

LEGAL**REQUIREMENT**

45 CFR 232.12
45 CFR 233.20
45 CFR 302.31

Federal regulations require that recipients of assistance funded under Title IV-A return to the Title IV-D agency assigned support received from non-custodial parents after assistance begins until the collecting agency redirects support payments to the state. The IV-A public assistance program in Michigan is the Family Independence Program (FIP). The IV-D Agency must accept these returned collections from IV-A recipients and inform the IV-A Agency whenever it discovers that IV-A clients retained support payments. The IV-A agency must treat retained support payments as income in determining FIP eligibility and must recover any overpayments of assistance.

AGENCY POLICY

Notify the Friend of the Court to redirect to the Family Independence Agency (FIA) child and child/spousal support assigned to the state by FIP clients while they receive assistance. Note: For this purpose, clients begin to receive assistance on the CIS Effective Date, not the early payment date.

The formal method of effecting a redirection of support paid on court orders is the certification process. 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. This item describes procedures for the return of client received support to the state and for identifying payments which a client retained.

**Remittance
Process**

FIA policy requires FIP recipients to return to the local FIA office court ordered child or child/spousal support received for FIP case members after the effective date of FIP payments. FIA policy does not require FIP clients to return

- Support paid before a support obligation is established,
- Spousal support when there is no child support obligation, or
- Voluntary military allotments.

Client Notification

FIA informs FIP clients of the requirement to return court ordered child or child/spousal support at FIP opening, member addition or removal, and grant change via forms

- FIA-176, Client Notice;
- FIA-1150, Application Eligibility Notice;
- FIA-1188, Assignment of Support Payments; or
- LOA generated FIA-4400 Client Notice.

Note: FIA-1188 will not be used if the other forms containing the appropriate instructions are used.

FIP recipients return support payments to the FIA local fiscal unit. The fiscal unit issues the client a receipt and notifies the support specialist of the returned support collection. The notice of the returned collection is by memo or a copy of the receipt and includes the FIP client's name and case number and amount and source of the collection. The Accounting Manual contains detailed procedures for use by staff in fiscal units.

Support Order Exists

Upon receipt of the notice of returned collection, determine whether there is a court order for child or child/spousal support to which the collection applies. When an order exists, complete Form FIA-316, Incentive Payment Request, as instructed in Exhibit 2. Provide the completed FIA-316 to the local fiscal unit within 3 days of receipt of the notice of the returned collection.

Local fiscal units submit FIA-316s and receipts to OCS Distribution and Client Services via the Central Office Cashiers Unit in the Bureau of Accounting. Distribution and Client Services uses that information to compile a monthly collection report by the 5th working day of the month. Collection information is then entered into the Child Support Enforcement System (CSES).

CSES identifies returned collections by the letters "CRS" preceding the court order number. CSES processes the returned collection, up to the monthly obligation, as current support. This ensures that the client will receive a child support participation payment and/or a reimbursement as appropriate.

No Order Exists

Do not complete form FIA-316 if the returned collection does not represent payment on a court order for support. Inform the fiscal unit the returned moneys are not child support collections.

Retained Collections

When a FIP client retains a support collection, the collection is budgeted as income by IV-A staff and deducted from the FIP grant or recouped as an overissuance. In addition, FIA may determine the FIP client to be non-cooperative and subject to disqualification from assistance. In conjunction with those FIP requirements, support specialists and Friends of the Court must notify the IV-A staff when evidence exists that a FIP recipient has retained a support collection(s) after the FIP payment effective date.

At the time the FOC processes a certification, IV-D policy requires them to identify collections inappropriately sent to the FIP client after the certification effective date. The FOC reports collections to the FIA office on Form FIA-4518, Report of Client Received Support, or a locally devel-

oped equivalent. Assist the IV-A staff in determining whether the client remitted those directly received support payments to FIA by

- Providing IV-A staff with copies of FIA-316s processed,
- Having form FIA-4518 routed through the support unit and using that report to inform IV-A of returned collections, or
- Developing other local methods in cooperation with IV-A staff.

Similarly, you may discover from payment records provided by an out-of-state collecting agency that a client received support after the FIP payment effective date. Inform IV-A staff if there is no record that the client remitted the collection to FIA.