

ATTACHMENT B

**TITLE IV-D
COOPERATIVE REIMBURSEMENT
CONTRACT**

**AMENDMENT APPLICATION
INSTRUCTIONS and CHECKLIST
FY 2008**

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

FY 2008 TITLE IV-D COOPERATIVE REIMBURSEMENT PROGRAM AMENDMENT INSTRUCTIONS

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SECTION I - PROGRAM IDENTIFICATION AND SIGNATURES (Page C-1)

A. PROGRAM IDENTIFICATION

Enter basic information to identify the Program Contractor and Provider in Part A, Items 1 through 6.

B. SIGNATURES

Authorized representative of the provider must sign and date the Amendment application in Section B, Line 7 indicating approval. The Program Contractor signature on Line 8 is optional.

SECTION II - MANAGEMENT PLAN (Page C-2)

Information from this page is used for Cooperative Reimbursement mailing purposes. Please use current names and addresses.

A. PROGRAM PURPOSE - The Program Purpose is a statement which reflects the Contractor's intent to perform services in accordance with Federal Title IV-D Child Support Enforcement objectives and with the IV-D State Plan for Michigan. Concurrence with the Program Purpose statement is indicated by signatures in Section 1B, Page C-1.

B. ACTIVITIES AND RESPONSIBILITIES - A statement indicating activities and responsibilities specified in the contractual agreement which will be or have been implemented by the contractor and provider. Signatures on Section 1B, Page C-1, indicate concurrence with stated activities and responsibilities.

C. COOPERATIVE REIMBURSEMENT SUPERVISOR - Identify **name, title, mailing address, telephone number, e-mail address and fax number** of the person with the day to day responsibility for supervision of activities performed under the terms of the Cooperative Reimbursement contract. This may or may not be the same individual designated in Section 1 as Program Provider.

D. COUNTY FINANCIAL OFFICER - Identify **name, title, mailing address, telephone number, e-mail address and fax number** of officials, and/or designees, authorized by the county's Board of Commissioners to sign the Title IV-D Cooperative Reimbursement Expenditure Reports, certifying that reported expenditures are accurate and allowable for Title IV-D reimbursement.

E. ORGANIZATIONAL CHART – Provide a **current** organizational chart of the provider's office with this amendment application. The chart should identify all positions

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within the provider's total office and their organizational relationships. A full-time equivalency (FTE) designation should accompany each position.

F. POSITION DESCRIPTIONS – Maintain current position descriptions for employees performing IV-D activities on file at the county's provider agency. **Attach a copy of all IV-D position descriptions.**

G. DOCUMENTATION OF JOINT PERSONNEL COSTS – When documenting joint time you must use a Personnel Activity Report (PAR). This method must be used during the entire contract year. If the employee's work effort is 100% child support, a signed Monthly Certification must be submitted with the Personnel Expense Report (PER).

SECTION III - PERFORMANCE INDICATORS (Page C-3)

This page is used for the Friend of the Court (FOC) and Combined (COM) Cooperative Reimbursement contract amendments.

Part A, State Performance Factors

This section displays the FY 2006 statewide averages for four of the five incentive performance factors. The Paternity Establishment Percentage factor has been added to the table. For comparison purposes, actual county performance factor data for FY 2006 is available from the website:

<http://mi-support.cses.state.mi.us/programs/rpd/>

(It will be necessary to scroll down to view the Performance Incentive Reports and Information.)

Part B, Cost Benefit Indicator Comparison

The county performance projection for FY 2008 should be obtained from the 2008 CR application. FY 2008 projected data, represents the county performance levels and outcomes expected during the contract period for the type of service and activities listed. Projections should be based on historical data to the extent available on previous Annual or Quarterly reports.

Part C, Other Performance Indicator Projections

The county should list three objectives for FY 2008 which will improve the IV-D program performance.

SECTION IV - BUDGET COMPLETION

Pages C-4 thru C-11

Worksheets C-4 through C-10 detail costs for the *Revised Budget Summary* page. Complete these worksheet pages **first**. Use the worksheets to show specifics and computations for position and cost estimates that will be included in the county budget. Some Providers may need or want to include additional information to explain the worksheets.

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Please list your county and office in the header section of each worksheet.

The *Revised Budget Summary* page (C-11) summarizes the funding and position resources being requested to accomplish the activities and responsibilities specified in the contract agreement. Budget proposals **must** be supported by appropriate documentation.

Final Contract amounts must be rounded to the nearest dollar.

Page C-4

IV-D Caseload Documentation Worksheet (FOCs and COMs only)

Caseload Documentation

The IV-D caseload percentage is the factor used for estimating the County Share of Service Fees and in establishing a IV-D Allocation Factor. Use either the most current monthly IV-D caseload figures or figures representing an average of the previous 12 months.

This figure is then entered on both the Personnel worksheet (Page C-5, Column G) and the *Revised Budget Summary* page (Page C-11, Section B) (Line 3).

Note: For FOCs the IV-D caseload percentage must be calculated and submitted each month with the FIA-286 billing. Please draw caseload figures from the Michigan Child Support Enforcement System (MiCSES), *Functional Prototype Queries* (FPRO) screen, using the *FPERCENT* report as documentation.

Page C-5

Personnel Line Item Worksheet

The Personnel worksheet establishes two major cost issues. It establishes both the total estimated **IV-D labor costs** and, the IV-D FTE% used to allocate (**IV-D Allocation Factor**) Other Direct, Central Services, Data Processing, etc, for offices that are less than 100% IV-D.

FTE documentation for both FOC's & PA's (Columns A thru E)

Establish the total number of positions performing IV-D functions in accordance with joint-duty time documentation policy, **FOC Letter 99-021 and PA Letter 99-004**.

Note: For PA's if the PA's IV-D staff is completely separate, both physically and functionally, from criminal and other prosecutor staff, the office can be considered a 100% IV-D office. If the PA's IV-D staff have joint duties or joint facilities or both, use the total county Prosecutor's office staff to develop the IV-D percentage.

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Note: For FOC's: If direct-service IV-D staff perform non-IV-D functions, the share of work effort that is chargeable to IV-D must be established through PARs as approved by DHS. Functions not eligible for IV-D funding include, but are not limited to the following:

- Parenting Time and Custody services
- Local Court Administrator duties
- Collection of circuit court (not FOC) costs
- Collection of probate court costs and fees
- Employment and training services
- Marriage counseling

Column A

Please list each individual employee's **annual** salary and benefits.

Column B

List the share of each employee's salary that is devoted to non-IV-D work. Those employees and salaries funded under the State Medical Support Enforcement (MSE) contract should have their share of MSE work shown here.

Column C

Subtract column B from column A.

Column D

List each employee's FTE count as shown by your office's organizational chart.

Column E

Counties may use the last 12 months PER (Position Expense Report) average or apply the most current IV-D figures for the office.

Column F

Is a product of columns D x E.

Column G

PA offices show 100% in this column.

FOC offices should use the IV-D caseload percent established on Page C-4.

Column H

Is a product of columns F x G.

Column I

Individual employees' IV-D costs are established by multiplying columns C x E x G. Use additional Personnel worksheets (C-5a) as needed. If no employees are listed on the worksheet under Indirect IV-D Staff, bring line 12 totals to line 17.

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Indirect Service IV-D Staff

This section is shown as an option for those large IV-D offices in which administrative staff distribute their daily workload between IV-D and non-IV-D work, and recording/calculating IV-D costs via the PER method is impractical due to the broad areas of the job's responsibilities. Examples of these staff would be: receptionists, data entry clerks, supervisors of IV-D and non-IV-D staff. Court Administrators must first eliminate their non-IV-D time. Column A must reflect the employees **annual** salary.

A IV-D FTE percent for Indirect staff is based upon Direct IV-D staff figures. This percent is expressed as a decimal and entered in column F for each Indirect IV-D Service (administrative) employee listed. Columns A through D are completed per above instructions. Column H is the product of Columns D x F.

Column I is the product of columns C x F. Use additional worksheets (C-5-a) as needed. Totals are brought down to line 16.

Line 17 is the sum (Grand Totals) of subtotals from lines 12 and 16. For most counties that do not factor for Indirect Services' staff, line 16 will be blank. **The Personnel worksheet's grand totals are transferred to the Budget Summary Page (C-11): Columns D & H to section B Line 1, Columns C & I to Section C Line 1.**

The grand totals of column H divided by column D determine the IV-D Allocation factor. Enter this percentage in the box at the bottom of the page. **The IV-D Allocation Factor is used on subsequent worksheets and is also transferred to the Budget Summary Page (C-11), Section B, Line 2.**

Page C-6

Data Processing Line Item Worksheet

Complete the worksheet for this line item including the estimated data processing items and services costs for the program Provider office. For further clarification regarding DP purchases see **Michigan IV-D Action Transmittal 2007-040**. Any DP equipment not funded by MiCSES, but approved by OCS for purchase and reimbursement through the CR contract should be listed on this worksheet.

The totals from Columns C and E on the worksheet should be transferred to the Budget Summary Page, (C-11), Section C, Line 2.

Note: DP costs eligible for MiCSES reimbursement may not be charged to the Cooperative Reimbursement contract. Allowable and approved Data Processing costs related to IV-D functions and charged through a Central Services Cost Allocation Plan should be included in this Line Item and excluded from the central service charge.

Page C-7

Other Direct worksheet

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Complete a worksheet for this line item including estimated costs for all "Other Direct" expenses such as travel, rental, supplies, postage, equipment depreciation, subcontracts, etc. If equipment depreciation is included, complete Page C-7a "Depreciation Worksheet" prior to completion of the Other Direct Worksheet.

"Time-studied" subcontractors (contracted referees, etc.) should be listed on the Personnel worksheet. All other subcontracts need to be listed as part of Other Direct.

The totals from Page C-7, Columns' C and E worksheet should be transferred to the Budget Summary Page (C-11), Section C, Line 3.

Page C-7a Depreciation worksheet

Capital expenditure purchases used for the IV-D program are depreciated on this worksheet. Show cost depreciation as instructed per Federal Publication Circular A-87 and Internal Revenue Service (IRS) Publication 946. Costs developed on this worksheet are used on the Data Processing and Other Direct worksheets.

Page C-8 Central Services worksheet

Complete a worksheet for this line item including estimated county costs allocated to the Provider office as identified in a "fixed with carry forward" Central Services Cost Allocation Plan in accordance with Office of Management and Budget (OMB) Circular No. C-87. A copy of the county certified (signed) Central Service Cost Allocation Plan must be on file with the OCS if central service costs are to be reimbursed. A copy of summary page from your county's Cost Allocation Plan must accompany the amendment.

Note: If a prior year cost plan is being reused, attach a signed statement on county letterhead certifying that its cost allocation plan is not outdated. Counties using the same cost plan for more than one year must delete the roll forward/backward from the Provider's county total and must contact the Contract Manager.

Instructions for Completion of the Central Services worksheet

Since the FY 2008 Child Support contracts cover the budget period of October 1, 2007, through September 30, 2008, (covering parts of two different calendar years), it may be necessary to use portions of two cost allocation plans.

If the county's budget year runs from January-December it will be necessary to use both the actual 2005 and actual 2006 cost allocation plans to estimate costs for Contract Year 2008. Therefore, October-December 2007 will be based on costs in the actual

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2005 cost allocation plan and January-September 2008 will be based on costs in the actual 2006 cost allocation plan. For detailed instructions see the following Section One.

If the county's budget year is October through September only one cost allocation plan needs to be used (actual 2006 costs).

Multiple lines are provided in each section to include cost allocation plan information for multiple counties if the contract covers more than one county. If the Provider's office covers multiple counties and those counties have different county budget periods, it may be necessary to enter information from both Sections One & Two into Section Three.

Note: See **FOC Letter 90-005, PA Letter 90-004, and AT 2007-012** for Central Service charges and methods to avoid in the county cost allocation plan.

Complete the top portion of the Central Services Line Item Worksheet indicating your County, Provider type, Fiscal Year and whether your county budget is Fiscal Year (October-September) or Calendar Year (January-December).

SECTION ONE

Complete Section One of the Central Services worksheet **if the county's budget period is the calendar year (January-December)**. Complete this Section to include the correct amount of Central Service costs for the months of October through December from the 2005 Cost Plan and the months of January through September from the 2006 Cost Plan. For a single county, complete Lines 1 and 6 and enter the totals in Lines 5 and 10. If the contract covers multiple counties repeat this process on Lines 2-4 and 7-9.

Column A : enter the amount from the Provider's Cost Plan.

Column B: enter any amount that cannot be reimbursed by the Title IV-D program but has been included in the Provider's Cost Plan charge.

Column C has three Sub-columns, C1, C2 and C3:

- In C1, Eligible Costs, enter the Provider's Total Charge less Costs Unallowable (A-B).
- In C2, Lines 1-4, are 25% of the Eligible Cost, which represents the last three months of the 2005 calendar year. C2, Lines 6-9, are 75% of the Eligible Cost, which represents the first nine months of the 2006 calendar year.
- In C3, Provider's Total Eligible Budget, enter the amounts obtained by multiplying C1, Lines 1-4 times 25% and C1, Lines 6-9 times 75%.

Column D: enter the IV-D staff time Allocation Factor from Personnel worksheet (C-5).

Column E: enter the amount calculated by multiplying column C3 times Column D.

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SECTION TWO

Complete Section Two **if the county's budget period is the fiscal year October 1 - September 30**. For a single county, complete Line 1 and enter the total in Line 5. If the contract covers multiple counties repeat this process on Lines 2-4.

Entries for Columns A-E can be completed as described in Section One, except Column C2 is 100% of the Eligible Costs, which represents 12 months of the 2005 fiscal year.

SECTION THREE

Complete Section Three to summarize the totals shown in Sections One and Two for Columns C & E. Column C2 is 100% of the Eligible Costs, which represents 12 months of the 2007-2008 contract year.

The totals from SECTION THREE, C3 and E, on the worksheet should be transferred to the *Revised Budget Summary* page, Section C, Line 4.

Page C-9

Paternal Testing Worksheet (PA and COM contracts only)

Complete the worksheet including total estimated costs associated with genetic testing to establish paternity such as blood drawing fees, expert witness testimony fees and out of state testing fees. **Do not** include genetic testing costs that are reimbursed through the state contract with the paternity testing laboratory.

The totals from Columns C on the worksheet should be transferred to the *Revised Budget Summary* page (C-11), Section C, Line 5.

Page C-10

Fees and Other Income Worksheet

Complete the worksheet including total estimated costs associated with Service Fees, Judgment Fees, and Other Income. The totals from Column C & E on the worksheet should be transferred to the *Budget Summary* page (C-11), Section C, Lines 7, 8, and 9.

Page C-11

Revised Budget Summary

Section A.) CONTRACT DESCRIPTION

Complete Section A to identify the program Provider to which this budget proposal belongs: county name, contract number and Provider (FOC-PA-COM).

Note: For the below sections, record the IV-D Budget figures from your current contract in Column II, record the adjustment IV-D Budget amounts in Column III, record the revised budget figures in Column IV and the total program expenditure amounts in Column V.

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Section B.) ALLOCATION FACTORS

Line 1) FTE Positions

These are the total numbers of both IV-D positions and all positions in the Provider's office for Contract Year 2008. These are carried forward from the Personnel worksheet (C-5) FTE documentation, columns D and H, Line 17.

Line 2) Percent of Total FTE Positions

These are the IV-D Allocation figures carried forward from the Personnel Line Item Worksheet (C-5)

Line 3) Case Load % (FOC Only)

Please list the county projection of the IV-D caseload percentage for the Contract Year. It should be reflective of the FOC's actual caseload percentages for the most recent twelve months or the most current system-reported (FPERCENT Report) monthly caseload percent.

Section C) IV-D BUDGET CATEGORIES

- NOTE: Dollar Amounts should be rounded to the nearest dollar.

Lines 1 through 5)

Figures for each column are carried forward from worksheets.

Line 6) Total Budget

Add items 1 through 5 for each column.

Line 7) Service Fees (FOC and Combined only)

Reference **FOC Letter 2000-007** for policy related to these fees. Identify the total estimated amount of service fees to be collected based upon the previous year's actual amount and explain any changes. Figures carry forward from Fees and Other Income Worksheet (C-10). Enter the estimated amount in Column IV, Line 7.

Line 8) Judgment Fees – (Friend of the Court and combined only)

Should be treated in accordance with AT 2006-019.

Line 9) Other Income

Enter the actual amount of all Other Income which offsets Program Provider expenditures. Either specifically identify the IV-D amount or calculate it using either the IV-D FTE % or the IV-D Caseload %. Explain what type of revenues these amounts represent.

Note: MCL 600.2530 permits the court to order reimbursement for the costs of setting a hearing, issuing a warrant and arresting delinquent payers. The Act was intended to create funding to offset the cost of the FOC or the Sheriff in child support enforcement.

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The court may order reimbursement and the treasurer may direct the collections as follows:

- a) If the sheriff performs the arrest, the treasurer is to send 50% of the reimbursement to the sheriff with the remainder being deposited to the 215 account (to offset the cost of setting a hearing and issuing a warrant).
- b) If an FOC employee performs the arrest, 100% of the reimbursement goes to the 215 account.

In either case, that portion of the arrest cost reimbursement deposited to the 215 account (or otherwise made available to the FOC) must be reported as Other Income as IV-D is funding the function.

Line 10) Budget

Total Lines 7, 8 and 9 for all Columns. Subtract those amounts from the amount on Line 6 and enter this amount on Line 10. The amounts in Line 10 reflect the total estimated eligible costs minus applicable fees and other income that offset anticipated Contract Year 2008 costs.

Line 11) Estimated Incentives

Enter your portion of the estimated incentives amount for your county. (Combined FOC and PA incentives must total 100% of the estimated incentives amount.

Note: The estimated incentive amount used in the contract application should be compared to the actual incentive amount. The difference may require a contract amendment.

Line 12) NET BUDGET (Line 10 minus Line 11)

Subtract Line 11 (Estimated Federal Incentives) from Line 10 Budget.

Line 13) County Share \$

Multiply the amount on Line 10 by 34%. Enter this on Line 11.

Line 14) State Share \$

Subtract the amount on Line 11 from Line 10. Enter this on Line 12 of the Budget page. This amount equals the Federal/State Share of 66%.

Line 15) Funding Summary (Sum Lines 11, 13, 14)

Sum lines 11, 13, and 14.

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Line 16) DRA Incentive Match

Enter the amount from your current budget.

Line 17) SECT 905 Supplement

Enter the amount from your current budget.

Line 18) SECT 906 Supplement

Enter the amount from your current budget.

Line 19) TOTAL CONTRACT AMOUNT

Sum lines 13 and 16-18. This amount does not include earned incentives.

Page C-12

Data Processing Certification

Mark the applicable box to indicate whether your computers log in directly to the State of Michigan domain to access the MICSES application or if the computers log in directly to the county domain. If logging in directly to the county domain, check the applicable box and enter the county name on the blank line. This information can be obtained from your Information Services department.

The DP Certification form must be signed by the local IV-D Program Supervisor.

If state costs are incurred to identify a county domain problem, the county will be charged the costs incurred by the state to investigate the problem.

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ATTACHMENT B COOPERATIVE REIMBURSEMENT AMENDMENT APPLICATION PACKAGE PROVIDER CHECKLIST

The following actions are to be taken to process a CR contract amendment application:

A. CONTRACTOR/PROVIDER ACTIONS:

Items to include in the CR Amendment application:

- _____ Request Letter
- _____ Identification and **Signature Page: C-1**
 - ***Contract #: CS/ _____**
 - ***Address on Amendment will also be address on contract and must match County Treasurer's Mail Code Address**
- _____ **Management Plan: C-2**
 - ***Contract #: CS/ _____**
- _____ **Performance Indicator Page: C3**
- _____ **IV-D Caseload Documentation Worksheet: C-4**
- _____ **Personnel Line Item Worksheet(s): C-5**
 - *Part-Time and Full-Time Direct Service IV-D Staff
- _____ **Data Processing Worksheet: C-6**
- _____ **Other Direct Line Item Worksheet**
(Use Depreciation Worksheet, C-7a if needed)
 - *IV-D Allocation Factor (refer to allocation factor on page C-5)
 - *Review A-87 for guidelines on depreciation
- _____ **Central Services Line Item Worksheet: C-8** (Include copy of summary page from your county's current Cost Allocation Plan.)
 - *County on Calendar Year or Fiscal Year (C-8)
 - *Provider's Cost Plan Charge
- _____ **Paternity Testing Line Item Worksheet: C-9**
- _____ **Fees and Other Income Worksheet: C-10**
- _____ **Revised Budget Summary Page: C-11**
 - *Double Check: 34% County and 66% State Share
- _____ **Data Processing Certification: C-12**
 - *Must check one of two boxes and
 - *Must be signed by Program Supervisor, Friend of the Court Prosecuting Attorney or Attorney General

Other Supporting Documentation

- _____ Current Organizational Chart
- _____ County Budget (for Provider's office)
- _____ County Operational Plan
- _____ Copy of all new Subcontracts
- _____ All new Position Descriptions
- _____ Memorandum of Understanding between FOC and PA (COM contracts only)

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Obtain original signatures of Provider on:

_____ Two (2) Amendment Application signature pages

Obtain original signatures of Chair, County Board of Commissioners on:

_____ Two (2) Amendment Application signature pages (Optional)

Provider sends three (3) copies of entire CR Amendment application package to OCS Contract Manager:

_____ Two (2) Amendment packages with original signatures and two (2) copies

Provider sends one (1) electronic copy of the Budget Summary Page Attachment D to OCS Contract Manager:

_____ One (1) Electronic copy of the Revised Budget Summary page Attachment D. This budget must be the same as the Revised Budget Summary page in the Amendment Application.

Provider Retains for their files:

_____ One (1) copy of each document