

February 2014 – Summary of Proposed Changes

Child Support Enforcement Program Financial Reports
OMB Control Number 0970-0181

Form OCSE-396: Quarterly Financial Report

Data Entry Changes.

- **Line 1a:**
Open entries in columns B and D to allow computation of the Federal Shares – currently zero for expenditures reported on this line. (NOTE: This change has already been adopted and approved on an emergency basis for OLDC submittals to accommodate ARRA for FYs 2009 and 2010. This revision will accommodate any future changes in the FFP rate applicable to this line.)
- **Column F:**
Add to allow computation of Federal Share for next quarter estimates to standardize treatment with that of current claims and prior quarter adjustments. (NOTE: This change has already been adopted and approved on an emergency basis for OLDC submittals.)
- **Line 1d:**
New line. Add to allow reporting of expenditures of incentive funds that require a waiver. These expenditures are not eligible for FFP and are subject to a specified ceiling and must be monitored separately from expenditures reported on Line 1a.
- **Section C/ Line 16:**
Relocated line. Relocated from Line 8 to eliminate continuing confusion in the inclusion of this amount in the computation of the Federal Share (Line 14).
- **Part 2:**
Changes in available Funding Categories to accommodate proposed revisions above.

Instruction Changes

- Revert to original designation as Form OCSE-396 (eliminating “A” suffix)
- Several minor changes to existing wording to improve clarity and accuracy.
- Additional Instructions associated with revisions proposed above.

Form OCSE-34: Quarterly Collection Report

Data Entry Changes

- None

Instruction Changes

- Revert to original designation as Form OCSE-34 (eliminating “A” suffix)
- Revise wording to include “Tribes” to allow State and Tribal grantees to complete the same quarterly collection report. Both the form and the instructions will be annotated to indicate data entry items either not applicable or optional for Tribal grantees.
- Several minor changes to existing wording to improve clarity and accuracy.

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OMB APPROVED

Control No. 0970-0181

Expires: xx/xx/xxxx

FORM OCSE-396: CHILD SUPPORT ENFORCEMENT PROGRAM QUARTERLY FINANCIAL REPORT
PART 1: EXPENDITURES and ESTIMATES

State:	Current (Claiming) Quarter Ended:	Next (Estimating) Quarter Ending:	Mark Initial Report Box: Rev'd Report
66% FFP rate for all cost categories, except where noted	Current Quarter Claims (A) Total (B) Federal Share	Prior Quarter Adjustments (C) Total (D) Federal Share	Next Quarter Estimate (E) Total (F) Federal Share

SECTION A. EXPENDITURES

1a. Administrative Costs with Incentive Payments	\$	\$	\$	\$	\$	\$
1b. Administrative Costs: Regular	\$	\$	\$	\$	\$	\$
1c. Administrative Costs: Non-IV-D	\$	\$	\$	\$	\$	\$
1d. Admin Costs w/ Incentives Under Waiver (No FFP)	\$		\$		\$	
2a. Program Income: Fees, Costs Recovered	\$	\$	\$	\$		
2b. Program Income: Interest, Other	\$	\$	\$	\$		
3. Net Administrative Costs	\$	\$	\$	\$	\$	\$
4. ADP Development Costs with APD Required	\$	\$	\$	\$	\$	\$
5. ADP Operational Costs with APD Required	\$	\$	\$	\$	\$	\$
6. Other ADP Costs without APD Required	\$	\$	\$	\$	\$	\$
7. Total Costs Claimed.....	\$	\$	\$	\$	\$	\$

SECTION B. FEES FOR SERVICES / FEDERAL & STATE SHARES of COSTS

8. (Reserved)						
9. Federal Share of Title IV-A Child Support Collections	From Form OCSE-34 Line 10b, Col G ==>	\$				\$
10. Fees: Federal FPLS.....	Enter Total Fee in Column B ==>	\$				
11. Fees: CSENet.....	Enter Total Fee in Column B ==>	\$				
12. Fees: Pre-Offset Svc.....	Enter Total Fee in Column B ==>	\$				
13. Adjustments	Enter Total Amount in Column B ==>	\$				
14. Net Federal Share of Expenditures.....	\$			\$		\$
15. State Share of Expenditures.....	Enter State Share Only in Column B ==>	\$	Enter State Share Only in Column D ==>	\$		\$

SECTION C. INCENTIVE PAYMENTS

16. Estimate of Earned Incentive Payments						
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This certifies that the information on this form is accurate and true to the best of my knowledge and belief. This also certifies that the State share of expenditures estimated for the Next Quarter are, or will be, available as required by law

Signature, IV-D Agency Director <div style="text-align: right;">Date:</div>	Signature, Approving State Official <div style="text-align: right;">Date:</div>
Typed Name, Title, Agency	Typed Name, Title, Agency



INSTRUCTIONS FOR COMPLETION OF FORM OCSE-396

CHILD SUPPORT ENFORCEMENT PROGRAM QUARTERLY FINANCIAL REPORT

Paperwork Burden Statement. According to the Paperwork Reduction Act, as amended, no response is required to a collection of information request unless it displays a valid OMB Control Number. The valid OMB control number for Form OCSE-396 is 0970-0181. Public reporting burden for this collection of information is estimated to average 8 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project, Washington, DC 20503

General Instructions

Applicability: Completion of this report is required by each State with an approved title IV-D plan to administer the Child Support Enforcement Program under title IV-D of the Social Security Act.

The information reported on this form is reviewed by the Office of Child Support Enforcement (OCSE) and the Administration for Children and Families (ACF) to determine the allowability of reported expenditures, to compute quarterly grant awards and to provide program information reports to Congress. Determinations regarding whether reported expenditures are eligible for Federal funding under title IV-D will be made in accordance with applicable Federal statute, regulations and policy.

These instructions are intended to assist in the completion of this form and clarify the applicable Federal statutes, regulations and policies.

Where a conflict exists, this form and these instructions do not supersede such documents.

▪ **Due Dates.**

In accordance with regulations found at 45 CFR 304.25, each quarterly collection report must be submitted in conjunction with the quarterly expenditure report no later than 30 days after the end of each fiscal quarter, i.e., no later than January 30, April 30, July 30 and October 30, respectively.

• **Reporting Format:**

- Enter the name of the State.
- Enter the end date of the fiscal quarter being reported.
- Enter the report type. Check box to indicate whether this is a new report (first submission for that quarter) or a revision of a report previously submitted for the same quarter.
- Round all entries to the nearest dollar; do not include cents.
- Where there is no information to report for an individual data entry item, enter zero (\$0) or leave blank.

▪ **Submission.**

States are required to submit this form electronically through the ACF On-Line Data Collection (OLDC) system, which requires pre-registration and the use of an approved digital signature. Once submitted through OLDC, a duplicate paper copy should not be submitted either by mail, email or fax.

If any State is able to clearly demonstrate a lack of internet access, computer capacity or other circumstance that prevents electronic filing of Form OCSE-34, it may submit a written statement to the ACF Office of Grants Management requesting a one-year waiver from this online electronic filing requirement. If a waiver is approved, a paper copy, with an original signature, must be

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submitted to the ACF Office of Grants Management (address below), with an additional copy to the appropriate Regional Grants Officer.

Administration for Children and Families
Office of Grants Management
Division of Mandatory Grants
Att'n: Child Support Enforcement
370 L'Enfant Promenade, SW – 6th Floor East
Washington, DC 20447

For additional information, see Office of Grants Management Action Transmittal, OGM-AT-13-01, dated September 25, 2013.

- **Signatures.**

This report must be electronically signed (or hand-signed, if applicable) and dated by the State official responsible for the administration of the title IV-D program or other official responsible for the financial administration of this program. The individual signing this report is certifying to the correctness and accuracy of the information on this reporting form and on any accompanying documents.

- **Variances.**

On an attached page, each State must submit a detailed explanation of any increase or decrease greater than five percent for any data element of Part 1 compared to the same element for the previous quarter.

- **Revisions.**

If the State needs to change or correct its submission of Form OCSE-396 after the original copy is submitted by the due date indicated above, a revised report may be submitted. However, a revised report will not be accepted after the expenditures reported in the original submission have been used in the calculation of a quarterly grant award¹ - usually within 90 days after the end of the "current quarter." Any additional claims or other adjustments that must be reported after that time must be included as a "prior quarter adjustment" on a subsequent expenditure report, within the limits of any time constraints imposed by law or regulation. Revisions to the "next quarter" estimates will be accepted only in extraordinary circumstances. ¹(**Note:** An exception to this restriction will be made where a delay in the reporting of an increasing adjustment will cause the claim to be filed beyond the two-year filing deadline under Section 1132 of the Social Security Act.)

No re-submissions, revisions or adjustments of expenditure reports submitted for any quarter of the fiscal year will be accepted by OCSE later than December 31 - 3 months after the end of the fiscal year. Only data received by OCSE by that date will be used in the calculation of annual incentive payments and in the publication of statistical data.

PART 1: QUARTERLY REPORT OF EXPENDITURES and ESTIMATES

Definitions:

- **Total (Cols. A, C and E).** All expenditures and estimates for each cost item, including both Federal and State share components.
- **Federal Share (Cols. B, D and F).** Subject to a determination of allowability, this is the portion of expenditures or estimates claimed on each line of this report that is the responsibility of the Federal government. The Federal share reported in Cols B, D and E is computed by applying the appropriate Federal financial participation (FFP) rate for each cost category to the Total Expenditures or Estimates reported in Cols A, C and E
- **Non-Federal Share. (State Share.) (Line 15)** In accordance with its approved State plan, this is the total portion of expenditures or estimates reported on each line of this report that is the responsibility of the State government. This is also the State's certification that its share of the estimated expenditures, as reported in Col E, are or will be available for the non-Federal share of program costs. The Non-Federal share typically consists of grantee appropriated monies raised from non-Federal revenue sources.
- **FFP Rate.** The Federal Financial Participation rate is the percentage used to calculate the Federal share of total expenditures or estimates of individual cost categories within the Child Support Enforcement Program. The FFP rate is specified in Federal law and, unless noted otherwise in these instructions, the FFP rate for all cost categories for this program is **66 percent**.
- **Expenditures (Cols. A, B, C & D).** Under the requirements of 45 CFR 304.25(a), expenditures are actual payments made to vendors, service providers and contractors or for administrative, personnel, or other cost items. Include also indirect costs allocable to the quarter being reported in accordance with an approved cost allocation plan. To be allowable, all expenditures must be in accordance with the approved title IV-D State Plan and all applicable statutes, regulations and policies. For this reporting form the terms "expenditure" and "cost" are used interchangeably.

Expenditure estimates are not acceptable in these columns. "Advances" of funds to another State agency, a local agency or a private entity are not considered expenditures for these purposes. The amounts reported in these columns must be actual, verifiable transactions supported by readily available accounting records and source documentation or an approved cost allocation plan, as applicable.

Expenditures are considered made on the date the payment occurs, regardless of the date of receipt of the good or performance of the service. For State-administered programs, the date of this transaction by the State agency governs; for locally administered programs, the date of this transaction by the county, city or other local agency governs. Indirect costs are allocable in accordance with the cost allocation plan, and are considered to be "expended" in the quarter to which they are allocated.

- **Current (Claiming) Quarter (Cols. A and B).** These reports are due within 30 days of the end of the quarter. The "current quarter" is the quarter just ended. Expenditures reported in columns A and B were made in or are allocable to the "current quarter."
- **Prior Quarter Adjustments (Cols. C and D).** The Total and the Federal share of expenditures made in or allocated to a previous quarter that were either unreported or incorrectly reported on an

earlier report. A Prior Quarter is any quarter that ended prior to the start of the current quarter for which expenditures are being reported and for which Federal funds are being claimed in these columns. The “net” amount – combining increasing and decreasing claims – is reported on each line in columns C and D. The individual increasing and decreasing claims are detailed and itemized on Part 2 of this report.

- **Claiming Deadline.** In accordance with Sec 1132 of the Social Security Act and Federal regulations at 45 CFR Part 95 Subpart A, increasing prior quarter adjustments must be reported by the State and received by this agency within 2 years of the last day of the fiscal quarter in which the expenditure was made. Claims for increasing prior quarter adjustments that fail to meet this deadline are subject to disallowance. There is no deadline for reporting decreasing prior quarter adjustments.
- **Next (Estimating) Quarter (Cols. E and F).** In accordance with the provisions of Section 455(b)(1) of the Social Security Act, this is the amount of expenditures that the State anticipates will be made in the upcoming fiscal quarter (the "Next Quarter"). This estimate should be based on historical trends, including seasonal, economic or other variations, and should include any costs applicable to a prior quarter for which payments are expected to be made in the next quarter. The ending date of the “next quarter” is always six months after the ending date of the “current quarter.” For example, if the current quarter is Quarter 1, the next quarter will be Quarter 3, etc.

Except where noted otherwise in these instructions, the Total “next quarter” estimate for each cost category is reported in Col E and the Federal share (as calculated by applying the appropriate FFP rate) is reported in Col F.

Line-by-Line Instructions

SECTION A. EXPENDITURES

Line 1a. IV-D Administrative Expenditures Made Using Funds Received as Incentive Payments. (No FFP) Administrative expenditures and estimates using annual incentive payment funds. Each State is required to spend the funds it received as incentive payments to carry out title IV-D program activities. The amount of incentive payments a State estimates it will earn each quarter is reported on Line 16. *Incentive payments remain available to the State until completely expended.*

NOTE: Federal funding is not available for expenditures reported on this line (i.e., **FFP rate = 0 percent**). The Federal share claimed in Cols B, D and E will be zero. (Exception: The Federal share of allowable prior quarter adjustments applicable to FYs 2009 and 2010 and reported in Col D of this line is calculated at the 66 percent FFP rate)

❖ [This is a direct entry in Columns A, C and E

Line 1b. IV-D Administrative Expenditures. Expenditures for the routine administration and operation of the Child Support Enforcement Program.

Include:

- Expenditures made for fees charged for use of the Child Support Network (CSNet) and Pre-Offset services;
- Prior quarter expenditures made for laboratory costs. (Prior quarter adjustments for expenditures for laboratory costs made on or before September 30, 2006, and reported in columns C and D of this line remain eligible for Federal funding at the 90 percent rate. Calculate the Federal share accordingly.)

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- FMS service fees retained by the IRS for Federal tax refund offset collections.

Do Not Include:

- Expenditures made using funds received as the State's annual incentive payments. These expenditures must be reported on Lines 1a or 1b, as appropriate;
- Expenditures for Non IV-D administrative costs. These expenditures are reported on Line 1c;
- Expenditures for the planning, design, development, implementation, enhancement or operation of a Statewide Child Support Enforcement System (CSES). These expenditures are reported on Line 4, 5 or 6, as appropriate.
- Amounts used by the State in payment of a mandatory fee, where the State has opted to pay this fee rather than withhold this amount from a collection or require payment from either parent. Such a payment by the State is not classified as an "expenditure" under this program.
- ❖ See "Special Reporting Instruction for Lines 9 Through 13," below.
- ❖ [This is a direct entry in Columns A and C. Calculate Columns B and D as 66% of the total.]

Line 1c. Non-IV-D Administrative Expenditures. Expenditures for administrative costs associated with limited activity, required by law, in certain Non-IV-D cases. **Note:** A non-IV-D case is any child support case where there has been no assignment of support rights to the State or where the State has not received an application for Title IV-D services.

Include only those amounts that can be identified as incurred directly as a result of one of the following required activities:

- The submission to, and maintenance in, the State Case Registry of data with respect to each child support order established or modified in the State on or after October 1, 1998, in a Non-IV-D case;
- The receipt in the State Disbursement Unit of a Non-IV-D collection made through income withholding under a child support order, initially issued in the State on or after January 1, 1994 (as included on Line 2e of Form OCSE-34) and the disbursement of these collections by the State Disbursement Unit; and
- The reporting required by OCSE of financial and statistical information related to a non-IV-D case on this and other Federal financial or statistical reports.

Do not include:

- Expenditures for any other non-IV-D case activity, such as enforcement or maintenance of case records.
- Expenditures associated with any establishment, processing, collection or other activity not listed above for any other non-IV-D child support case.
- ❖ [This is a direct entry of the total expenditure in Columns A, C and E. The Federal shares in Columns B, D and F are calculated as 66% of the total.]

Line 1d. IV-D Administrative Expenditures Made Under the Terms of an Approved Waiver Using Funds Received as Incentive Payments. (No FFP). Administrative expenditures and estimates using annual incentive payment funds, but which required a waiver from one or more of the usual expenditure requirements. These funds are received by the State based on its estimate on Line 16 of this form and as reconciled following the end of the fiscal year.

NOTE: Federal funding is not available for expenditures or estimates reported on this line (i.e., **FFP rate = 0 percent**). The Federal share claimed in cols B, D and E will be zero. [This is a direct entry of the totals in Columns A, C and E.]

Line 2a. Fees and Costs Recovered in Excess of Fees. The total amount of income received by the State, used to offset administrative costs.

Include:

- Mandatory or optional fees collected from recipients of child support enforcement services;
- Mandatory fees that the State has opted to absorb rather than collect from recipients;
- Amounts offset from collections or received directly from either the custodial or non-custodial parent; and
- Any collection fee the State has opted to charge for collection services for IV-D or non-IV-D cases that is not inconsistent with Federal law.
- Fees for laboratory paternity testing.
- ❖ *[This is a direct entry in Columns A and C. Calculate Columns B and D as 66% of the total. No estimate entry required for Columns E or F.]*

Line 2b. Interest Earned and Other Program Income Received. Other income used to offset administrative costs.

Include:

- Interest or investment income earned when child support collections, fees or other program income funds are deposited in interest-bearing accounts or used in other investment-type activities;
- Undistributable child support collections reported as "abandoned property" on Line 9a of Form OCSE-34, the "Quarterly Report of Collections;"
- As a decreasing prior quarter adjustment, any former undistributed collection previously deemed "undistributable" and escheated by the State as "abandoned property" which can now be either distributed to the custodial parent or returned to the non custodial parent. This amount must also be reported on Line 3 of Form OCSE-34.
- Interest assessed in accordance with State law on delinquent support payments made by non-custodial parents when this interest is retained by the State and is not considered additional support owed by the non-custodial parent or forwarded to the custodial parent;
- Any other income resulting from the operation of the program and not reported on Line 2a.
- ❖ *[This is a direct entry in Columns A and C. Calculate Columns B and D as 66% of the total. No estimate entry required for Column E.]*

Line 3. Net Administrative Costs. The net amount of Federal funding being claimed for program administrative costs.

- ❖ *[Calculate as Lines 1a + 1b + 1c + 1d Less Lines 2a +2b.]*

Line 4. Automated Data Processing (ADP) Expenditures for System Development Under the Terms of an Approved Advanced Planning Document (APD). Expenditures made in accordance with the terms of an approved APD for the planning, design, development, implementation or enhancement of an automated Statewide Child Support Enforcement System (CSES). No expenditures may be claimed on this line unless approved under the APD process found at 45 CFR Part 95 Subpart F.

Do not include:

- Operation and maintenance costs reported on Line 5;
- ADP costs associated with the development, purchase or operation of non-CSES systems used in day-to-day office procedures, such as personnel, payroll, travel, etc. These are routine administrative costs reported on lines 1a, 1b or 1c, as appropriate.

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- ❖ *[This is a direct entry in Columns A, C and E. Calculate Columns B and D as 66% of the totals in Columns A and C.]*

Line 5. Automated Data Processing (ADP) Expenditures for System Operation and Maintenance Under the Terms of an Approved Advanced Planning Document (APD).

Expenditures made in accordance with the terms of an approved APD for the operation or maintenance of an automated Statewide Child Support Enforcement System (CSES). No expenditures may be claimed on this line unless approved under the APD process found at 45 CFR Part 95 Subpart F.

Do not include:

- Planning, design, development, implementation or enhancement costs reported on Line 4;
- ADP costs associated with the development, purchase or operation of non-CSES systems used in day-to-day office procedures, such as personnel, payroll, travel, etc. These are routine administrative costs reported on lines 1a, 1b or 1c, as appropriate.
- ❖ *[This is a direct entry in Columns A, C and E. Calculate Columns B and D as 66% of the totals in Columns A and C.]*

Line 6. Automated Data Processing (ADP) Expenditures That Do Not Require an Advanced Planning Document. Expenditures made for the planning, design, development, implementation, enhancement, operation or maintenance of an automated Statewide Child Support Enforcement System (CSES), for which an approved APD is no longer required. The approved APD has been closed out by OCSE in accordance with Federal requirements.

Do not include:

- ADP costs associated with operating non-CSES systems used in day-to-day office procedures, such as personnel, payroll, travel, etc. These are routine administrative costs reported on lines 1a, 1b or 1c, as appropriate.)
- ❖ *[This is a direct entry in Columns A, C and E. Calculate Columns B and D as 66% of the totals in Columns A and C.]*

Line 7. Total Expenditures Claimed. This is the total amount of expenditures being reported and the portion being claimed for Federal funding.

- ❖ *[Calculated as Sum of Lines 3 through 6.]*

SECTION B. INCENTIVE PAYMENTS / FEDERAL SHARE / FEES FOR SERVICE

Line 8. (Reserved)

SPECIAL REPORTING INSTRUCTION for LINES 9 THROUGH 13

Any amounts entered on Lines 9 through 13 will reduce the reported Net Federal Share of Expenditures and will also reduce a subsequent grant awarded to the State.

Invoices are sent each quarter to the State Title IV-D agency for fees charged for services provided by the Office of Child Support Enforcement. The amount of each of those fees is reported on Lines 10, 11 and 12 of Column B, as applicable. By doing so, the State is reimbursing OCSE for the cost of the services provided; the fees will be subtracted from the Federal share of expenditures.

Amounts offset by the IRS from Federal tax refunds of the non-custodial parent are forwarded to the State through the accounting services of HHS's Public Health Service (PHS) and are subsequently distributed by the State to the custodial parent. On occasion, the IRS determines that a portion of the amount offset must be returned to the non-custodial parent, and the IRS recoups this amount from the PHS. The State must then repay this amount to the PHS and may attempt to recoup the overpayment from either parent, in accordance with applicable State law and procedures and Federal policy. The amount being repaid by the

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State to the PHS is reported as an "Other Fee or Adjustment" on Line 13 of Column B. This line may also be used to report any other fee-for-service or other payment to the Federal government as may be needed.

Fees paid by a State for its use of the Child Support Enforcement Network (CSENet) or for Pre-Offset Notice services, respectively, and reported on Lines 11 and 12, are considered to be routine title IV-D administrative expenditures and should also be included on Line 1b of this report as an "Administrative Costs: IV-D." Fees paid by a State for its use of the Federal Parent Locator Service (FPLS) and repayments made by the State to PHS (see above), and reported on Lines 10 and 13, are not considered administrative expenditures and must not be included on any other line of this report. (If the State elected to make these repayments by check, no repayment amount is included on Line 13. See instructions for Line 13, below.) (FPLS fees are paid solely with State funds and are not eligible for Federal funding (Section 453(e)(2) of the Social Security Act).

Line 9. Federal Share of Title IV-A Collections. The portion of child support collections used to reimburse the Federal government for its share of past assistance payments under title IV-A of the Social Security Act.

❖ *This is a direct entry in Column B, carried forward from Form OCSE-34, Line 10b, Col. G]*

Line 10. Fees for the Use of the Federal Parent Locator Service (FPLS). The quarterly fee charged to the State by OCSE for its use of the FPLS. (Report the total amount of this fee in Column B. See Special Instruction above.)

❖ *[This is a direct entry in Column B, carried from a quarterly invoice sent by OCSE.]*

Line 11. Fees for the Use of the Child Support Enforcement Network (CSENet). The quarterly fee charged to the State by OCSE for its use of CSENet. (Report the total amount of this fee in Column B. See Special Instruction above.)

❖ *[This is a direct entry in Column B, carried from a quarterly invoice sent by OCSE.]*

Line 12. Fees for Printing/Processing Pre-Offset Notices for the Federal Tax Refund Offset Program. The annual fee charged to the State by OCSE for the printing and processing of OCSE-issued pre-offset notices for the Federal tax refund offset program. (Report the total amount of this fee in Column B. See Special Instruction above.)

❖ *[This is a direct entry in Column B, carried from a quarterly invoice sent by OCSE.]*

Line 13. Other Fees or Adjustments. Enter on this line any other fees that may be imposed to reduce the Federal share. Also enter the amount of a repayment to the Public Health Service for IRS tax offset collections forwarded to the State and later returned to the IRS. (If the State elected to make these repayments by check, no repayment amount should be included on this line.) This line may be completed as needed. Any entry on this line should be accompanied by an attachment providing a thorough explanation. (**Note:** If any entry on this line is for the repayment of collections received from the offset of Federal income tax refunds, such repayment must also be included as a reduction to the amount reported on Line 2a of Form OCSE-34.)

❖ *[This is a direct entry in Column B, carried from a quarterly invoice sent by OCSE.]*

Line 14. Net Federal Share of Expenditures. The net amount of Federal funding being claimed by the State, as reduced by the Federal share of collections, fees and repayments.

❖ *[Cols. B and D: Calculated as Line 7 Minus Sum of Lines 9 through 13.]*

❖ *[Col. E: Calculated as (Line 7 x 66%) Minus Line 9]*

Line 15. State Share of Expenditures. The State share of expenditures to operate and administer the child support enforcement program under title IV-D.

❖ *[Col. B: Calculated as Line 7 (Col. A) Minus Line 7 (Col. B) Plus Line 10 (Col B)]*

❖ *[Col D: Calculated as Line 7 (Col C) Minus Line 7 (Col D)]*

❖ *[Col F: Calculated as Line 7 (Col E) Minus Line 7 (Col F)]*

Line 16. Estimate of Earned Incentive Payments. Enter the State's estimate of the incentive payment to be earned in the "Next Quarter." This amount is equal to approximately one-fourth of the State's estimate of its annual incentive payment. The State's estimate of its earned annual incentive payment is reconciled following the end of each fiscal year, based on the programmatic and financial information reported by the State for that fiscal year.

The State is required to spend these payments on its child support enforcement program and report those expenditures on Lines 1a or 1d, as applicable, in the quarter expended. There is no time limit for expending these funds. Once expended, the 2-year time limit for reporting these expenditures remains in effect.

❖ *[This is a direct entry in Column E.]*

PART 2: ITEMIZED PRIOR QUARTER EXPENDITURE ADJUSTMENTS

This part must be submitted as a supplemental supporting document whenever a "Prior Quarter Adjustment" (Columns B and C) is reported in Part 1 of this form. A net adjustment reported in Part 1 may be comprised of one or more individual increasing or decreasing components. Each of those components is to be itemized and shown separately on Part 2. Where a single adjustment encompasses several fiscal quarters, the portion applicable to each quarter must be itemized and reported on a separate line. (These requirements remain in effect even when combined increasing and decreasing adjustments produce a net result of zero dollars for the prior quarter adjustments reported in Part 1.)

General Instructions:

- Enter the State name.
- Enter the ending date of the current quarter from Part 1.
- Check the box to indicate whether this is a new report or a revision to a report previously submitted.

Definitions:

Section A: Increasing Adjustments. Each increasing component of the net adjustments included in Part 1. (**Note:** In accordance with Section 1132 of the Act and 45 CFR 95, Subpart A, claims for increasing adjustments are unallowable unless submitted within two years of the original expenditure date or otherwise meet one of the "exception" criteria found in the statute and regulations.)

Section B: Decreasing Adjustments. Each decreasing component of the net adjustments included in Part 1. The decreasing adjustments should be entered as positive numbers on this form.

Column A: Total Adjustment. The combined Federal/State total of each adjustment.

Column B: Federal share of adjustment. Determine the Federal share of each adjustment by multiplying the Total Adjustment in Column A by the FFP rate applicable to the funding category of this particular adjustment during the quarter in which it was made.

Column C: Funding Category. Indicate the funding category of the component(s) on each line as described at the bottom of the form.

Column D: Applicable to Fiscal Quarter Ended. Indicate the ending date (Month and Year) applicable to the adjustment being reported.

Column E: Adjustment Identification and Explanation. Provide a sufficiently detailed identification and explanation for increasing and decreasing adjustments, attaching supporting documentation as needed in accordance with the following guidance:

- For audit related adjustments: Include the finding number and, if it has been reviewed by the HHS Office of the Inspector General, the Federal audit CIN - Common Identification Number.
- For any other audit: Provide appropriate audit identifying information for each adjustment associated with a particular audit.
- Other Disallowances (e.g., resulting financial report reviews, cost allocation plan reviews, site visits, etc. by federal staff): Provide a clear, sufficiently detailed explanation. Cite and attach any dated and signed correspondence as applicable.
- Significant Adjustments: Any single increasing or decreasing adjustment that equals \$200,000 (Total amount) or more or any group of increasing or decreasing adjustments within a single funding category that equals \$1 million (Total amount) or more, must be supported through a summary statement identifying the source and reason for the claim and additional detailed information (either in Column E or as a referenced attachment) on the rationale, basis, relationship to other claims submitted on this or previous form OCSE-396 reports, and calculation of the adjustment.
- Two Year Filing Limit: Any increasing adjustment submitted beyond the two-year filing deadline mandated under Sec 1132 of the Social Security Act (45 CFR Part 95 Subpart A) is unallowable unless the IV-E agency is able to thoroughly detail the nature of the claim, including an explanation establishing which of the four exceptions found at 45 CFR 95.19 supports acceptance of the untimely claim.
- Other Adjustments: Provide a summary statement identifying the source and basis for the adjustment.

Total Increasing Adjustments (Section A) / Total Decreasing Adjustments (Section B): The last line in each section should be the total of the entries for that section, combining all copies of this form as needed.

Net Adjustments. For both Columns A and B, subtract the Total Decreasing Adjustments in Section B from the Total Increasing Adjustments in Section A. The amounts entered in Columns A and B on this line must be identical to the amounts entered in Columns C and D on Line 7 of Part 1 of this form.

Submittal and Revisions. Part 2 of Form OCSE-396 is an attachment to Part 1 and, when needed to report prior quarter adjustments, should be submitted whenever an initial or revised Part 1 is submitted. A revision to this Part is subject to the same restrictions, procedures and requirements as stated for Part 1.

FORM OCSE-34: CHILD SUPPORT ENFORCEMENT PROGRAM QUARTERLY COLLECTION REPORT
PART 1: COLLECTIONS RECEIVED, DISTRIBUTED and UNDISTRIBUTED

State/Tribe:	Quarter Ended:	Mark Box: Initial Report <input type="checkbox"/> Revised Report <input type="checkbox"/>
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SECTION A. AVAILABLE COLLECTIONS

							(G) Total	
1. Balance Remaining Undistributed at End of Last Quarter (Carried from Line 9b, Part 1 of Previous Quarter).....							\$	
2. Collections Received During the Quarter.....							\$	
2a. From Offset of Federal Tax Refund.....		\$	2e. From IV-D & Non-IV-D Income Withholding.....		\$			
2b. From Offset of State Tax Refund.....		\$	2f. From Other States or Tribes		\$			
2c. From Offset of Unemployment Comp...\$			2g. From Other Countries.....		\$			
2d. Through Administrative Enforcement.....		\$	2h. From Other Sources.....		\$			
3. Net Amount of Increasing and (Decreasing) Adjustments.....							\$	
4. Collections Sent During the Quarter Outside the Reporting State's IV-D Program.....							\$	
		(A) Current IV-A Assistance	(B) Current IV-E Assistance	(C) Former IV-A Assistance	(D) Former IV-E Assistance	(E) Medicaid Never Assist.	(F) Other Never Assistance	(G) Total
4a	Sent to Non IV-D Families.....							\$
4b.	Sent to Other States or Tribes	\$	\$	\$	\$	\$	\$	\$
4c.	Sent to Other Countries.....							\$
5. (Reserved)								
6. Remaining Collections Available for Distribution.....							\$	

SECTION B. DISTRIBUTED / UNDISTRIBUTED COLLECTIONS

							(G) Total
7a.	Collections Passed Through.....	\$		\$			\$
7b.	Dist As Assistance Reimbursement.....	\$	\$	\$			\$
7c.	Dist As Medical Support.....	\$	\$	\$	\$	\$	\$
7d.	Distributed To Family or FC.....	\$	\$	\$	\$	\$	\$
7e.	Fees Withheld by State or Tribes				\$	\$	\$
8.	Total Distributed.....	\$	\$	\$	\$	\$	\$
9. Gross Undistributed Collections.....							\$
9a. Undistributed Collections Determined Undistributable and Abandoned.....							\$
9b. Net Undistributed Collections (Report on Line 1, Part 2) (Carry forward to Line 1, Part 1, Next Quarter).....							\$

SECTION C. FEDERAL SHARE / FEES

							(G) Total
10a.	Fed Share of IV-E Collect.....	\$		\$			\$
10b.	Fed Share of IV-A Collect.....	\$	\$				\$
11. Fees Retained by Other States.....							\$

This certifies that the information on this form is accurate and true to the best of my knowledge and belief.

Signature, IV-D Agency Director	Signature, Approving State Official
Date:	Date:
Typed Name, Title, Agency	Typed Name, Title, Agency

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OMB APPROVED.
Control No. 0970-0181
Expires: xx/xx/xxxx

FORM OCSE-34: CHILD SUPPORT ENFORCEMENT PROGRAM QUARTERLY COLLECTION REPORT
PART 2: ITEMIZED UNDISTRIBUTED COLLECTIONS
(Completion Optional for Tribes)

State/Tribe :	Quarter Ended:	Mark Box:
		Initial Report <input type="checkbox"/> Revised Report <input type="checkbox"/>

1 Net Undistributed Collections - (from Line 9b, Part 1, of this report) (Also equal to the sum of Lines 2 and 8 and the sum of Lines 14 through 20, below.)	\$
--	----

SECTION A: NET UNDISTRIBUTED COLLECTIONS BY CATEGORY

2 Portion of Net Undistributed Collections Pending Distribution..... The amount in Item 2 must equal the sum of the amounts in Items 3 through 7. Attach any explanatory comments.	\$
3 Collections Received Within The Past Two Business Days.....	\$
4 Collections From Tax Offsets Being Held for Up To Six Months.....	\$
5 Collections Received and Being Held for Future Support.....	\$
6 Collections Being Held Pending the Resolution of Legal Disputes.....	\$
7 Collections Being Held Pending Transfer to Other State or Federal Agency.....	\$
8 Portion of Net Undistributed Collections Unresolved..... The amount in Item 8 must equal the sum of the amounts in Items 9 through 13. Attach any explanatory comments.	\$
9 Unidentified Collections.....	\$
10 Collections Being Held Pending the Location of the Custodial or Non-Custodial Parent.....	\$
11 Collections Disbursed but Uncashed and Stale-Dated.....	\$
12 Collections With Inaccurate or Missing Information.....	\$
13 Other Collections Remaining Undistributed.....	\$

SECTION B: NET UNDISTRIBUTED COLLECTIONS BY AGE

14 Collections Remaining Undistributed Up to 2 Business Days of Receipt.....	\$
15 Collections Remaining Undistributed More Than 2 Days, But Not More Than 30 Days.....	\$
16 Collections Remaining Undistributed More Than 30 Days, But Not More Than 6 Months.....	\$
17 Collections Remaining Undistributed More Than 6 Months, But Not More Than 1 Year.....	\$
18 Collections Remaining Undistributed More Than 1 Year, But Not More Than 3 Years.....	\$
19 Collections Remaining Undistributed More Than 3 Years, But Not More Than 5 Years.....	\$
20 Collections Remaining Undistributed More Than 5 Years.....	\$



INSTRUCTIONS FOR COMPLETION OF FORM OCSE-34

CHILD SUPPORT ENFORCEMENT PROGRAM QUARTERLY COLLECTION REPORT

Paperwork Burden Statement. According to the Paperwork Reduction Act, as amended, no response is required to a collection of information request unless it displays a valid OMB Control Number. The valid OMB control number for Form OCSE-34 is 0970-0181. Public reporting burden for this collection of information is estimated to average 8 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project, Washington, DC 20503

General Instructions

Applicability: Completion of this report is required by each State or each Indian Tribe, Tribal organization and Tribal consortia (hereinafter, "Tribe") with an approved title IV-D plan to administer the Child Support Enforcement Program under title IV-D of the Social Security Act (hereinafter, "the Act"). Some information required on this report is applicable only to **State-run** programs and are clearly identified.

The information reported on this form is reviewed by various components of the Administration for Children and Families (ACF) to award funds, determine the accuracy of reported collections and to provide reports to Congress. Determinations regarding accuracy will be made in accordance with applicable Federal statute, regulations and policy.

These instructions are intended to assist in the completion of this form and clarify the applicable Federal statutes, regulations and policies.

Where a conflict exists, this form and these instructions do not supersede such documents.

■ Due Dates.

States: In accordance with regulations found at 45 CFR 304.25, each quarterly collection report must be submitted in conjunction with the quarterly expenditure report no later than 30 days after the end of each fiscal quarter, i.e., no later than January 30, April 30, July 30 and October 30, respectively.

Tribes: In accordance with regulations found at 45 CFR 309.170(a) each quarterly collection report must be submitted no later than 30 days after the end of the first three quarters and no later than 90 days after the end of the fourth quarter, i.e., no later than January 30, April 30, July 30 and December 30, respectively.

● Reporting Format.

- Enter the name of the State or Tribe.
- Enter the end date of the fiscal quarter being reported.
- Enter the report type. Check box to indicate whether this is a new report (first submission for that quarter) or a revision of a report previously submitted for the same quarter.
- Round all entries to the nearest dollar; do not include cents.
- Where there is no information to report for an individual data entry item, enter zero (\$0) or leave blank.

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- **Submission.**

States and Tribes are required to submit this form electronically through the ACF On-Line Data Collection (OLDC) system, which requires pre-registration and the use of an approved digital signature. Once submitted through OLDC, a duplicate paper copy should not be submitted either by mail, email or fax.

If any State or Tribe is able to clearly demonstrate a lack of internet access, computer capacity or other circumstance that prevents electronic filing of Form OCSE-34, it may submit a written statement to the ACF Office of Grants Management requesting a one-year waiver from this online electronic filing requirement. If a waiver is approved, a paper copy, with an original signature, must be submitted to the ACF Office of Grants Management (address below), with an additional copy to the appropriate Regional Grants Officer.

Administration for Children and Families
Office of Grants Management
Division of Mandatory Grants
Att'n: Child Support Enforcement
370 L'Enfant Promenade, SW – 6th Floor East
Washington, DC 20447

For additional information, see Office of Grants Management Action Transmittal, OGM-AT-13-01, dated September 25, 2013.

- **Signatures.**

This report must be electronically signed (or hand-signed, if applicable) and dated by the State or Tribal official responsible for the administration of the title IV-D program or other official responsible for the financial administration of this program. The individual signing this report is certifying to the correctness and accuracy of the information on this reporting form and on any accompanying documents.

- **Revisions.**

If the State or Tribe needs to change or correct the reported collections, a revised report may be submitted. However, a revised report will not be accepted from States after the collections reported in the original submission have been used in the calculation of a quarterly grant award. Any revised report must be submitted no later than 90 days following the end of the quarter (i.e., no later than March 31, June 30, September 30 or December 31). Any additional changes to the reported collections that must be reported after that time must be included as an adjustment on a subsequent collection report.

To allow OCSE to properly and accurately compute the annual incentive payment earned by each State, no re-submissions, revisions or adjustments of collection reports submitted for any quarter of the fiscal year will be accepted by OCSE later than December 31 - 3 months after the end of that Federal fiscal year. Only data received by OCSE as of that date will be used in the publication of statistical data.

Definitions:

- **Collections Received.** A child support payment is considered to be collected and received by
 - A State: On the date it arrives at the State Disbursement Unit
 - A Tribe: On the date it arrives at the Tribal Finance Office or, under a Tribe-State agreement, on the date it arrives at the State Disbursement Unit.

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Alternatively, a child support payment is also considered to be collected and received on the date it arrives at the collection point designated by the State or Tribe via mail, private courier, electronic transfer or hand delivery.

- If elected by the State or Tribe, the date of withholding by an employer may be deemed to be the date of collection and receipt.
 - Any amounts received and reasonably identifiable as a child support collection under title IV-D must be reported on Line 2 of Part 1 of this form, even if an individual amount cannot be immediately associated with a specific title IV-D case.
 - Any amount paid in advance of its due date (a "prepaid" or "future" collection) must also be reported on Line 2 of Part 1 in the quarter received, even if it is known that distribution and disbursement will not occur until a later quarter.
- **Collections Distributed and Disbursed.** The procedure for distributing collections is described under Section 457 of the Social Security Act.
 - "*Distribution*" is the identification and allocation or apportionment of a support collection to current and past-due support, as applicable, of a specific case or individual.
 - "*Disbursement*" is the actual process of dispensing or paying out the collection.
 - To be considered "distributed" under Section 457 of the Act – and reported on Lines 7a through 7d of Part 1 of this form - a collection must be *both distributed and disbursed* according to a specified allocation and the definitions above.
 - Any collection that has been distributed (i.e., "identified and allocated or apportioned") but not disbursed (i.e., "dispensed or paid out") is considered "*undistributed*" under Section 457 and is reported on this form on Line 9 of Part 1 and in the appropriate category of Part 2.
 - **Disbursement Date.** A collection is considered disbursed on the date the funds are forwarded via check, electronic transfer or other means to the intended final recipient, including the custodial family, State or Tribe or Federal agency, including those agencies that administer programs under titles IV-A, IV-E and XIX of the Social Security Act. For these purposes, the "date" is the disbursement date as recorded in the State's or Tribe's automated child support enforcement system.
 - **IV-D Case.** Any child support enforcement case in which the custodial parent has either assigned his or her rights to receive support payments to the State or Tribe as a condition of receiving assistance (either as a current or former recipient of such assistance) or has filed an application for services available under Title IV-D.

Although Federal statute requires that States process Non-IV-D cases that meet certain prescribed criteria, these collections are not considered title IV-D cases. Similar Non-IV-D case processing is optional for Tribes.

- **Non-IV-D Case.** Any child support enforcement case in which the custodial parent has neither assigned his or her rights to receive support to the State nor has filed an application for services available under Title IV-D. Note: Tribes are not required to process Non-IV-D collections.
- **FMAP Rate.** A Federal Medical Assistance Percentage (FMAP) rate is a Federal funding rate calculated by the U.S Department of Health and Human Services and is based on the relative per capita income of each State or each Federally-recognized Tribe's service area. These rates, which may change annually and may differ from State-to-State and from Tribe-to-Tribe, range from a statutory minimum of 50 percent to a statutory maximum of 83 percent. (§1905(b) of the Act)

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- **State FMAP Rates.** These rates are used in the Child Support Enforcement Program to calculate the Federal share of child support collections. These rates are published annually in the Federal Register.
 - In accordance with Section 457(c)(3)(A) of the Act, the FMAP rate is fixed at 75 percent for Puerto Rico, Guam and the Virgin Islands for collections on behalf of current or former title IV-A cases.
 - In accordance with Section 457(e)(1) of the Act, the FMAP rate is fixed at 50 percent for Puerto Rico for collections on behalf of current or former title IV-E cases.
- **Tribal FMAP Rates.** These rates are **not used** in the Child Support Enforcement Program. These rates are calculated annually by the Department of Health and Human Services and are used only to determine the Federal share of maintenance assistance payments for any Tribe operating an approved Foster Care, Adoption Assistance or Guardianship Assistance Program under title IV-E of the Social Security Act. These rates may also be used by a State operating these programs under a Tribe-State agreement.

PART 1: COLLECTIONS RECEIVED, DISTRIBUTED and UNDISTRIBUTED

Column Instructions:

Collections are reported in the appropriate column, A through F, based on the status of the case and children on whose behalf the collection was received, e.g., currently receiving assistance, formerly received assistance, or never received assistance.

Status Change. In instances where it is known that a case has changed its status (e.g., from former to current assistance or vice versa) between the date a collection is received and the date of distribution and disbursement, report the amount distributed in Column A through F in accordance with the case status as of the date of receipt of the collection.

Column A: Current IV-A Assistance. Collections received and distributed on behalf of children who are recipients of Temporary Assistance for Needy Families (TANF) under title IV-A of the Act. In addition, the children's support rights have been assigned to the State or Tribe and a referral to the State's or Tribe's IV-D agency has been made.

Column B: Current IV-E Assistance. Collections received and distributed on behalf of children who are entitled to Foster Care maintenance assistance payments under title IV-E of the Social Security Act. In addition, the children's support rights have been assigned to the State or Tribe and a referral to the State's or Tribe's IV-D agency has been made.

Column C: Former IV-A Assistance. Collections received and distributed on behalf of children who *formerly* received assistance through either the Aid to Families with Dependent Children Program (AFDC) or the Temporary Assistance to Needy Families Program (TANF) under title IV-A of the Social Security Act.

Column D: Former IV-E Assistance. Collections received and distributed on behalf of children who *formerly* received assistance through the Foster Care Program under title IV-E of the Social Security Act.

Column E: Medicaid Never Assistance. Collections received and distributed on behalf of children who are receiving Child Support Enforcement services under title IV-D of the Social Security Act, and who are either currently receiving or who have formerly received Medicaid payments under title XIX of the Social Security Act, but who are not currently receiving and who have never formerly received assistance through either the AFDC, TANF or Foster Care programs under either title IV-A or title IV-E, respectively, of the Social Security Act.

Column F: Other Never Assistance. Collections received and distributed on behalf of children who are receiving Child Support Enforcement services under title IV-D of the Social Security Act, but who are not currently receiving and have never formerly received either Medicaid payments under title XIX or who are not currently receiving and who have never formerly received assistance through either the AFDC, TANF or Foster Care programs under either title IV-A or title IV-E, respectively, of the Social Security Act.

Column G: Total. Enter, where applicable, the sum of the amounts entered in Cols. A through F.

Line-by-Line Instructions:

SECTION A. AVAILABLE COLLECTIONS

Line 1. Balance Remaining Undistributed From Previous Quarter. The amount of Net Undistributed Collections from the previous quarter constitutes the starting balance for this quarter.

❖ *[This amount is carried from Line 9b of Part 1 of this report from the previous quarter.]*

Line 2. Collections Received During the Quarter. The total amount of all collections received on behalf of title IV-D cases by the State or Tribe during the quarter from various sources. Include amounts that will ultimately be sent to another State or Tribe, to other countries or to Non-IV-D cases (see instructions for Line 2e, below) within this State or Tribe. The aggregate amount reported on this line is itemized on Lines 2a through 2h based on the source of each individual collection.

❖ *[Calculated as the Sum of Lines 2a through 2h.]*

Lines 2a through 2h. Collections Received Itemized in Accordance With the Source of the Collection.

- Report all collections received on behalf of title IV-D cases during the quarter based on the source of each collection.
- If no collection is received from a specific source, enter "0" on that line.
- Amounts reported on Lines 2a through 2h must be "net" amounts, reduced by any collections returned to the payer during the quarter. Examples: (a) Any Federal income taxes reported as "offset" and later returned by the IRS would be reported as a decreasing adjustment on Line 2a in the quarter returned. (b) Any collection found to be undistributable and later returned to the non-custodial parent would be reported as a decreasing adjustment in the quarter returned to the non-custodial parent on the same line on which it was initially reported as "received."

- **Line 2a. From the Offset of Federal Income Tax Refunds.** Amounts received on behalf of IV-D cases as a result of offset by the IRS of refunds from Federal income tax returns. Report the full amount of the collection, prior to the reduction for the FMS* service fee. The FMS* service fee may be claimed as an expense on Form OCSE-396. (Do not include amounts received through the IRS "full collection" process.)

(*FMS: *Formerly*, Financial Management Service, Department of the Treasury.
Now, Bureau of the Fiscal Service, Department of the Treasury.)

❖ *[This is a direct entry.]*

- **Line 2b. From the Offset of State Income Tax Refunds.** Amounts received on behalf of IV-D cases as a result of the offset by the State (or by the Tribe under the terms of a Tribe-State agreement) of refunds from State income tax returns.

❖ *[This is a direct entry.]*

- **Line 2c. From the Offset of Unemployment Compensation Payments.** Amounts received on behalf of IV-D cases as a result of the offset of unemployment compensation insurance payments.

❖ *[This is a direct entry.]*

- **Line 2d. Through Procedures for the High Volume, Automated Administrative Enforcement in Interstate Cases (AEI).** Amounts received on behalf of IV-D cases as the

"assisting State or Tribe" for AEI requests in accordance with Section 466(a)(14) of the Social Security Act. (Any amount reported on this line will be forwarded to the requesting State or Tribe during the current quarter or in a subsequent quarter.)

❖ *[This is a direct entry.]*

- **Line 2e. From IV-D and Non-IV-D Income Withholding.**

STATES AND TRIBES: Amounts received on behalf of IV-D cases through either voluntary or involuntary income withholding, including withholding actions initiated prior to the effective date of Section 466(a)(1) of the Social Security Act.

STATES ONLY: Also include amounts received only through income withholding on behalf of Non-IV-D cases pursuant to Section 466(a)(8)(B) of the Social Security Act and where a support order was initially issued on or after January 1, 1994. (Tribes do not process collections from Non-IV-D cases.)

❖ **Note:** Under section 466(b)(8) of the Social Security Act, "...'income' means any periodic form of payment due to an individual, regardless of source, including wages, salaries, commissions, bonuses, worker's compensation, disability, payments pursuant to a pension or retirement program, and interest." State or Tribal law may include additional categories of income.

❖ *[This is a direct entry.]*

- **Line 2f. From Other State or Tribes.** Amounts received as the "initiating" State or Tribe in intergovernmental IV-D cases from the "responding" State or Tribe operating a IV-D program. Also include any amounts received as the "requesting" State or Tribe in AEI cases. Any fees or recovered costs that are retained by the other State or Tribe are reported on Line 11 and are not included on this line.

❖ *[This is a direct entry.]*

- **Line 2g. From Other Countries.** Amounts received as the "initiating" State or Tribe of a formal request for child support enforcement services made to a foreign country or political subdivisions in accordance with Section 459A of the Social Security Act. Also include any collections received as a result of a reciprocal agreement made by the State or Tribe with the foreign country or political subdivisions. Any fees retained by the other country or political subdivision are reported on Line 11 and are not included on this line.

Collections reported on this line are limited to those forwarded from the child support (or equivalent) agency in a foreign country, state or province directly to the IV-D agency of the reporting State or Tribe in accordance with the terms of an existing reciprocal agreement. **Do Not** include routine collections received directly by the State's or Tribe's IV-D agency from an NCP living abroad. Those collections are reported on another sub-category of Line 2, based on the source of the collection.

❖ **(Note:** A current list of foreign countries or political subdivisions that have agreed to provide reciprocal child support enforcement services is published periodically in the Federal Register by the US Department of State.)

❖ *[This is a direct entry.]*

- **Line 2h. From Other Sources.** All other amounts - not reported above – received on behalf of IV-D cases through the State's or Tribe's own collections procedures. This includes, but is not limited to: (a) payments received directly from non-custodial parents; (b) collections received through the IRS' full collection process; (c) collections received as a result of the

administrative offset process; and (d) collections received through the Financial Institution Data Match. For “administrative offset” collections, report the full amount of the collection, prior to the reduction for the FMS service fee. The FMS service fee may be claimed as an expense on Form OCSE-396.

❖ *[This is a direct entry.]*

Line 3. Net Amount of Increasing and Decreasing Adjustments. Enter on this line any entry necessary to correct previous reporting that cannot be corrected with an entry on another reporting line. This line may remain blank or may be a negative number. Any entry on this line must be explained with a footnote or attachment.

For example, include on this line any former undistributed collection, previously escheated by the State or Tribe as “abandoned property” and reported as program income, which can now be either distributed to the custodial parent or returned to the non custodial parent. (If distributed, the amount must also be reported on Lines 7a through 7d, below, as applicable; if returned, the amount must also be included as a negative adjustment on Lines 2a through 2g, above, as applicable. Any amount must also be reported as a prior quarter decreasing adjustment to program income on Line 2a of Form OCSE-396.)

❖ *[This is a direct entry.]*

Line 4. Collections Sent During the Quarter to Cases Outside the State or Tribe’s Own Title IV-D Program.

- These include title IV-D collections that are not the responsibility of the reporting State or Tribe to distribute or disburse in accordance with Section 457 of the Social Security Act and non-title IV-D collections. The amount reported on this line is itemized on Lines 4a through 4c based on the destination of each individual collection.
- Report all collections that are forwarded during the quarter to other recipients based on the forwarded destination of each collection.
- If no collection is forwarded to specific destination (line 4a, 4b or 4c), enter “0” on that line.

• **Line 4a. Collections Sent to Non-IV-D Families.**

TRIBES: THIS LINE IS OPTIONAL

Amounts sent during the quarter to the custodial parent of a Non-IV-D case. These amounts were initially reported on Line 2e as received only through income withholding on behalf of Non-IV-D cases and processed through the State Disbursement Unit.

❖ *[This is a direct entry.]*

- **Line 4b. Collections Sent to Other States or Tribes.** Amounts initially collected as the “responding” State or Tribe in intergovernmental IV-D cases to a request from the “initiating” State or Tribe and forwarded during the quarter to that State or Tribe for distribution. Also include any amounts collected as the “assisting” State in AEI cases and forwarded during the quarter to the “requesting” State or Tribe for distribution. These amounts are initially reported on Line 2 as received from one or more applicable sources

❖ *[This is a direct entry.]*

(The amounts reported by States on this line are used in the computation of the annual incentive payment sent to States, including “double counting” of entries in Cols. A through E for the State Collection Base computation.)

- **Line 4c. Collections Sent to Other Countries.** Collections reported on this line are limited to those forwarded during the quarter from the IV-D agency of the reporting State or Tribe to the child support (or equivalent) agency in a foreign country, state or province in accordance with the terms of an existing reciprocal agreement. These amounts are received by the reporting State or Tribe in response to a request for child support enforcement services from a foreign country, state or province in accordance with Section 459A of the Social Security Act. These amounts are initially reported on Line 2 as received from one or more applicable sources.
❖ *[This is a direct entry.]*

Line 5. (Reserved.)

- Line 6. Remaining Collections Available for Distribution.** The amount of collections available to the State or **Tribe** for distribution during the quarter in accordance with Section 457 of the Social Security Act.
❖ *[Calculated as the Sum of Lines 1 + 2 + 3 Minus Line 4.]*

SECTION B. DISTRIBUTED/UNDISTRIBUTED COLLECTIONS

Line 7a. Collections Passed Through to the Family.

TRIBES: LEAVE THIS LINE BLANK.

STATES: PARTICIPATION IN THE "PASS THROUGH" PROCESS AND ENTRIES ON THIS LINE ARE OPTIONAL

A part of the distribution process where collections received on behalf of current or former title IV-A families are disbursed directly to the families and bypass the remaining distribution processes, subject to the following requirements:

- (Column A) For collections on behalf of families currently receiving TANF assistance under title IV-A, the State may elect to pass through and disburse directly to the family an amount defined as the "excepted portion" and limited to no more than \$100 *per month* (no more than \$300 per quarter) for each case with one child and limited to no more than \$200 *per month* (no more than \$600 per quarter) for each case with 2 or more children. Any collection that remains above that monthly limit (or lesser "pass through" amount as the State may elect) will continue to be distributed in accordance with the remaining distribution processes. (See Sec 457(a)(6)(B) of the Act.)
- (Column C) For collections on behalf of families who formerly received TANF or AFDC assistance under title IV-A, the State may elect to pass through and disburse directly to the family up to the full amount collected if that amount had been applied to "non-assigned arrearages." If the State elects to pass through less than the full amount, any collection that remains will continue to be distributed in accordance with the remaining distribution processes. (See Sec 457(a)(6)(A) of the Act.)
- (Columns B and D) The pass through provision is not available for collections received on behalf of families who currently receive or formerly received maintenance assistance payments through the Foster Care Program under title IV-E.

- (Column E and F) The pass through provision is not available for collections received on behalf of families who never received assistance.
 - ❖ *[These are direct entries in columns A and C.]*

Line 7b. Collections Distributed As Assistance Reimbursement.

TRIBES: LEAVE THIS LINE BLANK.

For States, this is a part of the distribution process where a portion of the collections not “passed through” to the families is designated as reimbursement to the State and Federal governments as their respective shares of past Title IV-A TANF or AFDC assistance payments (Columns A and C) or past Title IV-E Foster Care maintenance payments (Column B and D). The actual calculation of the Federal share of the child support collection is made on Lines 10a and 10b, by applying the FMAP rate for this State for this fiscal year to the entries on this line. (Some States have subsequently elected to distribute all or part of the State share of child support collections to the families.)

- ❖ *[These are direct entries in columns A through D; No entries in columns E and F.]*

Line 7c. Collections Distributed As Medical Support Payments.

A part of the distribution process where the portion of the collection, if any, specifically designated in a support order for medical support is reported on this line. If the medical support portion of the collection reported on this line has been assigned to the State, it must be forwarded to the Medicaid agency for distribution in accordance with current Medicaid regulations under title XIX of the Social Security Act. Otherwise, the medical support portion of the collection reported on this line must be forwarded to the family.

- ❖ *[These are direct entries in columns A through F.]*

Line 7d. Collections Distributed To The Family or Foster Care.

A part of the distribution process where collections not previously reported on Lines 7a, 7b, or 7c as “pass through,” “assistance reimbursement,” or “medical support,” respectively, are distributed and disbursed to the family or to the foster care agency to be used on the child’s behalf. Include on this line any collections distributed to the family but assigned by the family and forwarded to another agency (e.g., Foster Care or Child Care program). Also include on this line collections distributed to the family but sent, at the direction of the family, to the address of a private collection agency. In a situation where a State retains a mandatory \$25 fee from a collection in a “Never Assistance” case (Columns E and F), only the portion distributed and disbursed to the family is reported on this line; the fee is reported separately on Line 7e, below.

- ❖ *[These are direct entries in columns A through F.]*

Line 7e. Fees Withheld by the State.

TRIBES: LEAVE THIS LINE BLANK.

In Never Assistance cases only (Column E and F), States are required to collect a mandatory \$25 fee for every case with collections of at least \$500 during a calendar year. A State may pay the \$25 fee itself, collect the fee from either the custodial or non-custodial parent or withhold \$25 from the collection. Only States that elect to withhold the fee from the collection report those fees on this line. Regardless how collected, all fees – including the amounts reported on this line – are considered program income and must also be included on Line 2a of Form OCSE-396.

❖ *[These are direct entries in columns E and F.]*

Line 8. Total Collections Distributed During the Quarter.

The sum of all collections reported as distributed and disbursed during the quarter as “pass through,” “assistance reimbursement,” “medical support” and including the mandatory \$25 fees withheld by States.

❖ *[Calculated as the Sum of Lines 7a through 7e in columns A through F.]*

(STATES ONLY: *The amounts reported on this line are used in the computation of the annual incentive payment, including “double counting” of entries in Cols A through E for the State Collection Base computation.)*

Line 9. Gross Undistributed Collections. The amount of collections that the State or Tribe was unable to distribute during the quarter. *[Calculated as Line 6 Minus Line 8; also calculated as the Sum of Lines 9a + 9b.]*

Line 9a. Undistributed Collections Determined to be Abandoned Property and Undistributable. The portion of the amount reported on Line 9 that, despite numerous attempts, the State or Tribe has been unable to distribute in accordance with the provisions of Section 457 of the Social Security Act and is also unable to return to the non-custodial parent. At the point in time when, in accordance with the specific provisions, time frames and circumstances mandated by law, the State or Tribe transfers these undistributable collections to an abandoned property office, the State treasury, a designated trust fund or some other account outside of the control of the State or Tribe title IV-D agency, the amounts are considered to have been classified as abandoned property and must be reported on this line. (If State or Tribal law does not require that abandoned property be identified each quarter, this line may be left blank in quarters where such a determination is not made.)

The amount on this line is also considered “program income” and must be included:

- **By States:** On Line 2b of Part 1 of Form OCSE-396, the “Child Support Enforcement Program Expenditure Report” and
- **By Tribes:** On Line 10m of Form SF-425, “Federal Financial Report.”

In the event that a collection now being reported as undistributable can be properly identified, distributed and disbursed in the future, this transaction and reporting can be reversed at that time. (See instructions for Line 3.)

(**Note:** Some States or Tribes have internal accounting procedures where, once these undistributable collections are transferred outside the control of the IV-D agency to another office, account or fund of the State or Tribe or a political subdivision, they are no longer available to the State's or Tribe's child support enforcement program. Regardless of these internal procedures, these funds are required to be reported as program income in the quarter in which they are first transferred outside the control of the IV-D agency)

❖ *[This is a direct entry. Enter as a positive number.]*

Line 9b. Net Undistributed Collections. The amount of collections that remain undistributed at the end of this quarter and remain available for distribution in a future quarter.

❖ *[Calculated as Line 9 Minus Line 9a.]*

❖ *[This amount is also reported on Line 1 of Part 2 of this report and is further itemized based on the rationale for its "undistributed" status.]*

❖ *[This amount is carried forward to Line 1 of Part 1 of Form OCSE-34 to be submitted for the next quarter.]*

SECTION C. FEDERAL SHARE / FEES

Line 10a. Federal Share of Title IV-E Collections.

TRIBES: LEAVE THIS LINE BLANK. TRIBES ARE NOT REQUIRED TO CALCULATE A FEDERAL SHARE OF COLLECTIONS.

The portion of child support collections used to reimburse the Federal government for its share of past assistance payments under title IV-E of the Social Security Act. The Total entered in Column G is carried forward and entered on Part I, Line 3, Column (b), of Form CB-496 "Title IV-E Programs Quarterly Financial Report."

❖ *[Calculated as Line 7b, columns B and D, respectively, times the current quarter FMAP rate.]*

Line 10b. Federal Share of Title IV-A Collections.

TRIBES: LEAVE THIS LINE BLANK. TRIBES ARE NOT REQUIRED TO CALCULATE A FEDERAL SHARE OF COLLECTIONS.

The portion of child support collections used to reimburse the Federal government for its share of past assistance payments under title IV-A of the Social Security Act. The Total entered in Column G is carried forward and entered on Part I, Line 9, Column B of Form OCSE-396, The "Quarterly Report of Expenditures and Estimates" for the Child Support Enforcement Program.

❖ *[Calculated as Line 7b, columns A and C respectively, times the current quarter FMAP rate.]*

Line 11. Fees Retained by Other State or Tribes. The amount of fees or costs recovered and retained by other State or Tribes from collections forwarded to the reporting State or Tribe. The net amount of the collection forwarded is reported on Line 2f. Amounts entered on this line are not included on any other line of this report. (*The amount reported in this entry is used in the annual incentive payment calculation.*)

❖ **Note:** International agreements currently in place between the United States government and foreign governments do not permit either country to retain a fee. If the reporting State enters into a separate reciprocal agreement with a foreign country or political subdivision not included in the international agreements that does permit fees to be retained from the collection, such fees must also be reported on this line.

❖ *[This is a direct entry based on information received from other States and countries.]*

PART 2: ITEMIZED UNDISTRIBUTED COLLECTIONS

(TRIBES: COMPLETION OF PART 2 IS OPTIONAL.)

Part 2 of Form OCSE-34 provides a “snapshot” of the composition of the undistributed collection balance as reported on Line 9b of Part 1 as of the last business day of the fiscal quarter. It identifies undistributed collections by different definitional categories in Section A and by different age groupings in Section B. Whenever there is no entry that meets the criteria for a specific line, an entry of zero (\$0) is acceptable for that line.

Line-by-Line Instructions:

Line 1. Net Undistributed Collections. The amount of collections that remain undistributed at the end of this quarter and remain available for distribution in a future quarter.

❖ *[Carried Forward From Line 9b, Part 1]*

❖ *[Also calculated as the Sum of Lines 2 + 8, below and the Sum of Lines 14 through 20, below.]*

SECTION A. NET UNDISTRIBUTED COLLECTIONS BY CATEGORY

Line 2. Portion of Net Undistributed Collections Pending Distribution. The portion of net undistributed collections reported above that have been identified and allocated to a particular account and which can reasonably be expected to be distributed and disbursed through normal processing at a date certain or a date determined by law in the near future. These undistributed collections include, but are not limited to:

- (i) collections that were received within the past two business days following receipt, and pending distribution within federal timelines;
- (ii) collections being held for up to six months that were offset from refunds from joint Federal tax returns of Non-TANF families;
- (iii) collections received and held for future support;
- (iv) collections held pending resolutions of a legal dispute and any timely appeal (including but not limited to estate resolutions; contested paternity; contested tax, insurance, and pension intercepts; arrearage balance disputes; contested bank levies; contested seizures of lottery winnings, and other lump-sum seizures; etc.)
- (v) collections processed, but not yet transferred to other state or federal agencies administering programs, including TANF, Foster Care and Medicaid,
 - ❖ *[Calculated as the Sum of Lines 3 through 7.]*

Line 3. Collections Received Within the Past Two Business Days. The portion of the undistributed collections reported on Line 2 that was received from non-custodial parents within the last two business days of the quarter, but which was not distributed and disbursed by the end of the last business day of the quarter. It is expected that the amounts reported on this line will be disbursed within two business days of receipt, most likely on the first or second business day of the next quarter. (Where it is known that a collection will remain undistributed due to some other reason, e.g., “tax offsets,” “legal disputes,” “pending location,” “unidentified,” etc., the amount must be reported on the line appropriate to that category and not reported on Line 3.)

❖ *[This is a direct entry.]*

Line 4. Collections From Tax Offsets Being Held for Up To Six Months. The portion of the undistributed collections reported on Line 2 that was received from non-custodial parents through the offset of refunds from jointly-filed Federal tax returns. Those refunds, which may be held for a period of up to six months, are those that would be allocated and disbursed to Non-TANF families. It is expected that the amounts reported on this line will be disbursed when legal ownership of the tax refund has been determined, but in no case later than six months from the date of receipt.

❖ *[This is a direct entry.]*

Line 5. Collections Received and Being Held for Future Support. The portion of the undistributed collections reported on Line 2 that was received from non-custodial parents in an amount that exceeds the amount due for current support and any arrears and is intended as support for a future month. It is expected that the amounts reported on this line will be disbursed during one or more months following the end of the current quarter.

❖ *[This is a direct entry.]*

Line 6. Collections Being Held Pending the Resolution of Legal Disputes. The portion of the undistributed collections reported on Line 2 that was received from non-custodial parents and is being held pending either the expiration of the deadline for filing an administrative or judicial appeal or a decision resolving an administrative appeal or court action. These legal disputes include the resolution of an estate, contested paternity, contested tax, insurance, and pension intercepts, contested arrearage balances, contested bank levies; contested seizures of lottery winnings, other lump-sum seizures and other similar issues. It is expected that the amounts reported on this line will be disbursed immediately upon resolution of the legal dispute.

❖ *[This is a direct entry.]*

Line 7. Collections Being Held Pending Transfer to Other State or Federal Agency. The portion of the undistributed collections reported on Line 2 that was received from non-custodial parents and is being held pending their transfer to other Federal or non-Federal programs, including TANF, Foster Care and Medicaid. It is expected that the amounts reported on this line will be disbursed within 30 days of the end of the current quarter.

❖ *[This is a direct entry.]*

Line 8. Portion of Net Undistributed Collections Unresolved. The portion of net undistributed collections reported above that either have not been fully identified or allocated and do not have a definite disbursement date due to insufficient information. These undistributed collections include, but are not limited to:

- (i) unidentified collections;
- (ii) collections pending the location of the custodial or noncustodial parent;
- (iii) collections initially disbursed by check that remains uncashed and is now considered stale-dated and non-negotiable in accordance with State law and procedures;
- (iv) collections with inaccurate or missing information, including, but not limited to, information to be supplied by an employer or where the amount of the payment does not equal the transmittal amount; collections received on cases with no open or active account; and other data issues;
- (v) Other collections remaining undistributed.

❖ *[Calculated as the Sum of Lines 9 through 13.]*

Line 9. Unidentified Collections. The portion of the undistributed collections reported on Line 8 that was received in a manner that prevents it from being identified to the specific case to which the collection should be allocated. It is expected that the amounts reported on this line will remain in this

status for an indefinite period until identification becomes possible or until the collection meets the State criteria to be escheated as “abandoned property,” and transferred to Line 9a of Part 1 of this form.

❖ *[This is a direct entry.]*

Line 10. Collections Being Held Pending the Location of the Custodial or Non-Custodial Parent. The portion of the undistributed collections reported on Line 8 that was received and was allocated to a specific case. This includes payments to custodial parents, refunds to non-custodial parents or other payments that cannot be disbursed due to the unknown whereabouts of the intended payee of the collection. It is expected that the amounts reported on this line will remain in this status for an indefinite period until either the payee is located, a refund is made to the payer (if appropriate under State procedures) or until the collection meets the State criteria to be escheated as “abandoned property,” and transferred to Line 9a of Part 1 of this form.

❖ *[This is a direct entry.]*

Line 11. Collections Disbursed but Uncashed and Stale-Dated. The portion of the undistributed collections reported on Line 8 that was received and was allocated to a specific case and properly disbursed by check. The check was subsequently not cashed by the intended recipient, is now considered stale-dated and non-negotiable in accordance with State law and procedures. It is expected that the amounts reported on this line will remain in this status only until the collection is re-disbursed to a parent at a reliable address or until the amount is recharacterized as “Pending the Location of the...Parent” and transferred to Line 10 of this report.

❖ *[This is a direct entry.]*

Line 12. Collections With Inaccurate or Missing Information. The portion of the undistributed collections reported on Line 8 that was received and was allocated to a specific case, but cannot be properly disbursed due to inaccurate or missing information, including information to be supplied by an employer or where the amount of the payment does not equal the transmittal amount or collections received on cases with no open or active account; or other similar data issues. It is expected that the amounts reported on this line will remain in this status for an indefinite period until all necessary and accurate information becomes available or until the collection meets the State criteria to be escheated as “abandoned property,” and transferred to Line 9a of Part 1 of this form.

❖ *[This is a direct entry.]*

Line 13. Other Collections Remaining Undistributed. The portion of the undistributed collections reported on Line 8 that was received by the State but cannot be disbursed due to some inconsistent or anomalous situation not included in lines 9 through 12, above. It is expected that the amounts reported on this line will remain in this status for an indefinite period until the situation is rectified or until the collection meets the State criteria to be escheated as “abandoned property,” and transferred to Line 9a of Part 1 of this form.

❖ *[This is a direct entry.]*

SECTION B. NET UNDISTRIBUTED COLLECTIONS BY AGE

Line 14. Collections Remaining Undistributed Up to 2 Business Days. The portion of the net undistributed collections reported on Line 1 that remains undistributed for up to two business days from the date of receipt.

❖ *[This is a direct entry.]*

Line 15. Collections Remaining Undistributed More Than 2 Days but Not More Than 30 Days. The portion of the net undistributed collections reported on Line 1 that remains undistributed for more than two business days but equal to or less than 30 calendar days from the date of receipt.

❖ *[This is a direct entry.]*

Line 16. Collections Remaining Undistributed More Than 30 Days but Not More Than 6 Months. The portion of the net undistributed collections reported on Line 1 that remains undistributed for more than 30 calendar days but equal to or less than 6 months from the date of receipt.

❖ *[This is a direct entry.]*

Line 17. Collections Remaining Undistributed More Than 6 Months but Not More Than 1 Year. The portion of the net undistributed collections reported on Line 1 that remains undistributed for more than 6 months but equal to or less than 1 year from the date of receipt.

❖ *[This is a direct entry.]*

Line 18. Collections Remaining Undistributed More Than 1 Year but Not More Than 3 Years. The portion of the net undistributed collections reported on Line 1 that remains undistributed for more than 1 year but equal to or less than 3 years from the date of receipt.

❖ *[This is a direct entry.]*

Line 19. Collections Remaining Undistributed More Than 3 Years but Not More Than 5 Years. The portion of the net undistributed collections reported on Line 1 that remains undistributed for more than 3 years but equal to or less than 5 years from the date of receipt.

❖ *[This is a direct entry.]*

Line 20. Collections Remaining Undistributed More Than 5 Years. The portion of the net undistributed collections reported on Line 1 that remains undistributed for more than 5 years from the date of receipt.

❖ *[This is a direct entry.])*