



Calculation - Backdated Adjustments

A backdated adjustment occurs when a new liability is being calculated, but the effective date of the new liability is a date earlier than the calculation performed date. The system only posts the new liability from the calculation performed date. In order to backdate the new liability to the effective date, the system also needs to complete an adjustment SR to adjust the liabilities already posted in the period between the effective date and the calculation date.

In most scenarios the system will complete backdated adjustments automatically. If the effective date of the new calculation is backdated to a date prior to multiple existing calculations, the system will generate an adjustment SR for each liability that is being impacted by the change.

There are times where backdated adjustments may not occur automatically. This includes a period in which arrears have either been written off or suspended. If an adjustment has not occurred automatically, a manual adjustment is required.

Before a manual adjustment is completed, any suspended liabilities will need to be unsuspended and any write off action will need to be reversed.

Where a manual backdated adjustment is required, the **Perform Calculation SR** being completed will not generate a promise to pay schedule, and instead will generate a 'to do' activity to notify the case worker. The activity description will say **One or more adjustments have been unable to complete as there is a change of income prior to R31 go-live date. Please follow manual process.**

In the instance that the manual backdated adjustment is required because the adjustment period contains written off or suspended arrears, the activity will not generate until the next system release.

When completing a manual backdated adjustment it is important that the correct information is populated into the adjustment SR. As the adjustment SR is created from a previous perform calculation SR, the information is automatically populated with the criteria that was in place at the time. This criteria must be amended to match that of the change that is being completed e.g. if the adjustment is being performed as part of a backdated change of income, the criteria in the adjustment SR must be amended to reflect the new income information.

This procedure is not designed to fix an overall OGM posting error following an account breakdown.

Completing a Manual Backdated Adjustment

- Select the calculation SR containing the liability that is to be replaced by the new calculation that is being completed and navigate to the **Child SRs** tab. Create a child SR as follows:
 - **Process = Perform Calculation**
 - **Area = Case maintenance**
 - **Sub Area = Change Client data (Adj)**
- Set the **Effective Date** of the SR to the effective date of the calculation for which the adjustment didn't post.
- Select the **Calc End Date** as either the effective date of the next liability (if there are multiple calculations being adjusted) or the **Calc Performed Date** of the calculation for which the adjustment didn't post (if the adjustment SR is the only one, or the last one in a number being performed).
- Save the SR and all of the details of the parent SR will be copied into the newly created adjustment SR.
- In the **More Info** tab, **Liability Calculation** view, amend the adjustment SR to reflect the new circumstances of the case at the effective date e.g. if completing the adjustment as a result of backdated change of income, update the adjustment SR to show the new income information. In the **Type of Calculation** field select **Manual** to enable the fields. Fields that can be changed include:
 - **Income Source** and other income information
 - Variation amounts
 - Number of QCs, ROCs or CIFBAs
 - Pension fields

 If unable to update the **Current Private Pension** field, raise an incident with AAC
- Once this action is complete update the **Type of Calculation** field back to **Auto** and save the record.
- Go to the **QC Liability Details** tab and check that the correct QC details and shared care bands are recorded correctly. If the details are not correct, update them to reflect the case at the effective date in question. To add new QC details to this view, press (ctrl & N). Save the record.
- In the **PWC Liability Details** view, check if the name fields are correctly populated for each receiving parent in the casegroup. In the **Previous Liability Amount** field enter the previous daily liability for each receiving parent. This is the daily liability that is being updated. To add new receiving parent details to this view, press (ctrl & N). Save the record.

 Adjustments to the collection charges are only required for calculations effective from 11/08/2014 onwards.
- In the **Previous NRP Collection Charge Amount** field, enter the previous daily collection charge for the paying parent. Ensure this is correctly split across all receiving parents. This is the original daily collection charging rate for the paying parent as calculated by the parent Calculation SR. This is 20% of the previous daily liability amount.
- In the **Previous PWC Collection Charge Amount** field, enter the previous daily collection charge for each receiving parent. This is 4% of the previous daily liability amount.

11. Save the record then navigate to the **More Info** tab, **Liability Calculation** view and then select the **Calculate Adjustment Amount** button.
12. Check the **Backdated Adj Amount** field to confirm the correct adjustment amount has been calculated for OGM and check the **NRP Charge Adj** field to confirm the correct adjustment amount has been calculated for collection charges. This is the difference between the previous and current daily rates.
 -  A calculator to help work out the difference in the daily rate can be found [here](#). Add the calculation effective date and end date as well as the previous and new daily rates. This will provide a quick check to show what the adjustment amount should be for that period.
13. Go to the **Payment Schedule** tab. The version field under the **Liability Schedule Details** will be populated with a value of **9999** if the adjustment has posted correctly.
14. Update **Notes** to confirm actions taken, listing the details of the calculation including new Perform Calculation SR#.
15. Update SR Status to **Closed** and the **Sub Status** to **Complete**.
16. Ensure that adjustments are completed for each liability that falls within the adjustment period from the **Effective Date** to **Calc Performed Date** of the new calculation. To confirm which liabilities will have been affected by the new calculation, go to the **NRP screen** and under **Calculation Details** tab sort the calculations into liability version number order, this view will also confirm the effective dates, calculation dates and the daily liabilities.
17. Navigate back to the new **Perform Calculation SR** to which the adjustments relate and update the "**One or more adjustments have been unable to complete as there is a change of income prior to R31 go-live date. Please follow manual process**" activity to **Done**.
 -  Until the next system release, this activity will not generate in instances where the manual backdated adjustment failed due to the adjustment period containing written off or suspended arrears.
18. If the adjustment action was completed on the same day as the calculation, within the latest **Perform Calculation SR** generate a P2P schedule from the **More Info** tab. Choose **Promise to Pay Only** from the **Create Schedule** dropdown then select **Go** to update the payment schedule. This will reflect the adjustments made.
19. If the adjustment action was completed on a different day to the calculation, generate a P2P by completing a change to MOPF (without actually changing the MOPF). Go to the **Procedural Exceptions** for more information on how to complete this. If a new arrears schedule is required, go to [arrears negotiation and missed payments procedure](#).
20. When all of the required adjustments have been posted, go to the new Perform Calculation SR and update **Notes** to confirm what actions have been taken.

Issue a new P2P when adjustment is completed on a different date to the original calculation

Create new P2P

1. Generate a MOPF work item:
 - **Process = CofC**
 - **Area = Change method of payment**
 - **Sub-area = Change method of payment from**
2. Update the SR **Status** to **In Progress**
3. Update the SR **Sub-status** to **COC Accept** and save the record (CTRL & S)
4. Complete all activities and update notes to confirm that the change was completed as a workaround to generate the P2P
5. Update the **Resolution Code** to **COC Accept**
6. The system will automatically generate a perform calculation work item as a child
7. Drill into this work item and go to the **Payment Schedule** tab to ensure that the promise to pay version number has populated.



If the version number hasn't populated, speak to finance SPOC to investigate.

How do I know if my adjustment is correct?

Check Backdated Adjustment

System automated backdated adjustments can be assumed to be correct, however if a problem with the accounts is identified, adjustment SRs can be manually checked using the following steps:

1. Navigate to the **Related SRs** tab of the **Perform Calculation SR** to check whether an adjustment SR has generated as follows:
 - **Process = Perform Calculation**
 - **Area = Case Maintenance**
 - **Sub Area = Change Client Data (adj)**

CMS will generate an adjustment SR for each liability that is being impacted by the backdated change.



If the change to liability is due to a variation, the adjustment SR will be found in the **Related SRs** tab within the **Variation SR**.

2. If an adjustment SR exists, continue to check that the adjustment details are accurate. If the SR does not exist, go to **Completing a Manual Backdated Adjustment** within **Details**.
 3. Select the adjustment SR and check the effective date held in **Calc Effective Date** field is correct. This is the effective date of the change being impacted.
 4. Check the **Calc End Date**. This is either the effective date of the next liability if there are multiple calculations being adjusted, or the **Calc Performed Date** of the most recent liability.
 5. Establish the correct calculation information has populated in **Calculation Criteria** applet within the **More Info** tab, **Liability Calculation** view. This information will reflect what was in place at the time of the original calculation.
 6. Go to the **QC Liability Detail** tab to confirm the shared care in place for each QC is correct then go to the **PWC Liability Detail** tab to view each receiving parent impacted by the new calculation. Check the details populated are reflective of both the current and previous liabilities, and how these have been split.
 7. Check the **Backdated Adj Amount** field is correct. This is a daily amount and will be a positive figure if the liability has increased, or a negative figure if the liability has decreased.
 8. Confirm the adjustments to collection charges are correct by viewing the **NRP Charge Adj** field. This is a daily amount and will be a positive figure if the liability has increased, or a figure in brackets if the liability has decreased.
-  A calculator to help work out the difference in the daily rate can be found [here](#). Add the calculation effective date and end date as well as the previous and new daily rates. This will provide a quick check to show what the adjustment amount should be for that period.
9. Go to the **Payment Schedule** tab and check the version number of the liability schedule is showing as **9999**. This confirms the adjustment has impacted the financial accounts.

How is an adjustment calculated?

The adjustment amount is worked out by completing a simple calculation:

Current daily liability - previous daily liability = daily adjustment amount

The system calculates the current daily liability and takes away the previous daily liability. If the resulting figure is positive, it will be added to the accounts for each day in the adjustment period of the **Effective Date** to the **Calc End Date**, and if the resulting figure is negative it will be removed. This can be viewed in the **Liability Schedule** as new postings against the version number of the new calculation during the adjustment period.

The current liability is based on the information held in the **More Info** tab, **Liability Calculation** view and the **QC Liability Details** tab of the adjustment SR.

The previous liability can be viewed in the **PWC Liability Details** tab of the adjustment SR.

How do I know which Effective Date and Calc End Date to use?

Single Adjustment

The effective date of the change is 27/01/2015 but the calculation performed date is 29/01/2015. The new calculation has resulted in an increase in the daily rate of liability from £0.50 to £1.00. The system posts the new liability from the calculation date of 29/01/2016. In order to implement the new liability from the effective date, the system will create an adjustment SR to adjust each day of the liability schedule by +£0.50, the difference between the two daily rates, for the adjustment period of 27/01/2016 - 28/01/2016. Although the adjustment period ends 28/01/2016, the Calc End Date is the day after. This ensures that the correct amount is posted to the liability schedule and ensures that balances are correct.

Decision	Effective Date	Performed Date	Version Number
Initial	14/04/2015	16/04/2015	1
Change to Income	27/01/2016	29/01/2016	2

Adjustment to version 1 – **Effective Date** would be 27/01/2016 and **Calc End Date** would be 29/01/2016.

Multiple Adjustments

Following from the above calculation, a revision to include shared care is completed, effective from the initial effective date. As the effective date of the new calculation is backdated prior to the last existing calculation, the system will complete an adjustment for each of the liabilities being impacted by the change.

Decision	Effective Date	Performed Date	Version Number
Initial	14/04/2015	16/04/2015	1
Change to Income	27/01/2016	29/01/2016	2
Revision Of Initial To Include Shared Care	14/04/2015	03/02/2016	3

In the scenario above, the caseworker is revising the initial decision to include shared care. If the adjustments post correctly, two adjustment SRs would be visible in the Related SR tab.

Adjustment to version 1 – **Effective Date** would be 14/04/2015 and **Calc End Date** would be 27/01/2016.

Adjustment to version 2 – **Effective Date** would be 27/01/2016 and **Calc End Date** would be 03/02/2016.

Screenshots of examples

Screenshots which reflect the example from **Completing a Manual Backdated Adjustment** section of the procedure are available [here](#)

Why is my adjustment period split between pre 25/11/2013 & post 25/11/2013?

On 25/11/2013, the flat rate and reduced rate were changed. Prior to 25/11/2013, the flat rate amount was £5.00 per week. After 25/11/2013, the flat rate was increased to £7.00 per week and subsequently the criteria for reduced rate was amended. When completing adjustments over this period, the system must do this in two steps. First to complete an adjustment on the previous rates (pre 25/11/2013) and second to complete an adjustment using the new rates (post 25/11/2013).

If the paying parent was calculated to pay based on either a basic rate or basic rate plus, the case is unaffected.

Why is my adjustment period split between pre 11/08/2014 & post 11/08/2014?

On 11/08/2014, collection charges were introduced. When completing adjustments over this period, the system must do this in two steps. First to complete an adjustment without collection charges (pre 11/08/2014) and second to complete an adjustment including adjustments to collection charges (post 11/08/2014).

Why is the backdated adjustment amount £0.00?

If both the current and previous calculation amounts are the same, the adjustment amount is £0.00.

E.g. if a case is assessed at a £7.00 flat rate calculation and another case joins the case group, the calculation remains at £7.00 although this is now split between two cases. Check the **PWC Liability Details** tab and compare the weekly amount per receiving parent (divided by seven) against the **Previous Liability Amount** for each receiving parent to identify the adjustment applied to each case.

The adjustment amount will also show as £0.00 where a change to service type has been completed. This is because there has been no change in liability. The system performs an adjustment SR to create new postings to change the service type within the adjustment period.

How do I do an adjustment prior to the introduction of collection charges on 11/08/2014?

The previous daily rates for the **NRP Charge** and **PWC Charge** fields need to be updated to £0.00 if an adjustment is required prior to 11/08/2014. If it is not, the system will attempt to either add on or remove collection charges prior to 11/08/2014 incorrectly.

Can I add on-going maintenance but remove collection charges?

No. The system will produce an error message within the **Response Message** field of the **Payment Schedule** tab of the adjustment SR.

Can I just remove collection charges?

No. Any adjustments to collection charges have to also take account of adjustments to on-going maintenance regardless of the service type of the case.