Report Number: A-05-06-00023

Mr. Cal Ludeman
Acting Commissioner
Minnesota Department of Human Services
P.O. Box 64998
St. Paul, Minnesota 55164-0998

Dear Mr. Ludeman:

Enclosed are two copies of the U.S. Department of Health and Human Services (HHS), Office of Inspector General (OIG) final report entitled “Review of Undistributable Child Support Collections in Minnesota From October 1, 1998 Through December 31, 2005.” A copy of this report will be forwarded to the HHS action official noted on the next page for review and any action deemed necessary.

The HHS action official will make final determination as to actions taken on all matters reported. We request that you respond to the HHS action official within 30 days from the date of this letter. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

In accordance with the principles of the Freedom of Information Act (5 U.S.C. § 552, as amended by Public Law 104-231), OIG reports issued to the Department’s grantees and contractors are made available to the public to the extent the information is not subject to exemptions in the Act that the Department chooses to exercise (see 45 CFR part 5).

Please refer to report number A-05-06-00023 in all correspondence.

Sincerely yours,

Paul Swanson
Regional Inspector General
for Audit Services

Enclosures

Direct Reply to HHS Action Official:

Regional Administrator
Administration for Children and Families
U.S. Department of Health and Human Services
Region V
233 North Michigan Avenue
Suite 400
Chicago, Illinois 60601
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL

REVIEW OF UNDISTRIBUTABLE CHILD SUPPORT COLLECTIONS IN MINNESOTA FROM OCTOBER 1, 1998, THROUGH DECEMBER 31, 2005

Daniel R. Levinson
Inspector General
September 2006
A-05-06-00023
The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services (HHS) programs, as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by the following operating components:

**Office of Audit Services**

The Office of Audit Services (OAS) provides all auditing services for HHS, either by conducting audits with its own audit resources or by overseeing audit work done by others. Audits examine the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and are intended to provide independent assessments of HHS programs and operations. These assessments help reduce waste, abuse, and mismanagement and promote economy and efficiency throughout HHS.

**Office of Evaluation and Inspections**

The Office of Evaluation and Inspections (OEI) conducts national evaluations to provide HHS, Congress, and the public with timely, useful, and reliable information on significant issues. Specifically, these evaluations focus on preventing fraud, waste, or abuse and promoting economy, efficiency, and effectiveness in departmental programs. To promote impact, the reports also present practical recommendations for improving program operations.

**Office of Investigations**

The Office of Investigations (OI) conducts criminal, civil, and administrative investigations of allegations of wrongdoing in HHS programs or to HHS beneficiaries and of unjust enrichment by providers. The investigative efforts of OI lead to criminal convictions, administrative sanctions, or civil monetary penalties.

**Office of Counsel to the Inspector General**

The Office of Counsel to the Inspector General (OCIG) provides general legal services to OIG, rendering advice and opinions on HHS programs and operations and providing all legal support in OIG's internal operations. OCIG imposes program exclusions and civil monetary penalties on health care providers and litigates those actions within HHS. OCIG also represents OIG in the global settlement of cases arising under the Civil False Claims Act, develops and monitors corporate integrity agreements, develops compliance program guidances, renders advisory opinions on OIG sanctions to the health care community, and issues fraud alerts and other industry guidance.
NOTICES

THIS REPORT IS AVAILABLE TO THE PUBLIC
at http://oig.hhs.gov

In accordance with the principles of the Freedom of Information
Act (5 U.S.C. 552, as amended by Public Law 104-231), Office of
Inspector General, Office of Audit Services reports are made available to
members of the public to the extent the information is not subject to
exemptions in the act. (See 45 CFR Part 5.)

OAS FINDINGS AND OPINIONS

The designation of financial or management practices as questionable
or a recommendation for the disallowance of costs incurred or claimed,
as well as other conclusions and recommendations in this report, represent
the findings and opinions of the HHS/OIG/OAS. Authorized officials of the
HHS divisions will make final determination on these matters.
EXE
CUTI
VE SUMM
ARY
BACKGROUND
The Child Support Enforcement program is a Federal, State and local partnership, established in 1975 under Title IV-D of the Social Security Act, to collect child support payments from noncustodial parents for distribution to custodial parents. Within the U.S. Department of Health and Human Services, Administration for Children and Families, the Office of Child Support Enforcement (OCSE) provides Federal oversight. The Minnesota Department of Human Services, Child Support Enforcement Division (State agency) provides oversight of this county administered program.

The OCSE requires States to offset Child Support Enforcement program costs by recognizing and reporting program income from undistributable child support collections and interest earned on program funds. Undistributable collections are those considered abandoned under State law.

In Minnesota, child support collections that remain unclaimed by the owner for more than three years are presumed abandoned. State regulations require the State agency to transfer and report abandoned property to the Commissioner of Commerce at least annually.

OBJECTIVES
Our objectives were to determine whether the State agency appropriately reported program income for undistributable child support collections and interest earned on program funds.

SUMMARY OF FINDINGS
For the quarters ended December 1998 through December 2005, the State agency did not recognize or report program income of $42,789 ($28,240 Federal share) for collections held more than three years and presumed abandoned according to State requirements. This amount consisted of unclaimed collections totaling $23,943 ($15,802 Federal share) and $18,846 ($12,438 Federal share) in uncashed checks that the State agency did not presume abandoned and transfer to the Commissioner of Commerce.

With respect to interest, the State agency did properly report interest earned on undistributed collections and program funds as program income to offset program expenditures.

RECOMMENDATIONS
We recommend the State agency:

- review the $42,789 ($28,240 Federal share) in unclaimed child support collections, transfer collections presumed abandoned to the Commissioner of Commerce, and report those funds as program income to the OCSE and
implement procedures to ensure that undistributable collections are identified, transferred to the Commissioner of Commerce, and reported as program income on the quarterly Federal financial report (Form OCSE-396A).

STATE AGENCY’S COMMENTS

The State agency agreed with the findings and intends to implement the recommendations. The State agency’s comments are included in their entirety in the appendix.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td><strong>BACKGROUND</strong></td>
<td>1</td>
</tr>
<tr>
<td>Child Support Enforcement Program</td>
<td>1</td>
</tr>
<tr>
<td>Federal Requirements for Reporting Program Income</td>
<td>1</td>
</tr>
<tr>
<td><strong>OBJECTIVES, SCOPE, AND METHODOLOGY</strong></td>
<td>2</td>
</tr>
<tr>
<td>Objectives</td>
<td>2</td>
</tr>
<tr>
<td>Scope</td>
<td>2</td>
</tr>
<tr>
<td>Methodology</td>
<td>3</td>
</tr>
<tr>
<td><strong>FINDINGS AND RECOMMENDATIONS</strong></td>
<td>4</td>
</tr>
<tr>
<td>UNCLAIMED COLLECTIONS NOT TRANSFERRED</td>
<td>4</td>
</tr>
<tr>
<td>Federal and State Requirements</td>
<td>4</td>
</tr>
<tr>
<td>Unclaimed Collections</td>
<td>5</td>
</tr>
<tr>
<td>Uncashed Checks</td>
<td>5</td>
</tr>
<tr>
<td>RECOMMENDATIONS</td>
<td>6</td>
</tr>
<tr>
<td><strong>OTHER MATTERS</strong></td>
<td>6</td>
</tr>
<tr>
<td><strong>STATE AGENCY’S COMMENTS</strong></td>
<td>7</td>
</tr>
<tr>
<td><strong>APPENDIX</strong></td>
<td></td>
</tr>
<tr>
<td>STATE AGENCY’S COMMENTS</td>
<td></td>
</tr>
</tbody>
</table>
INTRODUCTION

BACKGROUND

Child Support Enforcement Program

The Child Support Enforcement program is a Federal, State and local partnership established in 1975 under Title IV-D of the Social Security Act to ensure that noncustodial parents provide support to their children. The program collects child support payments from noncustodial parents for distribution to custodial parents. Within the U.S. Department of Health and Human Services, Administration for Children and Families, the Office of Child Support Enforcement (OCSE) provides Federal oversight by setting program standards and policy, evaluating performance and offering technical assistance. Minnesota operates a state-supervised, county-administered child support program. The Minnesota Department of Human Services, Child Support Enforcement Division (State agency) manages the child support enforcement program and receives Federal reimbursement, generally at a rate of 66 percent of program costs. Eighty-four county child support offices administer the program by working with parents to establish and enforce support orders.

In October 1997, the State agency established the Child Support Payment Center (Payment Center) to collect and distribute child support payments. Prior to October 1997, county child support agencies were responsible for collecting and distributing child support payments. Beginning in December 2005, the State’s program required custodial parents to receive child support collections by direct deposit into a checking, savings, or stored value card (debit card) account.

Federal Requirements for Reporting Program Income

The OCSE requires States to offset Child Support Enforcement program costs by recognizing and reporting program income from undistributable child support collections and interest earned on program funds. Undistributable collections are those that are considered abandoned under State law.

Undistributable Collections

The OCSE Policy Interpretation Question (PIQ)-88-7 and OCSE-PIQ-90-02 require States to offset Child Support Enforcement program costs by recognizing and reporting undistributable child support collections as program income at the time the funds are considered abandoned.

OCSE-PIQ-88-7 states:

If a . . . collection is truly undistributable, the State may dispose of it in accordance with State law. States may, for example, provide that such collections must be refunded to the obligor or that they become the property of the State if unclaimed after a period of time. In the latter case, . . . this revenue must be counted as program income and be used to
reduce IV-D program expenditures, in accordance with Federal regulations at 45 CFR § 304.50.

OCSE-PIQ-90-02 states:

Every State has statutes and regulations governing the handling of unclaimed or abandoned property left in its care. OCSE-PIQ-88-7, dated July 11, 1988, recognizes this fact and encourages each State to utilize these individual State procedures to report undistributable or uncashed . . . collections as title IV-D program income.

The instructions for Federal Forms OCSE-34A and OCSE-396A, used to report undistributable collections and program income, respectively, require States to report program income for undistributable collections when State law considers them abandoned. The OCSE-34A instructions for line 9a define undistributable collections as “the portion of collections reported on Line 9 that, despite numerous attempts, the State has determined it will be unable to distribute . . . and unable to return to the non-custodial parent. Under State law, these amounts are considered to be ‘abandoned property’.”

The OCSE-396A instructions for line 2b define program income as “the total amount of other income to the State used to offset the administrative costs reported on Lines 1a or 1b. Include: . . . (ii) undistributable child support collections as reported on Line 9a of Form OCSE-34A, the ‘Quarterly Report of Collections,’ . . . .”

Interest Earned on Program Funds

The OCSE Action Transmittal (AT)-89-16 requires States to offset Child Support Enforcement program costs by recognizing and reporting program income from interest earned on program funds. Specifically, OCSE-AT-89-16 states: “Although not required by either statute or regulation, many States have chosen to invest or deposit these funds in income-producing accounts. Any amount earned through these activities is considered program income and must be used by States to offset program expenditures.”

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

Our objectives were to determine whether the State agency appropriately reported program income for undistributable child support collections and interest earned on program funds.

Scope

We reviewed undistributable collections reported on the Child Support Enforcement Program Quarterly Report of Collections and program income reported on the Child Support Enforcement Program Financial Report for the period October 1, 1998, through December 31, 2005. Undistributable collections in this report pertain to (1) child support collections that could not be identified with or disbursed to the custodial parent or returned to the noncustodial parent and (2)
checks issued for child support collections that were disbursed to the intended recipient but not cashed. We reviewed child support collections for 10 counties\textsuperscript{1} and the Minnesota State Court Administration to identify any collections not reported to the State agency. We performed fieldwork at the State agency from January 2006 through May 2006.

Our review of internal controls was limited to understanding the State agency’s policies and procedures for recognizing and reporting undistributable collections and program income. Specifically, we reviewed the policies and procedures that the State agency, Payment Center and counties used to (1) collect and distribute child support collections, (2) identify unclaimed collections, (3) report and transfer undistributable collections as abandoned property to the Commissioner of Commerce, and (4) report program income according to Federal requirements. In addition, we reviewed internal controls that the State agency used to manage child support collections electronically distributed via stored valued cards (debit cards).

**Methodology**

To accomplish the objectives, we:

- reviewed applicable Federal and State laws and regulations;
- reviewed applicable Administration for Children and Families program and policy announcements;
- interviewed State agency officials to identify and understand their policies, procedures, and internal controls for recognizing and reporting program income pertaining to undistributable collections and interest earned from program funds;
- reviewed the Federal Forms OCSE-34A and OCSE-396A to identify the undistributable collections and program income reported by the State agency for the quarters ended December 1998 to December 2005;
- verified interest that the State agency earned and reported on the child support accounts;
- reviewed unclaimed child support collections data from the State agency through December 31, 2005, to quantify the amount that met the requirements of the State unclaimed property law;
- reviewed the bank contract for distributing child support payments electronically through the State agency’s stored value card program and interviewed bank officials to understand the internal controls related to issuing cards, processing transactions, and reporting to the State agency; and

\textsuperscript{1} The counties surveyed included Anoka, Dakota, Hennepin, Olmstead, Scott, Stearns, St. Louis, Ramsey, Washington, and Wright.
• reviewed December 31, 2005 bank data for child support payments electronically
distributed to stored value cards that had not been activated.

We performed our audit in accordance with generally accepted government auditing standards.

FINDINGS AND RECOMMENDATIONS

For the quarters ended December 1998 through December 2005, the State agency did not
recognize or report program income of $42,789 ($28,240 Federal share) for collections held for
more than three years and presumed abandoned according to State requirements. This amount
consisted of unclaimed collections totaling $23,943 ($15,802 Federal share) and $18,846
($12,438 Federal share) in uncashed checks that the State agency did not identify as abandoned
and transfer to the Commissioner of Commerce.

With respect to interest, the State agency did properly report interest earned on undistributed
collections and program funds as program income to offset program expenditures.

UNCLAIMED COLLECTIONS NOT TRANSFERRED

The State agency did not transfer $42,789 ($28,240 Federal share) in unclaimed collections held
more than three years to the Commissioner of Commerce. This amount consisted of unclaimed
collections totaling $23,943 ($15,802 Federal share) and $18,846 ($12,438 Federal share) in
uncashed checks that the State agency did not presume abandoned and transfer to the
Commissioner of Commerce. According to State statutes, unclaimed collections held for more
than three years are presumed abandoned and should be transferred to the Commissioner of
Commerce. If these collections had been appropriately transferred in accordance with State
requirements, the collections could have been reported as program income.

Federal and State Requirements

As previously stated, the OCSE requires States to offset Child Support Enforcement program
costs by recognizing and reporting program income from undistributable child support
collections.

The Minnesota Unclaimed Property Act establishes (1) how long property must be held before it
is presumed abandoned, (2) when the State agency must report the abandoned property to the
Commissioner of Commerce, and (3) what actions must be taken before reporting. For
unclaimed child support collections made before July 1, 2001, any unclaimed collections that
have been held for more than three years are presumed abandoned pursuant to Minnesota Statute
§ 345.38, Subdivision 3, which states: “All intangible personal property held for the owner by
any government or political subdivision or agency, that has remained unclaimed by the owner for
more than three years is presumed abandoned and is reportable pursuant to section 345.41, . . . .”

Section 345.41(a) states: “Every person holding funds or other property, tangible or intangible,
presumed abandoned . . . shall report annually to the commissioner . . . .” and Section 345.41(d)
states: “The report shall be filed before November 1 of each year as of June 30 . . . .”
After July 1, 2001, Minnesota Statute § 518.5853, Subdivision 12, provides that the State agency is required to perform certain actions in an attempt to locate either the custodial parent or non-custodial parent. If the State agency determines that the custodial parent is not located and these specified actions over the course of two years fail to locate either parent, these funds should be treated as unclaimed property according to Federal guidance and MN Statute § 345.

Unclaimed Collections

The State agency did not identify and transfer to the Commissioner of Commerce $23,943 ($15,802 Federal share) for unclaimed collections that had been held from three to eight years and should have been presumed abandoned. (See Table 1.) If the State agency had determined whether these unclaimed collections were undistributable and transferred them to the Commissioner of Commerce, it could have recognized these unclaimed collections as undistributable and program income.

Table 1: Unclaimed Collections Held More Than 3 Years

<table>
<thead>
<tr>
<th>Time Held</th>
<th>Unclaimed Collections Prior to 7/1/2001</th>
<th>Unclaimed Collections After 7/1/2001</th>
<th>Total Collections</th>
<th>Federal Share (66 Percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 years</td>
<td>$29</td>
<td>$0</td>
<td>$29</td>
<td>$19</td>
</tr>
<tr>
<td>7 years</td>
<td>13,880</td>
<td>0</td>
<td>13,880</td>
<td>9,160</td>
</tr>
<tr>
<td>6 years</td>
<td>754</td>
<td>0</td>
<td>754</td>
<td>498</td>
</tr>
<tr>
<td>5 years</td>
<td>1,867</td>
<td>0</td>
<td>1,867</td>
<td>1,233</td>
</tr>
<tr>
<td>4 years</td>
<td>678</td>
<td>672</td>
<td>1,350</td>
<td>891</td>
</tr>
<tr>
<td>3 years</td>
<td>0</td>
<td>6,063</td>
<td>6,063</td>
<td>4,001</td>
</tr>
<tr>
<td>Totals</td>
<td><strong>$17,208</strong></td>
<td><strong>$6,735</strong></td>
<td><strong>$23,943</strong></td>
<td><strong>$15,802</strong></td>
</tr>
</tbody>
</table>

Unclaimed collections were not recognized as program income because the State agency’s and counties’ internal control procedures did not ensure collections held for more than three years were identified as undistributable, transferred to the Commissioner of Commerce, and reported as program income in accordance with with Federal and State requirements.

Uncashed Checks

The State agency did not identify and transfer $18,846 ($12,438 Federal share) for uncashed checks representing collections that were originally disbursed as checks but were not cashed by recipients. (See table 2.) If the State agency had determined whether these uncashed checks were undistributable and transferred them to the Commissioner of Commerce, it could have recognized them as undistributable and program income.
Table 2. Uncashed Checks

<table>
<thead>
<tr>
<th>Time Held</th>
<th>Unclaimed Collections</th>
<th>Federal Share (66 Percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 years</td>
<td>$182</td>
<td>$120</td>
</tr>
<tr>
<td>7 years</td>
<td>1,870</td>
<td>1,234</td>
</tr>
<tr>
<td>6 years</td>
<td>1,785</td>
<td>1,178</td>
</tr>
<tr>
<td>5 years</td>
<td>1,106</td>
<td>730</td>
</tr>
<tr>
<td>4 years</td>
<td>3,754</td>
<td>2,478</td>
</tr>
<tr>
<td>3 years</td>
<td>10,149</td>
<td>6,698</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$18,846</strong></td>
<td><strong>$12,438</strong></td>
</tr>
</tbody>
</table>

These uncashed checks were not recognized as unclaimed property because the State agency’s and counties’ policies and procedures did not include reviewing uncashed checks and identifying them as unclaimed property. The State agency policy was to void and cancel those checks that remained uncashed for 6 months and reissue a new check.

**RECOMMENDATIONS**

We recommend the State agency:

- review the $42,789 ($28,240 Federal share) in unclaimed child support collections, transfer collections presumed abandoned to the Commissioner of Commerce, and report those funds as program income to the OCSE and

- implement procedures to ensure that undistributable collections are identified, transferred to the Commissioner of Commerce, and reported as program income on the quarterly Federal financial reports (Form OCSE-396A).

**OTHER MATTERS**

The State agency’s stored value card account program is a direct deposit method used to electronically distribute child support collections onto ReliaCard® Visa® debit cards. Under this program, the State agency contracts with a bank to open debit card accounts and issue debit cards to custodial parents. The State agency electronically distributed child support collections through the bank onto the cards. Custodial parents must activate the cards, which expire every 2 years, to access their child support collections. Interest is not earned on these distributed collections and the bank charges the custodial parent various fees associated with account transactions such as cash withdrawals, ATM withdrawals, and overdrafts.

The State agency did not monitor $694,022 in collections distributed to 2,649 debit card accounts that custodial parents did not activate. (See Table 3.) We noted that the State agency continues to distribute child support collections to card accounts that are not activated. For 45 cards that were not activated for more than two years and had expired, the bank failed to reissue new cards. As a result of our audit, the bank issued new cards in May 2006.

Cards issued by the bank after May 10, 2006, will expire every 3 years.
Table 3: Cards Not Activated
As Of December 31, 2005

<table>
<thead>
<tr>
<th>Period of Time</th>
<th>Number of Cards Not Activated</th>
<th>Child Support Collections On The Cards</th>
</tr>
</thead>
<tbody>
<tr>
<td>731 to 1,036 days (2 to 3 years)</td>
<td>45</td>
<td>$36,642</td>
</tr>
<tr>
<td>365 to 730 days (1 to 2 years)</td>
<td>25</td>
<td>28,204</td>
</tr>
<tr>
<td>90 to 364 days</td>
<td>306</td>
<td>166,514</td>
</tr>
<tr>
<td>Less than 90 days</td>
<td>2,273</td>
<td>462,662</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>2,649</strong></td>
<td><strong>$694,022</strong></td>
</tr>
</tbody>
</table>

Because the State agency did not implement procedures to manage cards not activated and follow up with cardholders, these card accounts were not monitored. While the bank identified cards not activated on the bank’s secure website which was accessible by the State agency, neither the State agency nor the bank implemented procedures to follow up with the custodial parents to ensure the cards were activated and accounts were not abandoned. The State agency should monitor funds distributed to debit card accounts not activated or expired to establish whether these collections should be presumed abandoned and subject to recognition as program income in accordance with State unclaimed property and Federal program income reporting requirements.

STATE AGENCY’S COMMENTS

The State agency agreed with the findings and intends to implement the recommendations. State agency and county staff have worked to discover why the $42,789 ($28,240 Federal share) in unclaimed child support collections identified as of December 31, 2005 were undistributed and have attempted to find the owners of the property. As of July 31, 2006 the State agency distributed $27,431 of the $42,789 in unclaimed child support collections to the rightful owners. The State agency’s comments are included in their entirety in the appendix.
August 31, 2006

Paul Swanson  
Regional Inspector General for Audit Services  
Department of Health & Human Services  
Office of Audit Services  
233 North Michigan Avenue  
Chicago, IL 60601

Re: Report Number A-05-0600023

Dear Mr. Swanson:

Thank you for your letter to our former Commissioner, Kevin Goodno. We are pleased to add our comments to the Office of Inspector General’s “Review of Undistributable Child Support Collections from October 1, 1998 through December 31, 2005.” We understand that our response will be included in the final report.

We agree with the facts and findings of the audit report and intend to implement the recommendation. State and county staff have worked hard to discover why the funds identified were undistributed and have attempted to find the owners of the property. This additional effort has helped clients claim most of the undistributed funds. The attached appendix is a summary of the undistributed collections as of July 31, 2006.

Thank you for the opportunity to comment on the final report. Please contact Wayland Campbell, Director, Minnesota Child Support Enforcement Division, at (651) 431-4403 with questions or comments.

Sincerely,

Cal R. Ludeman  
Acting Commissioner

Enclosure
Appendix

Audit Response
Minnesota Department of Human Services
Office of Inspector General (OIG) Audit Finding

Undistributed Collections from October 1, 1998 through December, 2005

<table>
<thead>
<tr>
<th>Type of Undistributed Collections</th>
<th>Minnesota Statistic</th>
<th>OIG Audit Report</th>
<th>Amount Claimed By Child Support Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undistributed Collections over three years</td>
<td>$2,127</td>
<td>$23,943</td>
<td>($21,816)</td>
</tr>
<tr>
<td>Uncashed Warrants over three years</td>
<td>$13,231</td>
<td>$18,846</td>
<td>(5,615)</td>
</tr>
<tr>
<td><strong>Total Undistributed Collections</strong></td>
<td><strong>$15,358</strong></td>
<td><strong>$42,789</strong></td>
<td><strong>($27,431)</strong></td>
</tr>
<tr>
<td>Federal Share Due: Federal Financial Participation (FFP)</td>
<td>$10,136</td>
<td>$28,241</td>
<td>($18,104)</td>
</tr>
</tbody>
</table>

* The difference is the amount of undistributed funds claimed by child support clients from January 1, 2006 through July 31, 2006.*