

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

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



July 5, 2006

CSS LETTER: 06-24

ALL IV-D DIRECTORS
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL BOARD OF SUPERVISORS

SUBJECT: STATEWIDE ALLOCATION

The purpose of this letter is to provide the local child support agencies (LCSA) with information about statewide allocation with the implementation of Version 1.3 (V1.3). It also provides the policy surrounding payment sources, allocation rules, allocation holds, allocation suspense, standard allocation releases, non-standard allocation and recurring non-standard allocation procedures. These statewide functions will be performed in the Statewide Automated System (SWS).

Definition of Statewide Allocation

The definition of statewide allocation is the process of determining to which non custodial parent's (NCP) cases support collections are to be applied, based on information in SWS. For IV-D cases, collections are allocated between and among all eligible NCP's cases within the state based upon the payment source as identified by the State Disbursement Unit (SDU) and the corresponding allocation rules as defined by policy.

Non IV-D collections, made through wage assignments, will normally be allocated based on employer designation. Employers have been allocating non IV-D wage withholdings in accordance with Family Code Section 5238 and will continue to do so upon redirection of non IV-D payments to the SDU. The implementation of the SDU will enable employers to send wage assignment payments to one place with one check for all of their IV-D and non IV-D wage withholding collections.

Implementation of Statewide Allocation

Statewide allocation represents a shift from a local perspective to a statewide perspective for managing IV-D child support collections and payment transactions. Statewide allocation among all IV-D NCP cases will begin on Monday, July 31, 2006, with the implementation of V1.3. The first month of statewide allocation will also be the last month of the county 'lock box' process.

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

Starting September 1, 2006, the county 'lock box' process will be eliminated and the commencement of full redirection of IV-D collections and non IV-D wage withholding processing will begin. The SDU will continue to process support collections for the IV-D program and the SDU will begin to process the non IV-D wage assignment collections previously sent to individuals.

DCSS is working with CSDA to develop and deliver additional "just in time" training on statewide allocation that would include a discussion of typical business scenarios that may occur once Version 1.3 is put into production. DCSS is also considering the development of additional training information in preparation for the implementation of non IV-D payment processing to assist LCSAs in preparing for customer contacts.

Employer Payments

Effective September 1, 2006, the Department of Child Support Services (DCSS) will be responsible for only processing wage assignment collections for non IV-D cases. Upon full statewide implementation of V1.3, employers may submit one payment to the SDU for all of their IV-D and non IV-D wage assignment collections as required by law. Employers will be required to submit detailed information that contains identifying case payment data with each remittance. The remittance must have separate line item details for each payment allocated by an employer to a non IV-D case, including the state provided non IV-D case identification number and employer provided payment information. When the SDU identifies a collection to a participant, the participant will be matched in the Participant Match File to see if the participant is one of the following:

- A multiple non IV-D case – with more than one non IV-D cases
- A mixed case – with one or more IV-D case(s) and one or more non IV-D case(s)

If one of the above configurations is determined, then the SDU will capture any available case number.

The processing of non IV-D collections will follow the non IV-D allocation rules, which are to allocate based on the employer's designation. The SWS will "pass through" these non IV-D collections to the custodial parties (CPs) based on the non IV-D case number and payment designation provided by employers. The IV-D collections will follow the IV-D allocation rules as defined in Manual of Policies and Procedures (MPP) Section 12-415. SWS will send the allocation instructions to ACSES Replacement System (ARS) and California Automated Support Enforcement System (CASES); however, DCSS is aware that ARS and CASES may reallocate per existing business rules in these systems.

In the event the NCP has multiple IV-D cases, the IV-D collections may be allocated differently due to the implementation of statewide allocation because the allocation will now take into consideration all the NCP's cases in the State.

Managing Statewide Allocation

The implementation of statewide allocation in SWS represents a shift from a local perspective for managing IV-D child support transactions to a statewide perspective. It also introduces the need to manage non IV-D child support wage withholding collection and payment transactions. In order to accommodate this shift to a centralized financial management approach, the role of a Centralized Financial Worker (CFW) has been developed. CFW responsibilities will be performed by both DCSS and LCSA staff:

- DCSS CFW (CFW-D) – DCSS staff who will manage non IV-D only or a combination of IV-D and non IV-D financial operations. DCSS will also be responsible for the assignment of multiple county tasks to the LCSAs.
- LCSA CFW (CFW-L) – LCSA staff who will manage statewide financial operations, including operations affecting multiple LCSAs.

The SWS Centralized Financial Worker (CFW) Training, Module 24, will provide information on the CFW responsibilities. The SWS Quick Reference Guide for allocation, suspended collections and communication will be available the middle of July.

Payment Sources

For purposes of identifying and properly allocating all types of collections received by the SDU, DCSS has developed an official list of payment sources. This list was developed to ensure consistency when processing collections received by the SDU. Attachment A provides the comprehensive list of payment sources that will be used for V1.3 statewide allocation. The table lists each payment source, abbreviation and corresponding allocation rule.

The SDU is required to identify payment sources to participants and forward this information to SWS. SWS will capture any additional data elements that are required for specific payment sources that are needed for allocation process. SWS will allocate based on this data and then send the collection to ARS and CASES.

For Informational purposes only, Attachment B lists the rules for payment processing and displays each payment source with any additional data elements that are required for statewide allocation.

Allocation Rules

Allocation rules are assigned to each payment source to ensure consistency in the application of collections to cases within SWS. The allocation rules determine how both current support and arrears are split between and among cases. Once collections are allocated, the distribution within each case will follow the established distribution hierarchy as defined in MPP 12-420. Listed below are the allocation rules that will be used on a statewide basis:

1. Single Case – Apply the full collection to the specified case.
2. All Obligor Cases – Prorate the collection among all the NCP's cases with an order.
3. Cases Included in Enforcement Action – Prorate the collection among the NCP's cases for which the similar enforcement action has been taken. For example, an employer wage withholding and an insurance wage withholding are considered similar enforcement actions.
4. Repayment of a Receivable – Apply the collection to the CP's receivable account.
5. IDB Pre-Allocated – Apply the collection as designated by IDB based on the requested intercept.

Allocation rules determine how collections are to be applied to cases. When a collection from a NCP with more than one case is received, the payment shall be either applied to a specific case and distributed within the case based on the case status, or allocated between multiple cases depending upon the payment source and distributed within the case based on the case status. If the collection is not sufficient to satisfy the current support obligations for all of the participant's cases, then the collection is allocated proportionately based on the current support amount for all the participant's cases. IV-D allocation of payments in multiple cases may be found in MPP 12-415. If the collection is sufficient to satisfy the current support amount for all the participant's cases, then any remainder is allocated to satisfy the arrears for all the participant's cases. Arrears collections on IV-D cases are allocated based on a proportional share of the total arrears balance for each of the participant's cases and not based on the proportional share of the monthly installment amount.

LCSAs are not responsible for the non IV-D cases; however, LCSAs need to be aware of the types of allocation scenarios that may occur for a participant with more than one case. There are three types of scenarios that may represent the obligations of a participant:

1. IV-D Allocation - one or more IV-D case(s).
2. Non IV-D cases - one or more non IV-D case(s).
3. Mixed Allocation - one or more IV-D case(s) with one or more non IV-D case(s).

IV-D Allocation – One or More IV-D Case(s)

Under IV-D statewide allocation, a NCP's child support collection may be allocated across all eligible IV-D cases within the State. Eligibility will be based on the payment source as identified by the SDU and the allocation will follow the corresponding allocation rule as defined by State policy. Previously, most child support collections were allocated across all eligible IV-D cases within an individual LCSA and allocation did not cross the LCSA boundaries.

Upon implementation, SWS is to perform statewide allocation of IV-D collections in accordance with the rules and formulas specified by the State. The system will have the statewide information to determine those cases with current support obligations and those with arrears. By utilizing this additional information in SWS, CPs may experience payment changes that may differ from their historical payments. Payment changes may be seen in the dollar amount received, and/or in the timing of when a CP may receive payment.

All current support obligations must be satisfied prior to allocating collections to arrears installment payments (excluding Internal Revenue Service (IRS) Intercept collections). If collections are not sufficient to cover all of the NCP's obligations, then the collection will be prorated among all the participant's cases per the rules defined by policy in MPP 12-415. Once the collections are allocated on a statewide basis, the distribution rules for each case will continue to follow the distribution hierarchy as specified in MPP 12-420. See Attachment C for IV-D allocation examples.

Non IV-D Allocation – One or More Non IV-D Case(s)

DCSS is responsible for processing wage assignment collections for non IV-D cases. Non IV-D allocation is based on the employer's designation of the collection to a specific non IV-D case.

Through outreach to employers, non IV-D cases will be established in SWS by the employers providing the SDU Service Provider (SP) with information on active non IV-D wage withholding orders. The employers are responsible for submitting the data from the Order/Notice to Withhold Income for Child Support, Family Law 195 Form (FL 195) for each non IV-D wage withholding case. Upon receipt, the SP will enter the FL 195 data into SWS to establish a participant case number. This participant case number will be routed back to employers with instructions for payment remittance. These instructions state that the employers are required to submit the non IV-D case number and the allocation instructions with each non IV-D wage withholding collection sent to the SDU, thereby designating the collection to a specific case.

Employers are mandated by Family Code Section 5238, and by instructions provided with each wage assignment, on how wage assignment allocation is to be handled for participants with multiple withholding orders. This section requires that when there are multiple assignment orders for the same employee, the employer shall prorate the withheld collection in the event the NCP's obligations exceed the maximum withholding limits. With each payment, employers will be required to submit a remittance that will designate the participant on whose behalf the collection is being made, the amount withheld and the case(s) to which the collection(s) is to be applied.

Non IV-D collections will be "passed through" to the non IV-D CP. SWS will record the collection amount received and forward money to the CP. DCSS will rely upon the employer's direction for allocation for non IV-D cases.

CFW-Ds are responsible for resolving all non IV-D allocation issues. In addition, customer service for non IV-D employers, CPs and NCPs will be the responsibility of the SP's Customer Service Center (CSC) and not the LCSAs. The responsibilities of the CSC will eventually transition from the SP to the DCSS Operations staff.

See Attachment C for non IV-D allocation examples.

Mixed Allocation - One or more IV-D case(s) with one or more Non IV-D case(s)

Federal law does not specify how allocation is to occur when a collection is received for a participant with both IV-D and non IV-D cases. Federal law requires that support be "allocated," but does not specify amounts. The DCSS IV-D allocation rules can not be used for non IV-D cases because SWS will not contain all information about non IV-D cases. Some of the unknown case information would include arrears balances that make allocation based on proportionate total arrears balances not feasible.

In addition, DCSS will not know when non IV-D arrears are paid off and/or when they accrue; therefore, SWS will not contain sufficient information to accurately allocate between IV-D and non IV-D cases. DCSS must rely on the employer's designation for allocating between IV-D and non IV-D cases.

In the event a collection is received from an employer on behalf of a participant, with both IV-D and non IV-D active wage withholdings, and the participant is identified as having a mixed case status, and the employer designation indicates the collection only to the IV-D case(s), the system will allocate the collection to all of the participant's eligible IV-D case(s) per DCSS policy.

The first time a collection is received from an employer on behalf of a participant, with both IV-D and non IV-D active wage withholdings, and the participant is identified as having a mixed case status, and the employer designation is only for the non IV-D case(s), the system will suspend the collection. These suspended collections will be worked by the CFW-D who will be required to confirm that a payment was also made on the IV-D case(s), verifying that the employer is allotting collections to both IV-D and the non IV-D cases. It may be necessary to contact the employer so the collection in question can be properly allocated between the IV-D and non IV-D cases. The employer may be required to re-designate the original instruction so that the IV-D and the non IV-D case(s) will each receive a portion of the collection. Once the CFW-D has confirmed that a payment was made on the IV-D cases as well, the CFW-D can release the collection and mark the non IV-D case so that future collections will not be suspended.

If the employer did not properly allot a portion of the withholding to the participant's IV-D case(s), the CFW-D is required to educate the employer so that allocation will be done correctly with future collections. The CFW-D will adjust the suspended item to create separate IV-D and non IV-D logical collections and then release the collection so that the SWS will reallocate using this updated information.

If CFW-Ls become aware of any issues that may affect the collection or allocation in a mixed case they are to contact the CFW-D. CFW contact information will be posted on the CCSAS Implementation Management e-Tool (CIME) website. CFW-Ds are responsible for coordinating customer service for employers with mixed case participants and resolving issues involving the non IV-D case. The LCSA will continue to be responsible for the customer service for the IV-D case.

The ultimate responsibility of resolving issues with mixed cases fall on the CFW-D; however, the CFW-L, in an effort to expedite processing, may assist in resolving issues on a voluntary basis.

Additional information on the allocation of mixed cases will be forthcoming in a separate DCSS letter. See Attachment C for mixed IV-D and non IV-D allocation examples.

Exception To Statewide Allocation Processing

There may be instances when statewide allocation will not meet operational needs due to special circumstances, such as court order actions, disputes, and/or alternative processing of payments. Lien payment sources and contempt payment sources have been identified as requiring alternative processing. Information and procedures for these items will be forthcoming in a separate DCSS letter. CFWs may need to initiate statewide exception processing for participants who have cases in more than one county and/or participants with non IV-D cases. Statewide allocation exception processing will be a CFW function that may be used to place allocation holds, release suspended payments, perform non-standard allocation, and set up recurring nonstandard allocation instructions in order to meet statewide business needs.

Statewide Allocation Holds and Suspended Collections

The CFW-L may place a statewide allocation hold to prevent the misallocation of money for participants with cases in more than one county and the CFW-D may place allocation holds to prevent future adjustments. An allocation hold is a user initiated action that may be placed on a participant based on a payment source. The purpose of this hold is to ensure that when a collection is received, it suspends from automatically processing in SWS. SWS will suspend collections placed on hold so the CFW can review the collection and all the participant's cases and then perform special processing as necessary.

The CFW that places the allocation hold is also responsible for releasing the hold and for working any suspended collections resulting from the hold. When setting an allocation hold, the end date defaults to 30 days; however, the CFW has the flexibility to change and/or update the end date. Upon commencement of the end date or release of a hold, incoming collections will allocate per SWS, but all suspended collections from a hold will remain in suspense until the CFW that initiated the hold releases it. When placing a statewide allocation hold, it is the responsibility of the CFW who placed the hold to communicate with other CFWs that may be affected by this action.

Allocation Holds and Non-Standard Allocation Instructions

Suspended collections resulting from an allocation hold may be released by accepting the standard allocation as designated by SWS or by entering non-standard allocation instructions. CFWs may enter non-standard allocation instructions when the normal statewide allocation hierarchy will not serve the intended statewide business needs. When performing statewide non-standard allocation instructions, it is the responsibility of the CFW to communicate with other CFWs that may be affected by this action.

System Suspended Payments

SWS will suspend collections when the data necessary to perform statewide allocation is not found. The responsible entity for working these suspended items is determined by either by the SWS or by CFW-Ds. DCSS has specific business rules for designating a responsible entity when multi-county suspense collections occur. These rules were developed in Change Request 0025.

System suspended collections will be assigned so that the cases in question can be reviewed and updated for SWS standard allocation or for non-standard allocation instructions. If a suspended payment is adjusted from one logical collection to multiple collections, then the CFW may only need to verify that the SWS reallocation was done properly. If a collection was allocated incorrectly and distribution transactions need to be corrected, then the CFW may need to use non standard allocation to reallocate all or a portion of the collection. CFWs are to communicate with each other when statewide allocation exception processing is performed.

DCSS is in the process of developing a central point of contact for CFW support. The goal of this group is to set up process for receiving, tracking, analyzing and assigning a responsible party for all issues submitted by CFWs.

Recurring Non-Standard Allocation Instructions

CFW-Ls and CFW-Ds can enter recurring non-standard allocation instructions that will allow SWS to process collections that are received within a specific period of time. Recurring non-standard allocation instructions will override the SWS allocation instructions and must be used with caution. These recurring non-standard instructions are percentage-based because they are intended to process future collections and the dollar amount of future collections is not always known.

CSS Letter: 06-24
July 5, 2006
Page 10

Please refer to the SWS CFW Training, Module 24, for more information on CFW responsibilities.

If you have any questions or concerns regarding this matter, please contact Trish Salveson, Manager, Financial Management Policy Unit, at (916) 464-5226.

Sincerely,
/os/

Karen Echeverria
Deputy Director
Child Support Services Division

Attachments

| VI I.3 Statewide Allocation | | |
|---------------------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Payment Source | Abbreviation | Allocation Rules |
| | | <p>(1) Single Case – Allocate payments to a specific NCP case.</p> <p>(2) All Obligor Cases - Allocate payments to All Obligor Cases with an order for support regardless if an enforcement action was taken on that order or case.</p> <p>(3) Cases included in enforcement Action – Allocate payments to all NCP cases included in the similar enforcement action. For example, an employer wage withholding and an insurance wage withholding are considered similar enforcement actions.</p> <p>(4) Repayment of Receivable</p> <p>(5) IDB Pre-Allocated</p> |
| Bankruptcy Trustee – Claim Against Bankruptcy Protection Plan | BKR | 3 |
| California State Lottery | LOT | 5 |
| CP Repayment of Overpayment | CPR | 4 |
| EDD – Disability Insurance Benefit Intercept | DIB | 2 |
| EDD –Unemployment Insurance Benefit Intercept | UIB | 2 |
| Income Withholding Order (Includes QDROs) | WIH | 3 |
| Insurance Companies – CIIP Lien | CIL | 3 |
| Insurance Companies – CIIP Withholding | CIW | 3 |

| VI I.3 Statewide Allocation | | |
|------------------------------------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Payment Source | Abbreviation | Allocation Rules |
| | | <p>(1) Single Case – Allocate payments to a specific NCP case.</p> <p>(2) All Obligor Cases - Allocate payments to All Obligor Cases with an order for support regardless if an enforcement action was taken on that order or case.</p> <p>(3) Cases included in enforcement Action – Allocate payments to all NCP cases included in the similar enforcement action. For example, an employer wage withholding and an insurance wage withholding are considered similar enforcement actions.</p> <p>(4) Repayment of Receivable</p> <p>(5) IDB Pre-Allocated</p> |
| Interstate Collection – EFT (Applicable fees are included) | INT | 1 |
| Interstate Collection - Payment Instrument (Applicable fees are included) | INT | 1 |
| NCP Judgment Debtor Examination Asset Turn Over Order | NCJ | 1 |
| NCP Lien Against Civil Suit or Probate Case | NCL | 3 |
| NCP Regular Payment | REG | 2 |
| Security of Deposit of Assets/Security Deposit of Money | SEC | 1 |
| Voluntary Military Allotments | VMA | 2 |

| VI I.3 Statewide Allocation | | |
|------------------------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Payment Source | Abbreviation | Allocation Rules |
| | | <p>(1) Single Case – Allocate payments to a specific NCP case.</p> <p>(2) All Obligor Cases - Allocate payments to All Obligor Cases with an order for support regardless if an enforcement action was taken on that order or case.</p> <p>(3) Cases included in enforcement Action – Allocate payments to all NCP cases included in the similar enforcement action. For example, an employer wage withholding and an insurance wage withholding are considered similar enforcement actions.</p> <p>(4) Repayment of Receivable</p> <p>(5) IDB Pre-Allocated</p> |
| Wage Withholding Order Insurance Payments (Reoccurring Payments) | INR | 3 |
| Workers Comp Lump Sum Lien | WCL | 3 |
| Workers Comp of Recurring Benefits (Withholding) | WCR | 3 |
| Writ of Execution | WRT | 3 |
| Writ of Execution of Lump Sum Insurance Settlement | INW | 3 |
| Dept of Treasury – FMS - Administrative Offsets | FMS | 5 |
| Dept of Treasury – FMS – IRS Tax Intercept | IRS | 5 |
| Dept of Treasury – IRS Full Collection | IFC | 1 |

| VI I.3 Statewide Allocation | | |
|----------------------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Payment Source | Abbreviation | Allocation Rules |
| | | <p>(1) Single Case – Allocate payments to a specific NCP case.</p> <p>(2) All Obligor Cases - Allocate payments to All Obligor Cases with an order for support regardless if an enforcement action was taken on that order or case.</p> <p>(3) Cases included in enforcement Action – Allocate payments to all NCP cases included in the similar enforcement action. For example, an employer wage withholding and an insurance wage withholding are considered similar enforcement actions.</p> <p>(4) Repayment of Receivable</p> <p>(5) IDB Pre-Allocated</p> |
| FTB - California State Tax Intercept | FTB | 5 |
| Child Support Full Collection (Previously FTB Full Collection) | FTF | 3 |

V1.3 Payment Source Document

| Payment Sources | Data Elements | SDU | SWS |
|----------------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General Rules: | | <p>1) SDU captures at least 2 elements for identification. If a match is found the payment is considered identified; if a match is not found it is unidentified and all available information will then be captured; 2) SDU forwards captured data and CCSAS PMF Participant ID (if identified) to SWS; 3) All IDB and EFT data provided to and received by SDU will be sent to SWS along with PMF CCSAS Participant ID, if identified, unless otherwise noted.</p> | <p>1) If payment is identified by SDU, SWS captures additional data and sends collection to counties. 2) If payment is not identified by SDU, SWS attempts to identify using SDU-provided data; if then identified, SWS captures additional data and sends collection to counties; if still not identified, SWS sends collection back to the SDU as unidentified. 3) All IDB and EFT data that is forwarded by the SDU and received by SWS will be sent to ARS/CASES unless otherwise noted</p> |
| All Payment Sources | Owing Party Last Name | Captured if provided. | Used to confirm payment identification and to derive additional data |
| | Owing Party SSN | Captured if provided. | Used to confirm payment identification and to derive additional data |

V1.3 Payment Source Document

| Payment Sources | Data Elements | SDU | SWS |
|-----------------|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Other Identifier | If the second element is needed to match to PMF, the information will be captured if provided. If a match is found, the Other Identifier will be designated to be the type of identifier to which it matched, except for legacy identifiers which will remain designated as an unknown identifier. If no match found, the Other Identifier will be designated as an unknown identifier. | Used to confirm payment identification and to derive additional data; however, SWS does not use identifiers that are in the unknown identifier field. |
| | LCSA Participant Last Name (primary) | Not captured by SDU | SWS derives this using SDU-provided data and sends to ARS/CASES. |
| | LCSA Participant First Name (primary) | Not captured by SDU | SWS derives this using SDU-provided data and sends to ARS/CASES. |
| | LCSA Participant Middle Name or Initial (primary) | Not captured by SDU | SWS derives this using SDU-provided data and sends to ARS/CASES. |
| | LCSA Participant Number | Not captured by SDU | SWS derives this using SDU-provided data and sends to ARS/CASES. |

V1.3 Payment Source Document

| Payment Sources | Data Elements | SDU | SWS |
|-----------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | LCSA Case Number | Not captured by SDU | SWS derives this using SDU-provided data and sends to ARS/CASES. |
| | SDU Date of Receipt | Date of Receipt is always captured and provided. For Paper Payments: This is set at the OPEX and is always the date that the data will be extracted (The 5pm Time). For ACH Credit Payments: This is set from the 5 Record Settlement Date from the NACHA record. For IDB/CSR: This number is the date the file is released, the same day that the SDU receives notice of deposited funds at DCSS. | SDU Date of Receipt is considered to be the date of collection per DCSS policy. SWS uses Date of Receipt to populate Date of Collection (LBX-COLDT) and Date of Receipt (LBX-RECDT) in Allocation File and sends to ARS/CASES. |
| | Amount of Collection | Required, always captured | SDU sends the information to SWS, and SWS sends to ARS/CASES. Amounts in Received Collections file must be positive or it is rejected. (negative amounts are received as adjustments via the FMS Negative Adjustments file) |

| V1.3 Payment Source Document | | | |
|---------------------------------------------------------------------------|----------------------|-----------------------------------------------------------------------------------|------------|
| Payment Sources | Data Elements | SDU | SWS |
| V1.3 Payment Source Document | | | |
| Each Payment Source | Abbreviation | Additional Data Elements to be captured by the SDU (if provided) | |
| Bankruptcy Trustee – Claim Against Bankruptcy Protection Plan | BKR | Court Order Number | |
| California State Lottery | LOT | All data provided by IDB | |
| CP Repayment of Overpayment | CPR | No other information identified at this time | |
| EDD – Disability Insurance Benefit Intercept | DIB | All data provided by IDB | |
| EDD –Unemployment Insurance Benefit Intercept | UIB | All data provided by IDB | |
| Income Withholding Order (Includes QDROs) | WIH | CCSAS Case Number (for Non IV-D only) No additional data needed for IV-D payments | |
| Insurance Companies – CIIP Lien | CIL | Court Order Number | |
| Insurance Companies – CIIP Withholding | CIW | Court Order Number | |
| Interstate Collection – EFT (Applicable fees are included) | INT | Case Number | |
| Interstate Collection - Payment Instrument (Applicable fees are included) | INT | Case Number | |
| NCP Judgment Debtor Examination | NCJ | Court Order Number | |

V1.3 Payment Source Document

| Payment Sources | Data Elements | SDU | SWS |
|------------------------------------------------------------------|---------------|--------------------------------------------------------|-----|
| Asset Turn Over Order | | | |
| NCP Lien Against Civil Suit or Probate Case | NCL | Court Order Number | |
| NCP Regular Payment | REG | No other information needed | |
| Security of Deposit of Assets/Security Deposit of Money | SEC | Case Number | |
| Voluntary Military Allotments | VMA | No other information needed | |
| Wage Withholding Order Insurance Payments (Reoccurring Payments) | INR | No other information needed | |
| Workers Comp Lump Sum Lien | WCL | Court Order Number and Worker Comp Claim Number | |
| Workers Comp of Recurring Benefits (Withholding) | WCR | Court Order Number | |
| Writ of Execution | WRT | Court Order Number | |
| Writ of Execution of Lump Sum Insurance Settlement | INW | Court Order Number | |
| Dept of Treasury – FMS - Administrative Offsets | FMS | All data provided by IDB | |
| Dept of Treasury – FMS – IRS Tax Intercept | IRS | All data provided by IDB | |
| Dept of Treasury – IRS Full Collection | IFC | Case Number | |
| FTB - California State Tax Intercept | FTB | All data provided by IDB | |
| Child Support Full Collection (Previously FTB Full Collection) | FTF | Court Order Number | |

| IV-D Allocation – Current Versus Arrears Collections | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Total NCP Wage Assignment Provisions and Balances <ul style="list-style-type: none"> • Case 1 \$500 Current Support \$0 Arrears • Case 2 \$0 Current Support \$200 Arrears | First Wage Withholding Amount <ul style="list-style-type: none"> • Case 1 \$250 • Case 2 \$100 | Second Wage Withholding Amount <ul style="list-style-type: none"> • Case 1 \$250 • Case 2 \$100 |
| | Statewide Allocation <ul style="list-style-type: none"> • Case 1 \$350 • Case 2 \$0 | Statewide Allocation <ul style="list-style-type: none"> • Case 1 \$150 • Case 2 \$200 |
| Description of Allocation | | |
| <p>Case 1 received a larger portion of the obligation in the first collection because all current support must be met before arrears can be paid. Case 2 received the full obligation at the end of the month because Case 1 has no arrears and Case 2 has an arrears obligation.</p> | | |

| IV-D Allocation - Current Versus Arrears and Prorated Collections | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total NCP Wage Assignment Provisions and Balances <ul style="list-style-type: none"> • Case 1 \$300 Current Support \$50 Arrears • Case 2 \$500 Current Support \$50 Arrears • Case 3 \$0 Current Support \$150 Arrears | First Scheduled Collection per wage assignment \$525 <ul style="list-style-type: none"> • Case 1 \$175 • Case 2 \$275 • Case 3 \$75 | Second Scheduled Collection per wage assignment \$525 <ul style="list-style-type: none"> • Case 1 \$175 • Case 2 \$275 • Case 3 \$75 |
| | Collection Received | First Actual Collection Received \$350 |
| Calculations for Pro-ration <p>Current support total \$800</p> <ul style="list-style-type: none"> • Case 1 $300/800=37.5\%$ • Case 2 $500/800=62.5\%$ <p>Arrears total \$ 80,000</p> <ul style="list-style-type: none"> • Case 1 $10,000/80,000= 12.5\%$ • Case 2 $30,000/80,000= 37.5\%$ • Case 3 $40,000/80,000= 50\%$ | Statewide Allocation <p>Case 1</p> <ul style="list-style-type: none"> • \$131.25 Current (\$350 x 37.5%) • Arrears \$0 <p>Case 2</p> <ul style="list-style-type: none"> • \$218.75 Current (\$350 x 62.5%) • Arrears \$0 <p>Case 3</p> <ul style="list-style-type: none"> • \$0 Arrears | Statewide Allocation <p>Case 1</p> <ul style="list-style-type: none"> • \$168.75 Current (\$300 current obligation - \$131.25 previously paid) • \$6.25 Arrears (\$50 x 12.5%) <p>Case 2</p> <ul style="list-style-type: none"> • \$281.25 Current (\$500 current obligation - \$218.75 previously paid) • \$18.75 Arrears (\$50 x 37.5%) <p>Case 3</p> <ul style="list-style-type: none"> • \$25 Arrears (\$50 x 50%) |

| IV-D Allocation - Current Versus Arrears and Prorated Collections |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Case 1 and Case 2 received prorated current support in the first payment. The second payment was allocated to meet remaining current obligations for Case 1 and Case 2. The remaining dollar amount was prorated based on the proportional share of the total arrears balances for Case 1, Case 2 and Case 3. The NCP's monthly obligation was short by \$200.</p> |

| Non IV-D Allocation - Current Versus Arrears Collections | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total NCP Wage Assignment Provisions and Balances <ul style="list-style-type: none"> • Case 1 \$500 Current Support \$0 Arrears • Case 2 \$0 Current Support \$200 Arrears | First Wage Withholding Amount <ul style="list-style-type: none"> • Case 1 \$250 • Case 2 \$100 | Second Wage Withholding Amount <ul style="list-style-type: none"> • Case 1 \$250 • Case 2 \$100 |
| | Allocation as Designated by Employer Payment and Remittance <ul style="list-style-type: none"> • Case 1 \$250 • Case 2 \$100 | Allocation as Designated by Employer Payment and Remittance <ul style="list-style-type: none"> • Case 1 \$250 • Case 2 \$100 |
| Case 1 and Case 2 received the obligation amount as designated by the employer remittance regardless of the current versus arrears support case status, because these amounts are unknown to the system. | | |

| Non IV-D Allocation - Current Versus Arrears and Prorated Payments | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total NCP Wage Assignment Provisions and Balances <ul style="list-style-type: none"> • Case 1 \$300 Current Support \$50 Arrears • Case 2 \$500 Current Support \$50 Arrears • Case 3 \$ 0 Current Support \$150 Arrears Arrears total <ul style="list-style-type: none"> • Case 1 \$10,000 • Case 2 \$30,000 • Case 3 \$40,000 | First Wage Withholding Amount \$525 <ul style="list-style-type: none"> • Case 1 \$175 • Case 2 \$275 • Case 3 \$75 | Second Wage Withholding Amount \$525 <ul style="list-style-type: none"> • Case 1 \$175 • Case 2 \$275 • Case 3 \$75 |
| | Allocation as Designated by Employer Payment and Remittance <ul style="list-style-type: none"> • Case 1 \$150 • Case 2 \$275 • Case 3 \$50 | Allocation as Designated by Employer Payment and Remittance <ul style="list-style-type: none"> • Case 1 \$175 • Case 2 \$275 • Case 3 \$75 |
| Case 1, Case 2 and Case 3 received the obligation amount as designated by the employer remittance regardless of the current versus arrears support case status, because these amounts are unknown to the system. | | |

| Mixed IV-D And Non IV-D Allocation - Current Versus Arrears Payments | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total NCP Wage Assignment Provisions and Balances <ul style="list-style-type: none"> • Case 1/IV-D \$500 Current Support \$0 Arrears • Case 2 /Non IV-D \$0 Current \$200 Arrears | First Wage Withholding Amount <ul style="list-style-type: none"> • Case 1 \$250 • Case 2 \$100 | Second Wage Withholding Amount <ul style="list-style-type: none"> • Case 1 \$250 • Case 2 \$100 |
| | Allocation as Designated by Employer Payment and Remittance <ul style="list-style-type: none"> • Case 1 \$250 • Case 2 \$100 | Allocation as Designated by Employer Payment and Remittance <ul style="list-style-type: none"> • Case 1 \$250 • Case 2 \$100 |
| | Statewide Allocation <ul style="list-style-type: none"> • Case 1 \$250 • Case 2 \$100 | Statewide Allocation <ul style="list-style-type: none"> • Case 1 \$250 • Case 2 \$100 |
| <p>Case 1 and Case 2 received the obligation amount as designated by the employer remittance. The Case 1 collection was allocated per the DCSS Allocation rules. Case 2 was allocated per the employer remittance regardless of the current verses arrears support case status, because these amounts are unknown to the system.</p> | | |

Mixed IV-D And Non IV-D Allocation - Current Versus Arrears and Prorated Payments

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Total NCP Wage Assignment Provisions and Balances</p> <ul style="list-style-type: none"> • Case 1/IV-D \$300 Current Support \$50 Arrears • Case 2 / IV-D \$500 Current Support \$50 Arrears • Case 3/ Non IV-D \$0 Current Support \$150 Arrears <p>Arrears total</p> <ul style="list-style-type: none"> • Case 1 \$10,000 • Case 2 \$30,000 • Case 3 \$40,000 | <p>First Wage Withholding Amount \$525</p> <ul style="list-style-type: none"> • Case 1 \$175 • Case 2 \$275 • Case 3 \$75 | <p>Second Wage Withholding Amount \$525</p> <ul style="list-style-type: none"> • Case 1 \$175 • Case 2 \$275 • Case 3 \$75 |
| <p>Calculations for Pro-ration</p> <p>Current support total \$800</p> <ul style="list-style-type: none"> • Case 1 $300/800=37.5\%$ • Case 2 $500/800=62.5\%$ <p>IV-D Arrears total \$ 40,000</p> <ul style="list-style-type: none"> • Case 1 $10,000/40,000=25\%$ • Case 2 $30,000/40,000=75\%$ | <p>Statewide Allocation</p> <ul style="list-style-type: none"> • Case 1 \$159.38 Current ($\\$425 \times 37.5\%$), \$0 Arrears • Case 2 \$265.62 Current ($\\$425 \times 62.5\%$), \$0 Arrears • Case 3 \$75 | <p>Statewide Allocation</p> <ul style="list-style-type: none"> • Case 1 \$140.62 Current ($\\300 current obligation – $\\$159.38$ previously paid), \$18.75 Arrears ($\\$75 \times 25\%$) • Case 2 \$234.38 Current ($\\500 current obligation – 265.62 previously paid) \$56.25 Arrears ($75 \times 75\%$) • Case 3 \$75 |
| <p>The amount received in the first payment for Case 1 and Case 2 was lumped together and prorated for current support. Case 3 received the amount as allocated by the employer payment and remittance. The amount received for the second payment for Case 1 and Case 2 was lumped together and the remaining current obligations was allocated first and then the remaining balance was prorated based on the proportional share of the arrears balances for Case 1 and Case 2. Case 3 received the amount as allocated by the employer payment and remittance.</p> | | |