

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

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1. Escheatment Overview

Escheatment is the transmission of unclaimed property to the state when the property owner’s:

- Address in the Michigan Child Support Enforcement System (MiCSES) is no longer valid; or
- Identity is unknown.

For child support, escheatment includes:

- Uncashed checks; and
- Certain undistributed money (suspense items).

Not all items held in suspense in MiCSES qualify for escheatment under state statute.¹

The Michigan Department of Treasury’s Unclaimed Property Division requires escheatment of uncashed checks unclaimed for a period of one year, including undeliverable and outstanding checks.²

The Uniform Unclaimed Property Act identifies unclaimed property conditions and requirements for escheating money.

¹ Ref: Public Act 29 of 1995, Uniform Unclaimed Property Act; Michigan Compiled Law (MCL) 567.221, MCL 567.224, and MCL 567.238.

² Ref: the [Michigan Department of Treasury’s Unclaimed Property Division filing requirements and forms](#).

In April of each year, qualified support payments that are more than 365 days old as of March 31 are identified for possible escheatment.³ The Office of Child Support (OCS) then mails a due diligence notice, the *Notice of Unclaimed Property (Money)* (FEN804), to individuals if they are owed at least \$50. The FEN804 notifies owners of the intent to escheat.

Note: The FEN804 provides the Friend of the Court (FOC) Interactive Voice Response (IVR) phone number⁴ that individuals may call for additional information. Customers must follow the prompts to speak with a customer service representative at the the Michigan State Disbursement Unit (MiSDU) for questions regarding the completion of the FEN804.

In June of each year, MiCSES generates a data file called the Unclaimed Property Report. This report lists the receipts that remain selected for escheatment. Once the MiSDU reconciles the Unclaimed Property Report with the money held by the MiSDU, the funds are transferred to the Michigan Department of Treasury.

2. Identifying Items for Escheatment and Sending the FEN804

When the Escheatment Selection (Batch_ESSL) process runs in April, MiCSES will select the items to be escheated. MiCSES will identify these items with a status of “SE” (selected) on the *Suspense Management (SUMA)* screen and the *Check Register (CHKV)* screen.⁵

MiCSES may generate a FEN804 and send it to the owners of the items eligible for escheatment, depending on the status of the qualifying money.

The following table lists escheatable items and indicates whether a FEN804 will be sent.

Item	FEN804
Uncashed Check	Yes
SPTM – Parenting Time – Arrears Exist	Yes
SPTR – Parenting Time – Refund	Yes
SVOI – Disbursement Voided – Not Reissued	Yes
SSTH – Stop Hold	Yes
SCBA – Custodial Party (CP) Bad Address	No
SCDE – CP Deceased	No
SNBA – Non-Custodial Parent (NCP) Bad Address	No
UIRE – Unidentified Interstate Receipt	No
UNDF – Unidentifiable	No
UNID – Unidentified	No

³ MCL 567.238

⁴ The FOC IVR phone number is (877) 543-2660.

⁵ Ref: the [MiCSES Customer Information Guide: Escheatment](#) for more detailed information on MiCSES escheatment processes.

Note: The items labeled SCBA, SCDE, SNBA, UIRE, UNDF, and UNID meet the requirements of escheatable funds pursuant to the Uniform Unclaimed Property Act, but do not require sending a FEN804.

The *Suspense Codes* (SUCO) screen includes a column with the following escheatment values:

- “Y” (selectable for escheatment); and
- “N” (not selectable for escheatment).

Before filing a report with the State Treasurer regarding the property, MiCSES must send the FEN804 to the owner of unclaimed funds with a valid address, not less than 60 days or more than 365 days from the date the property is transferred to the Unclaimed Property Division of the Michigan Department of Treasury.⁶ The notice will list all the unclaimed funds for the recipient.

Notices will be sent if both of the following criteria are met:

- A valid address exists; and
- The total amount due to the recipient is equal to or greater than \$50.

A valid address is determined by the following status codes on the *Member Address History* (AHIS) screen in MiCSES:

- “Y – Confirmed/Verified Good”;
- “V – Verification Sent”; or
- “P – Postmaster Letter Sent.”

MiCSES uses the following address hierarchy to select the best address:

- Mailing;
- Residential; and
- Legal.

Note: If a valid address exists in more than one of the address categories, MiCSES will select the most recent address regardless of the category.

A recipient with less than \$50 due will not receive a FEN804. However, even if a FEN804 is not sent to a recipient, MiCSES will still select the money for escheatment, and the money may subsequently escheat.

Note: IV-D staff must not use the FEN804 for any purpose other than escheatment.

⁶ MCL 567.238

When the FEN804 is sent, the *Financial Event Diary* (ELOG) screen will indicate that a FEN804 was sent and the address to which it was sent with the notation "Unclaimed Property Notice Sent."

The FEN804 is a central print document. Reprinting or regenerating the FEN804 is possible for users within MiCSES on the *Historical Reprints* (FHST) screen. IV-D staff no longer need to contact the MiSDU to have the FEN804 reprinted. If the recipient of a FEN804 requests a reprint, any IV-D staff with access to the FHST screen may reprint and distribute the copy.

3. Completing the FEN804

The FEN804 will list the following:

- Check number(s);
- Check issue date(s);
- County name(s); and
- Docket number(s).

The recipient/claimant may claim his/her property prior to escheatment by completing the following information on the FEN804:

- Name;
- Current mailing address; and
- Other pertinent information.

Once the recipient/claimant completes the FEN804, (s)he must send it to:

Michigan Office of Child Support
Attn: MiSDU
P.O. Box 30354
Lansing, MI 48909-7854

When the MiSDU receives the FEN804, the MiSDU research unit will review the claim, make a proper determination, and ensure that proper disbursement is completed.

4. File Transmission Process

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. The transmission process involves the creation of an Unclaimed Property Report, followed by the transfer of the money to the Michigan Department of Treasury.

4.1 Unclaimed Property Report

MiCSES will generate the Unclaimed Property Report and send it to the MiSDU. The report contains a list of all the recipients with child support receipts eligible for escheatment. MiSDU staff will reconcile the report with the money held by the MiSDU, and then send the report to the Department of Treasury. The Department of Treasury will use this information to identify individuals who make future claims against the unclaimed property.

4.2 Money Transfer

Once the MiSDU reconciles the Unclaimed Property Report with the money held by the MiSDU, the MiSDU will transfer the funds to the Michigan Department of Treasury by July 1. MiCSES will show the escheatment totals on the *Financial Summary* (FINS) screen.

Note: State statute requires OCS to report and transfer the funds to the Department of Treasury for those persons who have child support receipts eligible for escheatment on or before July 1. However, the Unclaimed Property Administrator has the discretion to extend this deadline.

5. Viewing Escheatment Details on MiCSES⁷

Friend of the Court (FOC) staff may view details of the escheatment process on the following screens:

- ELOG;
- CHKV on the *Check Disbursement Details* pop-up;
- SUMA; and
- *Suspense Management Report Generator* (SURE) (reports).

FOC staff can verify changes in check status from stale-dated (“SD”) to selected (“SE”) to escheated (“ES”) by viewing the following screens:

- CHKV shows the check status of “SD”;
- The *Check Disbursement Details* pop-up on the CHKV screen shows the check status of “SE” for escheatment when a user right-clicks on the CHKV “SD” status;
- The *Check Disbursement Details* pop-up on the CHKV screen displays “ES” for items that have been escheated;
- SUMA displays “SE” for items selected for escheatment; and
- SUMA displays “ES” for items that have been escheated.

⁷ Ref: [MiCSES system documentation](#) for further information.

6. Working Receipts Before and After Escheatment

Until a receipt completes the escheatment process, there are no limitations for FOC and other staff working the receipt and disbursing it.

Once the receipt has escheated to the Michigan Department of Treasury, the MiSDU no longer holds the money to fund disbursement. A back-out and repost of escheated money would require the use of make whole funds. OCS does not support the backing out and reposting of escheated funds, even though MiCSES has this functionality. OCS has directed the MiSDU not to back out and repost escheated funds without the express approval of OCS.

A CP or NCP request to have escheated money returned should be directed to the Michigan Department of Treasury, Unclaimed Property Division, at (517) 636-5320 or to:

Michigan Department of Treasury
Unclaimed Property Division
P.O. Box 30756
Lansing, MI 48909

7. MiCSES Reporting Functionality

7.1 Positive Pay File

Once the MiSDU transfers the escheated funds to the Michigan Department of Treasury, MiCSES will generate a positive pay file that includes escheated stale-dated checks. The MiSDU will send this file to the bank and request that the bank void the escheated stale-dated checks.

7.2 Escheatment Reports

7.2.1 SVOI/SSTH Reports

On the SURE screen, users can find the SVOI/SSTH reports with an “Item Selected For Escheatment Selection Only” option. By choosing this option, IV-D staff can generate a report that will contain all items initially selected for escheatment (identified in the system as “SE”). IV-D staff can generate this report to view the information at either the county level or the statewide level. This report is generated in real time, meaning that it takes computer processing time to complete. Actions taken to release money from SVOI and SSTH holds will occur immediately and will appear on subsequent reports. This may extend the length of time to generate SVOI and SSTH reports.

7.2.2 Escheatment Report

By selecting the “Escheated” option on the SURE screen, IV-D staff can generate a separate escheatment detail report that will allow them to view all receipts selected for escheatment or actually escheated, either by county or on a statewide basis. This report will also allow a user to view items previously escheated, starting with items escheated in fiscal year 2004.

One purpose of the Escheatment Report is to facilitate self-auditing by county staff to help them determine if receipts selected for escheatment but not actually escheated were properly released from suspense. If county staff wish to audit the receipts selected for escheatment but not actually escheated, they will:

- A. Print a list of items selected for escheatment (by running the SVOI/SSTH report for their county for a determined period of time);
- B. Run and print the new Escheatment Report for the same period to obtain a list of escheated receipts; and
- C. Manually compare the list of items selected for escheatment (SVOI/SSTH report) to the list of items actually escheated.

This manual comparison will provide the county with a list of receipts that initially met escheatment criteria but were not actually escheated. County staff can perform a self-audit by reviewing the *Receipt Status History* (RHIS) screen record to determine if the receipts in the list were properly released from suspense.

7.2.3 Customer and Court Reports

Escheated items will not appear on the end of the year (EOY) report generated for CPs and NCPs because CPs did not receive the funds and NCPs did not pay the funds that year. The Michigan Department of Treasury will attempt to contact individuals who have had money escheated.

The *Court Case Report* (CCRT), which is generated from the *Account Statements* (ACTS) screen, will contain information about escheated money after it is released to the Department of Treasury.

SUPPORTING REFERENCES:

Federal
None

State
Public Act 29 of 1995
MCL 567.221

MCL 567.224
MCL 567.238

2003 Michigan Court Administrative Guide
Section 6-5
Michigan Department of Treasury, Unclaimed
Property Division Filing Requirements

REVISION HISTORY:

[IV-D Memorandum 2016-036](#)
IV-D Memorandum 2014-019
IV-D Memorandum 2010-013