Title IV-D Funding Issues

Presented by:
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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 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- Replace outdated equipment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
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
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