



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

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### IV-D MEMORANDUM 2014-019

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** September 4, 2014

**SUBJECT:** Online Search Tool for Unclaimed Child Support Funds and Revisions to Section 5.65, "Escheatment," of the *Michigan IV-D Child Support Manual*

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** September 9, 2014

#### **PURPOSE:**

This IV-D Memorandum discusses the online search tool that allows child support customers to search for unclaimed child support funds. This tool, which has been available on the Department of Human Services (DHS) child support website, will be removed from that website on September 9, 2014 at 6 p.m. The search tool will be implemented on the MiCase portal in the future.

This memorandum also announces revisions to Section 5.65, "Escheatment," of the *Michigan IV-D Child Support Manual*. All references to the online search tool in this manual section have been deleted. Also, the dates for identifying funds for possible escheatment and for transmitting escheated funds have been changed.

#### **DISCUSSION:**

##### **Online Search Tool for Unclaimed Child Support Funds**

In some situations, child support payments go unclaimed. For example, some custodial parties (CPs) do not update their address with the FOC, and when the Michigan State Disbursement Unit (MiSDU) receives payment on the case, it cannot forward those funds to the CP's new address. Other CPs receive checks that they do not cash for

#### **UPDATE(S):**

Manual

Form(s)

various reasons. OCS holds these unclaimed funds for one year. The law requires that after one year, OCS must escheat (transfer) the money to the Michigan Department of Treasury's unclaimed property division.<sup>1</sup>

To reduce the unclaimed money that must be sent to the Department of Treasury, OCS has been offering customers the opportunity to search for unclaimed support larger than \$1 on the DHS child support website. However, the website design includes the funds that have already been escheated to the Department of Treasury. This makes up the bulk of the accessible data on the website. Additionally, escheated funds data is never updated to reflect whether those funds have since been claimed from Treasury, causing confusion for parents and custodians. Since the implementation of the search tool in 2007, only 48 cases had a successful hit displaying funds that were on hold due to a bad address and that OCS had not yet escheated.

Under the current design, maintaining this search tool is manually intensive and error-prone. This further supports a discontinuation of the tool. It also duplicates search capabilities for escheated funds on the Department of Treasury website. OCS will consider implementing an improved search tool on the MiCase portal in the future. This would increase its visibility, reliability and accessibility to parents and custodians. When the search tool is implemented on MiCase, OCS will announce it in a IV-D Memorandum.

### **Revisions to Section 5.65, "Escheatment"**

OCS has updated Section 5.65 of the *Michigan IV-D Child Support Manual* to remove references to the online search tool for unclaimed child support funds. In addition, OCS has updated Section 5.65 to reflect the following:

- In April of each year, qualified support payments that are more than 365 days old as of March 31 will be identified for possible escheatment. The Escheatment Selection (Batch\_ESSL) process now runs in April instead of July;
- On or before July 1 of each year, OCS via the MiSDU will transmit all funds related to the receipts that remain selected for escheatment to the Michigan Department of Treasury. In the past, this transfer of funds took place in November; and
- Funds under Other Party Bad Address (SOBA) hold are no longer eligible for escheatment. SOBA holds have been removed from the list of escheatable funds.<sup>2</sup>

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<sup>1</sup> Ref: Public Act 29 of 1995, Uniform Unclaimed Property Act; Michigan Compiled Law (MCL) 567.221, MCL 567.224, and MCL 567.238. For information on the escheatment process, reference [Section 5.65, "Escheatment," of the Michigan IV-D Child Support Manual](#).

<sup>2</sup> SOBA holds in MiCSES are no longer eligible for escheatment because the majority of them are for agency placement cases, and the recipient of the payment is not directly identified. IV-D staff must review receipts on SOBA hold to determine the appropriate recipient of the disbursement.

**NECESSARY ACTION:**

Retain this IV-D Memorandum until further notice. For those maintaining a hard copy of the *Michigan IV-D Child Support Manual*, print the updated Section 5.65 and add it to the manual. Discard the previously published version of Section 5.65 (published July 12, 2010).

**REVIEW PARTICIPANTS:**

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**Section 5.65 updates**

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**CC:**

None

**SUPPORTING REFERENCES:**

Federal  
None

State  
Public Act 29 of 1995  
MCL 567.221  
MCL 567.224  
MCL 567.238

**ATTACHMENT:**

Section 5.65: Escheatment

**EPF/KK/KP**