

**Child Care Fund Handbook**  
**Published Policies and Procedures**  
**Effective State Fiscal Year 2019**

**Michigan Department of Health and Human Services**

## Table of Contents

I. Purpose of the Child Care Fund Handbook.....	5
II. Introduction to the Child Care Fund .....	6
III. Program Authority.....	7
A. Michigan Statute .....	7
B. Administrative Rules .....	7
C. State Court Administrative Office (SCAO) .....	7
D. Michigan Department of Treasury Accounting Procedures for Local Units of Government	8
E. Case Law.....	8
IV. Child Care Fund Programming .....	9
A. In-Home Care Program.....	9
IHC Non-Scheduled Payments (Case Services Payments) .....	9
B. Out-of-Home Care Program.....	10
Out-of-Home Care Non-Scheduled Payments (Case Services Payments) .....	11
C. Basic Grant.....	11
Limitations of Basic Grant Funds.....	13
V. Child Care Fund Fiscal Factors and Reporting .....	14
A. Introduction to CCF Reimbursement.....	14
B. CCF Reimbursable Expenditures.....	14
Out-of-Home Care .....	14
In-Home Care Programming.....	19
Non-Reimbursable Expenditures and Unallowable Costs (Out-of-Home and IHC)...	<b>Error!</b>
<b>Bookmark not defined.</b>	
C. Revenue .....	23
D. Annual Plan & Budget.....	23
Employee Activity Certification .....	24
Budget Amendments .....	25
E. Monthly Reimbursement Request and Approval Process.....	25
Form DHS-207 .....	25
Form DHS-206b .....	26
F. Fiscal Year-End Projections.....	26
G. Contracts and Non-Contracted Rates .....	26
H. Tribal Reimbursement.....	26
I. Reimbursement Process.....	27
VI. Program Data Reporting .....	27
A. Total Number of Youth Billed this Month .....	28

B. Total Number of Youth Billed This Fiscal Year .....	28
C. Counting Days for Per-Diem Rates .....	28
VII. Fiscal Reporting.....	29
A. Out-of-Home Placements.....	29
B. Another County's Detention .....	29
C. Donated Funds Programs .....	29
VIII. Record Retention.....	31
IX. MiSACWIS Access and Use .....	32
X. On-Site Monitoring Reviews.....	33
XI. Administrative Review and Hearing Process.....	35
A. Administrative Review.....	35
B. Administrative Hearing Request.....	35
XII. Child Care Fund Handbook Revisions/Updates .....	36
A. CCF Governance.....	36
XIII. Glossary of Definitions .....	37

## Acknowledgments

The Michigan Department of Health and Human Services (MDHHS) acknowledges the commitment and support provided by the following stakeholders, in collaboration with the department, to keep child care fund policies current:

**Michigan Association for Family Court Administration (MAFCA)**

**Michigan Association of Circuit Court Administrators (MACCA)**

**Michigan Association of Counties**

**Michigan Probate Judges Association (MPJA)**

**Northern Michigan Juvenile Officers Association (NMJOA)**

**State Court Administrative Office (SCAO)**

## **I. Purpose of the Child Care Fund Handbook**

This document comprises the Child Care Fund Handbook and is the published policies and procedures authority referred to in the Michigan administrative rules, Mich Admin Code 400.2001(m).

This Child Care Fund (CCF) Handbook, in conjunction with Michigan statute, administrative rules, 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, 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 delinquent 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 the state 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 the state MDHHS prior to reimbursement. Circuit courts, county governments, county MDHHS offices, and tribes must participate in periodic site reviews by the state 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 recoupment.

MDHHS receives an annual, legislatively-appropriated budget to support CCF reimbursement-eligible programs and placements for eligible child welfare and juvenile justice youth as defined below:

- An MDHHS youth in either a Category I or II Children's Protective Services case.
- Any youth in a court ordered MDHHS-supervised foster care placement.
- A delinquent 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.

### 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 and juvenile justice programming 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 Services (LARA) is the entity charged with the promulgation of CCF Administrative Rules.

The CCF has promulgated administrative rules Mich Admin Code 400.2001 through 400.2049, which are specific to CCF reimbursement. 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. The MDHHS also has applicable administrative rules specific to state juvenile wards and licensing for child care institutions and child placing agencies.

- State Juvenile Wards, Mich Admin Code R 400.321 - 400.371.
- Licensing for Child Care Institutions and Child Placing Agencies, Mich Admin Code R 400.12101 – 400.12713.

### **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 direct 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 Programming

CCF is the primary fund source for serving delinquent, neglected, and/or abused youth. 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 reimbursement on eligible direct costs. Other available fund sources are federal title IV-E funds and State Ward Board and Care funds; however, these fund sources are paid through the state with either a federal or county reimbursement to the state. The CCF is the fund source of last resort for services not provided for under other state or federal funding programs such as title IV-E or Medicaid.

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 IHC services, out-of-home placements, and related supportive services such as drug screening and therapy.

### A. In-Home Care Program

<b>R 400.2009</b>	In-home care
-------------------	--------------

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 court for delinquency, abuse, or neglect and/or those affecting a youth's early return to his or her home from foster care or institutional care.

Authorizations for state reimbursement for IHC expenditures are subject to the determination of MDHHS and approved in the AP&B. Vendors used in a CCF-reimbursed IHC program must comply with the CCF handbook and reimbursement requirements. Vendor means a dealer, distributor, merchant, 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 four** 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 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.

### **IHC Non-Scheduled Payments (Case Services Payments)**

The eligibility of items covered under non-scheduled payments (NSP) is reflected in the specific items outlined in [FOM 903-9, Case Service Payments](#). These expenditures are child/case-specific services or items that are not covered in an established board and care rate. Non-scheduled payments for items varying from these parameters must be outlined in the county's approved CCF AP&B.

Payments for these items will, in most cases, be made to foster parents, the agency providing care for the child, or the provider of the service. When requesting reimbursement for NSPs in monthly reporting, the specific reason (clothing allowance, foster parent travel, etc.) for the NSP must be identified within the monthly reimbursement request.

Requests for reimbursement of bulk purchases such as bus passes or instant drug tests should be made at the time the bulk purchase is made and reflected on the general ledger. However, because items must track back to an individual child/case, a dissemination record should be maintained as to which child/family was provided the service. This information may be requested at the time of an on-site monitoring review.

## **B. Out-of-Home Care Program**

**R 400.2008** County child care fund expenditure reimbursement; eligibility.

- (2) Eligibility for court subaccount out-of-home care.
- (3) Eligibility for county department subaccount for out-of-home care.

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*.

State supervised youth in foster care, independent living and institutional care placements are governed by state policy and procedures. Youth under court supervision in foster care, independent living and institutional care placements are governed by local court policy and procedures. State and county policies, procedures and rate setting protocol must be in writing and available upon request.

MDHHS reimburses 50 percent of board and care expenditures for youth in eligible abuse/neglect or juvenile justice out-of-home placements. Eligible placements include youth living in licensed family foster homes, independent living placements, or a licensed child caring institution. Abuse/neglect placement eligibility is determined by [MDHHS statewide foster care policy](#).

Examples of board and care expenditures that are **not** considered an eligible out-of-home placement include:

1. Board and Care payments to unlicensed relative or kinship placements.
2. Administrative rates for private agency foster care (PAFC) oversight of:
  - a. Unlicensed relative/kinship placements.
  - b. Supervision of case after youth has returned home.
3. Administrative rates for court foster homes.

Board and care rates may not exceed state-established per diem, determination of care (DOC), or contracted rates cost unless an exception has been properly approved by the family court judge or the county MDHHS director.

Juvenile justice youth are often solely under the supervision of the courts. Circuit courts create in-home and out-of-home programming for youth involved in these cases. 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 by one of the following:

1. A detailed program description including costs, rates, and exception payment request policies specific to the programming.
2. An affirmative statement that all programming rates will follow already-established state guidance and rates. For example, treatment foster homes programming would follow the state-established guidance and rates outlined for *treatment foster homes* in [FOM 903-08, Payments Requiring Special Processing](#).

If the county/tribe does not establish a process for determining allowable payments and exceptional request payments as deemed appropriate by the circuit court, the expectation will be that state policy and rates will be followed for all OHC programs and expenses.

### **OHC Non-Scheduled Payments (Case Services Payments)**

The eligibility of items covered under non-scheduled payments (NSP) is reflected in the specific items outlined in [FOM 903-9, Case Services Payments](#). These expenditures are child/case-specific services or items that are not covered in an established board and care rate. Non-scheduled payments for items varying from these parameters must be outlined in the county's approved CCF AP&B.

Payments for these items will in most cases be made to foster parents, the agency providing care for the child, or the provider of the service. When requesting reimbursement for NSPs in

monthly reporting, the specific reason (clothing allowance, foster parent travel, etc.) for the NSP must be identified within the monthly reimbursement request.

Requests for reimbursement of bulk purchases such as bus passes or instant drug tests should be made at the time the bulk purchase is made and reflected on the general ledger. However, because items must track back to an individual child/case, a dissemination record should be maintained as to which child/family was provided the service. This information may be requested at the time of an on-site monitoring review.

### C. Basic Grant

MCL 400.117e

- (1) A county having a population of less than 75,000 is eligible to receive an annual basic grant of state money of \$15,000.00.
- (2) To be eligible to receive state financial support under subsection (1), a county shall meet the requirements of this act. A county shall not be required to contribute matching funds to receive state financial support under subsection (1).
- (3) A basic grant may be used only to supplement added juvenile justice service costs and shall not be used to replace county money currently being expended on juvenile justice services.
- (4) The office shall establish qualifying criteria for awarding the basic grants and may specify conditions for each grant.
- (5) To provide for early intervention to treat problems of delinquency and neglect within the child's home and to expedite a child's return to his or her home, the office may expend money from the child care fund or from other sources authorized in legislative appropriations for new or expanded programs, if the office determines that the programs are alternatives to out-of-home institutional or foster care. The office shall establish criteria for the approval of expenditures made under this subsection. The office shall submit to the legislature and the governor a report summarizing and evaluating the implementation of this subsection and containing recommendations for its future use.

**R 400.2010** Basic Grant programs; reimbursement eligibility.

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 the \$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 delinquent 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 salaries and benefits for contracted providers. It is recommended that private contractors are retained based on a unit rate.

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

## **V. Child Care Fund Fiscal Factors and Reporting**

### **A. Introduction to CCF Reimbursement**

Pursuant to MCL 400.117a, the department shall reimburse the county treasurer or tribe 50 percent of all approved direct expenditures of eligible child care services. Only 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 should not be estimated, expected, encumbered, or future expenditures.

A CCF direct expenditure eligible for 50 percent state reimbursement must include **all** the following:

- Be associated with a program that is certified by the presiding judge of the court, director of the county department, and chairperson of the county board of commissioners, county executive, or designated tribal leadership, and approved in the AP&B.
- 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.
- Court ordered foster care 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 out-of-home care.

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 basic grant may be used only to supplement added juvenile justice service costs and shall not be used to replace county money currently being expended on juvenile justice services.

Additionally, a basic grant may provide for early intervention to treat problems of delinquency and neglect within the child's home and to expedite a child's return to his or her home. 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.

### **B. CCF Reimbursable Expenditures**

#### ***Out-of-Home Care (OHC)***

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.*

### ***Foster Care***

*Foster care* means care provided to a juvenile in a foster family home, foster family group home, or child caring institution licensed or approved under the Child Care Organizations Act, 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).

**Note:** Although the foster care definition includes child caring institutions, costs for child care institutions cannot be included in the family foster care line on DHS-207/206b. Child care institution expenditures should be reported in the institutional care section of DHS-207/206b.

Expenditures for per diem rates for youth placements, including DOC rates as outlined in foster care policy, may be reimbursable and reported on the DHS-207 or DHS-206b including:

- Court supervised youth – defined as the youth directly supervised by an employee of the court.
- Placement Agency Foster Care (PAFC)/private agency supervised youth - defined as the youth with case supervision provided by an MDHHS contracted agency.

### ***Independent Living***

Expenditures for per diem rates for youth placements, as outlined in foster care policy, that may be in the youth's own residence, living in the residence of an adult who has no supervisory responsibility for the youth, but which is not reimbursable for title IV-E, may be reimbursable and reported on the DHS-207 or DHS-206b. This may include any of the following living arrangements:

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

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

Independent living expenditures should not be reported on the DHS-207/206b with foster care expenditures. Independent living per diem payments are reported in the section specified as *Independent Living* on the DHS-207/206b.

### ***Institutional Care Costs***

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***

Purchased residential care is paid based on a per diem rate basis inclusive of all institutional costs, including administrative, social service, and child maintenance expenses.

MDHHS-supervised foster care youth may only be placed in residential placements that have an MDHHS contract or non-contracted rate in place, per [FOM 903-04, Purchased Care Payment Procedures](#), and [FOM 905-3, Foster Care Rates](#).

MDHHS-supervised juvenile justice youth should be placed in coordination with the Juvenile Justice Assignment Unit, per MDHHS juvenile justice policy [JJ4-410](#) and [JJ7-700](#).

Court-supervised juvenile justice youth should be placed in a residential facility that has either an established contracted per-diem rate or a non-contracted per-diem rate prior to placement.

The cost of care for youth placed in facilities owned by the state of Michigan and licensed as a private child care institution should conform to the state-established rate per Mich Admin Code R 400.2024(f) unless an exception has been properly approved by the family court judge or the county MDHHS director.

Many non-scheduled payments are not available to children in institutional residential placements as these items are already included in the institutional rate.

- ***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, 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 used must adhere to the county/tribe published rates. 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.

**Expenditures that are not reimbursable** and should not be reported on the DHS-207 or DHS-206b for out-of-home care 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 costs for CCF programs and/or services to children.
8. Insurance – liability.
9. Services that were already accounted for under IHC.
10. Rental/use costs for building(s).
11. Judicial expenditures.

**Any administrative/indirect expenditures** for OHC administered by the circuit court, county governments, county MDHHS and/or tribes should **not** be reported anywhere on the DHS-207 or DHS-206b as a direct expenditure. An administrative/indirect cost allotment equal to 10 percent of the *total adjusted expenditures subject to reimbursement at 50%* (gross expenditures) line on the monthly DHS-207 or DHS-206b will be calculated and distributed every month at approximately the same time as the 207/206b reimbursement payment. Given that these costs are not reported on the DHS-207 or DHS-206b, no detailed general ledger/transaction level history report will be required or reviewed to support the expenditures covered with this allotment.

Tribes requesting CCF reimbursement are given the option to receive either the 10 percent administrative rate or use the tribe's federally-negotiated indirect cost rate. The option being used by the tribe must be expressed at the time of the tribe's AP&B submission.

### ***In-Home Care (IHC) Programming***

The IHC option of the CCF may be used for a delinquent youth for whom a petition, complaint, or referral has been filed and accepted by the court to provide for intervention to treat problems of delinquency and/or abuse/neglect. IHC services are reimbursable in the following situations:

- (a) In-home care is provided as an alternative to removal from home and placement in detention or other out-of-home care.
- (b) In-home care is used to accelerate the early return of a youth from foster care, institutional care, or any other out-of-home care.

**Note:** In-home care services for early return home do not require the application of the intensive caseload ratio and contact standards.

- (c) In-home care services for substantiated Children's Protective Services cases referred to the county MDHHS department if all the In-home care services prevent the need to petition the court for removal or will accelerate the return of a youth from out-of-home care. Substantiated Children's Protective Services cases are those disposed as Category I or Category II, per MCL 722.622(cc) and MCL 722.622(dd).
- (d) Non-scheduled payments (also called case service payments) are not made to cover basic family needs otherwise provided through existing state and/or federal programs, regardless of eligibility.

**Direct Expenditures for IHC** by the court, tribe, or county MDHHS, which may be reimbursable and reported on the DHS-207 or DHS-206b, may include:

1. Circuit court employee salaries who support the CCF IHC program.
2. For judicial court officers (JCO) that support the CCF IHC program, that prorated portion of their salaries that are not already covered by the JCO grant. The proportional fringe benefits (as listed below) for the JCO 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 used must adhere to the county/tribe published rates. 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 pro-social activities.
  - c. Food related to program activities and pro-social 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 (used exclusively in child abuse/neglect cases).
  - 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 items 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 the IHC program.

**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.
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.

**Any administrative/indirect expenditures** for IHC programs administered by the court, tribe, or county MDHHS should **not** be reported anywhere on the DHS-207 or DHS-206b as a direct expenditure. An administrative/indirect cost allotment equal to 10 percent of the *total adjusted expenditures subject to reimbursement at 50%* (gross expenditures) line on the monthly DHS-207 or DHS-206b will be calculated and distributed every month at approximately the same time as the 207/206b reimbursement payment. Given that these costs are not reported on the DHS-207 or DHS-206b, no detailed general ledger/transaction level history report will be required or reviewed to support the expenditures covered with this allotment.

Tribes requesting CCF reimbursement are given the option to receive either the 10 percent administrative rate or use the tribe's federally-negotiated indirect cost rate. The option being used by the tribe must be expressed at the time of the tribe's AP&B submission.

***Non-Reimbursable Expenditures and Unallowable Costs (OHC and IHC)***

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 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, residential care centers, 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. Fund raising 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

### C. 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 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.

### D. 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 the CCF-MiSACWIS. The CCF-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 are required to be completed on or before August 15 include:

1. DHS-2094/4471, In-Home Care/Basic Grant Budget Detail Report & Request.
2. DHS-2091, County Child Care Budget Summary.
3. DHS-167, In-Home Care Certification, to be signed by the Judge.
4. DHS-168, Basic Grant Certification, if applicable, to be signed by the Judge.
5. MDHHS-5592, Child Care Fund (CCF) County/Court-Operated Facility, if applicable.
6. MDHHS-5734, Point of Contact Information form.
7. Chart of accounts (including descriptions and coding).
8. MDHHS-5589, Employee Activity Certification - Child Care Fund Staff, if applicable (previous editions obsolete).
9. DHS-2091 Supplemental Form - required MDHHS Excel form uploaded into MiSACWIS to provide details/support for the DHS-2091.
10. Annual Reimbursement Crosswalk Form - required MDHHS Excel form uploaded into MiSACWIS to provide General Ledger crosswalk details to support future DHS-207/206b requests.
11. MDHHS-5731, Court-Operated Out-of-Home Care Program Component Report/Request, if applicable.

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

**Note:** Although the DHS-2091 cannot be routed in CCF-MiSACWIS before all DHS-2094/4471 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.

### ***Employee Activity Certification***

All IHC and OHC employees working less than full-time in one CCF program, or working across multiple CCF programs, must complete the MDHHS-5589, Employee Activity Certification. *Full-time* is defined as minimally 37.5 hours a week. The signed certification form must be updated and submitted each fiscal year, along with the AP&B or budget amendment. New certification forms must be submitted for each new employee working less than full-time within one or more CCF programs. The employee activity certification form can be found on the CCF public website.



### ***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, 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.

Staff changes within an IHC or county/court-operated institutional care program only require an updated MDHHS-5589, Employee Activity Certification.

### **E. 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, local 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 I. Payment Process*.

The CCF reimbursement unit manager may remove an ineligible expenditure from the monthly DHS-207/206b prior to payment. Within 3 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.
- Monthly case listing for each CCF funded program (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 requires 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.
- Monthly case listing for each CCF funded program (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 requires a new electronic signature by the local MDHHS director.

## **F. 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.

## **G. Contracts and Non-Contracted 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.

Several licensed child caring institutions (CCI) do not have a contract with MDHHS. Some of these CCIs have an MDHHS-established non-contracted rate if a placement exception is granted for an MDHHS youth. Placements in a CCI that do not have an MDHHS-established rate must be approved by the executive director of the MDHHS Children's Services Agency prior to placement. Agencies that have no agreement and no MDHHS-established non-contracted rate cannot be used by MDHHS.

Contractual services purchased through basic grant or IHC monies should 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 complies with county policy with respect to contract and bidding requirements per Mich Admin Code R 400.2006 and R 400.2031(k).

## **H. Tribal Reimbursement**

Tribes requesting CCF reimbursement are given the option to receive either the 10 percent administrative rate or use the tribe's federally-negotiated indirect cost rate. The option being used by the tribe must be expressed at the time of the tribe's AP&B submission.

For tribal governments, the negotiated indirect cost rate should be based upon the tribe's rate negotiated and approved by the federal government's U.S. Department of the Interior.

## **I. 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.

The 10 percent administrative/indirect expenditures 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.

## VI. Program Data Reporting

MCL 400.117a (7) and (8)

(7) A county that is not a county juvenile agency and receives state funds for in-home or out-of-home care of children shall submit reports to the department at least quarterly or as the department otherwise requires. The reports shall be submitted on forms provided by the executive director and shall include the number of children receiving foster care services and the number of days of care provided.

(8) The department shall develop a reporting system providing that reimbursement under subsection (4) (a) shall be made only on submission of billings based on care given to a specific, individual child. The system shall be implemented not later than October 1, 1982.

### A. Total Number of Youth Billed this Month

Youth reported in the *total # of youth billed this month* column on the DHS-207/206b as being in the program billed for that month should be reported again the following month if still in the program being billed for that same following month.

For example, a youth receiving an IHC program wraparound services in November would 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* that runs for the extent of the State of Michigan's fiscal year. 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 on the first day of 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

Records must be retained according to the following rules:

- Mich Admin Code R 400.2031(i): The accounting records of the child care fund shall be retained in compliance with *record retention general schedule #14 probate courts* issued by the State Supreme Court Administration Office.
- 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, local 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 in to 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) and validates 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 Children's Services Agency and Bureau of Audit work together to perform fiscal and programmatic reviews of counties/tribes across the state to validate the expenses reported in monthly reimbursement requests (DHS-207/206b) to ensure compliance with the CCF reimbursement program.

The objectives of the CCF on-site monitoring reviews are:

- To assess whether the county CCF program recorded and reported direct expenditures and revenues that were accurate, allowable and appropriate according to state laws, regulations, and departmental policy.
- To assess whether the county CCF program met general employee, IHC, and basic grant compliance requirements.

The Bureau of Audit will notify the county/tribe of a monitoring review initiation and discuss an agreed-upon date for the review. In addition, a date for an entrance meeting to discuss the logistics of the review including a general description, review period and preliminary information needed will be determined.

Prior to the review itself, the Bureau of Audit will request the following preliminary information to be provided by the county/tribe:

- Listing of all staff that are charged to CCF.
- Detailed general ledger in Microsoft Office Excel and/or Txt file format.
- County, tribe, or court policy on employee travel and meal reimbursement.
- Fiscal questionnaire.

As the on-site monitoring review date approaches, reviewers will select a sample of expenditure and revenue items from the detailed general ledger for evaluation that will be sent to the county/tribe prior to the review. From the CCF staff listing, reviewers will select a sample of employees for evaluation that will be sent to county/tribe prior to the review. Reviewers will also select case files that will be sent to county/tribe prior to the review that will be reviewed for compliance. Individual case record documentation shall be maintained by the court and county department and shall be made available for on-site review. Written program policy and procedures may also be requested for review.

On-site reviews may take several days to complete, and reviewers will request supporting documentation for the sampled expenditures and revenue items including:

- Invoices.
- Receipts.
- Memos/policy.
- Specific payroll information.

Reviewers will evaluate this sampled supporting documentation to verify that the direct expenditures reported are accurate, allowable, and appropriate.

For the compliance portion of the review, reviewers will submit a list of documents for evaluation, which will allow substantiation of, and compliance with general employee requirements. In addition, reviewers will evaluate sampled case files for youth to ensure all compliance requirements are met.

Upon conclusion of the review, a memorandum will be issued to the county/tribe with the preliminary conclusions from MDHHS. MDHHS will provide an opportunity to counties/tribes to see the conclusions and provide any additional documentation, support, or perspective that may change the conclusions. Following the memorandum, MDHHS will issue a draft report and ask the county/tribe to respond in writing to any findings noted in the report. The county's/tribe's written response will be incorporated into a final report that will be issued only to the county's/tribe's 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.

## **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 or fiscal office decision, a written request for review must be submitted to CCF program office within 10 business days of the decision. The MDHHS Children's Services Agency CCF program office manager will conduct a review of the decision and either confirm or reverse the decision in writing within 10 business days of receipt of the request.

If the court, tribe, or county disagrees with the CCF program office manager's decision, a written request for a division-level review must be submitted within 10 business days. At that time, the Children's Services Agency CCF program office division director will review the appropriate material and issue a final, written MDHHS response within 10 business days.

All requests for review must be submitted to the MDHHS-CCFMU mailbox at [MDHHS-CCFMU@michigan.gov](mailto: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 made within 90 calendar days of the issuance, 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 Michigan Administrative Hearing System (MAHS) 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**

### **A. CCF Governance**

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 operating the state CCF reimbursement program, there is a commitment by the department to provide better service to the public by working in partnership with relevant stakeholders responsible for child welfare and juvenile justice services.

It is through this commitment MDHHS has established and maintains the Child Welfare and Juvenile Justice Funding Leadership Council which includes representatives from counties, courts, tribes, and other appropriate stakeholder groups. This collaboration establishes shared responsibility for the successes and challenges of funding for child welfare and juvenile justice services.

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 will also always be 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 that is being 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](#).

**Capital Expenditures:** Expenditures that create future benefits. A capital expenditure is incurred when a business or government spends money whether to buy fixed assets or to add to the value of an existing fixed asset with a useful life that extends beyond the taxable year.

**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-2094/4471 form, a component is each individual DHS-2094/4471 form that is listed for an in-home care program.

**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.

**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. CCI Rule Interpretations/General Provisions; Admin Rule

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

**DHS-207:** A form within the CCF-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 the 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.

**Monthly Offset Process:** The process MDHHS uses to determine the dollar amount to bill a county/tribe for state ward charge-back or the remittance of state aid for the reimbursement of juvenile court and county department CCF expenditures.

**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 the state-established per diem rate.

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

**State Rates:** Rates established and published by the MDHHS for the following: per diem payment for foster family care, per diem payment for a private child care institution, per diem payment for a private child placing agency, initial clothing allowances, adoption placement costs, independent living costs, and subsidy payments. Subsidy payments are considered payments to assure the availability of bed space for placement referrals.

**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](#).

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