



Series: Cash Management **COA:** FIN 2, 7.02, 7.03, 7.05
CFOP:

Procedure Name: Collections and Write-Offs
Procedure Number: AR-630
Revision #/Date: (1) 2-09-09
Effective Date: 10/01/04
Applicable to: All CBCB Staff and Contract Providers

SUBJECT: Collections and Write-Offs

PURPOSE: To provide a fair and aggressive collection of all outstanding accounts and to write-off uncollectible accounts.

PROCEDURE:

References

CBCB Policies/Procedures: CG-302, CM-170, GOV-202, GOV-203, GOV-208
Recoup Tracking Log – Funds Outstanding for FYxxxx
CPA Contract Attachment (Manner of Service Provisions, sub-section: Service Tasks# 29 & 30)
Daily Placement Log

Definitions

CPA: A Child Placing Agency contracting with CBCB to perform these services.
Strategy Team: The senior executive body managing CBCB to include the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer, Chief Personnel and Administrative Officer, and the Chief Compliance and Utilization Management Officer.

General

Foster room & board, Adoption subsidy and/or other support payments (i.e.: annual clothing allowance) are processed based upon the most accurate information at the time, but occasionally activities occur which changes the amount that should have been paid for these transactions. As a result, overpayments occur which need to be repaid by the party receiving the payment.

Foster Board, Adoption or Other Support Payments

Foster Room & Board

The foster room and board payment processing occurs on the 3rd or 4th day prior to the end of a calendar month. These payments are made based upon the child's placement during the calendar month. To issue the payment within the calendar month, a determination has been made that the children would be in the current placement as of the date of the payment processing for these last 3 – 4 days of the month. If there is movement during this window of time one of the following scenarios will occur:

- 1) The original foster parent is overpaid and they **have newly placed children** for which they receive room & board or other support payments: CBCB will deduct the overpayment for the movement from the payments tabulated for the new children placed in the foster home. The remaining balance from this reconciliation will be paid to the foster parent during the monthly foster room & board payment processing.
- 2) The original foster parent is overpaid and they **do not have any other children** for which they receive room & board or other support payments:
 - a) A recoupment invoice is generated for the overpayment.
 - b) All pertinent data is recorded on the Recoup Tracking Log – Funds Outstanding for FYxxxx log.
 - c) A letter is prepared by the Accounting Department explaining the reason for the recoupment. The letter and documentation are sent certified mail, return receipt to the recipient within 7 days of the recoupment invoice date. The date mailed is recorded on the Recoup Tracking Log.
 - d) A copy of this letter and all subsequent letters are sent via email, in PDF format, to the Contract Manager for forwarding to the appropriate CPA.
 - e) If there is no response from the recipient after 30 days, a second notice letter is sent certified mail, return receipt.
 - f) If there is no response from the recipient after 60 days, a third notice letter is sent certified mail, return receipt.
 - g) If no response from the recipient after 90 days, a final notice letter is sent certified mail, return receipt. The recipient has 10 days to respond. If there is no response, CBCB will provide to the CPA in writing the need to recoup the overpayment. CBCB will deduct this non-payment by the recipient from the provider's next payment.
 - h) If the recipient is out of county and a Brevard County child has been placed there, the same procedure for sending letters is used noted above, except that there is no recourse against a CPA due to CBCB not having a contract with an out of county provider. In this case, if there is no response by the recipient to CBCB's letters, the recipient proceeds to the collection process as outlined in section Collections, sub-section 4.

- i) It should be noted that if a recipient can show a valid financial hardship due to the collection process, payment arrangements can be made with the CFO. All payment arrangements must be approved by the CEO.

Adoption Subsidy

When CBCB operational staff has determined that an adoption subsidy overpayment has occurred, the appropriate documentation should be forwarded to the Accounting Department the payment records to be reconciled.

Upon verification of the findings that an overpayment has been made, the Accounting Department will begin the collection process with the recipient as noted in the Foster Room & Board section, sub-sections c-i.

Non-notification by the CPA of Child Movement

The Daily Placement log is reviewed and the daily movement activity of children in the State of Florida's payment system is recorded. A non-notification of movement is recorded in the "Notes" section of the Daily Placement Log.

The Child & Family Services Division's In-Take staff should inform the Contract Manager of the non-notification of movement and provide the appropriate documentation.

The Contract Manager will provide to the Accounting Department appropriate documentation in order to initiate a deduction of the daily rate of care paid to each CPA monthly for children assigned to their care.

Other Support Payments

For an overpayment on a clothing allowance, the steps outlined in the Foster Room & Board section will serve as the collection process.

Other Receipts

The appropriate CBCB Operational Department will contact the identified party creating a receivable owed to CBCB. The Department will proceed to rectify the situation as necessary. If the situation cannot be resolved within 30 days or during the time frame identified within a contract, the receivable will be processed as outlined in the Collections section of this procedure.

Collections

The following steps are taken for collections:

1. A letter notifying the responsible party of the amount due to CBCB, etc. along with appropriate documentation will be mailed certified mail, return receipt by the Accounting Department.

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2. If payment is not made within 30 days, a follow up phone call should be made by the CBCB Department responsible for collecting the item and another notification letter, "2nd NOTICE", is sent certified mail, return receipt by the Accounting Department.
3. If payment is not made within 60 days, a follow up phone call should be made by the CBCB Department responsible for collecting the item and another notification letter, "3rd FINAL NOTICE" is sent certified mail, return receipt by the Accounting Department.
4. If payment is not made within 90 days, the receivable is written off or sent to a collection agency for processing as determined by the CFO after consulting the Strategy Team.

Write Off of Uncollectible Accounts

By the end of each fiscal year, outstanding accounts receivable will be reviewed and a determination will be made by the Strategy Team whether to write-off or to pursue collection of the outstanding debt. Execution of the Strategy Team's decision will be completed by the CFO or their designee.

BY DIRECTION OF THE CHIEF EXECUTIVE OFFICER:



DR. PATRICIA NELLIUS-GUTHRIE
Chief Executive Officer
CBC of Brevard, Inc.

APPROVAL DATE: 3/19/09