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|  | <b>INDIANA DEPARTMENT OF CHILD SERVICES<br/>TITLE IV-D POLICY MANUAL</b> |   |
|   | <b>Chapter 5: Department of Child Services (DCS) Child Welfare Cases</b> | <b>Effective Date: 07/29/2020</b>                 |
|   | <b>Section 5: Distribution of Child Support Collections</b>              | <b>Version: 1.2<br/>Revision Date: 07/29/2020</b> |

**BACKGROUND**

N/A

**POLICY**

In a Title IV-D child welfare case in which the child is in a Title IV-E funded placement, monies collected through child support payments are distributed, per federal regulation, as follows:

1. Any amount collected in a month which represents payment on the required support obligation for that month shall be paid to the Department of Child Services (DCS) Child Welfare to repay Title IV-E maintenance payments.<sup>1</sup>
2. If the amount collected is in excess of the monthly amount of Title IV-E maintenance payments, but not more than the monthly support obligation, the excess shall be paid to DCS Child Welfare.<sup>2</sup> This amount paid to DCS Child Welfare should be used in the following manner:
  - a. Setting aside amounts for the child’s future needs;<sup>3</sup> or
  - b. Making all or part of the amount available to the person responsible for meeting the child’s daily needs to be used for the child’s benefit.<sup>4</sup>
3. If the amount collected in the month is greater than the current support obligation for the month and there is a child support arrearage, this amount will be paid to DCS Child Welfare up to the total amount of unreimbursed Title IV-E maintenance payments or to the Family and Social Services Administration (FSSA) up to the total amount of unreimbursed Title IV-A payments.<sup>5</sup> This money reimburses the federal and State share of Title IV-E or Title IV-A payment.
4. Any amount collected in the month in excess of the current child support obligation and the amount of unreimbursed Title IV-E maintenance payments are paid to DCS Child Welfare or the amount of unreimbursed Title IV-A payments are paid to FSSA as described in number 2 above up to the amount of any arrearage owed to DCS Child Welfare as a result of court ordered child support.<sup>6</sup>

<sup>1</sup> 42 U.S.C § 657(e)(1); 45 C.F.R. § 302.52(b)(1)

<sup>2</sup> 42 U.S.C. § 657(e)(2); 45 C.F.R. § 302.52(b)(2)

<sup>3</sup> 42 U.S.C. § 657(e)(2); 45 C.F.R. § 302.52(b)(2)(i)

<sup>4</sup> 42 U.S.C. § 657(e)(2); 45 C.F.R. § 302.52(b)(2)(ii)

<sup>5</sup> 42 U.S.C. § 657(e)(3); 45 C.F.R. § 302.52(b)(3)

<sup>6</sup> 42 U.S.C. § 657(e)(2); 45 C.F.R. § 302.52(b)(4)

5. If an amount is collected for payment of child support in a future month, the amount shall be applied to that future month. However, no amount shall be applied to a future month unless the child support obligation for the current month and all arrearage has been paid in full.<sup>7</sup>
6. When the State ceases making payments under the Title IV-E state plan, the assignment of support rights terminates except for any unpaid support that accrued during the assignment. The Title IV-D agency shall attempt to collect this unpaid support.<sup>8</sup>

For all amounts collected on cases in which the child is in Title IV-E funded placement, monies collected through child support payments are distributed to DCS Child Welfare for the appropriate share to be paid to the federal government to reimburse the Title IV-E funds. In a Title IV-D child welfare case in which the child is not in a Title IV-E funded placement, monies collected through child support payments are distributed to DCS Child Welfare with no federal share payment.

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| <b>REFERENCES</b> |
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- [42 U.S.C. § 657](#): Distribution of collected support
- [45 C.F.R. § 302.52](#): Distribution of support collected in Title IV-E foster care maintenance cases

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| <b>PROCEDURE</b> |
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N/A

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| <b>FORMS AND TOOLS</b> |
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N/A

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| <b>FREQUENTLY ASKED QUESTIONS</b> |
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N/A

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| <b>RELATED INFORMATION</b> |
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N/A

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| <b>REVISION HISTORY</b> |
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| Version     | Date               | Description of Revision                    |
|-------------|--------------------|--|
| Version 1   | December 8, 2015   | Final Approved Version.                    |
| Version 1.1 | September 17, 2019 | Removed FAQs.                              |
| Version 1.2 | July 29, 2020      | Updated hyperlinks. Reviewed for accuracy. |

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<sup>7</sup> 45 C.F.R. § 302.52(b)(5)

<sup>8</sup> 45 C.F.R. § 302.52(c)