**NATIONAL COUNCIL OF CHILD SUPPORT DIRECTORS**

**August 2013 Executive Committee Meeting**

August 15, 2013

Present:

Laurie McGrath – Vice President

Sharon Santilli, Treasurer

Carol Eaton – Secretary

Region 1 – Jerry Joy

Region 2 – Terrlyn Smock

Region 3 – Chuck Hayward

Region 5 – Jeff Aldridge

Region 6 – Lisa Andry and Alicia Key

Region 7 – Melissa Johnson for Trisha Thomas

Region 8 – Jim Fleming

Region 9 – Louise Bush

Region 10 – Wally McClure

Committee Chairs:

Absent

Vice President McGrath welcomed the directors and called the meeting to order at 3:00PM ET. There was discussion about whether the new regional representatives were to be invited to this meeting or the September meeting. Laurie will talk with Benidia about inviting the new regional representatives to the September Executive Committee meeting.

The first order of business was the approval of the May 2013 minutes. Chuck Hayward made a motion to accept the minutes and Jim Fleming seconded the motion. The minutes were approved.

**TREASURER’S REPORT**

Sharon Santilli reported there are several Treasurer reports to review as the Executive Committee has not met since May. She reported at the end of April there was a balance of $83,829.79 in the account, end of May the balance was $106,779.70, end of June the balance was $96,937.70, and the end of July the balance was $76,340.05. Sharon advised all of the conference expenses have been paid and there are still a couple of registrations to be received. Sharon made a motion to approve the April, May, June and July Treasurer’s reports and Terrlyn Smock seconded the motion. All reports were approved. (See a copy of these reports at the end of the minutes)

Annual Conference Report:

Sharon stated there has been a lot of activity with the annual conference and a final conference report was attached. Sharon indicated the D.C. staff did an outstanding job of getting her the conference information so that she could prepare the final report. She stated there was $13,000 in sponsorships this year and $47,575 paid in registrations for a total income of $60,575. There were expenses totaling $48,014.32 leaving a net surplus from the conference of $12,560.68. There was a question asked regarding how much the A/V costs were versus the phone costs since they were lumped together? Sharon responded she believes the AV costs were significant and the phone costs were simply set-up charges as Benidia used her own conference line for the long-distance charges. Sharon moved the annual conference report be approved and it was seconded by Laurie McGrath. The report was approved. (See a copy of the report at the end of the minutes).

Chuck Hayward advised there will be a call of the Finance Committee later this week to discuss use of the funds in the account. Sharon stated the accountant that is working with her was not overly concerned about the balance in the account, but rather having clear by-laws regarding the use of the funds. She indicated we should look at using some of the funds on training and scholarships for Director’s to attend conferences and training.

Laurie stated that she and Alisha Griffin received an invitation to attend a conference with Canadian Directors later this year on reciprocity. Laurie is unable to attend and indicated that Alisha was not certain as to whether she would be able to get full reimbursement from her state for the cost of the trip. Laurie stated attending this conference would be of benefit to the NCCSD and asked whether it would be an appropriate reason to use some of the surplus funds? There was a suggestion that the NCCSD cover the costs that are not reimbursed? Louise Bush indicated it would seem appropriate to cover the entire cost since Alisha is going on behalf of the directors. Carol Eaton made a motion to reimburse Alisha Griffin for her actual costs to attend the conference with the Canadian Director’s up to a total reimbursement of $1,000? Louise Bush seconded the motion. Motion was approved.

**MONTHLY CALL WITH OCSE**

There was not a call with OCSE this month.

**IRS Conference Call**

Jim Fleming provided an update on the recent call between OCSE, IRS and Directors. He advised they reviewed the IRS Disclosure Matrix that was compiled by Scott Hale, OCSE. The matrix contained comments from state directors on the federal tax information (FTI) that could and could not be shared. Jim indicated the call was productive and expressed gratitude to OCSE (Donna Bonar and Scott Hale) for their efforts to bring the IRS and Director’s together for the call. It was time well spent.

There were several categories that were focused on during the call:

1. Release to recipient parent – the IRS has indicated the custodial parent should not be privileged to the fact that the non-custodial parent has remarried and filed a joint tax return. There was discussion regarding the information that can be released and agreement that the state cannot reveal the reason for the hold which doesn’t necessarily prevent providing FTI to the payee if the reason for the hold can be kept confidential.
2. Releases to court - the IRS agreed a ledger can be provided as long as it doesn’t reveal FTI as the source or exclude collections so that you are able to identify FTI as the source. Jim indicated the IRS is agreeable to distinguishing between voluntary and involuntary payments as long as FTI is not specifically identified nor structured in a way that would allow the court to determine the source. Laurie commented she believes the IRS is attempting to be as flexible as possible.
3. Releases to state auditor – Jim indicated the IRS General Counsel stated it would be appropriate to make the auditor an honorary member of the IV-D program that would then allow the FTI to be shared. There was not much flexibility from the IRS on this issue. It appears that the IRS believes it is better to be an employee of the IV-D agency as opposed to a contractor or another agency working with the IV-D agency. Jim stated the IRS code permits auditors of state tax programs to obtain FTI, however, they believe since the code is specific to state tax, it does not translate into the IV-D program access.

Jim stated the IRS has indicated nothing has changed in many years in regard to release of FTI, however, the IRS is planning to clarify in the next issuance of publication 1075 that releasing information to state auditor’s is not acceptable. Sharon asked if this applied to any type of state audit? Jim stated yes, however, publication 1075 currently indicates it is ok to share FTI with a state auditor as long as they comply with IRS safeguards and sign an agreement. Laurie stated it also depends on who the auditor is in terms of being a contractor or state employee? The issue of sharing FTI with contractors is still held in abeyance.

Sharon asked if any of the other states are asking auditor’s to sign the confidentiality agreement and watch the IRS video? Jim responded they do both of those in his state. Chuck advised his state has a private contractor do the audit and they will have to sign an agreement, as well as the OCSE auditors look at the IRS video and sign a confidentiality form.

Jim stated the IRS disclosure matrix with the state’s comments de-identified is available to all directors and offered to share with the Executive Committee.

1. Releases to agents or designees of parents – Jim indicated they were pressed for time on the call when they got to this topic. It appears the IRS holds a power of attorney (POA) in different standing than delegation from a parent to an agent. There was a question as to how far a parent can delegate their authority to receive FTI? The IRS response was that the authority could be delegated as long as there was a power of attorney on file. It was not clear as to why it was ok if there was a POA form on file, but not ok for a parent to delegate the authority without having a POA. Laurie commented her understanding was that different states have different laws and as long as the state is consistent, then the state’s law that should be followed in regard to releasing information to a designee of the parent.

Jim stated the next steps will be for the IRS to re-write the matrix based on discussions during the call with directors and then Scott Hale will forward to the directors that were on the call for review. We will be anxious to see what changes are made. Jim will keep the Executive Committee updated on the progress.

**Tribal Access and IRS Offsets**

Jim Fleming shared a draft of the letter to the National Tribal Child Support Directors Association (NATCSD) regarding the NCCSD support of the Tribal IV-D efforts to obtain access to FPLS and the IRS tax offset process. Jim indicated there is a connection between support for tribal access and issues we are dealing with related to the recent IRS discussions. Jim indicated he included a paragraph in the draft letter regarding improving access to FTI for all of the various entities that the IRS is currently withholding access, including courts, contractors engaged in IV-D activity on behalf of the IV-D program, auditors, state information technology departments, and custodial parents.

Jim indicated he received favorable responses to the letter from Trisha Thomas, Dan McDonald and Jerry Joy via e-mail. The Executive Committee approved the draft of the letter to be sent on behalf of the NCCSD.

Chuck Hayward indicated he received a direct contact from Tish Keahna and wanted to know if others had received contacts as well. Carol Eaton advised she had received a contact but has not yet responded. Wally McClure stated he did provide a similar letter of support upon the request of Tish.

**COMMITTEE REPORTS**

**Medical Support:** Laurie indicated there was a presentation at the Annual Meeting on the work of the Medical Support Committee. The committee continues to meet and is working on developing a matrix that will help directors to identify areas to focus on as the Affordable Care Act moves forward.

**NCCSD Website:** Nothing new to report.

**VOE Workgroup:** Laurie stated the VOE letter that was approved by the Executive Committee has now been sent to Commissioner Turetsky. A response has not yet been received from the Commissioner.

**Finance Committee:** Sharon stated there is a meeting later this week. She will provide an update at the Executive Committee meeting in September.

**New Business**

Laurie McGrath advised, on behalf of Alisha Griffin, that Alisha is continuing to reach out to the Finance Committee and Senator Menendez’s office regarding the status of the Menendez bill that will implement the Hague Treaty and a number of other child support provisions. Alisha will be in contact with some of the directors in an attempt to quantify the workload and process improvement that will be seen in the state programs as a result of this legislation.

Sharon Santilli stated she is concerned about a bill, that is currently on hold, which would give the Office of Inspector General (OIG) access to new hire data. She is concerned that this legislation may allow the OIG unlimited access to these databases that we are required to safeguard. Sharon indicated the American Payroll Association (APA) has also expressed concern regarding this legislation.

Chuck Hayward asked if there was an update on the release of the NPRM? Laurie responded she believes the pre-amble needed to be re-written and it could take until possibly January. Jim Fleming indicated he has heard we may be given longer than 60-days to comment on the NPRM.

Laurie stated she is working on securing a hotel for the 2014 Annual Meeting and would appreciate some feedback regarding costs. She indicated the hotel rate she is looking at is $201/night and asked if that would concern any of the directors in regard to their ability to gain approval. Carol responded it doesn’t appear too out of line with costs that have been paid for other trips to expensive locations. One director commented it may not matter what the rate is for some states who have limited travel authority. Louise Bush indicated she is concerned with the dates being late in June and the difficulties this creates when the conference runs over two state fiscal years. Sharon asked whether May would be a better month to hold the annual meeting? Laurie indicated she will send a survey out to directors asking if there is a preference to a certain time of year, whether starting on Sunday would be a problem in order to better use the time that everyone is there, and if the hotel rate she is proposing would be cost prohibitive.

Sharon stated she is also looking at securing a hotel for the 2015 Annual Meeting as Newport is a busy, and expensive, place in the summer. She wanted to know if directors would be concerned about booking a hotel this far in advance from the conference dates? Sharon indicated the hotel does require an authorization form to be on file, but would not be charged until the actual event. Carol suggested she may want to wait until Laurie surveys the directors to see what time of year is preferred. Laurie stated she would also like to hear from directors in regard to things they like, and don’t like, about the annual conference.

The meeting adjourned.

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| **Attachments:****Amended April, May, June and July Treasurer’s reports and the Annual Conference Report****NATIONAL COUNCIL OF CHILD SUPPORT DIRECTORS** |
|  **TREASURER'S REPORT AMENDED** |
| **Activity April 1, 2013- April 30, 2013** |  |  |
|  |  |  |
| Checking Account Balance as of 3/31/13 $ 79,204.06  |  |  |

**Deposits (electronic and check)**

Sponsorship/Registrations

4/8/13 $ 800.00

4/9/13  **$**1,700.00

4/11/13 $ 400.00

4/18/13 $ 800.00

4/18/13 $ 400.00

4/19/13 $ 400.00

4/25/13 $ 800.00

4/26/13 $ 400.00

 Total Deposits $5,700.00

**Checks Written & Electronic Debit**

4/1/13 check #1011 (Accountant) $826.25

4/2/13 Merchant Fee $248.02

 Total Debits $1,074 .27

Bank of America Balance as of April 30, 2013 $ 83,829.79

**Pending Items:**

5/2/13 - $150.09

Registrations /sponsorships

5/03/13 $ 900.00

5/6/13 $ 5,200.00

5/7/13 $ 400.00

5/9/13 $800.00

5/10/13 $ 400.00

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|  **NATIONAL COUNCIL OF CHILD SUPPORT DIRECTORS** |
|  **TREASURER'S REPORT** |
| **Activity May 1- 2013- May 31, 2013** |  |  |
|  |  |  |
| Checking Account Balance as of 4/30/13 $ 83,829.79  |  |  |

**Deposits (electronic and check)**

Sponsorship/Registrations

5/03/13 $ 900.00

5/6/13 $ 5,200.00

5/7/13 $ 400.00

5/9/13 $800.00

5/10/13 $ 400.00

5/15/13 $ 1,200.00

5/15/13 $ 400.00

5/16/13 $ 2,000.00

5/20/13 $ 2,400.00

5/21/13 $ 800.00

5/22/13 $ 800.00

5/23/13 $ 400.00

5/24/13 $ 400.00

5/29/13 $4,000.00

5/30/13 $1,300.00

5/31/13 $1,700.00

 Total Deposits $23,100.00

**Checks Written & Electronic Debit**

5/2/13 Merchant Services $150.09

 Total Debits $ 150.09

Bank of America Balance as of May 31, 2013 $106,779.70

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|  **NATIONAL COUNCIL OF CHILD SUPPORT DIRECTORS** |
|  **TREASURER'S REPORT** |
| **Activity June 1, 2013- June 30, 2013** |  |  |
|  |  |  |
| Checking Account Balance as of 5/30/13 $106,779.70  |  |  |

**Deposits (electronic and check)**

Sponsorship/Registrations

6/03/13 $ 400.00

6/5/13 $ 2,400.00

6/6/13 $ 400.00

6/7/13 $ 800.00

6/10/13 $1,600.00

6/12/13 $ 400.00

6/13/13 $1.200.00

6/14/13 $ 75.00

6/17/13 $ 400.00

6/18/13 $ 2,000.00

6/19/13 $ 400.00

6/20/13 $ 800.00

6/24/13 $ 75.00

6/26/13 $ 475.00

6/27/13 $ 800.00

6/28/13 $ 400.00

 Total Deposits $12,625.00

**Checks Written & Electronic Debit**

6/3/13 Merchant Services $458.93

6/3/13 Check # 1028 (Spirit Cruises) $5,492.76

6/17/13 $400.00

6/6/13 W Hotel $13,978.81

6/17/13 One Wholesaler Inc.(TShirts/Bags) $947.50

6/18/13 Check # 1029 (Chariots for hire) $915.00

6/24/13 Speedpro Imaging (Banner) $190.00

6/24/13 One Wholesaler Inc.(Tshirts/Bags) $ 60.00

6/26/13 DC Convention (maps) $ 24.00

 Total Debits $ 22,467.00

Bank of America Balance as of June 30, 2013 $ 96,937.70

**Pending Items:**

7/8/13 Deposit + $2,200.00

15 OCSE Registrations due + ( $ 345 x 15 )= $5,175.00

7-10-13 Miscellaneous Conf. Expenses \_ $161.95

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|  **NATIONAL COUNCIL OF CHILD SUPPORT DIRECTORS** |
|  **TREASURER'S REPORT** |
| **Activity July 1, 2013- July 31, 2013** |  |  |
|  |  |  |
| Checking Account Balance as of 6/30/13 $ 96,937.70   |  |  |

**Deposits (electronic and check)**

Sponsorships/Registrations

7-1-13 $ 400.00

7-8-13 $ 2,200.00

7-23-13 $ 950.00

7-26-13(Reimbursement Chariots for Hire) $ 200.00

 Total Deposits $ 3,750.00

**Checks Written & Electronic Debit**

 7-1-13 Debit Chariots for Hire $ 432.00

7-2-13 Merchant Services $ 368.52

7-10-13 Debit Spirit Cruises $ 2,184. 00

7-19-13 Check 1031 Reimbursement B. Rice $ 66.44

7-26-13 Debit W Hotel $ 21,201.18

7-29-13 Check 1030 Reimbursement S. Payne $ 95.51

7-10-13 Miscellaneous Conf. Expenses \_ $ 161.95

 Total Debits $ 24,347.65

Bank of America Balance as of July 31, 2013 $ 76,340.05

**Pending Items:**

8-2-13 OCSE Registrations due + ( $ 345 x 15 )= $ 5,175.00

8-2-13 - $ 54.00

8-6-13 Registration + $ 800.00

Check #1032 and 1033- Donations to Florida Ave. Baptist Church and Joyful Motion Dance Company - $ 400.00

**NATIONAL CONFERENCE OF CHILD SUPPORT DIRECTORS**

 **ANNUAL CONFERENCE REPORT 2013- Washington, DC**

**INCOME:**

NCCSD SPONSORS $13,000.00

REGISTRATIONS $ 106 x$400= 42,400.00 + 15 X$345=5,175.00= $47,575.00

 TOTAL INCOME: **$ 60,575.00.00**

**EXPENSES:**

·        W Hotel -Room rental $ 4,982.80

·        W Hotel –food/bev $ 22,994.14

·        Spirit Cruises $ 9,518.88

·        Chariots For Hire Shuttle $ 1,452.00

·        T-shirts and bags $ 1,007.50

·        Board-approved scholarship rooms for Shirley

 Payne and Benidia Rice $ 680.16

·        A/V and phone  $ 6,522.89

·        Donations to entertainment $ 400.00

·        Speed Pro Vendor Banner $ 190.00

·        Miscellaneous $ 265.95

 TOTAL EXPENSES  **$ 48,014.32**

NET INCOME: **$ 12,560.68**