



STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING



JENNIFER M. GRANHOLM
GOVERNOR

MICHIGAN IV-D ACTION TRANSMITTAL 2008-041

TO: All Prosecuting Attorney (PA) Staff
All Friend of the Court (FOC) Staff

FROM: Marilyn F. Stephen, Director
Office of Child Support

DATE: August 13, 2008

SUBJECT: Year-End Closing Instructions

RESPONSE DUE: See attached calendar.

PURPOSE:

The purpose of this Action Transmittal (AT) is to notify Department of Human Services (DHS) Office of Child Support (OCS) contractors of the year-end closing processes and due dates.

APPLICATION AND SCOPE:

The regulations, policies and guidelines cited in this AT apply to all OCS contractors with contracts effective for fiscal year (FY) 2008 and all future FYs.

SUMMARY:

This AT notifies contractors of the online location of any future process updates and the calendar containing the FY 2008 and future FY due dates. The AT also provides guidelines for submitting estimated and actual billings for FY 2008 and all future FYs' Cooperative Reimbursement Program (CRP) and other contracts and agreements. This information is necessary in order for the OCS Financial Management staff to review, approve and forward any billings for contracts and agreements by the required due dates, and thereby comply with the DHS and State of Michigan year-end closing process.

HISTORY/BACKGROUND:

DHS-OCS procedures regarding the State of Michigan's year-end closing timelines were last communicated August 14, 2007, in AT 2007-041, *Fiscal Year (FY) 10/01/06 through 9/30/07 (FY 2007) Year-End Closing*.

PROGRAM ACTIONS AND POLICY INFORMATION:

I. Actual Bills/Invoices

- A. Actual bills/invoices, including revised bills, for all months from October through July must be received by OCS **no later than** the due date listed for actual bills/invoices (including revised bills) for all months from October through July on the Year-End Closing Calendar.
- B. Actual bills/invoices, including revised bills, for August must be received by OCS **no later than** the due date listed for actual bills (including revised bills) for August on the Year-End Closing Calendar.
- C. It is the intent of DHS and OCS to process the actual bills/invoices received by the due dates listed above by mid-October. Depending on volume, there is no guarantee that actual bills/invoices received by the due date will be processed for payment by mid-October. Any actual bills/invoices that are not processed for payment will be included in the accounts payable process. Payment will then be made after the State of Michigan closes its books, which is expected to be November or early December.
- D. September bills/invoices will follow the Estimated Billings and Accounts Payable process described below.

II. Estimated Billings and Accounts Payable

For all months for which an actual bill/invoice cannot be submitted and paid by mid-October, an account payable must be established. If an account payable is **not** established, then the actual billing(s) can **only be paid if sufficient funding is available** in the subsequent FY to pay this prior FY expense. Also, additional approvals are required from at least DHS Accounting. Should the request exceed \$10,000, the additional approvals will also include the Department of Management and Budget (DMB) Office of the State Budget and the DMB Office of Financial Management. This approval process will take at least an additional eight weeks.

In order for DHS to establish an account payable:

- A. Estimated bills/invoices for all months through September must be received by OCS no later than the due date listed for estimated bills for October through August (if actual bills not yet submitted) and September on the Year-End Closing Calendar.
- B. Estimated bills **must** reflect anticipated actual costs, and must clearly state that they are “Estimated” or “Preliminary” on the bill/invoice. The estimated bills/invoices will not be paid; they will only be used as the documentation needed to establish accounts payable. An actual bill/invoice must be submitted

for all months for which estimated bills/invoices were submitted before payment will be made.

The final actual bills/invoices must be received for all current FY contracts no later than the due date listed for final actual bills for the FY on the Year-End Closing Calendar.

III. Inquiries

- A. OCS contractors should contact the OCS Contract Manager assigned to their county if they have questions concerning any bills/invoices or payments.
- B. DHS-OCS staff have been directed by the DHS Bureau of Accounting to contact their Contract Payment Unit during the year-end closing period only if it is absolutely necessary because the priority of the Contract Payment Unit is to process as many payments as it can until DHS closes its books.

IV. Report for IV-D Full-Time Employees (FTEs)

For previous FYs, OCS required a separate report of FTEs. The federal Office of Child Support Enforcement requires all states to report the total number of FTEs who participate in providing Title IV-D and related Title IV-D services and are included on a payroll the last day of the fiscal year. OCS will extract the data from the Personnel Expense Reports attached to the DHS-286; therefore, no separate report is required for FY 2008. If a report is required in future FYs, the requirement will be made part of the CRP agreement language.

V. Year-End Closing Calendar Location and Future FY process

The year-end closing dates and notifications related to the year-end closing process will be provided on the mi-support Web site (in the "Contracts" section under the "Central Activities" tab) at: <http://mi-support.cses.state.mi.us>.

If any IV-D office is unable to access the mi-support Web site, please contact the assigned OCS Contract Manager for assistance.

PROCEDURE:

Actual bills/invoices, revised bills, estimated bills and reports must be sent to:

Department of Human Services
Office of Child Support
Financial Management, Suite 1215
P.O. Box 30478
Lansing, MI 48909

EXCEPTIONS or EXCLUSIONS:

None

LEGAL REFERENCES: Federal
None

State
None

POLICY REFERENCES: Michigan-DMB-AGSG Policies
http://www.michigan.gov/dmb/0,1607,7-150-9131_9347---,00.html
Select "1210.27."

AT MAINTENANCE: Retain AT until further notice.
Obsolete AT 2007-041, *Fiscal Year (FY) 10/01/06 through 9/30/07 (FY 2007) Year-End Closing.*

EFFECTIVE DATE: Upon receipt.

REVIEW PARTICIPANTS: Program Leadership Group
Michigan State Disbursement Unit (MiSDU)
Bureau of Accounting
Federal Reporting, Contracts, & Collections Division,
Contract Payment Unit
Financial Management Division, General Ledger Unit
and MiSDU Unit
OCS – Financial Management
OCS – Administrative Management

CONTACT PERSON: Terry Mehren
Contract Services Manager
517-373-3691
mehrent@michigan.gov

CC: DHS – Office of Contracts and Rate Setting
Chairs for Michigan County Board of Commissioners
Chief Judges for Michigan Judicial Circuit Courts
Financial Officers for Michigan County Governments
Bureau of Accounting
Federal Reporting, Contracts, & Collections Division,
Contract Payment Unit
Financial Management Division, General Ledger Unit
and MiSDU Unit
OCS

ATTACHMENTS:

Attachment 1 – Fiscal Year 2008 Year-End Closing
Calendar

MFS/WLM