

Process Payment Overview

The purpose of this summary is to provide a high level overview of process a payment which complements the more detailed procedures. The procedures explain what happens when a payment comes in, how payments are handled and what happens in exceptional circumstances.

These procedures will be carried out by finance colleagues as well as caseworkers within the maintenance service. The procedures ensure that any monies collected are correctly passed onto the receiving parent.

Application fee refunds

If an application fee has been taken twice in error via card payment, the client will need to contact their card provider and request a chargeback. The card provider will usually refund the client the same day. For more information refer to [Chargebacks - Debit/Credit Card](#). If an application fee refund is being considered for any other reason, refer this to the complaints team for consideration. For more information refer to the [Application Fee Returns](#) fundamental.

Collection fees

Collection fees will apply to payments made by the paying parent via the Child Maintenance Group's (CMG's) collect and pay service. CMG will also deduct fees from these payments when they are allocated to the receiving parent. For further information, refer to [Collection Fees Summary](#).

Where an overpayment of collection fees has been identified during the 2012 close case process, you will need to contact the Client Funds Account Team who will drawdown funds from the admin account onto the case to allow a non standard payment, NRP refund to be completed. For more information refer to [Close Case \(Collect and Pay\)](#) or [Close Case \(Direct Pay\)](#) and [Payment - Non Standard](#).

During the lifetime of the case if it has been identified that payments have been incorrectly allocated to collection fees and a refund is required, a **Non Standard Payment** SR will need to be raised with the reason code of **Financial Redress**, for more information refer to [Payment - Non Standard](#), 'Non standard payment for collection fees paid in error' section

Payment allocation

Correctly referenced payments received from paying parents automatically allocate to their system accounts, once the payment has cleared in the paying parents account this will allocate to unsatisfied and partially satisfied liability lines in the paying parents liability schedule using system allocation rules. For more information refer to [Payment Hierarchy Summary](#).

Incorrectly referenced payments that the system is unable to automatically allocate to a case are allocated to the suspense account and will generate a **Discrepancy Log** SR for investigation by the BPAS Managing Exceptions team. For more information refer to [Payment From - Investigate/Escalate](#).

Correctly referenced payments received from employers are allocated to the employers account, once the payment has cleared the BPAS Employer Support team will allocate the payment as per the payments schedule received from the employer. For more information refer to [Employer Overview](#)

In certain exceptional circumstances, such as when enforcement action is ongoing, it is possible to set payments to be manually allocated. This is more time consuming than automatic allocation and should be regularly reviewed to confirm manual allocation is still necessary. For more information refer to [Manual Allocation Flag - Set Up](#).

Some payments won't be automatically processed by the system, for example where a paying parent pays directly to Jobcentre Plus (JCP). These exceptions are called manual receipts and need to be recorded in 2012 system directly. For more information refer to [Receipting - Manual](#).

Any payment over £2000 will be held by the system automatically and will require caseworker intervention. This acts as a failsafe to prevent very high payments being allocated without further checking. For more information refer to [Payment - Exceeds Threshold](#)

In certain scenarios, a payment under £1 will not allocate, and go on to pay out as we do not wish to issue payments for very small amounts. In these scenario's, no further action is required. The payment will allocate when the next payment is received from the Paying Parent.

Paying parent refunds/reimbursements

Paying parent refunds are completed for overpayments of maintenance where there is a sufficient cash balance on the case to cover the amount of the overpayment made by the client. Before a refund is completed the paying parents method of payment from (MOPF) needs to be checked, for cases where the overpayment has been received via an employer, you need to contact the BPAS Employer Support team via email to CM 2012 Scheme Employer Service, and they will complete the refund to the employer. For non employer related payments the refund will be processed by completing a **Non Standard Payment** SR with the reason **NRP Refund**. This will reduce the paying parents cash balance to zero. For more information refer to [Payment - Non Standard](#).

In circumstances where the paying parent has a cash balance but this is insufficient to cover the total of the refund required, complete an **NRP Refund** for the amount available. To cover the remainder of the refund complete a **Maintenance Refund** as detailed below.

Paying parent reimbursements are completed when an overpayment of maintenance has already been paid to the receiving parent. These are processed by completing a **Non Standard Payment** SR with the reason **Maintenance Refund**. This SR will place the receiving parents account into overdraft, contact will need to be made with the receiving parent to recover the use of admin funds when repaying the paying parent. For further information refer to [Receiving Parent/Payee Repayment Request](#).

Consolatory payments and financial redress payments

Consolatory payments and financial redress payments should only be made by Complaints resolution and Complaints review. If a caseworker in another area of the business believe a payment of this type needs to be made on a case they need to refer the details to Complaints for consideration.

Use of admin funds

Where a process requires the use of an **Admin Account, Drawdown Funds** SR an email will need to be sent to CM 2012 Scheme CFAT Banking & Accounting to request this action is taken. CFAT are responsible for managing the use of admin funds and ensuring there is no fraudulent activity occurring. Under no circumstances should a colleague from a non finance area raise and/or process one of these SR's.

Voluntary payments, direct non scheme payments and third party offsets

A Voluntary Payment is made by the paying parent directly to the receiving parent on or after the initial effective date and before they have been notified of the maintenance calculation, for more information refer to [Voluntary Payments](#).

Direct non scheme payments are made directly to the receiving parent by the paying parent after they have been notified of the initial calculation, for more information refer to [Direct Non Scheme Payment \(Collect and Pay\)](#).

Where a direct non scheme payment is to be recorded to satisfy ongoing maintenance and collection charges, this action can only be taken by using the **DP Direct Non Scheme** SR, for more information refer to [Direct Pay - Overpayment/Underpayment](#).

A third party offset payment is when a paying parent pays for things such as utility bills, rent, repairs etc. on behalf of the receiving parent on a qualifying child's home, in respect of child maintenance paid. Payments qualify for this treatment if they are made after notification of a maintenance calculation decision, for more information refer to [Third Party - Offset](#).

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

 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.

[Admin Account - Add To](#)

[BACS - Investigate Failed Payment Out](#)

[BHOCA - Daily File](#)

[Chargebacks - Debit/Credit Card](#)

[Cheque - Failed](#)

[Collection Fees Summary](#)

[Create Cost](#)

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

[Direct Debit - Represent](#)

[Direct Non-Scheme Payment \(Collect and Pay\)](#)

[Direct Pay - Overpayment/Underpayment](#)

[Manual Allocation Flag - Remove](#)

[Manual Allocation Flag - Set Up](#)

[Manual Schedule - Create](#)

[Overpayment Recovery - Official Error](#)

[Payment Amount - Apply Hold](#)

[Payment Amount - Apply Release](#)

[Payment - Exceeds Threshold](#)

[Payment From - Investigate/Escalate](#)

[Payment - Make To Legacy](#)

[Payment - Manually Allocate](#)

[Payment - Non Standard](#)

[Payment - Reassign](#)

[Payment Hierarchy Summary](#)

[Payment Recall](#)

[Payments - JCP - Negative](#)

[Payments To - Reversal Exceptions](#)

[PWC Repayments - Monitor](#)

[Receiving Parent/Payee Repayment Request - Create](#)

[Receipting - Manual](#)

[Repayment Schedule - Set Up](#)

[Suspense Account - 1993/2003 Scheme Payment](#)

[Suspense Account - Assign](#)

[Suspense Account - Clear Online](#)

[Third Party - Offset](#)

[Voluntary Payment](#)

Can the paying parent pay direct pay without the receiving parent's agreement?

If the paying parent has been compliant throughout the case, they are able to change to direct pay without the receiving parent's permission.