

ATTACHMENT A

**TITLE IV-D
COOPERATIVE REIMBURSEMENT
CONTRACT**

INSTRUCTION SUMMARY

**Michigan Department of Human Services
Office of Child Support**

I. HOW TO DETERMINE A NEED FOR A LINE ITEM TRANSFER OR AN AMENDMENT

On the *Revised Budget Summary* page (See Attachment C, page C-11), record existing IV-D Budget figures in Column II. Record proposed amounts in Column IV and V. Subtract the amounts in Column II from Column IV and record the difference in Column III, **ADJUSTMENT TO IV-D BUDGET**. Section C, Line 12, **NET BUDGET**, will have one of two possible types of entries and will require one of the appropriate actions described below.

- Equal or less than zero, submit a **LIT** request and documentation. If Column III, Section C, Line 12 is zero or less than zero and there are positive figures in lines 1-5, a LIT must be requested to cover those costs.
- Greater than zero, submit an **amendment** request to recover unpaid costs.

II. LINE ITEM TRANSFER

A LIT is the movement of budgeted funds from under-expended to over-expended line items, with the result being no change in the **NET Budget**, Column III, Section C, Line 12. A LIT can cover unpaid balances, but the provider has to determine which line items to adjust assuring the **NET BUDGET** does not change. Providers can determine unpaid balances from billing records (original and revised).

The contractor must submit a **written request** to the Department of Human Services (DHS), Office of Child Support (OCS) **to increase or decrease** line items in the Fiscal Year (FY) 2008 Title IV-D Cooperative Reimbursement (CR) budget. The written request must contain sufficient information to allow DHS to identify the budget line items to change and explain the cost difference. Changes to the budget are made with a Line Item Transfer (LIT) request if there are enough funds within the **NET BUDGET** amount to cover the need. If additional funds are needed to cover increased costs, an amendment request and application are required. The bulleted list below details the kind of documentation that will accompany a LIT request. **The underlined documents are required for all LIT requests.** The need to submit other supporting documents will vary depending on the nature of the LIT request.

Documentation to support a LIT:

- Request Letter
- Revised Budget Summary page (Use worksheet page C-11 of Attachment C of this AT)

- Other Supporting Documentation as needed

III. AMENDMENT TO CONTRACT

When additional funds are needed to cover costs that exceed the original **NET BUDGET**, the contractor must submit a written request to the DHS/OCS. The bulleted list below details the kind of documentation that must accompany an amendment application. **The underlined documents are required for all amendments.** The need to submit the other documents will vary depending on the nature of the amendment request. Documentation to support an Amendment:

- Request Letter
- Revised Budget Summary page
- Program Identification and Signatures (Two with original signatures)
- County Budget (For the Provider's Office)
- Line Item Worksheets (will vary depending on the nature of the amendment request)
- Current Organizational Chart
- Current Management Plan
- Central Services (A copy of Summary Pages for applicable fiscal year(s))
- New Subcontracts
- New Position Descriptions

REQUEST LETTER

A “**Request Letter**” must be submitted with all LITs and amendments explaining the specific county expenditures which are causing the budget to exceed previous expectations. This explanation must be detailed enough to demonstrate **the kind of costs** and **the reason those costs are greater than or less than** the budget projections. For example:

- Personnel costs are greater because a union contract negotiation was completed with higher rates of pay.

- All costs are greater because the IV-D staff time percentage is greater than estimated.
 - Direct depreciation charges are greater for the year because unexpected new equipment was purchased.
 - A New Central Service Cost Plan was received and charges are higher than the previous plan.
 - Income or fees were less than expected.

Any questions about the provider contract, contract process, or these instructions must be directed to your contract manager.