



**David A. Paterson**  
*Governor*

**NEW YORK STATE**  
**OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE**  
40 NORTH PEARL STREET  
ALBANY, NY 12243-0001

**David A. Hansell**  
*Commissioner*

## **Administrative Directive**

### **Section 1**

<b>Transmittal:</b>	08-ADM-10
<b>To:</b>	Local District Commissioners
<b>Issuing Division/Office :</b>	Division of Child Support Enforcement Center for Child Well Being (CCWB)
<b>Date:</b>	November 10, 2008
<b>Subject:</b>	Deficit Reduction Act (DRA) Annual Service Fee for Child Support
<b>Suggested Distribution:</b>	Child Support Enforcement Coordinators Support Collection Unit Supervisors IV-D Attorneys DSS Accounting Staff
<b>Contact Person(s):</b>	Division of Child Support Enforcement at 1-800-343-8859
<b>Attachments Available On-Line:</b>	<input checked="" type="checkbox"/> Attachment A: Notice of Child Support Annual Service Fee (One-Time) Attachment B: Notice of Child Support Annual Service Fee Attachment C: Annual Service Fee FAQs

### **Filing References**

<b>Previous ADMs/INFs</b>	<b>Releases Cancelled</b>	<b>Dept. Regs.</b>	<b>Soc. Serv. Law &amp; Other Legal Ref.</b>	<b>Manual Ref.</b>	<b>Misc. Ref.</b>
			Social Services Law section 111-g		

### **Section 2**

#### **I. Summary**

This Administrative Directive (ADM) and attachments provide you with a description of the implementation of the \$25 annual service fee imposed on states by the federal government for never assistance recipients of child support services, pursuant to the Deficit Reduction Act (DRA) of 2005.

## **II. Purpose**

The purpose of this ADM is to provide a description of the implementation of the child support annual service fee. The ADM identifies what implementation activities will be undertaken by the processing center. It also describes what procedures and forms local districts will use to provide notice of the fee to never assistance applicants, how to update the system to prevent the fee from being imposed on individuals who are determined to be former assistance recipients, how to refund the fee when appropriate, and how to report the fee for fiscal claiming.

## **III. Background**

Section 7310 of the federal Deficit Reduction Act of 2005, Public Law 109-171, requires that States impose a mandatory fee of \$25 for a family that has never received IV-A assistance and for whom the State has collected in excess of \$500 of support during the federal fiscal year. Enabling legislation amending Social Services Law section 111-g was enacted in the State's 2008 Budget requiring that the fee be withheld from support collected (refer to Part Z of Chapter 57 of the laws of 2008 available on ERS). The effective date of the fee in New York is April 1, 2008.

Effective October 1, 2008, the \$25 fee will be withheld from child support collections when more than \$500 is collected during the federal fiscal year. A one-time written notice (Attachment A) of the new fee has been sent by the processing center to never assistance recipients who have never received assistance under the federal Title IV-A program that have a child support case. The notice advises the recipient of the new fee, including the timing of the withholding of the fee amount. On or after October 1, 2008, new, never assistance applicants for child support services will be alerted to the fee requirement by a written notice or by the new application/referral form when it becomes available as provided in these instructions.

This fee is only applicable to never assistance cases. If the Child Support Management System (CSMS) does not indicate that the recipient has received IV-A assistance in either New York State or any other state the recipient will have to notify the processing center or the local district of this fact to avoid paying the fee.

The fee must be imposed in intra and interstate cases by the initiating district or initiating State. Also, while the fee must be imposed in international cases it cannot be collected from the recipient if in another country or the reciprocating country. In such cases, the state child support program will pay the federal share of the fee and the local district will be charged back through the settlement process. If the recipient is in the U.S., the fee may be withheld from support collected.

## **IV. Program Implications**

When the State has collected in excess of \$500 during a federal fiscal year for a never assistance recipient the annual service fee of \$25 will be withheld from subsequent support collected during the federal fiscal year. The imposition of the annual fee will be reported as program income to the federal government.

## **V. Required Action**

### **A. Eligible Accounts**

Accounts that meet the criteria below will be subject to the annual service fee.

1. The first position of the FIPS Code = 1 or 236999.
2. There is an open A group on IVDJSI.
3. The value in the CASE-STAT field on IVDJCA is equal to blank, 4, 5, 7, or 9, all which indicate a never assistance case. The following is a definition of the appropriate CASE-STAT values:

Blank = Never Active TANF/IV-E/MA

4 = Active MA only never TANF/IV-E

5 = MA only out of state

7 = Active Safety Net never TANF/IV-E

9 = Former MA never TANF/IV-E

4. The fee will be collected on applicable initiating interstate cases that have a FIPS Code of 1 in the first digit (retained collections). Cases with a FIPS Code of 2 in the first digit (referred collections) will not be charged a fee by New York State.
5. The fee will be collected on applicable intrastate cases that have a FIPS Code of 1 in the first digit (retained collections). The local district where the recipient has most recently applied for services will withhold the fee from collections.
6. In international cases where the recipient is in another country, the fee must be imposed but cannot be collected from either the recipient or the reciprocating country. As such, for any case that contains a FIPS Code of 999 in the 4<sup>th</sup> – 6<sup>th</sup> positions (i.e., 236999) the state will pay the federal share of the fee and the local districts will be charged back through the settlement process.

### **B. Notice of Fee to Never Assistance Recipients of Services**

Never assistance recipients of child support services will be notified of the fee in one of the following ways:

1. Notice of the annual service fee to current cases: a One-Time Notice (Attachment A) was mailed by the processing center on or about October 1, 2008 to all recipients designated on CSMS as being never assistance to

advise them of the fee. The recipients were provided an opportunity to complete a Return Mailer to notify the processing center if they had been in receipt of IV-A assistance at anytime. The recipients were given until October 24, 2008, to return the mailer (page 2 of the notice) to the processing center to ensure that the system is updated appropriately.

2. Notice of fee to new cases: all new applicants who apply for services after October 1, 2008 must be provided with a copy of the Notice of Annual Child Support Service Fee (Attachment B) by the local district for their review and to give them an opportunity to claim prior receipt of Title IV-A assistance. Districts should reproduce the form on their local letterhead. This should be done until the new Child Support Services Application/Referral (LDSS 4882) becomes available. When available, the new LDSS 4882 will include notice of the fee and will provide data fields for the applicant to complete that indicate if the applicant has previously received assistance under the IV-A program.

### **C. Processing Center Actions Taken Regarding the One-Time Notice**

1. If the Return Mailer (Attachment A) is postmarked by October 24, 2008, and the recipient has completed the form by: checking the box indicating that the recipient received assistance in either New York or in another state, including the approximate dates and location of such assistance, and by signing the Return Mailer the case will be removed from the fee process. If the fee was already taken, the processing center will refer the case to the local district so a refund of the fee can be issued (see “Refund of the Fee” V.E. below). The processing center will remove the case from the fee process by inputting a “1” into the CLI-FEE-IND field on the CH screen. This information will be annotated on the RR screen.
2. If the Return Mailer is postmarked after October 24, 2008 and is properly completed and indicates that the recipient received assistance in New York, the processing center will remove the case from the fee process prospectively. If the fee was already taken, the processing center will refer the case to the local district so a refund of the fee can be issued (see “Refund of the Fee” V.E. below).
3. If the Return Mailer is postmarked after October 24, 2008 and is properly completed and indicates that the recipient received assistance in another state, the case will be removed from the fee process prospectively but any fee already taken will not be refunded.
4. The processing center will data capture the following information if included on the Return Mailer and if different than the information on CSMS. Note that only (new or changed) complete information will be data captured.

- a. CP Social Security Number
- b. CP date of birth
- c. CP address
- d. CP telephone number

**D. Local District Action to Remove a Case from the Fee Process**

As required in V.B.2., at application for child support services local district staff must provide information to the applicant regarding the \$25 fee. Local district staff should provide the applicant with Attachment B until the new application is available. If the applicant completes Attachment B as noted in V.C.1., the local district may accept at face value the veracity of the claim provided they are not aware of contrary information and update the CLI-FEE-IND indicator so that the fee will not be imposed.

1. New Cases:

When a person applies for child support services and completes Attachment B indicating that he or she is a former assistance recipient (including persons who may have received it as a child), the local district must remove the case from the fee process by inputting a “1” into the CLI-FEE-IND field on the CH screen. This means that the case is ineligible for the fee process because the case is former assistance. This information should be annotated on the IVDJRR screen on CSMS.

2. Existing Cases:

- a. If the One-Time Notice was received by the processing center with a postmark after October 24, 2008, the notice will be forwarded to the appropriate local district if a refund of the fee is required. The processing center will first update CSMS with the appropriate information as detailed in section V.C.2. or 3. as appropriate.
- b. If the recipient states that he/she did not receive the One-Time Notice, the local district should provide Attachment B to the recipient to complete and handle the case as per V.D.1. above.

Note: for purposes of this ADM “IV-A assistance” is defined as:

Public assistance under the federal Title IV-A program (TANF, formerly AFDC) that may include payments made to the individual or to third party providers on the individual's behalf in the form of cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses). It does not include food stamps, safety net or home relief payments, Medicaid, SSI or SSD benefits.

If a recipient has a question whether the assistance received was provided under the federal Title IV-A program, the recipient should seek further information from the county or city agency (in New York) or the state (if not New York) that administered the payments.

## **E. Refunding the Fee**

1. Circumstances in which a refund of the fee is appropriate.
  - a. If the Return Mailer is received by the processing center with a postmark on or before October 24, 2008, stating that the CP received public assistance either in New York or in another state.
  - b. If the Return Mailer is received at any time by the processing center stating that the CP received public assistance in New York. Since the account was improperly identified as being never assistance and the CP was therefore erroneously charged the fee, the fee must be refunded to the CP regardless of when the error was reported.
2. How to refund the fee.
  - a. A new batch type 80 has been developed to process a disbursement adjustment when a fee needs to be refunded.
  - b. This batch type can only be for a negative amount and will have the same effect on the account as the -82, -85, and -86 batch type. When entering a -80 transaction, you must include the transaction number from the 80 DISF transaction you are reversing.
  - c. The following screen shots illustrate fee transactions on CSMS
    - i. This is the screen shot after the fee is taken.

```
_IVDHST AB12345C1 WASHINGTON COUNTY * ASCU MONETARY * 10/22/08
13:24:39
RESP: DOE, ROBERT          CLI: DOE, MARIE
#TRANS 059
TC TYPE  DATE    BATCH    PAID   DUE    APPL  DISB   FIELD1
FIELD2
89 DIST 09 02 08    -5-                500.00
80 DISF 09 02 08                25.00
CSF090208
50 PYMT 09 17 08 5300010   100.00
89 DIST 09 17 08    -5-                100.00

KEY _____ PAGE 004 OF 004 XMT/PASSOFF ->
_____ <-
```

- ii. This is the batch transaction to refund the fee. The process is the same as all the other 80 batch transactions .....enter case number, dollar amount, receipt date, ledger type (and local input in field 1) and the transaction number.

_IVDBH1 BATCH-NO. 5300022 TYPE 80 BATCH-TOTAL. - 00025 00 NO-OF-TRANS.				
01	SCU-ACCT-NO:	TRANS-AMOUNT:	RECEIPT-DATE:	OPT FIELD1: OPT
FIELD2:				
01	AB12345C1	- 0025 00	09 25 08	11BW FEE ERROR
CSF090208				
02	_____	+ 0000 00	09 25 08	_____
03	_____	+ 0000 00	09 25 08	_____
04	_____	+ 0000 00	09 25 08	_____
05	_____	+ 0000 00	09 25 08	_____
06	_____	+ 0000 00	09 25 08	_____
07	_____	+ 0000 00	09 25 08	_____
08	_____	+ 0000 00	09 25 08	_____
09	_____	+ 0000 00	09 25 08	_____
10	_____	+ 0000 00	09 25 08	_____
11	_____	+ 0000 00	09 25 08	_____
12	_____	+ 0000 00	09 25 08	_____
13	_____	+ 0000 00	09 25 08	_____
14	_____	+ 0000 00	09 25 08	_____
15	_____	+ 0000 00	09 25 08	_____
16	_____	+ 0000 00	09 25 08	_____
17	_____	+ 0000 00	09 25 08	_____
18	_____	+ 0000 00	09 25 08	_____
19	_____	+ 0000 00	09 25 08	_____
20	_____	+ 0000 00	09 25 08	_____

iii. This is the screen shot after the corrective batch is processed.

_IVDHST AB12345C1 WASHINGTON COUNTY * ASCU MONETARY * 10/22/08									
13:24:39									
RESP: DOE, ROBERT					CLI: DOE, MARIE				
#TRANS 059									
TC	TYPE	DATE		BATCH	PAID	DUE	APPL	DISB	FIELD1
FIELD2									
89	DIST	09 02 08	-5-					500.00	
80	DISF	09 02 08						25.00	
CSF090208									
50	PYMT	09 17 08	5300010		100.00				
89	DIST	09 17 08	-5-					100.00	
57	PYMT	09 25 08	5300021		100.00				
80	DISF	09 25 08	5300022					25.00CR	11BW FEE ERR
CSF090208									
KEY _____ PAGE 004 OF 004 XMT/PASSOFF ->									
_____ <-									

## VI. Systems Implications

### A. CSMS Modifications

Several modifications have been made to CSMS and the nightly accounting run to support the processing of the annual service fee.

Three new fields have been added to the bottom of page 00 of IVDQRY, they are:

1. CP-ACCT-FEE: This field will be used to track the fee amount withheld for each individual account during the Federal Fiscal Year (FFY) October 1 – September 30. It is a subset of the CP-TOT-FEE field described below. This field will be set to 0.00 every year during the September end-of-month accounting run.
2. CP-TOT-FEE: This field will be used to track the fee amount withheld for all accounts for a particular custodial parent (CP) and noncustodial parent (NCP) during the FFY. If the CP and NCP have more than one account statewide and/or within your local district the amount in this field will be the sum of the fee withheld for all of those accounts. This will ensure that the CP is not charged a fee in situations where multiple accounts exist for the same CP/NCP relationship. This field will be set to 0.00 every year during the September end of month accounting run. If the CP is ineligible or becomes ineligible for the \$25.00 fee on or after October 1, 2008 (i.e., CP currently is on or was ever on assistance or goes on assistance after October 1, 2008), this field will contain N/A INELIG.

If the CP has accounts with more than one NCP and both NCPs have paid in excess of \$500, separate \$25 fees will be imposed for each account. Also, if the CP was on assistance at one time but is now receiving support



in a never assistance case and that is made known to the local district no fee should be imposed.

3. FFY-COL-AMT: This field will be used to track the amount collected during the FFY. This field will be the sum of all batch type 50, 53, 54, 55, 56, 57, +71, -71, +72, -72, +74, -74, +75, -75, +77 or -77 that are processed on the account. It will be used to monitor and identify accounts that will need to be processed for withholding the annual fee. This field will be set to 0.00 every year during the September end of month accounting run.

A new IVDHTM monetary transaction, 80 DISF, will be created to record the actual amount of the fee that was withheld from the total disbursement amount. The fee amount withheld will be stored in the DISB column and "CSF101508" in FIELD2 where the alpha characters represent the initials of "Client Services Fee" and the numeric values represent today's date. The 80 DISF will also be reported on the Daily Disbursement List as described in the reporting section below.

## **B. Nightly Fee Processing**

For all accounts which meet the criteria in section V.A. and are processed in the accounting run, CSMS will perform the following routine prior to making a disbursement.

1. Determine if the FFY-COL-AMT is in excess of \$500.00. If not, no fee processing will take place.
2. If the FFY-COL-AMT is greater than \$500.00, CSMS will determine whether to withhold a fee by subtracting the amount in the CP-TOT-FEE from \$25.00. If the difference is zero or less than zero, no fee processing will take place as the maximum of \$25.00 has already been withheld.
3. If the difference is greater than zero, CSMS will subtract this difference, up to \$25.00, from the total disbursement amount. If the net disbursement amount (total disbursement minus fee withheld) is equal to or greater than \$1.00 CSMS will create a disbursement for the net disbursement amount. An 89 DISB transaction will be stored on IVDHTM to record the net disbursement amount and an 80 DISF transaction as described above to record the amount of the fee withheld. The amount of the 80 DISF transaction will be added to the CP-ACCT-FEE and CP-TOT-FEE on IVDQRY. CSMS will continue this fee processing until \$25.00 has been withheld.
4. CSMS has been programmed to disburse at least \$1.00 if the net disbursement in #3 above is greater than \$0.00 but less than \$1.00.
5. If only a fee of up to \$25.00 was withheld (i.e., FFY-COL-AMT = \$500.00 and a payment of \$25.00 or less has been processed which would cause a net disbursement of \$0.00), CSMS will store an 80 DISF

transaction only for the amount of the fee withheld on IVDHTM and update the CP-ACCT-FEE and CP-TOT-FEE as described in #3 above.

### **C. New Batch Type**

A new batch type 80 has been developed to process a disbursement adjustment when a fee was withheld in error. This batch type can only be for a negative amount and will have the same effect on the account as the -82, -85, and -86 batch type. When entering a -80 transaction, you must include the transaction number from the 80 DISF transaction you are reversing. The processing of the -80 transaction will cause a disbursement to the CP in the amount of the fee that must be refunded. The -80 batch will not be included on the daily issuance file and monthly reconciliation file to the banking contractor.

### **D. Reporting**

The following modifications have been made to the daily Disbursement List and Balance Sheet.

1. Two new disbursement codes of “D – CP ANNUAL FEE” and “E – CP FEE REFUND” have been added to the list of disbursement codes. Code Ds will identify the total number of 80 DISF transactions and Code Es will identify the total number of accounts where a negative 80 batch type was processed. These two new disbursement codes will be included in the item count column and the sum of the amounts for these disbursement types will be included in the amount column on the Disbursement List Balance Sheet.
2. As with all other disbursement codes, each Code D and Code E will be reported separately on the Disbursement List portion of the report. Each Code D will have “CP ANNUAL FEE AMT” on the line below the CP Name instead of the address. Each Code E will have “CP FEE REFUND” on the line below the CP Name instead of the address.
3. All Code Ds will be included in the “TOTAL NUMBER OF ITEMS” count and the dollar amount for these transactions will be included in the “TOTAL AMOUNT DISBURSED” field.
4. All Code Es will be included in the “TOTAL NUMBER OF ITEMS” count and the dollar amount for these transactions will be included in the “TOTAL AMOUNT CREDITED” field.

### **E. CSMS Monthly A-1 Report**

Three new lines have been added to the Monthly CSMS A-1 report that will cause the existing lines on the report to be renumbered.

1. Line 18 “CP Fee Withheld By State” will be used to report the total amount of the CP annual fee that was withheld for the month in your district. This will be the total of all 80 DISF transactions. This amount

will be subtracted from Line 12 “DIST AS ASSIST REIMB” Column 6 “SAFETY NET FNP ASSISTANCE” for all accounts with a JCA-CASE-STAT = 7 “ACTIVE SAFETY NET NEVER TANF/IV-E” and Line 14 “DIST FAMILY” Column 8 “OTHER NEVER ASSISTANCE” for all accounts with a JCA CASE-STAT = blank, 4 or 9.

2. Line 7 “OTHER COUNTRIES” has been added to record those collections that were received from another country based on the FIPS Code equal to 136999.
3. Line 9 “COLLECTIONS FWD TO OTHER COUNTRIES” has been added to record those collections that have been distributed to other countries based on the FIPS Code equal to 236999.

#### **F. Daily/Monthly Reconciliation Process**

For the daily reconciliation of disbursements, the local districts must input information into two additional columns on the “ANALYSIS OF DAILY DISBURSEMENTS” schedule to record the “CODE D” disbursements (“CP ANNUAL FEE”) and “CODE E” (-80 batch) “CP FEE REFUND”. The total of these two columns should equal the amount in the Total Column of Line 18 (CP Fee Withheld By State) on the Monthly CSMS Schedule A-1. In addition to the Total Disbursed to DSS identified on the Month End Disbursement List, this amount should be identified as CP Fee Withheld and included in the transfer to DSS. The “ANALYSIS OF ADJUSTMENTS TO DISBURSEMENTS” schedule must also be expanded to include a new column to explain the reason for the CODE E -80 batch transaction.

Since the daily 80 and -80 batch transactions are not included in the daily issuance file and monthly reconciliation file to the banking contractor there are no additional monthly reconciliation requirements for the annual fee process.

### **VII. Additional Information**

#### **A. Fiscal Claiming Instructions**

Effective October 1, 2008, the Center for Child Well-being (CCWB) will begin implementing the methodology of collecting the applicable \$25 annual service fee from the custodial parent's child support distribution. The fee amount appears on the CSMS A-1, line 18 as a separate line and will be identified as **“CP Fee Withheld By State.”** Districts will report the total amount on the LDSS 2547 Schedule D-8: “Allocation for Claiming Title IV-D Child Support Activities and Support Collection Unit Expenditures,” on line 18, “Interest Earned on Title IV-D Deposits”.

The LDSS 2517 Schedule A-1: “Title IV-D Summary for Collections and Distributions” in the Automated Claiming System (ACS) will not be revised until January 2009. Therefore, local districts must obtain the fee amount directly from

the CSMS A-1. Effective January 2009, the ACS Schedule A-1 will add an additional line for **“CP Fee Withheld by State.”**

For October 2008, the instructions in Fiscal Reference Manual (FRM) Volumes 3 and 4 for Schedule D-8, Line 18, “Interest Earned on Title IV-D Deposits”, are changed. The \$25 annual fee for Child Support administrative services to cases that have never received assistance under the Title IV-A program and have more than \$500 per year collected on their behalf will be included on this line.

Any fees that are owed the Federal government but were not available through the intercept of collections will be paid by the state and local districts will be charged the local share through the settlement process. These amounts will not be reported on the Schedule A-1 or the Schedule D-8 since districts will not have intercepted these fees from collections.

## **B. Frequently Asked Questions FAQs**

Frequently Asked Questions (Attachment C) in use by the call center are included with this ADM for local district informational purposes.

## **VIII. Effective Date**

This administrative directive is effective immediately.

### **Issued By:**

<b>Name:</b>	Scott E. Cade
<b>Title:</b>	Deputy Commissioner and Director
<b>Division/Office:</b>	Center for Child Well-Being Division of Child Support Enforcement