DEPARTMENT OF BENEFIT PAYMENTS
744 P Street, Sacramento, CA 95814
(916) 322-6384

February 27, 1976

ALL-COUNTY LETTER NO. 76-41

TO: ALL DISTRICT ATTORNEYS
ALL COUNTY WELFARE DIRECTORS

SUBJECT: IMPOSITION OF COURT TRUSTEE SERVICE CHARGES IN CHILD SUPPORT CASES

REFERENCE:

Questions have arisen regarding the feasibility of imposing service charges, pursuant to Section 580.5 of the Welfare and Institutions Code, to offset the costs of officers designated to act as court trustees in the collection of child support. The following guidelines are offered in response:

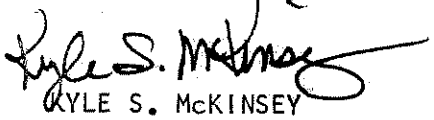
Welfare and Institutions Code Section 580.5 allows county Boards of Supervisors to impose a service charge of up to two percent of the amount collected for child support. This charge is intended to defray the costs of services of the probation officer or other officer designated to act as trustee.

If a service charge is to be imposed it must be included as part of the court order under Civil Code Section 4702. The amount charged must be in addition to the amount to be collected for child support itself, and may not be deducted from the support collection. For example, it would be permissible for the court order to specify $100 a month child support and $2 a month service charge. If the court order only required payment of the $100 a month, however, it would not be permissible to deduct $2 off the top and forward $98 on as child support.

For purposes of claiming federal matching funds it is important to remember that any fees collected must be used to reduce the IV-D administrative costs prior to computation of the administrative expense claim. It would not be proper to claim 75 percent matching funds for total expenses and then use fees collected to offset the 25 percent county expense, since this would have the effect of reducing the county's percentage of participation in the program. In view of the fact that the IV-D program is 75 percent federally funded, the

collection of a two percent service charge would result in net income to the county of only one-half of one percent. Since the percentage return to the county is minimal, many jurisdictions may find that the expense of administering this type of system outweighs potential income. The cost/benefit aspects of such a program should be carefully analyzed.

Sincerely,



KYLE S. McKINSEY
Deputy Director

cc: CWDA