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**APPROPRIATE  
PAYMENT SOURCE  
GUIDE**

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. The following charts detail which fund source may be used based on these factors.

**Note:** Information on the method of county participation in state-funded care is provided in FOM 902-19, Chargeback System.

**Payment/  
Reporting System**

There are three payment systems used to execute foster care payments.

1. **MiSACWIS Payments** - Local office staff initiate and terminate service authorizations. Payments from state ward board and care funds, title IV-E funds and limited term/emergency/general funds are made from this system.
2. **Local Payments** - The local DHS office or county issues payment. Payments from the county child care fund are made using local payment procedures. The service authorizations for these payments can be entered and displayed in MiSACWIS.
3. **Census Reports** - State-operated facilities do not receive per diem payments. Rather, board and care and operational expenses are appropriated as a budget line item. Facility staff are required to report to central office all wards in placement via a special reporting form called a Census Report.

**LEGAL STATUS  
vs. LIVING  
ARRANGEMENT  
vs. FUND SOURCE**

**DHS Supervised Temporary or Permanent Court Wards - legal status of:**

- 40 - Delinquent court ward.
- 41 - Permanent court ward.
- 42 - Temporary court ward neglect.
- 90 - Delinquent court ward (40) and temporary court ward (42).
- 91 - Delinquent court ward (40) and permanent court ward (41).
- 94 - Delinquent court ward (40) and MCI ward (44).

Living Arrangement	Fund Source
Licensed unrelated foster home Treatment foster care Licensed relative's home Emergency shelter home Child caring institution	Title IV-E or child care fund
Independent living Detention Court treatment facility Adult foster care home Hospital Runaway service facility	Child care fund
DHS training school	Census reports

**State Ward - MCI, MCI-O (PA 220 or 296) - legal status of:**

- 44 - State ward - MCI - Act 220 or PA 296.
- 45 - State ward - temporary observation - MCI-O.
- 46 - State ward - delinquency - Act 150.
- 52 - MCI ward (44) and Act 150 (46).
- 92 - Act 150 (46) and temporary court ward (42).
- 93 - Act 150 (46) and permanent court ward (41).

Living Arrangement	Fund Source
Licensed unrelated foster home Treatment foster care Unlicensed/licensed relative's home Emergency shelter home Child caring institution	Title IV-E or state ward board and care
Unlicensed relative's home Independent living Adult foster care home Hospital Runaway service facility	State ward board and care
DHS training school	Census reports

**Non-Ward, DHS Supervised Placement - legal status of:**

- 50 - Non-ward with a delinquent petition filed.
- 51 - Non-ward (not delinquent).

Living Arrangement	Fund Source
Licensed unrelated foster home Treatment foster care Licensed relative's home	Child care fund or limited term/emergency/general funds
Independent living	Limited term/emergency/general funds
Emergency shelter home	Child care fund