

	<b>INDIANA DEPARTMENT OF CHILD SERVICES</b> <b>TITLE IV-D POLICY MANUAL</b>	
	<b>Chapter 14: Payment Processing</b>	<b>Effective Date: 6/19/19</b>
	<b>Section 1: Definitions</b>	<b>Version: 1.0</b> <b>Revision Date: 6/19/19</b>

**BACKGROUND**

These definitions apply to this Chapter.

**DEFINITIONS**

1. **“Arrears only case”** is a child support case in which the current support obligation has been terminated, but past due child support is owed to the state and/or the custodial party.
2. **“Assignment of support rights”** occurs when, as a condition of receiving Temporary Assistance for Needy Families (TANF) assistance, the applicant or recipient of TANF assigns to the state any rights to child support from any other person which accrues during the period the family receives assistance.<sup>1</sup> The assignment of rights shall not exceed the total amount of assistance paid to the family.<sup>2</sup>
3. **“Business day”** means a day on which state offices are open for regular business.<sup>3</sup>
4. **“Current support”** is the amount of the monthly child support obligation due for a particular month.<sup>4</sup>
5. **“Direct deposit”** is an electronic bank transaction through which child support payments may be deposited to the custodial party’s bank account.
6. **“Disbursement”** is the process of transmitting funds to the appropriate recipient via debit card, paper check, or direct deposit.
7. **“Distribution”** is the allocation of child support collections to the appropriate subaccounts based on the distribution hierarchy established in federal law.
8. **“Electronic Disbursement Enrollment Notice (EDEN Notice)”** is the Electronic Disbursement Enrollment Notice that is mailed to custodial parties to allow them to select direct deposit or debit card for child support disbursements.

<sup>1</sup> 42 U.S.C. § 608(a)(3); IC 12-14-7-1

<sup>2</sup> 42 U.S.C. § 608(a)(3)

<sup>3</sup> 42 U.S.C. § 654b(d)

<sup>4</sup> 42 U.S.C. § 657(c)(5)

9. **“Excess disbursement payment (EXDB)”** is a payment made to a TANF recipient when CSB collects current child support for a month that is greater than the TANF grant for that month and reimbursement for past TANF assistance paid to the custodial party has been paid in full.<sup>5</sup> The child support collected in excess of the TANF assistance amount for that month is held until the end of the month when it is disbursed to the custodial party.<sup>6</sup>
10. **“Federal tax refund offset”** is an administrative enforcement action used to collect past due child support by intercepting part or all of the obligor’s federal income tax refund.
11. **“Indiana debit card”** is a bank card through which child support payments may be electronically disbursed to a custodial party and which may be used to make purchases.
12. **“Indiana State Central Collection Unit (INSCCU)”** is Indiana’s state disbursement unit (SDU), which collects, processes, and distributes all non-cash child support payments.
13. **“Overpayment”** is when any child support payments collected and distributed to an individual exceed the amount the individual is entitled to receive, a payment to an individual not entitled to receive the payment, or fraudulent payments.<sup>7</sup> This also includes when a payment is received from a payor, processed to the payee, and the Child Support Bureau subsequently is informed the payor’s payment was not honored, such as for insufficient funds, by the financial institution on which it was drawn.
14. **“Past due support”** is the amount of support ordered by the court and has not been paid.<sup>8</sup>
15. **“Past public assistance (PPA)”** is the total amount of public assistance that has been paid to the custodial party for the duration of time the family received TANF assistance.
16. **“Permanently assigned arrears”** includes arrears that accrued during periods when the custodial party received TANF assistance and past due support assigned to the state prior to October 1, 1998, up to the amount of the past public assistance disbursed.
17. **“Post-assistance arrears”** are arrears that accrued after a family’s most recent period of assistance and are payable to the custodial party.
18. **“Pre-assistance arrears”** is past due child support that accrued prior to the custodial party’s receipt of TANF assistance. These arrears were temporarily assigned to the state while the custodial party was receiving TANF assistance and became conditionally assigned arrears when the custodial party was no longer receiving TANF assistance. Conditionally assigned arrears are owed to the custodial party. However, if a federal tax refund offset collection is applied to conditionally assigned arrears, the collection is retained by the state to reimburse any unreimbursed past public assistance (UPPA).

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<sup>5</sup> 42 U.S.C. § 657(a)(1)(C); 42 U.S.C. § 657(a)(3); IC 31-25-4-17(e)

<sup>6</sup> 42 U.S.C. § 657(a)(1)

<sup>7</sup> IC 31-25-4-17.5

<sup>8</sup> 45 C.F.R. § 301.1

The requirement of temporarily assigning pre-assistance arrears ended September 30, 2009.<sup>9</sup>

19. **“Unreimbursed past public assistance (UPPA)”** is the amount of public assistance that has been paid during the entire time the custodial party received assistance less the amount collected and used to reimburse the state and federal government for the payment of that assistance.

#### **POLICY**

N/A

#### **REFERENCES**

- [IC 12-14-7-1](#): Assignment of support payment rights; eligibility for assistance
- [IC 31-25-4-17.5](#): Recoupment of overpayment
- [42 U.S.C. § 608](#): Prohibitions; requirements
- [42 U.S.C. § 654b](#): Collection and disbursement of support payments
- [42 U.S.C. § 657](#): Distribution of collected support
- [45 C.F.R. § 301.1](#): General definitions

#### **PROCEDURE**

N/A

#### **FREQUENTLY ASKED QUESTIONS**

[Deficit Reduction Act \(DRA\) Distribution Changes Training Document](#)

#### **RELATED INFORMATION**

N/A

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<sup>9</sup> See Deficit Reduction Act (DRA) Distribution Changes Training Document for more information on temporarily assigned arrears and conditionally assigned arrears.