



INDIANA DEPARTMENT OF CHILD SERVICES CHILD WELFARE POLICY

Chapter 12: Foster Family Home Licensing

Section 31: Financial Stability of Foster Family Home

Effective Date: April 1, 2023

Version: 4

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POLICY OVERVIEW

Foster care maintenance payments (hereafter referred to as per diem) received on behalf of the child are intended for the sole benefit and care of the child while in foster care. Since these payments may not cover all expenses incurred, financial stability of the foster family applicant is essential. In accordance with 465 IAC 2-1.5, foster parents shall demonstrate that the household has sufficient income and appropriate fiscal management to maintain its stability and security without a per diem.

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PROCEDURE

Foster Family Home (FFH) applicants will complete the Financial Stability for Foster Family Home form as part of the licensure and re-licensure process. The form should be used as a tool to gather information about the FFH applicant's income and monthly living expenses, including the ability to manage emergencies and additional expenses to help evaluate the applicant's financial stability.

Note: Verification of income and/or expenses may be requested by the agency if there are concerns about financial stability.

The licensing worker will:

1. Complete the Financial Information for Foster Family Home form with the FFH applicants at initial licensure and re-licensure;
2. Address any missing or unclear information provided by the FFH applicants;
3. Evaluate the financial information received on the Financial Stability for Foster Family Home form to determine whether the FFH applicant has adequate income to meet the monthly financial obligation of caring for a child in foster care without utilizing per diem as income;

Note: Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) are not considered monthly income for the purposes of FFH licensure. Receipt of these funds does not automatically disqualify an applicant from becoming a foster parent.

4. Discuss with the FFH the importance of utilizing per diems for the benefit and care of the child while in foster care including, but not limited to:
 - a. Food for the child (including infant formula),

- b. Clothing (e.g., replacement clothing, repairs, mending, and alterations),
- c. Shelter (e.g., summer camp or hotel accommodations during school trips),
- d. Supervision that substitutes for daily supervision (i.e., day-care/babysitter),
- e. School supplies (e.g., paper, pens, and calculator), and
- f. Child's ongoing personal incidentals (e.g., soap, shampoo, toothpaste, diapers, and wipes).

Note: 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 per diem. Expenses that should **not** be paid from per diem include, but are not limited to the foster parent's:

- i. Rent;
- ii. Mortgage;
- iii. Insurance payment;
- iv. Car payment; or
- v. Routine housing maintenance cost.

See policy 16.01 Funding for Children in Out-of-Home Care for additional information.

5. Re-evaluate the financial stability of the home if at any point circumstances of the FFH 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 Stability for Foster Family Home form may be requested to document the re-evaluation of financial stability.

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RELEVANT INFORMATION

Definitions

Licensing Worker

The licensing worker is a DCS Regional Foster Care Specialist (RFCS) or a Licensed Child Placing Agency (LCPA) worker.

Forms and Tools

- [Financial Stability for Foster Family Home \(SF 55734\)](#)

Related Policies

- [16.01 Funding for Children in Out-of-Home Care](#)

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LEGAL REFERENCES

- [IC 31-27-2-5: Monitoring of licensed entities](#)
- [IC 31-27-4-33: Compliance with rules; disciplinary sanctions; revocation of license](#)
- [465 IAC 2-1.5: Licensing of Foster Family Homes for Children](#)

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PRACTICE GUIDANCE- DCS POLICY 12.31

Practice Guidance is designed to assist DCS staff with thoughtful and practical direction on how to effectively integrate tools and social work practice into daily case management in an effort to achieve positive family and child outcomes. Practice Guidance is separate from Policy.

N/A

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