



CSSD Policy			
Subject:	Recoupment of Support Payments Distributed in Error	Number:	2010-12
Approval Date:		Pages:	
Approved by:	Benidia A. Rice, Director	Revision	FINAL

I. **PURPOSE:** The purpose of this policy is to: 1) provide adequate notice of Child Support Services Division’s (“CSSD”) recoupment policy and procedure to TANF and Non-TANF customers during the intake application process; 2) to recoup support payments sent in error to custodial parents, non-custodial parents, IV-D agencies in other states, parties in non-IV-D cases whose payments are being processed through the D.C. Child Support Clearinghouse, and misapplied funds by the vendor; and 3) to provide instruction on how to recoup payments that have been disbursed by the vendor in error.

II. **AGENCY IMPACT:** This policy impacts various units within CSSD, with particular attention to Intake I and II, Interstate, Audit and Program Management, Legal Services Section, and the State Distribution Unit.

III. **REFERENCES:** 42 C.F.R. § 302.32, Collection and Disbursement of Support Payments by the IV-D Agency; 42 C.F.R. § 302.51, Distribution of Support Collections; 42 C.F.R. § 303.2, Establishment of Cases and Maintenance of Case Records; 42 C.F.R. § 303.4, Establishment of Support Obligation; 42 C.F.R. § 303.5, Establishment of Paternity; 42 C.F.R. § 303.7, Provision of Services in Interstate IV-D Cases; PIQ-02-01, Recoupment of a Child Support Overpayment; PIQ-03-02, Recoupment of a Child Support Overpayment.

IV. **INQUIRIES:** Direct all inquiries to Policy, Outreach & Training Section, (202) 724-2131; the Intake Unit I, (202) 724-5594; Intake Unit II, (202) 724-5192; Interstate Unit, (202) 724-4215; Audit and Program Management Unit, (202) 724-3626; Legal Services Section, (202) 724-6529; and the State Disbursement Unit, (202) 724-7728.

V. **POLICY:** During the collection and distribution process of support payments, payments may be sent to parties in error. When this occurs, the following policy and procedures will be used in an effort to recoup the payment sent in error.

1) Payments sent in error to TANF and Non-TANF Custodial Parents in IV-D cases.

During the intake process, the Intake Support Enforcement Specialist (“Intake Specialist”) shall thoroughly review the Customer Agreement for Services and the Customer Authorization Agreement (“Agreement”) with non-TANF customers. See Attachment A. The Intake Specialist shall pay particular attention to the “Financial Conditions” paragraph addressing CSSD’s ability to recoup money paid in error to the

customer. The Intake Specialist must thoroughly review this section with the customer and ensure that the customer understands CSSD's recoupment process. The Intake Specialist shall instruct the customer elect whether s/he consents to CSSD withholding ten percent (10%) from future support payments if an overpayment should occur. The Intake Specialist must inform the customer that their receiving IV-D services is **not** dependent on the response that they give. Before completing the application process, the Intake Specialist shall require customers to initial **each section** of the Agreement to ensure that they have read the Agreement or had someone read the Agreement to them.

Customers who download the Child Support Application Package from CSSD's website will be instructed to initial each section of the Agreement before signing and returning it to CSSD. Once customers are able to submit the Child Support Application Package online; they too, will be required to initial each section in the Agreement in order for their application to be successfully completed and processed. The Intake Specialist shall carefully review the Agreement to ensure that the customer initialed each section in the Agreement and that the Agreement is signed and dated. The customer's failure to initial each section of the Agreement **does not** void the Agreement.

Similarly, TANF customers who receive the Child Support Application Package in the mail will be required to initial each section of the Customer Agreement of Services before signing and returning it to CSSD. Upon receiving the completed Agreement, the Intake Specialist shall carefully review it to ensure that the customer initialed each section and that the Agreement is signed and dated. The TANF custodial parent's failure to return the Agreement or to initial each section does not prevent CSSD from processing the case or employing its recoupment procedures if necessary.

In the Agreement, the customer can consent to CSSD withholding ten percent (10%) from future support payments if an overpayment occurs. If the customer consents to CSSD withholding ten percent (10%) from his/her future support payments so that the Agency can recoup the overpaid funds, CSSD will begin withholding the percentage with the next support payment after written notice is given to the customer. If the customer does not consent to CSSD withholding ten percent (10%) from the support payments to recover overpaid funds, CSSD will send the customer a notice letter informing him/her of the overpayment. CSSD will give the customer three opportunities to either consent to the its withholding ten percent (10%) from their support payments until the overpayment is repaid or to return the overpayment voluntarily. If CSSD does not receive a response to any of the three notice letters, it will begin the "default recoupment process," in which it will deduct ten percent (10%) from the support payments until the overpaid amount is fully recouped.

2) Payments sent in error to non-custodial parents in IV-D cases

If a support payment is sent in error to a non-custodial parent in a IV-D case, a SDU Program Analyst will contact the non-custodial parent at the telephone number(s) provided in DCCSES and mail the notice of recoupment letter to the non-custodial parent's place of residence or work location. The non-custodial parent will be afforded

the opportunity to respond within fifteen (15) days in the following manner: 1) return the uncashed check to the D.C. Child Support Clearinghouse; 2) enclose a personal check, cashier's check or money order in the full or partial payment amount of the erroneously received payment. If the non-custodial parent sends a partial payment, s/he will be required to pay the balance within 15 days. If, however, the non-custodial parent does not make any contact with CSSD, the SDU Program Analyst will bring the case to the attention of the SDU Manager. The SDU Manager and the Program Analyst will determine the next steps for recouping payments from the non-custodial parent such as making additional attempts to contact the non-custodial parent, creating monetary obligation in DCCSES, or seeking legal intervention.

3) Payments sent in error to a party in a Non-IV-D case

When Non-IV-D cases are entered into DCCSES by staff at the D.C. Superior Court for wage withholding, a letter informing the parties of CSSD's recoupment process will be generated automatically by DCCSES and sent to the mailroom's printer (Minolta Pi8500PRO PCL6) for mailing to both parties. *See Attachment E.*

If an overpayment occurs in a non-IV-D case, the SDU Program Analyst will receive a diary on his/her task list to print the notice of recoupment from a CP or NCP (depending on who the recoupment process is being initiated against) in a non-IV-D case and mail it to the party which received the overpayment and to whom the recoupment process is being initiated against. If the SDU Program Analyst does not hear from the customer within fifteen (15) days, s/he shall notify the SDU Manager and create a monetary obligation in the amount of the misapplied funds on the Monetary Obligation Screen.

4) Recoupment of payments sent in error to out-of-state IV-D agencies

The SDU Program Analyst will generate an Information Exchange Form to the Interstate Unit requesting that the out-of-state IV-D agency be contacted and informed of the payment sent in error. The Interstate Unit will proceed as follows:

- a) If the out-of-state IV-D agency agrees to assist CSSD in the recoupment process, that agency will be allowed to recoup the payment in the manner it has determined to be the most appropriate.
- b) If the out-of-state IV-D agency does not wish to assist in the recoupment process, the Interstate Specialist will generate an 886-Information Exchange Form to the SDU to enter [obligation status] on the case. The SDU Program Analyst shall also enter [action code] to begin the recoupment process.

5) Recoupment of misapplied payments by the vendor

If the vendor CSSD uses to disburse child support payments misapplies the payments, CSSD will take the steps necessary for recouping this money. The vendor will not be charged with the error unless it can be determined that the error could have been caught using existing payment identification procedures.

If the vendor is charged with the error and the misapplied funds have not been disbursed, then the payment will be voided in DCCSES and reissued to the “correct” recipient. In contrast, if the funds have been disbursed, the vendor shall deposit the misapplied funds amount into the CSSD Paper Receipts Bank Account and process a payment to the correct recipient. If the vendor is not charged with the error, the payment should be voided in DCCSES and reissued to the “correct” recipient or by following CSSD’s recoupment procedures.