

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

**BACKGROUND**

N/A

**POLICY**

When funds have been improperly disbursed to the custodial party or the non-custodial parent by the Child Support Bureau (CSB) or the Indiana State Central Collection Unit (INSCCU), the CSB or INSCCU shall attempt to recoup those funds.<sup>1</sup>

When funds have been improperly disbursed to the custodial party or the non-custodial parent by the Clerk of Courts, the Clerk of Courts shall attempt to recoup those funds.<sup>2</sup>

Situations where a recoupment may be necessary against a custodial party are:

1. When a payment is misapplied to a case;
2. When a payment was made due to fraudulent activity; and
3. When a payment exceeded the amount actually due based on an accounting error.<sup>3</sup>

Situations where a recoupment may be necessary against a non-custodial parent are:

1. When a payment was incorrectly refunded to the non-custodial parent;
2. When a payment exceeded the amount actually due based on an accounting error; and
3. When a federal tax payment distributed to a custodial party has been recalled by the Internal Revenue Service (IRS).<sup>4</sup>

**REFERENCES**

- [IC 31-25-4-17.5](#): Recoupment of overpayment
- [465 IAC 1-1-11.5](#): Recoupment of child support overpayments from subsequent child support payment
- [OCSE-PIQ-02-01](#): Recoupment of a Child Support Overpayment, Guidance 2002

**PROCEDURE**

<sup>1</sup> IC 31-25-4-17.5(a); 465 IAC 1-1-11.5

<sup>2</sup> IC 31-25-4-17.5(a)

<sup>3</sup> IC 31-25-4-17.5(a); OCSE-PIQ-02-01

<sup>4</sup> IC 31-25-4-17.5(a); OCSE-PIQ-02-01

When the CSB, INSCCU, or Clerk of Courts receives and processes a payment and determines that funds have been improperly disbursed, the CSB, INSCCU, or Clerk of Courts makes an adjustment and, if needed, a recoupment is set up in the statewide child support system.

If a recoupment is needed, the CSB or INSCCU shall send up to three (3) letters, not less than 30 days apart, to the participant containing the following information:

1. That a child support payment was disbursed in error to the participant;
2. The amount of the payments and the dates the payments were disbursed;
3. The address of where the participant should send the response to the notice;
4. The participant has 15 days from the date of the notice to respond in writing to one (1) of the following options:<sup>5</sup>
  - a. Returning the check if not yet cashed;
  - b. Sending a personal check or money order to cover the amount received in error;  
or
  - c. Giving permission to deduct 10% of future child support payments and 100% of past-due child support payments until the amount received in error is paid in full.

The third notice to the participant also includes a statement that the participant's failure to respond will result in presumed consent to the recoupment.<sup>6</sup> This presumed consent allows the CSB or INSCCU to recoup the overpayment by the withholding of subsequent child support payments up to the total amount of the overpayment disbursed to the participant.<sup>7</sup>

Recoupments will not be withheld from subsequent child support payments until:

1. Receiving written consent from the participant;<sup>8</sup> or
2. Presumed consent based on the participant's failure to timely respond to the third notice.<sup>9</sup>

## **FORMS AND TOOLS**

N/A

## **FREQUENTLY ASKED QUESTIONS**

N/A

## **RELATED INFORMATION**

The Clerk of Courts may use their Annual Support Fee funds to pay a recoupment.

Future payments on any case for the participant may be used to pay a recoupment.

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<sup>5</sup> 465 IAC 1-1-11.5(d); 465 IAC 1-1-11.5(e)

<sup>6</sup> 465 IAC 1-1-11.5(d)(5)

<sup>7</sup> 465 IAC 1-1-11.5(d)(5); OCSE-PIQ-02-01

<sup>8</sup> 465 IAC 1-1-11.5(b)(2); OCSE-PIQ-02-01

<sup>9</sup> 465 IAC 1-1-11.5(e); OCSE-PIQ-02-01