

# Title IV-D Funding Issues

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# Presentation Overview

- Title IV-D Revenue Streams
  - Monthly Expense Claims (MEC)
  - Indirect Cost Allocation Plans (CAPs)
  - Title IV-D Incentive Funds
  - Private Collection Agency (PCA) Funds

# Title IV-D Revenue Streams

## Monthly Expense Claims (MEC)

- 66% reimbursement for direct expenditures incurred performing child support enforcement (cost recovery)
- Funds expended directly from county budgets
- IV-D portion of expenditures allocated based on time sheets and other methods
- Reimbursements go back into the fund from which the expenses were paid

# Title IV-D Revenue Streams

## Indirect Cost Allocation Plans (CAP)

- Allows for reimbursement of indirect costs
- Expenses of an administrative or centralized nature that benefit multiple departments including Title IV-D departments
- Security costs, IT expenses, HR expenses, liability insurance, depreciation, A/P and payroll function of County Auditor
- Quarterly reimbursement into general fund based on annual CAP

# Title IV-D Revenue Streams

## Title IV-D Incentive Funds

State *and* counties receive incentives based on performance. State statute IC 31-25-4-23 splits money:

- 33.4% Prosecuting Attorney (Fund 8897)
- 22.2% Clerk (Fund 8899)
- 22.2% Title IV-D Incentive Fund (Fund 8895)
- 22.2% Child Support Bureau

# Title IV-D Revenue Streams

## Title IV-D Incentive Funds

- Must only be spent on IV-D related expenses (IC 31-25-4-23.5(c))
- Not reimbursable
- Must supplement, not supplant (IC 31-25-4-23(c))
- Generally don't require appropriation
  - Unless increasing salary of elected official (IC 31-25-4-23(c))
- Funds can't go into the red
- Title IV-D Incentive Fund (Fund 8895)

# Title IV-D Revenue Streams

## Collaborative use of incentive funds

- Between county offices
  - Transfer incentives between offices
  - Accomplish a county goal, not just an office goal
- Between counties
  - Investigator
  - Court hearing officer

# Typical Incentive Fund Uses

- Cost of staff to attend IV-D training/conferences
- Replace outdated equipment
- Advertising
- Direct expenses (wages, supplies, etc.)
- Bonuses
- Prosecutor supplements



# Title IV-D Revenue Streams

## Private Collection Agency (PCA) Funds

- Under IC 31-25-4-14.1, county prosecutors can contract with collection agencies
  - Unpaid child support amounts over two years
  - List of approved collection agencies
- Amounts received allocated as follow:
  - 75% - for CSB
  - 15% - for the collection agency
  - 10% - stays with the county

# PCA Fund (8099)

## Uses of PCA Funds

- County receives both county and collection agency portions into Fund 8099
  - Pays collection agency their portion
- Same uses as incentive funds
  - Only for IV-D expenses/IV-D portion of expenses
- Reimbursable just like county funds
  - Reimbursement goes back into Fund 8099
- Does require appropriation
  - Unlike incentive funds

# Questions



# Contact Information

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