

**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**STATE PLAN/MASTER FILE WORKSHEET**

**(Grant Number: EE0007918, State: IN, Program Year: 2018)**

This worksheet should be completed as specified in Section III of the Weatherization Assistance Program Application Package.

**V.1 Eligibility**

**V.1.1 Approach to Determining Client Eligibility**

Provide a description of the definition of income used to determine eligibility

The following information is taken from Indiana's Weatherization Policy and Procedures Manual detailing the expectations of subgrantees as it applies to client income verification and documentation.

The Weatherization subgrantee staff, or its subcontractor, is obligated to review and determine WAP eligibility status for anyone requesting an application. Clients may not be denied the right to submit a WAP application by the Weatherization Subgrantee or any of its subcontractors.

A dwelling unit shall be eligible for Weatherization assistance if it is occupied by a family unit:

- Whose income is at or below 200 percent of the poverty level determined in accordance with criteria established by the Director of Office of Management and Budget\* and as approved by the Department of Health and Human Services, per the American Recovery and Reinvestment Act of 2009, Public Law 111-005, and WPN 13-3, issued March 15, 2013. The ARRA Public Law continues to apply to DOE funded grants.
- Which contains a member who has received cash assistance payments during the twelve-month period under Title IV and XVI of the Social Security Action, Pub. L. No. 88-452, 42 U.S.C. section 2701 et seq. or applicable State or local law.
- Who is eligible for assistance under the Low Income Home Energy Assistance Act of 1981, per 10 CFR 440.22 (a) (3). (Indiana Weatherization's primary eligibility criteria per approved State Plan)

LIHEAP WX grant clients must adhere to the HHS requirement of 200% of the current OMB poverty income.

Denied EAP applications will be referred for eligibility under 10 CFR 440.22 (a) (1) and (2), as noted above. If client is ineligible under the cited regulation, refer to section 103 of Indiana's Policy and Procedures Manual for denial procedures and notice to appeal.

Each year newly approved poverty guidelines for the program year are issued towards the beginning of the calendar year. To be consistent with the Energy Assistance Program (EAP) intake, Weatherization and EAP will both update their income eligibility guidelines annually on October 1st (using Federal Register/January 18, 2018, on pages 2642-2644 and WPN 18-3).

<https://www.federalregister.gov/documents/2018/01/18/2018-00814/annual-update-of-the-hhs-poverty-guidelines>

Documenting Eligibility: IHCD requires that all subgrantees ensure client eligibility during the period in which services are delivered. Clients which are deemed eligible as a result of their LIHEAP eligibility will have their most recent application date transferred into their IWAP record upon import. Subgrantees must ensure services are delivered within one year of the application date or the client's income must be re-verified.

For homes utilizing LIHEAP funds, subgrantees may provide weatherization services to a dwelling unit previously weatherized provided that it was at least 5 years prior to the beginning of the current LIHEAP program year. (Example: Current LIHEAP grant year starts 10/1/18; 5 years prior to this date is 10/1/13 – the home would have to have received weatherization services through LIHEAP prior to 10/1/13 to be eligible for Weatherization services utilizing LIHEAP current year funds.

IHCD will continue to use Energy Assistance Program (EAP) applications to verify the income of clients between 0% and 200% of poverty. Clients between 151% and 200% of poverty will still be subject to the Indiana LIHEAP program's method for calculating income and supplying all related income verification documentation.

Subgrantees can add clients between 151% and 200% of poverty to their wait list via one of the following ways:

1. Through disqualified EAP applications that are below the 200% of poverty threshold, where an income verification was done by a Local Service Provider; or,
2. Using a separate, subgrantee determined method that aligns with EAP income verification guidelines.
3. In all cases, all income verification documents must be kept in the client's file.

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Prioritizing qualified clients will be based upon the criteria outlined in Section 300 of Indiana's Weatherization Policy and Procedures Manual and as listed below.

Files of clients not categorically eligible through the Energy Assistance Program must contain a copy of the application and income documentation. Guidelines for household income calculation are found in the most current version of the Indiana Energy Assistance Program Operations Manual (<http://www.in.gov/myihcda/eap.htm>), or DOE Weatherization Program Notice 17-3, dated April 5, 2017.

Households that are categorically eligible have several of the required items in their EAP file. Information, such as income verification, does not need to be duplicated. During monitoring, IHCD reserves the right to inspect client income verification to insure client eligibility. In the following circumstances, **exceptions** to the required documentation policy will be permitted:

**1. Shelters** – An application and eligibility determination is not required for shelters.

- Agencies should determine the number of countable completions based on shelter regulations detailing that a weatherization provider may count each 800 square feet of the shelter as a dwelling unit or each floor level as one unit, as noted in 10 CFR 440.22(f).
- An individual file should be kept for the shelter project.
- For IWAP reporting purposes, each completion should be counted as "Data Unavailable" when reporting income categories and demographics. The box "Demographics Not Available" must be checked at the bottom of the IWAP application page.
- A National Energy Audit Tool (NEAT) audit will be required on all shelters.

**2. Multi-Unit Buildings** – In the weatherization of multi-unit buildings, DOE regulations require that 66% (50% for duplexes and four unit buildings) of dwelling units in the building must be eligible households or will become eligible within 180 days as referenced in 10 CFR 440.22(b).

*For multifamily buildings containing 25 or more units per building, subgrantees must contact IHCD to begin the process of reviewing the building to be considered for weatherization. Subgrantees or their contractors are responsible for performing a multifamily audit using MulTEA or Targeted Retrofit Energy Analysis Tool (TREAT) software, and are responsible for all costs associated with performing this audit. Results of the audit must be submitted to IHCD and DOE for approval.*

- Subgrantees are required to submit a plan to IHCD prior to proceeding to weatherize multi-dwelling units or apartments where five (5) or more units are contained within one building. Subgrantees are strongly encouraged to consult with INCAA for technical guidance beforehand. Plans must include, at a minimum, the following information:
  - Address of the multi-unit building
  - Current description (ie total number/income qualified/vacant)
  - Proposed funding source(s)
  - Subgrantee organizational capacity
- An application is not required for non-eligible or empty units. IHCD requires that documentation of eligibility is required for all units. To ensure that the percentage requirement is met, a separate list must be maintained, indicating the eligible and non-eligible or empty units.
- For IWAP reporting purposes, each non-eligible or empty unit should be counted as "Data Unavailable" when reporting income categories and demographics. The box "Demographics Not Available" must be checked at the bottom of the IWAP application page.
- Subgrantees should also note that when weatherizing multi-unit building, the amount to be spent on the building is determined by the number of income eligible units. (Example: When weatherizing a 20-unit building, if 15 of the units are eligible, you are only allowed \$105,000 [15 x \$7000 (average base cost per home)] for the 20 units.)
- In order to weatherize an apartment, all units in the affected building must be weatherized.
- Prioritizing qualified clients in multi-unit buildings does not differ from other housing types. Subgrantees shall ensure that weatherization services are being provided to low-income persons that live in all types of housing (i.e. single family, rentals, manufactured housing units, and multifamily buildings), and housing type is not a recognized priority. This ensures that clients are served in the appropriate order, and in accordance with IHCD guidelines.
- More information for weatherizing multi-family dwellings is located within DOE regulations on WAPTAC in 10 CFR 440 (Federal Regulations) and Weatherization Program Notice (WPN) 16-5.

A home that is weatherized while being renovated by a state or local government program must have a client file completed within 60 days of the completion of the work. The file must contain all proper verification documents to ensure that the client meets all eligibility criteria.

The following information is taken from Indiana's Weatherization Policy and Procedures Manual detailing the record keeping responsibilities for the Subgrantees:

Client files must be kept in order to verify the work that has been completed and to track expenditures on each house. subgrantees will be required to report completions and document which funding sources were used when more than one funding stream is utilized on any one dwelling. The documentation should

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detail the dollar amount of DOE and HHS grant funds spent on each home.

The file must also contain the paperwork necessary to document that proper procedures were followed in the performance of the work. Some forms, such as the application, are required in all client records. Other documents, such as the rental agreement, will only be contained in the files where applicable.

A client's Energy Assistant Program (EAP) application must be active at the time the weatherization services are provided and at the time of final inspection. An application is considered active for a twelve month period starting from the date of the approved application. If the version in the EAP database is the most current, no paper copy is required. If a client has an expired application in the EAP database and recently reapplied, a current paper copy is required in the client file. A paper copy may be requested by IHCD program monitors when reviewing client files. Subgrantees are required to utilize the most recent or current approved application.

**Income documentation:** Verification of total household income for the 3 months prior to application should be available. For the purposes of monitoring, EAP files must be made available. Subgrantees must use a form or method of income calculation that is consistent with guidelines as written in the most current version of the Indiana Low Income Home Energy Assistance Program Operations Manual: (<http://www.in.gov/myihcda/eap.htm>) Because files are subject to review, both by state and federal agencies, it is imperative that case files accurately reflect the computation of household income.

The **Zero Income Affidavit** must be used to verify zero income for **each** household member, age 18 and over, who claims no income for the three months prior to the application date. In addition to a completed form, each zero income claimant must have an attached wage inquiry or income summary from the local Workforce Development office.

According to the U.S. Department of Energy WPN 13-3 under Section D Proof of Eligibility #3 Self Certification, zero income claimants must have a notarized affidavit claiming zero income for Low Income Weatherization Assistance. IHCD requires a notarized Zero Income Claimant Form to be in each client's file who claims zero income.

Subgrantees may notarize the form at the time of the EAP Application. Incorporating the notary into the EAP application process is highly recommended, but not required. The EAP program manager may notarize the form if he or she is the agency's notary, even if the program manager processed the file.

The form may be signed by the Zero Income Claimant, or by the person who completes the application on behalf of the household. If the signatory is not the zero income claimant, the person must be listed as a household member on the EAP application. The EAP program does not require a notarized signature to process the file. This is a Dept. of Energy provision.

During the monitoring process, IHCD reviews at least 10% of Weatherization client files to ensure that Subgrantees are following all DOE and IHCD requirements regarding client eligibility.

Describe what household eligibility basis will be used in the Program

A dwelling unit shall be eligible for Weatherization assistance if it is occupied by a family unit that fits the criteria listed below:

Whose income is at or below 200 percent of the poverty level determined in accordance with criteria established by the Director of Office of Management and Budget and as approved by the Department of Health and Human Services, per the American Recovery and Reinvestment Act of 2009, Public Law 111-005. The ARRA Public Law continues to apply to DOE funded grants.

Which contains a member who has received cash assistance payments during the twelve-month period under Title IV and XVI of the Social Security Act, Pub. L. No. 88-452, 42 U.S.C. § 2701 et seq. or applicable State or local law.

Who is eligible for assistance under the Low Income Home Energy Assistance Act of 1981, per 10 CFR 440.22 (a) (3). (Indiana Weatherization's primary eligibility criteria per approved State Plan)

LIHEAP WX grant clients must adhere to the HHS requirement of 200% of the current OMB poverty income

*Denied EAP applications will be referred for eligibility under 10 CFR 440.22 (a) (1) and (2), as noted above. If client is ineligible under the cited regulation, refer to section 103 of Indiana's Weatherization Policy and Procedures Manual for denial procedures and notice to appeal.*

*Each year newly approved poverty guidelines for the program year are issued towards the beginning of the calendar year. To be consistent with the Energy Assistance Program (EAP) intake, Weatherization and EAP will both update their income eligibility guidelines on October 1, 2018 (using Federal Register/January 18, 2018, on pages 2642-2644 and WPN 18-3).*

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*IHCDA requires that all Subgrantees ensure client eligibility during the period in which services are delivered. Clients which are deemed eligible as a result of their LIHEAP eligibility will have their most recent application date transferred into their IWAP record upon import. Subgrantees must ensure services are delivered within one year of the application date or the client's income must be re-verified. Files of clients not categorically eligible through the Energy Assistance Program must contain a copy of the application and income documentation. Guidelines for household income calculation are found in the most current version of the Indiana Energy Assistance Program Operations Manual (<http://www.in.gov/myihcda/eap.htm>), or DOE Weatherization Program Notice 18-3, dated February 21, 2018.*

Describe the process for ensuring qualified aliens are eligible for weatherization benefits

Indiana's Weatherization Assistance Program will follow the same procedures outlined within Indiana's [LIHEAP EAP Program Operations Manual](#). Indiana's approach to ensuring qualified aliens are eligible for weatherization benefits is as follows:

6.3

Citizenship/Qualified Non-US Citizen

In addition to the above criteria, eligible household members must be United States (U.S.) citizens, U.S. Nationals or qualified non-US citizens (aliens) (as defined by 8 U.S.C §1641(b).) Applicants submitting Social Security Cards (SSNs) will not have to submit any other kind of proof of citizenship or qualified non-US Citizen Status.

Persons who are not citizens or qualified non-US citizens are considered to be ineligible household members. Ineligible household members living with eligible household members do not disqualify the family from receiving assistance.

Households with Ineligible Applicants

LSPs should not deter or deny applicants from applying for assistance if they are ineligible or if they reside with ineligible individuals. An applicant must only be eighteen (18) to apply. Accordingly, an applicant can be either an eligible applicant (able to receive EAP benefits) or an ineligible applicant (unable to receive EAP benefits but

applying for the eligible members) household member. In order to calculate the household's eligibility, an LSP should exclude the ineligible household members from the total number of household members (total household size)

when calculating the benefit amount. However, the income of the ineligible household member should be counted when determining the total household income eligibility.

Income of all household members regardless of eligibility must be documented.

### V.1.2 Approach to Determining Building Eligibility

Procedures to determine that units weatherized have eligibility documentation

Prior to any weatherization activity, a unit must be evaluated to determine whether previous weatherization services have been provided. For homes utilizing DOE funds, if services have been provided after September 30, 1994 the unit is not eligible for additional weatherization services utilizing DOE funds. Please reference WPN 13-1, section V.1.2. A "Reweatherized" unit falls into the category of time indicated above and described under 20 CFR 440.18(e)(2)(iii).

The Weatherization Subgrantee's staff, or its subcontractor, is obligated to review and determine WAP eligibility status for anyone requesting an application. No dwelling unit will be weatherized without documentation that the dwelling unit is an eligible unit, as defined as 10 CFR 440.22. The local sub-grantees verify applicants' income during the application process.

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Households that are categorically eligible have several of the required items in their EAP file. A client's Energy Programs Application (EAP) must be active at the time the weatherization services are provided and at the time of final inspection.

When determining if a household is eligible for the State EAP benefit, the household must provide proof of homeownership. This documentation must confirm that an individual in the household is listed as the owner of the property. Proof of Homeownership may include:

- \* Beacon or County Assessors websites
- \* Current Property taxes (Spring and/or Fall)
- \* Current mortgage statement
- \* Current homeowner Insurance
- \* Deed

Indiana's policy for the weatherization of rental units complies with 10CFR440.16(i), and all other pertinent regulations. Subgrantees must have written permission of the building owner or his agent before commencing, and are required to have and abide by their written policies detailing the terms of the landlord/tenant agreement and any landlord contribution policy the subgrantee has adopted.

Landlord agreement forms must be included in the files of all weatherized rental units. At a minimum, landlord agreements must state that:

- For a one-year period after the weatherization work on the unit is completed, rent cannot be increased, unless the increase is not related to weatherization services performed, as noted in 10CFR440.22(b)(3)(ii).
- Landlord and/or other contributions shall be expended in accordance with the agreement between the landlord and the weatherization sub-grantee, as noted in 10CFR440.22 (d).
- Written permission of the landlord, or the landlord's agent, must be obtained prior to the weatherization of the dwelling.

Prior to any weatherization activity, a unit must be evaluated to determine whether previous weatherization services have been provided. For homes utilizing DOE funds, if services have been provided **after September 30, 1994** the unit is not eligible for additional weatherization services utilizing DOE funds, as referenced in WPN 13-1, section V.1.2.

More details on building eligibility can be found in Section 100 of Indiana's Policy and Procedures Manual.

Subgrantees may choose to develop a Weatherization application to collect information from potential clients that do not wish to apply for the EAP program, or to collect additional information that the EAP application does not gather. The use of such an application is not required, and any Weatherization application would use the same income eligibility determination as the EAP program.

**Describe Reweatherization compliance**

IHCDA addresses reweatherization of homes for DOE and LIHEAP in the following manner:

**DOE:** Prior to any weatherization activity, a unit must be evaluated to determine whether previous weatherization services have been provided. For homes utilizing DOE funds, if services have been provided **after September 30, 1994** the unit is **not eligible** for additional weatherization services utilizing DOE funds. Please reference WPN 13-1, section V.1.2. A "Reweatherized" unit falls into the category of time indicated above and described under 20 CFR 440.18(e)(2)(iii).

The following actions must be taken on each DOE unit prior to weatherization services to ensure that homes that have received weatherization services after **September 30, 1994** are not re-weatherized:

1. Each client's address must be entered into IWAP to identify whether the client's home has been weatherized during or after 2000 (length of IWAP historical records);
2. For clients believed to be weatherized prior to 2000, agencies maintain internal list that can be reviewed to verify prior weatherization services.
3. Each client must be asked whether their home has been weatherized after September 30, 1994; and
4. A visual inspection of each home must be performed by an auditor to identify whether previous weatherization measures have been performed.

If there are no documented, verbal, visual, or physical evidence of previous weatherization services, the Subgrantee may proceed with weatherization services on the unit.

If any of the above actions indicates or suspects that weatherization services have previously been rendered in a home, the Sub-grantee must check with the local agency that has historically provided weatherization services in the area to inquire about any records pertaining to services previously provided. Incumbent local agencies must cooperate with these inquiries from IHCDA or from new weatherization service providers. Failure of any Sub-grantee to comply with any such request

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could result in immediate suspension of payments under its DOE award agreement or termination of its award agreement by IHCDA.

**LIHEAP:**

Prior to any weatherization activity, a unit must be evaluated to determine whether previous weatherization services have been provided. For homes utilizing LIHEAP funds, sub-grantees may provide weatherization services to a dwelling unit previously weatherized provided that it was at least **5 years** prior to the beginning of the current LIHEAP program year. (Example: The current LIHEAP grant year starts 10/1/17; 5 years prior to this date is 10/1/12 – the home would have to have received weatherization services through LIHEAP **prior** to 10/1/12 to be eligible for Weatherization services utilizing LIHEAP current year funds.

The following actions must be taken on each LIHEAP unit prior to weatherization services to ensure that homes that have received weatherization services within the last five years as outlined above:

1. Each client's address must be entered into IWAP to identify whether the client's home has been weatherized during or after 2000 (length of IWAP historical records);
2. For clients believed to be weatherized prior to 2000, agencies maintain internal list that can be reviewed to verify prior weatherization services.
3. Each client must be asked whether their home has been weatherized after **September 30, 1994**; and
4. A visual inspection of each home must be performed by an auditor to identify whether previous weatherization measures have been performed.

If there are no documented, verbal, visual, or physical evidence of previous weatherization services, the Sub-grantee may proceed with weatherization services on the unit.

If any of the above actions indicates or suspects that weatherization services have previously been rendered in a home, the Sub-grantee must check with the local agency that has historically provided weatherization services in the area to inquire about any records pertaining to services previously provided. Incumbent local agencies must cooperate with these inquiries from IHCDA or from new weatherization service providers. Failure of any Sub-grantee to comply with any such request could result in immediate suspension of payments under its DOE award agreement or termination of its award agreement by IHCDA.

The above information is located in Indiana's Weatherization Policy and Procedures Manual, Section 305.

**Describe what structures are eligible for weatherization**

Indiana's Subgrantees may weatherize single site built homes, mobile homes (manufactured housing), shelters and multi-unit dwellings. Indiana's Subgrantees may also Weatherize dwellings for both homeowners and renters. The selection process is based upon client eligibility, established priority guidelines, and information gathered during the initial audit.

Once a dwelling is determined to qualify for services, it is up to the Energy Auditor to determine if the dwelling is a candidate to receive weatherization services or if the dwelling should be deferred.

IHCDA holds a programmatic agreement with the Indiana State Historic Preservation Office Regarding EECBG, SEP & WAP undertakings. The original agreement was signed June 2012 but pursuant Fed. Reg. Vo. 78, No. 50 dated March 14, 2013 the agreement was extended through Dec 31, 2020. The agreement and extension notification can be found as an attachment to the SF424.

Please reference V.3 Priorities, Deferral Process, Rental/Multi Family, Audit Procedures and Client Eligibility descriptions within this Master Plan.

**Describe how Rental Units/Multifamily Buildings will be addressed**

**Multi-Unit Buildings** – In the weatherization of multi-unit buildings, DOE regulations require that 66% (50% for duplexes and four unit buildings) of dwelling units in the building must be eligible households or will become eligible within 180 days as referenced in 10 CFR 440.22(b)(2).

An application is not required for non-eligible or empty units. IHCDA requires that documentation of eligibility is required for all units. To ensure that the percentage requirement is met, a separate list must be maintained, indicating the eligible and non-eligible or empty units.

For IWAP reporting purposes, each non-eligible or empty unit should be counted as "Data Unavailable" when reporting income categories and demographics. The box "Demographics Not Available" must be checked at the bottom of the IWAP application page. To ensure that the percentage requirement is met, a separate list must be maintained, indicating the eligible and non-eligible or empty units. Subgrantees should also note that when weatherizing multi-unit building, the amount to be spent on the building is determined by the number of income eligible units. (Example: When weatherizing a 20 unit building, if 15 of the units are eligible, you are only allowed \$105,000 (15 x \$7,000 (average base cost per home) for the 20 units.) In order to weatherize an apartment, all units in the affected building must be weatherized. In Indiana this includes duplexes, buildings with three or four units and buildings with five or more units.

DOE, in conjunction with Oak Ridge National Laboratory (ORNL) and the Lawrence Berkeley National Laboratory (LBNL), developed the Multifamily Tool for Energy Audits (MuTEA) in 2017. During PY 2018-19, IHCDA will work with Subgrantees, DOE, and ORNL as necessary to provide an investment grade energy audit for multifamily projects.

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More information for weatherizing multi-family dwellings is located within DOE regulations on WAPTAC in 10 CFR 440 (Federal Regulations) and Weatherization Program Notice (WPN) 16-5.

The following multi-family rules and regulations apply to both DOE and LIHEAP funded weatherization projects. For energy audit purposes, DOE considers multi-family buildings to be those containing five dwelling units or more. For multi-family buildings containing less than 25 units (5-24 units), and the units are individually heated or cooled, a NEAT run must be performed to determine the proper work scope.

Subgrantees will follow the procedure prioritizing structures to be weatherized. IHCDCA will take into consideration the structures already on a Subgrantee's waiting list and the prioritization criteria of those clients.

For multi-family buildings containing 25 or more units per building, Subgrantees must contact IHCDCA to begin the process of reviewing the building to be considered for weatherization. Subgrantees or their contractors are responsible for performing a multifamily audit using the Multifamily Tool for Energy Audits (MulTEA) software, or other DOE-approved software, and are responsible for all costs associated with performing this audit, and submitting the results to IHCDCA and DOE for approval.

The Indiana Community Action Association (INCAA) (Indiana's IREC Accredited WX Training Center) has Multi-Family QCI classes scheduled in 2018 to satisfy WPN 16-5, and to train Indiana's WAP Subgrantees to meet DOE's guidelines successfully.

Subgrantees must submit a plan to IHCDCA prior to proceeding to weatherize multi-dwelling units or apartments where five (5) or more units are contained within one building. Subgrantees are strongly encouraged to consult with INCAA for technical guidance beforehand. Plans must include, at a minimum, the following information:

- Address of the multi-unit building
- Current description (i.e. total number / income qualified / vacant)
- Proposed funding source(s)
- Subgrantee organizational capacity

Following DOE guidance as outlined in Weatherization Program Notice (WPN) 16-5, significant energy savings must be reflected in each project. The WAP file for each building should contain at least the following information from the energy audit:

- The recommended statement of work including the savings-to-investment ratios (SIRs) of each measure and the total project SIR.
- If any measures were bought down or otherwise leveraged the documentation must show the pre-leveraged SIRs of each individual measure and the pre-leveraged project SIR.
- Documentation must include the other sources that funded each bought-down measure.
- Either a printed file showing all of the building audit inputs and outputs or the immediately accessible electronic file that shows all the audit inputs and outputs.
- Final installed costs of each measure and the total project cost. If the project went through the bidding process then all bid prices - winning and losing bids - must be in the file.
- All specifications defining each measure.
- Brief narrative with photos describing the building(s), including its age, its condition, number of units, spatial orientation(s), heating/cooling type (central or distributed) and condition, and any other notable conditions.
- Building assessment sheets, such as lighting inventory; heating/cooling equipment and controls; air leakage determination; water usage information; combustion/CO/CAZ testing; insulation type and levels; base load analysis; windows and doors type and orientation; health and safety concerns, etc.
- Weatherization statement of work, project timeline, and projected costs (materials and labor), any landlord contributions or buy-down provisions.
- Complete copy of the audit showing all inputs/outputs (or engineering assessments and report) including a narrative describing the methodology used to assess the building(s) (i.e. was every building individually audited, or were a sample audited and the others assumed to be the same).
- **Note:** All associated health and safety costs incurred on a dwelling unit are generally treated outside the SIR when determining cost-effectiveness. However, all energy-related incidental repair measures associated with weatherizing the dwelling units are a part of the SIR when determining cost-effectiveness.

Following WPN 16-5, at the Subgrantee discretion, building owners may also buy down measures they typically prioritize as needs – like furnace or boiler replacements or new fenestration – that do save energy but don't achieve an SIR of 1 or greater as a stand-alone measure.

It is IHCDCA's intent to allow Subgrantees some flexibility in calculating the SIR for a specific measure when other funds can be used to offset some of the costs,

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thereby reducing the WAP investment on the remaining investment. It is not IHCD's intent, however, to participate in projects that do not demonstrate overall cost effectiveness in design and installation.

DOE expects that all Subgrantees will use this SIR calculation allowance only when the cost effectiveness for the entire investment in the property can still be substantiated. In other words, a measure can be bought down only when the overall SIR of the package of measures is >1.0, including the full cost of the measure that will be bought down.

*Example:* In order for a measure to qualify for the buy-down, the package of measures, including the full cost (the pre-buy-down cost) of the measure which is to be bought down, must have an SIR >1.0.

Regardless of the funding source, only measures on a list of measures with a cumulative SIR of >1.0 may be paid for in any portion with WAP funds.

Subgrantees should follow WPN 16-5 for guidance, and utilize INCAA and IHCD for technical support.

**Shelters**

An application and eligibility determination is not required for shelters. Agencies should determine the number of countable completions based on shelter regulations detailing that a weatherization provider may count each 800 square feet of the shelter as a dwelling unit or each floor level as one unit, as noted in 10 CFR 440.22(f). An individual file should be kept for the shelter job.

The following shelter rules and regulations apply to both DOE and LIHEAP funded weatherization projects. For energy audit purposes, a NEAT run must be performed on all shelters to determine the proper work scope.

For IWAP reporting purposes, each completion should be counted as "Data Unavailable" when reporting income categories and demographics. The box "Demographics Not Available" must be checked at the bottom of the IWAP application page.

**Rental Procedures**

The benefits of weatherization to the occupants of rental units are protected in accordance with 10CFR440.22(b)(3). Indiana's policy for the weatherization of rental units complies with 10CFR440.16(i), and all other pertinent regulations.

Subgrantees must have the following procedures in place before proceeding with weatherization of a rental unit:

- Written permission of the building owner or his agent before commencing;
- Benefits of the services accrue primarily to the low income tenants residing in such units;
- For a reasonable period of time after completion, the household will not be subjected to rent increases;
- No undue or excessive enhancements shall occur to the value of the dwelling unit, and
- A landlord agreement/affidavit as required by the Subgrantee.

Subgrantees are required to have and abide by their written policies detailing the terms of the landlord/tenant agreement and any landlord contribution policy the Subgrantee has adopted.

Landlords may be required to contribute financially toward the cost of completing a unit, and/or to complete specific work on the unit. In cases where the landlord meets the definition of low income, and is eligible for services, the Subgrantee cannot require financial participation on the part of the landlord. Furthermore, Subgrantees will ensure that clients realize the primary benefits from the weatherization work. Subgrantees may also include in their landlord policy a provision that does not require a landlord contribution if the landlord is a 501(c)3 non-profit organization.

Landlord agreement forms must be included in the files of all weatherized rental units. At a minimum, landlord agreements must state that:

- For a one-year period after the weatherization work on the unit is completed, rent cannot be increased, unless the increase is not related to weatherization services performed, as noted in 10CFR440.22(b)(3)(ii).
- Landlord and/or other contributions shall be expended in accordance with the agreement between the landlord and the weatherization Subgrantee, as noted in 10CFR440.22 (d).
- Written permission of the landlord, or the landlord's agent, must be obtained prior to the weatherization of the dwelling.

Landlord contributions are not to be counted as program income, but must be applied to the program in one of two ways.

- Agencies that require landlord contributions must use a net system when charging weatherization. As an example, if the cost of the work is \$4,000.00, and the landlord contributes 50%, or \$2,000.00, weatherization may be charged for only the remaining \$2,000.00.
- Agencies that do not require landlord contributions, but receive contributions without stipulations as to their use, must then use those funds to enhance the weatherization program.

Subgrantees are required to develop a written appeals process for dealing with rental units. The process should be available to resolve disputes over raising rent following the weatherization process.

The primary purpose of the weatherization program is to lower the total residential energy expenditures of low-income persons. Agencies are to ensure that no undue

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enhancement shall occur to increase the value of the dwelling units, as noted in 10CFR440.22 (b) (3)(iv). Undue enhancement is defined by DOE as any improvement to the property that goes beyond the scope of energy conservation work.

Agencies are not required to place liens on rental property that has been weatherized, but must ensure protection of the low-income household from improper eviction or sale of property. Agencies must be aware of the legal protection available and be prepared to make appropriate referrals when necessary.

**Procedure for Certifying Income-Eligible HUD Assisted Buildings**

Prior to 2017, HUD provided lists of HUD Multi-family Property Listings Eligible for Weatherization Assistance to DOE for posting on DOE's website; however, the previously-published lists of eligible buildings expired on December 31st, 2016. New building lists will be provided by HUD using the new procedure outlined in this guidance.

HUD has developed an income certification process for individual properties that relies on certified annual income records and building information maintained by the property owner pursuant to Federal requirements. This process has been determined to comply with the requirements of the January 25th, 2010 rule. Owners or managers of HUD Qualified Assisted Buildings seeking WAP funds may continue to use this Property Certification Procedure for individual properties, as outlined below.

Following [WPN 17-4](#), to ensure that a multifamily building meets the income eligibility requirements set by DOE pursuant to the certification process established by HUD, property owners and managers shall submit two documents to HUD: 1) a **Property Self-Certification** form that specifies that the building in question meets DOE's income eligibility requirements and, 2) a **Property Occupancy Report** from current property records that confirm compliance with DOE's income eligibility requirements.

**I. Property Certification**

The property owner or authorized agent of the property must sign a Self-Certification form attesting that:

1. The property owner or authorized agent maintains certified income records for households residing at the property.
2. The property owner or authorized agent has reviewed its current certified income records.
3. The property owner or authorized agent has determined that at least 66 percent of the units in each building (or at least 50 percent of the units for 2- and 4-unit buildings) have certified incomes that are at or below 200 percent of the current federal poverty level based on household size.
4. The property owner or authorized agent certifies that all the information provided with the certification request is true and accurate.

A multifamily property certification form is attached for use by property owners or authorized agents.

**II. Property Occupancy Report**

The property owner or authorized agent must also complete and submit an Occupancy Report for the property.

A **Multifamily Occupancy Report** worksheet file is attached for completion by property owners or authorized agents. The file contains a **Property Information** worksheet and **Building-Unit** worksheets that must be completed for each building. The income information requested should be available from standard occupancy reports prepared for the property.

Required property information includes: property name, HUD contract number, contract expiration date, other property identification number (if applicable), property address and the number of buildings and units that are at the property and that meet DOE's income requirements.

Required building-unit information includes a listing of all units and information for each units including: building identification, building address, certified annual income, household size, and whether the household income was certified in the last year.

Upon completion of the **Property Certification** and the **Multifamily Occupancy Report**, the property owner (or property owner's representative) will submit both files to HUD at [energyaction@hud.gov](mailto:energyaction@hud.gov) and to DOE at [Derek.Schroeder@ee.doe.gov](mailto:Derek.Schroeder@ee.doe.gov).

**III. HUD Review**

1. HUD will review the certification and accompanying documentation for completeness. If the documentation submitted by the property owner is insufficient for HUD to complete its review, HUD will notify the property owner via e-mail that the request cannot be approved based on the information submitted.
2. HUD will review the household and property information provided under the self-certification process with records maintained by HUD, and may request additional occupancy information subject to Federal requirements.
3. If the documentation is complete and one or more of the buildings at the property meet DOE's income eligibility requirements, HUD will designate the property or list of qualified buildings as income qualified properties/buildings, and will notify Derek Schroeder at DOE and the building owner.
4. HUD will at the same time provide DOE with a list of the income-certified buildings pursuant to the above procedures; DOE will post these lists on its web site as required by 10 CFR 440.22 (b)(1), 440.22 (b)(2), and 440.22(b)(3).
5. Buildings determined by HUD to be eligible for WAP assistance will be posted on one of two lists:
  - a. List 1 – Public housing buildings or privately-owned buildings with three or more years remaining on their affordability contracts with HUD are included on this list. As outlined in the January 2010 Final Rule, inclusion on List 1 demonstrates compliance with the following three WAP multifamily program requirements: (1) DOE's income requirements; (2) protection against rent increases; and (3) protection against undue enhancement of the weatherized

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building.

- b. List 2 – Buildings on this list have less than three years remaining on their Housing Assistance Payments (HAP) contract with HUD. As outlined in the January 2010 Final Rule, inclusion on List 2 demonstrates compliance with only the following two multifamily program requirements: (1) DOE's income requirements; and (2) protection against undue enhancement of the weatherized building. Buildings on this list must separately comply with the WAP program requirement for protection against rent increases.

**U.S. Department of Agriculture (USDA) and Low Income Housing Tax Credit (LIHTC) Properties**

The certification procedures outlined in this Guidance do not apply to LIHTC properties, or for properties with USDA guaranteed loans. The LIHTC and USDA lists of income-eligible properties are no longer valid and will no longer be updated; WAP providers should follow standard procedures for verifying individual resident incomes for USDA and LIHTC properties.

**Describe the deferral Process**

While clients may meet eligibility requirements for weatherization, Subgrantees may defer a client because the housing unit is not a good candidate for weatherization. A deferral may occur due to problems that are beyond the scope of weatherization such as condition of the structure, area is slated for redevelopment or health and safety reasons.

Deferrals may take place during any phase of the weatherization process, including but not limited to: during or after the energy audit, the work performance phase, or immediately following the identification of a health and safety risk to the occupants or to crew and contractors and must be in writing. Postponement of work is advisable until deferral issues can be resolved either by the client and/or by alternative sources of assistance.

Below are examples of existing conditions under which a dwelling unit can be deferred until certain corrective actions occur:

- Elevated carbon monoxide levels where abatement is not possible using WAP funds
- Existing moisture problems that cannot be resolved under the health and safety limits
- House with sewage or other sanitary problems that not only endangers the client, but the workers who will perform the weatherization work
- Occupant's health condition
- Building structure or its mechanical systems, including electrical and plumbing, are in such a state of disrepair that failure is imminent and these conditions cannot be resolved in a cost effective manner
- Client is uncooperative, abusive, or threatening to crew, subcontractors, auditors, inspectors, or others who must work on or visit the house
- Extent and condition of lead-based paint in the house would potentially create further health and safety hazards
- The house has been condemned or electrical, heating, plumbing, or other equipment has been "red tagged" by local or state building officials or utilities.
- The home is in foreclosure, for sale or condemned and the owner will not be occupying the units throughout the duration of the weatherization work.
- Any existing condition that could endanger the health and/or safety of the work crew or subcontractor and cannot be safely abated within the scope of WAP

All Subgrantees will pursue alternative funding resources to reduce the occurrence of deferral. Agencies should establish lines of communication with other funding sources so that referrals can occur in an efficient manner. The following is a list of potential funding sources to help remedy situations in a home:

- U.S. Department of Housing and Urban Development (HUD) - HOME Program
- HUD - Community Development Block Grant
- U.S. Department of Health and Human Services - Community Services Block Grant
- U.S. Department of Agriculture - Rural Economic Community Development
- State-funded housing and rehabilitation programs
- Low-income program funds provided by local utilities
- City-funded housing and rehabilitation programs
- Donations or financial participation from landlords
- Donations from local churches or community groups

In addition to the possibilities mentioned above, IHCD has made available State LIHEAP funds to be used to address deferral issues to move homes from deferral to weatherization ready. The guidelines for these funds are contained in Section 900 of IHCD's Weatherization Policy and Procedures Manual. Section 900 is attached to the SF-424.

All clients who are deferred must receive a letter outlining the reason(s) for the deferral.

A copy of the deferral letter must be placed in the client file. The deferral letter must be specific as to the reason(s) for the deferral, outline next steps for the client, and provide a timeline for action.

Indiana's Weatherization Policy and Procedures Manual outlines the client appeal process as follows:

**Appeals Procedure**

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When a Weatherization Subgrantee determines that a household is ineligible, the Subgrantee, within ten (10) working days, must provide a written denial to the client detailing the reason(s) for the denial and advising them of their right to appeal the decision. Weatherization Subgrantees must retain in the household file a copy of the denial letter with the appeal procedure that was sent to the client.

**Pictures must be taken to document the conditions leading to deferral and must be placed in the client file.**

IHCDA strongly recommends that the **Applicant Notification Form** found in *Appendix Q* be the basis of any form created by the Weatherization Subgrantee to notify weatherization clients of their denial of services.

The right to appeal information provided to any denied household must contain the following two processes:

**Local Review** involves the written policy of each Weatherization Subgrantee Program Manager for handling client complaints or appeals of program decisions. The final step in the local process should involve a written determination by the Subgrantee's Executive Director.

**State Review** occurs when a denied weatherization applicant is not satisfied with the local Subgrantee's determination. The appeal must include the stated reasons for the Client's objection to the denial decision, reasons must be based solely upon evidence supporting one (1) of the following circumstances:

1. Clear and substantial error or misstated facts which were relied on in making the decision being challenged/appealed;
2. Unfair competition or conflict of interest in the decision-making process;
3. An illegal, unethical or improper act; or
4. Other legal basis that may substantially alter the decision.

The applicant appeal must be made in writing and received by the Indiana Housing and Community Development Authority (IHCDA) within ten (10) days of receipt of the Subgrantee's final decision. The applicant appeal is to be sent to the IHCDA's Chief Community Programs Officer [starting in program year 2018-2019, this will be changed to IHCDA's Director of Community Programs] who, after review, will refer the appeal to the IHCDA Compliance Attorney.

The Respondent will receive written acknowledgement of receipt of the appeal within five (5) business days, noting the day the appeal was received. All pertinent material from the case will be requested from the Weatherization Subgrantee by the Compliance Attorney in order to make a determination. The applicant, as deemed appropriate, shall have the opportunity to review all documentation submitted to IHCDA.

The IHCDA Compliance Attorney will have forty-five (45) days from IHCDA's receipt of the written request for appeal to review the file and make a determination. The decision of the IHCDA Compliance Attorney is final.

The costs associated with deferred audits are an allowable charge under Base Program Operations. Those agencies using contractors must be able to document on the deferral invoice that the charge was for a deferred home and is not attributable to any particular completion. Pictures documenting the conditions leading to deferral must be placed in the client file.

When possible, IHCDA monitoring staff reviews at least two deferred client files during monitoring.

**V.1.3 Definition of Children**

Definition of children (below age): **18**

**V.1.4 Approach to Tribal Organizations**

Recommend tribal organization(s) be treated as local applicant?

If YES, Recommendation. If NO, Statement that assistance to low-income tribe members and other low-income persons is equal.

Native Americans are served in the general population and will be eligible to receive benefits equivalent to the assistance provided to other low-income persons living in Indiana.

**V.2 Selection of Areas to Be Served**

Selection of Subgrantees to implement the Weatherization Assistance Program is made in accordance with 440.15(a)(d). 440.15(a) - Preference is given to any Subgrantee that has administered, or is currently administrating, an effective program, with program effectiveness evaluated by consideration of factors including, but not limited to:

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- Demonstrated ability to achieve projected goals and objectives,
- Quality of weatherization work as demonstrated by past program performance,
- Ability to staff program with qualified, trained, and experienced employees,
- Previous program experience, both in weatherization and other low-income program, and
- Ability to fulfill procedures for fiscal record keeping under Indiana and Federal codes.

IHCDA contracts with twenty-one (21) Subgrantees to cover Indiana's 92 counties. Of the 21 Subgrantees, 19 are Community Action Agencies, People Working Cooperatively is a non-profit agency, and JobSource (DBA Central Indiana Community Action Program), is a unit of local government.

In August 2013, IHCDA reassigned three counties of service territory from NWICA to NCCAA. This reassignment was originally temporary in nature. During the 2016-2017 funding cycle NCCAA was awarded 3 counties previously assigned to NWICA. Reassignment of these three counties did not affect the number of Subgrantees, as the counties were transferred from an existing Subgrantee to another existing Subgrantee.

In December 2016, IHCDA decided to RFP Area V's service territory consisting of Cass, Miami, Wabash, Howard, and Tipton counties. A public RFP was posted in the 1st Quarter of 2017. In April 2017, these territories were reassigned to the following agencies: Brightpoint now services Miami and Wabash counties; NCCAA now services Cass county; JobSource now services Howard and Tipton counties.

In March 2017, HSI voluntarily relinquished its service territory consisting of Bartholomew, Decatur, Jackson, Johnson, and Shelby counties. A public RFP was posted in July 2017. In September 2017, these territories were reassigned to the following agencies: OVO now services Bartholomew, Jackson, and Decatur counties; ICAP now services Johnson and Shelby counties.

If one of the current 21 Subgrantees is unable to administer the Weatherization Program in their respective county or counties, or if their program is cited for non-compliance, corrective actions will be taken. With support from IHCDA and the awarded technical assistance provider, the Subgrantee in question will:

- Be placed on a 120-day Quality Improvement Plan (QIP). A QIP is prescribed to Subgrantees with a significant number of technical findings and/or program deficiencies. The QIP process includes drafting a remediation plan, assigning responsibilities for resolving findings, and fully participating in monthly monitoring visits.
- IHCDA also may implement a modified QIP. A modified QIP is prescribed to Subgrantees with less dire, but still numerous, findings and concerns. The modified QIP process includes drafting a remediation plan, assigning responsibilities for resolving findings, and quarterly monitoring visits.

If the QIP does not result in the correction of all issues in question, IHCDA has the option to either extend the QIP period or remove the Weatherization Assistance Program from the Subgrantee. If the State chooses to remove the weatherization program from the sub grantee, IHCDA will go through the following actions to ensure continued service in the Subgrantee's service area:

- Removal of the program from the Subgrantee will typically not be done until a suitable organization can be found to administer the program, either on a temporary or permanent basis. Under certain circumstances, it may be necessary to remove the Weatherization Assistance Program (WAP) from a Subgrantee immediately if the territory is not being serviced by the Subgrantee, or if a Subgrantee is not operating under an active Weatherization Assistance Program (WAP) contract. Under these conditions, IHCDA will follow the Request for Qualifications (RFQ) and Request for Proposals (RFP) processes outlined below immediately following this process.
- If funding is removed in part from a particular Subgrantee, IHCDA will exercise discretion in either redistributing that funding to existing Subgrantees or new Subgrantee(s) using the RFP method identified below, or awarding funding to those Subgrantees meeting qualifications under 440.15(a) and are capable of handling additional funds, as evidenced by their grant spending in conjunction with production benchmarks.
- 

**Reallocation of Funds**

Subgrantees failing to spend at least 80% of their awarded grant funds could be subject to funding allocation reduction or redistribution at IHCDA's discretion. Subgrantees eligible for redistributed funds will be determined based on, but not limited to, the following criteria:

- Current level of expenditures for all active weatherization related programs
- Timely and accurate submission of claims
- Depth of existing waiting list
- Timely and accurate submission of past closeouts
- Financial and program management capacity

IHCDA will desktop monitor Subgrantee production, expenditure rates, and average cost per home throughout the life of each DOE or LIHEAP grant. This desktop monitoring will occur in accordance with the funding benchmarks as established by the Subgrantee on the appropriate DOE or LIHEAP budget form. In cooperation with meeting production and expenditure benchmarks, Subgrantees must maintain the appropriate average cost per home of each DOE and LIHEAP Weatherization grant. Failure of the Subgrantee to maintain funding benchmarks, production levels, expenditure rates and/or the appropriate average cost per home may result in IHCDA reallocating funds. Any reallocation will be in an attempt to ensure proper utilization of Weatherization funds.

This desktop monitoring will consist of, at a minimum, a comparison of production as recorded in IWAP and the amount of grant funds claimed through IHCDAonline. This information will be used to track whether or not Subgrantees are maintaining the proper Average Cost Per Home for both DOE and LIHEAP as referenced and

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required above.

Please reference the IHCD grant agreements in Section 3, Specific Terms, Letter O (for DOE) and Letter L (for LIHEAP) and Section 4, Administration of Funds (both DOE & LIHEAP) for additional information and guidance regarding the Average Cost Per Home and administration of Weatherization grant funds.

**Tiered Allocation**

At IHCD's discretion, Subgrantees who have failed to meet program expenditure benchmarks across multiple program years, who are experiencing financial difficulty, or appear to have a lack of proper programmatic oversight may be placed on a tiered funding agreement. While on a tiered funding agreement, Subgrantees must expend funds according to a structured schedule. The performance benchmarks, or expenditure percentages, when possible, are based on the Subgrantee's performance in prior years. Failure to meet expenditure benchmarks will result in a reduction in funding with unspent funds to be redistributed to other eligible Subgrantees.

Tiered funding agreements will be included as part of the Subgrantee grant agreement where applicable.

Subgrantees placed on a Tiered Allocation should anticipate an increased level of claim review by IHCD's Community Programs staff.

**Reduction of Funds**

A Subgrantee may receive a reduction in funding if one of the following conditions is present.

- A Subgrantee voluntarily returns one or more counties within its service territory.
- A Subgrantee returns substantial amounts of allocated funds over multiple years
- A Subgrantee fails to complete a QIP within two consecutive program years
- A Subgrantee fails to meet the expenditure benchmarks, as outlined in the grant agreements and budget forms, for multiple years.
- A Subgrantee is experiencing financial difficulties

**Request for Qualifications and Request for Proposals**

The state may post a request for qualifications (RFQ) to identify organizations with qualifications suitable to provide service delivery within a particular service territory. The RFQ is designed to increase the service capacity of that local area and provide additional service opportunities to the program beneficiaries. A Subgrantee will be notified if an RFQ is posted for additional capacity provided within its service territory.

The goal is to find the most qualified service provider within a prescribed service territory. Therefore, it is important to note that RFQs are open to the general public as well as the community action network. Eligible applicants will be determined based upon the federal regulations for the program. IHCD will make a reasonable effort to assess if there is an adjacent, existing Subgrantee to support service delivery. Using an adjacent Subgrantee will be determined on a case by case basis.

Following a request for qualifications (RFQ) a request for proposals (RFP) will be issued as IHCD deems it necessary.

The RFP may also be posted for the following reasons:

- The primary Subgrantee has been on a QIP for more than two consecutive program years
- Failure to meet expenditure benchmarks for more than two consecutive program years
- Subgrantee continues to demonstrate program deficiencies during monitoring visits for multiple program years
- The primary Subgrantee voluntarily forfeits one or more counties within its service territory
- IHCD has removed one or more counties from a Subgrantee due to performance issues
- If a Subgrantee is involuntarily removed from a particular area due to fraudulent or major misappropriation of funds, legal action has been taken against the Subgrantee, or the Subgrantee dissolves
- The territory is not being serviced by the Subgrantee
- The Subgrantee is not currently operating under an active Weatherization Assistance Program (WAP) contract

Like RFQs, the goal of the RFP is to find the most qualified service provider within a prescribed service territory. Therefore, it is important to note that RFPs are open to the general public as well as the community action network. Eligible applicants will be determined based upon the federal regulations for the program. IHCD will make a reasonable effort to assess if there is an adjacent, existing Subgrantee to support service delivery. Using an adjacent Subgrantee will be determined on a case by case basis.

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**V.3 Priorities for Service Delivery**

Once eligibility has been determined, the Subgrantee must follow its client priority policy. Each Subgrantee will develop written procedures by which it assigns priority eligible households. In accordance with 10 CFR 440.16, priority must be given in identifying and providing weatherization assistance to households where one or more of the following exist:

1. High energy usage
2. High energy burden
2. Elderly household member(s) (60 years or over)
3. Disabled household member(s)
4. Household member(s) under the age of 18

Households who do not meet at least one of the priority categories may only be served if all eligible priority households in the Service Provider's territory have been served. Within the above listed priority, Subgrantees may choose the order in which households are served. Priority systems must be applied equally to both renter and owner occupied dwellings and applied equitably to all areas of the Subgrantee's territory.

Subgrantees may choose to consider using the oldest application approval date for positioning applicants with priority points. An application with at least one priority point may be moved up on the list when working in the same area to save travel time.

Agencies that choose to develop their own methods for prioritizing clients must still adhere to federal regulation 10 CFR 440.16(b), develop written procedures, and seek approval of the methodology from IHCDA.

**V.4 Climatic Conditions**

Indiana's climatic data is compiled from the records of the National Oceanic and Atmospheric Administration (NOAA) from weather data collected from 150 sites in Indiana. Each Subgrantee has a unique average of heating degree days (HDD) that is determined by the weather data collected over the past 30 years from the counties the Subgrantee serves. For counties that did not have data collection sites, an average HDD was computed using data from adjoining counties. This step also ensures that Subgrantee service areas are in the same heat zone.

Indiana has two heat zones, which are divided based on average HDD by the U.S. Energy Information Administration. The upper two-thirds of the counties in the state are in Zone 2, which means they have between 5,500-7,000 HDD, while the lower one-third of the counties in the state are in Zone 3, which means they have between 4,000-5,499 HDD. In conducting tests for the waiver audit, homes are sampled from both climate zones. The formula used to calculate HDDs is as follows:

- Take the base temperature of 65 degrees and subtract the average daily temperature for a given calendar day to equal the heating degree days (example: 65-55=10 HDDs);
- Only days with average temperatures lower than the base temperature will be counted as HDDs;
- Repeat this process for each day of the year; and
- Add together the total HDDs for a Subgrantee's HDD's sum.

**V.5 Type of Weatherization Work to Be Done**

**V.5.1 Technical Guides and Materials**

IHCDA will ensure maximum energy savings by making certain that homes weatherized in Indiana receive the highest quality of work. The Indiana Weatherization Program accomplishes this by maintaining an highly qualified monitors and a progressive training facility. To ensure that procedures are being properly applied, Subgrantees receive specific technical training along with field visits and enhanced training at the field site.

**To meet requirements within WPN 15-4 IHCDA added the following language to their Subgrantee contracts:**

Subgrantees shall perform weatherization services during the Term in accordance with the U.S. Department of Energy Weatherization Assistance Program State Plan for the State of Indiana, the Indiana Weatherization Field Guide, the Indiana Weatherization Policy and Procedures Manual, other State Weatherization directives as applicable, and any amendments thereto (collectively "State Weatherization Plan and Directives"). Upon completion of the document aligning Indiana's Weatherization Field Guide and DOE's Standard Work Specifications (SWS), Subgrantees shall abide by and perform all work in accordance with said document. The Subgrantees's signature on this agreement signifies its responsibility to follow all work standards as outlined in the documents referenced in this paragraph.

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**Additional language was added as follows:**

Subgrantees shall ensure that all Weatherization staff and sub-contractors who perform or provide Weatherization services to client homes receive and adhere to all standards as outlined in Indiana's Weatherization Field Guide, Indiana's Weatherization Policy and Procedures Manual, the Department of Energy Weatherization Assistance Program State Plan for Indiana and other State Weatherization directives as applicable. Upon completion of the document aligning Indiana's Weatherization Field Guide and DOE's Standard Work Specifications (SWS), Subgrantees shall abide by and perform all work in accordance with said document. The Subgrantees's signature on this agreement signifies its responsibility to follow all work standards as outlined in the documents referenced in this paragraph as well as its responsibility to ensure that its Weatherization staff and sub-contractors receive and review these documents and use them to guide the Weatherization work performed in client homes by them.

IHCDA utilizes the Indiana Weatherization Policy and Procedures Manual and the Indiana Weatherization Field Guide aligned with DOE's Standard Work Specifications to regulate the Weatherization services provided throughout the State of Indiana.

All WAP services provided by Indiana's Weatherization Subgrantees must be performed in compliance with either the DOE approved Site-Built/Mobile Home priority list, or a properly completed NEAT/MHEA run. All WAP services must also meet or exceed the expectations of Indiana's field guide/SWS and the requirements of 10 CFR 440, Appendix A.

Pursuant to WPN 15-4, Indiana partnered with the Indiana Community Action Association (INCAA) (Indiana's IREC Accredited WX Training Center) and Saturn Management Resources (Mr. John Krigger) to align Indiana's Field Guide with DOE's Standard Work Specifications in 2017. IHCDA will notify Indiana's Weatherization Network via email once the Field Guide has met DOE approval, and will provide electronic links to the new document.

The Field Guide also includes information and forms specific to Indiana's WAP.

Indiana also submitted ten (10) variance requests along with their aligned field guide and SWS document. Nine (9) of the ten (10) variance request were approved April 27, 2015.

To help prepare Indiana's Weatherization Network for the implementation of the updated field guide and SWS alignment, INCAA, in conjunction with IHCDA, will utilize Semi-Annual Technical Trainings and Semi-Annual Manager's Meetings to expose the network to the guides and remind them of implementation timelines. In addition to this training, INCAA will also perform T&TA visits to individual Subgrantees to assist them with understanding and using the aligned document.

Upon receiving DOE approval for Indiana's SWS/Field Guide, IHCDA will make the document available to Indiana's Weatherization Network. Indiana's Subgrantees will be required to implement and adhere to the aligned document. IHCDA will notify the Indiana Weatherization Network via email that the document has been approved and will provide the necessary links for access. The links will also be available on IHCDA's website and identified within the IHCDA Weatherization Policy and Procedures Manual.

Indiana's Weatherization Policy and Procedures Manual contains requirements that Subgrantees follow, among other regulations, Indiana's aligned Field Guide and SWS. Every Subgrantee Weatherization Program Manager must sign a form indicating that they have received the Policy and Procedures Manual and realize that they are required to follow it's guidance in implementing Indiana's Weatherization Assistance Program.

Indiana's Weatherization Policy and Procedures Manual is updated annually at the start of the DOE funding cycle. The major goal in updating the policy manual is to ensure that Indiana's Subgrantees have up-to-date guidance for properly managing Indiana's WAP. IHCDA ensures that the information in the policy manual is consistent with Indiana's aligned Field Guide and SWS as well as DOE, HHS, EPA and HUD guidelines where applicable. The policy manual also contains all required forms utilized within Indiana's WAP. The most recent update of Indiana's Policy and Procedures Manual was completed in February 2018. This updated manual was supplied to Indiana's Weatherization Subgrantees and INCAA as well as being posted on IHCDA's website. IHCDA highlighted the updates to the 2017 manual during two Semi-Annual Manager Meetings (SAMMs) conducted in October, 2017.

In addition to the above information, IHCDA regularly encourages their Subgrantees to reference the wealth of Weatherization related knowledge contained on the WAPTAC and DOE websites.

IHCDA also considers the training staff at INCAA, the contracted monitor(s) and the Community Programs Policy and Technical Specialist at IHCDA as technical guides and resources. These individuals are available by phone, email, and when possible, local visits. The combined years of Weatherization experience of these individuals make them a valuable resource to Indiana's WAP network.

**V.5.2 Energy Audit Procedures**

Audit Procedures and Dates Most Recently Approved by DOE

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<b>Single-Family :</b>	Indiana uses a DOE approved priority list or NEAT for site-built homes. Specific details for use of the priority lists as well as NEAT are outlined in the comments section below as well as IHCDAs Policy and Procedures Manual. Approved September 13, 2016.
<b>Manufactured Housing :</b>	Indiana uses a DOE approved priority list or MHEA for manufactured housing. Specific details for use of the priority lists and MHEA are outlined in the comments section below as well as IHCDAs Policy and Procedures Manual. Approved September 13, 2016.
<b>Multi-Family :</b>	Handled on a case-by-case basis per DOE multi-family regulations. Sub-grantees must submit a plan to IHCDAs prior to starting process. Specific details are contained in the comments section below as well as IHCDAs Policy and Procedures Manual.

**Comments**

Indiana's Waiver Audit Priority List was compiled by conducting NEAT or MHEA audits utilizing housing stock based on single story, 2-story / "Cape Cod" style, and manufactured (mobile) homes. All site built homes not meeting this criteria will require a NEAT or MHEA audit. Mobile homes built before 1978 or on a permanent foundation will require a MHEA run.

Additional information is currently being gathered by the Indiana Community Action Association (INCAA) on manufactured double-wide homes on a permanent foundation for future approval from DOE to utilize MHEA. The results of the audit runs will be analyzed by the Indiana Community Action Association (INCAA).

Smart thermostats are considered on all three Waiver Audit Priority Lists; this measure can be circumvented if documentation shows the client is unable to operate it. WPN 16-7 allows for replacement of incandescent bulbs with light-emitting diode (LED) and compact fluorescent (CFL) bulbs. They are targeted for areas where lights are left on for at least two hours a day. Subsequent to DOE's last approval of Indiana's energy auditing procedures for site-built and manufactured homes on September 12, 2016, Indiana requested that DOE allow light emitting diode lighting (LEDs) as an energy conservation measure to replace existing lighting, as well as adding LEDs to its Priority List. Indiana's request and associated submittals were reviewed in accordance with WPN 16-7 and 16-8 and was found to comply with §440.21(b) of the final rule. Indiana received approval from DOE on April 6, 2017 to use LEDs in WAP, and to replace 'CFL' with 'LED' in its priority lists, provided that LEDs will be Energy Star qualified or of equal or better quality and efficiency.

Refrigerator replacement is an allowable DOE and LIHEAP cost. Indiana requires comprehensive metering of the existing unit, and a NEAT or MHEA audit must be performed.

Indiana's audit procedures:

Subgrantee auditors conduct a whole-home audit and work is completed based on what the results of the audit specify is required to make the home more energy efficient. All homes being weatherized are treated with the whole-home system approach, with the goal of aligning thermal and pressure boundaries on every home. Additionally, as part of the whole home audit, extensive testing of combustion appliances is conducted to ensure client and worker health and safety. After the initial audit is completed, Subgrantee crews or contractors may then complete the weatherization work based on either the DOE approved waiver audit or a site specific audit using NEAT or MHEA.

NEAT or MHEA is to be used when:

- Housing stock fails to meet the model of the priority list;
- When an auditor is unsure how to prioritize measures needed in a home based upon budget constraints;
- To cost justify furnace replacements or other measures for energy efficiency;
- As required by DOE, IHCDAs, or both.

Indiana's Site-Built and Mobile Home Audit Priority Lists were approved by DOE September, 2016. During 2017, IHCDAs submitted an amended Priority List to DOE requesting that Incidental Repair Measures (IRMs) be associated cost-wise with the overall job SIR and not tied to the SIR of individual ECMs. Indiana received approval from DOE on April 6, 2017 to treat IRM limits as requested, and Indiana will comply with the intent of WAP's cost effectiveness requirement by generally ensuring that individual energy conservation measures, including associated IRM costs, are cost effective. The approved incidental repair plan is considered an amendment to Indiana's priority list resulting in Indiana's priority list continuing in effect until September 12, 2021.

The use of either a NEAT/MHEA Audit or Indiana's DOE approved Priority List ensures that all completed work meets DOE and IHCDAs expectations for quality and effectiveness. Effective 4/1/2017, IHCDAs required Subgrantees to perform NEAT/MHEA audits on at least 10% of all homes weatherized using DOE funds.

Upon receiving approval for their Waiver Audit Priority Lists, IHCDAs has worked with INCAA to update the site built and mobile home work orders to reflect any changes resulting from the approval process. IHCDAs has provided all updated waiver audit information to Indiana's Weatherization Network via email as well as posting the information on IHCDAs' and INCAA's websites, and issued an appropriate update memorandum to IHCDAs' Weatherization Policy and Procedures Manual.

**Incidental Repairs**

In NEAT/MHEA, (following DOE guidance) an Incidental Repair Measure (IRM) needs to be associated legitimately with an Energy Conservation Measure (ECM). The cost for the IRM is not tied to the Savings to Investment Ratio (SIR) for that ECM but is included in the calculation for the overall job SIR. An IRM or multiple IRMs may be performed as long as the overall job SIR is 1 or greater.

When using the Priority List, an IRM needs to be associated legitimately with an ECM. The total cost of an IRM or multiple IRMs is limited to 17% of the total job

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costs. Determination of the SIR for both the ECM and the total job is not required as the 17% limit has been calculated to prevent the overall SIR from dropping below a 1.

If a Subgrantee is using the Priority List and they have an IRM or IRMs that they really want to do, but the cost exceeds 17% of the total job costs, they will have to do a NEAT/MHEA run to justify the additional cost.

Indiana's approved audit priority lists are as follows:

**Single-Story Site Built Home Waiver Audit:**

Health & Safety

Combustion Appliance Replace / Repair, General Safety

General Heat Waste (\$250 Limit):

1) Water heater system treatment:

- Tank Wrap
- Water Pipe Insulation
- Low Flow Shower Heads
- Low Flow Faucet Aerators

2) Minor comfort Air sealing

3) Client Education

Infiltration Reduction (includes duct sealing)

Smart Thermostat

Lighting

Insulate Un-insulated (R-0 / no insulation) attics to R-38

Insulate Un-insulated Ducts outside Thermal Boundary

Insulate Un-insulated Walls (tube-in)

Insulate partially insulated (R-1 to R-19) attics to R-38

Insulate Box Sills to R-11:

- All Electric
- Gas - Northern 4 Subgrantees Only

Insulate Foundations to R-11:

- All Electric
- No Gas Homes

**Two Story / "Cape Cod" Style Site Built Waiver Audit:**

Health & Safety

Combustion Appliance Replace / Repair, General Safety

General Heat Waste (\$250 Limit):

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1) Water Heater System Treatment:

- Tank Wrap
- Water Pipe Insulation
- Low Flow Shower Heads
- Low Flow Faucet Aerators

2) Minor comfort air sealing

3) Client Education

Infiltration Reduction (includes duct sealing)

Smart Thermostat

Lighting

Insulate Un-insulated Attic Flats (R-0 / No Insulation) to R-38

Insulate Un-Insulated Slopes (to cavity depth)

Insulate Un-Insulated Knee Wall (to cavity depth)

Insulate Un-insulated Ducts outside Thermal Boundary

Insulate Un-insulated Walls (tube-in)

Insulate partially insulated (R-1 to R-19) attics to R-38

Insulate Box Sills to R-11:

- All Electric
- Gas - Northern & Central Subgrantees Only

Insulate Foundations to R-11:

- All Electric
- Gas - Northern & Central Subgrantees Only

**Mobile Home Waiver Audit:**

Health & Safety

Combustion Appliance Replace / Repair, General Safety

General Heat Waste (\$250 Limit):

1) Water Heater System Treatment:

- Tank Wrap
- Water Pipe Insulation
- Low Flow Shower Heads
- Low Flow Faucet Aerators

2) Minor comfort air sealing

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3) Client Education

General Air Sealing

Duct Sealing

Smart Thermostat

Lighting

Roof Fiberglass / Loose

Belly Insulation

Wall Insulation

The above work orders are incorporated into Indiana's SWS-aligned Field Guide, and are also available in Indiana's Policy and Procedures Manual, as well as INCAA's website. See attachment in SF-424.

Pursuant to 5 U.S.C. 552(b)(6) of the Freedom of Information Act, Subgrantees eligible to participate in utility programs, or participate in a state or regional-level study, are required to keep confidential any specifically identifying information related to an individual's eligibility application for WAP, or the individual's participation in WAP, such as their name, address, or income information. IHCD and Subgrantee States may release information about recipients in the aggregate and which does not identify specific individuals (For example, information on the number of recipients in a county, city or a zip code does not compromise the privacy of the recipients). Subgrantees interested in participating in utility programs or studies must submit requests to IHCD for approval before entering into any third-party agreements.

### V.5.3 Final Inspection

Each Subgrantee, or its authorized representative, is required to complete a pre- and post-inspection of each unit weatherized. A dwelling that receives furnace work beyond a clean and tune requires an interim inspection if the work was not performed by an Indiana-trained "Competent Retrofit Installer-Mechanical". If the home is a total electric home, no interim inspection is required. If a job cannot be completed within 45 days of invoice, an interim inspection can be conducted on a home with any type of heating system to verify that the heating work is done correctly and payment can be made within 45 days of invoice.

Per DOE WPN 11-03, paying for additional work on homes that have already been reported to DOE is not a permissible use of DOE WAP funds. IHCD procedures state that a dwelling unit may not be reported as completed until a final inspection has been performed in accordance with 440.16(g), it has been certified that the work has been completed in a workmanlike manner and in accordance with approved procedures in 440.21, and all materials have been properly installed.

Following WPN 15-4, every completed home in Indiana must be inspected by a BPI Certified Quality Control Inspector.

IHCD ensures compliance with 440.16 (g) and WPN 15-4 by monitoring at least 10% of client files and at least 5% of homes completed by each Subgrantee.

Effective April 1, 2018, IHCD will allow two options for meeting the Quality Control Inspection requirement. Subgrantees must apply to IHCD in order to be able to utilize the Energy Auditor as the QCI option, and must indicate their intended method to IHCD for consideration. Subgrantees that are unable to meet the deadline, or do not submit a plan to IHCD will be required to utilize an Independent QCI.

#### **Independent QCI**

The QCI is an individual that has no involvement in the prior work on the home, either as the auditor or as a member of the crew. If this method is utilized, IHCD will monitor a minimum of 5% of DOE completions.

#### **Energy Auditor / QCI**

**A.** The auditor performs the audit, creates the work order, and performs the final quality control inspection. The auditor is not involved in any of the actual work on the home. Because this model does not allow for an independent review of the audit on every home, IHCD is required to increase the percentage of quality assurance reviews to ensure that audits are being performed consistently and correctly. IHCD will monitor a minimum of 10% of DOE completions.

**B.** Inspectors shall not participate in professional activities involving a conflict of interest. A conflict of interest occurs when an inspector is inappropriately motivated by any financial, personal, or professional incentive other than the production of a professional report that clearly, completely, and usefully reflects the conditions observed during the audit. Inspectors shall avoid, whenever possible, even the appearance of a conflict of interest and shall disclose all potentially

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questionable associations and relationships in advance to IHCDCA with a legitimate right to be informed of them.

C. Inspectors shall not inspect work performed by organizations under arrangements whereby any compensation or future referrals to the inspector depend on or are influenced by the findings of the report. Compensation includes direct and indirect remuneration as well as substantial gifts and favors. Inspectors shall not accept any form of compensation for recommending products or services to clients or other parties having an interest in the inspected work.

D. Additional documentation may be required by IHCDCA if necessary, including:

- Documentation of the independent status of the Quality Control Inspector
- Documentation outlining any involvement of the QCI in the audit process

E. Quality control inspections are subject to IHCDCA assessment of effectiveness and compliance with program inspection policies and monitoring will include documentation of any findings related to the quality of the inspection and impartiality of the inspection process.

F. IHCDCA will maintain tracking of all subgrantee QCI activities to include all aspects of the subgrantee-developed QCI process, subsequent corrective actions, and final outcomes.

G. If QCIs are found to be out of compliance, remedial training may be required for the QCI, the installation contractor, and/or Subgrantee staff. Limited remedial training may be provided by IHCDCA staff on-site at the time of the monitoring, or more extensively through the training facility at INCAA if necessary. Alternatively, IHCDCA staff may provide more comprehensive training at a later date. Repeated non-compliance issues after remedial training may result in the agency being placed on QIP, or a reduction in funding. All compliance issues found with QCIs are subject to IHCDCA review, and may result in the QCI not allowed to perform inspections for Indiana WAP.

J. Subgrantees may not be considered if one or more of the following program deficiencies are identified:

- General Administrative Deficiencies that include late interim or closeout reports, late completion reporting (data entry), lack of procurement policies, outdated cost allocation plans
- Fiscal Reporting issues that include failure to claim expenses on a monthly basis, repeated occurrences where expenses are submitted more than 45 days after the invoice or purchase order date, contractors paid beyond the 45 day requirement
- Staff or contractors fail to receive proper certifications
- Average cost per home exceeds cost guidelines set forth by DOE or HHS (LIHEAP) funding
- At least 25 percent of client files reviewed are deemed ineligible
- High risk outcome on the Risk Assessment

Subgrantees are required to ensure that each weatherization completion receives an appropriate and properly executed final inspection. This inspection must be performed by a BPI-certified Quality Control Inspector (QCI). IHCDCA, as part of their regular monitoring procedures, will review final inspection forms, Subgrantee inspection processes and completed homes to ensure the inspections are being performed correctly and in a manner that meets DOE expectations as outlined in WPN 15-4. Failure by the Subgrantee to utilize the QCI process correctly may result in the associated completion(s) being considered unallowable, and all associated cost being returned to IHCDCA. Should multiple instances of poorly performed inspections be found, IHCDCA will, at the very minimum, place the Subgrantee on a Quality Improvement Plan (QIP). Should the QIP fail to correct the issues, IHCDCA will pursue further remedies for noncompliance as allowed in their Weatherization Policy and Procedures Manual and the Subgrantee grant agreement (contract).

**Monitoring Appeals Procedure**

When a Weatherization subgrantee wishes to appeal a monitoring finding or concern, the sub-grantee, within fifteen (15) working days of receiving the monitoring report, must provide a written appeal to the IHCDCA Director of Community Programs detailing the reason(s) for the subgrantee's objection to the decision, and documentation of the issue. This appeal should be in the form of a signed letter on agency letterhead.

Weatherization subgrantees must submit documentation outlining grounds for appealing the finding(s) or concern(s). Documentation could include written guidance or policy, training materials, or other such foundation for appeal.

The Weatherization Policy and Technical Specialist will consider the appeal and when appropriate will review decisions with the IHCDCA Director of Community Programs before a response is communicated.

The Director of Community Programs will respond in writing to the subgrantee within fifteen (15) working days. The Policy and Technical Specialist may request additional information from the subgrantee at any time during the review process. Once the Director of Community Programs has responded, the decision will be final.

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**Terms and Conditions for Return of Funds in Monitoring**

A return of funds transaction is initiated when paid grant funds need to be returned due to a monitoring or financial audit issue. A return of funds must be paid out of private agency funds. These funds will show on the claim summary but will not be returned to the Subgrantee's available budget. The state will reuse these funds in future allocations.

Some examples of disallowed costs might include, but are not limited to:

- Exceeding 20% of total expended funds on Health & Safety measures
- Exceeding the current average cost per home
- Interest expenses paid with DOE funds
- Rework expenses except when specifically authorized by IHCD
- Disallowed equipment and vehicle purchases with DOE funds
- Any measure not cost-justified
- Any repair that exceeds the incidental repair measure limit for materials and labor
- Expenditures incurred for the installation of measures on a completed unit outside of the client's eligibility period
- Expenditures incurred for the installation of measures on a completed unit outside the contract period
- If IHCD cannot determine an expenditure is allowable because of inadequate records or documentation, IHCD will request documentation. If documentation cannot be produced, the costs will be disallowed.

Subgrantees are required to correct any deficient work identified by the Quality Control Inspector before the work is submitted for reimbursement. As a result of technical monitoring inspections, Subgrantees with incomplete work and workmanship issues will be allowed to rectify the problem before disallowances are levied. Subgrantees will be asked to reverse or repay costs that are determined to be unallowable. If questioned costs are significant, an investigation may be performed, and the sub-grantee may be subject to additional review.

When deficiencies are identified, Subgrantees may be required to submit a corrective action plan within 30 days of receipt of the Technical Monitoring Report. The submission must include a description of the corrective actions to be taken as well as a timeline for implementation of those actions. The Corrective Action Plan will be submitted to IHCD's Program Manager for review and approval.

When deficiencies persist, IHCD may take any of the following actions: place the agency on a Quality Improvement Plan, designate the Subgrantee as high-risk, place the Subgrantee on a watch list, or suspend the Subgrantee's weatherization program in response to recurring major findings or persistent noncompliance with IHCD and/or DOE WAP policy.

A Subgrantee may appeal a return of funds or repayment following the monitoring appeals policy. Until further notice, all return of funds and repayments will be considered by the Director of Community Programs before being issued to subgrantees.

IHCD, in cooperation with INCAA developed a standardized final inspection form to be used by Indiana's Subgrantees and technical monitor. IHCD has attached a copy of this QCI form to the SF-424. To meet the Quality Control Inspector (QCI) requirement as outlined in WPN 15-4 Indiana currently has 65 certified QCIs in place. All 21 of Indiana's Subgrantees either have a certified QCI on staff, or have made contractual arrangements to meet the requirements outlined in WPN 15-4. IHCD will continue to provide testing opportunities within INCAA's Technical and Training Assistance contract to provide an ongoing opportunity for ongoing QCI testing. IHCD hopes to continue adding QCI certified individuals throughout the 2018 Program Year.

In addition to the QCIs mentioned above, four trainers from INCAA have achieved the QCI certification. On the Grantee level, IHCD's Weatherization Policy and Technical Specialist is QCI certified.

Currently, IHCD only pays for the first QCI testing attempt. If the candidate fails the first attempt the subsequent attempts are paid for either by the Subgrantee or the contractor. To facilitate the additional testing, INCAA incorporates test dates within their training schedule.

IHCD's Weatherization Subgrantees are required to track and document all training and certifications of both Weatherization staff and sub-contractors. IHCD reviews this information during monitoring to ensure that all requirements are being met. Tracking the QCI certifications and qualifications at each Subgrantee is a part of this monitoring process.

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Indiana, in cooperation with INCAA, provides the opportunity for individuals to test for DOE's national Energy Auditor Certification through BPI. IHCDCA is encouraging their network to test for this certification. Indiana currently has thirty-four (34) individuals who have successfully obtained the DOE/BPI Energy Auditor Certification.

**V.6 Weatherization Analysis of Effectiveness**

**Energy Saving Effectiveness:**

Starting in 2010, IHCDCA and INCAA transitioned their method of assessment of weatherization effectiveness from Princeton Score keeping Method (PRISM) to work in conjunction with the Building Energy Analysis of Consumption (BEACon) system. This combination allows IHCDCA to review a larger selection of homes for energy efficiency improvements, produces better electric savings information, and cuts down on administration costs in the long run since information can be gathered electronically. BEACon will be used when available during the 2018-2019 Program Year as it has provided more reliable savings results both for natural gas and electricity.

When available, the reports generated by the BEACon system provide results that are both based upon state wide averages as well as individual Subgrantees. These results are shared with each Subgrantee so that they know how they are performing. The information not only provides overall energy savings but provides indicators as to how each energy auditor, crew and contractor are performing. IHCDCA strongly encourages each Subgrantee to utilize the information as a tool to identify where program improvements are needed.

IHCDCA reviews the reports generated by the BEACon system to assess incentive pool participation, to gauge performance of Subgrantees in relation to energy savings, to gauge success of Indiana's WAP as a whole and project future needs.

Indiana also utilizes an incentive pool process in conjunction with issuing funding allocations that promotes energy savings and sound program management. DOE and LIHEAP allocations are distributed using the census-based allocation formula for 85% of Weatherization Subgrantees contracted funds. The remaining 15% of the allocation is distributed out to those Weatherization Subgrantees who meet all of the following criteria:

1. 95% or more of the prior program year contract total must have been expended.
2. Close Out Reports must be submitted and approved on time (within 45 days after the program year ends). IHCDCA DMS, IWAP Quarterly, Job Expense and Subgrantee Close Out report must match exactly when final claims are processed, with all line items and averages being within allowable limits
3. A 20% average energy savings as determined by PRISM/BEACon analysis of local Subgrantee production.
4. No Weatherization Subgrantee operating under a 120-day or modified Quality Improvement Plan (QIP) will be included in the incentive pool.
5. Weatherization Subgrantees must demonstrate regular use of the XRF for lead based paint testing.
6. Subgrantee must meet the 45 day requirement for vendor and sub-contractor payments.

**Subgrantee Effectiveness:**

To assess Subgrantees' procedural effectiveness, IHCDCA monitors use a combination of monitoring and T&TA. Subgrantees with deficiencies may be required to attend training specific to the Subgrantee's needs. Subgrantee deficiencies and subsequent training include but are not limited to: lack of managerial oversight, inadequate technical, fiscal and database management, and client education procedures.

In addition, IHCDCA and Subgrantee personnel continuously evaluate the effectiveness of training provided through IHCDCA and the technical assistance provider's (INCAA) training program. This is done through a combination of monitoring of Subgrantees, feedback at Semi-Annual Managers Meetings, and meetings with Indiana's Weatherization Training Center (INCAA).

IHCDCA's Community Programs Policy and Technical Specialist reviews all reports prepared by the monitor(s) and IHCDCA's contracted monitoring team prior to monitoring reports being sent to the Subgrantees. This review allows IHCDCA to stay current on the issues being faced by each Subgrantee and work toward resolution of problem or weak areas.

During the 2017-2018 DOE funding cycle, IHCDCA and INCAA performed Optimizing Weatherization Resources Training. This training was targeted for Executive Directors, Fiscal Managers, and Weatherization Managers, and was intended to ensure that staff was aware of not only the federal guidelines regulating the use of Weatherization funds, but understand how to best use them in gaining enhanced energy efficiency for the clients we serve.

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**V.7 Health and Safety**

Please see the attachment 2018 Indiana Health and Safety Plan Draft, which is in the Optional Template format. Guidance from WPN 17-7 is addressed therein.

**V.8 Program Management**

**V.8.1 Overview and Organization**

The Indiana Weatherization Assistance Program is administered by the Indiana Housing and Community Development Authority (IHCDA). IHCDA is a quasi-governmental agency that administers numerous programs including the Low-Income Housing Tax Credit program, First-Time Home Buyer Assistance, Community Development Block Grant, HOME Investment Partnership funds, Emergency Shelter Grant, Low-Income Household Energy Assistance Program, Community Services Block Grant, and Neighborhood Stabilization Program, among others. IHCDA is located within the Family of Business of the Indiana Lieutenant Governor's Office. IHCDA is located in Indianapolis, IN.

IHCDA staff responsible for the oversight of the Weatherization Assistance Program in Indiana are Chief of Staff and Chief Operating Officer Kyleen Welling, Director of Community Programs Lauren Perry, Community Programs Policy and Technical Specialist Andrew Hoff, and Community Programs Analyst-Team Lead (currently vacant, we are recruiting to fill this position). The Community Programs Monitor Steve Osborne is on long-term disability. The primary point of contact for Indiana's WAP is Lauren Perry.

IHCDA utilizes the Indiana Community Action Association (INCAA) as the Weatherization Training Center for Indiana. INCAA is IREC accredited in all four of DOE's Job Task Analyses and has three IREC Certified Master Trainers. INCAA is located in Indianapolis, IN.

Additionally IHCDA utilizes the Environmental Management Institute (EMI) to perform lead based paint and OSHA training. EMI is located in Indianapolis, IN.

During the 2017-2018 DOE funding cycle, IHCDA decided to bring its monitoring efforts back in-house. Therefore, Engaging Solutions is no longer providing monitoring services. Colleen Hutson, of Hutson Homes, has provided technical monitoring for thirteen (13) Weatherization Subgrantees in program year 2017-2018 and Andrew Hoff has monitored eight (8) Subgrantees. Engaging Solutions conducted file monitoring for homes not monitored under technical monitoring, as well as fiscal monitoring. In program year 2018-2019, an in-house fiscal monitor will provide fiscal monitoring, and Colleen Hutson of Hutson Homes is expected to conduct the majority of the technical monitoring, file monitoring, and program monitoring. IHCDA will review reports before they are distributed to Subgrantees.

Indiana utilizes twenty-two (21) sub-grantees to administer the Weatherization Assistance Program (WAP). Nineteen (19) Subgrantees are Community Action Agencies; one (1), People Working Cooperatively, is a nonprofit agency, and one (1), Job Source,(DBA CICAP) is a unit of local government.

In August 2016, IHCDA reassigned three counties of service territory from NWICA to NCCAA. This reassignment was originally temporary in nature. During the 2016-2017 funding cycle NCCAA was awarded 3 counties previously assigned to NWICA.

In December 2016, IHCDA decided to RFP Area V's service territory consisting of Cass, Miami, Wabash, Howard, and Tipton counties. A public RFP was posted in the 1st Quarter of 2017. In April 2017, these territories were reassigned to the following agencies: Brightpoint now services Miami and Wabash counties; NCCAA now services Cass county; JobSource now services Howard and Tipton counties.

In March 2017, HSI voluntarily relinquished its service territory consisting of Bartholomew, Decatur, Jackson, Johnson, and Shelby counties. A public RFP was posted in July 2017. This service territory has been permanently reassigned. Bartholomew, Jackson, and Decatur counties are now being served by OVO. Johnson and Shelby counties are now served by ICAP.

**V.8.2 Administrative Expenditure Limits**

Section 500 of Indiana's Weatherization Policy and Procedures Manual addresses the administrative limits for DOE funds as follows:

**Administration – Actual costs**, associated with administration include *fiscal, executive, support operations, rent and utilities, supplies, copying, etc.* This applies to staff engaged in program administration.

Administrative cost for Indiana's sub-grantees will be up to 7% of the total grant expenditures for 2018-2019 DOE funding. IHCDA will retain 3% for Grantee use.

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**V.8.3 Monitoring Activities**

During the 2017-2018 DOE funding cycle, IHCDCA decided to bring some of its monitoring efforts back in-house. Therefore in program year 2018-2019, Engaging Solutions is no longer providing monitoring services. IHCDCA's monitor, Steve Osborne, is out on long-term disability.

Colleen Hutson, of Hutson Homes, has provided technical monitoring for about half of the Weatherization Subgrantees in program year 2017-2018 and Andrew Hoff has monitored the balance. Colleen Hutson is formerly of the Subgrantee NCCAA and has extensive technical and programmatic experience, and is BPI QCI Certified. Engaging Solutions conducted file monitoring for homes not monitored under technical monitoring, as well as fiscal monitoring. In program year 2018-2019, an in-house fiscal monitor will provide fiscal monitoring, and Colleen Hutson of Hutson Homes is expected to conduct the majority of the technical monitoring, file monitoring, and program monitoring. IHCDCA will review reports before they are distributed to Subgrantees.

This monitoring expense is covered completely with T&TA funds. A draft monitoring schedule as well as and document templates will be attached to the SF-424 section of this application when the final version is submitted February 21, 2018. The monitoring expense is included in the budget; we have indicated that we estimate spending about \$100,000 on contracted monitoring. The contract has not been finalized so we are not able to provide an exact amount for PY2018-19 at this time (3/23/18).

IHCDCA, by using a combination of the monitoring entities mentioned above, visits each Subgrantee for programmatic, fiscal and technical reviews at least once per program year. All monitoring is performed in real-time, meaning that monitoring will keep pace with Subgrantee production during the course of a grant year. IHCDCA's technical monitoring process includes, when feasible, performing in-progress site visits. The primary purpose of monitoring visits are to assist the Subgrantees in providing high quality energy conservation services to low income homes.

IHCDCA's Community Program Policy and Technical Specialist will make T&TA visits to Subgrantees who are struggling, those that have new Weatherization Program Managers, or upon request for assistance.

The following information is taken from Section 700 of Indiana's Weatherization Policy and Procedures Manual detailing Subgrantee monitoring procedures in Indiana. This will be updated to reflect the changes in the monitoring process, and the update will be reflected in the Policy and Procedures Manual by February 21, 2018 and will be distributed to Indiana's Subgrantees.

The complete Section 700 will be attached to the SF-424 when the final version of this state plan is submitted February 21, 2018.

**Quality Assurance**

The primary purpose of monitoring visits is to assist the Weatherization Subgrantee in providing high quality energy conservation services to low-income people. Monitoring also provides compliance review and information sharing to Weatherization Subgrantees to ensure that:

High quality, comprehensive weatherization services are provided consistently throughout the state.

Healthy, safe, and energy efficient housing improvements are provided to low-income households.

Program accountability and efficiencies are in effect and verifiable

Innovative technological advances are promoted.

**Standards and Practices**

**Program Monitoring:**

IHCDCA will perform real-time Program Monitoring for each Weatherization Subgrantee at least once a year. The program monitoring includes a review of Program Administration, Procurement, Training & Licensing, Database Input, Fiscal Information, Client File Review and Field Inspections. At least 10% of completed DOE client files will be reviewed. Each area of the Program Review is explained in more detail below.

**Program Administration** – IHCDCA will review agency policies as they apply to awarding priority, wait list maintenance, rental policies, and client re-determination.

**Procurement** – This section covers materials procurement and selection; contractor selection, procurement, and evaluation; price lists and written procurement standards. Please reference Section 800, sub-section 807.1 of this manual for additional information.

**Training and Licensing** - IHCDCA monitors will review whether the Weatherization Program Manager is using appropriately trained/competent staff to perform various job functions. The use of subcontractors will be reviewed to determine compliance with job function training requirements as outlined in *Section 600* of this manual. Monitors will also review contractors for compliance with local licensing standards. Agency lead based paint practices and compliance with EPA and HUD regulations will also be reviewed.

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**Database Input** – A selection of the client files are checked to ensure information from the client files is getting entered into the IWAP database accurately and completely.

**Fiscal** – Financial monitoring will be performed by IHCDAs contracted monitor as part of the program and file monitoring. The contractor will be checking for appropriate payment processing as specified in *Section 500* of this manual. The contracted monitor will also be looking at grant utilization to make sure funding is utilized in allowable combinations, that Weatherization Program Managers have made use of all utility dollars first, that contractors are paid within the allowable payment period, and that the back-up documentation provided with claims is appropriate to the claim made.

**Client File Review** – Files will be pulled at random from completions entered into the weatherization software. These files will be checked for correct forms, accurate information, appropriate work processes, and eligibility verification. Monitors will also request a sampling of deferred files to review for appropriate documentation and appropriate deferral. A minimum of 10% of all completed DOE units will be reviewed.

**Field Inspections** (See Technical Monitoring below) – IHCDAs staff will conduct on-site inspections of a sample of dwellings pulled from the file review or at random from the IWAP database. The purpose of this monitoring is to ensure that weatherization services are provided in a professional manner in compliance with all standards, regulations and policies set forth by IHCDAs. The local Subgrantee is responsible for quality control on all completed units and the final inspection completed by staff or contractors attests to the level of quality, professionalism, and appropriateness of all measures performed. The field inspection will cover the appropriateness of Base Load, Shell, and Health and Safety measures. During the field inspection, IHCDAs staff will be checking for all invoiced materials, justification for the number of labor hours charged, initial and final audit detail, adherence to technical standards, and accuracy of agency diagnostics.

A copy of the Program Monitoring Tool utilized by IHCDAs monitoring staff can be found at the end of this manual as *Appendix F*.

**Training and Technical Assistance (T&TA)** – The purpose of T&TA is to provide Subgrantees with assistance in the technical aspects of the weatherization program. IHCDAs monitoring staff is available for consultation via the phone or email on a daily basis. If Subgrantee personnel feel it necessary, and time allows, IHCDAs monitoring personnel may be available for T&TA visits to the Subgrantee.

**Quality Improvement Plan** – Program Monitoring visits uncovering serious, numerous or recurring findings may result in the agency being placed on a 120-day Quality Improvement Plan [QIP]. The intent of the QIP is to help the agency improve the areas of deficiency. As part of the QIP, IHCDAs monitors will make additional visits to the agency during the 120-day period to ensure changes are being implemented and all noted findings are being resolved. The QIP may be extended or modified as deemed necessary by IHCDAs to accomplish the needed Subgrantee improvement. IHCDAs also reserves the right to issue a **Modified QIP**, which could encompass fewer visits or a modified timetable.

- A Subgrantee may be placed on a QIP if one or more of the following program deficiencies are identified:
  - General Administrative Deficiencies that include late interim or closeout reports, late completion reporting (data entry), lack of procurement policies, outdated cost allocation plans
  - Fiscal Reporting issues that include failure to claim expenses on a monthly basis, repeated occurrences where expenses are submitted more than 45 days after the invoice or purchase order date, contractors paid beyond the 45 day requirement
  - Staff or contractors fail to receive proper certifications.
  - Average cost per home exceeds cost guidelines set forth by DOE or HHS (LIHEAP) funding
  - At least 25 percent of client files reviewed are deemed ineligible

**Monitoring Process For Standard DOE Allocations**

**Program Monitoring**

IHCDAs staff and contracted monitors prepare the monitoring schedule and contacts each Subgrantee to establish the necessary appointments. Requests for Program and/or Financial Monitoring include notification of the client files chosen for review and all additional information such as financial, procurement, training, etc. Upon completion of the Program Monitoring IHCDAs monitor will perform an exit interview to summarize any issues discovered during the monitoring and offer suggestions for improvement. Within thirty business days of the exit interview IHCDAs will issue a written report to the Subgrantee. The Subgrantee will then have fifteen business days as outlined within IHCDAs report to respond in writing to IHCDAs. Upon receiving the Subgrantee's response, IHCDAs monitor will review the documentation and clear the monitoring as warranted. If additional information is required from the Subgrantee, IHCDAs will issue a follow-up response detailing what information is needed with an appropriate deadline for the response. This process will continue until all items in the report are cleared and the monitoring closed.

**Technical Monitoring**

IHCDAs staff prepares the monitoring schedule and contacts each Subgrantee to establish the necessary appointments. Requests for Technical Monitoring include a list of desired homes to visit as well as alternates should clients not be available the date of the visit. Upon completion of the Technical Monitoring, the IHCDAs monitor will perform an exit interview to summarize any issues discovered during the monitoring and offer suggestions for improvement. For Technical Monitoring visits, an exit interview may be delayed, conducted via telephone or other means as situations permit and the parties agree. Within thirty business days of the exit interview IHCDAs will issue a written report to the Subgrantee. The Subgrantee will then have fifteen business days as outlined within IHCDAs report to respond to IHCDAs. Upon receiving the Subgrantee's response, IHCDAs staff will review the documentation and clear the monitoring as warranted. If additional information is needed from the Subgrantee, IHCDAs will issue a follow-up response detailing what information is needed with an appropriate deadline for response. This process will continue until all items in the report are cleared and the monitoring closed.

Subgrantees are prohibited from revisiting client homes chosen by IHCDAs for Technical Monitoring. Homes that are found to have been "revisited" prior to the Technical Monitoring visit will result in at least one additional home being selected for monitoring. Additionally IHCDAs may, at their discretion, require a Return of Funds for all

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expenses associated with the revisited home thereby removing it as a completed unit.

- **Quality Improvement Plan** – Technical Monitoring visits uncovering serious, numerous or recurring findings may result in the agency being placed on a 120-day Quality Improvement Plan [QIP]. The intent of the QIP is to help the agency improve the areas of deficiency. As part of the QIP, IHCDAs will make additional visits to the Subgrantee during the 120-day period to ensure changes are being implemented and all noted findings are being resolved. The QIP may be extended or modified as deemed necessary by IHCDAs to accomplish the needed Subgrantee improvement. IHCDAs also reserves the right to issue a modified QIP, which could encompass fewer visits or a modified timetable.
  - A Subgrantee may be placed on QIP if the following technical performance deficiencies are identified:
    - For a modified QIP, at least 25 percent of the homes monitored are deemed ineligible
    - For a QIP, at least 50 percent of the homes monitored are deemed ineligible
    - The average cost per home has exceeded cost guidelines identified in DOE and HHS funding
    - At least 50 percent of the homes monitored fail the combustion appliance zone testing
    - Issues with overall work quality, or failure to meet work specifications as prescribed by the SWS-Aligned Field Guide
  - Subgrantees who have been placed on a QIP will receive a higher level of oversight and monitoring from IHCDAs staff. Subgrantees can expect for IHCDAs staff to:
    - Review completion reporting on a more frequent basis
    - Perform DOE and LIHEAP fiscal analysis to ensure that the amount of funds claimed falls in line with the average cost per home based on completions entered into IWAP
    - Additional monitoring of claims submitted for payment
    - Training and technical assistance for program and administrative staff that will be customized to mitigate performance deficiencies
    - Additional onsite visits, as needed to monitor the agency's progress in correcting the performance deficiencies
    - At least four additional homes monitored for a modified QIP and up to eight additional homes for a standard QIP

**LIHEAP Program and Technical Monitoring**

Monitoring for LIHEAP and STATE LIHEAP funds will be performed in conjunction with DOE monitoring and/or as deemed necessary by IHCDAs. LIHEAP and STATE LIHEAP monitoring practices will be the same as outlined above for DOE with the exception of the percentage of client file and technical completions monitored. The percentages for client file and technical monitoring will be determined by IHCDAs based upon funding levels and Subgrantee performance. For homes utilizing DOE and LIHEAP funds, both funding sources are monitored as outlined above.

**Monitoring Notes**

IHCDAs reserves the right to question all associated costs and may require that the Subgrantee repay grant funds to IHCDAs out of private agency funds or non-federal dollars. Examples for repayment are the following: insufficient justification for work performed, insufficient documentation, ineligible clients, lack of adherence to policy or Federal guidelines, or evidence of negligence resulting in a dangerous condition for a client. IHCDAs monitoring staff may use alternate procedures or request additional information to verify compliance when it is necessary or deemed appropriate.

Failure by the Subgrantee to respond in writing to the monitoring report by the established deadline may result in claims being held by IHCDAs until the proper response is received. IHCDAs regularly tracks DOE, LIHEAP and State LIHEAP expenditures, production and average cost per home. IHCDAs may, at their discretion, reallocate funding during the grant cycle should grant tracking reveal low Subgrantee expenditure or production rates as well as issues with their average cost per home.

IHCDAs's Community Programs Policy and Technical Specialist assists with monitoring and/or T&TA as needed, especially with struggling or problematic Subgrantees. The Community Programs Policy and Technical Specialist currently carries the credential of BPI/DOE Quality Control Inspector.

Starting with the 2017-2018 grant cycle, IHCDAs has implemented benchmarks of 15% DOE production by the end of the 1st Quarter (June 1, 2017), and 30% DOE production by the end of the 2nd Quarter (September 1, 2017) for all Subgrantees. IHCDAs will implement these benchmarks for the 2018-2019 grant cycle as well. IHCDAs will use these benchmarks to track Subgrantee progress with Weatherization funding.

Subgrantees failing to spend at least 80% of their awarded grant funds could be subject to funding allocation reduction or redistribution at IHCDAs's discretion.

IHCDAs may, at their discretion, reallocate funding during the grant cycle should grant tracking reveal low Subgrantee expenditure or production rates. Subgrantees eligible for redistributed funds will be determined based on, but not limited to, the following criteria:

- Current level of expenditures for all active weatherization related programs
- Timely and accurate submission of claims
- Depth of existing waiting list
- Met self-imposed benchmarks
- Financial and program management capacity

IHCDAs will devote a portion of Indiana's T&TA funds toward salary and travel expense associated with monitoring of their Subgrantees. These amounts are broken down within the budget portion of this application.

The following is IHCDAs's proposed Technical Monitoring Schedule for Program Year 2018-2019:

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**July 2018** - NCCAA, SIEOC, NWICA  
**August 2018** - CAGI, CANI, COWI, WICAA  
**September 2018** - Real Services, CFS, Area IV

**October 2018** – OVO, Jobsource/CICAP, PWC  
**November 2018** – CASI

**December 2018** – TRI-CAP  
**January 2019** – CAPE, LHDC

**February 2019** – HUEDC, ICAP, PACE, SCCAP

**March 2019** - (Available for necessary adjustments to schedule)

IHCDA annually prepares a spreadsheet detailing the number of client files and homes to be monitored at each Subgrantee and will include the spreadsheet as an attachment to the SF-424 section of this application when the final version is submitted on February 21, 2018.

IHCDA has attached a copy of their Program Monitoring Tool to the SF-424 section of this application.

IHCDA has attached a copy of their Technical Monitoring Tool to the SF-424 section of this application.

Section 700 of Indiana's Weatherization Policy and Procedures Manual covers the monitoring practices and requirements followed by IHCDA. A copy of Indiana's Weatherization Policy and Procedures Manual will be attached to the SF - 424.

Additional information regarding the potential removal of a Subgrantee is contained within Indiana's grant agreements with each Subgrantee. Below is the language from the DOE grant agreements between IHCDA and their Subgrantees regarding possible suspension and termination.

**SUSPENSION AND TERMINATION**

1. If either party has failed to comply with the terms of this Agreement, the other party may, upon written notice to the party in breach, suspend services or payment in whole or in part or terminate this Agreement. The notice of suspension or termination shall state the reasons for the suspension or termination, any corrective action required of the party in breach, and the effective date. Notice shall be provided by certified or overnight mail.
2. If IHCDA determines that any breach of this Agreement by Subgrantee endangers the life, health, or safety of its employees or agents, or applicants for or recipients of services under this Agreement, IHCDA may terminate this Agreement by orally notifying Subgrantee of the termination, followed by the mailing of written notification thereof within three (3) business days specifying the reasons for the termination. Termination pursuant to this paragraph shall become effective at the time of the oral notification.
3. When the Executive Director of IHCDA makes a written determination that funds are not appropriated or otherwise available to support continuation of performance of this Agreement, the Agreement shall be canceled. Such determination by the Executive Director that funds are not appropriated or otherwise available shall be final and conclusive.
4. Subgrantee agrees that IHCDA may terminate this Agreement if Subgrantee ceases doing business for any reason. IHCDA will notify Subgrantee of the termination, in writing, by overnight, registered or certified mail. The termination shall be effective from the date Subgrantee ceases doing business.
5. The parties acknowledge and agree that this Agreement may be terminated immediately by either party should the other party attempt to assign, transfer, convey, or encumber this Agreement in any way. Any notice of termination pursuant to this paragraph shall be provided in writing to the other party, by overnight, registered or certified mail.
6. This Agreement may be suspended and/or terminated immediately if Subgrantee has committed fraud or has misused or misappropriated funds received under this Agreement or another agreement between the Subgrantee and the IHCDA. In this event IHCDA may de-obligate and/or re-distribute all or any portion of this award to another Subgrantee. Further, Subgrantee's breach or default with respect to other agreements or obligations related to WAP shall constitute a material breach of this Agreement.
7. This Agreement may be terminated, in whole or in part, by the IHCDA whenever, for any reason, the IHCDA determines that such termination is in the best interest of the IHCDA. Termination shall be effected by delivery to the Subgrantee of a Termination Notice, specifying the extent to which such termination becomes effective. The Subgrantee shall be compensated for completion of the services or activities properly performed prior to the effective date of termination. The IHCDA will not be liable for activities or services performed after the effective date of termination.
8. Subgrantee shall provide written notice to IHCDA of any change in Subgrantee's address, legal name, or legal status including, but not limited to, a sale or dissolution of Subgrantee's business. IHCDA reserves the right to terminate this Agreement should Subgrantee's legal status change in any way. Termination pursuant to this paragraph shall be effective from the date of the change in Subgrantee's legal status. Notice shall be provided by certified or overnight mail.
9. The Subgrantee and its agents shall abide by all ethical requirements that apply to persons who have a business relationship with the State, as set forth in Indiana Code § 4-2-6 et seq., the regulations promulgated thereunder, and Executive Order 04-08, dated April 27, 2004. If the Subgrantee is not familiar with these ethical requirements, the Subgrantee should refer any questions to the Indiana State Ethics Commission, or visit the Indiana State Ethics Commission website at <<<<http://www.in.gov/ethics/>>>>. If the Subgrantee or its agents violate any applicable ethical standards, IHCDA may, in its sole discretion, begin the appropriate administrative proceeding to terminate this Agreement. In addition, the Subgrantee may be subject to penalties under Indiana Code § 4-2-6-12.
10. If this Agreement is terminated pursuant to any paragraph in this section, Subgrantee shall remit to IHCDA, within sixty (60) days of such termination, any unexpended funds and such other payments received by Subgrantee determined to be due IHCDA. The action of IHCDA in accepting any such amount shall not constitute a waiver of any claim that IHCDA may otherwise have arising out of this Agreement.
11. Upon expiration of any fiscal year period specified in Attachment A, or termination of this Agreement, IHCDA may require that all documents including, but not

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limited to, client files, data, studies, and reports prepared by Subgrantee pursuant to this Agreement, and all property purchased by Subgrantee with IHCD, state, or Federal funds under this Agreement, be delivered to IHCD. IHCD may require the transfer of records or property to its own offices or to a designated successor.

12. IHCD shall provide a full and detailed accounting of any property or records taken from Subgrantee and shall make any records available to Subgrantee as necessary for subsequent audit. IHCD and Subgrantee may negotiate amounts of reimbursement related to Subgrantee's expenses for a period of closeout. In no event, however, shall IHCD reimburse Subgrantee an amount exceeding the Grant Amount set forth in Attachment A of this Agreement.
13. If this Agreement is terminated for any reason, IHCD shall only be liable for payment for services properly provided prior to the effective date of termination. IHCD shall not be liable for any costs incurred by Subgrantee in reliance upon this Agreement subsequent to the effective date of termination.
14. Subgrantee acknowledges and agrees that due to programmatic changes required in the WAP by IHCD, the United States Department of Energy, and/or Health and Human Services, IHCD may terminate this Agreement at the end of any fiscal year period specified on Attachment A upon sixty (60) days written notice to Subgrantee specifying the reasons for termination.
15. In the event this Agreement is terminated pursuant to this section, the Subgrantee shall cooperate with IHCD to ensure a smooth transition of services to recipients of the WAP.

Should a Subgrantee need to be suspended or their agreement terminated, IHCD will not do so until every effort has been made to locate another weatherization provider for the affected area so that clients may continue to receive services. In the event that finding a replacement provider is necessary, IHCD will follow the guidelines for weatherization Subgrantees detailed in 10 CFR 440 as well as any applicable DOE and IHCD regulations.

**Single Audits:** Currently the single audit reports for Indiana's Weatherization Subgrantees are reviewed by IHCD's Financial Operations Department. Any issues or concerns that are Weatherization specific are brought to the attention of IHCD's Director of Community Programs to determine if the response supplied by the Subgrantee is sufficient or if IHCD will require additional information or response.

**V.8.4 Training and Technical Assistance Approach and Activities**

Indiana utilizes T&TA to properly train all Weatherization Program Managers, Energy Auditors, crew personnel, sub-contractors, appropriate State staff as well as to cover monitoring practices.

Indiana's Weatherization Training Center is the Indiana Community Action Association (INCAA). INCAA is an IREC Accredited organization covering all four DOE Job Task Analyses (Energy Auditor, Quality Control Inspector, Crew Leader and Retrofit Installer Shell) and also has one Master Trainer accreditation for Energy Auditor.

T&TA is also utilized to provide Subgrantees with additional technical assistance in the technical and administrative aspects of Indiana's Weatherization Assistance Program. IHCD's Policy and Technical Specialist are available daily via phone and/or email to answer programmatic questions. Subgrantees with more serious needs may schedule/request an on-site visit from IHCD or INCAA training staff.

IHCD and INCAA work together closely to ensure that Indiana's Weatherization Assistance Network receives the necessary training to meet DOE and IHCD requirements. Adjustments are made throughout the funding cycle as necessary to meet the T&TA needs of Indiana's Weatherization Network.

Subgrantees will be allotted a \$1,000 base award with an additional \$500 for every county serviced by the Subgrantee per grant cycle for the purpose of providing Training and Technical Assistance for subgrantee staff and contractors interested in performing weatherization work for the Subgrantee. These funds may be used to cover only those expenses related to weatherization training, including:

- Class Fees
- Material Fees
- Written / Field Testing
- CEU Events
- Wage / Time reimbursement
- Travel Expenses (excluding meals)
- Lodging

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Contractors must demonstrate their commitment to providing weatherization services for the Subgrantee by having an active contract with the Subgrantee before being considered for the stipend. Requests for stipends to reimburse contractors without an active contract must be reviewed by IHCDA.

Subgrantees that use a stipend for contractors and staff must provide training documentation to IHCDA upon submitting claims for the stipend. Training records must contain clear documentation and verification that the required and appropriate training was attended and completed. Examples of this documentation include copies of training certificates, sign-in sheets, and BPI student portal information.

Examples of allowable courses are listed on INCAA's website, as well as those outlined in policy manual sections 602 and 604. Subgrantees must have approval from IHCDA for classes not listed prior to attending if the stipend will be used. Other associated costs related to training not listed above must first be approved by IHCDA. Requests for additional funds will be submitted to IHCDA for review.

Indiana addresses client energy education within the courses taught at INCAA. The primary focus of client energy education is within INCAA's Energy Auditor training. While the energy education process is part of all phases of the weatherization process, Indiana believes that the Energy Auditor plays a vital role in establishing effective client energy education.

INCAA has available the following classes for the 2018-2019 DOE funding cycle:

Retrofit Installer Shell

Retrofit Installer Mechanical

Energy Auditor

Crew Leader

BPI Quality Control Inspector

Introduction to Infrared Thermography

Zone Pressure Diagnostics

High Performance Insulation

Daily Safety Test Out Procedures

Mobile Home Weatherization

Carbon Monoxide and Combustion Analysis

Electric Furnace & Heat Pump Inspections

Oil Furnace Training

Boiler Inspections

Vent Systems & Combustion Air Requirements

Heating System Airflow Diagnostics

Mechanical Systems for Auditors

CAZ Pressure Diagnostics for Auditors and Heating Techs

Introduction to NEAT/MHEA

NEAT/MHEA Training

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Whole House Heat Load Calculations

New Furnace Installation Inspections

Applying The ASHRAE 62.2 - 2016

DOE Health & Safety Policy

Lead Safe Weatherization

Moisture Assessment

Testing for DOE's QCI and Energy Auditor Certifications

Multi-Family Training for QCIs

Optimizing Weatherization Program Resources

Indiana currently requires competency testing for all individuals performing work as an Energy Auditor, Retrofit Installer Shell, Retrofit Installer Mechanical and Crew Leader. The requirements and timelines for these competencies are contained in Section 600 of Indiana's Weatherization Policy and Procedures Manual. Section 600 will be attached to the SF-424. Subgrantees are required to ensure that all staff and contractors meet IHCD's training requirements and properly track training documentation. IHCD reviews the training documentation and tracking during their monitoring process to ensure compliance.

Time Limits for becoming Indiana Weatherization Competent:

- All Subgrantee staff/contractor new employees will have nine (9) months commencing 45 days from their date of hire to become Indiana Weatherization Competent in the categories of Energy Auditor, Retrofit Installer (Shell and/or Mechanical) and Crew Leader.
- All Subgrantee staff/contractor new employees will have nine (9) months commencing 45 days from their date of hire to obtain BPI QCI Certification.
- Subgrantees are allowed to enroll new staff/contractor employees in training prior to the expiration of the 45 days if they choose to do so. This decision should be based upon the expectation that the new staff/contractor employee will be retained in their new position.
- Subgrantees may shorten the 45 day grace period to 30 days provided this shortened time period is approved by IHCD and included in the Subgrantee's policy and human resources manuals.

Each IHCD Subgrantee is responsible for accurately tracking all staff and/or contractor competencies and certifications.

This tracking must include the following information:

- Individual name and competency(s) and/or BPI certifications held
- Date competencies and/or BPI certifications expire
- Hire date
- Attendance at Annual Competency Maintenance Training
- Current BPI/INCAA Certifications where applicable
- Record of training for 16 hours of CEUs
  - IHCD will verify training records and qualifications of all subgrantee staff, crew members and contractors annually near the end of March. Subgrantees must be prepared to provide training documentation whenever it is requested by IHCD. Training records must contain clear documentation and verification that the required and appropriate training was attended and completed. Examples of this documentation include copies of training certificates, sign-in sheets (conferences for example), and BPI student portal information. IHCD may, at their discretion, monitor the tracking and completion of the required training at times other than listed in the bullet point above.

Client education training is addressed and encompassed within the Energy Auditor Competency, Retrofit Installer Mechanical, Retrofit Installer Shell & Crew Leader trainings, as well as the Quality Control Inspector certification training.

T&TA activities that took place in Indiana during the 2017-18 DOE grant cycle include the following:

National DOE Quality Control Inspector certification training and testing activities

National DOE Energy Auditor certification training and testing activities

Indiana Competency training and testing for Energy Auditor

Indiana Competency training and testing for Retrofit Installer Mechanical, Retrofit Installer Shell & Crew Leader

Indiana Competency Maintenance Trainings

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ASHRAE 62.2 - 2016 Training  
Participation in and attendance by IHCD staff to both NASCSP Conferences

On-site T&TA at IHCD provided by NASCSP

Subgrantee on-site T&TA activities statewide with IHCD staff

Subgrantee on-site T&TA activities statewide with INCAA training staff

Two (2) Semi-Annual Managers Meetings, hosted by IHCD

Two (2) Semi-Annual Technical Trainings, hosted by INCAA

Certification/Competency Maintenance Trainings

T&TA for Indiana's Field Guide/SWS document

Development of Indiana's updated site built and mobile home waiver audits

**T&TA Activities anticipated to take place during the 2018 DOE Funding Cycle include the following:**

Continued testing for QCI and DOE/BPI Energy Auditor Certification

Continued participation and attendance to NASCSP Conferences

Continued training and testing for Indiana's competencies

Submission of an updated Waiver Audit Priority List

Work with Subgrantees and INCAA training staff to develop quarterly "Best Practice" T&TA meetings that allow

Weatherization staff to share successful processes and practices

Provide Optimizing Weatherization Resources Training for Subgrantee Executive Directors & financial staff

Provide RRP initial and refresher training for Indiana's Weatherization Network

Provide OSHA 10-hour training opportunities

Provide Multi-family training for certified QCI

Continued BEAcon energy savings analysis for each of Indiana's 21 Weatherization Subgrantees

Enhanced focus on NEAT and MHEA training and use within Indiana's Weatherization Network

Research and Development by INCAA on improving forms, researching current practices, etc.

Provide MulTEA training for Multi-Family audits

When available, Indiana utilizes energy saving results from PRISM / BEAcon to evaluate energy savings at each Subgrantee. These programs used together evaluate one year pre- and post-weatherization utility usage of metered fuels. These results are shared with Subgrantees revealing their individual results along with the state averages. Each Subgrantee is encouraged to evaluate the savings information to see how they performed individually and in comparison to the state average. The information shared from PRISM / BEAcon also breaks down the performance of each contractor and energy auditor. Subgrantees are also encouraged to look at this information to identify top performers and those who may need additional training or oversight. During the 2018 DOE funding cycle, IHCD and INCAA will work to enhance the evaluation of electric usage and savings for those Subgrantees with a larger percentage of total electric homes.

Savings information is also utilized as part of Indiana's incentive pool for future and active funding opportunities. Please find below information from Indiana's Weatherization Policy and Procedures Manual showing the guidelines for the incentive pool and how energy savings plays a role in those funding decisions.  
**In PY2018-2019 IHCD will not use the incentive pool, because the energy savings data is not available from the previous program year.**

DOE and LIHEAP allocations are distributed using the census-based allocation formula for 80% of Weatherization Subgrantees contracted funds. The remaining 20% of the allocation is distributed out to those Weatherization Subgrantees who meet all of following criteria:

1. 95% or more of the prior program year contract total must have been expended.
2. Close Out Reports must be submitted and approved on time (within 45 days after the program year ends). IHCD DMS, IWAP Quarterly, Job Expense and Subgrantee Close Out report must match exactly when final claims are processed, with all line items and averages being within allowable limits
3. A 15% average energy savings as determined by PRISM/BEAcon analysis of local Subgrantee production.
  - Effective April 1, 2017, the savings benchmark for consideration for inclusion in the incentive pool will raise to 20%.
4. No Weatherization Subgrantee operating under a 120-day or modified Quality Improvement Plan (QIP) will be included in the incentive pool.
5. Weatherization Subgrantees must demonstrate regular use of the XRF for lead based paint testing.
6. Subgrantee must meet the 45 day requirement for vendor and sub-contractor payments.

No Weatherization Subgrantee operating under a 120-day or modified Quality Improvement Plan (QIP) will be permitted to be included in the incentive pool during the QIP period.

No Weatherization Subgrantee operating under a Tiered Funding Agreement will be permitted to be included in the incentive pool.

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Indiana uses the above process to promote full grant expenditure, quality program management and performance, and demonstrated energy savings.

IHCDA will utilize T&TA funds as outlined above to ensure compliance with all of DOE's deadlines regarding final inspections, the QCI Certification and alignment of Indiana's Weatherization Field Guide with DOE's Standard Work Specifications.

Indiana does not foresee any difficulties being able to provide the required Tier 1 and or Tier 2 training as outlined in WPN 15-4 through the use of INCAA for the Weatherization Training Indiana provides.

**To meet requirements within WPN 15-4 IHCDA added the following language to their Subgrantee contracts:**

Subgrantee shall perform weatherization services during the Term in accordance with the U.S. Department of Energy Weatherization Assistance Program State Plan for the State of Indiana, the Indiana Weatherization Field Guide, the Indiana Weatherization Policy and Procedures Manual, other State Weatherization directives as applicable, and any amendments thereto (collectively "State Weatherization Plan and Directives"). Upon completion of the document aligning Indiana's Weatherization Field Guide and DOE's Standard Work Specifications (SWS), Subgrantee shall abide by and perform all work in accordance with said document. The Subgrantee's signature on this agreement signifies its responsibility to follow all work standards as outlined in the documents referenced in this paragraph.

**Additional language was added as follows:**

Subgrantee shall ensure that all Weatherization staff and sub-contractors who perform or provide Weatherization services to client homes receive and adhere to all standards as outlined in Indiana's Weatherization Field Guide, Indiana's Weatherization Policy and Procedures Manual, the Department of Energy Weatherization Assistance Program State Plan for Indiana and other State Weatherization directives as applicable. Upon completion of the document aligning Indiana's Weatherization Field Guide and DOE's Standard Work Specifications (SWS), Subgrantee shall abide by and perform all work in accordance with said document. The Subgrantee's signature on this agreement signifies its responsibility to follow all work standards as outlined in the documents referenced in this paragraph as well as its responsibility to ensure that its Weatherization staff and sub-contractors receive and review these documents and use them to guide the Weatherization work performed in client homes by them.

Prior to issuing the 2017-2018 DOE Grant Agreements, IHCDA ensure the above language is included to indicate that all work performed will meet or exceed Indiana's Weatherization Field Guide/SWS aligned document.

**Tier 1 and Tier 2 Training:**

Indiana will continue to work with INCAA to provide the needed Tier 1 and Tier 2 training as required by WPN 14-5. INCAA continues to offer training for Quality Control Inspector, Energy Auditor, Retrofit Installer Shell and Crew Leader.

For Tier 2 training, INCAA continues to offer the following training opportunities: Moisture Assessment, Daily Safety Test Out, Retrofit Installer Mechanical, Lead Safe Work Practices, Applying Ashrae 62.2 - 2016, Optimizing Weatherization Resources, CAZ Pressure Diagnostics, NEAT / MHEA training, Mechanical Systems for Auditors, Electric Furnace and Heat Pump Inspections, Vent Systems and Combustion Air Requirements, Boiler Inspections, Carbon Monoxide and Combustion Analysis, Oil Furnace Training, and New Furnace Installation Inspections.

INCAA's class registration system is capable of placing students on a waiting list if a class is full at the time of registration. By utilizing the waiting list, INCAA, in cooperation with IHCDA, can monitor the need for classes and change the schedule as necessary. INCAA utilizes this information to populate the classes as they move forward through the grant cycle.

IHCDA recognizes that the primary focus for Tier 1 training during the 2018-19 Program Year to be on all Tier 1 training, including Quality Control Inspector, Energy Auditor, Retrofit Installer Shell and Crew Leader. IHCDA understands the importance of ensuring that the new information contained within WPN 17-7 Health and Safety guidance, as well as Indiana's updated SWS-aligned Field Guide, is fully realized and understood by all Subgrantees and contractors within the Weatherization network. IHCDA will continue to support efforts to position Indiana's WX Network to test for the national Energy Auditor Certification.

**V.9 Energy Crisis and Disaster Plan**

IHCDA will follow the guidance for Energy Crisis and Disaster Plan as outlined in WPN 12-07.

The primary allowance of this program notice would allow IHCDA to install incidental repair measures as deemed necessary and in accordance with IHCDA and DOE policy, appropriate and associated health and safety cost necessary for weatherization to continue, the ability to perform reweatherization without regard to the date of weatherization, and paying weatherization personnel to perform duties such as securing weatherization materials, tools, equipment, weatherization vehicles, or protection of local agency weatherization files, records and the like during the initial phase of the disaster response. However, using DOE funds to pay for

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weatherization personnel to perform relief work in the community as a result of a disaster is not allowable.

Incidental and health and safety related expenses are required to meet both DOE and IHCD guidelines. The health and safety expenditure cannot exceed 20%, and the incidental repair costs cannot exceed 17% of the total job costs per unit following the Waiver Audit Priority List. Incidental repair costs as outlined in NEAT/MHEA must be followed if the NEAT/MHEA audit is utilized.

All actions taken in response to an energy crisis would be governed by WPN 12-07, 10 CFR 440.18 and require approval from IHCD prior to engaging in any disaster related activity.