

# The Social Security Administration's Field Office Remittance Process

## A-08-13-13034



May 2014

Office of Audit Report Summary

### Objective

To assess the Social Security Administration's (SSA) field office (FO) remittance process.

### Background

SSA FOs receive checks, money orders, cash, and credit card payments for Medicare premium payments and Title II/XVI overpayment refunds. They also collect fees for services. SSA defines these payments as remittances.

FOs input remittance information in SSA's Debt Management System (DMS). DMS generates forwarding instruction sheets for remittances, such as fees for services, which SSA's Office of Finance processes for deposit. DMS generates a scannable payment coupon for remittances, such as overpayment refunds, that FOs mail to SSA's debt management section at the Mid-Atlantic Program Service Center (MATPSC) for deposit.

For discrepant remittances, MATPSC may notify the originating FO for corrective actions or correct the discrepancies themselves. If MATPSC does not receive and verify remittances within 20 days of FO input, DMS generates an initial alert for the originating FO on day 21. DMS generates a follow-up alert on day 42 and a final alert on day 60 for those initial alerts not cleared by FOs.

### Our Findings

FOs did not always accurately process remittances or timely clear alerts. For example, of the approximately 458,000 remittances FOs processed from August 1, 2011 through July 31, 2012, over 44,000 (10 percent) contained discrepancies that generated initial alerts for corrective actions. Of these initial alerts, DMS generated over 11,000 follow-up alerts (day 42) and over 5,700 final alerts (day 60) to FOs.

Our review of SSA's Debt Management System and NY Debt Management Release 2 application found SSA did not generally track and summarize the causes of remittance discrepancies or reasons FO personnel did not clear alerts within 60 days. According to MATPSC, some FOs sent remittances to the wrong entity or cleared unverified alerts before MATPSC received the remittances. In addition, one FO told us it waited 60 days to clear any alerts because it wanted to ensure MATPSC had sufficient time to receive and process its remittances before determining whether there were issues. We believe SSA could better manage its remittance process by tracking and summarizing the causes of remittance discrepancies and reasons FOs did not clear alerts within 60 days. SSA could use such information to help reduce duplication of effort and best use the Agency's limited resources.

SSA is developing an automated fee collection system to streamline its non-program remittance process. Although SSA will initially use the system to collect non-program fees, it also plans to collect program fees later. SSA plans to implement this system for non-program remittances in two phases with full implementation to begin in the last quarter of 2014.

### Our Recommendation

As SSA continues developing a streamlined remittance process, we recommend it track and summarize the causes of discrepant remittances and reasons FOs did not clear alerts within 60 days.

SSA agreed with our recommendation.