



## Direct Non Scheme Payment (Collect and Pay)

 This process should not be used where the service type is direct pay as it does not satisfy collection charges. If the service type is direct pay, about to switch to direct pay, or a successful unlikely to pay check has been completed, use the **DP Direct Non Scheme SR**. For more information refer to [Direct Pay - Overpayment/Underpayment](#).

Direct non scheme payments are payments made directly to the receiving parent by the paying parent.

These payments are made in lieu of child maintenance by the paying parent:

- Directly to the receiving parent instead of via the set method of payment to (MOPT)
- and
- After the paying parent has been notified of the initial calculation

For further information on effective dates, refer to the Policy, Law and Decision Making Guidance. 

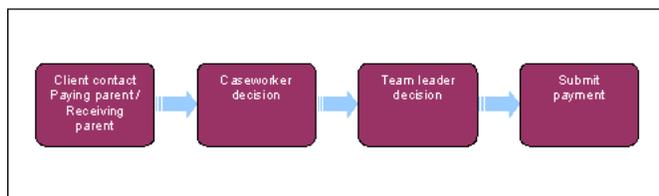
This process is completed by a maintenance service caseworker. Proceeding with a direct non scheme payment is a discretionary decision.

This procedure guides the caseworker through the process of recording a direct non scheme payment on the paying parent/receiving parent account when the service type is collect and pay. This service request does not satisfy collection fees. This involves contacting both parties by telephone and mail to verify that the payment/s have been made and to offset these payments against arrears and future liabilities if they equate to more than the paying parent is due to pay. For more information refer to [Direct Pay Summary](#).

Where direct non scheme payments are being made, advise clients of the benefits of a direct pay service type.

If a client is reporting that residual arrears are incorrect due to direct payments, and these payments were paid prior to the arrears being put on the 2012 system, the arrears balance can be adjusted. For more information refer to [Offline Calculation - Perform](#) and [Arrears \(1993/2003 Scheme\) - Manually Add/Correct Balance](#). If the payment has been made after the residual arrears were added to the 2012 system then record this as a direct non scheme payment.

For more information refer to the Policy, Law and Decision Making Guidance 



 When speaking to clients always use the new terminology. For more information refer to [Terminology Changes](#).

 This procedure uses the terms receiving parent and paying parent.

The receiving parent is the parent who receives or who is expected to receive child maintenance, known as the parent with care (PWC) or person with care (PeWC) on the system and in legislation. The paying parent is the parent who pays or who is expected to pay child maintenance, known as the non resident parent (NRP) on the system and in legislation.

 Advise clients that using the Child Maintenance Group's (CMG'S) collect and pay service incurs collection fees, and that these can be avoided by making their own family based arrangement or by requesting to pay by direct pay. For more information refer to [Collection Fees Summary](#) and [Direct Pay Summary](#).

### Client contact paying parent/receiving parent

1. When a notification is received that a direct payment has been made from a paying parent to a receiving parent, check the service type on the case. If the service type is:
  - Direct pay - refer to [Direct Pay - Overpayment/Underpayment](#)
  - Collect and pay (but payment was made during a previous direct pay period) - refer to the procedural exception **DP Direct Non Scheme Payment** within [Change - Service Type - To Collect And Pay](#)
  - Collect and pay (service type change to direct pay has been requested but not completed yet):

A one off period prior to the change to service type being requested, record the payment as a direct non scheme payment. Refer to [Direct Non Scheme Payment \(Collect and Pay\)](#). The direct non scheme payment SR must be completed prior to completion of the change to service type. Collection charges will still apply

A continuous period i.e. single payment made immediately before, or a number of payments made up to the date the change was

requested, record these as a DP adjustment. Perform this after the change to service type has been completed. This is because where there are regular, successful direct payments while the service type is collect and pay, Policy confirms this is supported and considered as a direct pay arrangement. Refer to [Direct Pay Overpayment/underpayment](#). Collection charges will not apply

Paid to cover the liability for a period between the date the change to service type was requested and the SR completion date, record the payment as a DP adjustment after completion of the change to service type. Refer to [Direct Pay Overpayment/underpayment](#). Collection charges will not apply

- Collect and pay (no requests to change service type) continue with this procedure

 Check the debt on the case, where any of the debt includes CSA residual arrears and these direct payments were paid prior to the arrears being put on CMS, then you must raise a SR for the 1993/2003 rules reassessment team to check CSA systems to ensure the payments have not already been considered. Please refer to [Offline Calculation - Perform](#). If the payment has been made after the residual arrears were added to CMS then continue and record this as a direct non scheme payment.

2. Create a service request (SR) against the paying parent contact. From the drop down list select:

- **Process = Payments**
- **Area = Manage Payment**
- **Sub Area = Record Voluntary Payment**
- **Reason = Direct Non Scheme Payment**

The paying parent should always be the **Source** for a voluntary payment SR. **Reason** must always be updated prior to updating **SR Status** to **In Progress**.

 These values must be used for recording a direct non scheme payment in these circumstances, a Sub Area does exist for direct non scheme payments, however this should not be used in this scenario.

3. The SR may open in the **More Info** tab, if this happens, select the blue arrow at the right of the tabs and select **Payments** and then **Payment Allocation**. Update the **Status** of the SR to **In Progress**. An activity plan is created based on the method of payment.

4. Select **New**, the BaNCS Account Numbers should automatically populate, if they do not, select the NRP and the relevant **PWC BaNCS Account Number**.

5. Input the reported amount of payment made in the **Amount Paid** field.

6.  Contact the paying parent and receiving parent by phone to verify the date the payment was made and the amount (in addition to contacting the parents by telephone consider issuing an SMS. For further guidance refer to [SMS Text](#)). Regardless of which client initially contacts the CMG to report the payment/s, you will need to speak to both parents to confirm the details. If the receiving parent:

- Verbally confirms the date the payment was made and the amount, and you have confirmed the date the payment was made and the amount with the paying parent, no further verification is needed. Update the notes field and go to **COC/More Info** tab and update the **Activity Plan Outcome** field for the **Voluntary Payment confirmed by both parties** as **Yes**. Go to **step 10**
- Reported the payment and you can't reach the paying parent by phone to confirm the payment and amount, no further verification is needed. Accept the receiving parent's verbal statement. Update the **Activity Plan Outcome** field for the **Voluntary Payment confirmed by both parties** as **No**. Go to **step 11**
- Does not verbally confirm the payment and/or amount, update the **Activity Plan Outcome** field for the **Voluntary Payment confirmed by both parties** as **No**. Continue from **step 7**

7.  If telephone contact is unsuccessful and/or no verbal confirmation has been provided by the receiving parent, issue CMSL2301 to the paying parent and CMSL2302 to the receiving parent to determine they both agree. Set the SR Status to Wait for 14 days.

 If all QCs are inactive due to the case status being Arrears Only or Pending Closure the necessary correspondence will not generate. Issue CMSL2301 and CMSL2302 manually by following the contingency process.

For more information on direct non scheme payments refer to the Policy, Law and Decision Making Guidance 

## Caseworker decision

8. Allow 14 days for the paying parent or receiving parent to respond, if the decision is contested, further evidence must be provided. Any evidence received after this period is disregarded.

 Both parties are given the 14 days cooling off period to contest the decision and provide further evidence if required. 14 days is a desirable time for cooling off however, this is discretionary and can be waived if both parties are in agreement.

9.  If the paying parent or receiving parent do not respond, cancel the request unless the payment was reported by the receiving parent or evidence has been provided by the paying parent. If you are cancelling the request, issue CMSL2310 to the paying parent and CMSL2311 to the receiving parent. Set the **Status** to **Closed** and the **Sub Status** to **Cancelled**. For more information refer to the Policy, Law and Decision Making Guidance 

10. When the paying parent and the receiving parent have responded, record the outcome in the **Notes** field (including the date the payment was made and the amount) as either:

- **Both parties agree**

or

#### ■ One or both parties disagree

Where the evidence received changes the original amount accepted adjust the amount input at **step 5**. For more information refer to the Law and Policy, Law and Decision Making Guidance 

 Any information or evidence received from either party must be retained in the event there is a judicial review at a later date.

11. Make a decision on whether to process the payment using all available information and evidence provided, e.g. verbal confirmation, bank statements, receipts. Applying direct non scheme payments is a discretionary decision, this includes making a Welfare of the Child Decision, for more information on discretionary decisions including a verbatim statement to record in **Notes** refer to Policy, Law and Decision Making Guidance 

 Where the receiving parent reported the payment and the paying parent couldn't be contacted, record in the SR **Notes** that verbal evidence from the receiving parent was accepted.

12. Select **Get Payment Allocation Details** to view the active liabilities the paying parent has on BaNCS for the receiving parent account. Tick the **Select** box next to the liabilities you want to assign the direct non scheme payment to and select **Update Siebel**. There must be at least one liability to select to process the payment.

When processing a payment, the payment must be allocated as per the payment hierarchy. For details refer to [Payment Hierarchy Summary](#).

 When selecting liabilities where a change to service type has been requested, only select liabilities which occurred prior to the date requested. Any liabilities which occur after the date requested will be considered as a direct pay adjustment after completion of the change to service type - refer to [Direct Pay - Overpayment/Underpayment](#).

13. Assign the direct non scheme payment amount in the **Amt Allocated** field next to each selected liability until the total payment is cleared or covered all of the liabilities. Any excess is stored on the system for future liabilities. For more information on closed cases refer to [Close Case \(Collect and Pay\)](#).

 Check the tasks tab to see if a previous approval task has already been sent. If it has, close and cancel the SR as raising another approval task will cause the SR to go into an error/critical-technical state.

 To prevent the casegroup moving segments whilst you are awaiting TL authorisation set the Lock Assignment Flag. For more information on how to do this refer to [BOM - Segment Summary](#).

14. From the **Payments** tab set the SR **Resolution Code** to **Voluntary Payment Accepted** and select **Ctrl and S** to save progress. The **Status** and **Sub Status** of the SR are automatically updated and an approval work item will be sent to the team leader (TL) for authorisation.

#### Team leader decision

15. Review the SR from the caseworker and make a decision on the payment i.e. confirm case is Calc & Collect, that the payment is a Direct Non Scheme and not a Voluntary Payment, the Reason box has been completed with **Direct Non Scheme Payment**, both parties have confirmed and that there is a verbatim welfare of the child decision recorded. For more information on decision making refer to the Policy, Law and Decision Making Guidance 

16. After viewing all of the information you do not agree with the payment:

- Go back to inbox, set the Action to Rejected
- Complete the Comments field with the rejection reason
- Return this to the caseworker.

If you agree with processing the payment:

- Set the Action to Approved
- Return to the caseworker

#### Caseworker action

17. When the authorisation request has been processed by the team leader, check whether the SR has returned with the original information populated. If it has not, select the **Query** button above the **PWC BaNCS Account Number** applet then select **Go**, once the details are visible record the decision in the **Notes** field on the SR.

 Once returned by the team leader, do not change SR Status as this will cause TL decision to no longer be visible. Case worker will be unable to re-enter this information and will be unable to progress with this SR.

 If the TL rejects the SR due to caseworker error cancel the SR. Create a new SR and amend any errors you have made and resubmit this for TL approval.

18.  If payment is **accepted**, issue CMSL2308 to the paying parent and CMSL2309 to the receiving parent informing them of the decision to accept the payment and offset it against current and future liabilities.

If a 14 day wait period was applied issue CMSL2316 to the paying parent and CMSL2317 to the receiving parent. Both CMSL2316 and CMSL2317 require a team leader (TL) check.

 If all QCs are inactive due to the case status being **Arrears Only** or **Pending Closure** the necessary correspondence will not generate.

Issue CMSL2308, CMSL2309 and CMSL2310, CMSL2311 manually following the contingency process.

Continue to **Submit Payment**

19.  If payment is **rejected**, issue CMSL2310 to the paying parent and CMSL2311 to the receiving parent informing them of the decision to reject the payment and how this decision was reached.

If a 14 day wait period was applied, issue letter CMSL2316 to the paying parent and letter CMSL2317 to the receiving parent informing them of the decision to reject the payment request. Both CMSL2316 and CMSL2317 require a team leader (TL) check.

20. Update the SR:

- **Status = Closed**
- **Sub Status = Cancelled**

## Submit Payment

21. If accepted check that the selected liabilities have not been satisfied since the SR was generated. If they have, cancel the SR and restart the process selecting new liabilities. If they are still unsatisfied, continue by returning to the **Payments** tab and update the **SR** resolution code to **Voluntary Payment Accepted**.
22. Within the **Payments** tab, select **Payment Allocation** then select **Submit Payment Allocation Details** and BaNCS is updated with the payment.

 Consider if a new P2P schedule is necessary after a direct non scheme payment is accepted. Go to **step 23** to issue a new P2P schedule or go to **step 28** to close the SR.

23. To issue a new P2P schedule create a new child SR from the parent SR, from the dropdown select:

- **Process = CofC**
- **Area = Change Method Of Payment**
- **Sub-Area = Change Method Of Payment From**

24. Enter the **Source**, the **Source** is the person who is reporting the change in the Last Name and First Name fields of the SR, from the **Source** dropdown select their role on the case e.g. NRP or PWC.
25. In the **CoC More Info** tab enter the details of the paying parent in the **Subject Details** field and select **NRP** from the **Subject Type** dropdown.
26. Set the SR to **In Progress** then update the **Resolution code** to **CoC Accepted**, this will generate a Perform Calc child SR.
27. From the **Perform Calc** SR, issue letter CMSL4080 to the paying parent and issue CMSL4081 to the receiving parent, the letters will have the new P2P information.

 If the P2P schedule contains debt not owed to the receiving parent, letter CMSL4081 must be clerically issued. Contact both clients to confirm that the adjustment has been completed. For more information refer to [Call - Overview](#).

28. Once you have completed the letters, close both SRs the following day to allow the letters to be issued, update the **Status** to **Closed** and the **Sub Status** to **Complete**.

### Welfare of the Child

#### Recording Welfare of Child Consideration: No Negative Impact

A standard form of wording can be used to record the welfare of the child consideration in cases where there is no evidence to suggest that the discretionary decision will have an unduly negative impact on:

- contact between either parent and any child affected by the decision;
- the living standards of any child affected by the decision;
- the relationship between any child affected by the decision and their parent(s) / siblings;
- any other aspect of the child's general health / wellbeing.

In these circumstances, a standard entry can be recorded in Notes as follows:

**Please be aware that the children listed below may not relate to or be known to this case participant.**

**Insert details of the discretionary decision being made** (e.g. Decision to impose a DEO)

**In making the above decision, I have considered all the available evidence and information, taking into account Section 2 of the Child Support Act 1991 and operational guidance on this issue.**

**I am satisfied that there is no evidence to suggest the decision being made will have a negative impact on the welfare of (insert names of all children whose welfare has been considered).**

For more information on discretionary decisions and recording welfare of the child decisions along with some examples of discretionary decisions refer to Policy Law and Decision Making Guidance. 

**Recording Welfare of Child Consideration: Negative Impact Identified**

Full details of the welfare of the child consideration must be recorded in all cases where there is evidence to suggest that the discretionary decision being made will have a negative impact on a child that it affects.

The fact that a potentially negative impact has been identified does not mean that a different discretionary decision will necessarily be made, but the reasons for the decision must be recorded as below.

Entries must always start with: **Please be aware that the children listed below may not relate to or be known to this case participant.**

**Full details must then be recorded of:**

- **the names of the children that have been considered;**
- **the reasons underlying the decision;**
- **the evidence that has been considered; and**
- **the weight that has been given to it.**

For more information on discretionary decisions and recording welfare of the child decisions along with some examples of discretionary decisions refer to Policy Law and Decision Making Guidance. 

**CMSL2301 Please confirm a payment has taken place**

Letter to the paying parent informing them that a direct non scheme payment has taken place.

All fields in this letter are system generated, no manual intervention is required.

**CMSL2302 Please confirm a payment has taken place**

Checking with receiving parent that they agree that a voluntary payment has been made - amount and allocation. If the paying parent & receiving parent cannot agree, this process is stopped and voluntary payment is rejected.

All fields in this letter are system generated, no manual intervention is required.

**CMSL2308 Our decision about a child maintenance payment**

Inform the paying parent that a direct non scheme payment has been accepted - amount and allocation - and liability altered.

All fields in this letter are system generated, no manual intervention is required.

**CMSL2309 Our decision about a child maintenance payment**

Inform the receiving parent that a direct non scheme payment has been accepted - amount and allocation.

All fields in this letter are system generated, no manual intervention is required.

**CMSL2310 Our decision about a child maintenance payment**

Inform the paying parent that a direct non scheme payment has been rejected.

Under the sub heading 'Our decision about a child maintenance payment'

- If the PWC has provided evidence to show they have not had the payment, use the paragraph 'If PWC gives evidence they did not receive this payment'
- If the PWC does not agree that the payment was for child maintenance, use the paragraph 'If PWC does not agree that the payment was intended as child maintenance'
- If the NRP failed to provide any evidence, use the paragraph 'If NRP did not provide evidence'

Once completed review the letter to ensure the correct information is provided.

**CMSL2311 Our decision about a child maintenance payment**

Inform receiving parent that a direct payment has been rejected. If rejected, reason will be that the receiving parent does not agree.

Under the sub heading 'Our decision about a child maintenance payment'

- If the PWC has provided evidence that they did not receive the payment, use the paragraph 'If PWC gives evidence they did not receive this payment'
- If the PWC does not agree that the payment was for child maintenance, use the paragraph 'If PWC does not agree that the payment was intended as child maintenance'
- If the NRP failed to provide any evidence, use the paragraph 'If NRP did not provide evidence'

Once completed review the letter to ensure the correct information is provided.

**CMSL2316 To Paying parent – Final voluntary or direct non-scheme payment decision**

Inform the paying parent that voluntary or direct non-scheme payment has been accepted or rejected – final caseworker decision.

Under the sub heading 'We've made a final decision about a payment' use one of the following from the dropdown:

- If the decision to count the payment as maintenance still stands, use paragraph 'If decision to count payment as maintenance still stands'
- If the decision not to count the payment as maintenance still stands, use paragraph 'If decision NOT to count payment as maintenance still stands'
- If the decision to count the payment as maintenance has changed, use paragraph 'If decision to count payment as maintenance has changed'
- If the decision not to count the payment as maintenance has changed, use paragraph 'If decision not to count payment as maintenance has changed'

Under the sub heading 'What this means for you' use one of the following from the first dropdown:

- If our final decision is that the payment should count, use paragraph 'If our final decision is that the payment should count'
- If our final decision is that the payment should not count, use paragraph 'If our final decision is that the payment should count'

From the second dropdown select the number of children this will affect.

#### [CMSL2317 To receiving parent – Final voluntary or direct non-scheme payment decision](#)

Inform the receiving parent that voluntary or direct non-scheme payment has been accepted or rejected – final caseworker decision.

Under the sub heading 'We've made a final decision about a payment' use one of the following from the dropdown:

- If the decision to count the payment as maintenance still stands, use paragraph 'If decision to count payment as maintenance still stands'
- If the decision not to count the payment as maintenance still stands, use paragraph 'If decision NOT to count payment as maintenance still stands'
- If the decision to count the payment as maintenance has changed, use paragraph 'If decision to count payment as maintenance has changed'
- If the decision not to count the payment as maintenance has changed, use paragraph 'If decision not to count payment as maintenance has changed'

Under the sub heading 'What this means for you' use one of the following from the first dropdown:

- If our final decision is that the payment should count, use paragraph 'If our final decision is that the payment should count'
- If our final decision is that the payment should not count, use paragraph 'If our final decision is that the payment should count'

[Arrears \(1993/2003 Scheme\) - Manually Add/Correct Balance](#)

[BOM - Segment Summary](#)

[Credit/Debit Card - One Off Payment](#)

[Direct Pay - Overpayment/Underpayment](#)

[Direct Pay Summary](#)

[Offline Calculation - Perform](#)

[Payment - Manually Allocate](#)

[Third Party - Offset](#)

[Terminology Changes](#)

[Manual Allocation Flag - Set Up](#)