

Central Authority Payment Process

September 27, 2023

CONDUENT





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How Michigan Became a Pilot

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- International Meeting in February 2020
- Gained Support from the MiSDU and IV-D Director
- Contacted OCSS to express interest
- Initial work began in spring 2022
- Discontinued sending checks on December 30, 2022

Georgia's Road to the Pilot

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- Commissioner Tanguler Gray, former IV-D Director for Georgia, invited Georgia to participate in the proposed CAP process.
- Assistant Deputy Commissioner, Child Support Services, John Hurst accepted the invitation and provided contact names.
- First meeting held in May 2022
- Recognized very quickly we needed our banking and OIT staff involved during all upcoming calls.

First CAPS Meeting

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- Explanation of the process
 - States send funds to OCSS bank
 - OCSS bank sends funds to Germany once a week
 - Funds transmitted to Germany in their currency by OCSS
- First Steps Needed
 - Identify and reconcile cases with Bonn Germany
 - Additional Staff Identified to attend the CAP Meetings

CAPS Project approach

Key elements of the approach by OCSS

- Work within existing programs and practices
 - Use the CCD+ II and IO DED Segments within ACH files
 - Understand the level of effort for states to set up/manage disbursing of payments to CAP
 - Objective was to minimize the need for any changes to existing state payment workflow
 - Use standard software development life cycle process for software development/changes
- CAP interacts with Federal partners

Initial Project Scope

Initial Scope:

- Cases with German Federal Office of Justice (payments through German Central Authority in Bonn)
- Initially Sweden was included but was later changed
- 14 other countries expressed interest

Potential additions as of September 2023:

Australia

Austria

Czech Republic

Hungary

Latvia

New Zealand

Portugal

Slovakia

Slovenia

Sweden

Switzerland

Michigan Project Approach

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- Identified Key Stakeholders:
 - MiSDU Project Staff
 - Michigan Child Support Enforcement System (MiCSES) Staff
 - Policy Staff
 - Technical Writers
 - Child Support Trainers
- Formed an internal team to develop an implementation plan
- Participated in CAP meetings

Georgia Project Approach

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- Identified Additional Key Stakeholders:
 - Banking Team
 - OIT Staff
 - Central Registry
 - Financial Staff
- Participated in all CAP meetings
- Executive Leadership Updated

Michigan Key Activities

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Activities Prior to Implementation:

- Reconcile cases with Germany – Approx. 20 cases
 - German case ID, state case ID, NCP name (Required for NACHA file)
- MiCSES required updates to properly direct payments
- MiSDU utilized the current EFT process for intergovernmental payments
- Publicize the change and benefits
 - Presentations at Child Support Meetings
 - Publish Policy

Georgia's Key Activities

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Germany

- Provided listing of cases with Georgia and Bonn Germany
- Georgia Case Number Included
- Germany Case Listing contained – 47 cases

Georgia

- Compared Case Listings
- Confirmed Germany case information matched
- Confirmed all Bonn Germany cases contained the correct Payee FIPS Code

Existing DED Segment (6 record) for Interstate EFT

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ELEMENT	COMMENTS	CONTENT	length
	Segment Identifier	DED	3/3
DED01	Application Identifier	XX	2/2
DED02	Destination Case Identifier	XXXXXXXXXX	1/20
DED03	Pay Date	YYMMDD	6/6
DED04	Payment Amount	\$\$\$\$\$\$CC	1/10
DED05	Noncustodial Parent Social Security Number	XXXXXXXXXX	9/9
DED06	Medical Support Indicator	X	1/1
DED07	Noncustodial Parent Name	XXXXXXXXXX	1/10
DED08	FIPS Locator Code	XXXXXXX	5/7
DED09	Employment Termination Indicator	X	1/1

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Assumptions

- CAP will provide support to states to aid them in setting up the processes to send payments to CAP. CAP will manage payments to the Foreign Authorities.
- CAP will assist with State payment reconciliation if needed.
- The CAP program will publish the table of member countries, so states know which countries are using CAP (for initial implementation and as new countries join convention)
- The CAP will send out disbursements once per week, per ITS procedures
- Disbursements will follow current interstate EFT format used by states
- The states will have an opportunity to review the layout for submission before implementation
- States will have no access to the CAP system
- Outreach and customer service will be provided by CAP to both states and foreign authorities

Interim Request From Germany

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- Pilot States were provided last date to release funds to Germany via check, December 20, 2022.
 - Three-month extension was requested and granted, but not needed.
- Germany requested pilot states not release funds less than \$50.00 in the interim.
 - Cases identified by Bonn Germany FIPS – holds were added to prevent funds from disbursing.

First Funds to Germany – EFT

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- States were advised to release funds to Germany after January 1, 2023.
- Georgia discovered issues with first set of payments to Germany.
 - Call with OCSS and Georgia was staff set up immediately.
 - Issues were addressed, along with resolution that worked for Georgia and OCSS.
 - Since that time – no additional issues have been identified.
 - Germany identified a couple of case issues
 - Issues emailed to Georgia and were corrected immediately.

Michigan Successes

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First payment was sent January 2, 2023

Numbers as of August 2023: 151

Dollar amount as of August 2023: \$49,399.99

Currently working with Slovakia and Czech Republic to reconcile cases

Georgia Successes

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ERICSA

First payment was sent January 2, 2023

Numbers as of August 2023: 714

Dollar amount as of August 2023: \$161,526.24

Michigan Challenges

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- Testing prior to implementation is really important
- Good communication between MiSDU and Program Office is critical
- Plan for surprises during the process
- Correcting or updating your child support system may be necessary

Georgia Challenges

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- Testing prior to implementation is vital.
- Communication of all parties involved is critical
- Expect some minor bumps during implementation – there is always a surprise!
- Correcting or updating in either countries system

CAP Successes September 2023

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- 38 U.S. states are sending payments to Germany through CAP
- 5 U.S. states are completing set-up and testing with CAP
- 12 states not enrolled with CAP because:
 - They currently do not have cases with Germany; or
 - They have independently set up electronic payments to Germany
- More than \$1.2 million has been sent to Germany since January 2023

Expansion of CAP

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- Other foreign authorities that no longer accept checks can enroll in CAP
- CAP will notify states through CAP listserv about new foreign authorities
- CAP will provide state reconciliation contacts to foreign authority
- Implementation schedules and updates will be sent through CAP Listserv

Questions