

	INDIANA DEPARTMENT OF CHILD SERVICES CHILD WELFARE MANUAL	
	Chapter 12: Foster Family Home Licensing	Effective Date: November 1, 2016
	Section 31: Financial Verification for Licensure	Version: 2

POLICY

[REVISED] The Indiana Department of Child Services (DCS) partners with foster family homes to ensure children in foster care are placed in a safe and stable environment. In pursuit of this, DCS will evaluate the financial stability of persons applying for foster family home licensure or re-licensure.

In accordance with [465 IAC 2-1.5-5](#) (Qualifications Of The Foster Family; Finances), foster parents shall demonstrate that the household has sufficient income and appropriate fiscal management to maintain its stability and security without a foster care payment. Foster care payments received on behalf of the child are intended for the sole benefit and care of the child while in foster care.

[REVISED] Foster family home income and monthly expenses will be documented on the [Financial Verification for Foster Family Homes \(SF 55734\)](#) form as part of the licensure process. Income and expense information should be verified with appropriate documentation including, but not limited to: pay check stubs, tax forms, and monthly utility or other account statements. Required items needing verification are indicated on the form.

Code Reference

1. [465 IAC 2-1.5: Licensing of Foster Family Homes for Children](#)
2. [IC 31-27-2-4: Rules; establishment of standards](#)
3. [IC 31-27-2-5: Monitoring of licensed entities](#)

PROCEDURE

[REVISED] Foster family applicants will complete the [Financial Verification for Foster Family Homes \(SF 55734\)](#) as part of the licensure/re-licensure process. The financial information section will include:

1. Source and amount of monthly household income; and
2. Source and amount of monthly expenses and outstanding debts.

The licensing worker¹ will:

1. **[NEW]** Review the information submitted by the applicants and address any missing or unclear information;
2. **[REVISED]** Evaluate the financial information received on the [Financial Verification for Foster Family Homes \(SF 55734\)](#) to determine whether the foster family home has

¹ The licensing worker refers to the DCS Regional Foster Care Specialist (RFCS) or the Licensed Child Placing Agency worker

adequate income to meet its monthly financial obligations without utilizing foster care payment as income;

3. Discuss with the foster family home the importance of utilizing foster care payments for the benefit and care of the child while in foster care; and
4. **[NEW]** Re-evaluate the financial stability of the home if at any point circumstances of the foster family home suggest the need for reassessment due to any significant changes in monthly income or expenses (e.g., unexpected change in employment, relocation, or any additional children through adoption/custody change). A new [Financial Verification for Foster Family Homes \(SF 55734\)](#) may be requested to document the re-evaluation of financial stability.

PRACTICE GUIDANCE

Evaluation of Financial Stability

When evaluating the financial stability of a foster family home for licensure purposes, the licensing worker should consider monthly income including, but not limited to:

1. Wages from employment;
2. Rental property income;
3. Investment income;
4. Interest;
5. Monthly trust fund payments; and
6. Child Support Payments

Recurring, but not time limited payments, may also be considered as monthly income. This includes, but is not limited to:

1. Social Security (RSDI) payments;
2. Title IV-E Adoption Assistance (AAP);
3. Supplemental Security Income (SSI); and
4. Veteran Benefits.

Food stamps, Temporary Assistance for Needy Families (TANF), and time-limited income such as unemployment benefits would not be considered as monthly income for the purposes of foster family home licensure. However, receipt of these funds does not automatically disqualify an applicant from becoming a foster parent.

Utilizing Foster Care Payment

Foster parents should utilize per diem to cover reasonable costs of caring for the child including, but not limited to:

1. Food for the child (including infant formula);
2. Clothing (e.g., replacement clothing, repairs, mending, alterations);
3. Shelter (e.g., summer camp, or hotel accommodations during school trips);
4. Supervision that substitutes for daily supervision (i.e., day care/babysitter);
5. School supplies (e.g., paper, pens, calculator); and
6. Child's ongoing personal incidentals (e.g., soap, shampoo, toothpaste, diapers, wipes, etc.);

Per diem is **not** intended and should not be expected or represented to cover costs that would be ordinarily incurred by the foster parent in the absence of a foster care payment. Expenses that should **not** be paid from per diem include, but are not limited to the foster parent's rent, mortgage, insurance payment, car payment, or routine housing maintenance cost.

FORMS AND TOOLS

[NEW] [Financial Verification for Foster Family Homes \(SF 55734\)](#)

RELATED INFORMATION

N/A