

# NOTIFICATION OF CHANGES TO CHILD WELFARE MASTER CONTRACT(S)

(FY2019 Appropriation Bill - Public Act 207 of 2018)

**Not Less than 30 Days before the change takes effect**

**Section 531.** *The department shall notify the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices of any changes to a child welfare master contract template, including the adoption master contract template, the independent living plus master contract template, the child placing agency foster care master contract template, and the residential foster care juvenile justice master contract template, not less than 30 days before the change takes effect.*



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The Residential Foster Care Juvenile Justice (RFCJJ) master contract has been posted to the MDHHS public website in the Master Contract Templates section at:  
[http://www.michigan.gov/mdhhs/0,5885,7-339-71551\\_7199---,00.html](http://www.michigan.gov/mdhhs/0,5885,7-339-71551_7199---,00.html).

Changes were made to the RFCJJ master contract. Section 291 of the fiscal year 2016 Omnibus Budget, PA 84 of 2015, is no longer in effect. As a result, the contract signature page has been revised. Section 2.10 Services to be Provided, f. Reporting has been revised to include the requirement of a monthly report. Section 2.12 Audit Requirements has been revised to include the additional mandatory reporting requirement of any audit findings of fraud, Going Concern and financial statement misstatements. Section 2.13 Financial Audit Requirements has been revised to rename the Audit Notification Letter to Audit Exemption Notice. The threshold for which Contractors are required to submit a Financial Statement Audit has been increased to \$750,000 or more in total funding. Penalty for not submitting the required Single Audit or Financial Statement Audit has been revised. Section 2.14 Cost Reporting has been revised to allow payment withholding to the Contractor for a failure to meet identified cost reporting responsibilities. Section 2.17 Private Agency MiSACWIS has been revised to clarify that residential payment staff shall have access to MiSACWIS. Identified timeframes in section 2.18 Billing have been revised and additional language included to expedite payment issue resolution. The former section heading, Recoupment of Funding and Repayment of Debts, has been changed to section 2.20 Recovery of Funding and Repayment of Debts. Revision to this section has been made to allow MDHHS to reduce or withhold future payments made under this or any other agreements between MDHHS and the Contractor if any required repayments are made more than 30 days past the due. Minor administrative changes have been made.