

Child Care Fund Handbook
Published Policies and Procedures
Effective State Fiscal Year 2020

Michigan Department of Health and Human Services

Summary of Changes to the FY20 Child Care Fund Handbook Published Policy and Procedures

- Removed language related to state-supervised youth in foster care, in anticipation of State Pays First (SPF) changes coming 10/1/19.
- Removed language prohibiting payments to unlicensed relatives.
- The **10% Administrative Rate** has been retitled **Indirect Cost Allotment**.
- Combined previously separate programming and eligible expenditure sections together for the In-Home Care (IHC) programs, and Out-of-Home (OHC) programs. For each of these, program requirements are followed by their respective lists of eligible and non-eligible expenditures.
 - For OHC, this also includes language around eligible expenditures for community-based placements such as foster care, group homes, unlicensed relatives, including (pg. 11-12):
 - Daily rate
 - DOC supplements
 - Non-scheduled payments
 - Contracted administrative rates
 - For independent living, these include:
 - Independent living stipend
 - Ward child payments
 - Non-scheduled payments
 - Contracted administrative rates
- Added language to policy criteria #4 (MDHHS programs) that MDHHS-supervised child welfare and juvenile justice cases are still required to follow state-established program policy regarding contact frequency, documentation, etc. (pg. 8).
- Added new IHC program criteria #5, specifically for CASA programs (pg. 8).
- Removed language that Basic Grant funds cannot be used to pay salaries and benefits for contracted providers, as contractors are retained on a per-unit, not salary, basis (pg. 16).
- The Employee Certification form (MDHHS-5589), County/Court Operated Facility form (MDHHS-5592), and DHS-2091 Supplement form, are no longer required (pg. 18).
- Section added regarding documenting personnel time and expenses (pg. 19).
- Removed language regarding non-contracted rates as it no longer applies under SPF (pg. 23).
- Added examples to help clarify monthly youth counted/billed (pg. 24).
- Update Records Retention language to reflect Schedule #15 (pg. 27).
- Added language to the On-Site Monitoring Review section (pg. 29-31):
 - Reviews will not include an evaluation of the relevancy, quality, effectiveness, efficiency or impact of the services provided to youth.
 - Assess whether the county/tribe's CCF program was compliant with IHC, basic grant, or OHC placement requirements according to state laws, regulations, and departmental policy.
 - Timeframes for audit commencement, delivery of the preliminary analysis (draft report), and county/tribe's response.
 - Supporting documentation required for the review.
 - Recoupment/recovery of identified non-reimbursable expenditures.
 - Corrective Action Plan Evaluation Report (CAPER).
- Added definition of unlicensed relative in the Glossary of Definitions (pg. 36).

Table of Contents

I.	Purpose of the Child Care Fund Handbook	3
II.	Introduction to the Child Care Fund	4
III.	Program Authority	5
A.	Michigan Statute	5
B.	Administrative Rules	5
C.	State Court Administrative Office (SCAO).....	6
D.	Michigan Department of Treasury Accounting Procedures for Local Units of Government.....	6
E.	Case Law	6
IV.	Child Care Fund Reimbursement Programming and Eligible Expenditures.....	7
A.	In-Home Care Programming and Eligible Expenditures.....	7
B.	Out-of-Home Care Programming and Eligible Expenditures.....	11
C.	CCF Non-Reimbursable Expenditures and Unallowable Costs (IHC and OHC)	14
D.	Basic Grant	16
E.	Indirect Cost Allotment.....	16
V.	Child Care Fund Fiscal Factors and Reporting.....	17
A.	Revenue	17
B.	Annual Plan & Budget.....	18
C.	Documenting Personnel Time and Expenses	19
D.	Monthly Reimbursement Request and Approval Process.....	21
E.	Fiscal Year-End Projections	23
F.	Contracts and Rates	23
G.	Payment Process.....	23
VI.	Program Data Reporting	24
A.	Total Number of Youth Billed this Month	24
B.	Total Number of Youth Billed This Fiscal Year.....	24
C.	Counting Days for Per Diem Rates	24
VII.	Fiscal Reporting	25
A.	Out-of-Home Placements	25
B.	Another County's Detention.....	25
C.	Donated Funds Programs.....	25
VIII.	Record Retention	27
IX.	MiSACWIS Access and Use	28
X.	On-Site Monitoring Reviews	29
XI.	Administrative Review and Hearing Process.....	32
A.	Administrative Review	32
B.	Administrative Hearing Request	32
XII.	Child Care Fund Handbook Revisions/Updates	33
XIII.	Glossary of Definitions	34

I. Purpose of the Child Care Fund Handbook

This Child Care Fund (CCF) Handbook is a reflection of Michigan statute, administrative rules, Michigan Department of Health and Human Services' policy, Michigan Supreme Court's Juvenile Court Standards and Administrative Guidelines, Michigan Department of Treasury's Accounting Procedures for Local Units of Government, and Michigan case law, which provide the program authority for administering the CCF program.

II. Introduction to the Child Care Fund

The Child Care Fund (CCF) reimbursement program is the result of a collaborative effort between Michigan's circuit courts, county governments, tribes, state and county Department of Health and Human Services (MDHHS), to support the reimbursement of costs for programming for neglected, abused, and juvenile justice youth in Michigan. Most of the programming is designed and administered by Michigan's circuit courts, county governments, tribes, and county MDHHS offices, based on the needs of the community. The State of Michigan oversees and administers required programming at the state level for youth placed in out-of-home care due to abuse or neglect cases. After expenditures have been incurred, requests for reimbursement for eligible direct out-of-home placements and in-home care (IHC) services are made to MDHHS.

To receive CCF reimbursement, an Annual Plan & Budget (AP&B) must be approved by MDHHS. County governments, circuit courts, tribes, and county MDHHS offices collaborate in the development of the AP&B before submission for approval. Each local collaborative or tribe must submit a detailed list and description of the services they will provide to meet the child welfare and juvenile justice needs of the community along with the projected expenditures for the upcoming fiscal year. Budgets are reviewed by the state MDHHS office to determine whether the programs, as described, meet reimbursement eligibility as outlined in the statute, CCF administrative rules, and the CCF handbook. Once the budget is deemed appropriate for reimbursement, MDHHS will approve the budget and reimbursement requests may be submitted.

Each monthly reimbursement request is reviewed and approved by MDHHS prior to reimbursement. Circuit courts, county governments, county MDHHS offices, and tribes must participate in periodic site reviews by MDHHS to ensure actual programming and expenditures comply with statute, CCF administrative rules, and the CCF handbook. If a variance is found between original reimbursement requests and actual programming and expenditures, these reviews may result in a corrective action plan and/or recovery/recoupment.

MDHHS receives an annual, legislatively-appropriated budget to support CCF reimbursement-eligible programs and placements as defined below:

- An MDHHS youth in either a Category I or II Children's Protective Services case.
- A juvenile justice youth for whom a petition, complaint, or referral has been filed and accepted by the court, and who:
 - Receives IHC intensive services, or
 - Is placed in court ordered out-of-home care, or
 - Has a plan for early exit from out-of-home care.

Effective fiscal year 2020, the state of Michigan will pay child welfare out-of-home costs at the point they occur, and counties/tribes will then reimburse the state of Michigan a portion through the monthly reconciliation process.

III. Program Authority

A. Michigan Statute

Michigan statute appoints MDHHS as the entity charged with developing and implementing CCF reimbursement policies and procedures. The Social Welfare Act provides specific language regarding juvenile justice services and CCF reimbursement. This language begins at MCL 400.117a *et al* and MCL 400.73a through MCL 400.74.

Additional legal authority that relates to CCF reimbursements includes but is not limited to:

- Michigan Probate Code, MCL 712A.1.
- Michigan Probate Code, MCL 712A.25.
- Michigan Probate Code, MCL 710.29.
- Michigan Children’s Institute Act, MCL 400.207.
- Child Care Organization Law, MCL 722.111 *et seq.*
- Youth Rehabilitation Services Act, MCL 803.302 through MCL 803.309.
- County Juvenile Officer Payments, MCL 400.251-254 (sections 252 and 254 are exclusive to persons employed as a County Juvenile Officer prior to October 1, 1980).
- Foster Care and Adoption Services Act, MCL 722.951 *et seq.*
- Michigan Department of Health and Human Services Annual Appropriation Act.

To the extent the CCF handbook contradicts statute or administrative rules, statute or administrative rules supersede.

B. Administrative Rules

An administrative rule is an agency's written regulation, statement, standard, policy, ruling, or instruction that has the effect of law. A state agency writes rules under authority of state statute, the Michigan Administrative Procedures Act, MCL 24.231 through MCL 24.264, the Michigan Constitution, and applicable federal law.

MCL 24.207 defines the term *rule* as follows:

An agency regulation, statement, standard, policy, ruling, or instruction of general applicability that implements or applies law enforced or administered by the agency, or that prescribes the organization, procedure, or practice of the agency, including the amendment, suspension, or rescission of the law enforced or administered by the agency.

Administrative rules were established, in part, to prevent arbitrary decision making by state agencies delegated the authority to implement and apply law. The Michigan Department of Licensing and Regulatory Affairs (LARA) is the entity charged with the promulgation of CCF Administrative Rules.

The CCF reimbursement program has promulgated administrative rules Mich Admin Code 400.2001 through 400.2049. Additionally, definitions for terminology such as, but not limited to intensive service, direct service, and in-home care (IHC) are contained within the first section of the CCF administrative rules.

C. State Court Administrative Office (SCAO)

The Michigan Supreme Court's Juvenile Court Standards and Administrative Guidelines for the Care of Children (Supreme Court Administrative Order 1985-5, Administrative Order No. 1988-3, 430 Mich xcix and by order of May 19, 2009, effective September 1, 2009) are minimum standards established to qualify for employment as a court administrator, supervisory personnel, county juvenile officer, probation officer, caseworker, and personnel of court-operated facilities.

D. Michigan Department of Treasury Accounting Procedures for Local Units of Government

All expenditures for which state reimbursement is claimed shall be recorded in the county CCF (Fund 292) in the county's expenditure accounts specified in the publication entitled *Accounting Procedures Manual for Local Units of Government in Michigan* issued by the Michigan Department of Treasury. All local units of government in Michigan are required to use the Uniform Chart of Accounts, which was developed under the authority of MCL 141.421 and MCL 21.41-55.

See the Local Government Financial Services section of the Michigan Department of Treasury website for the full *Accounting Procedures Manual for Local Units of Government in Michigan*.

E. Case Law

Case law identified below contains information relevant to the operation of the state CCF reimbursement program.

Oakland County v Michigan, 456 Mich 144; 566 NW2d 616 (1997)

Ottawa County v FIA, 265 Mich App 496; 695 NW2d 562 (2005)

In Re CM and AM, Minors, 498 Mich 900; 870 NW2d 916 (2015)

IV. Child Care Fund Reimbursement Programming and Eligible Expenditures

CCF is a fund source for serving juvenile justice, neglected, and/or abused youth who cannot be funded through title IV-E federal funds. Each Michigan county/tribe has a specific account for their CCF, which is funded primarily through county tax dollars and donations. The state supports the county's CCF with a 50 percent cost share on eligible direct expenditures, and an indirect cost allotment to fund administrative expenditures as explained in Section G., *Indirect Cost Allotment*.

The goal of CCF reimbursement is to ensure funding for programs that provide services aimed at keeping children in their homes through successful intervention and rehabilitation for juveniles, and to assist with achieving permanency for children in a safe and timely manner. CCF reimbursement assists with costs for intensive in-home care services, juvenile justice out-of-home placements, and related supportive services such as drug screening and therapy.

A. In-Home Care Programming and Eligible Expenditures

See Admin Rule 400.2009

An in-home care (IHC) program is intended to provide early intervention services for youth who are within, or likely to come within, the jurisdiction of the Family Division of Circuit Court for delinquency, abuse, or neglect, and/or services affecting a youth's early return to his or her home from foster care or institutional care.

Reimbursement of eligible IHC expenditures is subject to the approval of MDHHS and inclusion in the approved AP&B. Vendors used in an IHC program must comply with CCF and MDHHS policy requirements as outlined in the CCF handbook. Vendor means a dealer, distributor, merchant, contractor, or other seller providing goods or services that are required for the conduct of the program.

IHC programs for youth who are within, or likely to come within, the jurisdiction of the circuit courts or tribal court must **completely fulfill one of the five** circumstances below:

1. Service is an alternative to out-of-home care and **all** the following apply:
 - a. Written complaint, referral, or petition has been received and accepted by the court.
 - b. The parent/guardian/custodian and the youth have agreed in writing to receive IHC services, or a temporary order has been entered placing the child in IHC pending an adjudication hearing.
 - c. Services are intensive; *intensive service* as defined in the CCF administrative rules means that the worker-to-case ratio is not more than 1 to 20 and that there is not less than an average of one face-to-face contact per week during the period a case is open for service. Contact by phone, text, email, Skype, FaceTime or any other technology-based medium is **not** an allowable substitute for face-to-face contact. If a youth ordered into an intensive IHC program requires temporary or short-term out-of-home placement in a residential or treatment facility, face-to-face contacts may occur once per 30-day period during the term of the short-term out-of-home placement. For purposes of this section, *caseworker* is defined as the caseworker having case management responsibility.

- d. Expenditures are not for judicial costs.
2. Service is provided to youth who are ordered into IHC at the dispositional hearing as an alternative to out-of-home care and **both** of the following apply:
 - a. Services are intensive and are not provided through existing state and/or federal programs, regardless of eligibility.
 - b. Expenditures are not for judicial costs.
3. The in-home care early return option is used to accelerate the early return of youth from foster care, institutional care, or other out-of-home care and **both** of the following apply:
 - a. Case plan identifies an early return goal.
 - b. Services may be provided to the family during the time the youth is in placement and may be continued after the family is reunified.
4. The county MDHHS may provide IHC services for Category I and II Children's Protective Services cases (or equivalent in tribal law cases), provided that **one** of the following apply to the service:
 - a. It is ordered as an alternative to out-of-home care.
 - b. It prevents the need to petition the juvenile court for removal or prevent placement in voluntary foster care.
 - c. It accelerates an early return home and services are directed at the family/parent/guardian/anticipated placement for the youth.

MDHHS-supervised child welfare and juvenile justice cases are still required to follow state-established program policy regarding contact frequency, documentation, etc.
5. Court-Appointed Special Advocate (CASA) programs utilized by the court, county or tribe, provided the program adheres to all national CASA standards, and any national CASA or Michigan CASA policies and in accordance with Court Rule MCR 3.917, and as evidenced by the Certificate of Membership granted by Michigan CASA.

NOTE: The intensive service standard includes **average** weekly face-to-face contacts; intermittent or occasional missed weekly face-to-face contacts may not result in non-compliance with this standard. However, in those instances where weekly face-to-face contact with youth is difficult or impossible (for example, runaway youth; youth and/or parent absence or refusal to participate in scheduled/unscheduled meetings; and case worker absence due to planned or unplanned leave), there are several acceptable strategies that alone or in combination would mitigate any unmet average weekly face-to-face contacts:

- Conduct additional face-to-face contacts, more than once per week.
- Substitute caseworker conducts face-to-face contacts during primary caseworker leave time.
- Document in the case plan at least weekly searches and/or collateral contacts to locate a runaway youth or to meet with non-compliant youth. Collateral contacts include telephone, email, text or in-person contacts with individuals, organizations, or resources relevant to the youth and family (for example school, neighbors, therapists, relatives, etc.).

Evidence of these strategies will be considered acceptable when MDHHS evaluates CCF policy compliance during an on-site review.

Direct expenditures for IHC by the court, tribe, or county MDHHS, which may be reimbursable and reported on the DHS-207 or DHS-206b, must adhere to court/county/tribe published policies and rates, and may include:

1. Circuit court employee salaries who support the CCF IHC program.

2. For county juvenile officers (CJO) that support the CCF IHC program, that prorated portion of their salaries that are not already covered by the CJO grant. The proportional fringe benefits (as listed below) for the CJO may also be reimbursable.
3. Fringe benefits that are documented as part of county government/court/tribal compensation packages, policies, and/or documented in collective bargaining agreements (including payroll taxes, medical, vision and dental insurance, group life insurance, disability insurance, accident insurance, health savings accounts, retirement contributions, worker's compensation, and accrued severance benefits) of circuit court employees who administrate and support the CCF IHC program.
4. Mileage reimbursement rate costs associated with the CCF IHC program. (Mileage reimbursement rates are meant to cover all costs of operating a vehicle including maintenance, repairs, taxes, gas, insurance, and registration fees.)
5. Program supplies and materials.
 - a. Program-specific supplies including risk/needs assessments, recognition plaques for youth, and educational/program licenses.
 - b. Office supplies related to program activities and prosocial activities.
 - c. Food related to program activities and prosocial activities.
 - d. Drug test kits.
 - e. Tethers and other forms of electronic monitoring.
6. Other costs.
 - a. Cell phones and other safety tracking technology for CCF funded staff.
 - b. Training for CCF funded staff and in-service education related to the IHC component (excluding tuition, grants or scholarships for college credit).
 - c. Education costs for children who are prohibited from school attendance in a public-school system or their local education agency and/or have severe educational issues and have been court ordered into a CCF funded educational program.
 - d. Printing, binding, copies, postage for materials relating to the education or correspondence on behalf of children in the IHC program. *Copy machine leases are not reimbursable.*
 - e. Membership dues/fees for staff if required as part of their job description, including professional credential maintenance of staff who provide or support a service to children under the CCF and/or professional staff for whom professional licensure is required.
 - f. Business cards.
7. Other program specific activities costs (including entrance fees for programs).
8. Conference travel costs (other non-CCF related trainings) including evidence-based and promising practices training.
9. Contracted personnel, programming and/or services - must meet standards set by the county, be monitored by the county, and be eligible for reimbursement - including but not limited to:

Unit cost contracts

- a. Contracted - drug testing – lab (per drug test basis).
- b. Contracted - counselor fees – (per hour basis).
- c. Contracted - group session \$/session (per session basis). Group roster documentation required.
- d. Contracted - psychological evaluations, excluding competency examinations – (per evaluation basis).
- e. Contracted - service providers (per service basis).

Closed-end contracts - must include a report reflecting the number of children served; CCF reimbursement is not allowed for contracted services not actually rendered.

- a. University contracts (including program evaluation).
 - b. Private agency services contracts.
 - c. Educational services contracts.
 - d. Court Appointed Special Advocate (CASA) contracts.
 - e. Wraparound contracts.
 - f. Other contracts identifiable to the program.
10. Non-scheduled payments (also called case service payments) are defined as payments to individuals or organizations for child/case-specific expenditures specified and defined in the CCF handbook which are not included in the state-established per diem rate. The payments may include but are not limited to the following list:
- a. Emergency costs (immediate food, clothing, or medical/dental needs, which are not covered by another source).
 - b. Gymnasium or other prosocial activity requiring a membership per child related to program activities.
 - c. Rewards/incentive pay for youth related to program activities.
 - d. Bus tokens/gas cards related to program activities.
 - e. Mentor costs - meals, mileage, movies, and social costs related to program activities.
 - f. Non-contracted service provider related to program activities.
 - g. Non-contracted group session related to program activities.
 - h. Non-contracted psychological evaluations, excluding competency examinations.
 - i. Family assessment/evaluations.
 - j. Non-contracted counselor fees.
 - k. Non-contracted drug testing – labs.
 - l. Camps or field trips.
 - m. Birth certificates for children.
11. Technology and software - risk and needs assessment software or software directly related to treatment or services provided within a reimbursable IHC program. Technology and software do not include the purchase of new equipment or hardware, or maintenance of equipment or hardware for the reimbursable IHC program. Technology and software also do not include new equipment costs, maintenance of equipment, technology, or software used exclusively for general support for the court.

Expenditures that are not reimbursable and should not be reported on the DHS-207 or DHS-206b for IHC include:

1. General fund expenditures including salaries of employees who peripherally support CCF activities (including county treasurer, county human resources department, county law enforcement, and county IT department).
2. Construction and other capital improvement costs.
3. Property and capital equipment expenditures (including purchases/leases of appliances, furniture, computers, vehicles, and fleet transportation costs).
4. Repairs and maintenance costs – equipment.
5. Repairs and maintenance costs – building.
6. Software and technology expenditures.
7. Software general leases (for software and technology used for general support of court process).
8. County office supply allocation charges that support centralized functions not specific to CCF programs.
9. County phone landline allocation charges.
10. County copier allocation charges for purpose of IHC programs.

11. Printing, binding, copies, postage for court processes and county business.
12. Insurance – liability.
13. Services that were already accounted for under IHC.
14. Rental/use costs for building(s).
15. Judicial expenditures, except as otherwise specified in the Handbook.
16. Administrative/indirect expenditures, except as described in Section IV.E, *Indirect Cost Allotment*.

B. Out-of-Home Care Programming and Eligible Expenditures

See Admin Rule 400.2008

Foster care, independent living, and institutional care placements are considered out-of-home placements. The definitions of these terms can be found in the *Glossary of Definitions*.

Juvenile justice youth are often solely under the supervision of the courts. To ensure proper reimbursement of the circuit court-established out-of-home care (OHC) programs, these programs must be identified within the county/tribe's submitted AP&B through completion of the MDHHS-5731, approval of which constitutes approval of rates as required by Administrative Rule 400.2023.

MDHHS-supervised children in out-of-home placements are paid by the state pursuant to MDHHS policies. In the event the county, court or tribe must pay for an unduplicated service for an MDHHS-supervised child in out-of-home placement, the county court or tribe may request reimbursement if the CCF OHC eligibility requirements are met and are included as part of the approved AP&B. Unanticipated costs not addressed in the approved AP&B may be submitted to the CCF policy office for review and consideration for reimbursement as a policy exception.

Pursuant to Mich Admin Code R 400.2008, the following provisions shall apply to expenditures for OHC for these expenditures to be eligible for state CCF reimbursement:

- (a) The care is ordered by the court and the child is supervised by the court or the county MDHHS department.
- (b) The care is voluntary, and **all** the following provisions apply:
 - (i) The child is under 18 years of age.
 - (ii) A written, signed agreement has been received from the child's parent, legal guardian, or other custodian.
 - (iii) The agreement specifies the amount of financial support required from the parent.
 - (iv) Financial need is not the sole reason for the request for out-of-home care.
- (c) A county department supervising children funded through the CCF shall document that it is approved as a child placing agency pursuant to the provisions of the Child Care Organizations Act, MCL 722.111 *et seq*.

Community-Based Out-of-Home Care Placement

Reimbursable expenditures for community based out-of-home care placements, such as licensed foster care placements, group homes, and unlicensed relative placements, include:

- Daily rate.
- Non-scheduled payments.

- Contracted daily administrative rate paid to private child placing agency for supervision and case management.

Reimbursable expenditures for independent living arrangements, including rental home/apartment, college dormitory, unrelated caregiver, or licensed/unlicensed relative home, include:

- Independent living stipend.
- Ward child payment.
- Non-scheduled payments.
- Contracted daily administrative rate paid to private child placing agency for supervision and case management.

Note: Independent Living eligibility ends if the youth moves to a parental home.

Institutional care reimbursement is covered in two specific areas of service provision: per diem purchased residential care and certain expenditures associated with county/court-operated youth facilities.

Purchased residential care is paid based on an established contracted daily rate, inclusive of all institutional costs, including administrative, social service, and child maintenance expenses. Court-supervised juvenile justice youth may be placed in a residential facility that has a non-contracted per diem rate established prior to placement.

Many non-scheduled payments are not available to children in institutional care placements as these items are already included in the daily rate. Additional non-scheduled payments, including medical costs not otherwise covered by Medicaid or private insurance, may also be eligible for reimbursement.

County-/Court-Operated Institutional Care Costs

Direct expenditures for out-of-home care, including day treatment facilities, by the court, and/or the tribal/county MDHHS, which may be reimbursable and reported on the DHS-207 or DHS-206b, must adhere to court/county/tribe published policies and rates, and may include:

1. Salaries of county/court-operated detention center, shelter care, group care, or day treatment facility specific employees, limited to:
 - a. Management staff of facility.
 - b. Direct service staff of facility.
 - c. Mental health staff of facility (includes contracted staff).
 - d. Support staff, including clerical staff of facility.
 - e. Janitorial, maintenance, or grounds staff of facility.
 - f. Kitchen staff of facility.
 - g. Security staff of facility.
 - h. Circuit court employee salaries who support the CCF county/court-operated detention center, shelter care, group care, or day treatment facility.
2. Fringe benefits that are documented as part of county government/court/tribal compensation packages, policies, and/or documented in collective bargaining agreements (including payroll taxes, medical, vision and dental insurance, group life insurance, disability insurance, accident insurance, health savings accounts, retirement contributions, worker's compensation, and accrued severance benefits) of county/court-operated detention center/shelter care/group care facility specific employees and circuit

- court administration who administrate and support the CCF county/court-operated detention center/shelter care/group care/day treatment facility.
3. Clothing for children.
 4. Food for children.
 5. Meals furnished to staff who are on duty as a county/court-operated detention center/shelter care/group care/day treatment facility and assigned responsibilities for the supervision and care of the youth during facility mealtime.
 6. Hygiene supplies for children (shampoo, soap, toothpaste, etc.).
 7. Education costs for children who are temporary residents in a county/court-operated detention center/shelter care/group care/day treatment facility and school attendance in a public school system or their local education agency is not an option.
 8. Utilities of county/court-operated detention center/shelter care/group care/day treatment facility including water, gas, electric, trash, and sewer.
 9. Janitorial supplies of county/court-operated detention center/shelter care/group care/day treatment facility.
 10. Kitchen supplies of county/court-operated detention center/shelter care/group care/day treatment facility.
 11. Laundry supplies/service of county/court-operated detention center/shelter care/group care facility.
 12. Linen supplies/service of county/court-operated detention center/shelter care/group care facility (including towels and bedding).
 13. Office supplies that are dedicated solely to the county/court-operated detention center/shelter care/group care/day treatment facility.
 14. Phone landlines, cell phones, and two-way radios used for communication that are dedicated solely to the county/court-operated detention center/shelter care/group care/day treatment facility.
 15. Copy machine charges that are dedicated to the county/court-operated detention center/shelter care/group care/day treatment facility. **Note:** Copy machine leases are not reimbursable.
 16. Mattress, box spring, and bed frames used in county/court-operated detention center/shelter care/group care facility.
 17. Medical, dental, psychological, and psychiatric services, including medication, for children who are not covered by another source; services used to determine competency are excluded.
 18. Periodicals/books of county/court-operated detention center/shelter care/group care facility.
 19. Recreational supplies/programs/TV in a county/court-operated detention center/shelter care/group care/day treatment facility.
 20. Training for CCF funded staff and in-service education directly related to the OHC program (excluding tuition, grants or scholarships for college credit).
 21. Mileage reimbursement rate costs for transporting children of a county/court-operated detention center/shelter care/group care/day treatment facility. (Mileage reimbursement rates are meant to cover all costs of operating a vehicle including maintenance, repairs, taxes, gas, insurance, and registration fees).
 22. Drug testing for children.
 23. Birth certificates for children.
 24. Incentives for youth.
 25. Interpreter fees for non-judicial processes.
 26. Printing, binding, postage for materials relating to the education and/or correspondence relating to children in the county/court-operated detention center/shelter care/group care/day treatment facility.

27. Membership dues/fees for staff if required as part of their job description, including professional credential maintenance of staff who provide or support a service to children under the CCF and/or professional staff for whom professional licensure is required.
28. Contracted personnel, programming and/or services directly for youth. **Note:** Contractual arrangements must meet standards set by the county, be monitored by the county, and be eligible for reimbursement.
29. Non-scheduled payments that benefit youth, specifically child/case-specific expenditures specified and defined in the CCF handbook which are not included in the state-established per diem rate.

Expenditures that are not reimbursable and should not be reported on the DHS-207 or DHS-206b for OHC include:

1. General fund expenditures including salaries of employees who peripherally support CCF activities (including county treasurer, county human resources department, county law enforcement and county IT department).
2. Construction and other capital improvement costs.
3. Property and capital equipment expenditures (including purchases of appliances, furniture, computers, vehicles, and fleet transportation costs).
4. Facility grounds and building maintenance costs (with the exception of salary/fringes costs of maintenance staff of facility).
5. Repairs and maintenance of equipment.
6. Facility-specific equipment purchases, leases, and general equipment rental.
7. Software and technology expenditures (with the exception of risk and needs assessment software or software directly related to treatment or services provided within the OHC program).
8. Insurance – liability.
9. Services that were already accounted for under IHC.
10. Rental/use costs for building(s).
11. Judicial expenditures, except as otherwise specified in the Handbook.
12. Administrative/indirect expenditures except as described in Section IV.E, *Indirect Cost Allotment*.
13. Rates above and beyond those rates detailed on the approved MDHHS-5731.

C. CCF Non-Reimbursable Expenditures and Unallowable Costs (IHC and OHC)

Expenditures for programs by the court, and/or the tribal/county MDHHS which are not reimbursable from the CCF as a direct or administrative/indirect cost and which should not be reported on the DHS-207 or DHS-206b monthly reports include, but are not limited to, the following:

1. Building leases, mortgages, and other building-related expenditures, except as specified in county/court-operated institutional care costs section.
2. Advertising/marketing costs.
3. Advisory councils as part of a judicial procedure.
4. Alcoholic beverages.
5. Contracted audit costs, cost allocation costs or other related financial services.
6. Bonding costs of county employees.
7. Public notices.

8. Cost of caring for youth determined to be developmentally delayed, cognitively impaired or mentally ill under the court’s probate powers and placed in foster care while awaiting admission to a state institution.
9. Defense or prosecution of criminal and civil proceedings, claims, appeals, and patent infringement.
10. Depreciation, use allowances or amortization for property, building, or permanent/fixed equipment.
11. Cost for board and care or administration rate for temporary court ward placed in non-licensed, non-relative placements.
12. Expenditures made from the CCF for youth committed to the MDHHS under Public Act 150 or Public Act 220 for foster care, institutional care, community justice centers, shelter homes, training schools, youth camps, and/or independent living.
13. Fines and penalties, including late fees, interest, and non-sufficient fund fees.
14. Fees for services not provided (no-show/no-call, missed appointments, etc.).
15. Fundraising costs.
16. Investment management costs.
17. Gifts, plaques and/or recognition dinners for staff, foster parents and/or volunteers.
18. Goods or services for personal use of the employee.
19. Housing and personal living expenses of the employee.
20. Labor relations costs.
21. Lobbying.
22. Royalties and other costs for use of patents and copyrights.
23. Taxes (other than payroll).
24. Termination and non-accrued severance costs.
25. Training and education, including licensing supervision and training, for contractual staff within the IHC.
26. Basic family needs that are otherwise available through the following:
 - Medical assistance.
 - Public assistance programs.
 - Public education system.
 - Private insurance.
 - Parental payment.
 - A state or local mental health fund.
 - Social Security.
 - Supplemental Security Income.
 - Veterans administration.
 - Federal grants.
27. Expenditures that are funded by other local, state, and federal governmental entities are not eligible for reimbursement by the CCF. However, these funds may be used to **offset or supplement** the total cost of a program. The department shall provide individual consultation upon request by county; see example below.

Truancy Diversion Program	Cost	Notes
Department of Education Grant	\$50,000	Not reimbursable
County CCF AP&B	\$40,000	Reimbursable
<i>Total Expenditures</i>	<i>\$90,000</i>	Total Truancy Diversion Program Expenditures
<i>CCF Reimbursement @ 50%</i>	<i>\$20,000</i>	Based on \$40,000 County CCF AP&B

D. Basic Grant

See MCL 400.117e, and Administrative Rule R 400.2010

Basic grant funding is a \$15,000 annual fund source for counties with a population of less than 75,000. Unlike most CCF reimbursements, basic grant funds are reimbursed at 100 percent up to \$15,000. A county must request basic grant funds within the AP&B that is submitted to MDHHS. Reimbursement cannot be made if not reflected in the county's approved AP&B.

Basic grant funding may be used in the following scenarios:

1. To support programs for youth under court jurisdiction.
2. The youth have a minimum of two risk factors and it is documented within the program description. The eligible criteria are the following risk factors:
 - a. History of confirmed abuse and/or neglect of the youth.
 - b. History of school truancy, suspensions, or expulsions.
 - c. Youth has run away from home.
 - d. Use of alcohol or drugs.
 - e. Ineffective, inconsistent, or nonexistent parental control.
 - f. Negative or delinquent peer relationships.
3. The circuit court or county government will use the grant to create or expand current programs that have been proven to be alternatives to out-of-home placements for juvenile justice or neglected/abused youth.

Limitations of Basic Grant Funds

The basic grant cannot be used to supplant or duplicate existing service costs or to pay for any judicial functions that are the responsibility of the court.

Basic grant funds cannot be used to pay for basic family needs otherwise available through other federal or state public assistance programs.

E. Indirect Cost Allotment

An indirect cost allotment to fund administrative expenditures equal to 10 percent of the *total adjusted expenditures subject to reimbursement at 50% (gross expenditures)* line on the monthly DHS-207 and DHS-206b will be calculated and distributed. The payment is issued once per month, separate from the monthly offset, and generally following the same schedule as the monthly offset. Like the reimbursements that are subject to a monthly offset, the 10 percent will only be issued when both the DHS-207 and DHS-206b have been approved by MDHHS for the same month.

Tribes requesting CCF reimbursement may opt to either receive a 10 percent allotment on the *total adjusted expenditures subject to reimbursement at 50% (gross expenditures)* or apply their federally approved indirect cost rate to the In-Home Care expenditure base in accordance with their federally approved indirect cost rate agreement and include these indirect costs in their gross expenditure reporting for 50 percent reimbursement (hereinafter referenced as *tribe indirect cost option*). The tribe indirect cost option must be expressed at the time of the tribe's Annual Plan and Budget submission as explained in Section V.B, *Annual Plan & Budget*. Otherwise, the standard 10 percent allotment will be used.

V. Child Care Fund Fiscal Factors and Reporting

Direct expenditures incurred by the courts, county governments, and tribes that are related to services for CCF-eligible youth are allowable for reimbursement. The expenditures must be recorded in the county government or tribe's accounting system and may not be estimated, expected, encumbered, or future expenditures.

A CCF direct expenditure eligible for reimbursement must include **all** the following:

- Be associated with a program that has been electronically approved in the AP&B in MiSACWIS.
- Provide or support a direct service to an identifiable CCF-eligible youth under court jurisdiction (as defined below).
- Comply with the CCF Reimbursable Expenditures language of this handbook.
- Have associated costs, eligibility, and services documented.

CCF-eligible youth are involved with the child welfare (abuse/neglect) and/or juvenile justice system as outlined below:

- Category I or II Children's Protective Services case.
- A delinquent youth for whom a petition, complaint, or referral has been filed and accepted by the court, and
 - Receives intensive services, or
 - Involved in court ordered juvenile justice out-of-home care.

As described in Section IV.E, *Indirect Cost Allotment*, an indirect cost allotment to fund administrative expenditures is paid based on reported direct expenditures.

Pursuant to MCL 400.117e, a county having a population of less than 75,000, is eligible to receive an annual basic grant of state money reimbursed at 100 percent, up to \$15,000.

A. Revenue

MCL 400.117(c)(7)(a) Donated funds may be deposited into the county child care fund and are not subject to offset if either of the following applies:

- (i) The donor is not the intended recipient of a contract to be funded by the donated funds.
- (ii) The donor is an intended recipient of a contract to be funded by the donated funds and the donor is able to document the source of the money comprising the donated funds.

Revenue is any income generated through a service or program. Any revenue generated through CCF funded services or programs for court-supervised youth will be used to offset that program. Additionally, funds collected on behalf of children in care will be used to offset the cost of care for that youth.

Revenue that should be recorded as an offset includes but is not limited to:

1. Child support.
2. Government benefit such as SSI/RSDI.
3. Court ordered collections.
4. County/court-owned and operated detention facilities.

5. County/court-owned and operated institutional care facilities.

Donated funds are not subject to offset per MCL 400.117(c)(7)(a).

Note: MiSACWIS uses the term *receipts* for *revenue* on the DHS-207 and DHS-206b.

B. Annual Plan & Budget

To be eligible for CCF reimbursement, each court, tribe, or county MDHHS must submit an AP&B on or before August 15 in MiSACWIS. MiSACWIS is a web-based, secure, encrypted program accessible only with a user ID and password provided by the MiSACWIS security administrator. MiSACWIS allows the courts, tribes, and county MDHHS offices to complete a budget and amend an approved budget. The forms are electronically generated and approved by the circuit court, county government, local MDHHS, or tribe. The forms are then submitted, reviewed, and approved by MDHHS.

MiSACWIS will allow the court, tribe, or county MDHHS to start working on the budget documents for an upcoming fiscal year starting on May 1. The online budget documents consist of forms to be completed in MiSACWIS. As forms are entered into MiSACWIS, all calculations will be automatically carried through to other forms in the system. The forms and documents required to be completed on or before August 15 include:

1. DHS-2094, Component Detail Report (Basic Grant, In-Home Care, Facility).
2. DHS-2091, County Child Care Budget Summary.
3. DHS-167, In-Home Care Certification, to be signed by the judge or tribal representative.
4. DHS-168, Basic Grant Certification, if applicable, to be signed by the judge.
5. MDHHS-5734, Point of Contact Information form.
6. Chart of accounts (including descriptions and coding).
7. Annual Reimbursement Crosswalk Form - required MDHHS Excel form uploaded into MiSACWIS to provide general ledger crosswalk details to support future DHS-207/206b requests.
8. MDHHS-5731, Court-Operated Out-of-Home Care Program Component Report, if applicable.

For tribes electing the tribe indirect cost option (explained in Section IV.E, *Indirect Cost Allotment*) rather than receiving the 10 percent allotment on the *total adjusted expenditures subject to reimbursement at 50% (gross expenditures)* must show this on the DHS-2094 *budget detail report as other costs*. The *other costs* description must include the federally approved rate, the cost base it is applied to, and the calculated budget amount. Additionally, the tribe must submit their indirect cost negotiation agreement, including a detailed description of the cost base from the indirect cost base proposal, in MiSACWIS.

A court, tribe, or county MDHHS AP&B is complete when all forms and documents listed above have been created, completed, submitted, and approved in MiSACWIS.

Note: Although the DHS-2091 cannot be routed in MiSACWIS before all DHS-2094 forms are approved by MDHHS, it is expected that a DHS-2091 will be completed and saved in MiSACWIS as part of the budget package.

Once proper documentation is received, MDHHS will start the review process. Program(s) or budget(s) requiring additional information or information to be edited will be returned to the court, tribe, or county MDHHS via MiSACWIS and marked *returned for edit*. The court, tribe, or

county MDHHS will be required to make corrections and/or additions, reapprove the form and alert MDHHS that the form has been completed. MDHHS and the court, tribe, or county MDHHS will work cooperatively to ensure the necessary forms and documents are submitted and reviewed in the most efficient manner possible, with the goal of final approval within 30 business days from the date all forms and documents have been received by MDHHS. Final approval by MDHHS will be completed by October 15, provided all documents have been completed and submitted. Monthly reimbursement requests may begin to be submitted following final approval of the AP&B.

Budget Amendments

If an approved AP&B will need to be amended, MDHHS must be notified of the amendment. Amendments need to include either comments within MISACWIS or an attachment that explains the specifics regarding the requested amendment. Unless otherwise specified, amendments cannot be applied or approved retroactively and are only effective with future service billings. Amendments to the AP&B should be completed **prior** to September 1 of that fiscal year to avoid any delays to the approval of the next fiscal year AP&B.

When an amendment is made that changes any amount on the DHS-2091 form, even if the total overall budget amount remains the same, an updated DHS-2091 with new signatures of all responsible parties will be required. This ensures that all responsible parties agree and acknowledge the amendment prior to department final approval.

C. Documenting Personnel Time and Expenses

To ensure accurate expenditure reporting, including appropriate allocation of staff time and expenses, charges for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.
- Be incorporated into the official records of the court, county, or tribe.
- Comply with the established accounting policies and practices of the court, county, or tribe.
- Support the distribution of the employees' salaries and wages among specific activities or funding sources (CCF reimbursable activities and other activities) as described below.

When employees work solely on CCF reimbursable activities and 100 percent of their salaries and wages are reported on the monthly DHS-207/206b for reimbursement, the court, tribe or county MDHHS must have documentation to support that 100 percent of employees' work time was spent on CCF reimbursable activities. Examples of documentation to support that 100 percent of employees' work time was spent on CCF reimbursable activities include, but are not limited to, position descriptions that clearly indicate the employee's activities are 100 percent CCF reimbursable, and periodic statements (signed by the employees or supervisory officials having first-hand knowledge of the work performed by the employees) certifying that the employees worked solely on CCF activities for the period covered by the statements.

When employees work on both CCF reimbursable activities and other activities, the distribution of their salaries or wages to CCF reimbursable activities and other activities must be supported by either personnel activity reports or the time study system, each described below.

When using personnel activity reports to support the distribution of employees' salaries and wages to CCF reimbursable activities and other activities, the personnel activity reports must meet the following standards:

- Reflect an after-the-fact distribution of the actual activity (CCF reimbursable activity and other activity) of each employee.
- Account for the total activity (CCF reimbursable activity and other activity) for which each employee is compensated.
- Be prepared at least monthly and must coincide with one or more pay periods.
- Be signed by the employee.

The time study system described herein may be used to support the distribution of employees' salaries or wages to CCF reimbursable activities and other activities as a substitute to the personnel activity report system described above. The time study system allows the use of budget estimates (distribution percentages determined before the services are performed) for interim accounting purposes with subsequent adjustments to actual activity based on periodic time studies. When using the time study system to support the distribution of employees' salaries or wages to CCF reimbursable activities and other activities, the time study system must meet the following standards:

- Use budget estimates or other distribution percentages determined before the services are performed to distribute each employees' salaries or wages to CCF reimbursable activities and other activities. The budget estimates or distribution percentages must reflect a reasonable approximation of the planned activity.
- Perform time studies at least once per quarter consisting minimally of a two consecutive week period for each quarter whereby each employee charged to the CCF program documents actual work activity in CCF reimbursable activities and other activities on personnel activity reports that meet the standards described above.
- Use the time study results to calculate distribution percentages of actual CCF reimbursable activity and other activity for each employee to be used in the quarter in which the time study occurred.
- Apply the calculated distribution percentages of actual CCF reimbursable activity (based on the time study) to actual salary or wages of employees to determine the actual cost of the CCF reimbursable activity for each employee for the quarter in which the time study occurred.
- Compare the actual cost of CCF reimbursable activity for each employee based on the time study to the budget distributions (what had been reported) and calculate the differences.
- Make adjustments for the differences calculated. All adjustments must be recorded in the detailed general ledger and included on the DHS-207/206b (with a comment explaining the adjustment). Adjustments for any differences should be made quarterly. All adjustments must be made so that the final amount charged to CCF (total amount charged for the year) is accurate, allowable, and properly allocated.

Budget estimates (for example, estimates determined before the services are performed) alone do not qualify as support for charges to CCF but may be used for interim accounting purposes with subsequent adjustments to actual activity based on periodic time studies as addressed above.

Records supporting the distribution of employees' salaries and wages must be kept according to the schedule set forth in Section VIII, *Record Retention*, and available during an on-site review.

D. Monthly Reimbursement Request and Approval Process

Actual eligible expenditures incurred by the court, tribe, or county MDHHS should be placed on the correct line of the monthly DHS-207/206b for reimbursement. Reported expenditures must be tied to the county government or tribe's accounting system and may not be estimated, expected, encumbered, or include future expenditures.

The department and the court, tribe, or county MDHHS will work cooperatively to ensure the necessary forms and documents are submitted and reviewed in the most efficient manner possible, with the goal of final approval of a month's reimbursement request within 15 business days from the date all forms and documents have been received by MDHHS. Monthly reimbursement requests must be reviewed and approved in sequential order; therefore, it is critical that each month's reimbursement request is made near the month in which expenditures occurred. In the event a backlog of monthly reimbursement requests occurs because a circuit court, county government, county MDHHS or tribe is unable to submit monthly reimbursement requests timely, MDHHS will make every effort to work with the circuit court, county government, local MDHHS or tribe to catch up each month as quickly as possible with a goal of approvals being completed by the following month's reimbursement schedule; see Section G, *Payment Process*.

The CCF reimbursement unit manager may remove an identified ineligible expenditure from the monthly DHS-207/206b prior to payment. Within three business days, notice will be provided electronically to the court, tribe, or county MDHHS of the removal of the expenditure. If the court, tribe, or county MDHHS disagrees with the determination, they have the right to request a review of the decision as outlined in Section XI.A, *Administrative Review*. In the event the administrative review process has been exhausted, a hearing may be requested in front of an administrative law judge as outlined in Section XI.B, *Administrative Hearing Request*.

If a service provider submits an invoice for payment more than one calendar year from the date of service, the county, tribe, or state MDHHS may deny payment. If the service provider can show proof that payment was initially requested prior to one year from the date of service, to either the court or department, then the invoice will be processed as if submitted timely. If a service provider cannot show proof that payment was initially requested prior to one year from the date of service, they may submit an exception request for payment with the invoice to the appropriate fiscally responsible court, tribe, or county MDHHS based on the legal status of the youth at the time the service was rendered. If the court or department approves the exception and makes the payment, the payment is not subject to an offset, chargeback, or reimbursement liability, and should not be included on the DHS-207/206b or the chargeback and is the sole financial responsibility of the payer.

Form DHS-207

The form for reporting reimbursable court/tribal court CCF expenditures is the DHS-207, electronically signed by the judge or the judiciary alternate. The following monthly supporting documents are required to be submitted with every DHS-207:

- Detailed general ledger/transaction level history report supporting the time covered by the DHS-207.
- For tribes electing the tribe indirect cost option (explained in Section IV.E, *Indirect Cost Allotment*), calculation information showing the cost base amount, the federally approved rate, and the calculated/reported amount. The cost base must comply with the indirect cost negotiation agreement base (for example, if a negotiation agreement base is modified total direct costs and the modification is to exclude the portion of contacts over \$25,000, then indicate the expenditure total included for each contract).
- Monthly case listing for each CCF funded program (facility, basic grant, institutional, foster care, IHC, and independent living) identified by provider, youth name or number, dates in and out of program, and caseworker.
- Non-scheduled payment detail (child/case and item/service) if not clear within the general ledger submitted.

Any changes or amendments made to the DHS-207 after submission require a new electronic signature by the judge or judiciary alternate.

Form DHS-206b

The form for reporting reimbursable county MDHHS/tribal social service CCF expenditures is the DHS-206b. The following monthly supporting documents are required to be submitted with every DHS-206b:

- Detailed general ledger/transaction level history report supporting the time covered by the DHS-206b.
- For tribes electing the tribe indirect cost option (explained in Section IV.E, *Indirect Cost Allotment*), calculation information showing the cost base amount, the federally approved rate, and the calculated/reported amount. The cost base must comply with the indirect cost negotiation agreement base (e.g. if a negotiation agreement base is modified total direct costs and the modification is to exclude the portion of contacts over \$25,000, then indicate the expenditure total included for each contract).
- Monthly case listing for each CCF funded program (basic grant, institutional, foster care, IHC, and independent living) identified by provider, youth name or number, dates in and out of program, and caseworker.
- Non-scheduled payment detail (child/case and item/service) if not clear within the general ledger submitted.

Any changes or amendments made to the DHS-206b after submission require a new electronic signature by the local MDHHS director or tribal equivalent.

Indirect Cost Allotment

Since administrative/indirect expenditures are funded through the indirect cost allotment of 10 percent of the *total adjusted expenditures subject to reimbursement at 50%* (gross expenditures), no administrative/indirect expenditures may be reported on the monthly DHS-207 or DHS-206b, and no detailed general ledger/transaction level history report is required to support the expenditures covered with this allotment.

The 10 percent indirect cost allotment payment is based on the combined total approved adjusted gross reimbursable expenditures on the DHS-207 and DHS-206b for a month. The payment is issued once per month, separate from the monthly offset, and generally following the same schedule as the monthly offset. Like the reimbursements that are subject to a monthly offset, the 10 percent will only be issued when both the DHS-207 and DHS-206b have been approved by MDHHS for the same month.

Tribes that opt for the tribe indirect cost option (explained in Section IV.E, *Indirect Cost Allotment*) must report the appropriate amount of indirect costs in accordance with their federally approved indirect cost negotiation agreement on the monthly DHS-207 or DHS 206b for IHC, and provide the required supporting documentation described above.

E. Fiscal Year-End Projections

It is necessary for the MDHHS budget and accounting divisions to have an accurate estimation of any fiscal year (FY) outstanding CCF account payables prior to the end of the department's fiscal year. In August of each year, a request will be made by MDHHS to report estimated year-end projections for unapproved DHS-207 and DHS-206b forms. MDHHS will send a reporting template to counties and tribes requesting estimations of any FY outstanding CCF account payables.

F. Contracts and Rates

CCF monies are local county tax dollars and thus are monies entrusted to the local county government. MDHHS employees in county MDHHS offices and/or serving on county MDHHS/social service boards cannot bind MDHHS to agreements concerning CCF monies. This is inclusive of contracts, memorandums of understanding, and inter-agency agreements.

If a county permits an MDHHS sub-account for CCF use by the local MDHHS office, the county government/court remains responsible for oversight of the associated funding and programming agreements.

Contractual services purchased must conform to the requirements published in county policies and procedures. Additionally, the expenditure of the CCF monies reported for state reimbursement for goods or services from a third party must comply with county policies on contract and bidding requirements per Mich Admin Code R 400.2006 and R 400.2031(k).

G. Payment Process

The CCF reimbursement process occurs one time each month. All payment transactions recorded in a month are typically reconciled in the last five business days of the month. MDHHS records the transactions of the monthly reconciliation and creates documentation for each county or tribe regarding all charges and offsets in that month. MDHHS issues any appropriate payment or submits an invoice for amount owed back to the state to the county or tribal treasurer of record.

VI. Program Data Reporting

See *MCL 400.117a (7) and (8)*

A. Total Number of Youth Billed this Month

Youth reported in the *total # of youth billed this month* column on the DHS-207/206b should include only those youth where reimbursement is being requested per an expense on the general ledger in each IHC program per month.

Youth should be counted only once within each IHC program component, even if that IHC program has multiple services. For example, a county’s Intensive Probation IHC program has three services: Probation, Night Check-In, and Drug Testing. A youth who is participating in both the Night Check-In and Drug Testing services is counted only once for the Intensive Probation IHC program:

Eligible Intensive Probation IHC count: 3 unique youth

Probation	Night Check-In	Drug Testing	Total Count for Intensive Probation Program
	Youth A	Youth A	1
Youth B			1
Youth C	Youth C	Youth C	1

If a service is on the general ledger for the same youth the following month, the youth should be reported again on that month’s DHS-207/206b. For example, a youth receiving wraparound services in November under a county’s IHC program would only be counted in November’s reporting if requesting a billing reimbursement for that youth. If the youth is still receiving wraparound IHC services in December and billing reimbursement is requested again on the December DHS-207/206b, that youth should be counted again in the *total # of youth billed this month* column of the IHC section.

B. Total Number of Youth Billed This Fiscal Year

This is a *rolling total* for the state of Michigan’s fiscal year (October 1 – September 30). A youth should only be counted once per program in this column unless the youth exits a program and then re-enters the same program in the same fiscal year.

This annual totaling will restart from zero at the beginning of the state’s fiscal year. If a youth is counted in the *total # of youth billed this fiscal year* column at the end of a fiscal year, that youth should be counted again if still in the program and billing reimbursement is requested the following fiscal year.

C. Counting Days for Per Diem Rates

When reporting data and requesting reimbursement for youth based on per diem placement rates, the last day of the youth’s placement is not a billable day. Reimbursement is from the youth’s date of placement to the night prior to their discharge date. Discharge days should not be counted in data reporting or reimbursement per diem requests.

VII. Fiscal Reporting

Documentation submitted for AP&B and monthly reimbursement requests must be submitted to MDHHS directly from the court, tribe, or county MDHHS.

Documentation submitted to MDHHS via a third party (contractor, service provider, etc.) will not be accepted unless there is an extenuating circumstance and prior approval has been obtained from the state MDHHS office.

A. Out-of-Home Placements

Foster care, independent living, and institutional care placements are considered out-of-home placements. The definitions of these terms can be found in the *Glossary of Definitions*.

Reimbursement for weekend boot camps should be requested as a non-scheduled payment under the appropriate associated IHC program.

B. Another County's Detention

When a youth is placed in another county/court-operated detention, group, or shelter facility, *the placing county of jurisdiction* should be the entity to claim the expenditure for reimbursement.

When a county/court receives payment from the placing county for the youth's board and care, that income is to be reported in the *other receipts* section of the DHS-207.

C. Donated Funds Programs

MCL 400.117c (7)(b) The following conditions apply to requests for reimbursement of expenditures from the county's donated funds program:

- (i) The county shall identify the donor of the funds and shall certify that the donor is not the recipient of a contract funded by the donated funds or the donor is the recipient of a contract funded by the donated funds and has documented the source of the money comprising the donated funds.
- (ii) Donated funds shall be identified by donor, source of money comprising the donated funds, the date the money was provided to the donor, and the date the donated funds were deposited into the county child care fund.
- (iii) The county must ensure transparency relating to service delivery by donor-funded providers. The county shall ensure donor-funded providers complete an annual certification of fund eligibility and shall make available to the department the solicitation, evaluation, and selection process of awarding a contract to a donor-funded provider.

Donated funds programs should not be confused with donations the county receives directly. A donated funds program is a program which is supported by private donors that give donations directly to the service provider. The service provider may contract with the county and provide the donated funds to the CCF as the county funds to support the program, allowing the county to use those donated funds to pay for the program and request the state reimbursement against the donated funds. If the service provider is not contracted by the county, the donated funds for that program stay with the service provider and do not become county funds.

To ensure transparency in the donated funds programs, the service provider must provide a list of all donors and the amount of the donation to show the donations were adequate to cover the

funding provided to the county, and a county using such programs must complete an annual certification of the service provider's donated funds to ensure their eligibility. This annual certification must be made available upon request of MDHHS during an on-site review or during a period review of the DHS-207/206b billing process.

VIII. Record Retention

The court's records of the child care fund shall be retained in compliance with record retention general schedule #15 – Circuit Courts issued by the State Supreme Court Administration Office.

MDHHS subaccounts must retain records in accordance with the State of Michigan Records Retention and Disposal Schedule for Child Welfare Funding and Juvenile Programs, Department of Technology, Management and Budget - Records Management Services Policy, which states child care fund records must be maintained for six years plus the current fiscal year for a total of seven years.

IX. MiSACWIS Access and Use

MDHHS uses a statewide automated child welfare information system (SACWIS) called MiSACWIS for purposes of submitting AP&Bs and monthly reimbursement requests. Due to the confidential nature of information contained within MiSACWIS, specific protocols must be followed when access is requested or used. Each circuit court, county government, local MDHHS office, and tribe should have a designated authorized requestor who is responsible for authorizing the addition or removal of their office staff's MiSACWIS access. The following forms should be used for MiSACWIS requests:

- DHS-815, MiSACWIS Security Agreement: Non-MDHHS Employee
- DHS-816, MiSACWIS Security Agreement: MDHHS Local Office Employee

Completed MiSACWIS security agreement request forms should be sent to the email address referenced at the top of the form. Circuit courts, county governments, county MDHHS offices, and tribes should not allow contractors or unauthorized persons access to MiSACWIS. Doing so violates the confidentiality and usage agreement and could result in loss of system use privileges.

Authorized Requestors **must** request removal of MiSACWIS access for staff at the time of separation from CCF-related duties and/or employment. This is completed by submitting a MiSACWIS security agreement requesting to remove an employee.

MiSACWIS Security Computer-Based Training (CBT)

All MiSACWIS users are required to protect the confidential data within MiSACWIS. Therefore, it is very important that all users understand their responsibility to protect this information. Users may lose the privilege of accessing MiSACWIS if they inappropriately release confidential information. Civil and criminal penalties may also apply depending on the applicable laws and regulations.

To assist new users in understanding the security expectations for MiSACWIS, all new users are required to complete the MiSACWIS security computer-based training (CBT) prior to accessing MiSACWIS. For access to be granted to the MiSACWIS application, a score of 90 percent or higher must be received on the MiSACWIS security training exam. New users must submit a screenshot of their score with their name and the name of their local office or agency in the screenshot. The screenshot can be copied into a Word document with the file labeled as *MiSACWIS Security CBT (User Last Name)*. The screenshot must be submitted along with the appropriate MiSACWIS security agreement form (DHS-815 for non-MDHHS users, or DHS-816 for MDHHS local office users) to validate the security training has been completed. If the screenshot is not submitted with the security form, access will not be granted. The MiSACWIS security training CBT takes approximately 30 minutes to complete and is accessed on the [MDHHS MiSACWIS public website](#).

X. On-Site Monitoring Reviews

MDHHS is committed to ensuring high standards of integrity and accountability for public funds and improving government operations for the benefit of all Michigan citizens. As such, the MDHHS Children's Services Agency and Bureau of Audit work together to perform monitoring reviews of counties/tribes across the state to review reported expenses from monthly reimbursement requests (DHS-207/206b) and to validate compliance with the CCF reimbursement program. The monitoring reviews will not include an evaluation of the relevancy, quality, effectiveness, efficiency, or impact of the services provided to youth of the county's/tribe's CCF programs.

The objectives of the CCF on-site monitoring reviews generally include the following:

- To assess whether the county's/tribe's CCF program was compliant in recording and reporting accurate and allowable revenues and expenditures according to state laws, regulations, and departmental policy.
- To assess whether the county's/tribe's CCF program was compliant with employee requirements per the Supreme Court Administrative Orders and departmental policy.
- To assess whether the county's/tribe's CCF program was compliant with in-home care, basic grant, and out-of-home placement requirements according to state laws, regulations, and departmental policy.

The Bureau of Audit will notify the county/tribe of a planned monitoring review and this will occur no less than 30 calendar days prior to the desired on-site start date. The Bureau of Audit will establish agreed-upon dates for a teleconference entrance meeting and the on-site monitoring review.

The entrance meeting will minimally address the following:

- Description of the review including the objectives, review period, and items to be reviewed.
- Preliminary information to be sent prior to the on-site visit, and how it should be sent.
- Confirmation of on-site fieldwork date(s).
- Reviewer accommodations including workspace, agency liaison, internet connections and copy machine availability.
- Review process including the exit meeting, and draft and final reports.

Preliminary information to be sent prior to the on-site visit by the county/tribe minimally includes the following:

- Listing of all staff that were charged to CCF during the review period.
- Detailed general ledger for the review period in Microsoft Office Excel and/or Txt file format.
- County, tribe, or court policy on employee travel and meal reimbursement.
- Completed CCF questionnaire to be provided by the Bureau of Audit.

Once the detailed general ledger for the review period is provided, a reviewer will select a sample of expenditure and revenue items for evaluation. The list will be sent to county/tribe prior to the review. The county/tribe should have the following supporting documentation for the sampled expenditures and revenue items available at the start date of the on-site review so the reviewer can verify the sampled items are accurate, allowable, and appropriate:

- Invoices, receipts, and any applicable contracts in effect during the review period.
- Supporting documentation that demonstrates expenditures relatable to specific youth and/or program.
- Relevant policies (such as fringe benefits).
- Payroll information (payroll register showing payroll amounts for each staff member that reconciles to the payroll posting to the general ledger, records that support the distribution of the employee’s salary or wages among specific activities or cost objectives if the employee work on more than one activity such as CCF activities and non-CCF activities, and fringe benefit rates or percentages).
- Revenue information relatable to specific youth or grants (source documentation).

Providing hard or scanned copies of the supporting documentation will help expedite the review process.

Once the listing of all staff that were charged to CCF for the review period is provided, a reviewer will select a sample of employees for evaluation. The list will be sent to the county/tribe prior to the review. The county/tribe should have the following supporting documentation for the sampled employees available at the start date of the on-site review so the reviewer can verify compliance with employee requirements in the Supreme Court Administrative Orders and departmental policy:

- Employee number.
- Original hire date and, if applicable, transfer date to current position.
- Annual salary (support for any wage changes during review period).
- Evidence of education level attained (copies of diplomas or transcripts).
- Michigan Judicial Certificate for case workers (within two years of hire date or transfer to position).
- Job description.
- Records showing total time worked by employee and support for the distribution of payroll allocated to CCF for the payroll entries selected above.

From the monthly case listings provided with the DHS-207/206b submissions, a reviewer will select a sample of case files for evaluation. The list will be sent to the county/tribe prior to the review. The county/tribe should have the following specific documentation or support for the sampled cases available at the start date of the on-site review so the reviewer can verify compliance with in-home care, basic grant and out-of-state placement requirements according to state laws, regulations, and departmental policy:

In-Home Care Program Case Files	Basic Grant Program Case Files	Out-of-State Case Files
<ul style="list-style-type: none"> • Youth eligibility • Face sheet • Complaint or petition(s) • Date of court order into in-home care programming • Family youth assessment report • Treatment plans • Progress report(s) (if applicable) • Face-to-face contacts • Discharge living arrangements and date (if applicable) 	<ul style="list-style-type: none"> • Youth eligibility for basic grant • Face sheet • Complaint or petition(s) • Date of court order into basic grant programming • Family youth assessment report • Treatment plans • Progress report(s) (if applicable) • Discharge living arrangement and date (if applicable) 	<ul style="list-style-type: none"> • Youth eligibility • DHS-4332 – Interstate Compact Placement Request

On-site reviews may take several days to complete depending on the volume of selected items and availability of information. Reviewers may also request additional information (policies, procedures, and support) beyond items specified above to enable a complete assessment of compliance and accomplishment of the objectives of the CCF on-site monitoring reviews.

Upon conclusion of the on-site fieldwork, the reviewer(s) will hold an exit meeting with county/tribe staff to share any identified exceptions; provide an opportunity for counties/tribes to provide any additional documentation, support, or perspective; and explain what additional documentation/support is needed and what further review work may need to be done. After all review work is completed, and within 60 calendar days of completing the on-site review, MDHHS will issue a preliminary analysis (draft report) that will include conclusions to the objectives, any findings and recommendations, any comments and recommendations, and a summary of any identified non-reimbursable expenditures. The county/tribe must respond in writing within 30 calendar days of issuance of the preliminary analysis with planned corrective actions for any finding or comment included in the report. The county's/tribe's written response will be incorporated into a final report. The final report will be issued only to the county/tribe's family court administrator, presiding judge, board of commissioners, MDHHS county director, and MDHHS Children's Services Agency management team. The final report will not be posted on the MDHHS website.

Recovery of Identified Non-Reimbursable Expenditures

Non-reimbursable expenditures identified during the monitoring review that were reimbursed must be refunded to MDHHS. This provision is applicable to expenditures reported from October 2019 forward. The refund must be submitted to MDHHS within 30 calendar days of issuance of the final monitoring review report.

The final monitoring review report will include a summary of any identified non-reimbursable expenditures. When the final monitoring review report is transmitted to the court, county, or tribe and a refund is due, the transmittal letter will include instructions on the required refund including the amount due and where to send. This Bureau of Audit decision will also include the appeal rights. With respect to appeal rights, if the court, county or tribe disagrees with Bureau of Audit identified non-reimbursable expenditures or the refund amount due, the *Administrative Review and Hearing Process* described in Section XI is applicable.

Corrective Action Plan Evaluation Report

Courts and tribes are responsible for taking prompt action when instances of non-compliance are identified during a child care fund monitoring review. The CCF program office is responsible for following up and ensuring that courts and tribes take timely and appropriate action on all deficiencies noted. To accomplish this, courts and tribes must complete a Corrective Action Plan Evaluation Report (CAPER) for each finding contained in the monitoring review report. The purpose of the CAPER is to confirm timely and appropriate corrective action on all deficiencies (audit findings, comments, and recommendations) noted in the monitoring review. The CAPER process was developed to avoid repeat audit findings and to meet CCF eligibility requirements. A CAPER template will be provided to the county or tribe with the release of the final report. The CAPER must be completed and submitted within 90 calendar days of the final audit report issuance date.

XI. Administrative Review and Hearing Process

MCL 400.117h (1) and (2)

(1) The department or a county may appeal a determination regarding reimbursement of a child care cost made under this act. The appeal shall be conducted according to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(2) An appeal from a final order issued in an administrative hearing shall be made to the circuit court of Ingham County, which court has jurisdiction with respect to the cases described in subsection (1) as in nonjury cases under the authority provided in section 631 of the revised judicature act of 1961, 1961 PA 236, MCL 600.631.

A. Administrative Review

If the court, tribe, or county disagrees with a CCF policy decision or Bureau of Audit decision, a written request for review must be submitted to the CCF program office within 30 calendar days of the decision. The request for review must identify the specific item(s) under dispute, explain the reason(s) for the disagreement, and state the dollar amount(s) involved, if any. The request must also include any substantive documentary evidence to support the position. The MDHHS Children's Services Agency CCF program office division director will review the appropriate material and issue a final, written MDHHS decision within 30 calendar days of receipt of a complete request for review.

All requests for review must be submitted to the MDHHS-CCFMU mailbox at MDHHS-CCFMU@michigan.gov. The court, tribe, or county has the right to appeal the final decision by requesting an administrative hearing.

B. Administrative Hearing Request

The court, tribe, or county must submit a request for administrative hearing using form MDHHS-5729, Payment/Adjustment Denial Hearing Request, within 90 calendar days from the date of the final decision of the CCF program office division director.

If no request for hearing is received by MDHHS within 90 calendar days of the issuance of the final decision of the CCF program office division director, the administrative review decision is final.

Upon receipt of a request for hearing, the CCF program office will complete a DHS-3050, Hearing Summary. The DHS-3050 will include all relevant exhibits supporting the department's actions in the case. The CCF program office must file with the Office of Administrative Hearings and Rules (OAH) the DHS-3050, the MDHHS-5729, and any documents attached by the court, tribe, or county within 10 business days of the CCF program office's receipt of the request for hearing.

After the conclusion of the hearing, the administrative law judge will issue a final decision and order. Following receipt of the administrative law judge's final decision and order, either party may seek a reconsideration or rehearing of the final order as provided in MCL 24.287. Either party may appeal a final administrative decision and order to the Ingham County Circuit Court.

XII. Child Care Fund Handbook Revisions/Updates

Child welfare and juvenile justice services in Michigan are funded and governed not by a single agency but by a combination of agencies that report to different branches of government. Although MDHHS is legally responsible for administering and operating the state CCF reimbursement program, there is a commitment by the department to provide better service to the public by maintaining regular dialogue with relevant stakeholders responsible for child welfare and juvenile justice services.

It is through this commitment MDHHS maintains an ongoing child welfare funding advisory group called the Child Welfare and Juvenile Justice Funding Leadership Council (FLC). The FLC includes representatives from counties, courts, tribes, and other appropriate stakeholder groups.

The partners can:

- Participate in the program and system decision-making process.
- Share responsibility for the successes and challenges of programming and services.
- Exchange input through a defined process to develop program and policy changes and improvements; and system needs, changes, and enhancements.
- Communicate needs and suggestions for funding of programs.
- Gain insight into the successes and challenges of each partner.

The approach to partnering improves the program by:

- Increasing program ownership, collaboration, and communication for improving and executing the program.
- Facilitating consistent application of program policies and directives, and dissemination of a uniform understanding of program definition and goals.
- Increasing opportunities for obtaining direct feedback from the customers and program partners for program improvement.

Revisions/updates to the CCF handbook, including any policy and procedural changes, will be determined as needed. The revisions to the CCF handbook will be communicated directly to courts, counties, and tribes via e-mail and in the annual CCF trainings to be held around the state. A current version of the CCF handbook is available on the public CCF website.

XIII. Glossary of Definitions

Administrative Costs/Expenses: Administrative costs are operating expenses related to the organization or county as a whole as opposed to expenses related to individual departments. These include expenses associated with general business administration.

Another County's Institutional Care Facility: A Michigan county-operated detention, group care, or shelter care facility used by a different Michigan county/court/local MDHHS office.

At Risk of Out-of-Home Placement: If the intensive programming was not available for the child and/or their parents, it is likely a formal request for placement into the foster care or juvenile justice system would occur. This is due to either the child or parent's behaviors, which present safety concerns, depending upon whether it would be a neglect/abuse case or juvenile justice case.

AWOL/AWOLP (Absent Without Legal Permission): Absent Without Legal Permission (AWOLP) is defined in [FOM 722-3A, Absent Without Legal Permission](#), and by the State Court Administrative Office as a child who is placed for care and supervision and who is absent from an approved placement without legal permission. Under MDHHS juvenile justice policy those youth solely adjudicated for a status offense are considered AWOLP if they leave any approved placement without legal permission or fail to return when required; see [JJ7 722-03A](#).

Caseworker: The primary case manager, for example the intensive probation officer, foster care worker, or court employee, who meets the educational and/or experiential requirements as set forth in SCAO Administrative Order 1985-5 or MDHHS policy.

Child Caring Institution (CCI): A child care facility, which is organized for receiving minor children for care, maintenance, and supervision, usually on a 24-hour basis, in buildings maintained by the institution for that purpose, and operates throughout the year. A Child Caring Institution is defined in Act No. 116 of the Public Acts of 1973, as amended.

Component: A portion of the child care fund budget.

For purposes of the DHS-2091 form, a component is the dollar amount listed under either the MDHHS or the court's specific type of care (Family Foster Care, Institutional Care, In-Home Care, and Independent Living). A county's budget can have components with different dollar amounts listed under each type of care, dependent upon whether that county has an MDHHS subaccount.

For purposes of the DHS-2094 form, a component is each individual DHS-2094 form that is listed for an in-home care program.

County Juvenile Officer (CJO): An officer employed by the court to perform duties related to juvenile services. Also known as Juvenile Court Officer (JCO).

County-Operated Facility: A facility licensed or approved as a child caring institution to provide group care, shelter care, or detention administered and staffed by county employees.

Court-Supervised Youth: Direct supervision of a youth by a court that had acquired jurisdiction over the child pursuant to MCL 712A.2(a), and the court maintains care and custody and placement planning.

Daily Rate: The rate paid per day to a foster parent/relative that includes youth room and board, and defined supervision/supports/services by the foster care provider.

Department or County Department: The Michigan Department of Health and Human Services.

Detention: An institution that primarily provides care and supervision for youth pending adjudication for status or criminal offenses or pending placement in a treatment facility post-adjudication.

DHS-206b: A form within MiSACWIS used when there is a subaccount to request monthly reimbursement of eligible expenditures. This form is generated, submitted, and approved electronically within MiSACWIS.

DHS-207: A form within MiSACWIS that a local MDHHS, circuit court or tribe uses to request monthly reimbursement of eligible expenditures. This form is generated, submitted, and approved electronically within MiSACWIS.

Foster Care: Care provided to a juvenile in a foster family home, foster family group home, or child caring institution licensed or approved under MCL 722.111 to 722.128, or care provided to a juvenile in a relative's home under a court order. MCL 712A.13a (1) (e).

Group Care Facility (also known as a Children's Therapeutic Group Home): A child caring institution receiving not more than six minor children who are diagnosed with a developmental disability as defined in section 100a of the mental health code, 1974 PA258, MCL 300.1100a, or a serious emotional disturbance as defined in section 100d of the mental health code, 1974 PA 258, MCL 330.1100d. Meets all of the following requirements: (i) provides care, maintenance, and supervision, usually on a 24-hour basis; (ii) complies with the rules for child caring institutions, except that behavior management rooms, personal restraint, mechanical restraint, or seclusion, which is allowed in certain circumstances under licensing rules, are prohibited; (iii) is not a private home; (iv) is not located on a campus with other licensed facilities.

Independent Living: A living arrangement, including the youth's own residence, or living in the residence of an adult who has no supervisory responsibility for the youth, which are not reimbursable for title IV-E.

- Rental home/apartment.
- College dormitory.
- Unrelated caregiver.
- Licensed/unlicensed relative home.
- Friend/partner home.

Institutional Care Placements: Per diem purchased residential care or placement within a county/court-operated youth facility.

Intensive Service: A service in which the worker-to-caseload ratio is not more than 1 to 20 and there is not less than an average of one face-to-face contact per week during the period the case is open for service. For those youth who are AWOLP, the intensive service requirement of weekly face-to-face contact is not required during the period of absence, however, diligent search efforts must be documented in the case file on a weekly basis to meet the In-Home Care program contact standard.

Judicial Costs: Costs relating to or connected with the administration of justice. This includes, but is not limited to, filing fees, charges for serving summons and subpoenas, competency evaluations, court reporter charges, court transcripts, copying papers and exhibits, witness fees, and attorney fees.

Judiciary Alternate: Security role in MiSACWIS that allows the user to act in the place of the judge. The judiciary alternate may review, route, and/or approve the DHS-167, DHS-168, DHS-207, DHS-2091, and the CCF package summary. This user may also add, create, amend, or edit data on these forms, view/add attachments, and view/print reports, except for the AP&B approval status report.

Jurisdiction: The authority given by law to a court to try cases and rule on legal matters within a geographic area and/or over certain types of legal cases. For the purposes of satisfying CCF eligibility, jurisdiction includes any complaint, formal/informal consent, diversion, legal filing, hearing, trial, and/or judgment before the court. CCF reimbursable service must be provided prior to dismissal of jurisdiction.

Non-Scheduled Payment (referenced as **Case Services Payments** in the MDHHS Foster Care Manual): Payments to individuals or organizations for items specified and defined in the CCF handbook, which are not included in established per diem rates.

Offset Process: The process MDHHS uses to determine the dollar amount to bill a county/tribe for state ward chargeback, share of neglect/abuse out-of-home care charges, or the remittance of state aid for the reimbursement of juvenile court and county department CCF expenditures.

Shelter Care Facility: An institution, which primarily provides care for residents for assessment, short-term supportive care, or placement planning.

State Ward Board and Care (SWBC): The state legislative appropriation to provide payment of foster care costs for state wards who are not eligible for title IV-E or the placement is not title IV-E reimbursable under specific criteria; [see FOM 901-8, Fund Sources](#).

Unlicensed Relative Placement: For purposes of placement with an unlicensed relative, a relative is defined as an individual who is at least 18 years of age and related to the child by blood, marriage, or adoption, as grand-parent, great-grandparent, great-great-grandparent, aunt or uncle, great-aunt or great-uncle, great-great-aunt or great-great-uncle, sibling, stepsibling, nephew or niece, first cousin or first cousin once removed, and the spouse of any of the above, even after the marriage has ended by death or divorce. A stepparent, ex-stepparent, or the parent who shares custody of a half-sibling shall be considered a relative for the purpose of placement.

Vendor: A dealer, distributor, merchant, contractor, or other seller providing goods, or services that are required for the conduct of the program.

Ward Child: Child or children of minor parents who are placed in the same foster care setting as the parent(s).