Michigan IV-D Child Support Manual
Michigan Department of Health and Human Services

Publication/ Revision Date: December 5, 2022	**Chapter Number:** 5.0	**Chapter Title:** Financial
	Section Number: 5.40	**Section Title:** Public Assistance Impacts: Unreimbursed Grant, Linking, and Pass-Through (Client Participation Payment)

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1. **Introduction**

This manual section provides a general overview of the financial interactions between the public assistance programs[1] and IV-D program. Proper communication between programs is critical for ensuring that money gets to the proper recipient and families are served in the best possible manner. It is important that the relationships between IV-A[2] FIP cases, IV-D cases, and court orders be accurately tracked. A single family may have more than one FIP case, more than one IV-D case, and more than one court order.

2. **IV-A Cases and IV-D Cases**

FIP provides cash assistance to families with children and pregnant women to help them pay for living expenses such as rent and heat. A FIP case consists of a family unit comprised of a grantee or eligible adult and other family members. More than one FIP case could be established for a family unit, given that the custodial party (CP) may be the grantee on one FIP case currently receiving assistance as well as the grantee/member on other closed FIP cases (cases in which grants were paid at one time but are no longer being paid).

A typical IV-D case consists of a CP, a non-custodial parent (NCP), and their common children. A IV-D case may be associated with one or several dockets (court orders). For purposes of this manual section, a court order may consist of one or more NCPs ordered to provide support to one or more CPs, for the care of one or more dependents. Additionally, multiple IV-D cases may be associated with a single docket. The Michigan Child Support Enforcement System (MiCSES) (the IV-D automated system) allows multiple IV-D cases to be associated to multiple dockets – a "many to many" relationship.

Some examples of case relationships are as follows:

- Example 1 – (most common) One IV-D case (one NCP, one CP, and one or more children) and one docket.
- Example 2 – One IV-D case (one NCP, one CP, and two children) and two or more dockets (two or more dockets may be established – one for family support and another for a subsequent divorce).

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[1] The public assistance programs include Family Independence Program (FIP), Medicaid, Child Development and Care (CDC), and Food Assistance Program (FAP). Temporary Assistance for Needy Families (TANF) is called FIP in Michigan.
[2] IV-A refers to Title IV-A of the Social Security Act, which covers the Federal-State Public Assistance Program.

- Example 3 – Two or more IV-D cases and one docket (two or more IV-D cases may be established – one for the father as the NCP and another for the mother as the NCP, or one for the NCP father paying the CP mother and the second one for the NCP father paying the CP guardian grandmother).

3. Interfaces: Tracking Financial Assistance and IV-D Collection Information

System interfaces between Michigan Department of Health and Human Services (MDHHS) programs allow financial assistance and IV-D collection information to be tracked and shared between the programs. MiCSES interfaces with the following MDHHS programs through Bridges (the public assistance programs automated system):[3] cash assistance (FIP/IV-A), medical assistance (MA)/Medicaid (Title XIX), CDC and FAP. An interface with the Michigan Statewide Automated Child Welfare Information System (MiSACWIS) provides foster care services (federally funded IV-E and state- or county-funded non-IV-E) program information.

Families that receive cash assistance under Title IV-A must assign the support to which they are entitled to the State of Michigan to reimburse the public assistance programs for the cost of the assistance.[4]

The IV-D program is responsible for:

- Tracking the amount of cash assistance that the family receives; and
- Ensuring that the state does not collect or retain more support than the public assistance program is due.

The IV-D program tracks the FIP unreimbursed grant (URG), which is the difference between the amount of assistance provided to the recipient/grantee for the IV-A programs and the IV-D collections retained to reimburse the state for IV-A program costs. This is further discussed in Subsection 4, "Unreimbursed Grant (URG)," in this manual section.

The IV-D program must:

- Know how much the IV-A program has issued to the family;
- Know how much the IV-D program has collected for the IV-A case;
- Provide collection information to the IV-A program; and
- Update collection information to the IV-A program.

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[3] Bridges provides a modern technology platform that supports eligibility and benefit determinations for cash, medical and food assistance programs, child care services, and the state emergency relief (SER) program.

[4] 42 United States Code (USC) 608(a)(3). For more information regarding assignment, reference Section 5.15, "Assignment of Support (Certification/Decertification)," in the *Michigan IV-D Child Support Manual* and the *Bridges Eligibility Manual*, BEM 255, *Child Support*.

This is further discussed in Subsection 3.2, "Child Support Collection Information Provided for Public Assistance Use."

3.1 Determining Periods of Assistance

The IV-D program must apply the public assistance information to each IV-D member for each month on assistance, as follows:

- The first month of assistance is defined as the month in which the program begin date occurred;
- The last month of assistance is defined as the month in which the program end date occurred;
- Assistance must be applied for all months between the program begin date and the program end date; and
- Assistance must be applied for the months that include the program begin date and the program end date.[5]

When a CP and/or a dependent child(ren) on a IV-D case are included together on a public assistance case (i.e., the assistance case has relevance to the IV-D case),[6] critical financial information about the family must be exchanged between the public assistance programs and the IV-D program.

3.2 Child Support Collection Information Provided for Public Assistance Use

The Office of Child Support (OCS) sends child support collection information to Bridges. MiCSES collection files provide Bridges with timely information for its program needs.

MiCSES provides support collection information for CPs who are receiving or have received assistance such as FIP, Medicaid, CDC, foster care or FAP. These collections may be considered for determining continued program eligibility.

3.2.1 IV-D/IV-A Translation and Collections Matrix

The IV-D and public assistance programs do not use the same language to describe child support collections. During discussions regarding the MiCSES collections file,[7] the MiCSES project team and IV-A policy staff developed the IV-D/IV-A Translation and Collections Matrix (Exhibit 5.40E1) to help IV-D and IV-A staff understand each program's definition of items contained within the collections file.

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[5] Ref: Section 3.03, "Case Updates and Member Demographics," in the *Michigan IV-D Child Support Manual* for further information regarding assistance dates.

[6] For a more complete discussion of relevance, reference Section 3.03 of the *Michigan IV-D Child Support Manual*.

[7] Ref: Subsection 3.2.2, "Child Support Collection Information," in this manual section for more information about the daily collections file that MiCSES electronically sends to Bridges.

The last four columns in this matrix indicate four budgeting terms: initial budgeting, eligibility/ongoing budgeting, Grant in Jeopardy, and client-received support. The IV-A program uses the term "budgeting" to determine an assistance client's eligibility based on income. The four columns are defined as follows:

- **Initial budgeting** is the calculation of income to determine eligibility for FIP for the first period allowed by IV-A policy;
- **Eligibility/ongoing budgeting** is the calculation of changes that would affect FIP eligibility after the initial benefits are approved;
- **Grant in Jeopardy** is the calculation of certified[8] child support the family would receive if they were not receiving FIP, compared to the ongoing cash grant. The assistance programs use Grant in Jeopardy to help determine if the family would be better off financially if they were on assistance or off assistance; and
- **Client-received support** is a support collection(s) that an assistance client (family) received in error while receiving public assistance. The support collections should have been forwarded to the state rather than the parent to offset the unreimbursed grant (URG) amount. For example, in some instances, a FIP recipient may receive support after a FIP case opening until the certification takes effect. This may occur because of a retroactive FIP payment effective date, a delay in processing a certification, or the process required to redirect payments on an out-of-state order.

3.2.2 Child Support Collection Information

MiCSES sends to Bridges a daily collections file that contains information associated with distributions, disbursements, and arrears balances for current- and former-assistance cases from the previous day's child support collections and account adjustments. If a IV-D member has more than one public assistance member identification number,[9] the same collections information is provided for each of that member's related public assistance numbers.

Child support collections with disbursements to at least one of the following is provided to the IV-A program:

- A CP who is receiving or has received assistance;
- A state agency;

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[8] Certified child support consists of court-ordered payments that the Michigan State Disbursement Unit (MiSDU) sends to MDHHS due to a child's FIP activity. Ref: *Bridges Eligibility Manual,* BEM 503, *Income, Unearned*.
[9] In MiCSES, this is identified as the assistance individual identification (AI-ID) number (formerly the recipient ID (RID).

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- FIP;
- The foster care program; or
- The Medicaid program.

Any retroactive adjustment to a collection on an assignable debt type is also provided to the IV-A program.

A. Distributions

   The collections file contains distribution and disbursement information for each CP associated with a public assistance case within MiCSES. The collections file indicates what the collection was applied toward for each member in the file (e.g., reimbursement of the grant).

   MDHHS and IV-D staff may refer to the IV-D/IV-A Translation and Collections Matrix to better understand how items contained within the child support collections file are reported.

   Note: Due to Internal Revenue Service (IRS) security regulations, the collections file does not contain information that allows MDHHS staff to determine if a specific collection was from a federal tax refund offset.

B. Disbursements

   The collections file only contains information related to collections disbursed from MiCSES. The date that MiCSES disbursed a collection is the disbursement date. The disbursement date may not be the same date the recipient received the payment.

   If the MiSDU reissues a payment, the date the replacement payment is disbursed is the disbursement date. This date replaces the original disbursement date.

   The collections file identifies the name of the recipient and the type of payment used to disburse the collection (e.g., check, direct deposit, or debit card).

C. Arrears Balances

   The collections file provides an ongoing balance associated to each IV-D member's arrearage amounts. Additionally, if IV-D staff modify the arrears balances, the new balances are reported in the collections file. Having accurate arrears balances may help assistance workers determine the arrears income the family may receive if the family no longer receives assistance.

3.2.3 Updating Collections Information

Changes to the way a child support collection was allocated, distributed or disbursed may occur at any time for a number of reasons. When a change occurs, MiCSES provides the updated information to Bridges. While the updated information provided by MiCSES must include collections reported back to the date the change took effect, Bridges only has the capacity to incorporate information from the current month plus the previous two months.[10]

4. Unreimbursed Grant (URG)

The URG is the total amount of money the family received in IV-A grant (FIP) payments, less the total amount of support (excluding medical support) collected and retained by the state. The URG represents the amount of assistance provided to the family that exceeds the support collections retained by the state. For example: URG = Grant Totals, less Retained Collections.[11]

Sometimes the state issues more than one IV-A grant number to a single grant family unit. In this situation, the URG is the sum of the grant assistance the family received from all grants. This is referred to in MiCSES as the "linked URG."[12] However, for ease of discussion, the term "URG" is used even when the overall total for a family involves multiple IV-A grants and a linked URG amount.

When a CP and/or dependent child receives financial support (FIP assistance) from the state, the CP and all adult members on the IV-D case assign their rights to support collections to the state. The support collections are then passed through to the CP[13] or distributed and disbursed to the state as reimbursement for the assistance the state provided to the CP and/or dependent child.[14]

MiCSES maintains URG and linked URG amounts on FIP cases for which a IV-D case and support order exist. The IV-A case's URG amount is maintained on the *Unreimbursed Grant Details* (URGD) screen[15] in MiCSES via an interface with the

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[10] MDHHS uses information from the current month plus the previous two months because Bridges only needs this amount of collections data to determine Grant in Jeopardy. Ref: Subsection 3.2.1 of this manual section for more information about Grant in Jeopardy.

[11] MiCSES automatically reduces the URG for the month by an amount equal to the Client Participation Payment (CPP). Ref: Subsection 7 of this manual section for more information about CPP.

[12] Linked URG is the total URG as the result of linking multiple IV-A cases. For more information on the linking of IV-A cases, reference Subsection 5, "Linking FIP Cases to Establish the Appropriate URG Amount," in this manual section.

[13] Ref: Subsection 7.1, "Pass-Through (Client Participation Payment [CPP]),)" of this manual section for more information.

[14] If the grant is going to include benefits for a family member adult(s)/minor mother, all the adults and minor parents on the single-family case will assign support to the state in order to receive benefits.

[15] Ref: *MiCSES Screen Description: URGD – Unreimbursed Grant Details*.

MDHHS IV-A agency.[16] The URG amount is used to ensure the state does not retain more in IV-D support collections than was granted as FIP assistance.[17]

4.1 Secondary Distribution

Secondary Distribution is a process that ensures the state does not retain more in assigned support than was provided to the family in the FIP assistance grant(s).

When a family is receiving FIP assistance, a child support collection may be retained by the state. This retained collection reimburses the state for all or part of the grant provided to the family. If there is any remaining unpaid grant amount, it is the URG. Effective January 1, 2023, Michigan will pass through the current support collection to the family instead of retaining it for the state.[18]

The state cannot retain support that exceeds the URG. Excess URG collections may occur if the amount receipted is greater than (exceeds) the URG. If support collections exceed the URG amount, the excess URG may be sent to the family.[19]

4.2 Secondary Distribution and *Excess URG* (SURG) Suspense Hold

Secondary Distribution may place collections on a SURG suspense hold. Secondary Distribution will:

- Compare the money distributed to state-owed arrears to the URG amount;
- Disburse money to the state up to the URG amount; and
- Place money distributed to state arrears in excess of URG on SURG suspense hold.[20]

MiCSES automatically releases money from SURG suspense hold[21] within four days when:

- A new grant amount is received (money is released to the state); or
- There is no change in the URG amount (money is released to the family).

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[16] IV-D staff may view pertinent IV-A case information via Business Objects.
[17] Section 454A of the Social Security Act and Michigan Compiled Law (MCL) 400.236 mandate MiCSES to contain all child support financial information.
[18] Ref: Subsection 7.1 of this manual section for more information about CPP and the URG.
[19] Ref: MiCSES system and technical documentation on mi-support for further information regarding the management of excess URG collections.
[20] For federal reporting purposes, money on SURG suspense hold is considered good undistributed collections because there is a known date for final distribution.
[21] Held money also must comply with a federal mandate to distribute the collection within two business days. MiCSES has a daily interface with IV-A to receive IV-A grant information. MiCSES receives daily grant amounts for a given month as they are processed. The duration for a SURG hold is four days rather than two days to accommodate weekends.

If case conditions are corrected by Friend of the Court (FOC) staff, the money on SURG hold may be manually released on the *Suspense Management* (*SUMA*) screen within the four-day duration.

FOC staff may generate a report that lists all monies on SURG suspense hold from the SUMA screen in MiCSES. This provides the information needed to update data in the system to prevent future money from going to the family or state in error.

In addition, a *Functional Prototype Queries* (FPRO) screen query[22] titled "SURG Money Released" identifies money that was released from SURG suspense hold.

To distribute/disburse money that is placed on SURG suspense hold, FOC staff must determine if there are any FIP cases to link. If linkable cases exist, FOC staff must submit a request to OCS Central Operations staff to link cases.[23] If no linkable cases exist, money will disburse to the family unless there is a pending FIP grant.

If MiCSES distributes a payment to a FIP case number that does not exist on the URGD screen, the payment will be placed on SURG suspense hold during Secondary Distribution. This is known as an "undistributed collection." When a payment is placed on SURG suspense hold (as an undistributed collection), FOC staff must conduct research to find the correct FIP case number and update the program history in MiCSES appropriately.

4.3   Grant File and Processing

4.3.1   The Grant File

MiCSES receives a file from Bridges that contains:

- Positive grant amounts, which are loaded onto the URGD screen in the Grant field; and
- Negative grant adjustments, which are loaded onto the URGD screen in the Adjustments field.

The grant file includes the:

- FIP case number as recorded in Bridges;
- Grant payment date; and
- Grant amount.

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[22] Ref: the *Referral and Cert/Decert Queries* handout.
[23] For information on how to link IV-A cases and the process to request these links, reference Subsection 5 in this manual section.

4.3.2 Grant File Information

As part of the MiCSES/Bridges interface, the following information is received:

A. Eligibility Determination Group (EDG)

The EDG is composed of all individuals in a Bridges case whose information is needed to determine eligibility for a particular type of assistance. Within an assistance case, there is an EDG for each type of assistance.

B. Grant Type

The grant type is categorized into one of three types:

1. Initial – The first grant payment of the family's FIP assistance period;
2. Supplemental – While the family receives ongoing FIP assistance, an additional grant benefit may be authorized to correct under issuances in specific situations prescribed in IV-A policy; and
3. Ongoing – The periodic, twice-a-month payment that is issued while the family receives FIP assistance.

Initial and supplemental grants can be issued any time during the month. An ongoing grant is issued after the beginning of a month and is disbursed in two payments. Because there are different types of grant payments, Bridges sends MiCSES **multiple grant records** in a month for the same IV-A case with different payment (check or electronic fund transfer) numbers. MiCSES displays a separate record for each grant record received through the grant file. These records are displayed on the *Grant* tab of the *IV-A Case Details* pop-up window on the URGD screen.

C. Funding Source

The funding source identifies the agency that is providing the grant:

- Federal; or
- State.

The funding source is displayed in the *IV-A Case Details* pop-up window (*Grant* tab) on the URGD screen.

4.3.3 Grant File Processing

When MiCSES receives the grant files, it validates that the FIP case number exists on the *Member Assistance History* (MAHI) screen and the *Bridges Case* Information (BRDG) screen for FIP, Medicaid and foster care cases.

The automated grant process[24] runs **daily**. Running the grant files daily allows MiCSES to keep the URG total current. Because of this change, the IV-D program receives ongoing FIP grant information issued by the IV-A program at the beginning of the month in which the grant is issued, rather than after the month the grant was issued. This helps ensure that child support distributions occur using the most up-to-date grant information and that excess grant collections are processed more timely. Because of the daily running of the grant file, supplemental and initial grants (which IV-A issues as needed during any given month) are also processed timely throughout the month. When MiCSES processes grant file amounts, it increases the URG.

Grant file processing includes **all** grants issued for a given month. The file includes grants for IV-A cases associated with IV-D cases that have been referred for IV-D services, as well as grants for IV-A cases that have not been referred for IV-D services (IV-A cases that do not have a corresponding IV-D case).

This allows the IV-D program to track the total grant amount for the life of the IV-A case, rather than track only the grant provided after a parent leaves the home.

For example, an intact family may receive FIP for a period of time. Later, one parent leaves the home, so the family is referred for IV-D services. When an order is established and support is assigned, the URG will be based upon the full grant for the family, and will not be limited to the grant that the family receives after one of the parents leaves the home or the support order is established.[25]

4.4 Alerts for IV-D Staff

Alerts in MiCSES notify IV-D staff when assistance information needs to be updated. When IV-D staff receive an alert, they must review assistance information and correct it, if appropriate. IV-D staff may use MiCSES and *Business Objects – DHS Case Inquiry* reports to view assistance history. Only

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[24] Bridges and MiCSES communicate daily to ensure an accurate reflection of the grant amount the family receives.
[25] Ref: Subsection 4 in this manual section for more information on the URG.

IV-D workers with the role of Assistance Adjuster or RESR Resolver may update assistance program information or periods of assistance in MiCSES.[26]

As a result of the MiCSES/Bridges Interface, the *Alert Detail* (ALRT) screen features the following alerts to support specialist (SS) and FOC staff:

4.4.1   GRANTSS and GRANTFOC Informational Alerts

The GRANTSS and GRANTFOC alerts state: "Grant received where no members are active FIP."

This alert is sent when MiCSES receives a grant for a IV-A case in a given month; however, no relevant IV-D case member is active FIP for the same given month.

4.4.2   NOGRANTSS and NOGRANTFOC Informational Alerts

The NOGRANTSS and NOGRANTFOC informational alerts state: "IV-A case <IV-A case number> did not receive grant for active FIP assistance period as recorded in MiCSES."

This alert is sent if, after **two** months, there has been no grant for a FIP EDG on a IV-A case and MiCSES has IV-A members who are showing active FIP assistance for the FIP EDG on that IV-A case.

IV-A uses the two-month timeframe because it is possible for a IV-A family not to receive a grant for one month, but remain on FIP. For example, a temporary increase in the family's income, such as a holiday job, could cause IV-A to reduce the grant amount to zero for a month, but leave the family as active FIP assistance. The next month, IV-A would resume the grant because the family's temporary increase in income would have stopped.

Note: If the family remains active FIP, and for more than one month their grant is zero, there may be a problem with the assistance status. Therefore, IV-D workers must review the assistance status when they receive this alert.

4.5   URG Adjustments

MiCSES allows only the role of Central URG Adjuster, currently assigned to OCS Central Operations staff, to make adjustments to the URG. All other staff have read-only access. OCS Central Operations staff makes an adjustment on

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[26] Ref: Section 3.03 of the *Michigan IV-D Child Support Manual* for information on when it is or is not appropriate to update assistance status information, and for information on how to obtain the role of Assistance Adjuster or RESR Resolver in MiCSES.

the URGD screen when permanently assigned arrears (PAA) are forgiven. (Ref: Section 6.42, "Payment Plans," and Section 6.51, "Arrears Management," in the *Michigan IV-D Child Support Manual* for more information.)

When IV-D workers notice that a URG adjustment is needed, they will submit a request by email, fax or mail to the Central URG Adjuster to make the adjustment. For data integrity and audit purposes, IV-D workers must identify the appropriate reason code[27] when requesting a grant record adjustment. The adjustment reason codes appear on the *IV-A Case Details* pop-up window (accessible from the *Adjustments* tab) on the URGD screen. The adjustment codes are:

- Case Replacement – Used when replacing an incorrect IV-A case with the correct IV-A case;
- Grant Adjustment – Used when the grant information received from the IV-A program is inaccurate;
- IV-A Adjustment – Used to alter the grant amount for a specific month when the IV-A program has made a recoupment via a claim response;
- Negative Tax Offset – Used to alter the grant amount for a specific month to manually increase the URG balance because of a federal negative tax offset;
- Payment Fix – Used when a IV-A case replacement occurred and payments that were incorrectly applied to one IV-A case should have been applied to another IV-A case;
- Unlink – Used to alter the grant amount when a URG exists on a IV-A case that was previously linked to another IV-A case;
- Waive State Arrears – Used to alter the grant amount for a specific month when the IV-D program has agreed to forgive corresponding state arrears; and
- Other – Used to alter a grant amount for a specific month for a reason that does not fit into any of the other reason codes.

5. Linking FIP Cases to Establish the Appropriate URG Amount

The goal of linking FIP[28] cases is to ensure an accurate, appropriate combined URG amount, and to maximize the ability of the state to recover FIP grant money.

5.1 Background

Linking cases is a process in which two or more FIP cases are joined together to combine the assigned rights to support collections (i.e., combine the URG). In MiCSES, the limitation of assignment (LOA) is tracked by comparing the sum

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[27] Ref: *MiCSES Quick Reference Guide: URGD – Adjust IV-A Unreimbursed Grant (URG)* and *MiCSES Screen Description: URGD – Unreimbursed Grant Details*.
[28] This subsection also uses the term "IV-A" to refer to Michigan's FIP program.

of grant payments for FIP case(s) against the assigned support balances on the associated IV-D case/docket(s).

5.2   When to Link Cases

An individual may be the grantee on one MDHHS FIP case currently receiving assistance as well as the grantee/member on other closed FIP cases (cases in which grants were paid at one time, but are no longer being paid). While IV-A policy states to reuse a given case number if the grantee is the same, it is not feasible under all circumstances.

When two different FIP cases have the same grantee, the cases must be "linked" in MiCSES. It is also appropriate to link two different cases if the individual is a grantee on one case, and an eligible adult member on another case.

Linking FIP cases ensures the accuracy of both Primary and Secondary Distribution. When two different FIP cases are linked, their individual URG amounts are combined. In a situation where all linked cases have a positive URG, the state may be able to retain more in child support collections than would be possible if the separate FIP cases remained unlinked. In a situation where some of the linked cases have a negative URG, the state may be able to retain less in child support collections than would be possible if the separate FIP cases remained unlinked.

5.2.1   IV-A cases must be linked together only when:[29]

   A. **The grantee on** different **FIP cases is the same**. This is different from previous policy in which FIP cases were linked when there was a child in common, regardless of whether or not the grantee was the same; or

   B. **An eligible adult on one FIP case is the grantee or an eligible adult on a different FIP case.** There are some FIP cases in which a grantee on the original FIP case (e.g., mother) marries, and a new FIP case number is opened under the grantee's spouse (e.g., stepfather). Since the grantee on the first case (mother) is a responsible adult in the second case (with the stepfather as the grantee), it is appropriate to consider this the same FIP family. These cases meet the policy for linking criteria even though the actual grantee on each case is a different person.

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[29] OCS Central Operations staff are the only IV-D staff with the ability to link cases.

5.2.2 Below are eight scenarios that describe two or more FIP cases. Next to each scenario is an indication of whether the cases should be linked based on the current criteria and the reason(s).

Note: The first three scenarios are the only ones in which IV-D staff may request that the cases be linked.

Scenario	Link IV-A Cases?	Comments
1. IV-A Case #V1, grantee is **mother**, and child 1 and child 2. IV-A Case #V2, grantee is **stepfather**, child 1 and child 2, mother is a responsible adult (non-grantee) FIP member in the home. (Mother is recipient of child support order.)	Yes	Same family. Mother is a responsible adult member of the household and is still benefiting from the grant.
2. IV-A Case #V3, grantee is **mother**, and child 1 from father 1. IV-A Case #V4, grantee is **mother**, and child 2 from father 2. (Mother is recipient of child support order.)	Yes	Same grantee. IV-A policy indicates the same IV-A case number would be used, if found.
3. IV-A Case #V5, grantee is **stepfather**, mother is a responsible adult (non-grantee) FIP member in the home, and child 1. IV-A Case #V6, grantee is **stepfather**, mother is a responsible adult (non-grantee) FIP member in the home, and child 1 and child 2. (Mother is recipient of child support order.)	Yes	Same grantee. Mother is a responsible adult (non-grantee) FIP member in the home.
4. IV-A Case #V7, grantee is **mother**, child 1 and child 2 from father 1, and child 3 from father 2. IV-A Case #V8, grantee is **grandmother**, majority of the URG is with child 4 and child 6 from father 3; for a short period of time, child 1 was with grandmother.	No	Different grantees.

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Scenario	Link IV-A Cases?	Comments
5. IV-A Case #V9, grantee is **grandmother**, mother (as a minor mother) and child 1. IV-A Case #V10, grantee is **mother**, child 1. Note: Older cases, in particular, may have the same IV-A case number for the grandmother and the mother. In these cases, no linking is necessary, but the existing URG will be assigned to the mother.	No	Different grantees. While mother is a grantee on Case #V10 and a recipient on Case #V9, on Case #V9 she is not an adult member of the household.
6. IV-A Case #V11, grantee is **mother** (ineligible grantee) and child 1 and child 2. IV-A Case #V12, grantee is **grandmother** (ineligible grantee) and child 1. IV-A Case #V13, grantee is **aunt** (ineligible grantee) and child 2.	No	Different grantees.
7. IV-A Case #V14, grantee is **mother**, and child 1 and child 2. Father is not in the home. IV-A Case #V15, grantee is **father**, and child 1 and child 2. Mother is not in the home.	No	Different grantees.
8. IV-A Case #V16, grantee is **mother**, and child 1 and child 2. IV-A Case #V17, grantee is **stepfather**, and child 1 and child 2, along with child 3 from stepfather's previous marriage. Mother is not in the home.	No	Different grantees.

5.3 *IV-A Case Links* (LINK) Screen[30]

For a given FIP case, the MiCSES LINK screen will provide:

- A view of all FIP cases currently linked to the given FIP case in MiCSES; and

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[30] Ref: *MiCSES Screen Description: LINK – IV-A Case Links* for more information on linking cases.

- Other FIP cases that have the potential to be linked to the same given FIP case.[31]

All IV-D staff are able to **view** IV-A cases via the LINK screen. However, MiCSES functionality allows **only** the role of Link Worker, which is currently only assigned to OCS Central Operations staff, to **link** or **unlink** cases on the LINK screen.

OCS Central Operations staff will link or unlink a grantee or eligible grantee to another FIP case within MiCSES based on requests from other IV-D staff. (Ref: Subsection 5.5.3 of this manual section for information on how to make a request.) When OCS Central Operations staff links cases, MiCSES also automatically links the URG amounts for the member on both FIP cases. If other cases are already linked to the grantee, then the new case will be commonly linked to the existing cases. All cases previously linked will remain linked in MiCSES.

5.4 Conditions/Situations Leading to IV-D Staff Review of Linked FIP Cases

FOC staff are required to research **open** IV-D cases that are currently charging child support, or have arrears, or both. FOC staff are responsible for maintaining, correcting and auditing any financial transaction or adjustment.[32] As FOC staff discover FIP cases that are not linked properly, they must review and update these cases to ensure the state is not retaining child support collections in error.

One way IV-D staff may discover FIP cases that require linking action is through certification and decertification research on the MAHI screen. Additionally, when FOC staff receive IV-A recipient-returned support, or a notice of returned support, they may want to review FIP cases to ensure all appropriate cases have been linked.

For a proactive review of FIP case link situations, authorized IV-D staff may also use the following reports from the FPRO screen:[33]

- FIA Interface Error Log (FERR) report (query by seven-day date range);
- Opayments MS Retroactive Change report (retroactive Medicaid decertification activity);
- Opayment Cert report (retroactive Medicaid certification activity);
- OUPA Balance report (a statewide report listing unassigned pre-assistance balances from May 2008 through the current date); or

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[31] MiCSES no longer displays cases that may be potentially linked. A Help Desk ticket has been entered to address this issue. See footnote 34 for more information.
[32] Ref: Michigan IV-D Action Transmittal (AT) 2007-028, **REVISED**: *Preventing and Correcting Misdirected Payments*.
[33] While IV-D staff are working the reports, they may find cases to link.

- FUPA UDA Balance report (a subset of the OUPA Balance report, by county, for a specific date range).

Note: If OCS staff identify FIP cases that need to be linked, but one or more FIP cases have support orders, OCS staff must notify the appropriate FOC office for FOC staff research.

5.5 Procedures for Linking or Unlinking FIP Cases With Support Orders

FOC staff will research each FIP case record to verify that it meets the linking policy and determine if linking action is required. Once aware of a need to research FIP case linking, FOC staff will primarily use MiCSES to review existing and potential linking scenarios.

Note: FOC staff will determine which cases need to be linked or unlinked, but OCS Central Operations staff will link and unlink the cases within MiCSES based on requests provided by FOC staff.

FOC staff will:

5.5.1 Identify linked or potentially linked FIP cases using the LINK screen.

A. **If there are linked or potentially[34] linked FIP cases** associated to the FIP case entered, FOC staff must determine if the linked and potentially linked cases meet the current FIP linking policy.

1. FOC staff will compare the name and Social Security number of the members on each case to determine if the:

- **Linked cases meet** current **policy.** Cases are correctly linked if they meet current linking policy. However, the current grantee on a FIP case may not be the same as the original grantee. FOC staff may view the members of the FIP case to determine if the previous grantee is currently an eligible adult member on the case. If so, the current link is accurate.

- **Linked cases meet past criteria, but do not meet current policy.** For cases that were **linked based on past linking criteria** but do not meet current policy, FOC staff will request the unlinking of the cases when the inappropriate links are discovered. FOC staff **are not required** to research or adjust prior payments.

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[34] With the MiCSES 7.0 Release (November 11, 2010), the fix to the potential link functionality was identified as out of scope. FOC staff may query the BRDG screen by AI-ID and by name to see if the person is on other IV-A cases. IV-D staff may also query in Business Objects by name or Social Security number.

- **Linked cases do not meet current policy or past criteria.** For cases that have been **linked in error**[35] and do not meet current policy or past criteria, FOC staff will research to see if payments were directed to the state in error and will take appropriate follow-up action.[36]

- **Potentially linked cases meet current linking policy.** For FIP cases that have **not been linked**, FOC staff must review the FIP cases in the *Potential Links* section of the LINK screen to determine if linking is required.

2. FOC staff must review the MAHI screen and ensure the information is correct for each IV-D member. They must correct any MAHI entries as appropriate.[37]

B. If the **FIP** case **being researched is not displayed on the LINK screen**, FOC staff will research the FIP case using the following:

- BRDG screen in MiCSES; or
- The QN-001 – QN-015 Business Objects – DHS Case Inquiry reports.

1. For linking purposes, an *eligible adult member* for a FIP case is identified:

- On the BRDG screen – Eligible adults have an Eligible Adult (EA) status, an Other Adult (OA) status, or a Disqualified Adult (DA) status (for Bridges cases after November 11, 2010); or
- On the QN-001 and QN-002 reports – Eligible adults have the following PA (assistance status) and PC (person class) codes:

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[35] IV-D staff may not know why cases were inappropriately linked, but in the review process, IV-D staff may determine that the cases do not meet current or past linking criteria.
[36] The *Account Statements* (ACTS) screen in MiCSES allows FOC staff to create a financial detail report for audit purposes. FOC staff may determine if payments were directed to the state in error and return any money to the family that was previously directed to the state. Ref: Subsection 7.3 of this manual section.
[37] Only those IV-D staff with the role of Assistance Adjuster or RESR Resolver in MiCSES may update an individual's assistance program information or program time periods. Ref: Section 3.03 in the *Michigan IV-D Child Support Manual* for directions on when to update program assistance.

PA Assistance Status	PC Person Class	Description Inactive – not receiving benefits Active – receiving benefits
1	01	Former (inactive) ineligible grantee
2	01	Ineligible grantee (not receiving benefits)
1	02	Former (inactive) grantee or inactive adult
2	02	Eligible grantee or active adult

Note: MiCSES functionality will allow linking when a PC code is 00. However, FOC staff must not request the linking of a case that has an individual coded as 00, because the 00 indicates the individual has never been a member of that FIP case. Therefore, OCS Central Operations staff will reject any requests to link a case that has an individual with a PC code of 00.

2. FOC staff must review the *Resolve Referral* (RESR) screen in MiCSES and ensure the assistance history is correct for each IV-D member. They must correct any RESR entries as appropriate.[38]

5.5.2 Enter research findings on the *Notes Processor* (NOTE) screen.

Once FOC staff complete their research, they must enter a note on the NOTE screen in MiCSES, according to local office practice. However, at a minimum, FOC staff must document:

- All research completed;
- The information discovered;
- Actions taken for this process; and
- Whether money has been misdirected.

5.5.3 Request linking and unlinking of FIP cases.

FOC staff will request linking and unlinking actions by providing case information to OCS Central Operations staff. FOC staff must identify the MDHHS FIP case numbers and recipient names that need to be linked or unlinked. FOC staff must ensure the linking criteria outlined in this manual section are met.

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[38] Only those IV-D staff with the role of Assistance Adjuster or RESR Resolver in MiCSES may update an individual's assistance program information or program time periods. Ref: Section 3.03 of the *Michigan IV-D Child Support Manual* for directions on when to update program assistance.

5.40 Public Assistance Impacts: Unreimbursed Grant, Linking, and Pass-Through

Note: Unlinking cases could result in a case or the remaining linked cases showing a negative URG balance. For example, if three cases are linked, and one of the cases is unlinked, this could leave the two remaining cases with a negative URG balance. At their discretion, FOC staff may correct prior distributions, especially for those instances in which a significant amount of money has gone to the state.[39]

A. On each request to **link** cases, FOC staff must identify the CP/grantee name, AI-ID, and assistance case identification (AC-ID) number to be linked.

B. On each request to **unlink** cases, FOC staff must identify the reason for unlinking (e.g., no CP in common) and the AC-IDs to be unlinked.

Note: OCS Central Operations staff will reject any request that does not include this required information.

C. FOC staff will send the linking and unlinking case information to OCS Central Operations staff by email:[40] mdhhs-ocs-cfu-link@michigan.gov.[41]

5.6 Effects of Linking FIP Cases with Support Orders

5.6.1 MiCSES Automated Actions

A. As a result of OCS Central Operations staff linking two or more cases together, the LOA process will run.[42] One of the following will occur:

1. If the state has the potential to collect **more** in state arrears than there exists in the URG, the LOA process will unassign the excess state arrears to family arrears (e.g., conditionally assigned arrears [CAA] will move to unassigned pre-assistance arrears [UPAA], or PAA will move to unassigned during assistance arrears [UDAA]).

2. If the state arrears associated with the IV-A case are **less** than the URG, the LOA process will reassign eligible family arrears to the state (e.g., UPAA will move back to CAA, or UDAA will move back to PAA).

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[39] Ref: Subsection 7.3 of this manual section.
[40] Linking requests must be encrypted. Ref: Section 1.10, "Confidentiality/Security," of the *Michigan IV-D Child Support Manual* for information on encryption.
[41] Linking requests will be processed within one business day unless OCS Central Operations indicates otherwise.
[42] Ref: Subsection 6 in this manual section and Section 5.15 in the *Michigan IV-D Child Support Manual.*

B. The LOA process restricts the movement of arrears between UPAA, CAA, UDAA and PAA based on specific case order dates (year of the order):

1. For dockets with an order date beginning in 1999, MiCSES restricts the movement of arrears during the LOA process as follows:

   • Arrears may move between UDAA and PAA; and
   • Arrears may move between UPAA and CAA.

2. For dockets that are 1998 or earlier, MiCSES restricts arrears movements as follows:

   • Arrears may move from PAA to UPAA;
   • Arrears may move between UPAA and CAA; and
   • Arrears may move from UDAA to PAA.

   The restriction of arrears moving from PAA to UPAA for pre-1999 dockets will occur because MiCSES does not know if the PAA existed before 1999. Federal regulations restrict the movement of PAA to UDAA as long as the arrears that move to UDAA can be verified as having accrued after 1999 according to the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA).

C. When OCS Central Operations staff links the cases, this action automatically updates the amount in the *Total Linked URG* field on the LINK screen for each case that was linked.

Note: The provision of the Deficit Reduction Act (DRA) of 2005 that restricts assignment of arrears to the state after October 1, 2009 will **not** apply for purposes of linking unless the only assistance for all of the IV-D cases began after October 1, 2009.

5.6.2 Manual Review of Pre-1999 Orders After Linking

Because the MiCSES LOA process moves all PAA to UPAA instead of UDAA for dockets that pre-date 1999, subsequent running of the LOA process may increase CAA balances (arrears move from UPAA only to CAA) when an increase in PAA would be more appropriate. This will only occur in pre-1999 dockets and only because initial arrears movement from PAA to UPAA first occurred.

FOC staff may review pre-1999 dockets to determine if all or a portion of the UPAA that moved into CAA reflects arrears that originally came from PAA (pre-1999). If FOC staff discover this situation and choose to make adjustments,[43] they must make manual adjustments to the appropriate arrears balances (CAA and PAA) using the *Obligation Arrears Adjustment* (OBAA) screen.

To determine if any of the arrears that moved from UPAA to CAA may be moved to PAA, FOC staff may:

A. Identify any PAA that moved to UPAA by reviewing the pre-1999 docket on MiCSES using the *Support Order Summary* (SLOG) screen or the *Financial Event Diary* (ELOG) screen, or by running the *FOC Financial Detail Report* (FOCD) from the ACTS screen;
B. Research PAA further to determine what, if any, post-1998 arrears accrued in PAA;
C. If any post-1998 PAA accrued, determine the maximum-amount-of-adjustable-CAA as the maximum of either the PAA-to-UPAA amount or the UPAA-to-CAA amount; and
D. Move the maximum-amount-of-adjustable-CAA as identified in Step C above from CAA to PAA.

5.7 Summary of FIP Cases With Incorrect Link Status(es)

The following table summarizes the case scenarios and required actions as outlined in Subsection 5.6. Optional actions are noted as well.

Linked Cases	Date Discovered by Staff	Action	Impact If No Action Taken
Two FIP cases are **currently unlinked** but now meet the policy for linking.	June 1, 2008	Required: Link these two cases effective June 1, 2008. Optional: Research to see if payments were directed to the family in error. If the family was overpaid, the FOC may take appropriate	The combined URG amount will not be accurate. MiCSES may direct payments to the family in error. Keeping the two cases unlinked will not meet OCS's policy.

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[43] When MiCSES LOA adjustments have caused arrears balance errors that favor the family, OCS neither requires nor recommends that FOC staff correct the errors.

Linked Cases	Date Discovered by Staff	Action	Impact If No Action Taken
		follow-up actions at the FOC office's discretion.	
Two FIP cases are linked based on previous policy, but are **now inappropriately linked** because they do not meet the policy requirement.	June 1, 2008	<u>Required:</u> Unlink these two cases effective June 1, 2008. <u>Optional:</u> Research and adjust prior distributions as appropriate.	An inappropriately combined URG amount will exist. MiCSES may direct payments to the state, counter to current policy. Keeping the two cases linked will not meet OCS's policy.
Two FIP cases are **inappropriately linked**. These cases do not meet previous policy or current policy.	June 1, 2008	<u>Required:</u> Unlink these two cases and audit the financial transactions to determine if money disbursed to the state incorrectly.	An inappropriately combined URG amount will exist. MiCSES has and will continue to direct payments to the state in error. Keeping the two cases linked will not meet OCS's policy.

6. **Limitation of Assignment (LOA)**

Once all the members of a family in a single IV-D case are no longer on FIP assistance, the LOA process ensures the state will **not** retain more in support collections for that IV-D case than the amount of the unpaid FIP grant provided to the family.

The following discusses in more detail the different factors used by the LOA process.

6.1 Docket Obligations and Collections

The docket may include a support order and will define the terms of the order, such as types of obligations, insurance provisions, parenting time provisions and income withholding requirements. An obligation is the amount of money an NCP is required to pay, and is recorded as a specific debt type(s). Obligations can take the form of financial support for the child, medical support or spousal support, among other types. An obligation may be a recurring, ongoing court-ordered amount, or a one-time lump sum amount.[44]

Collections are payments received toward court-ordered obligation amounts. Collections may be applied to amounts due in the current month or past-due amounts. As collections are applied to the obligation amount, they reduce the total obligation amount due.[45]

6.2 LOA Process

The amount of support that the state may target for retention (assign) for a former-assistance IV-D family/case is limited to the URG or the court-ordered support amount, whichever is less. MiCSES ensures that assigned support does not exceed the URG by comparing the amount of URG to the amount of assigned support.

During periods of non-assistance,[46] the LOA process limits total state arrears (the sum of CAA + PAA) across all relevant former-assistance IV-D cases associated to the FIP case(s).[47] The limit is to no more than the URG for the FIP case(s). In the situation where two or more IV-D cases are associated with a single FIP grant, the members of one IV-D case may no longer be receiving FIP (former assistance), while members on a second (or subsequent) IV-D case(s) remain actively receiving FIP. In this situation, the state must ensure that the amount of support retained for the single former-assistance IV-D case does not exceed the URG. This means that the LOA process may run for one IV-D case and not another, even when the IV-D cases share the same total URG.

Before implementation of the DRA of 2005, if the URG increased, the LOA process would return unassigned (but previously assigned) arrears back to PAA or CAA as the URG limit allowed. However, effective October 1, 2009, under

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[44] Ref: Section 5.10, "Debt Types," in the *Michigan IV-D Child Support Manual* for policy regarding obligations and debt types.

[45] Ref: Section 5.35, "Allocation/Distribution," in the *Michigan IV-D Child Support Manual*.

[46] This is determined for LOA purposes as all members of the IV-D case being off FIP assistance. Ref: *MiCSES Customer Information Guide: Limitation of Assignment* for further system requirements.

[47] LOA will use the URG for a single IV-A URG amount; or when IV-A cases are linked, LOA will use the linked URG amount.

DRA rule changes,[48] LOA does not reassign arrears to the state once they have become unassigned arrears, except when linking FIP cases.[49]

6.3 URG Less Than Assigned Support

MiCSES will run LOA, comparing the corresponding URG to the court-ordered state-assigned arrears (state arrears) for all FIP former-assistance IV-D cases associated to the URG. If the state has the potential to retain more in collections than the amount in URG (i.e., the URG is less than the sum of PAA plus CAA across any former-assistance IV-D cases associated with the URG), MiCSES will unassign the excess state arrears back to family arrears in the following way:

- For dockets dated 1999 or after, MiCSES will move the excess amount assigned first from CAA to UPAA, and then from PAA to UDAA, until the excess is zero; or
- If the docket is dated 1998 or prior, MiCSES will move the excess CAA and PAA to UPAA, starting with CAA.

Note: Federal regulations prevent states from moving PAA prior to 1999 to UDAA. Because MiCSES cannot determine the amount of PAA that accrued before 1999, MiCSES will assume that all the PAA for cases from 1998 or before accrued before 1999. Therefore, for any court order that was originally established before 1998, MiCSES will move excess PAA to UPAA.

The amounts must be unassigned proportionately across all FIP assignable obligations[50] included in the potential state arrears total.[51] This will adjust each FIP assignable obligation in size relative to the other FIP obligations and ensures that the state will not retain more than the URG allows. (Ref: the example on the next page.)

Arrears for a specific member's FIP assignable obligations will be unassigned from the state effective on the date the family member leaves assistance.

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[48] Ref: Section 5.35 of the *Michigan IV-D Child Support Manual* to see how the DRA affects distribution.
[49] The December 2009 MiCSES Release introduced functionality to allow for retroactive adjustments under limited circumstances for specific dates. Ref: Subsection 6.4.1, "Reassignment Process (September 2009 MiCSES Release)" and Subsection 6.4.2, "Reassignment Process (December 2009 MiCSES Release)" in this manual section.
[50] The FIP assignable obligations are child care (CC), child support (CS), payee bonus (PB) and spousal support (SS).
[51] Amounts will be unassigned proportionately across all FIP-assignable obligations, and across all former-assistance IV-D case/docket combinations when the individual is on both the grant and the support order.

Post-1998 Example: Potential state arrears (CAA + PAA) are greater than the URG, and after unassigning all CAA to UPAA, the amount of PAA still exceeds the URG									
Status/Action	NAA	CAA	TAA	PAA	UPAA	UDAA	MEDI[52]	IVEF[53]	URG
A (FIP/Prior to status change)			$500	$1,000					$800
N (Non-assistance after status change)		$500		$1,000					$800
(Balances after LOA)		$ ---		$ 800	$500	$200			$800

When the case member goes off FIP assistance, the $500 in temporarily assigned arrears (TAA) is moved to CAA. The $1,000 in PAA remains in PAA. Next, the total potential state arrears, $500 (CAA) + $1,000 (PAA) = $1,500, is compared to the URG of $800. Since the **potential state arrears are greater than the URG**, the difference ($1,500 – $800 = $700) is unassigned, first from CAA, and then from PAA. The $700 difference is unassigned, moving $500 from CAA to UPAA, and then moving $200 from PAA to UDAA.

6.4 Reassignment Process

When the family assigns support as a condition of receiving FIP under DRA functionality, MiCSES assigns to the state only current support. If the current support remains unpaid, support accrues in PAA while the family receives FIP. MiCSES does not assign arrears that accrued prior to the family receiving FIP assistance, nor does MiCSES assign arrears that were unassigned after the family stopped receiving FIP from a previous period. Therefore, MiCSES does not assign arrears from the following arrears categories to the state: never-assigned arrears (NAA), UPAA and UDAA.[54] Also, MiCSES does not assign arrears from CAA to TAA.

6.4.1 Reassignment Process (September 2009 MiCSES Release)

MiCSES was further enhanced with the December 2009 MiCSES Release. Until then, **the** LOA **process did not reassign arrears to the state even for a retroactive certification.** In some situations, this may have left too great a balance in family arrears. However, with the LOA enhancement implemented in the December 2009 release, MiCSES recalculates and corrects the assignment of arrears for any retroactive assignment transaction between the September 2009 release and the

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[52] MEDI represents Medicaid arrears.
[53] IVEF represents foster care arrears.
[54] Ref: Section 5.15 of the *Michigan IV-D Child Support Manual.*

December 2009 release. Therefore, it was important to have correct account balances at the time of the December 2009 release.

If IV-D workers needed to correct LOA-assigned arrears or elect to modify LOA-assigned arrears due to a retroactive assistance status before the December 2009 release, then they needed to:

- Use the reason code of LOA Manual Adjust when an adjustment of arrears between the assigned arrears categories and the family arrears categories was made;[55] and
- Make the adjustment for the month in which the adjustment should have taken place, which was most likely not in the month in which the IV-D worker made the adjustment.

It is important to make LOA adjustments or any account balance adjustment effective the month in which the original event occurred. To do otherwise may affect accounting integrity and may negatively affect account balances when future retroactive or recalculation system capabilities are implemented in MiCSES.

6.4.2 Reassignment Process (December 2009 MiCSES Release)

Effective with the December 2009 release, the LOA process reassigns arrears in response to **some** retroactive changes. This is limited to the amount of arrears that were inappropriately unassigned **due to a delay in processing** information. That is, LOA limits the amount of arrears it returns to the state by the amount MiCSES would not have unassigned originally, had the retroactive change been in place at the time of the limitation.

For a retroactive transaction or event, MiCSES recalculates LOA as of the effective time of the event, using the balances and case conditions as they existed at that time. The results of the recalculation are then brought forward to the current month; MiCSES reapplies the existing transactions and recalculates any further LOA if needed. The results of these recalculations are then compared to the balances in MiCSES, and when they differ, an LOA event is written to make MiCSES reflect the recalculated balances.

Six case actions cause potential changes to balances. All six actions require MiCSES to correct the balances in the assigned and unassigned arrears categories. The six case actions are as follows:

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[55] If the LOA reason code is not used for this type of adjustment, MiCSES may duplicate the adjustment. Ref: *MiCSES Customer Information Guide: Limitation of Assignment* for information on the importance of using the LOA reason code.

- Retroactive adjustments to the URG amount;
- Retroactive grant processing;
- Linking IV-A cases together;
- Retroactive certification of a case;
- Retroactive decertification of a case; and
- Retroactive changes to the arrears balances (this could be a direct adjustment to arrears, a change to the charge amount, or a payment).

Retroactive LOA writes an LOA transaction to the ELOG and SLOG screens using the calculated differences for each obligation.

When MiCSES determines the LOA process must move balances between arrears categories in a past month, the balance movements are carried forward through the month based on the balances of the accounts as they existed at the beginning of the month. During the recalculation process, with the exception for adjustments using the LOA adjustment reason code, MiCSES reapplies all adjustments, modifications, etc., to the account balance in the order in which they occurred.[56] The MiCSES LOA recalculation process ignores adjustments made for the LOA adjustment to prevent making a double LOA adjustment.

Before implementation of the September 2009 release, the retroactive LOA process reassigned arrears as far back as June 2008, when MiCSES first tracked the URG. For retroactive transactions and processes, MiCSES recalculates LOA for all months, FIP assignable obligations, and FIP cases affected by the transaction, starting in the earliest month affected by the retroactive transaction, or October 1, 2009, the month of DRA implementation, whichever is more recent.[57]

6.5 Triggering Calculations of LOA

When all members of a IV-D case are off assistance, a number of MiCSES processes trigger the LOA process. For example, the LOA process occurs after the following:

- The completion of online screen actions (e.g., IV-D staff account adjustments, FIP case linking/unlinking, updating the URG amount, etc.); or
- A batch job adjusts arrears or a grant amount (e.g., surcharge).

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[56] The exception is that a balance affected by the linking of cases will be effective the first of the month, as will a surcharge adjustment.
[57] This functionality was implemented in the December 2009 release. Running LOA for periods before June 2008 would return questionable results because the earliest URG that MiCSES can reference is the June 2008 URG balance.

6.6 Exceptions: No FIP Assistance Record on File

Some cases in MiCSES have PAA due for an obligation member who does not have a record of FIP assistance on the MAHI screen. Cases with PAA and no relevant FIP case on the MAHI screen are excluded from the Assign Arrears and LOA processes until the IV-D worker has researched the case to correct errors. Since a current-assistance record on the MAHI screen is required for PAA balances to exist, it is clear there are certification/decertification errors or missing MAHI records for the IV-D case from the timeframe that the PAA accrued. MiCSES cannot distribute money to the state until these errors are fixed.

When payments are distributed to PAA without a FIP assistance record, MiCSES will hold the money on the *Welfare Hold* (SWEL) suspense hold.[58] IV-D workers must research MiCSES obligations with historical records in *Business Objects – DHS Case Inquiry* reports, the Child Support Enforcement System (CSES), and/or paper files to identify the case member's assistance history.

If IV-D workers find an appropriate assistance history, they may ask the Assistance Adjuster to manually update the MAHI screen by adding the FIP assistance record.[59] Or, if IV-D workers cannot document or confirm the assistance history, the state may not retain collections and may not maintain the assignment – debts and collections belong to the CP. Therefore, IV-D workers will manually move all state-retained arrears to family arrears and document the details on the NOTE screen.

7. Current Assistance and Family-Received Collections

7.1 Pass-Through (Client Participation Payment [CPP])

7.1.1 Federal Law

Federal law[60] provides states the option to pass through all or a portion of the assigned child support payments to families who currently receive or formerly received FIP assistance.[61]

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[58] To find money on the SWEL hold, FOCs may create a *Detail Report* on the *Suspense Management Report Generator* (SURE) screen. To learn more about suspense holds, IV-D staff may refer to the *MiCSES Customer Information Guide: Suspense Management Reference*.

[59] When the PAA existed at conversion to CSES, the last record of FIP assistance for the member can be found on the *Maintain Accounts* screen in CSES. At a minimum, a record of FIP assistance for a date range prior to CSES conversion is required to release money on a SWEL suspense hold to the state.

[60] Ref: Section 457(a)(6)(B)(i)-(ii) of the Social Security Act.

[61] Ref: Office of Child Support Enforcement (OCSE) AT-07-05, *Instructions for the Assignment and Distribution of Child Support Under Sections 408(a)(3) and 457 of the Social Security Act*.

A. Families Currently Receiving FIP Assistance

States are not required to pay the federal government its share of the assigned current support collection when the amount passed through to the family currently receiving FIP assistance:

- Includes both the federal and state share of the assigned child support collection;
- Is disregarded in determining the family's FIP assistance eligibility amounts; and
- Is up to $100 per month for families with one eligible child on their FIP case or up to $200 per month for families with two or more eligible children on their FIP case.

States may choose to pass through and disregard more than the $100/$200 collection amounts. However, states must pay the federal government its share of the collected child support amounts that exceed the limits described above.

B. Families That Formerly Received FIP Assistance

States may pass through support amounts to families that formerly received FIP assistance. States are not required to pay to the federal government the federal share of the assigned child support arrears collected when the state passes through both the federal and state share to the family.

7.1.2 CPP Background

The State of Michigan historically provided a participation incentive to families receiving FIP assistance. This payment has been called "pass-through," "rebate," and "CPP." [62]

On October 1, 2008, the IV-D agency began disbursing a CPP of up to $50 of a current month's support collection to the CP on a IV-D case associated to a IV-A case.

On October 1, 2011, due to changes in MDHHS's fiscal year 2012 budget, the State of Michigan discontinued the $50 CPP to families.

The State of Michigan reinstated the CPP for families currently receiving FIP assistance beginning January 1, 2020. A family with one eligible child could receive a CPP that ranged from $0 to $100 per month. A

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[62] The CPP was initially meant to encourage the family to participate in activities to meet public assistance program requirements. Today, the intent of the CPP is to increase income for the family.

family with two or more eligible children could receive a CPP that ranged from $0 to $200 per month.

7.1.3 CPP Changes Effective January 1, 2023

Effective January 1, 2023, the State of Michigan will pass through the full amount of the current month's assigned support collections to families receiving FIP assistance. When the family is receiving FIP, and the NCP does not pay support in the month it is due, the support obligation will accrue as payable to the state. Michigan has elected not to pass through assigned child support arrears to current or former FIP assistance families at this time.

MDHHS disregards the CPP when determining families' needs for FIP and CDC assistance.[63] The CPP is countable household income for determining FAP benefit amounts.[64]

A. CPP Amounts and Eligible Families

A family may receive a CPP up to the amount the NCP pays toward current support.

A family is eligible to receive a CPP when the following are true in the same month:

- The child(ren) is eligible for FIP for the full calendar month;[65] and
- The NCP makes a current support payment.

If a CP has IV-D cases with more than one child and/or more than one NCP, the CP will receive the full amount of the current support paid on the IV-D case(s).

The MiSDU will issue a CPP after MiCSES distributes[66] the support collection to the FIP assignable obligations.[67] The MiSDU will issue a CPP up to the total amount of assignable obligations in a month.

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[63] MDHHS will not disregard the CPP when determining a family member's eligibility for State Emergency Relief (SER) and certain types of Medicaid, including Supplemental Security Income (SSI)-related Medicaid.

[64] MDHHS disregarded the CPP for FAP eligibility determinations through a waiver from the U.S. Department of Agriculture until April 2021. Ref: Food Stamp Act of 1977.

[65] Families with mid-month FIP certifications will not be eligible for CPP. The family must be certified for FIP for a full calendar month. Ref: Section 5.15 in the *Michigan IV-D Child Support Manual* for detailed information regarding mid-month certifications of FIP.

[66] MiCSES follows the current assistance allocation, distribution, and disbursement rules for FIP. Ref: Section 5.35 in the *Michigan IV-D Child Support Manual*.

[67] Ref: Section 5.10 in the *Michigan IV-D Child Support Manual*.

B. CPP Frequency Within a Month

A family may receive multiple CPPs in a month because an NCP can pay a current month's support in multiple payments between the first and last day of each month.

A family will not receive a CPP if the NCP fails to make a support payment in the month it is due. Because the current support remains unpaid, support will accrue in PAA and remain payable to the state. A CP will not receive a "past-due" CPP in another month.

If CPs have previously received child support payments, they will receive CPPs in the same way they received their support payments (direct deposit or debit card). If CPs have never received child support payments, they will receive their first payment by paper check with instructions to choose direct deposit or a debit card for future support payments.

7.1.4 CPP and TANF Recoupment

Collections passed through to a family are the current support collections that would normally have disbursed to the state to offset the TANF assistance given to the family. Any amount given to the family as CPP must reduce the current child support obligation and the URG for the month by an amount equal to the CPP.

CPs receiving FIP assistance usually receive Medicaid. The Medical Support – Client (MS) debt type is not eligible for pass-through to the CP and will continue to be assigned to the state to reimburse Medicaid benefits.[68]

If the URG amount is less than the CPP, the family will only receive an amount equal to the URG as a CPP disbursement. The remainder of the support collection must follow distribution rules.[69]

The IV-A agency and IV-D agency are responsible for determining and sending the federal portion of a TANF grant recoupment. The federal portion of the recoupment is based on the federal medical assistance percentage (FMAP) rate for the fiscal year. The FMAP rate is adjusted annually by MDHHS.[70]

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[68] Ref: Section 5.15 of the *Michigan IV-D Child Support Manual* for more information regarding Medicaid assignment.
[69] Ref: Section 5.35 in the *Michigan IV-D Child Support Manual*.
[70] Ref: 42 USC 657(c)(3), 83 Federal Register (FR) 61157, and OCSE AT-07-05.

7.1.5 Reclassification of CPP After Retroactive Changes of Assignment

When assistance and support assignment statuses are incorrect, and support collections are classified in MiCSES as CPP when they should not be, MiCSES reclassifies (i.e., corrects) the payment type so the disbursement is appropriately recorded.

If child support is retroactively unassigned in MiCSES within a month(s) that a CPP disbursed to the family, MiCSES will reclassify the amount disbursed as a CPP to a regular support payment to the family. MiCSES will also increase the URG for the payment amount reclassified from a CPP to a regular support payment.[71]

If child support is retroactively assigned in MiCSES within a month(s) that a regular support payment disbursed to the family, MiCSES will reclassify the amount disbursed as a CPP.[72] MiCSES will reduce the URG by the original payment amount reclassified as a support payment to a CPP.

7.1.6 CPP Summary Reports in MiCSES

IV-D staff may generate monthly or quarterly CPP summary reports as needed from the *Financial Audit Report Generator* (FAUD) screen.[73]

7.1.7 Federal Reporting

MiCSES will automatically update CPP amounts on the *Child Support Enforcement Program Quarterly Collection Report* (OCSE-34) for federal reporting purposes.[74]

7.2 IV-A Recipient-Returned Support and Payments IV-A Recipients May Keep

7.2.1 IV-A Recipient-Returned Support

Prior to Michigan implementing the 100 percent pass-through of current child support payments on January 1, 2023, recipients of FIP assistance

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[71] IV-D staff may view CPP financial details including amount, receipt, disbursement and adjustment details on the URGD and ELOG screens.

[72] Support sent to state when support was not assigned may require a recoupment of state-retained collections. Ref: Subsection 7.3, "Recoupment of State-Retained Collections," in this manual section for more information.

[73] Ref: *MiCSES Quick Reference Guide: FAUD – Generate a Client Participation Payment (CPP) Summary Report (CPPM)*.

[74] Child support pass-through amounts reported on the OCSE-34A are considered "distributed" child support collections for incentive payment calculations. Ref: *MiCSES Customer Information Guide: OCSE-34: Quarterly Report of Collections*.

were required to return to the local MDHHS office any current support they received after being approved for FIP.[75]

7.2.2 Payments IV-A Recipients May Keep

IV-A recipients can keep child support payments that are for excess URG, non-FIP child support arrears, or CPP. When asked about these payments, IV-A and IV-D staff will tell FIP recipients they can keep the payments. CPs receive these payments in the form of a direct deposit to their own bank account or a debit card.

A. Excess URG

Any support payments in excess of the URG belong to the CP. The LOA process ensures the state does not collect more in support arrears than what IV-A provided to the recipient in benefit (cash assistance) payments.[76]

B. Non-FIP Child Support Arrears

When a payment exceeds the payer's current obligation, a portion of that payment may be applied to arrears that accrued for a family actively receiving FIP during a non-FIP period. That portion of the payment will be paid directly to the CP whose FIP was approved on or after October 1, 2009. This portion of the child support payment is called "non-FIP child support arrears." CPs may keep non-FIP child support arrears.

C. CPP

A family can receive a CPP while they are receiving FIP assistance. Keeping a CPP will not impact a family's eligibility for FIP or CDC.

7.3 Recoupment of State-Retained Collections

7.3.1 Overview

MiCSES disburses support collections to the state when the child's support is assigned.[77] When assistance and support assignment statuses are not correct, and support collections go to the state when they should not, OCS recoups the payment from the state so that IV-D staff can disburse it to the appropriate recipient. In most situations, the recoupment process is done systematically through MiCSES.

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[75] FIP recipients are not required to return CPP payments.
[76] Ref: Subsection 6 of this manual section for more information on LOA.
[77] Ref: Sections 5.15 and 5.35 of the *Michigan IV-D Child Support Manual.*

The FIP and Medicaid recoupment processes within MiCSES, referred to as "negative offset," occur automatically after IV-D staff, or MiCSES, corrects an assistance status(es), making incorrectly retained funds immediately available for reposting to the CP or the appropriate payee.[78]

For recoupments of agency placement[79] and blood test payments, IV-D staff must continue to use the existing manual *Support* Collection *Payment Request* (DHS-820) process.

7.3.2 Automated Negative Offset (FIP and Medicaid Recoupment)

The negative offset process will occur when MiCSES has disbursed FIP or Medicaid collections that need to be recouped from MDHHS. MiCSES will recoup the money by reducing or offsetting the next disbursement to the state. This is a corrective entry for accounting purposes.[80]

A. Negative Offset Because of Federal Negative Tax Refund Offset

MiCSES performs the negative offset when a federal negative tax refund offset is received and the original federal tax refund offset (FTRO) payment was disbursed to FIP or Medicaid.[81]

B. Negative Offset Option As Part of the Receipt Back-Out Process

If a payment was receipted and disbursed to the state incorrectly, MiCSES will allow a negative offset as a part of the receipt back-out and reposting process.[82]

MiSDU staff are responsible for performing most back-outs of centrally receipted payments. FOC staff may occasionally back-out a payment receipted locally due to non-sufficient funds or a stop-payment request. In any other situation, FOC staff must submit a *Request for Central Receipt Adjustment/Suspense Work Form* (DHS-307) request to the MiSDU Research Unit to have the receipt backed out and reposted. IV-D staff questions regarding backed-out receipts may be directed to the MiSDU via the FOC Assistance line at: (800) 817-0632.

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[78] The recouped funds are receipted into MiCSES as a receipt type 1, 5 or 6, depending on the type of negative offset. Ref: the *Receipting Codes for MiCSES* handout for a list of receipt types.
[79] Ref: Section 5.85 of the *Michigan IV-D Child Support Manual* for more information on recoupments for agency placement cases.
[80] Ref: *MiCSES Customer Information Guide: FIP Negative Offset* and the MiCSES 9.5 Release Notes for more information.
[81] Ref: Section 6.21, "Tax Refund Offset," of the *Michigan IV-D Child Support Manual* for more information on federal negative tax refund offset.
[82] Ref: *MiCSES Quick Reference Guide: DWIZ – Back-out (Reverse) a Receipt*.

C. Negative Offset Option From an Arrears Adjustment

When IV-D staff make an arrears adjustment reducing the arrears owed to FIP or Medicaid, and a receipt disbursed to FIP or Medicaid is associated to that adjustment, MiCSES will initiate the negative offset process to recoup the disbursement. IV-D staff must be aware that when performing an arrears adjustment, only part of the receipt may have disbursed to MDHHS and will require adjustments to additional arrears balances.

If a negative offset occurs, IV-D staff must adjust obligations in the arrears category (PAA, MEDI, TAA or CAA) where the receipt was originally applied, to ensure MiCSES properly records the transaction. To properly designate how the negative offset receipt will be applied, IV-D staff must choose the appropriate standard adjustment reason codes.[83]

Note: MiCSES will not move a surcharge amount when a retroactive change of assistance occurs. Therefore, manual intervention may be required.

D. System-Generated Retroactive Decertification

1. FIP

If the FIP negative offset process occurs as a result of a system-generated retroactive decertification, only money disbursed to TAA will be automatically recouped. Because collections applied to PAA are more likely to be correct, a IV-D worker must review the FIP negative offset and take appropriate action.

IV-D staff may generate the *Overpaid PAA*[84] query from the FPRO screen to identify payments that overpaid PAA. This query will provide a list of cases for which payments to PAA may need to be reviewed. When IV-D staff find a negative PAA balance, they may search for additional FIP cases that may need to be linked,[85] or recoup the amount of negative disbursement from the state and distribute it to the family.

When a FIP negative offset occurs, the recouped support payment will automatically disburse to the CP associated with the

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[83] Ref: *MiCSES Customer Information Guide*: *FIP Negative Offset* and the *MiCSES Quick Reference Guide: OBAA – Enter a Negative Offset Adjustment* for more information on the reason codes for negative offset.
[84] Ref: *MiCSES Customer Information Guide*: *FIP Negative Offset*.
[85] Ref: Subsection 5 in this manual section for information on linking cases.

original payment on the IV-D case. This is not appropriate in all situations, such as the occurrence of a retroactive charge adjustment corresponding to the payment(s) in the FIP recoupment. To ensure the support is disbursed to the correct recipient, the recouped support will be held for four calendar days while a IV-D worker is notified to confirm the recouped support will be disbursed to the correct recipient.

2. Medicaid and Birth Expenses

If the Medicaid negative offset process occurs as a result of a system-generated retroactive decertification, only money disbursed to current support and TAA will be automatically recouped.[86] However, if an overpayment still exists in the MEDI category after recoupment of current support and TAA, MiCSES will perform a Medicaid negative offset to recoup those additional funds.

MiCSES will post the receipt to the originating docket when a Medicaid negative offset occurs. To ensure the support is disbursed to the correct recipient, MiCSES will place the recouped payment on hold while a IV-D worker identifies the correct recipient for the recouped support.[87]

E. Automatic Report Updates

The negative offset process automatically updates the OCSE-34 report and the Office of Child Support Enforcement Annual Data Report (OCSE-157).

7.3.3 Continued Use of Manual DHS-820 Forms for Agency Placement and Blood Test Recovery

FOC staff are responsible for requesting manual refunds of child support collections misdirected to the state for blood tests and agency placements.[88] Refunds must be requested within two working days of identifying the need for a refund using the manually generated DHS-820.[89]

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[86] MDHHS staff do not accept DHS-820 forms to recover FIP, medical support, or birth expense disbursements.

[87] IV-D workers will be notified of the need to identify the correct recipient via the SMNOHOLD alert in MiCSES. Ref: the *MiCSES Customer Information Guide: List of MiCSES Alerts* for more information about this alert.

[88] The blood test and agency placement refund requests may take several weeks to process.

[89] Ref: Exhibit 5.40E2, Instructions for Completing the Support Collection Payment Request (DHS-820).

For information related to the recovery of agency placement payments, reference Section 5.85, "Agency Placement – Financial," of the *Michigan IV-D Child Support Manual*.

8. Requesting a Certified Accounting Audit of FIP Grant Payments

This subsection will be updated in a future publication of this manual section.

9. Assigned Support Information

9.1 Background

OCS must provide a monthly notice of the amount of support payments collected each month to CPs who have assigned rights to support to receive TANF assistance, unless:[90]

- No collection is made in the month;
- The assignment is no longer in effect; and
- There are no longer any assigned arrearages.

OCSE approved a waiver allowing OCS to send a quarterly notice rather than a monthly notice because OCS provides CPs with a toll-free IVR system that contains the same information available in the monthly notice. OCS mailed the *Michigan Child Support Enforcement System Assigned Support Statement* (FEN852)[91] to eligible CPs every quarter.

Due to advances in technology since the publication of the federal regulations requiring a monthly notice be mailed, OCSE has published policy allowing the use of alternative methods to provide the assigned support information instead of monthly or quarterly mailings.[92]

Assigned support information is provided on the MiChildSupport website.[93] A notice was added to the FEN852s mailed in January and was added in April 2012, informing CPs the FEN852 will no longer be mailed after April 2012. The IVR will still be available for CPs to access assigned support collection information.

Note: The monthly assigned support information online via MiChildSupport will be provided at a point in time and will not be updated retroactively to reflect receipts posted after the month's end but effective for a previous month.

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[90] Ref: 45 Code of Federal Regulations (CFR) 302.54.
[91] This notice has also been referred to as the *Quarterly Assigned Support Statement*.
[92] Ref: OCSE AT-10-11, *Alternative Methods to Meet the Monthly Notification Requirement.*
[93] The MiChildSupport website can be accessed at: http://www.michigan.gov/michildsupport.

9.2 Data to Be Reported on MiChildSupport

The assigned support information will list separately payments collected from each NCP when more than one NCP owes support to the family. The assigned support information will include the:

- AC-ID associated to the CP's IV-D case;
- Month and year in which a support payment was collected;
- Amount of current support collected in the month;
- Amount of arrearages collected;
- Total amount of support payments collected in the month;
- Amount of support paid to the family;[94] and
- Amount of support paid to the state.

9.3 Obligations Used to Calculate Assigned Support Information

The assigned support information provides calculations derived only from support obligations. A support obligation is an obligation established in a court order for the general maintenance of a qualified child, and is paid by an NCP. In addition, for an obligation to be considered support, the obligation must be established using guidelines or a formula.[95]

9.4 Assigned Support Information vs. CP Payments

The assigned support information reported to a CP may not match the CP's payment amount for a given month. This may occur because CP payments may include non-support obligations (e.g., attorney fees) in addition to support obligations, whereas the assigned support information only provides support obligation collections.

The assigned support information on the MiChildSupport website will be provided the month after a collection is received. This means the assigned support information on MiChildSupport in February will reflect collection information from January.

Once the assigned support information is published on MiChildSupport, the information will not be updated. If a transaction occurs in March that affects the collection information from the previous January, the changes will not be reported on MiChildSupport.

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[94] This amount includes a CPP.
[95] Ref: *MiCSES Customer Information Guide: MiChildSupport Web Site* for information related to how MiCSES provides the assigned support information.

SUPPORTING REFERENCES: Federal
DRA of 2005, Public Law 109-171
PRWORA of 1996, Public Law 104-193
Section 408(a)(3) of the Social Security Act
Section 454A of the Social Security Act
Section 457 of the Social Security Act

45 CFR 302.54
42 USC 608(a)(3)
42 USC 657(c)(3)

83 FR 61157

OCSE AT-10-11
OCSE AT-07-05

State
MCL 400.236

Bridges Eligibility Manual, BEM 255, *Child Support*

Bridges Eligibility Manual, BEM 503, *Income, Unearned*

REVISION HISTORY: IV-D Memorandum 2022-017
IV-D Memorandum 2019-023
IV-D Memorandum 2017-013
IV-D Memorandum 2016-021
IV-D Memorandum 2012-006
IV-D Memorandum 2011-025
IV-D Memorandum 2010-018
IV-D Memorandum 2009-028