



STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING

JENNIFER M. GRANHOLM
GOVERNOR



MICHIGAN IV-D ACTION TRANSMITTAL 2008-027

TO: All Prosecuting Attorney (PA) Staff
All Friend of the Court (FOC) Staff
All Attorney General (AG) Staff

FROM: Marilyn F. Stephen, Director
Office of Child Support

DATE: May 8, 2008

SUBJECT: Line Item Transfers (LITs) and Contract Amendments for Fiscal Year (FY)
2008 Cooperative Reimbursement Program (CRP)

RESPONSE DUE: June 30, 2008

PURPOSE:

The purpose of this Action Transmittal (AT) is to provide instructions and forms for providers (contractors) to request LITs and contract amendments to their approved CRP FY 2008 contract budgets and to explain the process for submitting future FY LITs and amendments. This AT will be effective until further notice.

BACKGROUND:

The Office of Child Support (OCS) last issued an AT on this subject on March 14, 2007; it was titled AT 2007-011, *Line Item Transfers (LITs) and Contract Amendments for Fiscal Year (FY) 2007 Cooperative Reimbursement Program (CRP)*. This AT replaces and obsoletes AT 2007-011.

PROGRAM ACTIONS AND POLICY INFORMATION:

I. LIT Request

Pursuant to the contract language (*Contractor's Duties and Responsibilities, Billing Method*), a request for a LIT may be submitted to increase items in the approved budget line item(s) (without exceeding the originally approved budget total).

A. Procedures

1. Following the instructions identified in attachments A and B, contractors must submit the 2008 LIT request to the Department of Human Services (DHS) OCS Contract Manager.
2. The DHS OCS Financial Management Section must receive requests before the deadline to consider them timely.

B. Extensions

1. A contractor who wishes to submit a LIT and is unable to meet the June 30, 2008 deadline **must submit a request to extend the timeframe to complete his/her request for a LIT.**
2. The request must include:
 - a. Estimated date of completion; and
 - b. Specific circumstances leading to the need for an exception.

II. Amendment Application Request

Pursuant to the contract language (*DHS Duties and Responsibilities, Maximum Amount of Agreement, Maximum Payment*), a request for an amendment to the contract agreement for **any increase in the projected total** amount of reimbursable costs may be submitted 90 days before the end date of the contract.

A. Procedures

1. Following the instructions identified in attachments A and B, contractors must complete the 2008 application for an amendment (Ref: Attachment C) and return it to the DHS OCS Contract Manager.

Note: A checklist is included with the application instructions to aid providers in completing the application package for an amendment. The application signature page must be completed and signed by the provider's authorized representatives.

2. The State Administrative Board will review the application and issue final approval before executing any contract change of \$25,000 or more.

B. Extensions

1. A contractor who wishes to submit an amendment and is unable to meet the June 30, 2008 deadline **must submit a request to extend the timeframe to complete his/her request for an amendment.**
2. The request must include:
 - a. Specific circumstances leading to the need for an exception;
 - b. Estimated date of completion;

- c. Type of amendment requested; and
- d. Estimated total amount to be changed.

III. Requesting LITs and Amendments After FY 2008

Beginning in FY 2009, all instructions and forms to request a LIT and/or amendment will be updated and posted to the mi-support Web site under the OCS “Contracts” section¹ at <http://mi-support.cses.state.mi.us>. LITs and amendments may be submitted at any time after April 30 of an approved FY budget period (October 1 – September 30) but no later than June 30 of an approved FY budget period.

Contractors who are unable to access the mi-support Web site may obtain LIT and amendment documents by contacting their OCS Contract Manager.

IV. Deadline

The DHS OCS Financial Management Section must receive amendment/LIT requests and requests for extensions **no later than June 30, 2008**.

LEGAL REFERENCES:	<u>Federal</u> Child Support Performance and Incentive Act of 1998 Code of Federal Regulations (CFR): 45 CFR Parts: 74, 95, and 300 through 311 U.S. Office of Management and Budget Circulars, www.whitehouse.gov/omb/circulars A-87
AT MAINTENANCE:	Retain this AT until further notice. Obsolete AT 2007-011, <i>Line Item Transfers (LITs) and Contract Amendments for Fiscal Year (FY) 2007 Cooperative Reimbursement Program (CRP)</i> .
EFFECTIVE DATE:	Executed CRP contract amendments or LITs will be effective for FY 2008, from 10/01/2007 through 09/30/2008.
CONTACT PERSON(S):	DHS-OCS–Financial Management Section
REVIEW PARTICIPANTS:	DHS – Administration for Budget Analysis & Financial Management (BAFM) DHS-OCS – Financial Management Section DHS-OCS – Planning/Evaluation & Administration Bureau of Accounting – Federal Reporting, Contracts, & Recoupment Division – Federal Reporting Section DHS – Office of Internal Audit

¹ The “Contracts” section is found under the “Central Activities” menu.

CC:

DHS–BAFM Office of Contracts and Rate Setting
Financial Officers for Michigan County Governments
Directors for DHS Local County Offices
Chairs for Michigan County Board of Commissioners
Chief Judges for Michigan Judicial Circuit Courts
Michigan Association of Counties
State Court Administrative Office

ATTACHMENTS:

Attachment A: Instruction Summary

Attachment B: Amendment Application
Instructions and Checklist

Attachment C: Amendment Application and
Worksheets

Attachment D: Revised Budget Summary

MFS/LW