

DEPARTMENT OF ~~SOCIAL~~ **HEALTH AND HUMAN SERVICES**  
~~OFFICE OF CHILDREN AND YOUTH SERVICES~~ **CHILDREN'S SERVICES**  
**AGENCY**

**CHILD CARE FUND**

Filed with the secretary of state on

These rules take effect immediately upon filing with the secretary of state unless adopted under section 33, 44, or 45a(6) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, 24.244, or 24.245a. Rules adopted under these sections become effective 7 days after filing with the secretary of state.

(By authority conferred on the department of ~~social health and human~~ **social health and human** services, ~~in conjunction with the office of children and youth services~~, by sections **6(1) and 177a(3) of the social welfare act, 1939 PA 280**, ~~117a of Act No. 280 of the Public Acts of 1939 PA 280~~, as amended, being MCL 400.6(1) and S400.117a(3) of the Michigan Compiled Laws)

R 400.2001, R 400.2002, R 400.2003, R 400.2004, R 400.2006, R 400.400.2007, R 400.2008, R 400.2009, R 400.2010, R 400.2021, R 400.2022, R 400.2023, R 400.2024, R 400.2028, R 400.2031, R 400.2041, R 400.2044, R 400.2048, and R 400.2049 of the Michigan Administrative Code are amended, and R 400.2005 and R 400.2045 are rescinded as follows:

**PART 1. GENERAL PROVISIONS**

R 400.2001 Definitions.

Rule 1. As used in these rules:

(a) "~~Aid to dependent children in foster care~~" means ~~the funding source established by the adoption assistance and child welfare act of 1980, 42 U.S.C. S1305 et seq., to provide federal financial participation in the costs of foster care maintenance payments for children who would be eligible for aid to dependent children if living in the parental home or with an acceptable relative.~~

~~(b) "Annual child care fund ceiling" means the initial annual legislative appropriation of the state child care fund.~~

(a) "**Caseworker**" means **the primary case manager that meets the educational and/or experiential requirements as set forth by Supreme Court Administrative Order 1985-5, modified by Administrative Order No. 1988-3, 430 Mich; amended May 19, 2009, effective September 1, 2009, 483 Mich, or by department policy.**

(eb) "County department" means the county **office of the** department of ~~social health and human~~ **social health and human services** created in each county by **section 45 of the social welfare act, 1939 PA 280**, section 45 of Act No. 280 of the Public Acts of 1939, as amended, being S

**MCL 400.45, or the tribal entity found within that county.** ~~of the Michigan Compiled Laws.~~

(~~dc~~) "County department of ~~social~~ **health and human** services subaccount" means the account authorized by the county board of commissioners **or tribal entity responsible** for the expenditure of child care funds by the county department.

(~~ed~~) "Court" means the ~~juvenile division~~ **local or tribal court with jurisdiction over juvenile matters** ~~division of the probate court.~~

(~~fe~~) "Department" means the Michigan department of ~~social~~ **health and human** services.

(~~gf~~) "Direct service" means service provided to a specific client rather than to a general target group.

(g) **"Donated funds" means any gifts of money made available to the county child care fund for services for out-of-home placement or in-home care in child welfare or delinquency matters.**

(h) **"Donor" means the entity, person, or persons providing the donated funds.**

(~~hi~~) "In-home care option" means the expenditure of child care fund dollars for services ~~which that~~ are determined by the ~~office of children and youth services~~ **department** to be alternatives to out-of-home care or to provide an early return home for children placed out of the home.

(~~ij~~) "Intensive service" means that the **caseworker-to-case** load ratio is not more than 1 to 20 and that there is not less than an average of 1 face-to-face contact per week during the period a case is open for service.

~~(j) "Juvenile court subaccount" means the account authorized by the county board of commissioners for the expenditure of child care funds by the juvenile court.~~

~~(k) "Office" means the office of children and youth services of the Michigan department of social services.~~

~~(l) "Own home" means the residence of the child's parent or parents, relative, or legal guardian where the child is found, from which the child was removed by the authority of the court, or in which the child will be placed on a permanent basis.~~

(~~mk~~) "Judicial costs" means costs related to or connected with the administration of justice which include, but are not limited to, the following:

- (i) Filing fees.
- (ii) Charges for service of summons and complaint.
- (iii) Attorney fees.
- (iv) Competency evaluations.
- (v) Court reporter charges.

(~~nl~~) "Published policies and ~~procedures~~ **business processes**" means those policies and ~~procedures~~ **business processes** contained in the ~~office publications entitled "The Child Care Fund Handbook," the "Annual Child Care Fund Plan and Budget Guidelines," and department~~ ~~manual~~ **material policy.**

(~~om~~) "State ward charge-back" means the amount of dollars the ~~state of Michigan~~ **department** bills a county for the cost of care for state wards.

(n) **"Title IV-E" means the funding source established by the Social Security Act, 42 U.S.C. Part E, that provides federal financial participation in the costs of foster care maintenance payments for children who would be eligible for aid to dependent children if living in the parental home or with an acceptable relative.**

R 400.2002 Exemption from rule.

Rule 2. (1) Upon written request of the ~~juvenile~~ court or county department, the department shall grant an exemption from an administrative rule only if there is clear and convincing evidence that the alternative to the rule complies with the intent of the administrative rule from which exemption is sought.

(2) The decision of the department, including the qualification under which the exemption is granted, shall be entered upon the records of the department and a signed copy shall be sent to the ~~juvenile~~ court or county department. This exemption may remain in effect for as long as the ~~juvenile~~ court or county department continues to comply with the intent of the rule or may be time-limited.

R 400.2003 ~~Juvenile~~ Court staff providing direct services; minimum qualification.

Rule 3. The ~~juvenile~~ court shall document that staff providing direct services to children, or supervising staff who provide direct services to children, for which service costs are reimbursed from the state child care fund meet the minimum qualifications established in the juvenile court standards and administrative guidelines for the care of children established by Supreme Court Administrative Order 1985-5 **and modified by Administrative Order No. 1988-3, 430 Mich; amended May 19, 2009, effective September 1, 2009, 483 Mich, or by department policy.**

R 400.2004 County department staff providing direct services; standards.

Rule 4. The county department shall document that staff providing direct services to children, or supervising staff who provide direct services to children, for which service costs are reimbursed from the state child care fund meet the standards set forth in R 400.4116, R 400.4117, R 400.4118, R 400.4119, R 400.4120, R 400.4121, ~~R 400.6124, R 400.6126, R 400.6128, R 400.6131, and R 400.6132~~ **R 400.12205, R 400.12206, and R 400.12207.**

R 400.2005 **Rescinded.** ~~County department of social services foster care program; structure.~~

~~—Rule 5. A county department foster care program shall be structured as directed by the department and shall consist solely of state employees assigned civil service position classifications at the same levels as those assigned staff of the state foster care program.~~

R 400.2006 Purchase of contractual services; requirements.

Rule 6. Contractual services purchased through basic grant or in-home care monies shall conform to the requirements published in ~~office policies and procedures~~ **the Child Care Fund Handbook.**

R 400.2007 Case records.

Rule 7. (1) The court **and county department** shall document ~~that an eligibility for each child who is funded through~~ **claimed for** state child care fund reimbursement **by the program and accounting records.** ~~from the juvenile court subaccount has a case record conforming to the recordkeeping requirements in rule II of the juvenile court~~

~~standards and administrative guidelines for the care of children when the child is placed in any of the following:~~

- ~~—(a) A licensed out-of-home placement.~~
- ~~—(b) A home of a related person other than that of parents.~~
- ~~—(c) A home of a legal guardian.~~

~~(2) **Documentation of eligibility shall be retained as directed by the Child Care Fund Handbook.** The county department shall document that a child funded through state child care fund reimbursement from the county department of social health and human services subaccount has a case record conforming to the definition in R 400.6101(a) department policy when the child is placed in any of the following:~~

- ~~—(a) A licensed out-of-home placement.~~
- ~~—(b) A home of a related person other than that of parents.~~
- ~~—(c) A home of a legal guardian.~~

R 400.2008 County child care fund expenditure reimbursement; eligibility.

Rule 8. (1) To be eligible for state child care reimbursement, a county **or tribal entity** shall annually submit a plan and budget, on forms provided by the ~~office~~ **department** ~~which that~~ conform to the requirements established in published policies and ~~procedures~~ **business processes**. Each annual plan and budget shall be certified by the presiding ~~probate~~ judge of the ~~juvenile division~~ **court**, director of the county department, and chairperson of the county board of commissioners or county/**tribal** executive.

(2) To be eligible for state child care fund reimbursement, expenditures made from the ~~juvenile~~ court subaccount for out-of-home care shall be pursuant to sections 2, 5, ~~and~~ 18, ~~and 25~~ of ~~chapter XIA~~ of Act No. 288 of the Public Acts of ~~the probate code of 1939,~~ 1939 PA 288, as amended, being ~~SS~~ MCL 712A.2, 712A.5, and 712A.18, ~~and 712A.25.~~ of the Michigan Compiled Laws.

(3) ~~All of~~ ~~the~~ following provisions shall apply to expenditures made from the county department subaccount for out-of-home care for these expenditures to be eligible for state child care fund reimbursement:

(a) The care is ordered by the ~~juvenile~~ court and the child is supervised by the county 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 ~~which does not exceed 90 days~~ 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 child care fund shall document that it is approved as a child placing agency pursuant to the provisions of ~~of~~ Act No. 116 of the Public Acts of ~~the child care organizations act,~~ 1973 PA 116, as amended, being ~~S~~ MCL 722.111 through 722.128 et seq. of the Michigan Compiled Laws.

R 400.2009 In-home care.

Rule 9. The in-home care option of the child care fund may be used for children under the jurisdiction of the court to provide for early intervention to treat problems of delinquency and neglect. In-home 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 and all the following provisions have been met:

(i) A complaint has been received and accepted by the juvenile court.

(ii) The expenditure of child care fund monies for in-home care is not for judicial costs.

(iii) The services are intensive.

(iv) The parent or parents and the youth **and/or designee** have agreed in writing to receive in-home services or a preliminary hearing has been held.

(v) The court shall document that court staff responsible for case plan development and monitoring meet the qualifications established in the juvenile court standards and administrative guidelines for the care of children.

(b) In-home care programs use nonscheduled payments in support of probation services, which can be shown, by the county, to have a relationship between those payments and the days of out-of-home care in the county. These nonscheduled payments are not to be made to pay for basic family needs otherwise available through public assistance programs.

~~(c) In home care is provided to youths who, at the dispositional hearing, are ordered into in-home care as an alternative to foster care or other out of home care and all the following provisions are complied with:~~

~~—(i) The expenditure of child care fund monies is not for judicial costs.~~

~~—(ii) The services are intensive.~~

~~—(iii) Nonscheduled payments are not made to pay for basic family needs otherwise available through public assistance programs.~~

~~—(iv) Court staff responsible for case plan development and monitoring meet the qualifications established in the juvenile court standards and administrative guidelines for the care of children.~~

~~(dc) The in-home care early return option is used to accelerate the early return of a youth from family foster care, institutional care, or any other out-of-home care when both~~ **all** the following provisions are complied with:

(i) The case plan identifies an early return goal.

(ii) ~~The services are provided to the members of the child's family.~~ **The case plan identifies all the parties and services.**

(iii) **The expenditure of child care fund monies for in-home care is not for judicial costs.**

(iv) **Either the parent or parents, guardian, or custodian, and the youth have agreed, in writing, to receive in-home services, or a hearing has been held and the court has ordered the youth into a program.**

(v) **The court documents that court staff and/or designee responsible for case plan development and monitoring meet the qualifications established in the juvenile court standards and administrative guidelines for the care of children.**

~~(e) The county department child care fund subaccount is used to provide in-home care services to children if the county department documents that the conditions of R 400.2004 and R 400.2005 are met and if the court orders county department supervision.~~

~~(fd)~~ The county department may provide for in-home care services from its subaccount for substantiated **Category 1 and 2** protective services cases if ~~all the following provisions are complied with:~~

~~(i)~~ ~~The in-home care services prevent the need to petition the juvenile court for removal, or will accelerate the return of a youth from out-of-home care. All the following must be satisfied:~~

**(i) The case plan identifies an early return goal.**

~~(ii) Nonscheduled payments are not made to cover basic family needs otherwise available through public assistance programs. The case plan identifies all the parties and services.~~

~~(iii) The county department documents that in-home care case staff meet the standards set forth in R 400.6126, R 400.6128, R 400.6131, and R 400.6132. The expenditure of child care fund monies for in-home care is not for judicial costs.~~

**(iv) The services are intensive.**

**(v) Either the parent or parents, guardian, or custodian, and the youth have agreed, in writing, to receive in-home services or a hearing has been held and the court has ordered the youth into the program.**

**(vi) The court documents that court staff and/or designee responsible for case plan development and monitoring meet the qualifications established in the juvenile court standards and administrative guidelines for the care of children.**

**(vii) In-home care programs use case service payments in support of in-home care services, which can be shown by the county/court's relationship between those payments and the days of out-of-home care in the county.**

~~(g) In-home care programs use nonscheduled payments in support of foster care and protective services, which can be shown by the county to have a relationship between those payments and the volume of out-of-home care in the county. These nonscheduled payments are not to be made to pay for basic family needs otherwise available through public assistance programs.~~

~~(h) In addition to the requirements specified in sub rules (a), (i) to (v) of this rule, in-home care services provided by the court or county department shall meet all the following requirements if state reimbursement is sought:~~

~~(i) The county's annual plan and budget document shall specify either a projected proportion or number of youth who, as a direct result of in-home care, will not be placed in out-of-home care.~~

~~(ii) The county's annual plan and budget document shall address the county's total out-of-home placement activities whether funded from aid to dependent children in foster care, the state ward charge back, or the child care fund.~~

~~(iii) The county's annual plan and budget document shall contain an annual report which evaluates the impact of in-home care services on out-of-home placements in the funding systems identified under subdivision (ii) of this subrule.~~

~~(iv) Individual case record documentation shall be maintained by the court and county department as specified by the office in published policies and procedures business processes as provided in the Child Care Fund Handbook and shall be made available to the office for on-site review.~~

**(e) Case service payments are not made to cover basic family needs otherwise available through public assistance programs.**

R 400.2010 Basic grant programs; reimbursement eligibility.

Rule 10. To be eligible for state reimbursement, basic grant programs shall be provided to youth who are within or are likely to come within the jurisdiction of the ~~probate~~ court as defined by **sections 2a and 2b of the probate code of 1939**, ~~chapter XIA of Act No. 288 of the Public Acts of 1939 PA 288, as amended, being MCL 712A.2a and S712A.1 et seq. 712A.2b of the Michigan Compiled Laws.~~ In addition, basic grant programs shall comply with all of the following provisions to be eligible for reimbursement:

(a) The programs are described in the annual county plan and budget and conform to **the department's published office policies and procedures business processes as provided in the Child Care Fund Handbook.**

(b) The court ~~shall~~ document that court staff **and/or designee** responsible for individual case plan development and monitoring meet the qualifications **established by Supreme Court Administrative Order 1985-5, and modified by Administrative Order No. 1988-3, 430 Mich; amended May 19, 2009, effective September 1, 2009, 483 Mich.** ~~identified in the juvenile court standards and administrative guidelines for the care of children.~~

(c) The county department shall document that county department staff responsible for individual case management and monitoring meet the requirements for staff supervising children in foster care as specified in ~~R 400.6124, R 400.6126, R 400.6128, R 400.6129, R 400.6131, and R 400.6132~~ **R 400.12205, R 400.12206, and R 400.12207.**

(d) The county department or court shall document that contractual providers who develop or monitor case plans meet the requirements for staff supervising children in foster care as established in rule I of the juvenile court standards and administrative guidelines for the care of children.

~~(e) Contractual case specific services are purchased on a unit cost basis.~~

(f) The county department and court shall maintain individual case record documentation as specified by the ~~office~~ **department** in published policies and ~~procedures~~ **business processes as provided in the Child Care Fund Handbook** and shall be made available to the ~~office~~ **department** for ~~on-site~~ review and monitoring.

## PART 2. ELIGIBLE EXPENDITURE CLASSIFICATIONS

R 400.2021 Definitions.

Rule 21. As used in this part:

(a) "**Case Services payments,**" **formerly known as nonscheduled payments,** means payments to individuals or organizations for items specified and defined in the **department's published policies and business processes** which are not included in the state-established per diem rate.

(~~ab~~) "**County-operated facility**" means a facility licensed or approved as a child caring institution **and/or a court-operated facility** to provide group care, shelter care, or detention administered and staffed by county employees.

(~~bc~~) "**Intensive rate**" means payment in excess of the state-established rate for specialized **abuse/neglect** foster care which must receive special approval as specified ~~by~~ **in the office department's** ~~in~~ published policies and ~~procedures~~ **business processes.**

~~(c) "Nonscheduled payments" means payments to individuals or organizations for items specified and defined in the child care fund handbook which are not included in the state-established per diem rate.~~

(d) "State rates" means rates established and published by the department for all the following:

- (i) ~~Per diem P~~payment for foster family care **and independent living costs**.
  - (ii) ~~Per diem P~~payment for a private child care institution.
  - (iii) ~~Per diem P~~payment for a private child placing agency.
  - ~~(iv) Initial clothing allowances.~~
  - ~~(v) Adoption placement costs.~~
  - ~~(vi) Independent living costs.~~
- (e) "Subsidy payment **bed hold**" means payment to assure the availability of bed space for placement referrals.

R 400.2022 County child care fund expenditures; eligibility for reimbursement.

Rule 22. (1) Unless otherwise indicated, for county child care fund expenditures within the limits of the annual child care fund ceiling to be eligible for state child care fund 50% reimbursement, all payments shall provide a direct service and be case-specific, identifiable to an individual child, and shall not be for a judicial cost or an administrative cost. However, certain administrative costs as defined by the ~~office~~ **department** in published policies and ~~procedures~~ **business processes** are reimbursable.

(2) State child care fund reimbursement ~~is restricted to county child care fund expenditures for service not covered by the following:~~ **may be allowed unless otherwise accessible and available by other public assistance programs necessary to achieve the goals and outcomes for in-home care or out-of-home care. Reimbursement shall not be made for costs associated with an otherwise eligible child or family, or both, if the reason for the unavailability of public assistance is due to intentional program violations and disqualification of any public assistance.**

- ~~(a) Medical assistance.~~
- ~~(b) Public assistance programs.~~
- ~~(c) Public education system.~~
- ~~(d) Private insurance.~~
- ~~(e) Parental payment.~~
- ~~(f) A state or local mental health fund.~~
- ~~(g) Social security.~~
- ~~(h) Supplemental security income.~~
- ~~(i) Veterans administration.~~

R 400.2023 Reimbursable family foster care expenditures and costs.

Rule 23. (1) The following child-specific direct supervision or purchased placing agency family foster care expenditures are reimbursable within state-established rates or approved intensive rates:

- (a) Care provided in the following locations:
  - (i) Foster family homes.
  - (ii) Foster family group homes.
  - (iii) Legal guardian homes.



(iv) Homes of related persons.

(b) Initial clothing, clothing maintenance, and supplemental clothing allowances within state rates as specified in **the department's** published policies and ~~procedures~~ **business processes**.

(c) Items necessary for a child's educational experience ~~which that~~ are not available without additional cost through the public-school system.

(d) Medical, dental, psychological, and psychiatric service and materials, subject to the limitations in R 400.2022.

(e) Unusual transportation costs incurred by the foster parents or payments to a public carrier for transportation for treatment and service as part of a case plan.

(f) Transportation costs incurred by a foster child's parents when the case plan documents that assistance is needed to assure contact between the parent and child. The maximum reimbursable rates shall conform to the requirements published in ~~office~~ **the department's** policies and ~~procedures~~ **business processes**.

(g) Other costs for behavioral incentive ~~which that~~ are designed to encourage and support desirable behavior, and which are documented in a service plan.

(h) A once-a-year allowance for a gift at holiday time for each child in foster care.

(2) All the following are reimbursable non-child-specific family foster care costs:

(a) Payment to foster parents for the cost of foster parent training. Reimbursable costs include all the following:

(i) Cost of transportation.

(ii) Child care.

(iii) Tuition.

(iv) Training supplies.

(b) Subsidy payments to foster parents when supported by a contract.

(c) Relief payments to foster parents of an approved group or shelter home program when supported by a contract.

(d) Respite payments to foster parents of an approved group or shelter home program when supported by a contract.

(e) Recreation payments to foster parents of an approved group or shelter home program as defined and restricted by the ~~office~~ **department's** policies and ~~procedures~~ **business processes**.

(f) Supply payments to foster parents of an approved group or shelter home program for personal items for children in the program.

R 400.2024 Reimbursable costs of institutional care.

Rule 24. All the following are reimbursable costs of institutional care:

(a) The operating costs of a county-operated facility approved to provide detention, group care, or shelter care, as defined by the office in published policies and ~~procedures~~ **business processes**, which shall be limited to the governing policy provided by the office in published policies and ~~procedures~~ **business processes**. These costs are restricted to the following expenditures for services and goods necessary to provide direct services to the youth placed in the facility:

(i) The cost for direct care, administrative, and support staff who devote 100% of their time to the youth placed in the facility.

(ii) The cost of supportive services on a prorated basis when supported by documentation.

(iii) Prorated space costs when the entire facility is not utilized as a child care institution.

(iv) A once-a-year allowance for a gift at holiday time for each ward in institutional care.

(b) The cost of care in an out-of-state institution which has filed documentation, with the state or the court, of having a valid license to provide care and the details of the rates and service provided.

(c) The cost of care provided in another county's child care facility if the facility has established and published the same per diem rate for all county and state placements.

(d) Subsidy payments to a facility operated by another county to assure the availability of bed spaces if approved in the annual plan and budget.

(e) The cost of care in a certified medical or psychiatric hospital.

(f) The cost of care, at the state-established rate, in a facility licensed as a private child care institution.

(g) The cost of care, exclusive of the education costs, at a boarding school licensed under section 1335 of **the revised school code, 1976 PA 451**, Act No. 451 of the Public Acts of 1976, as amended, being **SMCL 380.1335** of the Michigan Compiled Laws.

(h) The cost of ~~nonscheduled~~ **case service** payments for services or materials not included in state-established rates.

#### R 400.2028 ~~Reimbursement for county child care fund expenditures~~ **State expenses.**

Rule 28. The following county child care fund expenditures are 100% reimbursable from the state child care fund:

(a) Reimbursement to a private child caring agency for the cost of foster care, exclusive of administrative costs, for a child released to the agency pursuant to **section 29 of the probate code of 1939, 1939 PA 288**, section 29 of Act No. 288 of the Public Acts of 1939, as amended, being **S-MCL 710.29** of the Michigan Compiled Laws.

(b) Basic grant costs as approved in the county annual plan and budget as set forth in R 400.2010.

### PART 3. ACCOUNTING

#### R 400.2031 Standards and requirements.

Rule 31. In addition to the accounting standards and requirements specified in section 117c of **the social welfare act**, of Act No. 280 of the Public Acts of 1939 **PA 280**, as amended, being **MCL S400.117c** of the Michigan Compiled Laws, and **section 1 of the uniform budgeting and accounting act**, Act No. 2 of the Public Acts of 1968 **PA 2**, as amended, being **MCL S141.421 et seq.** of the Michigan Compiled Laws, the following provisions apply:

(a) All expenditures and disbursements from the court subaccount for which state reimbursement is claimed shall be recorded in the county child care fund in the expenditure accounts specified in the publication entitled "~~Uniform Accounting Procedures Manual for County Probate Court Child Care Funds~~ **Accounting Procedures**

**Manual for Local Units of Government in Michigan**” issued by the Michigan department of treasury.

(b) All expenditures and disbursements from the county department subaccount for which state reimbursement is claimed shall be recorded in the county child care fund in the expenditure accounts specified in the department accounting manual.

(c) All revenues and receipts to the court subaccount which are related to child care costs for which state reimbursement is claimed shall be recorded in the child care fund and be classified in the revenue accounts as specified in the publication entitled "~~Uniform Accounting Procedures Manual for Probate Court Child Care Fund~~ **Accounting Procedures Manual for Local Units of Government in Michigan**” issued by the Michigan department of treasury.

(d) All revenues and receipts to the county department subaccount which are related to child care costs for which state reimbursement is claimed shall be recorded in the child care fund and be classified in revenue accounts as specified in the department accounting manual.

(e) County child care fund expenditures submitted for state reimbursement shall be recorded separately from expenditures which are not allowed for state reimbursement.

(f) A record of the cost for each child shall be maintained for direct supervision or purchased placing agency family care, another county's institution, private institution, medical and psychiatric hospital, boarding schools, in-home care, and independent living.

(g) Monies received for a child's care up to the cost of care shall be reported on the monthly financial report forms provided by the department.

(h) Monies received for a child's care more than the cost of care shall be placed in a trust for the child.

(i) The accounting records of the probate court subaccount of the child care fund shall be retained in compliance with the publication entitled "Record Retention General Schedule #14 ~~15 Probate Circuit Courts~~" issued by the state supreme court administration office ~~and made available for state audit for 6 years.~~

(j) The accounting records of the county department subaccount of the child care fund shall be retained in compliance with the department's ~~administrative handbook~~ **child care fund policy** and made available for state audit.

(k) The county shall document that the expenditure of child care fund monies reported for state reimbursement for goods or services from a third party complies with county policy with respect to contract and bidding requirements.

(l) The county shall document that all supplies and equipment for which state reimbursement is received will be identified as county property and shall be controlled in compliance with the inventory and control policies of the county.

#### PART 4. REPORTING

R 400.2041 Definition.

Rule 41. As used in this part, "offset" means the process the department uses to determine the dollar amount to bill a county for state ward charge-back or the remittance of state aid for the reimbursement of ~~juvenile court and county~~ department child care fund expenditures.

R 400.2044 ~~Office~~ **Department** approval of county annual plan and budget.

Rule 44. ~~Within 30 days of receipt of a complete annual plan and budget, the office shall act to approve the document and so advise the county.~~ **The department shall approve, within 30 calendar days after receipt, a properly completed service plan that complies with the requirements of MCL 400.117c.**

R 400.2045 **Rescinded.** ~~Reimbursement responsibilities of the office.~~

~~Rule 45. (1) The office shall establish annual individual county child care fund reimbursement ceilings and advise each county of its allocated amount by July 1 or within 15 days subsequent to the approval of a state annual appropriation.~~

~~(2) The office shall reimburse county expenditures up to the available state appropriation if sufficient claims are made.~~

~~(3) The office shall redistribute unexpended state child care fund monies remaining at the end of the fiscal year to reimburse those counties which exceed their state reimbursement ceilings, if the expenditures were reported on monthly expenditure report forms and the expenditures do not exceed the approved county budget. To the extent that available unexpended funds permit, the redistribution shall be based on an equitable formula and shall not exceed 50% of the expended reimbursable amount.~~

R 400.2048 ~~Office~~ **Department** responsibilities to counties.

Rule 48. (1) The ~~office~~ **department** shall be responsible for providing all necessary information to counties to meet the requirements of these rules and child care fund policy.

(2) The ~~office~~ **department** shall provide county-level assistance for county plan and budget development, program eligibility monitoring and ~~evaluation, and audit compliance.~~

R 400.2049 Monitoring county population projections.

Rule 49. The ~~office~~ **department** shall monitor county population projections produced by the department of **technology**, management and budget. The ~~office~~ **department** shall provide to those counties which are projected to exceed or decline below the 75,000 population mark a 15-month period within which to develop a basic grant program or to change to the county juvenile officer grant payment system as provided in section 3 of **the county juvenile officers act**, Act No. 22 of the Public Acts of the Extra Session of 1919 PA 22, as amended, being ~~S-MCL 400.253 of the Michigan Compiled Laws.~~