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| TITLE | POLICY NUMBER | |
| Title IV-E BSW and MSW Program Repayment and Collection Policy | DCS 03-18 | |
| RESPONSIBLE AREA | EFFECTIVE DATE | REVISION |
| Procurement & Contracts | 08/17/20 | 2 |

I. POLICY STATEMENT

The Department of Child Safety (DCS) is committed to enhancing the skill development and education of staff by offering stipends and tuition/fee payment assistance to students engaged in the study of social work, in exchange for a subsequent commitment to work for DCS for a contractually specified period of time. If students in the program are unable or unwilling to attain the academic degree that is being subsidized by the Department, or if they fail to abide by the terms of the contract into which they entered, the Department shall pursue repayment or collection of any stipends, tuition, and fees received by participants.

II. APPLICABILITY

This policy applies to individuals who signed a contract to participate in the Title IV-E BSW (Bachelor of Social Work) and MSW (Master or Social Work) Program and did not complete the program, or who completed the program but have not fulfilled their obligation to commence, or maintain, employment with DCS for the contractually specified period of time.

III. AUTHORITY

[A.R.S. § 8-453](#)

Powers and duties

[A.R.S. § 23-352](#)

Withholding of wages

[State of Arizona Accounting Manual](#) Topic 20, Section 22: Delinquent Debt Processing

[45 CFR § 235.63\(b\) and 235.64](#) Administration of Financial Assistance Programs

IV. DEFINITIONS

Arizona Financial Information System (AFIS): a single, integrated system that governs the key financial management processes needed to conduct State business, including budgeting, general and cost accounting, accounts payable, and accounts receivable.

Department or DCS: The Department of Child Safety.

Office of the Attorney General: The office that represents, provides legal guidance, and coordinates collection efforts for DCS via its Bankruptcy, Collection, and Enforcement (BCE) Unit.

State of Arizona Accounting Manual (SAAM): A publication of the Arizona Department of Administration (ADOA) that documents the policies of ADOA's General Accounting Office.

Title IV-E: The section of the Social Security Act that authorizes federal matching funds to states in order to improve the quality of care of children in foster care, reduce the number of children in foster care, return children to their homes as soon as conditions permit, and facilitate the adoption or permanent placement of children who cannot be returned to their homes. It also funds programs between state child welfare agencies and social work schools that allow students or current employees to defray the costs of their social work education in exchange for a commitment to work for the child welfare agency.

V. POLICY

- A. Students who default on any terms or conditions of their contract with DCS shall be liable for financial repayment to DCS of the total or prorated value of the benefit received as described below. Payment is due to DCS within thirty (30) calendar days of the Notice of Default.
 - 1. If a student discontinues his/her education prior to graduation, the student is liable for financial repayment of the prorated value of the benefit received pursuant to the terms and conditions specified in the contract.

2. If a student graduates with his/her chosen degree and does not complete the employment obligation, the student would be liable for financial repayment of the prorated benefit amount pursuant to the terms and conditions specified in the contract.
- B. If financial repayment is required, payment shall be submitted within thirty (30) days of default by check, money order, or cashier's check and made payable to: Arizona Department of Child Safety. Financial repayment shall be mailed or delivered to: DCS Office of Accounting, Accounts Receivable, P.O. Box 6030 (Site Code C010-21), Phoenix, Arizona 85005-6030.
 - C. DCS shall make all reasonable collection efforts. All delinquencies proposed for write-off shall be forwarded to the Office of the Attorney General's Bankruptcy, Collection, and Enforcement Unit.
 - D. The continuation of this program is subject to the availability of funds. The DCS Director shall have the sole discretion in determining the availability of funds. If DCS discontinues this program before the student completes it, any obligation to repay or remain employed with DCS shall be determined pursuant to the terms and conditions specified in the contract.
 - E. The Department has the discretion to release the student from repayment, in accordance with [45 CFR 235.63](#).
 - F. All recovered monies shall be returned to the Title IV-E funds dedicated to the program.

VI. PROCEDURES

A. Collection Processes

The amount of debt is calculated by the academic institution, which prepares a memo detailing how much has been spent on each student.

1. Former Employees

When notified by DCS Human Resources that an individual is no longer employed by the Department, the DCS Contract Manager sends a default letter by certified mail to the ex-employee when a debt exists. The letter

includes:

- a. the reason for the default;
- b. the amount that must be repaid;
- c. instructions for repaying stipends, tuition, and fees to the DCS Office of Accounting;
- d. payment plan arrangements.

2. Current Employees

The DCS Contract Manager sends a default letter by certified mail to the employee when a debt exists. The letter includes:

- a. the reason for the default;
- b. the amount that must be repaid;
- c. instructions for repaying stipends, tuition, and fees to the DCS Office of Accounting; and
- d. payment plan arrangements.

3. Students Never Employed by DCS

If an individual participated in the program but never worked for the Department, the DCS Contract Manager sends a default letter by certified mail to the ex-employee when a debt exists. The letter includes:

- a. the reason for the default;
- b. the amount that must be repaid;
- c. instructions for repaying stipends, tuition, and fees to the DCS Office of Accounting;
- d. payment plan arrangements.

B. Invoices

The DCS Office of Accounting/Accounts Receivable sends an invoice to the individual requesting payment. In addition, two past due invoices will be sent upon failure to repay within the required timeline. Individuals may request a monthly payment plan to which both parties shall agree. The payment plan shall not exceed five (5) years.

C. Referral to Attorney General

If an employee, ex-employee, or an individual who never worked for the Department fails to respond to requests for repayment of stipends, tuition, or fees, the Office of Accounting will refer the matter to the Office of the Arizona Attorney General's Bankruptcy, Collection, and Enforcement Unit.

The Office of Accounting sends the individual a 90-day notice informing them that: 1) their case has been referred to the Office of the Arizona Attorney General's Bankruptcy, Collection, and Enforcement Unit; and 2) they may contact the Office of the Attorney General for further questions regarding their case.

D. Process Flow Chart 5

[The Student Stipend Process Flow Chart](#) outlines the complete collection processes.

VII. FORMS INDEX

N/A