

May 20, 2022

GENERAL LETTER NO. 23-B-8

ISSUED BY: Bureau of Accounting Services
Division of Fiscal Management

SUBJECT: Employees' Manual, Title 23, Chapter B, **Collections**, Title Page,
Contents Page 1, page 1-4, 5, 6 and 7, revised; 8-11, new.

Summary

This chapter is revised to update Collections practices.

Effective Date

September 30, 2019.

Material Superseded

Remove the following pages from Employees' Manual, Title 23, Chapter B, and destroy them:

<u>Page</u>	<u>Date</u>
Title Page	July 6, 2007
Contents Page 1	July 6, 2007
1-4	July 6, 2007
5	July 11, 2008
6 and 7	July 6, 2007

Additional Information

Refer questions about this general letter to your division administrator.

Collections

	<u>Page</u>
Overview	1
Child Support Collections	1
Collection of Funds.....	1
Issuance of Receipts for Child Support Collections	4
Transmittal of Receipts	5
Collection Services Center Processing	6
Receipt Validation	6
Field Office Collections.....	7
Receipt Books	7
Issuance of Receipts for Non-Child Support Collections.....	8
Transmittal of Receipts	10
Voided or Spoiled Receipts	10
Central Office Processing	10
Receipt Validation	11

Overview

The purpose of this chapter is to explain the policies and procedures regulating collections and receipts on behalf of the Iowa Department of Human Services. The Department receives a multitude of funds from outside sources, including but not limited to child support collections, premium collections, SSI custodial receipts, county remits, voluntary repayment of benefits, and return of overpayments.

This chapter is not to provide collection procedures on all types of collections received by the Department, but rather those collections brought to a local field or child support office. A collection may come in the form of cash, checks, money order, or a return of a state warrant. The process of issuing a receipt to the payor for the collection is different in a field office versus a child support office. Due to these differences, this chapter is broken down into two sections, child support collections and non-child support collection, herein referred to as field office collections.

Child Support Collections

In child support offices, the Child Support Supervisor designates the employees authorized to make collections on behalf of the Department (referred to as designated employee herein). The Child Support Supervisor shall ensure enough staff are authorized to be available to clients during office hours.

All employees authorized to make collections on behalf of the Department shall be bonded. (Permanent, probationary, contract, and temporary employees of the Department are bonded through the hiring process.) The bond is effective only when the person is acting in an official capacity.

The Child Support Supervisor shall request access to ICAR payment receipt screens for all workers designated to make collections on behalf of the Department. When an employee terminates employment, the Child Support Supervisor shall revoke access to ICAR.

Collection of Funds

Local child support offices may collect child support payments and certain child support fees for services, such as fees for genetic tests or payment of fees due to insufficient funds. Non-child support payments, such as recoupment of an overissuance for FIP or food assistance shall be directed to the local DHS office. Typically if a client chooses to pay at a local office, the individual may present payment in person, however a client could mail a payment to a local office.

A payment received through the mail shall be logged on to the spreadsheet titled "XYZ Child Support Mailed in PYMTS" found on the share [\\Csctr3s1\CSRU\CSRU_cash_receipts](#), with XYZ representing the office name. The share is organized by the calendar year in which the payment was received. For instance, for a check received in the mail on December 15, 2019, the path to the spreadsheet would be [\\Csctr3s1\CSRU\CSRU_cash_receipts\2019](#). The designated employee shall include on the spreadsheet:

- ◆ The date the check was received in the mail
- ◆ The case number
- ◆ Payment amount
- ◆ Check or money order number
- ◆ Remitter's name
- ◆ The worker's 4-digit ICAR ID#
- ◆ The date the check was forwarded to CSC.

Also included in the spreadsheet is a column for an independent employee to sign off confirming the check was placed in the bag for CSC (an independent employee is an employee other than the employee who accepted and logged the payment). The process of submitting the bag to CSC is discussed in the section titled "transmittal of receipts" below.

When a client brings the payment to the local office, the designated employee shall issue a receipt to the client. A client may pay using cash, check, or money order. The following steps shall be taken by the designated employee before a receipt may be issued:

- ◆ Cash shall be verified as not counterfeit. The larger bills (\$20 bills and higher) shall be marked with a counterfeit detector pen prior to acceptance.
- ◆ Cash shall be counted and verified by a 2nd worker.
- ◆ The designated employee shall immediately place a restrictive endorsement on a check or money order. The endorsement must read either "Pay to the order of Collections Services Ctr" or "Pay to the order of Treasurer, State of Iowa".
- ◆ Checks or money orders shall be reviewed for the following to ensure necessary information is captured
 - CSC, CSRU, DHS, custodial parent, or the caretaker is listed as the payee on the check or money order.
 - The check or money order is signed
 - The dollar amounts match (\$100.00 matched to one hundred and 00/100) and are legible.
 - The case number is listed on the memo line or provided in an attachment

- The date of the check or money order is not post-dated (not greater than the current date)
- The date of the check or money order is not dated more than six months older than the current date.
- The name of person making payment and payor's address are included. This may not be on a money order so the worker may need to request the payor add this to the money order.
- ◆ If the check is \$1,000 or greater, review the ICAR case to determine if the remitter frequently pays a large amount.
 - If the payor frequently pays a high amount, accept the payment.
 - If the payor does not frequently pay a large amount, call the bank the check is drawn from and verify funds. In ICAR, narrate the bank name and the bank employee name that provided the information and the outcome of the conversation on the screen title NARRCASE. If the bank confirms sufficient funds, accept the payment. If the bank indicates insufficient funds, return the check to the payor.

Issuance of Receipts for Child Support Collections

Local child support offices use the ICAR system to generate an E-Receipt. Information is entered into ICAR screen OFFPAY to populate form 470-4847 – “E-Receipt”. Once generated, the form is not editable. Instructions for completing the receipt can be found in Procedural Directive #10-04 at [http://dhssp/csr/co/Procedural_Directives/2010/PD_10-04 - E-Receipt revision 6.pdf](http://dhssp/csr/co/Procedural_Directives/2010/PD_10-04_-_E-Receipt_revision_6.pdf). Instructions begin on page 4.

Once information is entered, Form 470-4847 – “E-Receipt” shall be printed. The E-Receipt displays the following information about the payment:

- ◆ The address of the local office where the transaction took place
- ◆ The worker ID number of the worker who receipted the payment
- ◆ The source of the payment
- ◆ The date the payment was received
- ◆ The E-Receipt number as assigned by ICAR
- ◆ The payment type (support or fees)
- ◆ The time of day the receipt was issued
- ◆ The case number for the payment, up to six cases may display
- ◆ The date of withholding if the payment was an income withholding order or a levy
- ◆ The case payment amount
- ◆ The total amount of the case’s payments
- ◆ The source of the payment
- ◆ The check number, money order number, or bank check number of the payment

The designated employee shall print two copies of the receipt with one copy provided to the payee and the second stapled or paper clipped to the check or money order and any additional supporting documentation.

Cash and checks, along with the E-Receipts and any other supporting documentation shall be placed in a secure location until such time as the collections are transmitted.

Transmittal of Receipts

If cash is received, the cash shall be counted once in the presence of the payor and a second time at the end of the business day. At the end of the day, a 3-part deposit ticket shall be completed with the day's total cash collections. The cash shall be deposited daily at a bank account designated by the Treasurer of State following approved local cash procedures. One part of the deposit ticket is given to the bank, the local office keeps one part and the third part shall be attached to the corresponding E-Receipts to be sent to CSC in the daily mail bag.

Checks and money orders are attached to the CSC copy of the E-Receipt printed from ICAR. The check should be attached using a single staple or a paperclip. At the end of the business day, the check amounts shall be compared to the E-Receipt, verified, and placed in the daily mail bag.

The daily mail bag should be prepared at the end of each work day. The following should be included in the mail bag:

- ◆ A report generated out of ICAR showing all receipts taken in that day.
 - The report of all cash payments, S479J752-A, may be obtained by going to the OFFRVW screen in ICAR and selecting "F9".
 - The report of all check or money order payments, S479J752-B may be obtained by going to the OFFRVW screen in ICAR and selecting "F10"
- ◆ The cash deposit ticket attached to the packet of corresponding E-Receipts. This should be verified against the report of all cash payments to ensure all cash has been remitted.
- ◆ The individual checks and money orders attached to the corresponding E-Receipt. These should be verified against the report of all check and money order payments to ensure all non-cash payments have been included in the bag for remittance.
- ◆ Checks or Money Orders received through the mail.
- ◆ Any other correspondence that may have been received throughout the day, such as direct deposit change forms, automatic withdrawal forms, etc.

The items shall be placed in a non-transparent tamper resistant secure plastic bag and sealed. This secured plastic bag shall be placed into a large manila envelope and addressed to:

Collection Services Center
1305 E. Walnut Street
Des Moines, IA 50319

The manila envelope shall be placed in the **local** out-going mailbox for courier pick-up. Payments received in the local offices shall not be held for more than one business day after receipt.

Collection Services Center Processing

The courier delivers the secure plastic bags to the Hoover mailroom. Mailroom staff deliver the bags unopened to the collection services center. Upon receipt of the secure plastic bag from the local child support office, the collection services center will process the payments through the CSCPro system for deposit and transmission to ICAR for distribution.

For those payments received at the local office through the mail, CSC staff populate the "CSC Rec'd date" in the log kept of child support mailed in payments. For those payments received at the local office in person (both cash and non-cash), CSC staff log the received date in ICAR to reflect the funds have been received and processed.

Receipt Validation

On a daily basis, a report is delivered to CSC staff from ICAR showing a listing of receipts that were generated where funds have not yet been remitted to CSC. The report only shows those collections made more than 12 calendar days prior. This report is reviewed daily and investigated by CSC staff.

Field Office Collections

In field offices, the service area manager designates employees authorized to make collections on behalf of the Department. The service area manager shall ensure enough staff are authorized to be available to clients during office hours.

All employees authorized to make collections on behalf of the Department shall be bonded. (Permanent, probationary, contract, and temporary employees of the Department are bonded through the hiring process.) The bond is effective only when the person is acting in an official capacity.

Each service area manager shall prepare a letter or e-mail listing the employees authorized to make collections in each office. The letter shall be submitted annually by June 30 of each year as well as if a change in responsibilities occurs. Submit the letter via e-mail to the Bureau Chief of Purchasing, Payments and Receipts. The service area manager shall retain a copy of the authorization letter in the originating office for review by state, federal, or department auditors. The Bureau Chief of Purchasing, Payments, and Receipts uses the listing to ensure all designated employees have a receipt book to be used for issuing receipts to customers.

Receipt Books

Receipt books are used by authorized employees to issue a receipt to a customer for a payment. Receipt books may be ordered for newly authorized staff or for existing staff whose receipt book has been exhausted. A new book may be ordered from the Bureau of Purchasing, Payments and Receipts by e-mailing a request to the Bureau Chief. Books are issued only to employees who have an authorization on file with the Bureau of Payments and Receipts.

The receipt book may be used only by the employee to which it is assigned. Each receipt book contains 50 pre-numbered *Official Receipts*, form 470-0009. The "Official Receipt" is in triplicate with a white, yellow, and pink copy of each receipt number. The Bureau of Purchasing, Payments, and Receipts records the number range of the receipts assigned to each employee. Restrictions on the use of the receipt books are essential to providing accountability and an audit trail. Receipt books must be retained by the authorized employee until such time as the receipt book is exhausted, or the employee leaves the position for which the receipt book was issued. The receipt book must be held at the local office until examined by a field auditor from the Iowa Department of Inspections and Appeals. The field auditor will return the used receipt book or the receipt book from the departed employee to the Bureau Chief of Purchasing, Payments, and Receipts.

The employee to whom the book is assigned is responsible for all receipts logged in the book. Instructions for how to properly fill out a receipt can be found below in the section titled "Issuance of Receipts for Non-Child Support Collections."

An employee who transfers from one county to another may not take an unused receipt book to the new county without written approval from the Bureau of Purchasing, Payments, and Receipts. If approved, letters or e-mails of the authorization to transfer a receipt book must be maintained in both local offices as well as in the Bureau of Purchasing, Payments, and receipts.

If an employee is authorized to issue receipts in multiple locations, a separate receipt book must be maintained for each location and securely stored at each location at all times.

Issuance of Receipts for Non-Child Support Collections

When a client delivers a check or money order to a field office, an authorized employee shall immediately place a restrictive endorsement on the check or money order. The endorsement must read "Pay to the order of Treasurer, State of Iowa." Cash shall be verified as not counterfeit, marking it with a counterfeit detector pen. Cash shall also be counted and verified by a 2nd worker.

Once the check or money order is restrictively endorsed or the cash has been verified, the authorized employee shall issue an *Official Receipt*, form 470-0009, from their assigned receipt book. The steps to complete a receipt are as follows:

- ◆ **Received From:** Enter the name of the person from whom the funds are received. (Do not use the name of the client if someone other than client delivered the item.)
- ◆ **Date:** The date of issuance of the receipt is the same date that the funds, documents, or items are accepted or collected from the payer or remitter. (Do not use the date of transmittal to the cashier.)
- ◆ **Address:** Enter the address of the payer or remitter. (Use the address of the person from who funds are received; see "Received From".) Include box number, street address, city or town, state, and zip code.
- ◆ **The Value of:** Enter in words the amount of the collection. Enter the same amount in numerals following the caption "\$." The full amount collected should be entered as the value.
- ◆ **Form of Remittance:** Check the box for the item for which the *Official Receipt* is issued, i.e., cash, check or draft, or state warrant. If a state warrant is being returned, also provide the warrant number.

- ◆ **Explanation or Description:** Enter the reason or purpose of the collection.
(Example: Overpayment or premium collection)

If the collection is the result of a claim established on the Overpayment Recovery System, the client should have a remittance form number 470-0010, *Adjustment to Overpayment Balance* to submit with their payment. List the claim number and date of assistance or the date service was given and keep form 470-0010, *Adjustment to Overpayment Balance* to send in with the payment.

- ◆ **For:**

- **Client Information:** Indicate the client's name if different from the name entered in the section titled Received From
- **Client ID#:** Enter the client's state ID number
- **Client SSN:** Enter the client's social security number, only if no other ID or case number is known.
- **Case Number:** Enter the client's case number. If the client has more than one case number, enter the case for which the payment is owed.

- ◆ **Check Program Type:** Check the proper box for which program the collection should be applied. Options include food assistance, medical assistance, FACS (includes all child welfare programs), FIP, or CSRU (child support). If the payment is not for one of the listed programs, check the box for Other and provide a description.

- ◆ **By:**

- **Worker Name:** The worker accepting the payment and completing the receipt should sign the *Official Receipt*.
- **Office:** Enter the county name of the local field office.

The authorized employee shall provide the white copy of the *Official Receipt* to the payer or remitter at the time of collection. When a payment is received in the mail, mailing a copy of the receipt to the payer is not required unless the payer specifically requests a receipt for the payment and includes a self-addressed, stamped envelope with their payment. If the white copy is not mailed to the payer, it must be retained in the receipt book with the pink copy.

Upon completion of the receipt, the collection along with the yellow copy of the receipt and any supporting documentation accompanying the payment must be kept in a secure location until transmitted to central office.

Transmittal of Receipts

If cash is received, contact the Bureau Chief of Purchasing, Payments, and Receipts for transmittal instructions. If a non-cash payment type is received, sent the payment, the yellow copy of the receipt, and any supporting documentation received through local mail to:

Department of Human Services
Cashier's Office
Hoover Building – 1st floor
Des Moines, IA 50319

The information and payment should be sent with the courier on the normal pick up day. If the normal courier pick up day is more than 2 business days from the date of receipt, the information and payment should be sent through USPS within 1 business day.

Voided or Spoiled Receipts

If an error is made on a receipt or the receipt is spoiled, the receipt shall be marked void. The white, yellow, and pink copies of the receipt shall be retained in the receipt book.

Central Office Processing

Upon receipt of the payment, receipt, and supporting documentation from the field office, the cashier in central office will date stamp the yellow receipt and deposit the funds with the Treasurer's Office. The cashiers' office will reflect the payment received against the client's case, if applicable. After processing, the cashiers' office shall return the yellow receipt reflecting the date stamp to the employee in field office in which the receipt was written. The yellow copy of the receipt shall be processed and returned to the field office within 30 days of issuance, unless extenuating circumstances exist.

Receipt Validation

In each field office, the authorized employee shall ensure that all payments collected and receipted are ultimately received by the cashier in central office. Upon processing a payment received, the central office cashier will return the yellow copy of the receipt to the authorized employee. When received, the employee shall staple the yellow copy back in the receipt book with the pink copy. The yellow receipt shall be retained in the issuing office for three years beyond the date of the receipt.

In the event a yellow receipt is not received within 30 days or the yellow receipt is received but was not date stamped, the authorized employee shall contact the Bureau Chief of Purchasing, Payments, and Receipts to ensure the payment was received. The Bureau Chief of Purchasing, Payments, and Receipts will work with the employee writing the receipt to investigate the delay and provide an alternate form of confirmation if necessary.