

**Topic: Title IV-D Incentive Use Example**

On October 1, 2010, the authority granted by the American Recovery and Reinvestment Act of 2009 (ARRA) allowing CSEAs to use federal incentive payments as the local share of IV-D expenditures expired. IV-D incentives remaining unspent on as well as those earned after September 30, 2010 may no longer be used as matching dollars for stimulus federal financial participation.

There are currently two coding options for charging eligible IV-D activity to the Federal Incentives grant:

- 1) IV-D administrative activity (allocated costs pool expenditures less IVD administrative fees) and
- 2) IV-D contract costs

The coding adjustments for both options are illustrated below:

**IV-D Administrative Activity**

From (160-529205) – IV-D Cost Pool Exp Moved to Incentives – Operations  
To 557-529205 – Federal Incentive Expenditures - Operations

**IV-D Contract Costs**

From (220-518001) – Contract Costs Moved to Incentives – Contract/Purchased Svcs  
To 557-518001 – Federal Incentive Expenditures - Contract/Purchased Svcs

**Important Note**

For FFY09 and FFY10 (October 1, 2008 through September 30, 2010), if a CSEA chose to charge eligible IV-D expenditures to the Child Support County Incentives Stimulus grant, 66% of the expenditure was eligible for Stimulus FFP and the county obligation (34% match) was paid by using IV-D incentives. As of October 1, 2010, if a CSEA chooses to charge eligible IV-D expenditures to the Federal Incentives grant, none of the costs will be eligible for FFP. 100% of the expenditures will be consumed by Federal IV-D Incentives. Federal IV-D incentives will continue to be paid directly to CSEAs via EFTs on a monthly basis.

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EXAMPLE:

Coding Used:	Amount	FFP Change	Match Change
160-529205 or 220-518001	(100,000)	Reduces IV-D FFP expenditures by (66,000)	Reduces State Match expenditures by (34,000)
557-529205 or 557-518001	100,000	Increases CSEA Incentives Expenditures by 100,000	