




COMMONWEALTH of VIRGINIA

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Executive Director

OFFICE OF CHILDREN'S SERVICES *Administering the Children's Services Act*

ADMINISTRATIVE MEMO #21-15

To: CPMT Chairs
CSA Report Preparers
CSA Coordinators
CSA Fiscal Agents

From: Scott Reiner, Executive Director 
Kristy Wharton, Business and Finance Manager
Stephanie Bacote, Audit Program Manager

Date: August 20, 2021

Subject: Reporting of CSA State Pool Refunds

The routine CSA audit process has identified a pattern of incomplete and/or inaccurate entries of CSA refunds reported through the reimbursements submitted through the Local Expenditure, Data, and Reimbursement System (LEDRS). We are bringing this to your attention as this represents a potential risk to the integrity of CSA expenditure data and potential underreporting of refunds due to the CSA state pool.

With regard to incomplete entries, the identified concerns include:

- Failure to report refunds from collections of parental co-payments.
- Failure to report refunds from collections of title IV-E offsets for services previously paid through CSA funds but later reimbursed to the locality through title IV-E.
- Failure to report refunds from child support collections through the Division of Child Support Enforcement.

Several recent audit reports have requested that the locality review funds collected through the above referenced categories and report to the CSA as to whether all refunds collected have been properly reported.

Inaccurate refund reporting results from the use of an improper refund category. The chart provided at the end of this memorandum provides definitions of the refunds categories for use with LEDRS.

The purpose of this communication is to bring this matter to your attention and to request that you review your local fiscal practices to ensure accuracy of the refund information submitted. If you are

not already doing so, please consult with your locality's finance and / or DSS office to obtain regular reporting of potential refunds. Additionally, it is advised that periodic reconciliation of refunds with the CSA Refund Report take place to ensure that refunds are being reported in a timely and accurate manner.

Effective with audits conducted for periods beginning with FY2022 expenditures, more rigorous oversight of this activity will be implemented. Recovered (refunded) costs that were reimbursed with CSA state pool funds must be reported in LEDRS.

Thank you for your attention and commitment to the integrity of CSA financial reporting.

Refund Reporting Category Definitions
CSA Local Expenditure, Data, and Reimbursement System

Refund Label/Transaction Code	Definition
Payment Cancellation	Cancellation of a payment previously reported and reimbursed from CSA state pool funds (e.g., cancelled payments to vendors due to failure to deposit payments)
Vendor Refund	Refunds from service providers, typically due to overpayments
Parental Co-Payment	Funds collected from parents in accordance with the locality's parental contribution/co-payment policy
Child Support Collections through DCSE	Collections made by DCSE for children in foster care and/or served in a residential placement through a CSA Parental Agreement and used to offset the cost of CSA funded services
Payments made on behalf of the child (ex: SSA, SSI, VA benefits, ...) – Special Welfare Refunds	Collections for children in foster care from federal sources as listed and used to offset the cost of CSA funded services
Recoveries previously paid from CSA Funds	Funds reimbursed from the CSA state pool which are now recovered from title IV-E for eligible children
Other – Credits	Other refunds of CSA state pool funds not defined in one of the above categories