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### Annual Cost Report Handbook – Child Care Institutions

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PART 1: PROGRAM OVERVIEW

The purpose of the Michigan Department of Health & Human Services (MDHHS) Foster Care and Juvenile Justice Programs are to provide effective, safe, temporary living arrangements for children. Implicit in this purpose is the requirement that care and services must be provided which facilitate the individual child's development and lead to the youth's subsequent reunification with the family, adoption, permanency or independence at the earliest possible date. The Foster Care and Juvenile Justice Programs contract for the following residential service types:

**General Residential**
The General Residential Program type provides a discharge-focused, interdisciplinary, psycho-educational, and therapeutic 24-hour-a-day structured program with community linkages, provided through non-coercive, coordinated, individualized care, and interventions with the aim of moving individuals toward a stable, less intensive level of care or independence. Interventions should be evidence-based and include trauma-focused interventions.

**Cognitively Impaired and Developmentally Disabled**
The Cognitively Impaired and Developmentally Disabled program type offers services for children with developmental disabilities consisting of individualized services that include structure and support in mastering activities of daily living, developing positive self-protective skills, community integration, behavior plans and interventions, including mental health treatment as needed. Services are designed and delivered to engage the youth at his or her level of functioning. Residential providers support children in their treatment, school programs, adult transition planning, transition planning to a less restrictive placement and, preserving connection with their families. “Intellectually disabled” is defined as mild to moderate (IQs 45 to 69) intellectually impaired children with or without substance use or dependence symptoms. This also includes children with severe or profound cognitive impairments (IQ below 45), those with autism spectrum disorder that exhibit severely restricted functioning levels, and severely multiply impaired, which includes those with a combination of cognitive and physical impairments, and may also include mental and/or emotional impairments. Developmentally disabled individuals have been diagnosed with a mental disorder which significantly impacts their adaptive functioning and ability to care for themselves and generally is considered a lifelong condition.

**Mental Health and Behavioral Stabilization**
The Mental Health and Behavior Stabilization Residential Care Program provides intensive and frequent services and has a lower staff to child ratio than General Residential. The staffing, structure, and environment make more intensive child supervision possible. The Mental Health and Behavior Stabilization Program provides a comprehensive array of services that include psychiatric and clinical assessments and
evaluations and corresponding interventions designed to stabilize and treat the conditions of mental health/behavioral instability. Level of service intensity is tailored to and based on the needs of the child and the child’s diagnosis at the time of intake and ongoing progress in the program.

**Mother/Baby**
The Mother/Baby Residential Program type provides a discharge-focused, interdisciplinary, psycho-educational, and therapeutic 24-hour-a-day structured program with community linkages, through non-coercive, coordinated, individualized care, and interventions with the aim of moving individuals toward a stable, less intensive level of care or independence. Interventions should be evidence-based and trauma-focused. The Mother/Baby Program offers an intensive array of services to meet the short and longer-term needs of pregnant and parenting youth in the Michigan child welfare system. Research has shown that successful programs incorporate three elements that offer a pregnant or parenting youth the supports needed to succeed: socialization, nurturing and support, structure and discipline. To best support pregnant and parenting youth in Michigan, the program is designed with a continuum of care approach. The continuum may consist of three levels. Level 1 is highly structured with 24-hour supervision. Level 2 is a step down to a less restrictive living situation where the level of supervision is decreased and the youth obtains more responsibility for managing their own money. Level 3 includes a step to a less restrictive non-residential setting. The tiered level approach encourages youth participation and investment in the program while working on their long-term goal of being self-sufficient.

The Mother/Baby Program service delivery can be offered in several different modalities. Ideally, the program must provide a continuum of services to allow the youth to transition from a residential/group home setting to a non-residential setting. The approach should include supervision, staffing, home settings, and basic program standards that teach and support positive parenting.

**Sexually Reactive**
The Sexually Reactive/Sex Offender program uses a bio-psychosocial approach to address the symptoms of compulsive behaviors, Post-Traumatic Stress Disorder (PTSD), and childhood sexual and/or non-sexual abuse. The program provides individualized treatment plans in a variety of evidence based modalities. Therapeutic approaches may include Cognitive-Behavioral Therapy (CBT), experiential therapies, psycho-educational presentations, psychopharmacological interventions, family systems theory, and integrative therapies. Treatment approaches are gender and identity specific, and, age and developmentally appropriate. Treatment options for residents with aggressiveness, attachment problems, sadistic behaviors, grief and loss issues, and impulse control problems are included in the residential program. Skills training in aggression replacement, anger management, social skills, activities for daily living, coping skills, and communication skills are provided.
Substance Abuse Rehabilitation
A comprehensive array of services are provided to prevent substance abuse and to address substance use disorders, and to support recovery. Interventions are co-occurring and address the full range of related issues including recognizing the harmful effects of chemicals on the child; developing strategies to prevent substance misuse, identifying alternate methods of meeting the needs previously met by chemical use; achievement and maintenance of sobriety or abstinence; health and mental health needs; counseling and/or psychotherapy; education; improved social, emotional, psychological, cognitive, and vocational functioning.

Short-Term Assessment
A Short-Term Assessment Center program is for children who either:

i) Have significant behavioral challenges or other complex factors requiring a comprehensive assessment to reunify or identify the appropriate and least restrictive out-of-home placement setting; or,

ii) Have experienced placement instability or multiple placement moves and a more thorough assessment is needed to reunify or achieve placement stability.

Unaccompanied Refugee Minors-Residential Programs
The Unaccompanied Refugee Minors (URM) program provides culturally appropriate residential services to assist eligible minors to develop skills needed to enter adulthood, while achieving economic self-sufficiency and social adjustment. The URM program currently operates in 20 program sites in 14 states. The URM program ensures that eligible unaccompanied minor populations receive the full range of assistance, care and services available to all foster children in the state by establishing a legal authority to act in place of the child’s unavailable parent(s). These URM programs encourage reunification of children with their parents or other appropriate adult relatives through family tracing and coordination with local refugee resettlement agencies. However, if reunification is not possible, the program designs a case specific permanency plan for each minor in care.

Shelter
The focus of the Shelter program type is to:

i) Provide a safe environment for children who have been removed from their home;

ii) Conduct an evaluation to determine the appropriate placement for a child.

The Shelter program is only available for thirty days or less unless an exception is made in writing by the MDHHS County Director or designee. An exception may be made for:

i) Children who have an identified and approved placement but the placement is not available within 30 days of the child’s entry to an emergency or temporary facility.
ii) Children whose behavior has changed so significantly that the County Director or his/her manager designee has certified that a temporary placement for the purposes of assessment is critical for the determination of an appropriate foster placement. In no case shall a child remain in an emergency or temporary facility more than 45 days.

PART 2: FISCAL FACTORS

All contracted Child Care Institutions (CCI) shall be reimbursed for care on a per diem basis for each child based upon the child’s program type. One per-diem unit equals the initial calendar day of placement of a referred child and any 24-hour period thereafter where a child is receiving basic supervision and care, and any specialized services as defined by the contract.

For payment to occur, CCI shall verify (through the MiSACWIS system) the bi-weekly roster for any child in their care. The verification shall indicate the units of service provided by the CCI and shall be submitted to MDHHS within 30 days from the end of the billing period.

For any County Child Care Fund children, MDHHS is not obligated to make payment to CCI. Payment for these children is the statutory responsibility of the County. The MiSACWIS verification process is still required to process the DHS-659 payment voucher to the county for payment.

The fund source and payment procedures to be utilized in paying for the out-of-home care of youth are determined by a combination of factors including legal status, living arrangement and federal regulations.

Sources of Funding

Title IV-E Funding

Title IV-E funds are established by Title IV-E of the Social Security Act to provide federal financial participation in the administrative costs and foster care maintenance payments for eligible youth.

County Child Care Funding

The County Child Care Fund is a county-state fiscal program whereby the State of Michigan reimburses counties that provide care and service for children and their families. Based upon proper establishment of a County Child Care Fund account by the county treasurer, an approved county annual plan and budget for the expenditure of foster care money and a County Child Care Fund policy, county costs are reimbursed at a rate of 50 percent for foster family care, independent living, placement agency foster care (PAFC) supervision, residential facility, county-operated facility, in-home service, and intermittent or non-scheduled payments.
State Ward Board and Care Payments

State Ward Board and Care (SWBC) is the state legislative appropriation that provides 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.

SWBC funds are available to support youth in out-of-home placements under certain conditions. SWBC funds may be used to reimburse the residential facility for care provided, for certain intermittent or non-scheduled payments to the youth if the following criteria are met:

1. The youth is a state ward committed to MDHHS under Act 150 (Delinquent), Act 220 (MCI or MCI-O), or Act 296 (Adoption Voluntary Release).
2. The child is in a MDHHS supervised and approved out-of-home placement.
3. The child (or the placement) is not eligible for Title IV-E funding; see FOM 902, Funding Determinations and Title IV-E Eligibility.
4. The youth has not attained age 19. An exception is a P.A. 150 state ward who has had court jurisdiction extended to age 21 due to a class I or II criminal offense; see FOM 903-08, Payments Requiring Special Processing.

SWBC payments are subject to reimbursement from the county to the state for eligible children and expenses at a rate of 50% of the cost for residential placement under Act 150 and Act 220. Foster care placement is subject to reimbursement from the county to the state for eligible children and expenses at the annually determined state chargeback rate. This rate is published in August/September annual report through a letter issued to the courts.

Limited Term/Emergency/General Funds

Limited term/emergency/general funds is a limited funding source to assist MDHHS staff in providing foster care payment and service under the following specific circumstances:

1. The child is a court ward (legal status 40, 41 or 42) and Title IV-E eligible except for the receipt of Supplemental Security Income (SSI). The Reconciliation and Recoupment Section determines eligibility for this fund source.
2. Former Michigan Children’s Institute (MCI) wards between age 19 and 20 who are in foster care or independent living.
   a. Limited term and emergency foster care may be used to meet the living expenses of former MCI wards but funding is not to extend beyond the ward's 20th birthday.
   b. Payment for the basic board and care rate will be made for youth placed in family foster care, independent living or adult foster care (AFC) homes as a case service payment. Payments for determination of care supplements, administrative rates, the cost of residential care or costs that exceed the AFC rates established in ASM 377, Monthly Provider Rates, are not covered.
3. Emergency foster care for children in families receiving FIP (Family Independence Program) and the caretaker is hospitalized or incarcerated for seven days or less and no other plan can be made through the FIP program. If care is needed for more than seven days see Payment for Own Home Placements.
   a. Open a voluntary foster care case in MiSACWIS through the non-CPS intake process with legal status 51 (non-ward) and fund source limited term/emergency/general funds.
   b. No case service payments are to be authorized.
   c. For purposes of the use of these funds, the limit of such emergency care will be one week.
4. Children may be placed in foster care prior to release to MDHHS under the Michigan Adoption Code.
PART 3: REPORT PROCEDURE

The Michigan Department of Health and Human Services (MDHHS) establishes the “Annual Cost Report Workbook – Child Care Institutions.” Information obtained from this cost report is used to establish payment rates for costs and services that may be made to child care institutions.

A separate cost report format has been created for Child Placing Agencies (CPAs). The CPA format was developed based on allowable costs and activities specific to their agency type. If you did not receive a CPA cost report, and require one, please contact Amanda Doane of MDHHS DoaneA@michigan.gov to receive the necessary documentation.

Per contract with MDHHS, the contracted provider shall submit their annual financial cost reports based on the state’s fiscal year which begins October 1 and ends September 30. The reports shall contain the annual costs incurred by providers in delivering services required in the agreement to MDHHS clients for the reporting period. Reports will be submitted using a template provided by MDHHS. The financial reports shall be submitted annually, by November 30 of each fiscal year. The contracted provider must comply with all program and fiscal reporting procedures as established by MDHHS including following the guidance of the “Annual Cost Report Workbook – Child Care Institutions.” Reports shall be submitted electronically to MDHHS-Foster-Care-Audits@michigan.gov.

Failure to meet reporting responsibilities as identified in the agreement may result in MDHHS withholding payments until receipt of the annual financial cost report. MDHHS may withhold from current payments an amount equal to five percent (5%) of the Contractor’s reporting year MDHHS revenue, not to exceed $60,000. MDHHS may retain withheld funds as a penalty if delinquency reaches sixty (60) days past due. MDHHS may terminate the contract if the Contractor is ninety (90) days delinquent in submitting the required annual financial cost report.

Contracts requiring this report are:

- Residential Foster Care – Abuse and Neglect (RFCAN)
- Residential Foster Care – Juvenile Justice (RFCJJ)
- Residential Foster Care – Short Term Assessment
- Residential Foster Care – Unaccompanied Refugee Minors (RAUM)
- Shelter Foster Care (SHFC)

If a contracted provider has multiple facilities with different licensing numbers, then separate cost reports must be completed for each licensed facility. If a contracted provider has multiple contracts/programs in one licensed facility, then a single combined cost report must be completed. In this case, each contract/program is required to report applicable direct cost in
the respective columns of the “CCI Direct” tab, as well as total applicable costs in the “CCI Indirect/Administrative” tab, and “Statistics” tab. In addition, the contracted provider is required to complete the “SSE” tab to differentiate Social Service costs and Maintenance costs.

PART 4: EXPLANATION OF COMMON TERMS

To facilitate the completion of the cost report, certain terms are defined with brief explanations below:

Allocation Methodology
Documentation and/or a description of the methodology used to distribute costs, including direct or indirect costs, to programs and to the direct service columns on the cost report is required. All benefiting cost objectives must receive an equitable distribution in accordance with benefits received. For example, a CCI operating two separate programs may allocate shared costs to these programs based on the total utilization (days of care) for each program.

Costs should be allocated across the cost report’s direct service columns if there is clear delineation and documentation for the allocation. There are many reasonable ways to allocate costs across programs or activities. In general, the methodology you choose should fairly distribute costs based on all benefiting programs and/or activities.

Days of Care
- **Actual Days of Care** - For each contract, report actual days of service to MDHHS children only. If one MDDHS child received 7 days of service, then report “7 actual days of care” (7x1=7). Add the subtotal of each contract to determine Total Actual Days of Care for all MDHHS children served and report it on the cost report workbook. (See handbook Part 6: Reporting Program Statistics and CCI workbook tab “6 Statistics” table 6.2)
- **Available Days of Care** - For each contract, report the number of contracted beds multiplied by the number of days in the fiscal year covered by the contract. Add the subtotal under each contract to determine the Total Available Days of Care for MDHHS contracted beds and report it on the cost report workbook. (See handbook Part 6: Reporting Program Statistics and CCI workbook tab “6 Statistics” table 6.2)

Full Time Equivalent (FTE)
Enter the number of FTEs that represent each position type; (1 FTE = 2,080 hours worked in a year). For hourly employees, divide the total hours the position worked by 2,080 hours. For full-time, salaried employees, the FTE should equal 1.0000. The report will show up to four (4) decimal places, identical positions should be reported on the same line entry, and their costs totaled as one.
Example for calculating FTEs: Program employs a total of 4 Direct Service Staff, total hours worked for these 4 positions was 6,395 hours. FTE entered on the cost report would be 3.0745 (6,395 hours ÷ 2,080 hours per FTE). (See handbook Part 6: Reporting Program Statistics and CCI workbook tab “6 Statistics” table 6.3 and table 6.4)

FTE’s that Exited Employment
Enter the number of FTEs that exited employment during the reporting period, ending September 30th. (See handbook Part 6: Reporting Program Statistics and CCI workbook tab “6 Statistics” table 6.5)

Non-Reportable Cost
Non-Reportable Costs are identified in Part 5, Sections 1- 4 of this Handbook and should NOT be reported on any worksheet (or tab) of the “Annual Cost Report Workbook – Child Care Institutions.”

Number of Children Served
For each contract, report all MDHHS children served for the reporting period, regardless of funding source (IV-E, County, State Ward Board & Care, General Fund). To determine if a child is an MDHHS child, the child must have been referred to the contractor by MDHHS. (See handbook Part 6: Reporting Program Statistics and CCI workbook tab “6 Statistics” table 6.1)

On-Site Reviews
MDHHS may conduct on-site reviews of the financial and programmatic information used as the basis for the cost report(s). MDHHS will generate a report for each on-site review. The MDHHS report will conclude whether the CCI’s annual reported costs are adequately supported, allowable, allocated appropriately, and eligible under Foster Care guidelines.

Reasonable
A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, consideration must be given to:

- Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the entity or the proper and efficient performance of the contract.
- The restraints or requirements imposed by such factors as: sound business practices; arm’s-length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the contract.
- Market prices for comparable goods or services for the geographic area.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the Contractor, its employees, its clients, beneficiaries, students or membership, the public at large, and the Federal Government.
• Whether the Contractor significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the cost.

**Record Retention**
Records used to complete the cost report must be retained for a minimum of seven years for review purposes. Records should include, but are not limited to:
• Financial
• Programmatic
• Recipient records
• Allocation methodologies

**Reportable Cost**
For a cost to be included on the cost report, it must meet the following general criteria:
• Be necessary and reasonable for the performance of contractually required CCI activities.
• Conform to any limitations or exclusions set forth in this handbook or in the contract as to types or amount of cost items.
• Be allocated consistently across all programs.
• Not be included as a cost or used to meet cost sharing or matching requirements of any other federally funded program.
• Be adequately documented.

Reportable costs are categorized in two different ways:

1. **Reportable – CCI Direct**
   Direct Costs are those costs that can be identified specifically with a particular final cost objective toward the fulfillment of the CCI contract. Reportable Direct Costs are defined in Part 5, Sections 1 – 3 of this Handbook and should be reported on the “CCI - Direct” worksheet (or tab) of the “Annual Cost Report Workbook – Child Care Institutions.”

2. **Reportable – CCI Indirect/Administrative**
   Indirect or Administrative costs are those that have been incurred for a common or joint purpose benefitting more than one cost objective, and cannot be readily assignable to the cost objectives specifically benefitting. After direct costs have been determined and assigned to a contract/program, indirect costs are those remaining to be allocated to benefiting cost objectives. Specific Reportable Indirect/Administrative Costs are defined in Part 5, Sections 1 – 3 of this Handbook and should be reported on the “CCI - Indirect/Administrative Costs” worksheet (or tab) of the “Annual Cost Report Workbook – Child Care Institutions.” A cost may not be allocated to a program’s indirect cost section if that cost has been reported as a direct cost.
PART 5: COMPLETING THE ANNUAL COST REPORT WORKBOOK

The “Annual Cost Report Workbook – Child Care Institutions” contains worksheets (or tabs) designed for the CCI to report the revenues and expenses incurred, and services delivered by your CCI during the reporting period.

The institution should mark the appropriate check-box on the cost report “Information” tab to identify its method of general ledger accounting. The CCI should report results on the cost report workbook matching its general ledger in both method and amount.

The various worksheet tabs include:

- Tab 1 - Instructions
- Tab 2 - CCI Information
- Tab 3 - CCI – Direct
- Tab 4 - CCI – Indirect/Administrative
- Tab 5 - SSE (Supplemental Schedule of Expenditures)
- Tab 6 - Statistics

Each tab on the cost report is broken down into rows that correspond to typical expenditures for activities or services performed by Child Caring Institutions. Regardless of funding source, report all expenditures as detailed below so that MDHHS can capture the entire costs for the respective programs. The following is a detailed explanation for each of the expense items on the report.

SECTION 1: SALARIES AND FRINGE BENEFITS
CCI – DIRECT and CCI – INDIRECT/ADMINISTRATIVE

1) SALARIES

Compensation paid to employees including vacations, holidays, sick leave and leaves of absence. Salaries of employees chargeable to more than one program must be supported by documentation maintained by the CCI that shows an equitable and appropriate distribution of time and effort.

Salary Guidelines:

i) Conforms to the established written policy of the CCI that is consistently applied to all activities.

ii) Only costs that support the goals and activities of the total program.

iii) Rates reasonable and consistent with those paid for similar activities by the contractor.

iv) Rates competitive with those paid for similar services provided by other contractors for doing similar work.
v) Incentive compensation for efficient performance may be paid if it is part of a standard agreement between the employer and employee and entered into in good faith before the services were rendered.

vi) Overtime and multi-shift premiums:
   (1) When management of the contractor authorizes such costs as part of their established policies and in accordance with sound business practices.
   (2) For emergencies or performance of tasks which cannot reasonably be interrupted.

**REPORTABLE COSTS – DIRECT:** (*CCI - Direct Worksheet*)

Reportable direct salary line item definitions include:

a) **Administration:** Senior staff that provide direct leadership and direction of the contracted program/service. This may include the Directors of the contracted program/service.

b) **Second-line Supervisors:** Staff that manage first-line supervisors. This may include Program Managers or Directors that oversee a particular program area or division within the contracted program/service.

c) **First-line Supervisors:** Staff that manage Direct Service Workers of the contracted program/service.

d) **Direct Service Staff:** Staff that supervise and assist with basic necessities of children. This may include Direct Care Worker or Technicians of the contracted program/service.

e) **Social Service Staff:** Staff that provide specific attention to the areas of Education, Recreation, Social Work, Case Management, Medical and other social services. This may include Audiologist, Dietician/Nutritionist, Physiotherapist, Psychiatrist, Psychologist, Registered Nurse, Licensed Practical Nurse, Occupational Therapist, Physician, Social Worker, Speech Therapist or Teacher of the contracted program/service.

f) **Security Staff:** Staff that provide security to the contracted facility. This may include Security Guard or Watchman of the contracted program/service.

g) **Other Staff:** Staff that provide kitchen, janitorial or maintenance services, and interpreters or therapists for Direct Short-term Assessment or Shelter Foster Care programs.

**REPORTABLE COSTS – INDIRECT/ADMINISTRATIVE:** (*CCI - Indirect/Administrative Worksheet*)

a) Costs related to CCI administrative personnel incurred in an indirect manner by the contractor that provide benefit related to the contract with MDHHS. Indirect administrative personnel positions include, but are not limited to:
   i) CEO or Executive Director
   ii) Financial Staff
   iii) Human Resource Staff
   iv) IT Staff
   v) Legal Staff
   vi) Clerical Staff - Staff that provide clerical support. This may include Office Manager, Receptionist and Administrative Assistant related to the contact with MDHHS.

**NON-REPORTABLE COSTS:**
a) Any payment over and above regular salaries and wages for the purpose of inducing employees to undertake or continue work at locations which may be isolated or in an unfavorable environment.
b) The value of donated volunteer time in providing services.
c) Costs identified as unallowable in 2 CFR 200 Subpart E.

2) FRINGE BENEFITS
Funds allocated to cover allowances, costs and services provided by the contractor to or on behalf of its employees and not included as compensation or salaries and wages. Fringes of employees chargeable to more than one program must be allocated to all applicable programs as supported by documentation maintained by the CCI that shows an equitable and appropriate distribution of time and effort. (The determination of Direct vs. Indirect costs correlate to the identification made above within “1 – Salaries”)

REPORTABLE COSTS – DIRECT: (CCI - Direct Worksheet)
a) Required Fringe Benefits
   i) FICA
   ii) Unemployment
   iii) Worker’s Compensation
b) Optional Fringe Benefits
   i) Retirement
   ii) Medical, Vision & Dental Insurance
   iii) Life Insurance
   iv) Disability Insurance
   v) Any other services costs or allowances paid by the employer as required by law, agreement, or established policy.
c) All fringes required by law are mandatory. Those not required by law, such as health insurance, retirement and disability, must meet the following criteria to be allowable:
   i) Fringe benefits must be reasonable.
   ii) Fringe benefits must be established in policy, labor agreements, etc. prior to the time the contract is awarded.
   iii) Fringe benefits charged to the contract must be calculated in the same manner as fringes not charged to the contract for employees in similar classifications.

REPORTABLE COSTS – INDIRECT/ADMINISTRATIVE: (CCI - Indirect/Administrative Worksheet)
a) Required Fringe Benefits
   i) FICA
   ii) Unemployment
   iii) Worker’s Compensation
b) Optional Fringe Benefits
   i) Retirement
ii) Medical, Vision & Dental Insurance
iii) Life Insurance
iv) Disability Insurance
v) Any other services costs or allowances paid by the employer as required by law, agreement, or established policy.

c) All fringes required by law are mandatory. Those not required by law, such as health insurance, retirement and disability, must meet the following criteria to be allowable:
i) Fringe benefits must be reasonable.
ii) Fringe benefits must be established in policy, labor agreements, etc. prior to the time the contract is awarded.
iii) Fringe benefits charged to the contract must be calculated in the same manner as fringes not charged to the contract for employees in similar classifications.

NON-REPORTABLE COSTS:
a) Any costs associated with an employee's personal expenditures during the course of normal employment, such as parking, clothing, and meals.
b) Any costs associated with employee recreational or morale activities.
c) Costs or allowance paid by the contractor but not required by law, agreement, or established policy.
d) Bonuses, non-accrued lump-sum severance payments, annuities or other deferred compensation unavailable to all employees in the organization.
e) Costs in excess of the prorated portion attributable to partial (less than fulltime) FTE's.
f) Self-insured worker's compensation and unemployment compensation costs are not allowable if costs exceed rates and premiums that would have been allowed if insurance premiums or taxes would have been paid.
g) Costs identified as unallowable in 2 CFR 200 Subpart E.

SECTION 2: OPERATING
CCI – DIRECT and CCI – INDIRECT/ADMINISTRATIVE

1) OCCUPANCY
Costs arising from occupancy and use of owned or leased buildings for the contracted facility and facility for the indirect administrative personnel. Occupancy costs reported must be limited to the portion attributable to the MDHHS contract.

REPORTABLE COSTS – DIRECT: *(CCI - Direct Worksheet)*
a) The payment of rental costs to a third party for use of the contracted facility and property.
b) Depreciation cost related to the contracted facility. Depreciation is computed applying the rules contained in 2 CFR 200.436(c),(d),(e).
c) Insurance to cover loss of the contracted facility and property assets.
d) The payment of interest expense related to the contracted facility in accordance with provisions contained in 2 CFR 200.449.
e) The payment of property taxes for use of the contracted facility in accordance with provisions contained in 2 CFR 200.470.

**REPORTABLE COSTS – INDIRECT/ADMINISTRATIVE:** *(CCI - Indirect/Administrative Worksheet)*

a) The payment of rental costs to a third party for use of facility space for indirect administrative personnel.

b) Depreciation cost related to the use of facility space for indirect administrative personnel. Depreciation is computed applying the rules contained in 2 CFR 200.436(c),(d),(e).

c) Insurance to cover loss of the use of facility space for indirect administrative personnel and property assets.

d) The payment of interest expense related to the use of facility space for indirect administrative personnel in accordance with provisions contained in 2 CFR 200.449.

e) The payment of property taxes for use of facility space for indirect administrative personnel in accordance with provisions contained in 2 CFR 200.470.

**NON-REPORTABLE COSTS:**

a) Special assessments on land that represent capital improvement, such as sewer and sidewalk assessments.

b) Costs related to idle facilities.

c) Mortgage principal payments.

d) Costs identified as unallowable in 2 CFR 200 Subpart E.

2) OPERATIONS

Costs incurred to run the contracted facility and facility for indirect administrative personnel. Operations costs reported must be limited to the portion attributable to the MDHHS contract.

**REPORTABLE COSTS – DIRECT:** *(CCI - Direct Worksheet)*

a) Lawn maintenance, snow removal, and trash removal for the contracted facility.

b) Utilities for the contracted facility.

c) Contracted security for the contracted facility.

d) Contracted janitorial/maintenance/repair services for the contracted facility.

e) Repairs that don’t add value to the facility and that are not capitalized.

f) Contracted food service for the contracted facility.

g) Other non-professional contracted services for the contracted facility (to the extent they are not otherwise included in any other line item expenses).

**REPORTABLE COSTS – INDIRECT/ADMINISTRATIVE:** *(CCI - Indirect/Administrative Worksheet)*

a) Other costs incurred to run the contracted facility space for indirect administrative personnel that benefit more than one cost objective, are not readily assignable and are in accordance with provisions of 2 CFR 200.412 and 200.414.
NON-REPORTABLE COSTS:
  a) Selling and marketing costs in accordance with provisions of 2 CFR 200.467.
  b) Costs identified as unallowable in 2 CFR 200 Subpart E.

3) COMMUNICATION
   Costs for written, verbal or data communication. Communication costs reported must be limited to the portion attributable to the MDHHS contract.

REPORTABLE COSTS – DIRECT: (CCI - Direct Worksheet)
  a) Telephone, wireless devices, internet, data service, postage, and similar expenses related to communications.
  b) Printing, reproduction and publication costs required by the contract.
  c) State and Federal excise taxes related to items above.

REPORTABLE COSTS – INDIRECT/ADMINISTRATIVE: (CCI - Indirect/Administrative Worksheet)
  a) Telephone, wireless devices, internet, data service, postage, and similar expenses related to indirect administrative personnel.

NON-REPORTABLE COSTS:
  a) Fundraising activities.
  b) Costs identified as unallowable in 2 CFR 200 Subpart E.

4) EQUIPMENT
   Any non-consumable item having a useful life of more than one year that is not attached to the facility (or included as part of the cost of the program/service delivery). The amount reported on the cost report for equipment should match the institution’s capitalization and/or expense depreciation policy. The capitalization threshold cannot exceed $5,000. Any item costing $5,000 or more must be capitalized and depreciated. However, the CCI can establish a lower capitalization threshold. If requested, proper depreciation records must be available to MDHHS. If depreciation is claimed as equipment expense, the amount reported must be for allowable items only. Equipment costs reported must be limited to the portion attributable to the MDHHS contract.

REPORTABLE COSTS – DIRECT: (CCI - Direct Worksheet)
  a) Purchases of furniture, bed-frames, mattresses, appliances, computer equipment, computer maintenance and security applications, printers, chairs, and other durable goods.
  b) Equipment maintenance and repair costs of contracted program/service.
  c) Rental costs for equipment paid to a third party.

REPORTABLE COSTS – INDIRECT/ADMINISTRATIVE: (CCI - Indirect/Administrative Worksheet)
a) Purchases of furniture, appliances, computer equipment, computer maintenance and security applications, printers, file cabinets, chairs, and other durable goods for the use of facility space for indirect administrative personnel.
b) Equipment maintenance and repair costs of contracted program/service for the use of facility space for indirect administrative personnel.
c) Rental costs for equipment paid to a third party for the use of facility space for indirect administrative personnel.

NON-REPORTABLE COSTS:
a) Intangible property.
b) Costs identified as unallowable in 2 CFR 200 Subpart E.

5) SUPPLIES
Consumable supplies are those that are consumed as they are used. Supplies costs reported must be limited to the portion attributable to the MDHHS contract.

REPORTABLE COSTS – DIRECT: (CCI - Direct Worksheet)
a) Office supplies, maintenance supplies, cleaning supplies, linen supplies, medical supplies and education supplies for the contracted facility.
b) Hygiene supplies for children (e.g. Shampoo, Soap, Toothpaste, etc.).
c) State sales taxes on supplies.

REPORTABLE COSTS – INDIRECT/ADMINISTRATIVE: (CCI - Indirect/Administrative Worksheet)
a) None/not applicable

NON-REPORTABLE COSTS:
a) Consumable supplies that will not be consumed during the contract period.
b) Food and food preparation for contracted facility employees or office employees.
c) Costs identified as unallowable in 2 CFR 200 Subpart E.

6) FOOD
Food purchased for and consumed by MDHHS clients as required by the contract. Food costs reported must be limited to the portion attributable to the MDHHS contract.

REPORTABLE COSTS – DIRECT: (CCI - Direct Worksheet)
a) Costs related to the purchase, preparation, and serving of meals, including arrangements for storage, transportation, or disposal of food. If food purchases are made for individual MDHHS clients, documentation must include the name of the client, date, and purpose of purchase.

REPORTABLE COSTS – INDIRECT/ADMINISTRATIVE: (CCI - Indirect/Administrative Worksheet)
a) None/not applicable

NON-REPORTABLE COSTS:
- a) Annual restaurant and take-out expenses over $500.00
- b) Food and food preparation for contracted employees or office employees.
- c) Costs identified as unallowable in 2 CFR 200 Subpart E.

7) TRAVEL
Travel costs as defined by “Standardized Travel Regulations” issued by the State of Michigan Civil Service Commission and Department of Technology, Management & Budget. Travel costs may include expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the organization. Travel costs reported must be limited to the portion attributable to the MDHHS contract.

REPORTABLE COSTS – DIRECT: (CCI - Direct Worksheet)
- a) Cost of a contractor owned or leased vehicle, including insurance, gasoline, oil, depreciation and all normal maintenance when primary use of the vehicle is required to accomplish the contracted service(s). Depreciation for vehicles must be based on acquisition cost (less salvage value of vehicle to be replaced). Use straight-line and 5 year useful life.
- b) Leased or rental vehicles at a mileage or fixed rate that includes vehicle maintenance, inspection and repair services.
- c) Transportation of clients when this cost is required by the contract.
- d) Mileage costs (for employees who are in travel status on official business) in accordance with the prevailing Contractor rate or State of Michigan rate, whichever is less.
- e) Lodging costs (for employees who are in travel status on official business) in accordance with the prevailing Contractor rate or State of Michigan rate, whichever is less.
- f) Food costs (for employees who are in travel status on official business) in accordance with the prevailing Contractor rate or State of Michigan rate, whichever is less.

REPORTABLE COSTS – INDIRECT/ADMINISTRATIVE: (CCI - Indirect/Administrative Worksheet)
- a) None/not applicable

NON-REPORTABLE COSTS:
- a) Air travel unless prior written authorization from MDHHS is received.
- b) Mileage costs (for employees who are in travel status on official business) in excess of prevailing Contractor rate or State of Michigan rate, whichever is less.
- c) Lodging costs (for employees who are in travel status on official business) in excess of prevailing Contractor rate or State of Michigan rate, whichever is less.
- d) Food costs (for employees who are in travel status on official business) in excess of prevailing Contractor rate or State of Michigan rate, whichever is less.
e) Costs related to conferences/meetings/trainings that are not required by MDHHS as activities to be included.

f) Costs identified as unallowable in 2 CFR 200 Subpart E.

8) **CONTRACTED BUSINESS SERVICES**

Costs of professional services rendered to the contractor by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the contractor. Contracted business services costs reported must be limited to the portion attributable to the MDHHS contract.

**REPORTABLE COSTS – DIRECT:** *(CCI - Direct Worksheet)*

- a) None/not applicable

**REPORTABLE COSTS – INDIRECT/ADMINISTRATIVE:** *(CCI - Indirect/Administrative Worksheet)*

- a) IT Personnel services required for the administration of the contract.
- b) Legal expenses required in the administration of the contract are allowable. Legal expenses for prosecution of claims against the State of Michigan are unallowable.
- c) Advertising expenses specifically for: 1) recruitment of personnel required for the contract, 2) solicitation of bids for the procurement of goods and services required, and 3) other purposes specifically provided for in the contract.
- d) The cost of establishing and maintaining all accounting and other information systems required for management of the contract. This includes costs incurred by a central administration for those purposes.
- e) Data processing expenses specifically required in the contract or where required for management, such as payroll, personnel records, etc.
- f) Expenses that cover processing of checks or warrants from preparation to redemption, including the necessary records of accountability and reconciliation of such records with related cash accounts.
- g) Preparing contract payrolls and maintaining necessary related wage records.

**NON-REPORTABLE COSTS:**

- a) Contracted services performed by the officers or employees of the contractor.
- b) Costs identified as unallowable in 2 CFR 200 Subpart E.

9) **CONTRACTED CLIENT PROFESSIONAL SERVICES**

Costs of professional and consultant services for clients rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the contractor. Contracted client professional services costs reported must be limited to the portion attributable to the MDHHS contract.

**REPORTABLE COSTS – DIRECT:** *(CCI - Direct Worksheet)*
a) Service providers that offer specific attention to the areas of Education, Recreation, Social Work, Case Management, Medical and other social services. This may include a contracted Audiologist, Dietician/Nutritionist, Physiotherapist, Psychiatrist, Psychologist, Registered Nurse, Licensed Practical Nurse, Occupational Therapist, Physician, Social Worker, Speech Therapist or Teacher.

REPORTABLE COSTS – INDIRECT/ADMINISTRATIVE: (CCI - Indirect/Administrative Worksheet)
a) None/not applicable

NON-REPORTABLE COSTS:
a) Contracted services performed by the officers or employees of the contractor.
b) Retainer fees.
c) Subcontracts with persons who meet the legal definition of an employee for the purpose of avoiding mandatory fringe benefits.
d) Subcontracts with agencies or individuals that have common ownership or contracts with the Contractor.
e) Costs identified as unallowable in 2 CFR 200 Subpart E.

10) STAFF TRAINING
The cost of training provided for employee development. Staff training costs reported must be limited to the portion attributable to the MDHHS contract.

REPORTABLE COSTS – DIRECT: (CCI - Direct Worksheet)
a) Contractors may charge the cost of training conferences and employee training if it:
   i) Is specifically identified training for the service purchased in the contract,
   ii) Is not applicable to other services provided by the CCI, and
   iii) Would not normally be considered a part of general professional development. Examples of acceptable training costs include the training required by Wraparound and Families First programs. Examples of non-acceptable training costs include college tuition costs of employees attending classes that are not specifically related to the contract. Eligible on-the-job training and part-time education, includes costs of training materials & fees charged.

b) Training costs when related to child care.
c) Costs of preparation and maintenance of a program of instruction including but not limited to on-the-job, classroom, training, designed to increase the vocational effectiveness of employees, including training materials and fees.

REPORTABLE COSTS – INDIRECT/ADMINISTRATIVE: (CCI - Indirect/Administrative Worksheet)
a) None/not applicable

NON-REPORTABLE COSTS:
a) Tuition reimbursement for employees.
b) Costs identified as unallowable in 2 CFR 200 Subpart E.

11) SPECIFIC ASSISTANCE
The costs of services or unique purchases for a particular client, as opposed to routine services or purchases which are rendered to clients in the normal course of the program activities. Specific assistance costs reported must be limited to the portion attributable to the MDHHS contract.

REPORTABLE COSTS – DIRECT: *(CCI - Direct Worksheet)*
a) Medical or dental service payments (not covered by other funding sources) that are unique and identifiable to a particular child.
b) Clothing or personal need costs that are unique and identifiable to a particular child.
c) Other financial assistance payments that are unique and identifiable to a particular child.

REPORTABLE COSTS – INDIRECT/ADMINISTRATIVE: *(CCI - Indirect/Administrative Worksheet)*
a) None/not applicable

NON-REPORTABLE COSTS:
a) Routine services or purchases rendered to clients in the normal course of program activities and covered under other sections of this handbook.
b) Costs identified as unallowable in 2 CFR 200 Subpart E.

SECTION 3: MISCELLANEOUS

1) MISCELLANEOUS
Expenses related to the contract, which are not specific to, or included in, other line items. Miscellaneous costs reported must be limited to the portion attributable to the MDHHS contract.

REPORTABLE COSTS – DIRECT: *(CCI - Direct Worksheet)*
a) Children's Allowances (up to $20.00 per week per child) must be identifiable to an individual MDHHS client and the client must attest or sign to receiving the allowance.
b) Annual Discretionary Client Payments (birthday and/or holiday gifts up to $25.00 per child, per birthday and holiday).
c) Expenditures for MDHHS client activities, recreation, entertainment and outings must be identifiable to an individual client(s).
d) Employee background checks and drug screening.
e) Employee uniforms for the contracted service/program.
f) Professional liability insurance expenses.
g) Membership Dues for Family Foster Treatment Association (FFTA).
h) Cable TV, Satellite TV, DVD rental and internet based services.

i) Costs related to one Foster Parent or Volunteer Appreciation/Recognition Event per year.

**REPORTABLE COSTS – INDIRECT/ADMINISTRATIVE: (CCI - Indirect/Administrative Worksheet)**

a) Other miscellaneous costs related to indirect administrative personnel that benefit more than one cost objective, are not readily assignable and are in accordance with provisions of 2 CFR 200.412 and 200.414.

**NON-REPORTABLE COSTS:**

a) Professional dues/memberships and subscriptions to other associations, federations or organizations (excluding FFTA).

b) Interest on borrowed capital or temporary use of endowment funds.

c) Organized fundraising, including financial campaigns, endowment drives, solicitation of gifts and bequests and similar expenses incurred solely to raise capital or obtain contributions.

d) Investment and related expenses incurred solely to enhance income from investments.

e) Costs of preparing contracts or bid proposals.

f) Individual staff memberships in community, civic, trade, business, technical and professional organizations.

 g) Prosecution of claims against the State.

h) The costs of amusement, diversion, social activities, ceremonials and incidental costs relating hereto, such as meals, lodging, rentals, transportation and gratuities, unless required by the contract.

i) Costs resulting from violations of or failure to comply with Federal/State/local laws and regulations.

j) Contributions and donation costs for free-will offerings to individuals and agencies.

k) Contingency costs related to possible future events or conditions rising from presently known or unknown causes, the outcome of which is indeterminable at the present time, e.g. pending litigation and other general business risks.

l) Bad debt losses (whether actual or estimated) arising from uncollectible customer's accounts and other claims, related costs and related legal costs.

m) Bank charges and fees.

n) Costs of employee recognition awards.

o) Costs identified as unallowable in 2 CFR 200 Subpart E.

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**SECTION 4: GENERAL NON-REPORTABLE COSTS**

Costs incurred by the Contractor are unallowable and cannot be reported to MDHHS if they meet any of the definitions below:

a) Costs that are unreasonable or unnecessary.
b) Costs already funded through a separate contract and/or another funding source.

Expenditures which may not be reported on the “Annual Cost Report Workbook – Child Care Institutions” in addition to those previously identified in Sections 1-3 are:

a) Alcoholic beverages.
b) Chaplain Services -- All expenses incurred to provide chaplain services.
c) Costs of Fines, Penalties, Legal Judgments and Out-of-Court Settlements -- All fines, penalties, judgments, settlements and interest resulting from failure to comply with Federal, State and Local laws, or fines, judgments and penalties imposed by a Court, or agreed to in an out-of-court settlement unless incurred as a result of compliance with specific provisions of an award (contract), or written instructions from the awarding agency.
d) Defense or prosecution of criminal and civil proceedings, claims, appeals, and patent infringement.
e) Legal Expenses for prosecution of claims against the State of Michigan.
f) Bank fines and penalties (including “Non-Sufficient Fund” fees).
g) Fund raising.
h) Investment management costs.
i) Gifts, plaques and/or recognition dinners for staff, foster parents and/or volunteers beyond the one event per year.
j) Gift cards & fees associated with the acquisition of gift cards.
k) Goods or services for personal use.
l) Lobbying.
m) Parochial School Tuition -- All costs for tuition to parochial school.
n) Rearrangement, alteration and reconversion costs.
o) Relocation costs of employees.
p) Royalties and other costs for use of patents and copyrights.
q) Special Religious Instructors -- All costs incurred to bring in persons to provide religious training in the CCI.
r) Employee Termination costs.

SECTION 5: SUPPLEMENTAL SCHEDULE OF EXPENDITURES

1) PURPOSE:
   To provide the Department of Health and Human Services (MDHHS) with specific information related to activities concerning program services purchased by MDHHS. This information is critical to MDHHS for claiming federal reimbursement on various expenditures.

2) REQUIRED SOCIAL SERVICE AND MAINTENANCE COLUMNS:
Child Care Institution Programs must report Social Services and Maintenance expenditures in the two columns on the “SSE” worksheet (tab) of the “Annual Cost Report Workbook – Child Care Institutions” (see image below). The purpose of a two-column presentation is critical for MDHHS to identify cost classifications chargeable to federal funding sources. The following paragraphs describe the type of expense classifications chargeable to these columns.

3) **REPORTING EXPENDITURES:**
Child Care Institutions normally provide both social service activities and maintenance activities to youth. The following definitions are offered to clarify these concepts:

a) **Social Services Costs**
Social Services Costs include only those costs that cannot be related to direct supervision of a youth. Specific attention is to be given to the areas of education, recreation and social work.
   i) Education – Testing, evaluation and assessment are social services activities and are to be allocated as such.
   ii) Recreation – Only those costs that do not relate to direct youth supervision are to be allocated as social services.
iii) Social Work Activities – Social work that is directed to a youth’s family is to be allocated as Social Services Activities. Social work with a youth is to be allocated as a social services activity only if it does not involve direct supervision of a child or supervision of staff who supervise a youth.

iv) Psychology and psychiatry activities are considered social services.

b) Maintenance Costs

Maintenance Costs usually constitute more than eighty (80) percent of total program costs and include all of the expenses incurred to supervise a child and to provide a child with basic necessities. This includes:

i) Food  
ii) Clothing  
iii) Shelter  
iv) Children’s allowances  
v) Daily supervision  
vi) School supplies  
vii) Personal incidentals  
viii) Liability insurance with respect to the child  
ix) Reasonable travel to a child’s home and school.

x) Salaries of recreation and social work staff are maintenance costs when related to the direct supervision of a child or the supervision of staff providing direct supervision. Include salaries of cooks, cleaning personnel, and other staff members who contribute solely to child or building maintenance.

It often becomes necessary to allocate expenditures between Social Services Activities and Maintenance Activities. For example, a social worker may provide service to a child’s family, but may also supervise a child in care. In many cases, these workers do not have well-defined schedules that distinguish their social service duties from their maintenance duties. In these instances, the percentages for expenditures for workers to be allocated to social service activities or maintenance activities should be obtained through time studies. Thus, the portion of time spent by a social worker in counseling parents or in assessing a child’s services needs while not providing direct supervision is considered a social service. Any other duties of the worker that are maintenance-related are allocated similarly in the maintenance column.
PART 6: REPORTING PROGRAM STATISTICS

1) DEFINITIONS and METHODS:
   This section provides guidance on how to report statistical (non-financial) information for the Child Caring Institution (CCI). MDHHS gathers statistics on:

   a) Number of Children Served - Table 6.1
      i) For each CCI contract, the “Number of Children Served” means the number of MDHHS children.
      ii) To determine if a child is an “MDHHS” child, either MDHHS or an MDHHS licensed Child Placing Agency must have referred the child to the CCI.
      iii) Report the number of children served under each contract (columns D-L). The total number of children served across all contracts automatically totals in column M.

   b) Available Days of Care - Table 6.2
      i) Calculate the “Available Days of Care” for each CCI contract.
      ii) To calculate “Available Days of Care,” multiply the number of contracted beds under the CCI contract by the number of days the contract was in effect during the fiscal year. You must refer to the contract to determine the number of beds under that contract.
      iii) Report the “Available Days of Care” under the applicable contract column (columns D-L). The total available days of care across all contracts automatically totals in column M.

   c) Actual Days of Care - Table 6.2
      i) “Actual days of care” relates only to MDHHS children.
      ii) For the reporting period, multiply a MDHHS referred child served under the contract by the number of actual days care that the child received under the contract. Add up all calculations for all children. If two children received seven days of care under one contract, then the calculated “Actual Days of Care” equals 14 (e.g. 2x7=14) under that one contract. Perform this calculation for each contract under the cost report.
      iii) Report the subtotal of actual days care under each contract (columns D-L). The total actual days of care across all contracts automatically totals in column M.

   d) Full Time Equivalent (FTE) employees that worked on the contract - Table 6.3 & Table 6.4
      i) Table 6.3 and Table 6.4 lists employee categories that match the same employee categories on tab 3 (Direct Costs) and tab 4 (Indirect Costs).
      ii) Report the actual number of FTEs for the period, not the budgeted amount.
      iii) Enter the number of FTEs that represent each position type. Identical positions or positions similarly aligned should be reported on the same line entry, and their FTEs totaled.
iv) The number of Full Time Equivalents must be based on a 2,080 hour employment year. If your pay period is monthly, the 2,080 hours would equal 12 months. If your pay period is weekly, 2,080 hours would equal 52 weeks of employment. If your pay period is bi-weekly, 2,080 hours would equal 26 periods.

e) FTE employees working on the contract that exited during the reporting period - Table 6.5

i) Enter the number of FTEs that exited employment during the reporting period, ending September 30th.

ii) The number of Full Time equivalents must be based on a 2,080 hour employment year. If your pay period is monthly, the 2,080 hours would equal 12 months. If your pay period is weekly, 2,080 hours would equal 52 weeks of employment. If your pay period is bi-weekly, 2,080 hours would equal 26 periods.

Example for calculating FTEs: Four (4) MDHHS contracted Direct Service Staff exit employment, total hours worked for these 4 positions was 7,380 hours. FTEs exiting during the reporting period and entered on the cost report would be 3.5480 (7,380 hours ÷ 2,080 hours per FTE).

PART 7: STATUTES AND REGULATORY AUTHORITY

Statutes and Regulations related to Foster Care:

1) State Statutes
   a) Foster Care and Adoption Services Act
   b) Children’s Foster Care Manual
      https://dhhs.michigan.gov/olmweb/ex/FO/Public/FOM/000.pdf#pagemode=bookmarks

2) Applicable Administrative Codes
   a) Licensing Rules for Child Caring Institutions

3) Code of Federal Regulation
   Title 2 – Subtitle A – Chapter II – Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (parts referenced herein)