

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

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



June 20, 2024

CSSP LETTER: 24-02

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

SUBJECT: AUDIT OF UNREIMBURSED ASSISTANCE POOL: PRE-CONVERSION
 VERSUS POST-CONVERSION

REFERENCE: [Child Support Services \(CSS\) Letter 04-01, Determining If an Audit\(s\) Should Be Conducted When Case Management Responsibility Changes, January 2014](#), [Manual of Policies and Procedures \(MPP\), Section 12-405\(u\)\(3\)](#), [MPP, Section 12-101.3\(d\)\(8\)](#), [Family Code Sections 17526, 17800 through 17804](#), [Office of Child Support Services Action Transmittal 07-05, Instructions for the Assignment and Distribution of Child Support Under Sections 408\(a\)\(3\) and 457 of the Social Security Act \(the Act\), July 2007](#)

This letter supersedes [CSS Letter 06-13, Verification of Unreimbursed Assistance Pools, April 2006](#).

PURPOSE: To provide local child support agencies (LCSAs) with updated statewide policy and guidance for determining when an unreimbursed assistance pool (UAP) audit must be performed.

The following terms are used throughout this letter:

- Pre-conversion Case: A child support case converted from a legacy system to the Child Support Enforcement (CSE) system.
- Post-conversion Case: A child support case opened in the CSE system. These cases include CSE case numbers that start with the number two.
- Unreimbursed Assistance Pool (UAP): The total cumulative amount of aid paid to the family assistance unit for Temporary Assistance for Needy Families, California Work Opportunity and Responsibility to Kids (which includes the legal immigrant program), Approved Relative Caregiver, Kinship Guardianship Assistance Payment, or foster care programs which has not been repaid by the recoupment of collections for assigned current support or arrearages (permanently, temporarily, or conditionally assigned through an IRS tax intercept

Reason for this Transmittal

- State Law, Regulation and/or Change
 Federal Law, Regulation Change
 Court Order or Settlement Change
 Clarification requested by One or More Counties
 Initiated by DCSS

collection). The UAP must also be reduced by any state optional payments, including the passthrough/disregard payment as defined in Section 12-101.3(d)(8), as determined by the Department. No interest accrues on the UAP.¹

POLICY: LCSAs must audit the UAP for pre-conversion and post-conversion cases, as outlined in the Action section.

BACKGROUND: In 2006, the Department of Child Support Services (DCSS) published CSS Letter 06-13, *Verification of Unreimbursed Assistance Pools*, which instructed LCSAs on policies and procedures for maintaining UAP calculations during implementation of the California Child Support Automated System, CSE Version 1. DCSS also informed LCSAs of preparations concerning the transfer of verified UAP balances to the State.

CSS Letter 06-13, published in April 2006, established policy and guidelines for:

- Performing UAP balance audits,
- Verification and substantiation of aid paid information, and
- Actions required when aid paid information cannot be substantiated by the county welfare department (CWD).

During the system conversion process, verified UAP balances kept in legacy systems, such as ACSES Replacement System (ARS) and California Automated Support Enforcement System (CASES), were transferred to CSE. Now, the California Statewide Automated Welfare System (CalSAWS) electronically transmits public assistance paid information to DCSS. UAP balances are maintained at the county level, which may require coordination between CWDs and LCSAs.

UAP Audit Sprint

In Fall 2019, CalSAWS implemented a six-year data retention policy prior to consolidation of the IV-A consortia systems to CalSAWS. As a result, LCSAs will no longer have access to historical public assistance information. With limited exceptions, the consolidation to a single statewide welfare system will not include public assistance data for any IV-A case that has been closed for six or more years. Exceptions may include:

- Special Investigation, Criminal, or Civil litigation related records.
- Foster Care, Kin-Gap, and Adoption Assistance cases.
- Cases under federal, state, or county audit.

¹ MPP, Section 12-405(u)(3)

CalSAWS' new data retention policy prompted DCSS to review existing UAP audit policies and guidelines, as the removal of historic public assistance information from CalSAWS will make it difficult to substantiate aid paid information for older public assistance cases.

In November 2022, DCSS and LCSA subject-matter experts convened a business process sprint to determine the circumstances that commonly require a UAP audit. The sprint was an opportunity to discuss local business practices for the maintenance of UAPs, shared experiences, and necessary actions to resolve inaccurate UAP balances. The sprint members recommended several policy and procedural changes, which are summarized and referenced in this letter.

ACTION: When determining whether a UAP audit must be performed, LCSAs must first determine if the case was converted from a legacy system to CSE with a verified UAP balance (pre-conversion), or whether the case was opened after conversion to CSE (post-conversion).

For pre-conversion cases:

- The LCSA must perform a UAP audit when the relevant public assistance period(s) (eligibility start or end date, or both) is prior to conversion to CSE and the UAP balance remains unverified.

For post-conversion cases:

- The LCSA must perform a UAP audit when the relevant public assistance period(s) (eligibility start or end date, or both) is prior to conversion to CSE.
- The LCSA must perform a UAP audit when public assistance case information has not been provided by the IV-A/IV-D electronic interface or the LCSA determines the UAP is not accurate.

The LCSA must perform a UAP audit, whether it be for a pre-conversion or post-conversion case, if:

- Ordered by the court, or
- Requested by the person ordered to receive support (PRS) or parent ordered to pay support (PPS).
 - The PRS or PPS must establish a factual basis for repeated UAP audit requests. Examples may include, but are not limited to, errors, omissions,

or inaccuracies. This exception does not misconstrue requirements under Family Code Section 17526 or Sections 17800 through 17804.

A UAP audit may be required, or recommended, under certain statewide or local programs or procedures, such as, but not limited to:

- Debt Reduction Program Operational Procedures.
- Intercounty Case Transfer (see CSS Letter 14-01).
- Determination of excess payment, the cumulative amount of assigned child support that exceeds the UAP balance, that is due to the PRS.
- When the LCSA learns that the PRS is deceased, as the excess payments cannot be paid to the deceased PRS.

LCSAs must perform a preliminary audit in CSE using the Legacy Data Archive, CalSAWS, and any archival-based data retained by DCSS and the LCSA. If the LCSA is unable to validate the UAP using these methods, the LCSA must request the history of public assistance paid from the CWD. DCSS has obtained the IV-A data that was not retained during conversion to CalSAWS.

Any public assistance period(s) that cannot be substantiated by the LCSA or CWD must be adjusted, as any unsubstantiated public assistance paid amounts must be removed from the UAP. Please refer to the Statewide Procedures Manual, Section 5000 Financial Management, titled *Viewing and Updating Public Assistance Financial Information* for more information about adding or removing public assistance paid transactions (grants, supplemental, overpayment transaction types). The procedure also provides instruction for manually updating public assistance records when validating aid status history in CSE.

Due to change in policy, and in consideration of the updated policies' impact on statewide procedures, the Child Support Financials Unit has updated the following Financial Management documents:

- Statewide Policies Manual, Section 5010.02 *Unreimbursed Assistance Pool Balance Audits*.
- Statewide Procedure Manual, Section 5000 *Creating and Updating Case Accounts*.

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CONTACT: If you have any questions or concerns about this matter, please contact the Policy, Program, and Statewide Training Branch by phone at (916) 464-5883 or e-mail policy.branch@dcss.ca.gov.

Sincerely,

o/s

JUSTIN FREITAS
Deputy Director
Child Support Service Division