

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

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



October 3, 2008

CSS LETTER: 08-13

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

SUBJECT: OVER-COLLECTION AND NON-SUPPORT COLLECTION REFUND
POLICY

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

The purpose of this letter is to define the terms over-collection and non-support collection and to communicate the statewide policy for refunding these two types of collections.

OVER-COLLECTION

An over-collection is a payment for support, received by the State Disbursement Unit (SDU), that cannot be applied in part or in full to a IV-D case because there is no current support or arrearages owing on the case. Only a payment that the Department of Child Support Services (DCSS) has care and control of, and may result in a refund to the obligor or payment remitter, can be categorized as an over-collection. Please note that a payment disbursed to a family, who the Local Child Support Agency (LCSA) subsequently discovers is over paid, is **not** considered an over-collection.

Pursuant to 45 Code of Federal Regulations (CFR), §303.72 and §303.100, states are directed to refund intercepted federal tax refunds and income withholding over-collections within a reasonable time period. DCSS has determined that a reasonable time period is one that will hold a collection for the least amount of time possible while still reducing the risk to the State General Fund due to returned item adjustments (e.g., non-sufficient funds and stop payments), and allowing sufficient time for the LCSA to request the non-custodial parent's (NCP) consent to apply the over-collection to futures. A 15 business day determination period has been selected.

Over-collections from all payment sources, with the exception of NCP Regular Payment (a voluntary payment made by or on behalf of the NCP) and Voluntary Military Allotment, must be refunded to the obligor within 2 business days after the 15 business day determination period (15 business days after the date of distribution). Over-collections from NCP Regular payment source and Voluntary Military Allotment payment source do not require the obligor's consent to apply to futures. Therefore, these two payment sources are not subject to this over-collection refund policy.

NON-SUPPORT COLLECTION

Non-support collections are payments that have been sent to the SDU in error and must be refunded to the remitter within two business days after the 15 day determination period (15 business days after the date the collection was identified as a non-support collection). A collection is not considered to be a non-support collection *until identified as such* by the central financial worker (CFW). If the process to identify a collection as a non-support collection exceeds 15 business days, the CFW must release the collection immediately upon identifying the collection as non-support.

DCSS recognizes that LCSAs will encounter unique case circumstances that may warrant the immediate release of a refund (such as an over-collection resulting from a downward modification of an order that causes a collection that was received by the SDU at least 15 business days prior to be redistributed). These circumstances will need to be reviewed on a case by case basis by DCSS Accounting and Program Policy to determine if the refund can be released immediately. If you encounter such a circumstance, please email CCSAS Business Problems with your request at: CCSASBusinessProblems@DCSS.ca.gov

If you have any questions or concerns regarding this matter, please contact Program Policy at (916) 464-5883.

Sincerely,

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BILL OTTERBECK
Deputy Director