

**WISCONSIN DEPARTMENT OF CHILDREN & FAMILIES
Division of Family and Economic Security**

Bureau of Child Support

**To: Child Support Directors
Child Support Supervisors or Lead Workers
Child Support Attorneys**

**From: Director
Bureau of Child Support**

**CHILD SUPPORT
BULLETIN**

No.: 09-31

Date: 10/21/2009

Subject: Federal Case Counts and Applying Periodic Payments to Federal Arrears Cases

Note: This CSB replaces and makes obsolete CSB 05-29r. This policy has been changed to reflect changes to distribution effective October 1, 2009. Periodic payments may be split between federal cases but must be placed on the highest priority debt **within** each federal case.

Purpose

This bulletin describes how the change in the definition of a case on the OCSE 157 Report changes child support distribution practices, and how, at local CSA option, periodic payments on arrears may be split across federal cases.

Background

Wisconsin court cases for an individual NCP often have multiple IV-D cases in the KIDS system. Separate KIDS cases must be created to ensure that current support and arrearages can be paid to other custodians including Foster Care and Kinship Care/NLRRs. Furthermore, the CSA must set up a separate KIDS case for *each child* in the alternate custodial placement. This bulletin will refer to these individual IV-D cases in KIDS as “KIDS Cases.”

The federal Office of Child Support Enforcement (OCSE) has advised Wisconsin regarding the manner in which cases should be counted and reported on the OCSE 157 Report. The OCSE 157 is generated at the end of each federal fiscal year and is the basis for allocating federal incentive money. For purposes of compiling that report, the OCSE definition of a case is different than the Wisconsin definition of a court case, and is different than a KIDS case. The change to how cases are counted was effective for the federal fiscal year ending September 30, 2006.

The OCSE definition of a case is the number of different custodians within each NCP's Wisconsin court case. Each custodian within a court case is considered one federal case, even if that custodian has multiple KIDS cases under that court case. This bulletin will refer to OCSE-defined cases as “*federal cases*.”

For example, a single Wisconsin court case with the same NCP includes the following six KIDS cases: a mother/payee, an aunt/NLRR/custodian, a grandmother/NLRR/custodian and two FFP foster care sub-cases for two children, and an old NFFP arrears case for one child. Under the OCSE definition of a case, we must report count 5 *federal cases*: 1-mother + 2-NLRR custodians + 1-FFP foster care + 1-NFFP foster care. The two FFP foster care cases count as one federal case because the custodian is FFP Foster Care for both children. The Non-FFP case counts as another federal case because a Non-FFP placement is considered a different custodian than an FFP placement.

Policy

Wisconsin's distribution policy for arrears payments is consistent with federal distribution requirements for each court case. When a family is on assistance, assigned arrears are paid first. When a family is not on assistance, family arrears are paid first. Although family owed arrears in non-assistance cases are given the same priority ranking as assigned arrears in assistance cases, if there is a periodic payment on one of the KIDS cases, the periodic payment will be satisfied before money is allocated between the KIDS cases. In order to get credit for arrearage payments, the periodic payment may be split between the cases.

Splitting periodic payments due. Local agencies may elect to split periodic payments on arrears when there are multiple federal cases under a single court case. Splitting the periodic payment across multiple federal cases must be done manually. If agencies elect this option, the following requirements and principles must be followed:

1. Under federal and state law, support payments (except for federal tax intercept) must always be applied to satisfy current support first.
2. All payments must be applied within 24 hours of receipt to meet the federal distribution timeframe of 48 hours.
3. Court ordered periodic payments must be applied to the proper court case. CSAs may not "raid" periodic payments ordered on another county's court case. The periodic payment on arrears should be applied to the highest priority subaccount within each KIDS cases. If the court order specifies that the periodic payment should be applied to an assigned debt, the state waives its right to collect on that debt prior to payments being applied to family-owned debts in non-assistance cases.
4. The CSA must follow the state and federal hierarchy *within each federal case*.
 - If the case is a current assistance case with case type of WWIQ, KCAR, FPSC, UFSC or NFSC, the assistance hierarchy must be followed. If the case type is not a current assistance case, the non-assistance hierarchy must be followed. Non-assistance case types are all case types **except** WWIQ, KCAR, FPSC, UFSC or NFSC.
 - If the periodic payment is placed on a subaccount that is not the highest in the federal hierarchy within the KIDS case, it will appear on the DPAD Compliance Report.
5. The CSA must consider customer service issues and the benefit to the family in splitting periodic payments. Periodic arrears payments split across multiple federal cases within a court case should either be split equally across all federal cases, or split in a way that will maximize the amount of arrears paid to the family rather than to state or county-owned subaccounts.

For instance, the CSA policy may provide that a standard, nominal amount (such as \$1 per month) of the periodic payment on arrearages is payable to each federal foster care case, and the rest of the court ordered periodic payment would be placed on a federal case with subaccounts payable to the family.

6. The CSA must develop a standard, county-wide policy and apply the policy to all cases within that agency. To ensure that the CSA has considered workload issues, customer impact, and uniformity the CSA must have a written procedure and must be prepared to provide the written policy to BCS, upon request, to help respond to customers and other counties' questions related to individual CSA practices.