

The Social Security Administration's National Remittance Process

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) processed remittances accurately and timely.

Background

SSA receives remittances for a variety of reasons, but the majority are to repay overpaid benefits. Remittances primarily consist of checks/money orders and credit card charges. SSA also receives a small number of cash payments. SSA's Remittance and Accounting Unit (RAU) in the Mid-Atlantic Program Service Center is primarily responsible for processing remittances. However, SSA's field offices, teleservice centers, and Office of International Operations also process some remittances.

RAU receives remittances from individuals, employers, payroll processing contractors, Federal Courts, and banks. RAU is responsible for processing remittances it receives as well as the program-related remittances received in field offices. In Fiscal Year 2015, RAU processed over 1.7 million remittances, totaling over \$892 million.

Findings

While SSA processed remittances *accurately*, it did not process all remittances *timely*. As of April 22, 2016, RAU had 84,253 unprocessed checks (those RAU received without a remittance coupon), some almost 8-months-old. Without a remittance coupon, RAU cannot scan, process, or deposit checks until it identifies the associated remittance record. RAU also had 57,636 pieces of unopened mail, some pieces almost 2-months-old.

The processing delays caused an increase in the number of customers calling to question why SSA had not cashed their checks and/or continued sending them collection notices for payments they had already submitted. It also caused SSA to take unnecessary debt-collection actions against some individuals who had remitted payments.

On May 23, 2016, we alerted SSA's Commissioner about the significant backlog. In its response, SSA outlined actions it planned to take to eliminate the backlog and improve remittance processing. For example, SSA increased overtime, added RAU staff, and continued efforts to automate the remittance process.

Although SSA had eliminated the backlog we identified, as of October 28, 2016, RAU still had a significant workload that included about 3 months of unprocessed checks. Given its workload and the uncertainties about future resources and automation enhancements, we are concerned about RAU's ability to timely process remittances.

Recommendations

We recommend that SSA (1) establish timeliness standards for remittance processing, (2) complete efforts to automate the remittance process, (3) ensure RAU has adequate resources to prevent remittance backlogs, and (4) issue a reminder to technicians to contact beneficiaries when a name and address are provided to obtain the information needed to process remittances.

SSA agreed with our recommendations.