

chapter, if wage withholding is appropriate in a particular case and wage withholding is implemented and wages are withheld during the audit period, the State will be considered to have taken appropriate action in that case for audit purposes.

(4) Notwithstanding timeframes for establishment of cases in §303.2(b) of this chapter; provision of services in interstate IV-D cases under §303.7(a)(4) through (8), (b), (c), (d)(2) through (5) and (7) and (10) of this chapter; and location and enforcement of support obligations in §303.3(b) (3) and (5), and §303.6 of this chapter, if wage withholding is not appropriate in a particular case, and the State uses at least one enforcement technique available under State law, in addition to Federal and State income tax refund offset, which results in a collection received during the audit period, the State will be considered to have taken appropriate action in the case for audit purposes.

(e) The State must meet the requirements for expedited processes under §303.101(b)(2)(i) and (iii), and (e) of this chapter.

[65 FR 82208, Dec. 27, 2000, as amended at 73 FR 42442, July 21, 2008; 75 FR 38644, July 2, 2010]

#### §305.64 Audit procedures and State comments.

(a) Prior to the start of the actual audit, Federal auditors will hold an audit entrance conference with the IV-D agency. At that conference, the auditors will explain how the audit will be performed and make any necessary arrangements.

(b) At the conclusion of audit fieldwork, Federal auditors will afford the State IV-D agency an opportunity for an audit exit conference at which time preliminary audit findings will be discussed and the IV-D agency may present any additional matter it believes should be considered in the audit findings.

(c) After the exit conference, Federal auditors will prepare and send to the IV-D agency a copy of their interim report on the results of the audit. Within a specified timeframe from the date the report was sent by certified mail, the IV-D agency may submit written

comments on any part of the report which the IV-D agency believes is in error. The auditors will note such comments and incorporate any response into the final audit report.

#### § 305.65 State cooperation in audit.

(a) Each State shall make available to the Federal auditors such records or other supporting documentation (electronic and manual) as the audit staff may request, including records to support the data as submitted on the Federal statistical and financial reports that will be used to calculate the State's performance. The State shall also make available personnel associated with the State's IV-D program to provide information that the audit staff may find necessary in order to conduct or complete the audit.

(b) States must provide evidence to Office that their data are complete and reliable as defined in §305.2 of this part.

(c) Failure to comply with the requirements of this section with respect to audits conducted to determine compliance with IV-D requirements under §305.60 of this part, may necessitate a finding that the State has failed to comply with the particular criteria being audited.

#### §305.66 Notice, corrective action year, and imposition of penalty.

(a) If a State is found by the Secretary to be subject to a penalty as described in §305.61 of this part, the OCSE will notify the State in writing of such finding.

(b) The notice will:

(1) Explain the deficiency or deficiencies which result in the State being subject to a penalty, indicate the amount of the potential penalty, and give reasons for the finding; and

(2) Specify that the penalty will be assessed in accordance with the provisions of 45 CFR 262.1(b) through (e) and 262.7 if the State is found to have failed to correct the deficiency or deficiencies cited in the notice during the automatic corrective action year (i.e., the succeeding fiscal year following the year with respect to which the deficiency occurred.)

(c) The penalty under §305.61 of this part will be assessed if the Secretary

determines that the State has not corrected the deficiency or deficiencies cited in the notice by the end of the corrective action year.

(d) Only one corrective action period is provided to a State with respect to a given deficiency where consecutive findings of noncompliance are made with respect to that deficiency. In the case of a State against which the penalty is assessed and which failed to correct the deficiency or deficiencies cited in the notice by the end of the corrective action year, the penalty will be effective for any quarter after the end of the corrective action year and ends for the first full quarter throughout which the State IV-D program is determined to have corrected the deficiency or deficiencies cited in the notice.

(e) A consecutive finding occurs only when the State does not meet the same criterion or criteria cited in the notice in paragraph (a) of this section.

## PART 306 [RESERVED]

### PART 307—COMPUTERIZED SUPPORT ENFORCEMENT SYSTEMS

Sec.

307.0 Scope of this part.

307.1 Definitions.

307.5 Mandatory computerized support enforcement systems.

307.10 Functional requirements for computerized support enforcement systems in operation by October 1, 1997.

307.11 Functional requirements for computerized support enforcement systems in operation by October 1, 2000.

307.13 Security and confidentiality for computerized support enforcement systems in operation after October 1, 1997.

307.15 Approval of advance planning documents for computerized support enforcement systems.

307.20 Submittal of advance planning documents for computerized support enforcement systems.

307.25 Review and certification of computerized support enforcement systems.

307.30 Federal financial participation at the 90 percent rate for statewide computerized support enforcement systems.

307.31 Federal financial participation at the 80 percent rate for computerized support enforcement systems.

307.35 Federal financial participation at the applicable matching rate for computerized support enforcement systems.

307.40 Suspension of approval of advance planning documents for computerized support enforcement systems.

AUTHORITY: 42 U.S.C. 652 through 658, 664, 666 through 669A, and 1302.

SOURCE: 49 FR 33260, Aug. 22, 1984, unless otherwise noted.

#### § 307.0 Scope of this part.

This part implements sections 452(d) and (e), 454(16) and (24), 454A, and 455(a)(1)(A) and (B), and (a)(3)(A) of the Act which prescribe:

(a) The requirement for computerized support enforcement systems;

(b) The functional requirements that a statewide computerized support enforcement system must meet;

(c) Security and confidentiality requirements for computerized support enforcement systems;

(d) The criteria the Office must determine exist prior to approving an advance planning document (APD);

(e) The requirements and procedures for the submittal of an APD;

(f) The requirement for continuous review of each approved statewide computerized support enforcement system;

(g) The availability of FFP at the 90 percent rate;

(h) The availability of FFP at the applicable matching rate; and

(i) The conditions under which the Office will suspend approval of an APD.

[57 FR 47002, Oct. 14, 1992, as amended at 63 FR 44814, Aug. 21, 1998]

#### § 307.1 Definitions.

(a) *Alternative approach to APD requirements* means that the State has developed an APD that does not meet all conditions for APD approval in § 307.15(b) resulting in the need for a waiver under § 307.5.

(b) *Business day* means a day on which State offices are open for business.

(c) *Alternative system* means the separate manual and/or automated processes that perform one or more of the required functions separately from the base system and that interfaces with the base system to ensure that the State can meet all requirements for purposes of the audit prescribed in section 403(h) of the Act. These separate processes may involve geographic areas, such as counties; administrative