

Date: 04/29/2009

Topic: **BCFTA Update - Child Support Stimulus**

Change in Federal Law for Child Support Incentives

In accordance with the American Recovery and Reinvestment Act of 2009 (ARRA) and **effective October 1, 2008 - September 30, 2010, child support agencies are now allowed to use federal incentive payments as the local share of IV-D expenditures.** The change applies to incentive funds expended during FFY 2009 and FFY 2010 which includes incentives earned and not expended prior to October 1, 2008. Incentive payments expended during FFY 2008 are not eligible for additional federal funds.

New Codes and Budgets

New stimulus CFIS codes and associated budgets were created and made available for download in QuIC+ on April 17, 2009. A separate financial code was created to report IV-D stimulus expenditures and an additional code was created to move allowable IV-D RMS expenditures to stimulus funding. A copy of the new coding is attached.

Recording IV-D Expenditures in QuIC+

Child support agencies will record IV-D expenditures in QuIC+ as they do currently with an additional option that utilizes federal incentive payments as the state share of expenditures eligible for federal match. A CSEA using federal incentive payments as match for IV-D stimulus expenditures will select the new option in order to receive FFP for those expenditures. All options are provided below:

IV-D Expenditures
State Child Support Match

IV-D Expenditures
OCS Incentive Match

IV-D Stimulus Expenditures (new option)
Incentives

IV-D Expenditures
Local Dollars

Reporting IV-D Stimulus Grant Receipts and Expenditures

Stimulus grant receipts and expenditures will be reported monthly on the JFS 02750 and will be included on the financial upload due to ODJFS on the 20th of every month. Counties reporting negative expenditure totals for a given quarter will not be reimbursed for those expenditures.

Re-Coding IV-D Expenditures

Incentive expenditures reported October 2008 - March 2009 and now reimbursable at 66 percent FFP can be re-coded to reflect FFP and match amounts in QuIC+ using the attached new coding. The following is an example:

Re-coding for expenditures in QuIC+

IV-D Incentive Expenditures (\$100)

IV-D Stimulus Expenditures (new coding) \$100

Automatically split between FFP and match in QuIC+ through new coding

Stimulus Expenditures \$66

Incentives \$34

The net effect of the adjustment is \$0 and does not result in a claim or duplicate reimbursement of FFP to the agency. Furthermore, agencies are advised to ensure supporting documentation is maintained to support any re-coded IV-D expenditures.

Stimulus Incentives - Calculation and Reimbursement

Child support stimulus funds will be issued to counties on a reimbursement basis. Stimulus dollars sent to child support agencies on Monday, April 27, 2009 reflect the 66 percent FFP calculated on incentives expended by agencies during the October - December 2008 quarter. Stimulus funds disbursed to child support agencies for the October - December 2008 quarter were reported federally on January 20, 2009. Disbursement amounts were calculated using reported incentive expenditures multiplied by 66 percent FFP plus or minus any adjustments. **Only agencies that reported incentive expenditures for the October - December 2008 quarter received reimbursement.**

Incentives expended during the January - March 2009 quarter will be reported federally by April 20, 2009. Reimbursements for these and subsequent quarterly incentive expenditures reported federally will be calculated and disbursed in the same manner as the reimbursements for October - December 2008 quarter.

***NOTE:** Expenditures are reported federally for two completed quarters at a time within the federal fiscal year. For instance, October - December 2008 expenditures reported on January 20, 2009 were **preliminary**. Federal reports due April 20, 2009 will include **final** numbers for the October - December 2008 quarter and **preliminary** numbers for the January - March 2009 quarter. Federal reports due July 20, 2009 will include **final** numbers for the January - March 2009 quarter and **preliminary** numbers for the April - June 2009 quarter.*

Availability of Federal Child Support Stimulus Funds

Disbursement of stimulus dollars to child support agencies is contingent upon the availability of federal stimulus funds. Upon receipt of federal child support stimulus funds, ODJFS will draw the funds and disburse to child support agencies that reported incentive expenditures for the applicable quarter. This will occur after those expenditures have been federally reported by the Office of Fiscal and Monitoring Services.

Please contact your ODJFS Fiscal Supervisor if you have any questions. Thank you.