
Multistate Financial Institution Data Match

Including background information,
participation instructions and
the required form for exchanging data with the
Office of Child Support Enforcement (OCSE).



Department of Health and Human Services
Administration for Children and Families
Office of Child Support Enforcement
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BACKGROUND

Nationally, the number of child support cases has increased from 2 million in 1976 to over 15 million 2008. Nearly one half of all child support cases receive minimal or no support. The Federal Office of Child Support Enforcement (OCSE), working with State and local child support programs, is committed to improving the lives of children by implementing a nationwide child support enforcement strategy. One tool in this strategy is the multistate financial institution data match (MSFIDM).

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), also known as Welfare Reform, was signed into law on August 22, 1996. One provision requires all States and Territories which operate approved Child Support Enforcement plans to enter into agreements with financial institutions that conduct business within their State. The purpose of the agreement is to identify accounts, through a quarterly data match, that belong to parents who are delinquent in their child support obligation.

Public Law 105-200, the Child Support Performance and Incentive Act of 1998, modified PRWORA to better facilitate the data match for multistate financial institutions (MSFIs). Public Law 105-200 authorizes OCSE to act as the conduit between the States and territories and MSFIs in the development and implementation of a centralized quarterly data match program for the collection of child support delinquencies.

Definition of Financial Institution

Section 466(a)(17)(D)(i) of the Social Security Act states that ‘financial institution’ has the meaning given the term in section 469A(d)(1) of the Act. Section 469A(d)(1) of the Act defines a ‘financial institution’ as: “a depository institution, as defined in Section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));...an institution-affiliated party, as defined in Section 3(u) of such Act (12 U.S.C. 1813(u));...any federal credit union or State credit union, as defined in Section 101 of the Federal Credit Union Act (12 U.S.C. 1752), including an institution-affiliated party of such a credit union, as defined in Section 206(r) of such Act (12 U.S.C. 1786(r));...and any benefit association, insurance company, safe deposit company, money-market mutual fund, or similar entity authorized to do business in the State.”

Definition of Account

Section 466(a)(17)(D)(ii) of the Social Security Act (Act) defines an ‘account’ as: “a demand deposit account, checking or negotiable withdrawal order account, savings account, time deposit account, or money-market mutual fund account.”

Who May Match Data with OCSE?

Any financial institution operating in two or more States, that maintains accounts (as defined in Section 466(a)(17)(D)(ii)) for its customers, is eligible to participate in the OCSE data match.

What Liability Will Accrue to Financial Institutions?

Section 466(a)(17)(C) of the Act provides that a financial institution shall not be liable under any Federal or State law to any person for any disclosure of information to the State Child Support Agency under Section 466(a)(17)(A)(i) of the Act. Similarly, financial institutions shall not be liable under any Federal or State law for encumbering or surrendering any assets they hold in response to a notice of lien or levy issued by the State Child Support Enforcement Agency. In addition, financial institutions will not be held liable for any other action taken in good faith to comply with the requirements of Section 466(a)(17)(A) of the Act. Section 469A(a) of the Act also provides protection from liability for MSFIs disclosing information to the FPLS through the MSFIDM.

DATA MATCH PROCESS

The data match process begins when a file containing information on child support debtors is matched against the MSFI's file of account holders. OCSE will maintain, and update weekly, the file of all child support debtors nationwide. The file will be transmitted to all participating MSFIs quarterly. Processing quarters are standard calendar quarters: January 1, April 1, July 1 and October 1.

MSFIs began matching a file supplied by OCSE the third quarter of 1999. To avoid processing peaks, MSFIs may select their preferred month and week of file receipt within each quarter. For example, first quarter processing, which began for 2006, on January 1, may be initiated in the first week of February, 2006 and all subsequent first weeks of the second month in the calendar quarter thereafter.

MSFIs will have 45 days to complete matches against all accounts maintained at that institution and return the matches to OCSE.

Data Specifications

A nationwide reporting format, one which follows the 1099 reporting requirements (IRS Publication 1220 Rev.7-97) as closely as possible, will be used for the match process.

OCSE will use Method 2 – The Matched Accounts Method. The record layout for this reporting format can be found on the OCSE website: www.acf.hhs.gov/programs/cse.

Types of Media

OCSE will exchange data with MSFIs using either (1) Encrypted CD-ROM or one of the following electronic exchanges: (2) Secure File Transfer Protocol or (3) Proginet CyberFusion Integration.

What Happens When a Match Occurs?

OCSE forwards the match information to the States and Territories within 48 hours. The States and Territories may use the match information to issue levies on accounts in accordance with their State laws.

What About Fees?

OCSE will not reimburse MSFIs for the cost of processing the data matches. If State law allows, State child support enforcement agencies may pay reasonable fees to financial institutions for conducting the data match. These fees must not exceed the actual costs incurred by the financial institution.

If a MSFI chooses to recover the cost of processing the OCSE data, the MSFI must bill individual States. Following each quarterly match, OCSE will provide MSFIs with a

statistical report of the number of matches made per State and billing addresses for States where fees are allowed.

SECURITY GUIDELINES

OCSE requires robust security and privacy controls to ensure that the information on the OCSE file is protected and that there is individual accountability in protecting and maintaining the privacy of the individuals whose information is resident in the file.

This section outlines the security requirements that a MSFI must have in place before receipt of the OCSE file.

Recipients of the file must:

- Maintain an audit trail of activities pertaining to the OCSE file and its information contents throughout the existence of the OCSE file.
- Destroy the physical media files, regardless of the delivery medium, after the purpose for the file has been satisfied, but no longer than sixty days. Deletion is not acceptable.
- Destroy electronic files, regardless of the delivery medium, after the purpose for the file has been satisfied, but no longer than sixty days. Deletion is not acceptable. The file must be overwritten and saved with nulls before erasing the file to ensure all data is overridden.
- Ensure hard copies are not made of the file.
- Establish and maintain a security incident response capability. Security or privacy incidents, or suspected incidents, involving the file must be reported to OCSE no later than one hour after discovery.
- Implement logical access controls that provide protection from unauthorized access, alteration, loss, or disclosure.
- Limit physical and logical access to the OCSE file and the information contained within to authorized personnel only. Ensure that a list is maintained of the persons authorized to access the information.
- Ensure that information on the OCSE file is never downloaded to portable media.
- Ensure that there is security awareness training to communicate the security policies associated with the OCSE file as well as the civil and criminal penalties for misuse.
- Ensure that the OCSE file is secured during transmission in a manner that safeguards the data and prohibits unauthorized access.

DATA MATCH TIMELINES

Operational Agreements

- OCSE distributes one operational agreement to each MSFI listed by the States or other sources. The agreement allows MSFIs to select their means of data transmission, reporting period dates and to designate service providers if appropriate. The agreement also allows MSFIs to opt out of the OCSE process in favor of participating with individual States.
(February -- Ongoing)
Note: MSFI agreements must be updated only when the MSFI elects to change the means of data transmission or change a service provider.
- MSFIs return agreements.
(June 1, 1999 -- Ongoing)

Processing Timelines

- OCSE began distributing the OCSE file to MSFIs.
(July, 1999)
- MSFIs began returning matched data to OCSE.
(August 15, 1999)
- OCSE began distributing data to the States within 48 hours of receipt.
(August 31, 1999)

Fee Assessment Information

- OCSE routinely provides MSFIs with the number of matches made per State. OCSE provides States with the number of matches made per MSFI.
(Quarterly beginning October, 1999)
- OCSE provides MSFIs with a State-by-State description of the fee structure, fee amounts allowed and billing addresses.
(Quarterly beginning October, 1999)

ELECTION FORM INSTRUCTIONS

The Election Form is located on pages 7 and 8. When completed and signed by an officer or executive of the MSFI, the Election Form will serve as the official operational agreement between the MSFI and OCSE.

Due Date

The Election Form must be completed, signed and returned to OCSE within 30 days of receipt, even if the MSFI chooses not to participate.

Election to Participate

MSFIs may elect to participate in the OCSE match process by checking the appropriate box in the Action Box on the Election Form and completing the form as directed.

MSFIs may also use the Election Form to choose not to participate in the OCSE process, deciding instead to conduct the required quarterly match with all of the States where they do business. In these cases, MSFIs are still required to complete the Election Form and attach a list of States where they do business. OCSE will notify the affected States of the decision.

Media

OCSE will send a file to all participating MSFIs quarterly. OCSE will provide the data using Encrypted CD-ROM or internet file transfer using either Secure File Transfer Protocol or CFI Proginet®.

Data Receipt Dates

MSFI's may select their preferred month and week of OCSE file receipt for the initial and subsequent calendar quarters. Please see "Data Match Process" for more information. MSFIs will have 45 days to complete and return all matched data to OCSE.

Election to Use Reporting Agents

Many MSFIs contract with reporting agents (also known as service agents, service providers, or transmitters) for Internal Revenue Service Form 1099 reporting. Since the specifications for MSFIDM are similar to the 1997 Form 1099 format, these reporting agents/transmitters may also be used to report data match information. If a MSFI chooses to contract with a service provider to report information for the MSFIDM, the MSFI must sign the Election Form, not the service provider, and the MSFI remains responsible for compliance with the law.

<p>Reporting Burden Notice: Public reporting burden for this collection of information is estimated to average .5 hours per response, including the time for reviewing instructions and maintaining the data needed, and reviewing the collection of information. An agency may not conduct, or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.</p>
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MSFIs that choose to use a reporting agent/transmitter must inform OCSE by completing the appropriate section on the Election Form. OCSE must be informed of the institution's decision to use an agent/transmitter in order to ensure the confidentiality of data. Similarly, if an MSFI wishes OCSE to send the data match file to a recipient whose Federal Employer Identification Number (FEIN) is different from the MSFI, OCSE must be notified.

Definitions

Contact/Phone

The name and telephone number of the person who will serve as the contact between OCSE and your institution.

FEIN

Federal Employer Identification Number.

Authorized Representative

This section must be completed and signed by an officer or executive of your institution.

MAIL YOUR COMPLETED ELECTION FORM TO:

Office of Child Support Enforcement
Multistate Financial Institution Data Match
Post Office Box 509
Randallstown, Maryland 21133

For assistance call: 410-277-9312
fax: 410-277-9325
e-mail: fidm@ssa.gov
website: <http://www.acf.hhs.gov/programs/cse>

Reporting Burden Notice: Public reporting burden for this collection of information is estimated to average .5 hours per response, including the time for reviewing instructions and maintaining the data needed, and reviewing the collection of information. An agency may not conduct, or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.



Office of Child Support Enforcement
Post Office Box 509
Baltimore, Maryland 21133

ELECTION FORM

Financial institutions must use this form: 1) to elect to participate in and select the method they wish to use to participate in the multistate financial data match with the Office of Child Support Enforcement (OCSE), or 2) to indicate that they do not wish to participate in the OCSE process. Please refer to the attached instructions for more information. When completed and signed by an authorized representative of your organization, this form will serve as the official operational agreement with OCSE.

MULTISTATE FINANCIAL INSTITUTION (MSFI)	
MSFI Name: _____ _____	FEIN: _____ Phone: _____ FAX: _____ E-Mail: _____
Contact: _____	
Street address: _____ _____ _____	Mailing address (if different from street address): _____ _____ _____

ACTION
<input type="checkbox"/> Elect not to participate in OCSE process (Please attach list of States & Territories to be notified)
<input type="checkbox"/> Elect to participate in the OCSE process. OCSE is authorized to disclose matched information to any State IV-D Agency that has submitted the debtors' name to OCSE. (Please attach a list of States in which you do business)
<input type="checkbox"/> Add or change transmitter or to change media

File Exchange Options

- Encrypted CD-ROM
- Secure File Transfer Protocol
- CFI Proginet®.

DATES
Select the preferred month and week for the initial receipt of OCSE files.
<u>Name one Month:</u> _____
<u>Circle One Week:</u> 1 2 3 4

TRANSMITTER INFORMATION

If you plan to use a transmitter to exchange data with OCSE, please provide the following information about your transmitter:

Name: _____ FEIN: _____
Street
Address: _____

Contact: _____ Phone: _____
FAX: _____
E-Mail: _____

Would you like the data match file sent directly to your authorized transmitter? Yes
 No

AUTHORIZED REPRESENTATIVE

Name (please print): _____ Title: _____
Signature: _____ Date: _____

Section 466(a)(17)(C) of the Social Security Act provides that a financial institution shall not be liable under any Federal or State law to any person for any disclosure of information to the Child Support Enforcement Agency under section 466(a)(17)(A)(i) of the Act. Similarly, financial institutions shall not be liable under any Federal or State law for encumbering or surrendering any assets they hold in response to a notice of lien or levy issued by the Child Support Enforcement Agency. In addition, financial institutions will not be held liable for any other action taken in good faith to comply with the requirements of section 466(a)(17)(A) of the Act.

In accordance with section 453 of the Social Security Act, the information provided to multistate financial institutions (or their designated agents) for purposes of conducting the data matches may not be used by such institutions or agents for any other purposes and may not be redisclosed to any person except to the extent necessary to conduct the data matches. There may also be additional prohibitions or penalties which apply under state law.

A financial institution’s election to participate in the OCSE multistate financial institution data match shall not be construed as a general waiver of jurisdiction nor will it be construed as consent to participate in any other centralized data process.

This provision is not intended to prohibit a State from requiring any financial institution doing business in the State to report account information directly to the State for purposes other than child support enforcement.