

FAPL 14

Fiscal Administrative Procedure Letter (FAPL) No. 14

May 14, 2009

To: Fiscal Administrative Procedure Manual Holders
From: Douglas E. Lumpkin, Director
Subject: American Recovery and Reinvestment Act (ARRA) Impact on Child Support Incentives

The American Recovery and Reinvestment Act (ARRA) temporarily reverses a provision in the Deficit Reduction Act of 2005 that ended the practice of providing federal matching funds for the state expenditure of incentive payments. The new ARRA provision is effective October 1, 2008 through September 30, 2010. ODJFS will receive the additional match funding based on incentive funds used during federal fiscal year (FFY) 2009 and FFY 2010 (October 1, 2008 through September 30, 2010), including incentives earned and not spent in prior years. Incentive payments expended during FFY 2008 (October 1, 2007 through September 30, 2008) are not eligible for additional federal funds.

First quarter FFY 2009

The quarter ending December 31, 2008 - the federal Office of Child Support Enforcement (OCSE) will compute the federal financial participation (FFP) share at sixty-six percent and issue an award in that amount to ODJFS in the quarter following the reporting quarter.

- ODJFS will distribute the federal match of sixty-six percent to the CSEA as a child support incentive reimbursement to each CSEA that reported using incentives to pay IV-D expenditures during the quarter ending December 31, 2008.
- The CSEA may use this funding for local match purposes in order to claim FFP for IV-D expenditures using the County Finance Information System (CFIS) coding established for this purpose.

Second quarter FFY 2009

The quarter ending March 31, 2009 - ODJFS will compute the FFP share of IV-D expenditures reported as paid for by child support incentives during the January through March quarter.

- ODJFS will distribute the federal match of sixty-six percent share to the CSEA upon receipt of the grant award from OCSE.
- The CSEA may use this funding for local match purposes in order to claim FFP for IV-D expenditures using CFIS coding established for this purpose.

Third quarter FFY 2009 through fourth quarter FFY 2010

Effective April 1, 2009 - September 30, 2010, a CSEA may use incentive funds for the local match and may use incentives accumulated at the county level as match by using the CFIS coding established for this purpose

New CFIS coding for the use of incentives during the remainder of FFY 2009 and FFY 2010 will be communicated by the Office of Fiscal and Monitoring Services, Bureau of County Finance and Technical Assistance.

ODJFS will continue to send new child support incentive payments to the CSEA on a monthly basis.

The requirements of Section 458(f) of the Social Security Act and 45 CFR 305.35 regarding reinvestment of incentive funds remains in effect. All funding returned to the CSEA from the ARRA provision shall be used for the purpose of carrying out child support enforcement program activities under Title IV-D of the Social Security Act.

Continuous monitoring will be conducted to ensure compliance with financial and program provisions. Written communication regarding this monitoring will be sent to the monitored party, program office and fiscal office of

ODJFS. This communication will be used to offer technical assistance and require corrective action as needed.

Should you have questions regarding this FAPL, please contact your ODJFS fiscal supervisor in the Bureau of County Finance and Technical Assistance at (614) 752-9194.