

# Federal Parent Locator Service

## **Federal Offset Program**

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# **1. CHANGE FREQUENCY OF COLLECTION AND ADJUSTMENT REPORTING TO STATES (OCSE REF # 2597)**

## **1.1 Summary of Changes**

Effective January 2010, the Federal Offset System is being modified to send collections to the States on a weekly basis, instead of bi-weekly, improving the currency of arrearage data.

## **1.2 Background**

Provisions in the Deficit Reduction Act (DRA) of 2005 changed the priority of offset hierarchy at Treasury's Financial Management Service (FMS) removing the distinction in priority between Temporary Assistance to Needy Families (TANF) and non-TANF past-due support and provided States with the option to pass through Federal income tax refund offset collections to the family first. These changes make it critical to maintain current arrearage data across State and Federal systems. Accepting and processing collections on a weekly basis will help synchronize State, OCSE, and FMS arrearage balances and allow States to disburse offset monies more quickly. In addition, this improved synchronization will benefit other Federal collection and enforcement remedies including passport denial, Multistate Financial Institution Data Match (MSFIDM), and Federal insurance match.

Since this enhancement is mandatory and a major impact, the planned changes were originally announced in Release 09-01 to provide States adequate time to make the necessary updates.

## **1.3 Description of Changes**

The Federal Offset System will send a collection and adjustment file every week, rather than every other week. Collection files from FMS will continue to be processed at OCSE on Thursday, the day after the FMS collection cycle is complete. With minor exceptions, collection files and reports will be transmitted to States on the following Wednesday, and funds from collections will be deposited into State accounts the next day, Thursday.

From the information on the collection and adjustment files, the following reports will also be generated and sent to the States every week:

1. Federal Offset Collections Technical Content Correspondence (TCC) (eFlash and web posting)
2. OCSE Federal Offset Net Check Amount Report (eFlash and CFI (which replaces CONNECT:Direct)
3. Federal Offset Collection Report (CFI)
4. Statement of Service Fee Report (CFI)
5. Name Discrepancy Report (CFI)

There is no change to the format of the collection files or the reports that are sent to the States.

A copy of the Processing Year 2010 Federal Offset Collections Schedule will be provided to States and posted to the OCSE website closer to the effective date of this change.

## **1.4 Impact on States**

States must modify their systems by January 2010 to accept the file on a weekly basis.

## **1.5 Input Record Specification**

There are no input record changes.

## **1.6 Output Record Specification**

There are no output record changes.