

## Apply Costs

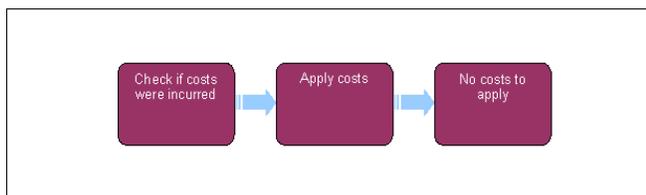
When enforcement action is taken to recover child maintenance arrears, the Child Maintenance Group (CMG) may incur costs. The CMG can only collect these costs from the paying parent when the court awards costs. In Scotland, costs are called expenses.

The purpose of this activity is for a case manager to confirm whether the court has awarded costs and then add them to the paying parent's arrears balance.

At the end of each enforcement action, the system will prompt the case manager to confirm whether costs have been applied.

When the court awards costs, the case manager will create a record on the system. The case manager will then add the costs to the paying parent's arrears balance. The purpose of this process is to enable the CMG to collect the costs and assign them correctly to the case. This will prevent costs being registered as an overpayment or paying out to the receiving parent in error.

For more information on apply costs 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** in related items.

 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.

### Check if the court has awarded costs

1. This procedure will explain how you will complete the Apply Costs section of your Enforcement activity plan. At this stage of enforcement action you will:

- Ensure that costs awarded by the court have been added to the paying parent's arrears balance
- Send the receiving parent a letter where applicable, to tell them the outcome of the enforcement action

 In Scotland, costs are called expenses.

2. Do not exit the activity plan until you have completed the Apply Costs steps in the activity plan. If you close your service request (SR) before completing these steps, this will prevent you from sending an outcome letter to the receiving parent where this is applicable.

 Refer to the relevant procedure to check whether you need to send an outcome letter to the receiving parent or take any other action to complete your enforcement action.

3. Complete **step 16** for the following enforcement actions where the court does not award costs:

- Court presentation
- Criminal action
- Disclosure
- Investigative action
- Lump sum deduction order
- Register liability order with the register of judgement, orders and fines
- Regular deduction order
- Regular deduction order lapse/discharge
- Regular deduction order set up
- Regular deduction order vary

4. Complete **step 5** for the following enforcement actions where the court may award costs:

- Action for reduction
- Action of furthcoming
- Arrestment on dependence
- Attachment
- Bailiff
- Charge for payment
- Charging order
- Default E&W and NI
- Default Scotland
- Enforcement of Judgments Office
- Exceptional attachment
- Freezing order
- Inhibition
- Inhibition on dependence
- Interim attachment
- Liability order magistrates court
- Liability order sheriff court
- Order for interdicting
- Order for sale
- Ordinary arrestment
- Register LO in the county court
- Sanctions E&W and NI
- Sanctions Scotland
- Set aside disposition order
- Third party deduction order
- Variation order

5. While your **Enforcement SR** is open, check the SR and **Notes** to find out if the court has awarded costs. Go to the **Costs** view and check whether costs have already been recorded.

6. Complete the relevant steps depending on the action required:

- **Add costs awarded** – complete **steps 7-11**
- **Amend costs awarded** – complete **steps 13-15**
- **No costs awarded** – complete **step 16**



You can amend costs recorded on the system if the court has changed the award for costs or if the costs have been recorded incorrectly.

## Record and apply costs

7. Go to the **Costs** view when the court has awarded costs. From the **Apply Costs** tab, select **New** in the applet in the centre of the screen. Then select the paying parent's account you're applying costs against.



Disregard any accounts that aren't relevant. E.g. an account where the paying parent has the role as a receiving parent.

8. Create a new record in the **Apply Costs** applet and record the following details:

- **Cost Type** = **Enforcement Costs**
- **Amt Due** = **The cost in pounds**
- **Payable To** = **Admin Account** (only the account relevant to your geographical area will be available in the menu)
- **Due Date** = The date that the cost was awarded by the court
- **Reference** = Type the LO reference number in this optional **Free Text** field



The **LO Reference** field is optional. If the cost relates to more than one LO, choose one LO and record the reference number here.

9. Check that you have typed the LO reference number correctly if you have decided to record this. If you record the wrong LO reference, the cost/s will not assign against the correct LO when they are received.
10. Select **Send Cost** to add the cost to the paying parent's arrears balance.
  -  After selecting **Send Cost**, if a success response is not received from BaNCS, raise this as an incident via AAC. Do not select the **Send Cost** button again.
11. Before collecting the costs in a new payment schedule, consider whether it is more appropriate to wait for the annual review when the costs will be automatically rescheduled. For more information on annual review and arrears negotiation refer to [Current Income Periodic Check](#) and [Arrears Negotiation and Missed Payments](#).
12. When you have finished applying costs, complete the remaining activity plan steps following the relevant procedure. If you need to send the receiving parent an outcome letter, send one now before closing your SR.

## Amend and apply costs

13. In some circumstances you may need to amend or remove costs already recorded on the system. For example if an error has been made or if the court has changed the award for costs.
14. Go to the **Costs** view when you need to amend costs. From the **Amend Costs** tab select the **Get Liability Schedule** button. Highlight the line item for the cost you want to amend or remove by entering the amount you are deducting/adding in the 'amend cost to pay' field then select **OK**.
15. Select **Send to BaNCS** to complete the amendment.

## No costs to apply

16. Select **Not Applied** next to **Apply Costs** in the activity plan when the court has not awarded costs. Then complete the remaining activity plan steps following the relevant procedure. If you need to send the receiving parent an outcome letter, send one now before closing your SR.

### Exceptions

Division to replace Child Maintenance Group (CMG) in Northern Ireland

When enforcement action is taken to recover child maintenance arrears, the Division may incur costs. The Division can only collect these costs from the non resident parent (NRP) when the court awards costs or when the costs have been incurred through action with the Enforcement of Judgments Office (EJO).

2. Do not exit the Activity Plan until you have completed the **Apply costs** steps in the Activity Plan.
6. Go to the **Costs** screen when the court has awarded costs or there are EJO costs to apply. From the **Apply Costs** tab, select **New** to create a new record.
7. Complete the record as follows:
  - **Cost Type** = Enforcement costs
  - **Amt Due** = The cost in pounds
  - **Payable To** = The Division account (only one account will be available in the drop down menu)
  - **Due Date** = The date that the cost was awarded by the court
  - **Reference** = Type the LO reference number in this free text field



If the cost relates to more than one LO, choose one LO and record the reference number here.

8. Check that you have typed the LO reference number correctly. If you record the wrong LO reference, the cost/s will not assign against the correct LO when they are received.

[Action For Reduction](#)

[Action Of Furthcoming](#)

[Arrears Negotiation and Missed Payments](#)

[Arrestment On Dependence](#)

[Attachment](#)

[Bailiff](#)

[Charge For Payment](#)

[Charging Order](#)

[Court Presentation - County Court](#)

[Court Presentation - Magistrates Court](#)

[Criminal Action](#)

Default (E, W and NI)  
Default Scotland  
Disclosure For Deduction Order Action  
Enforcement Of Judgments Office - Register  
Exceptional Attachment  
Freezing Order  
Inhibition  
Inhibition On Dependence  
Interim Attachment  
Investigative Action  
Liability Order - Magistrates Court  
Liability Order - Sheriff Court  
LSDO - Set Up/Amend  
Order For Interdicting  
Order For Sale  
Liability Order - Register With The Register Of Judgement, Orders And Fines  
Liability Order - Register In County Court  
RDO - Set Up, Vary, Lapse/Discharge  
Sanctions (E, W and NI)  
Sanctions (Scotland)  
Set Aside Disposition Order  
**Terminology Changes**  
TPDO  
Variation Order