess is made by the IV-D clerk in the right-hand column.

5. CS 801 Child Support Payroll Form for Collections and Disbursement

Form CS 801 is the payroll form to be submitted to the state in duplicate. It has essentially the same information requirements as the previous forms. The social security number in column three applies to the absent parent and must be provided if available.

Intracounty, intercounty, and interstate identification is required so that proper SEIF reimbursement can be made. It will be necessary for counties to organize their payrolls in this fashion:

All intracounty collections (collections by your county for your county) must be run separately and subtotaled.

All intercounty collections (collections by other counties for your county) must be run separately by such other county and subtotaled by collecting county. Then the aggregate of intercounty collections are to be subtotaled.

Interstate collections are to be handled identically to the intercounty. Each collecting state is to be reported separately, subtotaled, and then the aggregate of collecting states are to be subtotaled.

When this has been completed, one grand total line should accumulate all the above sections.

A payment coding column has been included among the requirements on the CS 801. The codes to be used are one of four for each case:

- 8A-1 - current month collections within the 12-payment cycle
- 8A-2 - current month collections beyond the 12-payment cycle
- 8B-1 - prior month collections within the 12-month cycle
- 8B-2 - prior month collections beyond the 12-payment cycle

As explained in the Section on CS 278M, these codes are needed to determine federal and state SEIF reimbursement.

6. CS 800, Summary Report of Absent Parent Support Payments - Child Support Enforcement Incentive Fund

Form CS 800 has been designed as the claiming form for AFDC-FG and U. (AFDC-BHI will be sent at a subsequent date.) The form is divided into four major portions:

Section A contains disbursement information brought forward from the subtotal section for intracounty collections on the CS 801 payroll. Line 4a brings forward the percentage of federal persons count from the appropriate month's Form CA 800 from which the federal basis and federal share are computed.

Lines A6 and A7 reflect total collections for welfare cases made by your county for other counties and states. The CWD must coordinate with the collection agency to obtain this information from the CS 831's. This information is to be transmitted directly to the CWD by the collection agency as soon as administratively feasible after the end of the month.

Section B is split into two sections to reflect the disbursement of collections made by other counties and other states for your county. The totals of all other counties and all other states are posted here.

Section C is for the computation of SEIF reimbursement based on the claim. This section will be changed in July, 1976, when the state share of SEIF drops from 8.75 to 2.75 percent on federal cases reimbursable at 25 percent.

The two columns in the SEIF section split the SEIF into reimbursement due other counties and states (lines C2, 3, and 5) and reimbursement due your county (lines C1, 4, and 5).

Section D (for state use) will be completed by the Department of Benefit Payment's Accounting Bureau. The Accounting Bureau will accumulate the SEIF information owed your county from all other claims submitted.

In addition, they will accumulate the data from other states transmitting Federal SEIF to California for payment to your county. Through this method the SEIF reimbursement owed your county will be determined and sent to your county treasury.

The second copy of the payroll/disbursement claim, Form CS 801, submitted by other counties, and a copy of the payroll/disbursement claim submitted by other states will be forwarded to your collection agency by the Accounting Bureau to serve as backup documentation. This documentation will provide the necessary information to complete the SEIF reimbursement section on Form CA 831.

These IV-D fiscal claiming instructions do not apply to BHI cases or to any cases in which an assignment of support rights is not in effect. Fiscal claiming instructions for BHI cases and for unassigned child support collections will be addressed in a separate letter.

The last attachment to this letter is a flow chart which may aid you in understanding the IV-D process and the interrelationship of the CWD, CWD IV-D Unit, and the District Attorney. The distribution of payments calculation that is made in the CWD IV-D Unit is expanded to help clarify the treatment of child support collections.

We realize that you will have numerous questions concerning these fiscal instructions for claiming under the new federal child support program. We will attempt to resolve these questions in workshops on the federal child support enforcement program which are being scheduled to begin the latter part of October. An All-County Letter informing you about these workshops will be forthcoming.

A supply of forms will be sent to you during the month of October. Counties may wait to process child support payments until forms are received or they may photocopy the attachments to this letter. For further information on forms contact:

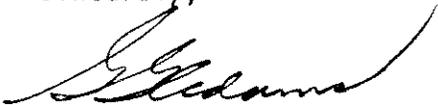
Forms Management Section  
Mail Station 14-55  
744 P Street  
Sacramento, CA 95814  
Telephone 916/445-1780

The forms discussed in this letter contain required information. Alternate systems and forms compatible with your county's use of data processing will be permitted providing equivalent information is available and prior approval has been received from the Department of Benefit Payments. Please submit such alternative plans to:

IV-D Section  
Financial Planning  
744 P Street  
Sacramento, CA 95814

Contact reference: IV-D Section, Financial Planning, 916/445-7046.

Sincerely,



GARY G. ADAMS  
Deputy Director

cc: CWDA

**COLLECTION AGENCY - ACCOUNTS RECEIVABLE**

**WELFARE**

Absent Parent a) Social Security No. \_\_\_\_\_ b) Name \_\_\_\_\_

Recipient a) Social Security No. \_\_\_\_\_ b) Name \_\_\_\_\_

c) State Case No. \_\_\_\_\_

Support Obligation a) Current \$ \_\_\_\_\_ b) Arrearages \$ \_\_\_\_\_ c) Date of Court Order \_\_\_\_\_

CURRENT				ARREARAGES							
COLLECTION AGENCY CODE	PAY NO.	DATE OF COLL	AMOUNT RECEIVED	SELF REIMBURSEMENT	DATE OF COLL	MO / YR	PAY NO.	DATE OF COLL	AMOUNT RECEIVED	INCREASED OBLIGATION	BALANCE



CHILD SUPPORT FORM

A. COLLECTING AGENCY COLLECTION INFORMATION

No. \_\_\_\_\_

- 1. a. Collecting Agency (name and/or code) \_\_\_\_\_
- b. Originating Agency (name and/or code) \_\_\_\_\_
- 2. Absent Parent Information
  - a. Name \_\_\_\_\_
  - b. Social Security Number \_\_\_\_\_
- 3. Recipient Information
  - a. Payee Name \_\_\_\_\_
  - b. State Case Number \_\_\_\_\_
  - c. Social Security Number \_\_\_\_\_
- 4. Amount of Collection \$ \_\_\_\_\_
  - a. Amount of Current Obligation \$ \_\_\_\_\_
  - b. Amount of Assigned Arrearages \$ \_\_\_\_\_
  - c. Date of Court Order \_\_\_\_\_
  - d. Date of Collection \_\_\_\_\_
  - e. Monthly Payment Number 1-12 \_\_\_\_\_ 13+ \_\_\_\_\_

B. COUNTY WELFARE DEPARTMENT ACTION DOCUMENT

County \_\_\_\_\_

- 1. Total Collections (Line 4, above) \$ \_\_\_\_\_ a. Current \$ \_\_\_\_\_ b. Arrearages \$ \_\_\_\_\_ c. Future \$ \_\_\_\_\_
- 2. Current Month \_\_\_\_\_
  - a. Assistance Paid \_\_\_\_\_
  - b. Total Collections \_\_\_\_\_ (Line 1a)
  - c. Disregard \_\_\_\_\_ (Line 2b x 40% or \$20, whichever is less)
  - d. Recoupment \_\_\_\_\_ (Recovery of assistance paid)
  - e. Pass-On \_\_\_\_\_ (Amount in excess of assistance - less than court order)
  - f. Assistance less Recoupment \_\_\_\_\_ (Line 2a minus Line 2d)

3. Prior Months

	Column 1	Column 2	Column 3	Column 4	
a. Month/Year .....	(a)				
b. Assistance Paid .....	(b)				
c. Support Obligation .....	(c)				
d. Prior Collections .....	(d)				
e. Obligation Remaining (line c - d) .....	(e)				
f. Collection .....	(f)				
g. Recoupment on Current Obligation (not to exceed line e) .....	(g)				
h. Collection Remaining (f - g) .....	(h)				
(1) Assistance Less Recoupment (lines b - d - g) .....	(1)				
(2) Collection .....	(2)				
(3) Recoupment of Assistance .....	(3)				
(4) Collection Remaining [Lines (2) - (3)] .....	(4)				Column 5 EXCESS

C. AUTHORIZATION: I certify that the following amounts are to be paid to the appropriate family or agency in accordance with State and Federal regulations.

Name of Family \_\_\_\_\_

State Case Number \_\_\_\_\_

Amount of Disregard/Pass-On/Excess \$ \_\_\_\_\_

SIGNATURE OF BUDGET CLERK \_\_\_\_\_

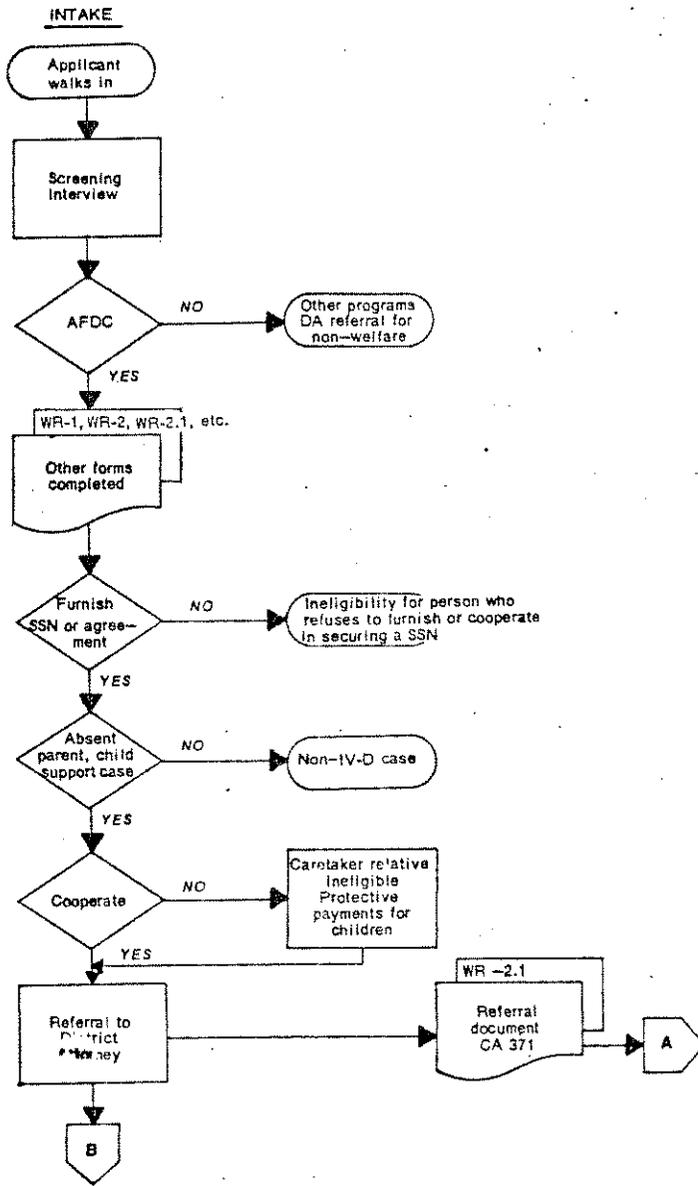
DATE \_\_\_\_\_

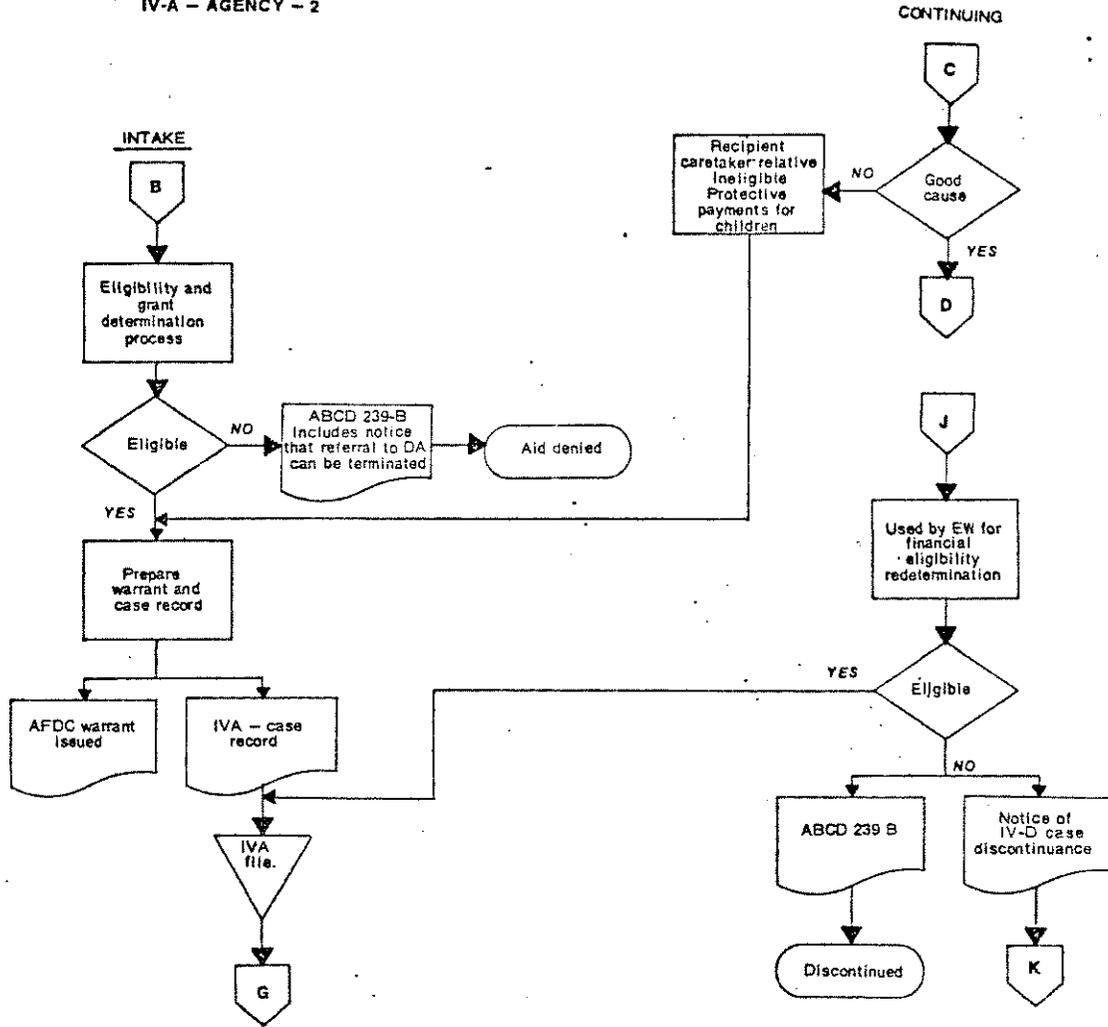


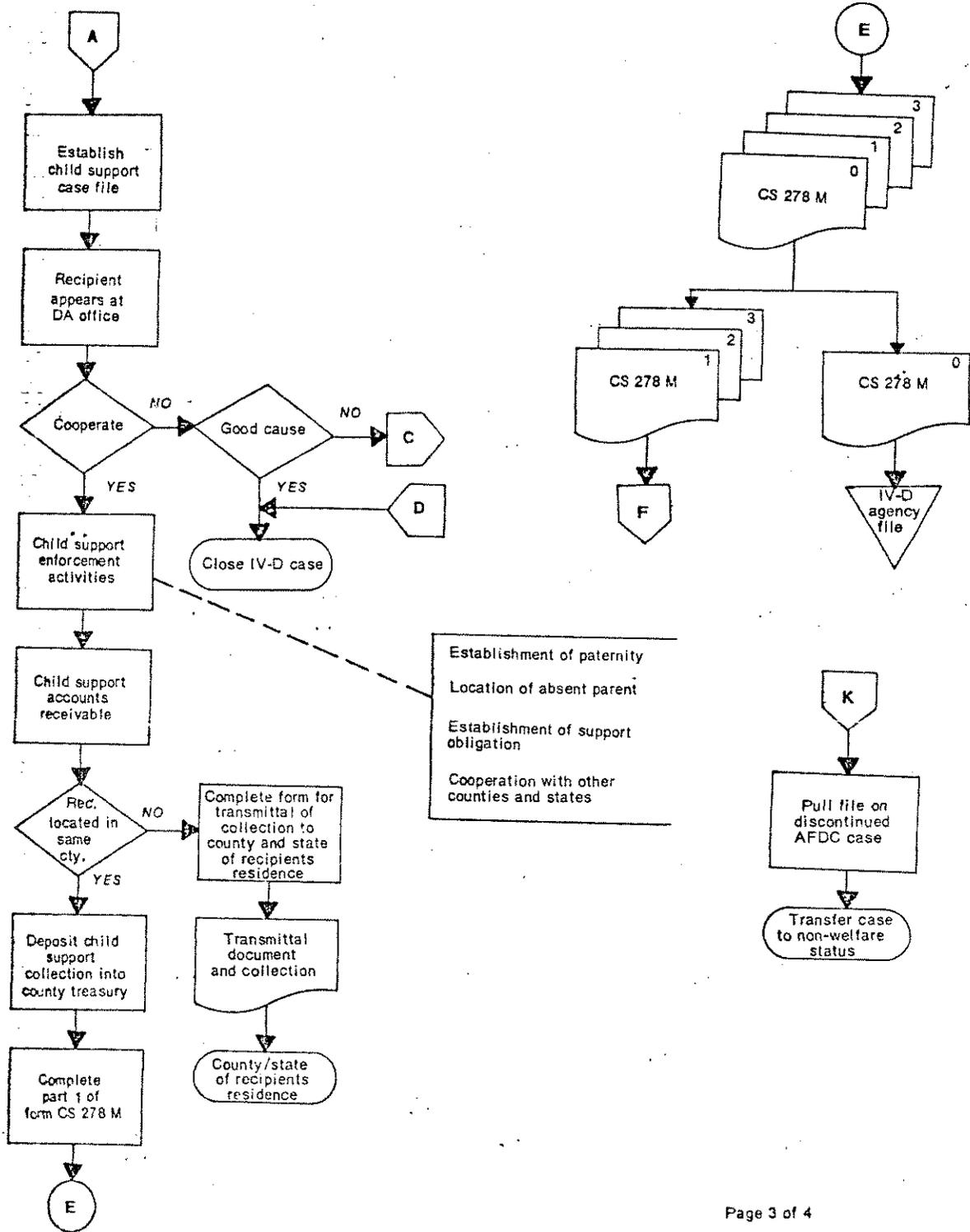




IV-A - AGENCY -1







IV-D UNIT IN IV-A AGENCY

