



Date: 02/11/2010  
Sequence: 2010-24A  
Topic: **RECORDING IV-D ADMINISTRATIVE FEES AND IRS ADJUSTMENTS**

Below is additional guidance regarding the coding of IV-D Administrative Fees and IRS Adjustments. This information is a follow up to BCFTA Update 2010-24 - CSEA IRS Adjustments sent February 12, 2010.

Beginning with SFY10, ODJFS no longer deducts IRS Adjustments from IV-D Incentives. Instead, ODJFS reduces the CSEAs' receipt of earned IV-D Administrative Fees by their IRS Adjustments amount.

**IRS ADJUSTMENTS**

During any month in which ODJFS reduces a CSEA's earned IV-D Administrative Fees for their IRS Adjustments, a CSEA must record the receipt by the following three transactions:

- 1) The actual amount of IV-D Administrative Fees received by the CSEA from PAAR is coded to 152
- 2) The amount of IRS Adjustments is coded to 152. (The effect of this transaction will provide the gross amount of IV-D Administrative Fees earned.)

Therefore, the combination of these entries should total 100% of the earned IV-D Administrative Fees. This amount should agree with the total IV-D Administrative Fees reflected on the PAAR / SARP reports.

- 3) IRS Adjustments are also coded as negative receipts to 899 as non-reimbursable activity.

Using the BCFTA Update as an example, the transactions to record a receipt of \$4,000 from PAAR representing gross IVD Administrative Fees of \$5,000 reduced by IRS Adjustments of \$1,000 are as follows:

Receipt to code 152	\$4,000	(amount actually received from PAAR - IV-D Admin Fees)
Receipt to code 152	\$1,000	(amount of IRS Adjustments - IV-D Admin Fees)
Negative Receipt to code 899	(\$1,000)	(amount of IRS Adjustments)
Net IV-D Receipts reported on JFS 02750	\$4,000	

The combined entries to code 152 total the actual earned IV-D Administrative Fees of \$5,000 and the amount coded to 899 as a negative receipt is the total amount of IRS Adjustments.

**ADJUSTMENT RECOVERY**

When an agency recoups or recovers IRS adjustments, the receipt is coded to 903 and effectively offsets the negative receipts coded to 899 over time.

**IN SUMMARY**

- IV-D Administrative Fees** are coded as **receipts to code 152**
- IRS Adjustments** are coded as **negative receipts to code 899**
- Recovered IRS Adjustments** are coded as **receipts to code 903**

CSEAs will continue to report other activity on the PAAR / SARP reports as follows:

- NDNA Wage Administrative Fees are coded as receipts to code 159 (from QFR199RA – Administrative Fees Report)
- Non-IV-D Administrative Fees are coded as receipts to code 993



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It is important that each CSEA reviews IV-D Administrative Fees receipts from July 2009 to the present and identify that they were coded correctly. If necessary, please reverse incorrect entries and properly record the receipts. All corrections must be made in either the October – December quarter and/or the current quarter. **(DO NOT MAKE CHANGES IN THE JULY – SEPTEMBER QUARTER.)**

The CSEA must submit the detail coding for any changes to ODJFS. However, since total receipts have not changed, the CSEA does not need to revise JFS 02750 reports.

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

Thank you.