

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

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



October 5, 2009

CSS LETTER: 09-13

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

<u>Reason for this Transmittal</u>
<input type="checkbox"/> State Law or Regulation Change
<input type="checkbox"/> Federal Law or Regulation Change
<input type="checkbox"/> Court Order or Settlement Change
<input type="checkbox"/> Clarification requested by One or More Counties
<input checked="" type="checkbox"/> Initiated by DCSS

SUBJECT: PROCESSING FOR LOCALLY RECEIVED PAYMENTS

SUPERSEDES: CSS LETTER 07-08

This letter communicates updated policy and procedures for child support payments received directly by a Local Child Support Agency (LCSA). This letter provides an overview of Child Support Enforcement (CSE) system functionality and the optional Cashier and Payment Manager (CPM) system designed to augment CSE functionality. CSE is the official system for recording local receipts. LCSAs are required to record locally received payments in CSE whether or not they choose to use the CPM application. LCSAs who choose to accept locally received payments shall adhere to the bonding responsibilities of the Plan of Cooperation (POC) under the "Bonding" section.

Local Receipt Payment ProceduresCash Payments

A cash payment received by the LCSA, should be remitted daily to the State Disbursement Unit (SDU) by either: (1) check or money order along with completed local receipts created in CSE or transmittal reports produced by CSE or (2) Electronic Funds Transfer (EFT) via the CPM application. LCSAs should no longer use the Department of Child Support Services (DCSS) USPS Express Mail Corporate Account. This account will be closed on October 30, 2009. LCSAs that remit by EFT should not send completed local receipt forms or transmittal reports because the data is captured in the EFT file.

If there is a shortage or loss of cash collections, (e.g., LCSA received \$300 cash, but created a receipt for \$400) immediately contact CCSAS Business Problems.

Misdirected Non-Cash Payments

A misdirected non-cash payment is a payment received by mail at the LCSA. The LCSA should open all mail received. The LCSA should only forward misdirected payments and payment documents (e.g., check, payment advice and envelope) daily to the SDU. LCSAs should no longer use the DCSS USPS Express Mail Corporate

Account. This account will be closed on October 30, 2009. These payments should not be endorsed or deposited by the LCSA. The LCSA is not required to create local receipts for misdirected payments.

Walk-In Non-Cash Payments

A walk-in non-cash payment is a payment received in person at the LCSA. The acceptance of walk-in non-cash payments is strongly discouraged. The LCSA should encourage payers to remit payments directly to the SDU. Accepted walk-in non-cash payments should be forwarded daily to the SDU along with completed local receipts created in CSE or transmittal reports produced by CSE. LCSAs should no longer use the DCSS USPS Express Mail Corporate Account. This account will be closed on October 30, 2009. These payments should not be endorsed or deposited by the LCSA.

Receipt Handling

One copy of the CSE or CPM local receipt should be provided to the payer for walk-in payments accepted by a LCSA. LCSAs will be financially responsible for receipts given in excess of cash received. If there is an unresolved discrepancy, then the receipt given to the NCP should be considered correct and valid. Please contact CCSAS Business Problems if additional assistance is required to resolve any discrepancies.

Reconciliation and Forwarding Requirements

At the end of each day that cash and non-cash receipts are collected and/or deposited (or converted to another financial instrument), the LCSA must reconcile the receipts to the local payments recorded in CSE. The Local Receipt Monitoring (FIN-207) report is available in CSE to assist with this process. Each LCSA is responsible for ensuring adequate internal controls in the cashiering and reconciliation functions.

After accounting for the day's receipts, reconcile the total amounts of cash and non-cash financial instruments to the summary page of the FIN-207. Payments recorded in CSE may be reconciled within the CPM application from the Local Payment Transmittal (FIN-208) report.

After reconciling the day's financial instruments and receipts, the LCSA must: (1) remit via EFT or (2) forward the financial instruments and CSE receipts or FIN-208 report to the SDU.

Cashier and Payment Manager Application

The purpose of CPM is to provide enhanced local cashiering controls and to enable processing of EFT files in the Automated Clearing House (ACH) format. CPM is available on the LCSA Secure Website for authorized users. CPM is an optional application composed of cashiering, accounting, reconciling and reporting tools. CPM is the only auxiliary application approved for use to augment CSE cashiering and provide for EFT file generation. A LCSA that elects to use CPM should use CPM consistently for receipting so that CSE and CPM will reconcile.

CPM may be used to:

- Create a local payment audit trail that cannot be altered by cashiers or accounting personnel.
- Produce reports of local payments entered, printed, and voided for each user (batch) and print reports and transmittals for LCSA records.
- Upload receipts from CSE for reconciliation in the Payment Manager component of CPM.
- Reconcile local payments recorded in CSE to actual payments received.
- Generate, view, and transmit ACH files.

Preferred Payment Methods and Outreach

Each LCSA is encouraged to provide all payers bringing payments into the LCSA with information about preferred payment methods, such as: mailing payments to the SDU, paying via the SDU website and the integrated voice response system. These payment methods help participants save time, money and receive quicker credit. The LCSA is encouraged to utilize outreach materials such as the "SDU for You" pamphlet and to direct individuals to the SDU website, <http://www.casdu.com>.

Please contact the DCSS LCSA Helpdesk, LCSA.Helpdesk@dcss.ca.gov, at (916) 464-5380 to request access to the CPM application which provides additional cash handling and accounting functionality. If you have any questions or concerns regarding this letter, please contact Teresa Westervelt at (916) 464-3292.

Sincerely,

/os/

MARK BECKLEY
Deputy Director
Administrative Services Division

cc: Dave Oppenheim, CSDA