



Weatherization Assistance Program Policy and Procedures Manual

Program Year 2019-2020



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Table of Contents

| | |
|---|-----------|
| SECTION 100 | 5 |
| 101 ELIGIBILITY DETERMINATION | 5 |
| 102 DOCUMENTING ELIGIBILITY | 8 |
| 103 APPEALS PROCEDURE | 11 |
| 104 FEDERAL PROGRAM REGULATIONS AND GUIDANCE | 12 |
| 105 PARTICIPATION IN NATIONAL STUDIES OR UTILITY PROGRAMS | 12 |
| SECTION 200 | 13 |
| 201 WEATHERIZATION PROGRAM MANAGEMENT | 13 |
| 202 REQUIRED FORMS | 13 |
| SECTION 300 | 19 |
| 301 CLIENT PRIORITIES | 19 |
| 302 OVERVIEW OF WEATHERIZATION ACTIVITIES | 20 |
| 303 HEALTH AND SAFETY | 30 |
| 304 DEFERRAL STANDARDS | 31 |
| 305 RENTAL PROCEDURES | 32 |
| 306 NEW CONSTRUCTION | 34 |
| 307 REFRIGERATOR/DSM PROGRAMS | 34 |
| 308 REWORK POLICY | 35 |
| 309 LEAD-SAFE WORK PRACTICES | 36 |
| SECTION 400 | 42 |
| 401 BUDGET FORMS | 42 |
| 402 BUDGET MODIFICATION FORMS | 42 |
| 403 PROGRAM INCOME | 42 |
| 404 CLOSE-OUT REPORTS | 43 |
| 405 CLAIMS | 44 |
| 406 CLAIM SUBMISSION AND REVIEW | 44 |
| 407 ORIGINAL SIGNATURES | 45 |
| 408 IHCDOnline CLAIMS SYSTEM | 46 |
| 409 ADMINISTRATION OF FUNDS | 47 |

| | | |
|--------------------|---|-----------|
| 410 | ADVANCE FUNDS | 48 |
| 411 | DOE FINANCIAL MANAGEMENT TOOL KIT | 48 |
| SECTION 500 | | 49 |
| 501 | WEATHERIZATION PROGRAM MANAGEMENT | 49 |
| 502 | ALLOCATIONS | 50 |
| 503 | LIHEAP PROGRAM MANAGEMENT | 53 |
| 504 | DOE PROGRAM MANAGEMENT | 55 |
| 506 | STATE-FUNDED INDIANA HOME ENERGY ASSISTANCE PROGRAM | 58 |
| 507 | UTILITY PROGRAMS | 59 |
| 508 | FUNDING SOURCE COMBINATIONS | 59 |
| SECTION 600 | | 61 |
| 601 | IMPORTANCE OF TRAINING | 61 |
| 602 | MINIMUM TRAINING REQUIREMENTS | 61 |
| 603 | TRAINING REQUIREMENTS | 63 |
| 604 | DURATION, MAINTENANCE, AND RECORDKEEPING | 65 |
| 605 | ADDITIONAL COMPETENCY/TRAINING REQUIREMENTS..... | 68 |
| 606 | ADDITIONAL TRAINING OPPORTUNITIES | 69 |
| 607 | LEAD BASED PAINT | 69 |
| 608 | OSHA TRAINING | 70 |
| 609 | BACKGROUND CHECKS..... | 70 |
| 610 | COMPLIANCE ISSUES | 71 |
| 611 | DOE REQUIRED CERTIFICATIONS..... | 71 |
| 612 | ROLES AND RESPONSIBILITIES..... | 72 |
| 613 | TRAINING STIPEND | 75 |
| SECTION 700 | | 76 |
| 701 | QUALITY ASSURANCE | 76 |
| 702 | STANDARDS AND PRACTICES | 76 |
| 703 | MONITORING PROCESS | 78 |
| 704 | LIHEAP PROGRAM AND TECHNICAL MONITORING | 79 |
| 705 | MONITORING REPORTING PROCESS | 79 |

| | | |
|--------------------|---|------------|
| 706 | RETURN OF FUNDS (IN MONITORING)..... | 81 |
| 707 | COMPLIANCE | 82 |
| SECTION 800 | | 85 |
| 801 | MONTHLY AND QUARTERLY REPORTING | 85 |
| 802 | REPORTING REQUIREMENTS TIMELINES | 85 |
| 803 | DESKTOP MONITORING..... | 85 |
| 804 | SPENDING AND PRODUCTION BENCHMARKS..... | 86 |
| 805 | RECORD RETENTION AND DISPOSAL..... | 87 |
| 806 | REQUIRED FORMS ON FILE | 87 |
| 807 | CONTRACTOR PROCUREMENT, PRICE LISTS, RESPONSIBLE CONTRACTORS | 87 |
| 808 | VEHICLES, EQUIPMENT, SUPPLIES..... | 90 |
| 809 | BID PROCEDURE FOR EQUIPMENT PURCHASES | 95 |
| 810 | INDIANA WEATHERIZATION ASSISTANCE PROGRAM DATABASE (IWAP) | 96 |
| 811 | IHCDAonline.com..... | 100 |
| 812 | HISTORIC AND ENVIRONMENTAL REVIEWS | 100 |
| SECTION 900 | | 101 |
| 901 | STATE-FUNDED HEALTHY HOMES Deferral Program | 101 |
| 902 | CLIENT ELIGIBILITY | 101 |
| 903 | REASONS FOR DEFERRALS..... | 102 |
| 904 | ALLOWABLE ACTIVITIES | 103 |
| 905 | BUDGETARY LIMITS | 103 |
| 906 | REQUIRED FORMS | 104 |
| 907 | TRACKING DEFERRAL FUNDS | 104 |
| 908 | PRECAUTIONS | 104 |

SECTION 100

ELIGIBILITY AND APPLICATION

101 ELIGIBILITY DETERMINATION

The Weatherization Sub-grantee's 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 Sub-grantee 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 (for DOE) 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 Title XVI of the Social Security Act.

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).

Beginning October 1, 2018, as part of the intake process, Weatherization staff must now ensure that the Weatherization client's income is recalculated to subtract payments for foster care, as well as child support.

- When foster children are counted as part of the household, the Energy Assistance Program (EAP) counts this income; the Department Of Energy no longer considers this income.
- EAP requires child support payments to be deducted from a client's income when determining eligibility; the Department Of Energy does not want these payments deducted.

The EAP staff should do this calculation upon request from Weatherization staff. However, EAP and Weatherization staff must clearly communicate which households receive payment for foster care or payment, and/or receipt of child support. These notes must be included in the client file.

In cases where the EAP Local Service Provider is not the same as the Weatherization provider, the Weatherization provider may send the request for income re-calculation to

IHCDA. The income re-calculation documents must be included in the Weatherization file, and should be scanned and uploaded into the IWAP Weatherization database. If minor errors are found in the EAP file, the Weatherization agency should notify the EAP agency. Major errors or issues should be brought to IHCDA's attention.

Additionally, as stated in WPN 19-3: 2019 Poverty Income Guidelines and Definition of Income, effective 2/6/2019:

CHILD SUPPORT: Child Support payments, whether received by the Payee or paid by the Payor, are not considered Sources of Income to be added to the payee income or deducted from the payor income for the purposes of determining applicant eligibility.

1. **Payee:** Where an applicant receives Child Support from any state program or individual during an applicable tax year, such assistance is not considered income for the purposes of determining eligibility (i.e., where an applicant receives Child Support, he or she does not add that amount to his or her calculation of income for purposes of determining eligibility). This is in line with Indiana's EAP income guidelines.

2. **Payor:** Where an applicant pays Child Support through a state program and/or to an individual, such assistance is not considered a deduction to Income for the purposes of determining eligibility (i.e., where an applicant pays Child Support, he or she may not deduct said assistance from his or her calculation of income for the purposes of determining eligibility). Indiana's EAP income guidelines are not consistent with this guidance. Income will need to be re-calculated for clients with this scenario.

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

*At the beginning of each calendar year, newly approved poverty guidelines for the program year are issued. To be consistent with the Energy Assistance Program (EAP) intake, Weatherization and EAP will both update their income eligibility guidelines annually.

Approach to Determining Building Eligibility

The Weatherization Sub-grantee 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 applicant's income during the application process.

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.

An applicant must be re-certified when eligibility lapses due to the length of time the applicant was waiting to receive Weatherization services. As a reminder, re-certification of eligibility must occur at least every 12 months.

This means that if Weatherization work is unable to be completed before the application expires a new application would have to be completed. It would be considered best practice in this case to complete work before the application expires.

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

Land Contracts - If a land contract is in place, then it must be recorded with the assessor's office to be considered valid. Then the land contract can be treated as if the client has a mortgage on the home. The client would be considered a home owner.

Indiana's policy for the weatherization of rental units complies with 10 CFR 440.16(i), and all other pertinent regulations. Sub-grantees must have written permission from 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 Sub-grantee 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 10 CFR 440.22(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 10 CFR 440.22 (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.

102 DOCUMENTING ELIGIBILITY

IHCDA requires that all Sub-grantees 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. Sub-grantees must ensure services are delivered within one year of the most current 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 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, IHCDA or any contracted monitoring entity reserves the right to inspect the EAP 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 must be kept for the shelter project.
 - This file must contain a copy of the shelter's mission statement, occupancy type, and any documentation detailing the work measures installed and diagnostic and Health and Safety testing performed.
 - 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) or Multi Family tool for Energy Audits (MuITEA) 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 **five (5)** or more units per building, sub-grantees must contact IHCD to begin the process of reviewing the building to be considered for weatherization (see below).

For multi-family projects of five (5) units or more, sub-grantees or their contractors are responsible for performing a multi-family audit using MulTEA and are responsible for all costs associated with performing this audit. Results of the audit must be submitted to IHCD and DOE for approval.

NEAT audits may only be used when each unit has a dedicated HVAC system, not shared with other units. I.e. not a central HVAC system shared among the whole building.

- Sub-grantees must submit a plan for approval to IHCD prior to proceeding to weatherize multi-dwelling units or apartments where five (5) or more units are contained within one building. 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), **percent of total allocation to be used**
 - Sub-grantee organizational capacity
 - **Training plan for maintenance supervisor or landlord of the multi-family project**
 - **Waiting list**
 - **The QCI for the multi-unit building must comply with WPN 15-4.**
 - **Projects that include 25 or more units, IHCD must seek DOE approval. DOE will request the following information, so the sub-grantee must provide this information proactively:**
 - **Sub-grantees must read WPN 16-5 in its entirety**
https://www.energy.gov/sites/prod/files/2016/05/f31/WPN%2016-5%205%205%2016_0.pdf
 - **“...submit sufficient detail and explanation to allow a determination that accrual of benefit requirements in 10 CFR 440.22 have been met. The accrual of benefits requirement may be met by demonstrating that the benefits of the weatherization accrued primarily to the tenant. Benefits, include, but are not limited to lower energy bills, establishment of a shared savings program, or additional investment in the property. Some benefits do not accrue to tenants if they do not pay individual utility bills.”**
 - **See Table 2 on WPN 16-5 for examples of accrual of benefits.**
 - **See FAQs:**
https://www.energy.gov/sites/prod/files/2016/05/f31/WPN%20Multifamily%20FAQs%205%205%2016_0.pdf

- An application is not required for non-eligible or empty units. IHEDA 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.
- **A sub-grantee must ensure that it can enter every unit to perform a final inspection.**
- 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.
- Sub-grantees should also note that when weatherizing a 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 **\$105,000.00** (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.
- Prioritizing qualified clients in multi-unit buildings does not differ from other housing types. Sub-grantees 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 IHEDA guidelines.
- More information for weatherizing a multi-family dwelling is located within DOE regulations on WAPTAC in 10 CFR 440 (Federal Regulations) and Weatherization Program Notice (WPN) 16-5.

Before submitting a Multi-family application to IHEDA, be sure to read the following WPN's:

- **WPN 15-4**
 - **WPN 16-5**
 - **WPN 16-6**
 - **WPN 17-4**
 - **WPN 18-1 (Section 2.6 Multifamily tool and workforce resource)**
 - **WPN 19-4**
3. 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.

103 APPEALS PROCEDURE

When a Weatherization Sub-grantee determines that a household is ineligible, the Sub-grantee, 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 Sub-grantees must retain in the client 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 R* be the basis of any form created by the Weatherization Sub-grantee 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:

1. Local Review:

Local review involves the written policy of each Weatherization Sub-grantee 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 Sub-grantee’s Executive Director.

2. State Review:

State Review occurs when a weatherization applicant is not satisfied with a determination made by the local Sub-grantee. The appeal must include the stated reasons for the Client’s objection to the decision, reasons must be based solely upon evidence supporting one (1) of the following circumstances:

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

The 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 Sub-grantee’s final decision. The appeal is to be sent to the 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 by the Compliance Attorney within five (5) business days, noting the day the appeal was received. All pertinent material from the case will be requested from the Weatherization Sub-grantee 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 IHCD.

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

104 FEDERAL PROGRAM REGULATIONS AND GUIDANCE

All federal program regulations and guidance can be found at www.nascsp.org under "Rules & Guidance, Program Guidance" and "Rules & Guidance, Rules and Regulations". Additional historical facts, training and technical assistance, health and safety, energy education, conference presentations and webinars and public relations can be found under various topics. If Indiana has specifically issued Program Guidance, these notices can be found on the weatherization website at <http://www.in.gov/myihcda/weatherization.htm>.

Each new program year, Department of Energy issues annual guidance that governs the upcoming program year. See <https://nascsp.org> under Weatherization Program Notice Program WPN 18-1 for the 2018 grant guidance issued 12/18/2017.

105 PARTICIPATION IN NATIONAL STUDIES OR UTILITY PROGRAMS

Pursuant to 5 U.S.C. 552(b)(6) of the Freedom of Information Act, Sub-grantees 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 Sub-grantees 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).

Sub-grantees interested in participating in utility programs or studies must submit requests to IHCD for approval before entering into any third-party agreements.

SECTION 200

CLIENT FILES

201 WEATHERIZATION PROGRAM MANAGEMENT

All weatherization work must follow the Department of Energy (DOE) rules and regulations unless exceptions are specifically stated in the policy manual, grant agreement and/or program guidance. Several exceptions are listed in section 500. Any deviation from DOE guidelines, the Indiana Weatherization Policy and Procedures Manual, or the SWS-aligned Indiana Weatherization Field Guide must have written approval from the **Director of Community Programs** prior to working on a unit. This approval only applies to the unit for which the request was made. A copy of the request and IHCD's approval must be printed and placed in the client file.

202 REQUIRED FORMS

Client files must be kept in order to verify the work that has been completed and to track expenditures on each dwelling. Sub-grantees 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 detail the dollar amount of DOE and HHS (LIHEAP) 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.

Required forms include:

A client's Energy Assistance 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's program monitors when reviewing client files. Sub-grantees are required to utilize the most recent or current approved application. *Appendix A – Indiana Statewide Energy Assistance Application 2018-2019 Fillable.*

Income documentation verifying total household income for the 3 months prior to application should be available. If categorically eligible under EAP, income information does not need to be copied for the weatherization file. For the purposes of monitoring, EAP files must be made available. Sub-grantees 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 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 3 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. *Appendix S – Zero Income Affidavit.*
- 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. IHEDA requires a notarized Zero Income Claimant Form to be in each client's file who claims zero income. All agencies must use this form with all EAP appointments, mail-in applications and WAP applications.
- The Sub-grantee 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 Sub-grantee's notary, even if the Program Manager processed the file. Regardless of the procedure used, the form must be notarized in compliance with Indiana Code 33-42-2-2, which requires the presence of the claimant when the form is notarized.
- The form may be signed by the Zero Income Claimant **or** 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 for Weatherization clients.

Applicant Deferral Notification Letters mailed to deferred weatherization clients must be included in each weatherization file. The notification must detail the process described in *Section 103* of the manual. Appendix R should be your deferral letter template with your specific Sub-grantee contact names, addresses and reasons for the deferral. **This letter must be specific as to the reason(s) for the deferral, next steps for the client and a specific timeline for action. The deferred file must also include a properly completed Moisture Assessment Form and pictures, where applicable, of the deferral issue(s).** *Appendix R – Applicant Deferral Notification Letter*

Landlord/Rental Agreement detailing Weatherization Sub-grantee's rental policy, including Sub-grantee's requirement for any minimum landlord contributions. The form must be signed by the landlord, client, and Sub-grantee personnel. Per 10 CFR 440.3: *Rental Dwelling Unit* means a dwelling unit occupied by a person who pays rent for the use of the dwelling unit.

Work Order - Sub-grantee auditor's 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. After the initial audit is completed, Sub-grantee crews or contractors may then complete the weatherization work based on either the DOE approved waiver audit or a site specific audit using NEAT.

Whether a sub-grantee is using NEAT or the Priority List, the respective cover sheet is required. The work order cover sheets can be found in *Appendix I-1 - Work Order Cover Sheet - Mobile Home*, *Appendix I-2 - Work Order Cover Sheet - NEAT-MHEA Cover*, *Appendix I-3 - Work Order One Story*, and *Appendix I-4 - Work Order Two Story*.

NEAT/MHEA is to be used when:

- Housing stock fails to meet the model of the priority list;
- **Any time a refrigerator is being replaced;**
- 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;
- **For all multi-family projects;**
- As required by DOE, IHCD, or both.

Sub-grantees are required to perform NEAT/MHEA audits on at least **25%** of all DOE completed homes within each grant cycle.

NEAT and MHEA policy is forthcoming in a later update.

IHCD will work with INCAA to provide regularly updated fuel pricing to Sub-grantees to ensure that accurate NEAT and MHEA audits are being performed, and costs are justified. **Updated fuel costs were sent to all program managers on 2/5/2019. These costs need to be added to NEAT/MHEA libraries and implemented by April 1, 2019.**

Sub-grantees will be required to make copies of their NEAT database and upload them to a file-sharing service determined by IHCD to allow for NEAT audit reviews by IHCD file monitors, and INCAA to provide additional T&TA assistance when necessary. **Fuel libraries must be updated once a year. This will be reviewed during monitoring.**

Certificate of Insulation is a certificate from the installing contractor documenting the specifics about the amount, type and location of all insulation installed. This certificate must be posted in an appropriate location within the home [attic, near water heater, etc.] and a copy placed in the client file. *Appendix T – Certificate of Insulation*

Invoices for Work Completed must be included in the client files. Invoices must be company invoices or on company letterhead and must include a detailed breakdown by material and labor and listing the date the work was performed. **Sub-grantees are required to record the last and first names of the workers on each invoice. This will assist Weatherization Managers in identifying whether or not unauthorized workers are present on job sites. Each measure should be listed individually with labor and material costed**

separately and should be identified ECM, IRM, or health and safety, along with which funding source paid for each measure.

Final Inspection Form - Effective April 1, 2015, sub-grantees were required to utilize Indiana's standardized final inspection form. This standardized form is required to meet the requirements of DOE's WPN 15-4. This inspection form will be utilized by both the Quality Control Inspector as well as IHCDA's Community Programs Monitor. **If a final inspection is not able to be completed, see Section 302.4 Final Inspections Appendix X – QCI Final Inspection Form**

Heating System Form must be completed during the initial inspection of the system on every home. Each section needs to be signed off and dated by the appropriate employee/contractor. The appropriate document should be utilized depending on heating system type. Forms are available for Natural Gas Furnaces (*Appendix G-1 - New Furnace Inspection Form - GAS*), Boilers (See www.intelligentweatherization.org.) Oil Furnaces (See www.intelligentweatherization.org) and Electric Heating (*Appendix Q - Electric Heat Inspection Form*) and may be found in the Appendices or at <http://www.in.gov/myihcda/weatherization.htm>.

Furnace Sizing Form is to determine the proper heat load calculation when a new heating system is to be installed in the home. Also referred to as a Manual J, this form must be completed and placed in every file for a home in which a furnace is replaced. Forms may be found at <http://www.in.gov/myihcda/weatherization.htm>.

All HVAC equipment sizing must be in compliance with the SWS Section 5 Heating and Cooling.

New Furnace Installation Inspection Form is to be used only when a new heating system has been installed. The purpose of this form is for auditors to follow a step by step process to evaluate if the new heating system has been installed properly and is running efficiently. This document shall be completed by both the individual installing the furnace and the Sub-grantee inspector. The form must be complete, signed and dated by the Sub-grantee inspector prior to any shell work proceeding. . This form is not intended to be used as the test instrument during the final inspection (QCI) of shell measures. The appropriate heating systems form should be utilized during the shell final inspection (QCI) with all testing information being recorded in the appropriate column. *Appendix G – New Furnace Installation Inspection Form*

Gas Cook Stove Form documents the working condition of this appliance, if it is present. Any information regarding the appliance condition, operation, or repair must be noted on this form. *Appendix L – Gas Cook Stove Inspection Form - 2019*. Note: CO readings must be recorded before and after any repair or replacement.

Gas Appliance Inspection Form lists the procedure for surveying all gas appliances in a household for proper venting, carbon monoxide production, combustion efficiency, and safe

operation. It must be completed at the initial inspection, interim inspection (when necessary) and at final inspection (QCI). It must be signed and dated by the initial auditor, the person inspecting the repairs or performing the repairs and the QCI. See *Appendix M – Gas Appliance Inspection Form*.

DSTO Form is the Daily Safety Test-Out Form to perform CAZ and gas appliance testing. The DSTO form must be onsite and filled out for each day shell work is performed on the unit. *Appendix P – Daily Safety Test-Out Summary Sheet*.

Client Consent Form is a release of liability form that provides a waiver given by the occupant/owner of the dwelling to the local Weatherization Sub-grantee providing weatherization services. The Client Consent must be thoroughly reviewed with the client prior to being signed by the client and a copy left with the client. All files **must** contain this signed form including initialed releases for lead, mold, smoke, and carbon monoxide alarms. *Appendix H – Client Consent Form*.

Lead Paint Hazards Notification requires that a weatherization client receive written explanation of the dangers of lead-based paint in the form of the EPA booklet, “Renovate Right: Important Lead Hazard Information for Families, Child Care Providers, and Schools.” This booklet can be found by going to the EPA’s website <http://www.epa.gov/lead/pubs/renovaterightbrochure.pdf> (July 2011). It is mandatory that the client receives the EPA booklet and initials the “Client Consent Form” in written acknowledgment of its receipt before weatherization work can begin on their home. *Appendix H – Client Consent Form*.

Take pictures of Lead Safe Work Practices (LSWP) set-up and work performance on all homes built prior to 1978 where verified lead-based paint will be disturbed.

Renovation Recordkeeping Checklist

<https://www.epa.gov/sites/production/files/documents/samplechecklist.pdf>

Mold Hazards Notification requires that a weatherization client receive written notification of the potential health risks of mold and high moisture levels in the form of the EPA booklet, “Mold, Moisture, and Your Home.” This booklet can be obtained from EPA’s website <http://www.epa.gov/iedmold1/pdfs/moldguide.pdf> (Sept. 2010) This information has been combined with the Client Consent Form that is a release of liability and this notification must be signed before any work can begin on the home. *Appendix H – Client Consent Form*.

Indiana Moisture Assessment lists moisture conditions that exist in the home at the time of initial audit before any weatherization measures were installed. These conditions must also be confirmed by the shell crew/contractor prior to performing their work. This form must be present in every file and be signed by the client, the energy auditor and the Retrofit Installer – Shell technician when complete Weatherization services are provided. In cases of deferral, the form must be signed by the client and the Energy Auditor and be included

with the deferral documentation in the client file. *Appendix O – Moisture Assessment Findings Form.*

Fuel Switch Approval documentation must be in the client's file if applicable. **A print out of the approval email from IHEDA's Director of Community Programs the required documentation.** A fuel switch must be requested prior to the start of work and must be requested for each fuel switch completed. Specific details required to perform a fuel switch can be found in Section 302.9.

Radon Informed Consent Form Clients must sign an informed consent form prior to receiving weatherization services. This form must be kept in the client file. In homes where radon may be present, work scope should include precautionary measures based on EPA Healthy Indoor Environment Protocols for Home Energy Upgrades, to reduce the possibility of making radon issues worse. Sub-grantees must provide a copy of EPA's *A Citizen's Guide to Radon* (<https://www.epa.gov/radon/citizens-guide-radon-guide-protecting-yourself-and-your-family-radon>) to all clients, and inform them of radon related risks.

Occupant Health Screening Form This form is required for every job per WPN 17-7. The goal of the form is to ensure the Health and Safety of every client with regard to products used that could compromise the occupants Health and Safety. This form shall be completed by the client at the first in-home meeting, whether that is during the Pre-Audit or Audit. *Appendix K – Occupant Health Screening Form.*

A complete list of all agency staff and contractors who have worked in the client's home. This must include the full names of the auditor, crew members, contractor, and contractor employees (both Shell and Mechanical). This information may be provided on the contractor invoice where appropriate.

PLEASE NOTE: If an employee of a Sub-grantee is applying for assistance through the Weatherization program, a note must be included in the file indicating that the Sub-grantee Executive Director has reviewed and approved their application.

SECTION 300

SERVICE PROVISION

301 CLIENT PRIORITIES

All weatherization work must follow Department of Energy rules and regulations unless exceptions are specifically stated in the Policy and Procedures Manual, grant agreement and/or program guidance. Several exceptions are listed in section 500. Any deviation from DOE guidelines, Indiana Policy and Procedures Manual or the Indiana Weatherization Field Guide SWS-Aligned Edition must have written approval from IHEDA prior to working on a unit. This approval only applies to the unit the request was made for and must be printed and placed in the client file.

Once eligibility has been determined, the Sub-grantee must follow its client priority policy. Each Sub-grantee 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
3. Elderly household member(s) (60 years or over)
4. Disabled household member(s)
5. Household member(s) under the age of 18

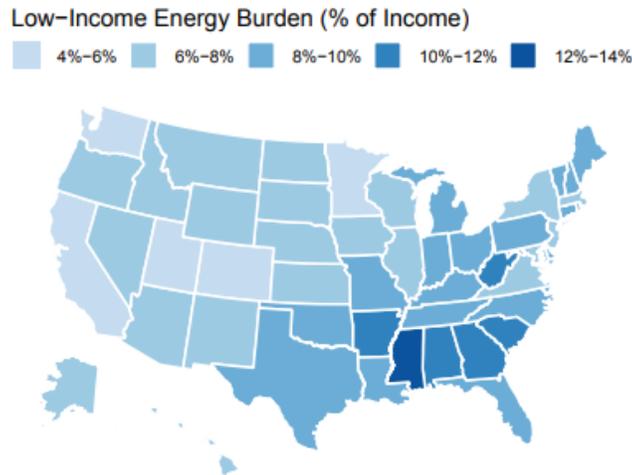
Households that do not meet at least one of the priority categories may only be served if all eligible priority households in the Service Provider's territory have been served. Within the above listed priority, Sub-grantees may choose the order in which households are served. Priority systems must be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

Sub-grantees 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 **must** seek approval of the methodology from IHEDA. **Each sub-grantee must develop a client-facing priority policy so that clients are able to understand the selection process. This policy will be reviewed during monitoring.**

As defined by the Department of Energy, DOE, in CFR Part §440.3, Definitions, a household with a high energy burden means a low-income household whose residential energy burden (residential expenditures divided by the annual income of that household) exceeds the median level of energy burden for all low-income households in the State.

As defined by DOE, https://www.energy.gov/sites/prod/files/2019/01/f58/WIP-Energy-Burden_final.pdf, the Low-Income Energy Burden (% of income) for Indiana, ranges from 8%-10%, therefore High Energy Burden can be defined as an Energy Burden more than 10%, as shown below:



302 OVERVIEW OF WEATHERIZATION ACTIVITIES

Each home that receives weatherization will have measures installed that are specific to the needs of the home; however, the process by which those measures are determined is standard across the state as outlined within the DOE-approved Waiver Audit Priority Lists. In brief, the following activities must be completed on every home that is weatherized:

- Previously Weatherized – For DOE funded weatherization, each unit must be evaluated prior to weatherization to verify that such activities have not taken place at the unit after September 30, 1994. For LIHEAP funded weatherization, a unit is limited to re-weatherization for five years rather than the DOE date. **See Section 302.1 below for verification procedures.**
- An initial audit to determine which weatherization measures are most appropriate for the client's home. The initial audit also includes a health and safety evaluation.
- Health and safety measures must be completed to ensure the safety of the occupants and weatherization personnel working in the client's home. Detailed health and safety guidelines are found in section 303 of this document.
- General heat waste reduction measures so as to increase the energy efficiency of the home and reduce the household's energy burden.
- Client energy education to provide the occupants with the information and tools they need to protect the weatherization materials installed and actively participate in saving energy in their homes. **Client energy education material is also available at www.Nascsp.org**
- An interim inspection is required to evaluate work performed on the mechanical systems if the home is a non-total electric home and received mechanical work beyond a clean and tune. **Interim inspections must be performed by a properly trained**

Energy Auditor, Quality Control Inspector, or Retrofit Installer Mechanical. IHCDCA prohibits anyone inspecting their own work that results in payment from the Sub-grantee.

- A QCI/final inspection to ensure that work was completed in a competent and professional manner, work was done in accordance with the approved procedures, that measures installed have yielded diagnostic and energy efficient improvements, and that all materials have been properly installed per DOE and IHCDCA regulations. All weatherized homes must be final inspected by a certified DOE/BPI Quality Control Inspector (QCI) and utilize Indiana’s standardized Final Inspection Form.
- Sub-grantee 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 SWS-Aligned Edition, 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. It is the Sub-grantee’s responsibility to follow all work standards as outlined in the documents referenced in this paragraph as well as their responsibility to ensure Weatherization staff and sub-contractors receive these documents to guide the Weatherization work performed in client homes.

Sub-grantee shall include language in sub-contractor contracts specifying that all Weatherization services will be performed to the standards outlined in the bullet point immediately preceding this one.

302.1 Previously Weatherized

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 “Re-weatherized” unit falls into the category of time indicated above and described under 10 CFR 440.18(e)(2)(iii). **This date can only be changed by an Act of Congress and is not determined by IHCDCA.**

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 home has been weatherized during or after 2000 (length of IWAP historical records);
2. Each client must be asked whether their home has been weatherized after September 30, 1994; and
3. A visual inspection of each home must be performed by an energy auditor to identify if 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 indicate or suspect 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 the address. Incumbent local agencies must cooperate with these inquiries from IHCD 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 grant agreement or termination of its grant agreement by IHCD.

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: Current LIHEAP grant year started 10/1/18; 5 years prior to this date is 10/1/14 – the home would have to have received weatherization services through LIHEAP **prior** to 10/1/14 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 previously weatherized and determine what the date is;
2. Each client must be asked whether their home has been weatherized previously and when the weatherization took place;
3. 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 IHCD 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 IHCD.

A "rework" is different from a "re-weatherized unit" and is defined in Section 309.

302.2 Initial Audits

Prior to any weatherization activities, each eligible dwelling must undergo a whole-home audit by a trained energy auditor (as defined in Section 600). Audits are conducted according to either the DOE-approved waiver audit priority list for site built homes or mobile homes or by performing a NEAT or MulTEA audit. (Refer to sections 302.6-302.7)

302.3 Interim Inspections

Each Weatherization Sub-grantee is required to complete an interim inspection on each eligible dwelling that received mechanical repairs or replacements unless the repairs only consisted of a clean and tune or when a home is a total electric home. An interim inspection is an evaluation of the mechanical work completed and is required to be completed by a properly trained Energy Auditor, Quality Control Inspector, or Retrofit Installer Mechanical. This inspection must occur prior to contractor/vendor payment and before shell work can start.

This interim inspection includes completing either the New Furnace Installation Inspection form or the post/interim column of the respective Heating System Evaluation form depending on measures performed. This inspection must be performed by a trained Energy Auditor, Quality Control Inspector, or Retrofit Installer Mechanical (as defined in Section 600) and must be completed prior to payment to the contractor. IHEDA prohibits anyone inspecting their own work that results in payment by the Sub-grantee. This includes a QCI calling for additional work to be completed. In this situation, the original QCI cannot inspect the additional work. For interim inspections performed by a QCI, it is best practice for the QCI to share the results of the inspection with the Energy Auditor. If a re-work or additional measures are needed, the Energy Auditor and/or Weatherization Program Manager are responsible for ensuring the needed work is completed. This interaction must be documented and/or tracked on change orders.

If work cannot be inspected within 45 days of invoice, an interim inspection must be performed to verify that the heating work is done correctly insuring payment can meet the required 45 day deadline. It is recommended that the interim inspection, whenever possible, be done on the last day the mechanical contractor is in the home. This prevents trying to access the home without a contractor present to make any necessary changes or repairs.

302.4 Final Inspections

Each Sub-grantee is required to complete a pre- and post- inspection of each unit receiving weatherization. A dwelling unit may not be reported to DOE as completed until:

1. A final inspection has been performed in accordance with 10 CFR 440.16(g).
2. The final inspection has been performed by a DOE Quality Control Inspector as outlined in Section 600 and WPN 15-4. All final inspections must be performed by a certified DOE/BPI Quality Control Inspector (QCI).
3. All materials have been properly installed.

In the event that a dwelling cannot be entered for final inspection, the client file must contain documentation of why the final inspection was not completed under normal circumstances and that a Provisional Closeout was approved, in writing, by IHCD. Multiple documented attempts must be made before the Weatherization Sub-grantee can request a Provisional Closeout. At a minimum, **three verifiable attempts** must be made to schedule a regular final inspection.

Homes approved for a Provisional Closeout will not be allowed to be counted as a completion. However, costs can be spread across grant completions and claimed to IHCD. The Weatherization Sub-grantee must submit a written request for approval to IHCD's Community Programs Weatherization Team Lead. The request should detail the specific circumstances related to the issue and why access to the dwelling has been denied or is unavailable. All appropriate documentation, such as letters to the client, should be included with the request. Final correspondence with the client must include language informing the client this is the last communication to be made unless client responds within the allotted time frame. The client must also be informed of IHCD's appeals process. Additional guidance can be found under Section 202, Required Forms.

IHCD's Weatherization Team Lead will respond in writing to approve or deny the request for a Provisional Closeout or to request additional information. Until the written approval from IHCD is received, final claims cannot be submitted for the unit.

Homes that have had a QCI conducted but the client has not signed off on the work, as long as three verifiable attempts have been made and recorded, that home can be counted as a completion, upon approval by IHCD.

It is recommended that Weatherization Sub-grantees, whenever possible, complete the final inspection process on the last day that contractors or crews will be in the dwelling, as this eliminates the need to gain access to the unit after services have been rendered.

Effective April 1, 2015 all final inspections in Indiana must be performed by a DOE Quality Control Inspector (QCI) certified individual. This is required for DOE, LIHEAP and State LIHEAP completions. A thorough review of the Final Inspection form should be done to ensure the client is fully aware of what they are signing and agreeing to. A signed copy must be left with the client.

If the client does not sign the final inspection form, the Weatherization Sub-grantee must document the reason for the absence of the client signature. For example, a client who rents a home and moves before the final inspection can be completed and is therefore unavailable to sign the final inspection form. The Weatherization Sub-grantee must document three attempts to reach the client for signature, such as correspondence sent to forwarding address. If the client will not sign due to a lack of satisfaction with the work, the auditor should note client concerns. If work is either in-progress, or done and the crew, auditor, or QCI cannot return to complete or conduct an inspection at any time in the

process, the Sub-grantee must take the aforementioned steps to contact the client to resolve the clients lack of required involvement. If the client is unresponsive to the Sub-grantee, or unreachable, the Sub-grantee must contact the Community Programs Weatherization Team Lead at IHCD and request approval for a Provisional Closeout. Prior to submitting a request to IHCD for approval of a Provisional Closeout, the Sub-grantee must have documentation of at least two scheduled attempts being made where the client was not home or refused entry. In addition, the Sub-grantee must notify the client in writing, with a return receipt requested. Approval by IHCD of a request for **Provisional Closeout** will allow costs related to the unit to be claimed. However, the unit will *not* be considered as a completion under DOE, LIHEAP or State LIHEAP.

The letter must inform the client of the following:

- Sub-grantee's inability to contact client to schedule an appointment.
- Scheduled appointments missed by the client and/or their refusal to allow entry to complete final work or perform an inspection.
- Language stating that the client will have a minimum of seven working days to contact the Sub-grantee to allow re-entry to complete work and/or the Final Inspection.
- Consequence of not responding within the seven day period: all warranty and liability associated with materials installed and work performed will be forfeited whereas the client releases the State of Indiana, the Indiana Housing and Community Development Authority, and the Weatherization Administrator its agents and employees from any and all liability for losses, damages, costs, personal injury, death, or other claims because of or in relation to the installation, location, or malfunction of measures performed.

Client's right to appeal the consequence in writing to IHCD within ten (10) business days of receipt of letter. A letter or email must be sent to IHCD, attention of the Director of Community Programs, 30 South Meridian Street, Suite 900, Indianapolis IN, 46204.

302.5 Client Energy Education

Client energy education is a mandatory measure under the audit priority list in Indiana. Knowledge about energy use and basic concepts behind energy conservation should be shared with each household during the initial client intake and continue throughout the weatherization process. This continuous process enables occupants to see how their home acts as a system, their effect on that system, and how measures performed will keep them safe and comfortable while saving energy. IHCD provides sources of information to Sub-grantee personnel such as energy conservation tips and brochures to use as aides while conducting energy education. Additional energy education material is available at www.nascsp.org, in **INCAA's Client Education class**, and on the DOE website.

302.6 DOE-approved Waiver Audit Priority List

Indiana uses three (3) priority lists:

- Single-story site-built homes
- Two-story / Cape Cod-style homes
- Mobile homes

The priority lists are based on measures specified by the National Energy Audit Tool (NEAT) and the Manufactured Home Energy Audit (MHEA). 1-4 units are still classified as single family but because they were not modeled in the NEAT runs presented with the priority lists, they will require NEAT runs for the work scope. The current approved mobile home priority list does not include doublewide mobile homes, or manufactured housing sitting on block foundations. Until further notification from IHEDA, doublewide mobile homes and manufactured homes over foundations will require MHEA runs. These priority lists are approved by DOE for the state of Indiana every five years for these audits. The most recent approval of the site-built and mobile home priority list was September 2016. The current site-built Waiver Audit Priority Lists and Mobile Home Priority List will expire in September of 2021.

When DOE funding is used to pay for a furnace replacement, Sub-grantees must run a NEAT or MHEA audit, and the NEAT/MHEA work scope must be followed on the structure. If the structure meets the criteria outlined in 302.7, the waiver audit priority list may be followed. A NEAT/MHEA run will not be required if the structure meets the criteria outlined in 302.7 and the waiver audit priority list is followed, or if LIHEAP funds are used. For allowable funding combinations between DOE, LIHEAP and State LIHEAP, see section 508: *Funding Source Combinations*.

Any unit that does not meet the criteria in 302.7, NEAT/MHEA must be run regardless of the funding stream. Please remember that as of April 1, 2019 sub-grantees must do NEAT audits on 25% of projects.

Caution should be taken before moving LIHEAP mechanical costs for this measure over to DOE as DOE does require a NEAT/MHEA run for this measure.

Stated in WPN 13-5, DOE considers manufactured housing any housing built off-site that includes axles or a frame as a major design consideration for transport on public roads (e.g. light weight) and includes mobile homes.

302.7 Single Family and Mobile Home Priority Lists

NEAT and/or MHEA should be used instead of the waiver audit priority list in the following circumstances:

- When the building doesn't match the models
- The examples below were not modeled, therefore a NEAT/MHEA run would be necessary
 - A-frames
 - Tri-levels

- Walk-out basements
- Propane, wood or oil as heating source
- Must run NEAT/MHEA
 - For all furnace replacements using DOE funds
 - All refrigerator replacements
 - All mobile homes built prior to 1977
 - All double-wide units
 - All manufactured homes on foundations
 - All “tiny homes”, pole barn homes, hobbit homes, and other alternative-type housing structures not modeled in the Priority List.
 - When a Sub-grantee wants to use more than the 17% allowed for Incidental repairs, NEAT/MHEA must be used.

Each home must follow the designated measures on the respective priority list unless NEAT or MHEA is run on the home. Please reference the following appendices for Indiana’s approved priority lists: Appendix I-1 - Work Order Cover Sheet - Mobile Home, Appendix I-3 - Work Order One Story, and Appendix I-4 - Work Order Two Story.

302.8 Multi-Family Audits

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 (5) dwelling units or more. For multi-family buildings containing less than five (5) units, and the units are individually heated or cooled, a NEAT run must be performed to determine the proper work scope.

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).

Sub-grantees must submit a plan to IHCDA prior to proceeding to weatherize multi-dwelling units or apartments where five (5) or more units are contained within one building.

For multifamily buildings containing 5 or more units per building, Sub-grantees must contact IHCDA to begin the process of reviewing the building to be considered for weatherization. Sub-grantees 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 IHCDA and DOE for approval.

Criteria for Multi-Family Units:

- 4 or fewer units do not require the submission of a plan to IHCDA
 - 5+ units require submission of a plan to IHCDA, NEAT or TREAT audit
- Plans must include, at a minimum, the following information:

- Address of the multiunit building
- Current description (i.e. total number / income qualified / vacant)
- Proposed funding source(s)
- Sub-grantee 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 Sub-grantee 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 one (1) or greater as a stand-alone measure.

It is IHCD's intent to allow Sub-grantees some flexibility in calculating the SIR for a specific measure when other funds can be used to offset some of the costs, 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 Sub-grantees 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, including the full cost of the measure that will be bought down, is 1.0 or greater.

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 or greater may be paid for in any portion with WAP funds.

Sub-grantees should follow WPN 16-5 for guidance and utilize INCAA and IHCD for technical support. More information for weatherizing multi-family dwelling is located within DOE regulations on WAPTAC, in 10 CFR 440 (Federal Regulations) and Weatherization Program Notice (WPN) 16-5.

IHCD will be putting together a multi-family specific packet of information for Sub-grantees during PY2019-2020.

302.9 Fuel Switching

According to the DOE, fuel switching is only allowed on a case by case basis. DOE's WPN 13-5, Section 5.11 states: The DOE Weatherization Assistance Program does not permit the general practice of non-renewable fuel switching when replacing furnaces/appliances. However, DOE does allow the changing or converting of a furnace/appliance (water heater) using one fuel source to another on a limited, case-by-case basis only. Please reference WAP Memorandum 011 for additional information and guidance.

Sub-grantees interested or needing to perform a fuel switch for furnaces or water heaters based upon Health and Safety reasons must request permission from IHCD's Community Programs Weatherization Team Lead. Each request must be submitted via e-mail and contain thorough documentation explaining why the fuel switch is deemed necessary. The fuel switch and subsequent work on the home cannot take place until written approval is issued by IHCD. IHCD's response must be placed in the client file for future reference, whether the request was approved or not. Requests for fuel switching

should include, but not be limited to: the reason(s) the fuel switch is needed, the current fuel source, the new or different fuel source, CAZ testing results, draft testing results where applicable and digital photographs where possible.

In instances where Sub-grantees wish to perform a fuel switch for energy efficiency reasons, the fuel switch request must include a properly completed NEAT or MHEA run.

The requirements outlined above apply to both DOE and LIHEAP funded Weatherization homes.

303 HEALTH AND SAFETY

It is imperative to ensure that weatherization activities do not cause or exacerbate health and safety problems for workers and clients. The DOE-approved health and safety measures are undertaken to ensure that the pending weatherization work does not create dangerous living conditions for the client or Weatherization workers. Health and safety activities are remedied before, or because of, the installation of weatherization materials and must occur within reasonable cost boundaries that get the home to a condition where weatherization work can move forward or be completed. Please reference the Indiana Weatherization Field Guide SWS-Aligned Edition for additional guidance on Health & Safety requirements. According to 10 CFR Part 440, allowable energy related health and safety actions are those actions necessary to maintain the physical wellbeing of both the client and/or weatherization worker where:

- Costs are reasonable as determine by the DOE in accordance with the State's approved State Plan **and Indiana's Healthy and Safety Plan**; AND
- The actions must be taken to effectively perform weatherization work; OR
- The actions are necessary as a result of weatherization work.

On their initial visit, energy auditors identify any hazards present in a home and determine whether the hazard poses a health danger to occupants, crews, or contractors. Homes where Health and Safety hazards are found that cannot be properly addressed within the scope of Weatherization funding will be deferred.

When Weatherization work is performed in a home where children, under the age of 19, are present, a responsible adult must be present at all times. This policy is for the health and safety of the clients and contractors.

DOE has released an update to WPN 11-6 and WPN 11-6a in WPN 17-7. Indiana's Weatherization Assistance Program follows DOE's WPN 17-7 to address Health and Safety issues. **Sub-grantees should familiarize themselves with these guidance issuances.**

303.1 Health and Safety Guidance

Please see current approved Indiana Health and Safety Plan and WPN 17-7.

304 DEFERRAL STANDARDS

While clients may meet eligibility requirements for weatherization, Sub-grantees 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 initial audit, the work performance phase, or immediately following the identification of a health and safety risk to the occupants or to crew and contractors. Client must receive notice of the deferral and explanation in writing.

Postponement of work is required 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
- Unit 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's 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 unit
- Extent and condition of lead-based paint in the house would potentially create further health and safety hazards
- The dwelling unit has been condemned or electrical, heating, plumbing, or other equipment has been "red tagged" by local or state building officials or utilities.
- **Structure is under construction or remodeling that would affect the thermal or pressure boundary.**
- The unit is in foreclosure, for sale or condemned and the owner will not be occupying the unit 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 weatherization

All agencies 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
- State LIHEAP funds as outlined in section 900

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.

If the deferral occurs while the home is in the process of receiving weatherization, all work will be required to be completed and pass the final QCI within 12 months of the application date. **If this is not possible, the Sub-grantee must submit documentation to IHCD's Weatherization Team Lead for approval of a Provisional Closeout.**

Any client who has received a deferral by a local Sub-grantee must be allowed to pursue an appeal. The appeal will follow the established procedure set forth in the Section 103 of this manual.

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 must be taken documenting the conditions leading to deferral and must be placed in the client file.

305 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. 10 CFR 440.3 defines a rental dwelling unit as a dwelling unit occupied by a person who pays rent for the use of the dwelling unit.

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

1. Written permission of the building owner or his agent before commencing;
2. Benefits of the services accrue primarily to the low income tenants residing in such units;
3. For 12 months after completion, the household will not be subjected to rent increases;
4. No undue or excessive enhancements shall occur to the value of the dwelling unit;
5. A landlord agreement/affidavit as required by the Sub-grantee;
6. Documentation supporting monthly rental amount, such as being included in the landlord agreement, a recent cancelled check made payable to the landlord, or the amount included on the landlord affidavit, and;
7. The low-income tenants must benefit from the Weatherization services.

Sub-grantees are required to have and abide by their written policies detailing the terms of the landlord/tenant agreement and any landlord contribution policy the Sub-grantee 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 Sub-grantee cannot require financial participation on the part of the landlord. Furthermore, Sub-grantees will ensure that clients realize the benefits from the weatherization work. Sub-grantees 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 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.

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.

Sub-grantees are required to develop a written appeals process for dealing with rental units. The process shall include a method by which tenants may file complaints and owners in response to such complaints, shall demonstrate that the rent increase concerned is related to matters other than the weatherization work.

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 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.

306 NEW CONSTRUCTION

Under no circumstances shall weatherization funds be used on newly constructed units.

307 REFRIGERATOR/DSM PROGRAMS

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. Sub-grantees must follow these requirements when replacing refrigerators:

- The new refrigerator must fit the existing space.
- The new refrigerator must be 40% more efficient than the minimum federal standards or be labeled ENERGY STAR.
- The new refrigerator must have a minimum one-year warranty.
- Take refrigerators that are replaced to a facility that is licensed to reclaim their refrigerant and recycle the refrigerator's parts.
- No refrigerator, taken out of service, may be returned to service by sale, barter, or for free.

Instruct the client about location and operation of energy controls such as the thermostats for the refrigerator and freezer.

308 REWORK POLICY

DOE issued guidance in WPN 11-03 concerning eligible call-back/add-on/rework policy. The concern was that DOE was being charged for additional work completed after a unit had been final inspected and reported to DOE.

Per DOE WPN 11-03: “As a general rule, Grantees and Sub-grantees may not charge the WAP for additional work on homes that have already been reported to DOE as completed, weatherized units. Once a home is reported to DOE as complete, the required final inspection indicates that all applicable work performed was done so in a workmanlike manner, including all work that may have been contracted out such as furnace work, etc. Performing activities such as routine maintenance, repairs, or warranty-type work is not permitted using DOE funds for work beyond those costs already invoiced.”

For DOE funding, Indiana will perform real time monitoring to assist Sub-grantees with compliance with the DOE guidance. Any units completed with DOE funding after January 10, 2011 and reported as a completion in IWAP will require special approval by IHCD prior to any additional work being undertaken with DOE funds. Special approval will only be granted by IHCD staff as a direct response to a real time monitoring finding and based specifically on the issues at hand. If a unit has special approval, the record will be unlocked to add rework invoices.

Other measures taken by IHCD to comply with the WPN 11-3 guidance are:

- The IWAP system utilizes a “close out” requirement for a completion to count in IWAP and be reported to DOE. If this close out is not completed, IWAP will automatically lock records that are 45 days or older to prevent reworks being charged to the units.
- If Sub-grantees undertake measures which could fail shortly after repair or cleaning (i.e. bath fan, furnace blower, range hood, etc.), subsequent failures must be addressed by the Sub-grantee either through a release of liability for those types of issues, or through non-DOE/Federal funding.
- In accordance with SWS 2.0702.1a, Sub-grantees must provide a one-year warranty for materials, workmanship, and serviceability provided to occupants upon completion of work. Sub-grantees must ensure occupants are aware of the warranty and maintenance agreement options from the manufacturer, and should, at a minimum, address the following possible concerns and warnings within the warranty, as applicable to the work being warranted:
 - Possible drying and shrinking effects
 - Storage of hazardous and flammable materials
 - Mold

Any defects caused by improperly performed Weatherization measures found within the warranty period shall be remedied without charge and within a reasonable period of time. If there are questions or disagreements regarding whether a defect was caused by

improperly performed Weatherization measures, the Sub-grantee is advised to request assistance from a neutral third party which could include a third party QCI who did not perform the final inspection, IHCD State staff or contracted monitors, or INCAA staff.

Any defects found outside the warranty period are the sole responsibility of the client. Warranties do not extend to measures that a client has altered after the final Quality Control Inspection. If a Provisional Closeout has been given, no warranty can be issued or guaranteed.

This warranty should not be considered to cover equipment failure caused by failure to perform normal maintenance, abuse or external causes beyond the control of the Sub-grantee or their contractors.

309 LEAD-SAFE WORK PRACTICES

Per WPN 17-7, all Sub-grantees must comply with the following guidelines:

- Sub-grantees must follow EPA's Lead; Renovation, Repair and Painting Program (RRP) when working in pre-1978 housing, unless testing confirms the work area to be lead free.
- Deferral is required when the extent and condition of lead-based paint in the house would potentially create further H&S hazards.
- Only those costs directly associated with the testing and lead safe practices for surfaces directly disturbed during weatherization activities are allowable.
- Documentation in the client file must include Certified Renovator certification; any training provided on-site; description of specific actions taken; lead testing and assessment documentation; and photos of site and containment set up. Include the location of photos referenced if not in the file.
- Testing to determine the presence of lead in paint that will be disturbed by WAP measure installation is allowed with EPA-approved testing methods, and methods must be economically feasible and justified.
- Job site set up and cleaning verification by a Certified Renovator is required.

IHCD will verify that crews are using lead safe work practices during monitoring. **Prior to work being performed, Sub-grantees MUST:**

1. Use the XRF lead paint analyzer to determine levels of lead in work areas (as defined in reference to the use of Lead Safe Work Practices) as well as in individual components that might be disturbed when completing weatherization work; OR
2. If a Sub-grantee does not have an XRF or if the XRF is not available, EPA recognized lead test kits are allowed for use only by RRP Certified Lead Renovators. <https://www.epa.gov/lead/lead-test-kits>

Testing is required. "Assuming" lead based paints is no longer allowed.

When any lead paint that falls within the EPA de minimus guidelines, must follow the IHEDA "We Care About Lead" policy as listed below:

- Conduct set up
- Wet the area of paint being disturbed
- Limit access to the area where paint is being disturbed
- Ensure that all appropriate personal protective equipment is used
- Conduct necessary work
- Ensure proper disposal of trash and material, taken away from the job site
- Provide photo of proof of using wet methods and correct set up.

All Sub-grantees have must at least one XRF analyzer and will have at least one staff member who is a licensed Lead Inspector, and/or licensed Risk Assessor Resourcing of the XRF is not an allowable cost with DOE funds. All resourcing expenses must be paid for with LIHEAP dollars. The cost of the resourcing exceeds \$5,000.00 resulting in this expense being treated as an Equipment budget line item. As such, written permission from IHEDA is required to purchase the resourcing.

All Sub-grantees and subcontractors performing work in homes built prior to 1978 are required to:

- Obtain and maintain (Lead Safe Certified Firm) status through the EPA. All certifications will be confirmed and verified during the annual monitoring process.
- An EPA approved Certified Renovator (RRP) must be present during lead safe set up, must be available throughout the duration of the project and must be present at the completion of the project to ensure that cleaning and clearance testing procedures are performed correctly.
- Monitoring will review that proper lead safe work practices were conducted.

The purpose of the steps outlined above is to ensure full compliance with the EPA and to ultimately provide a better service to those clients who live in housing built prior to 1978 wherein the weatherization program will be disturbing more than the de minimus level of painted surfaces containing lead-based paint. Additionally, the steps outlined above are required to meet IHEDA's "We Care About Lead" policy as outlined above.

Indiana has implemented a policy regarding lead-based paint procedures on homes being weatherized which includes providing clients with the pamphlet "Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools" and obtaining verification that the client received the pamphlet. Sub-grantee staff working in homes are trained on how to work in a lead safe manner ensuring adherence to EPA, OSHA Rule 29

CFR 1926.26 as well as to HUD's Lead Paint Hazard Control, 24 CFR Part 35. All Sub-grantees performing weatherization services are encouraged to obtain Pollution Occurrence Insurance. Sub-grantees must provide the Lead Paint pamphlet to all clients and landlords.

New employees are trained on lead safe work practices within the first three months of employment to protect employees from the hazards of lead during weatherization work.

All Sub-grantees must follow the following pre-renovations education requirements in all homes built prior to 1978.

In housing, you must distribute EPA's lead pamphlet to the owner and occupants before renovation starts.

- For work in common areas of multi-family housing or child-occupied facilities, you must distribute renovation notices to tenants or parents/guardians of the children attending the child-occupied facility. Or you must post informational signs about the renovation or repair job.

Informational signs must:

1. Be posted where they will be seen;
2. Describe the nature, locations, and dates of the renovation; and
3. Be accompanied by the lead pamphlet or by information on how parents and guardians can get a free copy. The lead pamphlet can be found here: <https://www.epa.gov/lead/protect-your-family-lead-your-home>

Sub-grantees must obtain confirmation of receipt (Appendix H - Client Consent Form) of the lead pamphlet from the owner, adult representative, or occupants (as applicable), or a certificate of mailing from the post office.

Certified Lead Safe Firm Responsibilities:

Certified Lead Safe Firms performing renovations must ensure that:

1. All individuals performing activities that disturb painted surfaces on behalf of the certified lead safe firm are either certified renovators or have been trained by a certified renovator;
2. A certified renovator is assigned to each renovation and performs all of the certified renovator responsibilities;
3. All renovations performed by the certified lead safe firm are performed in accordance with the work practice standards of the EPA Lead Renovation, Repair and Painting Rule (RRP Rule);

4. Pre-renovation education requirements of the (RRP Rule) are performed;
5. The program's recordkeeping requirements are met. The following records must be retained for three years following the completion of a renovation:
 - Reports (if any) certifying that lead-based paint is not present.
 - Records relating to the distribution of the lead pamphlet.
 - Documentation of compliance with the requirements of the regulation (EPA has prepared a sample form that is available at:
<http://www2.epa.gov/lead/sample-renovation-recordkeeping-checklist>).

Renovator Certification

To become a certified renovator an individual must successfully complete an eight-hour initial renovator training course offered by an accredited training provider (training providers are accredited by EPA, or by an authorized state or tribal program). The course completion certificate serves as proof of certification.

Sub-grantee must adhere to the following:

1. Must use an EPA approved lead test or a HUD approved XRF lead paint analyzer.
 - a) Only devices with a posted PCS may be used for lead paint inspections. If you use a XRF without a current PCS, or do not follow the requirements of the PCS, the work will be considered invalid, and not an inspection or paint testing, as applicable, and the work will have to be re-done. To obtain the appropriate XRF Performance Characteristic Sheet, contact the National Lead Information Center Clearinghouse (1-800-424-LEAD) or www.hud.gov/offices/lead/lbp/hudguidelines/allpcs.pdf
2. Must provide on-the-job training to workers on the work practices they will be using in performing their assigned tasks (this training must be documented).
3. Must be physically present at the work site when warning signs are posted, while the work-area containment is being established, and while the work-area cleaning is performed.
4. Must regularly direct work being performed by other individuals to ensure that the work practices are being followed, including maintaining the integrity of the containment barriers and ensuring that dust or debris does not spread beyond the work area.
5. Must be available, either on-site or by telephone, whenever renovations are being conducted.
6. Must perform project cleaning verification.
7. Must have with them at the work site copies of their initial course completion certificate and their most recent refresher course completion certificate.
8. Must prepare required records.

Work Practice Requirements - Specific to Interior Renovations:

1. Remove all objects from the work area or cover them with plastic sheeting with all seams and edges sealed.
2. Close and cover all ducts opening in the work area with taped-down plastic sheeting.
3. Close windows and doors in the work area. Doors must be covered with plastic sheeting.
4. Cover the floor surface with taped-down plastic sheeting in the work area a minimum of six feet beyond the perimeter of surfaces undergoing renovation or a sufficient distance to contain the dust, whichever is greater.
5. Use precautions to ensure that all personnel, tools, and other items, including the exteriors of containers of waste, are free of dust and debris when leaving the work area.
6. After the renovation has been completed, the firm must clean the work area until no dust, debris or residue remains. The firm must:
 - a) Collect all paint chips and debris, and seal it in a heavy-duty bag.
 - b) Remove and dispose of protective sheeting as waste.
 - c) Clean all objects and surfaces in the work area and within two feet of the work area in the following manner:
 - i) Clean walls starting at the ceiling and working down to the floor by either vacuuming with a HEPA vacuum or wiping with a damp cloth.
 - ii) Thoroughly vacuum all remaining surfaces and objects in the work area, including furniture and fixtures, with a HEPA vacuum.
 - iii) Wipe all remaining surfaces and objects in the work area, except for carpeted or upholstered surfaces, with a damp cloth. Mop uncarpeted floors thoroughly using a mopping method that keeps the wash water separate from the rinse water or using a wet mopping system.
 - d) Cleaning verification is required to ensure the work area is adequately cleaned and ready for re-occupancy.

Work Practice Requirements - Specific to Exterior Renovations:

1. Close all doors and windows within 20 feet of the renovation.
2. Ensure that doors within the work area that will be used while the job is being performed are covered with plastic sheeting in a manner that allows workers to pass through while confining dust and debris.
3. Cover the ground with plastic sheeting or other disposable impermeable material extending a minimum of 10 feet beyond the perimeter or a sufficient distance to collect falling paint debris, whichever is greater.
4. In situations such as where work areas are in close proximity to other buildings, windy conditions, etc., the renovation firm must take extra precautions in containing the work area, such as vertical containment.
5. After the renovation has been completed, the firm must clean the work area until no dust, debris or residue remains. The firm must:

- a) Collect all paint chips and debris, and seal it in a heavy-duty bag.
 - b) Remove and dispose of protective sheeting as waste.
 - c) Waste transported from renovation activities must be contained to prevent release of dust and debris. A certified renovator must perform a visual inspection- is dust, debris, or residue present?
 - d) These conditions must be eliminated and another visual inspection must be performed.
6. Once the area has been adequately cleaned you're finished.

All Sub-grantees are also subject to the following recordkeeping requirements:

1. All documents must be retained for three years following the completion of a renovation.
2. Records that must be retained include:
 - a) A report certifying that lead-based paint is not present.
 - b) Records relating to the distribution of the lead pamphlet.
3. Documentation of compliance with the requirements of the Lead-Based Paint Renovation, Repair, and Painting Program, EPA has prepared a sample form that is available at <http://www2.epa.gov/lead/sample-renovation-recordkeeping-checklist>
4. Photographs documenting all aspects of lead safe work practices including “We Care About Lead” lead safe work practices.

Monitors verify Renovator and Lead Firm status at the time of monitoring and track it to ensure each crew and contractor firm have sufficient renovators to ensure lead safe work practices are adhered to at all applicable job sites. IHEDA requires all crews and contractors to take pictures documenting their use of lead safe work practices in order to be paid for the procedures. Pictures of lead safe work practice set-up must be included in the client file when lead paint is being disturbed.

Following WPN 17-7, Grantee Monitors and Inspectors must be Certified Renovators.

Please reference the Indiana Weatherization Field Guide SWS-Aligned Edition, Health & Safety Section, for additional guidance and requirements for dealing with Lead Based Paint in Weatherization.

SECTION 400

BUDGETS AND CLAIMS

401 BUDGET FORMS

The Weatherization Assistance Program utilizes several different funding sources in the delivery of services. For each funding source, the Weatherization Program Manager must complete and return a separate budget form to IHEDA prior to the beginning of each program year. Any Sub-grantee that does not have approved budgets by the start of the program year will have all weatherization claims held by IHEDA until receipt of the budget form. In general, the forms should be used to assist a Weatherization Program Manager in planning production and setting budget benchmarks for the grant period.

Budget forms will be emailed to each Weatherization Program Manager at the same time as the grant agreements are emailed to the Executive Directors for signature. Budget forms and definitions are in *Appendix B*. An original signature of the Executive Director or designee is required on all budget forms submitted with grant agreements and amendments. Program Managers are required to review and sign each budget form. Budget Modifications may be submitted via email for processing, a hard copy with original signature is not required.

Each Sub-grantee will be responsible for limiting expenses to the amounts allowed in the budget line items. In no instance will a Sub-grantee be permitted to exceed the total award for a funding period.

402 BUDGET MODIFICATION FORMS

A Budget Modification form must be submitted by a Sub-grantee when changes to budget line items are necessary. The Budget Modification form is the same form as the budget form *Appendix B*. Complete the box in the upper right hand corner accordingly. A budget form submitted with a grant agreement or amendment is **not** considered a modification. Updates will be made to the Sub-grantee's budget in IHEDAonline.com for claims once all signatures are secured.

A Budget Modification form must be submitted to adjust line item allocations or production benchmarks. Change in production benchmarks will not be accepted less than 30 days prior to benchmark deadline.

403 PROGRAM INCOME

Program income is defined as any funds earned by Sub-grantees from non-Federal sources during the course of performing Weatherization work. It is required that income earned from activities supported by a grant or sub-grant must be reported as program income. Sources of income to be reported include but are not limited to:

- Income from payments of principal and interest
- Income from fees or services provided (including rental of WX equipment and vehicles and staff wages and applicable charges)
- Income from the use of rental or real property acquired with grant funds
- Income from the sale of commodities or items fabricated under a grant agreement (i.e. vehicle).

Program income is to be treated as an addition to program funds. Program income funds must be used to enhance the Sub-grantees Weatherization Assistance Program and be utilized within twelve months of when the program income was earned. When possible, program income should be spent in the program year it was earned. If it is late in the program year, it can be used in the next program year (i.e. a sale at the end of September for LIHEAP funds)

Program income should be returned to the grant that the original purchase was made. Most purchases are made with LIHEAP funds. Those purchases made with ARRA funds and transferred to the DOE annual grant must be reported in the DOE grant. Program income must be tracked by the Sub-grantees and must be reported on the close out form of the applicable program.

Property owner (i.e. landlord) contributions are NOT considered program income in the WAP.

DOE program income is subject to specific guidance provided in 2 CFR 200, Subpart D, §200.307 as appropriate. The amount of program income received must be detailed by the Sub-grantee on the funding source Close-Out Form.

404 CLOSE-OUT REPORTS

Program Year End Close-Out Reports are due to IHCD within **forty-five** days of the end of the grant program year. Close-out Reports should accurately reflect the total dollars claimed for each line item after the final claim has been paid by IHCD. Sub-grantees are required to submit Close-Out Report that meets all program requirements to IHCD by the due date, an original signature is no longer required. Page #1 of the quarterly report must accompany the Close-Out Report and the Total Closed number must match the Total Completions from the Close-Out Report. IWAP and claims must be up-to-date as of the due date.

IHCD reconciles each Sub-grantee's Close-Out Report with the IWAP production data (Quarterly Report & Job Expense report) and claims submitted during the grant year. This is done to verify that Sub-grantees are in compliance with program guidelines. Sub-grantees must work closely with their financial department to accurately report expenses and claims. Outstanding weatherization claims will not be forwarded for payment until receipt of the report and the Sub-grantee will not be eligible for the incentive pool allocation (DOE and LIHEAP funded programs as applicable).

Sub-grantees are strongly encouraged to start work on the Close-Out Report several weeks prior to the actual due date. IHCD staff is available for guidance and will review completed Close-Out Reports for accuracy if the report is sent via email at least one week prior to the due date. See *Appendices D-1, D-2, and D-3*.

All closeouts must be submitted with the following:

- Page 1 of Quarterly and last page of Job Expense report for a DOE Closeout
- Page 1 and 2 of Quarterly and last page of Job Expense for LIHEAP and State LIHEAP to cover Base/Mechanical/Capital Intensive

The number of completions on the job expense report, quarterly and closeout form must match for the closeout to be processed by IHCD.

405 CLAIMS

Sub-grantees shall submit properly completed claims and backup documentation to IHCD **at least monthly** for reimbursement of costs incurred during the prior month. Claims submitted towards Administrative, Base, Health and Safety, Mechanical or Capital Intensive must be supported by job costs entered in IWAP. All claims and backup documentation (i.e.: timesheets and invoices) must be submitted online through the following link (please reference Section 408 for additional details):

<https://ihcdaonline.com/AuthorityOnline/Default.aspx>

Sub-grantees may claim only incurred (accrued/obligated) material expenses. This is intended as “just in time” funding. Only material expenses that are expected to be due within ten days of the receipt of the claim may be submitted to IHCD. No subcontractor of a Sub-grantee shall be paid for labor costs until such time as the Sub-grantee has inspected the work and has determined that any such work has been performed in a satisfactory manner. Where subcontractors are utilized, the cost of materials shall be separated from the cost of installation in billings submitted by the subcontractor.

All final claims and close out reports must be submitted to IHCD within **forty-five (45)** calendar days of the end of the program year or IHCD may deny payment. Sub-grantees must liquidate all outstanding obligations properly incurred during the term of the agreement no later than **forty-five (45)** calendar days after the termination of the program year.

IHCD’s Weatherization grants are considered reimbursement grants. Therefore, claims and cost allocations can only be submitted for grants where Weatherization work is being performed.

406 CLAIM SUBMISSION AND REVIEW

Refer to the **Partner’s Guide to IHCDOnline** for IHCD policies regarding the submission and processing of claims. Please reference the following link to access this information on IHCD’s website: <https://www.in.gov/myihcda/2477.htm>.

Sub-grantees who have been placed on a Quality Improvement Plan (QIP) or a Tiered Funding Agreement should anticipate an increased level of claim review by IHCDA's Community Program and/or Financial Operations Staff.

407 ORIGINAL SIGNATURES

The following is a guide explaining when a Weatherization form requires original signatures.

E-Signatures will now be accepted for:

- Grant Agreements
- Amendments
- Budgets

Original Signature only required on hard copy file at Sub-grantee offices:

- **Grant Claims** – original signatures are not required for online claims. See Program Guidance WX-10-01A dated February 9, 2011 for details on paperless claims.
- **Equipment Purchase Request** – can be made via email.

DOE guidelines 2 CFR 200, Subpart D, §200.335, allows IHCDA to accept a photocopy signature for claim forms. DOE regulations do not extend this option to IHCDA so Sub-grantees are required to retain the original, signed claim form along with back up documentation in a hard copy, paper file for the required retention period.

This DOE guidance to accept a photocopy signature only applies to claim forms. The State of Indiana requires grant agreements and all affiliated forms (amendments, original budgets) to bear the original signature in hard copy form.

For all forms and agreements, the signature must be one of the Sub-grantee's "Authorized Signatures" as notarized and approved on IHCDA Authorized Signature Form. If the person approved as the Sub-grantee's authorized signature leaves or becomes ineligible to represent the organization, a new form must be submitted and approved before the person's signature can be accepted and the form is processed.

The required retention period as outlined in 2 CFR 200, Subpart D, §200.333 requires that financial and programmatic records, supporting documents and statistical records must be retained for three years after the last expenditure report is submitted. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later.

408 IHCDOnline CLAIMS SYSTEM

<https://www.in.gov/myihcda/2477.htm> is IHCD's online claims system. All claims for weatherization funding sources (LIHEAP, DOE, and State LIHEAP Funds) must be entered and submitted online.

Each Sub-grantee must have at least one person authorized to use the online claims system. Additional staff may request access by clicking "*New User? Register Here*" at <https://www.in.gov/myihcda/2477.htm>. When approved, an email will be sent from IHCD. Contact IHCD if you forget your password or have problems with the system.

In 2012, IHCDOnline broadened the types of claims for Sub-grantees. Below are definitions of the types of claims. If you are uncertain, email the Community Programs Analyst or Community Programs Policy and Technical Specialist for advice before submitting the claim.

The following describes the allowable transaction types for the claim process:

Grantee Payment

A grantee payment is a standard draw of funds by the Sub-grantee for their award. This transaction will initiate a payment to the Sub-grantee. This is the most common type of transaction.

Adjustment

An adjustment transaction allows a Sub-grantee to make corrections to line items within an award. An adjustment will have both positive and negative line item amounts and must have a net total of zero. No funds are either drawn or paid as part of an adjustment transaction.

Return of Funds

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

Repayment

A repayment transaction consists of a Sub-grantee repaying claimed funds to the State. This transaction will initiate a repayment from the Sub-grantee and the funds that are repaid will be available in the award budget and remaining balance. This transaction is necessary if completed homes have been claimed on a grant but then moved to another grant. All associated costs such as administration, insurance and audit allocations should be included along with the base program operations and health and safety costs.

409 ADMINISTRATION OF FUNDS

Funding shall be provided to Sub-grantees as a reimbursement for authorized expenditures incurred for the Weatherization Assistance Program (WAP), in accordance with the fiscal policies and procedures of IHCDA, the DOE and the State of Indiana. Sub-grantees must maintain and implement written procedures to minimize the time elapsing between the transfer of funds to the Sub-grantee and the Sub-grantee's issuance of payment to subcontractors for program purposes. Sub-grantees will have a total of forty-five (45) days from the receipt of subcontractor invoice to check issuance for DOE and HHS funded grants.

Sub-grantee shall follow generally accepted accounting procedures and practices which sufficiently and properly reflect all costs incurred by Sub-grantee. Sub-grantee shall manage all funds received through Weatherization funding sources in accordance with applicable cost principles identified in OMB Circulars A-87 (Government Entities) or A-122 (Nonprofit Organizations), now reported at 2 CFR 200, Subpart E.

Sub-grantees shall maintain financial and accounting records which identify costs attributable to each Activity Description specified on Attachment A of each grant agreement. Sub-grantees shall further maintain annual, written, cost methodologies, which identify procedures for attributing costs to each Activity Description. More restrictive fiscal accountability may be required of Sub-grantees by IHCDA should IHCDA determine that a Sub-grantee is financially unstable, has a history of poor accountability, or has a management system which does not meet the standards required by the State of Indiana, IHCDA, or the United States Government.

Sub-grantees shall maintain those books, records, and documents including, but not limited to: payroll records, banking records, accounting records, and purchase orders, which are sufficient to document Sub-grantee's financial activities and Sub-grantee's claims for reimbursement under this Agreement. Further, Sub-grantee shall create, maintain, and provide to IHCDA such other statistical and program reports as are required by the laws, regulations, and policies of the State of Indiana, IHCDA, or the United States Government, including any close-out reports required by IHCDA.

Sub-grantee shall, upon written demand by IHCDA, be required to repay IHCDA all sums paid by IHCDA to Sub-grantee for which adequate fiscal and/or service delivery documentation is not in existence for any time period audited. If an audit or review of Sub-grantee results in an audit exception or cost disallowance, IHCDA shall have the right to set off such amount against current or future allowable claims, demand cash repayment, or withhold payment of current claims in a like amount pending resolution between the parties of any disputed amount.

IHCDA may withhold payment to Sub-grantee if a claim submitted by Sub-grantee is inaccurate or if Sub-grantee has not complied with the claim preparation instructions

issued by IHCDA. IHCDA will notify Sub-grantee of any error in the claims submitted so Sub-grantee may make the corrections or revisions necessary for payment.

410 ADVANCE FUNDS

IHCDA is not currently issuing advance funds on any Weatherization grants.

411 DOE FINANCIAL MANAGEMENT TOOL KIT

DOE has provided a Financial Management Tool Kit and training to review all Weatherization financial management. The tool kit can be accessed online at <https://nascsp.org/wap/technical-assistance-centerwaptac/training-tools/financial-management-took-kit/>

SECTION 500

FUNDING

501 WEATHERIZATION PROGRAM MANAGEMENT

All weatherization work must follow Department of Energy rules and regulations unless exceptions are specifically stated in the policy manual, grant agreement and/or program guidance. Several exceptions are listed in this section 500. Any deviation from DOE guidelines, Indiana Policy and Procedures Manual, or the Indiana Weatherization Field Guide SWS-Aligned Edition must have written approval from the Community Programs Policy and Technical Specialist prior to working on a unit. This approval only applies to the unit for which the request was made and must be printed and filed in the client hard copy file.

All Weatherization grants should follow OMB Cost Principles outlined in 2 CFR 200, Subpart E (OMB Circular A-122 and/or the Uniform Guidance), Cost Principles for Non-Profit Organizations. A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:

- Is incurred specifically for the Federal award, benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in this subpart.
- Any cost allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.
- Direct cost allocation principles: If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it

was originally required. See also §§200.310 Insurance coverage through 200.316 Property trust relationship and 200.439 Equipment and other capital expenditures

502 ALLOCATIONS

502.1 Federal Allocation

DOE and LIHEAP allocations are distributed using the census-based allocation formula for 85% of Weatherization Sub-grantees contracted funds. The remaining 15% of the allocation is distributed through an incentive pool process to those Weatherization Sub-grantees who meet all of following criteria:

- A. 95% or more of the prior program year contract total must have been expended.
- B. Close Out Reports must be submitted and approved on time (within 45 days after the program year ends). IHCD A DMS, IWAP Quarterly, Job Expense and Sub-grantee Close Out report must match exactly when final claims are processed, with all line items and averages being within allowable limits
- C. When available, a 15% average energy savings as determined by PRISM/BEACON analysis of local Sub-grantee production.
 - For Program Year 2019-2020, the incentive pool may be utilized if energy savings data has been made available by March 15, 2019.
- D. No Weatherization Sub-grantee operating under a 120-day or modified Quality Improvement Plan (QIP) or Tiered Funding Agreement will be included in the incentive pool.
- E. Weatherization Sub-grantees must demonstrate regular use of the XRF for lead based paint testing.
- F. Sub-grantee must meet the 45-day requirement for vendor and sub-contractor payments.

All the incentive pool requirements are in full effect for all current LIHEAP and DOE grants unless otherwise stated by IHCD A.

IHCD A may suspend the use of the incentive pool at their discretion based upon funding levels or other anomalies.

502.2 Reallocation of Funds

Sub-grantees failing to meet quarterly benchmarks as detailed on their most recently submitted budget form could be subject to funding allocation reduction or redistribution at IHCD A's discretion. Any reallocation will be in an attempt to ensure proper utilization of Weatherization funds throughout the program year.

Sub-grantees 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
- QIP or Tier funding status
- Met quarterly benchmarks
- Financial and program management capacity

IHCDA will desktop monitor Sub-grantee production, expenditure rates, and average cost per home throughout the life of each DOE, LIHEAP and State LIHEAP Weatherization grant. This desktop monitoring will occur in accordance with the funding benchmarks as established by the Sub-grantee on the appropriate DOE or LIHEAP budget form. In cooperation with meeting production and expenditure benchmarks, Sub-grantees must maintain the appropriate average cost per home of each DOE, LIHEAP and State LIHEAP Weatherization grant.

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 Sub-grantees are maintaining the proper Average Cost per Home for both DOE and LIHEAP as referenced and required above.

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

502.3 Distribution of Carryover Funding

Sub-grantees on a Quality Improvement Plan (QIP), Tiered Funding or failing to utilize 90% of their award at closeout will not be eligible to receive carryover funding.

Carryover funds will be distributed to eligible Sub-grantees based on the approved allocation formula.

502.4 Tiered Allocation

Sub-grantees who have failed to meet program expenditure benchmarks across multiple program years, are experiencing financial difficulty, or appear to have a lack of proper programmatic oversight may, at IHCDA's discretion, be placed on a tiered funding agreement. While on a tiered funding agreement Sub-grantees must expend funds according to a structured schedule. The performance benchmarks, or expenditure percentages, when possible, are based on the Sub-grantee'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 Sub-grantees.

Tiered funding agreements will be included as part of the Sub-grantee grant agreement where applicable.

Sub-grantees placed on a Tiered Allocation should anticipate an increased level of claim review by IHCD's Community Programs and Financial Operations staff.

502.5 Reduction of Funds

A Sub-grantee may receive a reduction in funding if one of the following conditions is present:

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

502.6 Request for Qualifications and Request for Proposals

The state may post a request for qualifications (RFQ) to identify organizations with qualifications suitable to provide services 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 Sub-grantee 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 Sub-grantee to support service delivery. Using an adjacent Sub-grantee will be determined on a case by case basis.

Sub-grantees are encouraged to seek out assistance from their counterparts within Indiana's Weatherization Network who have the capacity to provide support or take on additional work. This step could result in avoiding the need for the RFQ or RFP process.

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

The RFP may also be posted for the following reasons:

- The primary sub-grantee has been on a QIP for more than two consecutive program years
- Failure to meet expenditure benchmarks for more than two consecutive program years
- sub-grantee continues to demonstrate program deficiencies during monitoring visits for multiple program years

- The primary Sub-grantee voluntarily forfeits one or more counties within its service territory
- IHCD has removed one or more counties from a Sub-grantee due to performance issues
- If a Sub-grantee is involuntarily removed from a particular area due to fraudulent or major misappropriation of funds, legal action has been taken against the Sub-grantee, or the Sub-grantee dissolves
- The territory is not being serviced by the Sub-grantee
- The Sub-grantee is not currently operating under an active 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 Sub-grantee to support service delivery. Using an adjacent Sub-grantee will be determined on a case by case basis.

503 LIHEAP PROGRAM MANAGEMENT

503.1 Completion

NOTE: LIHEAP WX income thresholds adhere to the HHS requirement of 200% of the current OMB poverty income level to receive LIHEAP funded services.

Units may be counted as completions based on three sub-program categories within LIHEAP.

1. **Base Program** - completion occurs when at least a combined total of \$100.00 in labor and materials have been used. **The maximum allowable average amount for the Base Program is \$7,000 effective October 1, 2015.**
2. **Mechanical Program** – completion is used in conjunction with DOE completions that require *extensive work on the mechanical systems* including the addition of mechanical ventilation to a dwelling. Under LIHEAP, work on the mechanical systems may be completed for health and safety and/or energy conservation reasons. A Mechanical completion occurs when at least \$300.00 in material and labor has been spent on the mechanical system. The DOE Base completion that **must** be paired with a Mechanical completion must be finished by the end of the LIHEAP program year in order to count a dwelling under this sub-program. **The maximum allowable average amount for the Mechanical Program is \$4,500.00 effective October 1, 2015.**
3. **Capital Intensive Program** - completion that charges both the Base work and the Mechanical work to LIHEAP. A minimum of \$100 must be charged to Base measures and a minimum of \$300.00 must be expended on the mechanical system. Work on the mechanical systems may be completed for both health and

safety and energy conservation. Capital Intensive costs cannot exceed the maximum average cost per home. **The maximum average amount for the Capital Intensive Program is \$11,500.00 effective October 1, 2015.**

A unit may **not** be counted as **both** a DOE and a LIHEAP **Base** completion. Nor can a unit be counted as both a DOE BASE and LIHEAP or State LIHEAP Capital Intensive completion.

A unit may be counted as a completion under **only one LIHEAP sub-program**. A completion may **never** be counted as **both a Base and a Mechanical completion** within the LIHEAP program. If both Base and Mechanical sources of LIHEAP funds are used on a unit, this unit will count as one Capital Intensive LIHEAP completion.

For all units where LIHEAP funds are combined with DOE or other sources of funding, the entire weatherization process, including final inspection, must be completed prior to the end of the current LIHEAP program year (September 30).

503.2 LIHEAP Program Expenditure Limits

Budget Categories for LIHEAP include:

Administration – Actual costs associated with administration include fiscal, executive, support operations, rent, utilities, supplies, etc. Total claimed may not exceed **8.5%** of the total LIHEAP expenditures.

Liability Insurance – Actual costs, comprehensive general liability insurance coverage in the minimum amount of \$750,000.00 covering the risks related to the property and personal liability claims of other parties against the insured party. Following DOE guidelines, it is strongly recommended to obtain Pollution Occurrence Insurance (also known as a Rider) (POI) as a part of, or as an addendum to, general liability insurance. POI will cover problems with Lead Safe Weatherization or disturbance of other environmental pollutants. This is an optional expense eligible to be charged to the Liability Insurance line item.

Supplies – Actual costs of weatherization specific supplies with a unit cost of less than \$5,000.00. Examples include blower doors, draft gauges, and combustion analyzers.

Equipment – Actual costs for weatherization specific equipment with a unit cost greater than \$5,000.00, such as vehicles, may be purchased with this line item. Equipment purchases require prior written approval from IHEDA before purchase.

Base Program Operations – Actual costs for performance of necessary weatherization measures as determined by the energy audit with a minimum of \$100.00 in labor and material. Work may include, but is not limited to, air sealing, insulation, and base load measures involved in weatherizing the unit.

Mechanical Operations – Actual costs in this line item include, but are not limited to, testing and evaluation of combustion appliances, furnace repair or replacement, electric heating and hot water heaters including the addition of mechanical ventilation to a dwelling. The minimum mechanical cost for a unit to be counted as a Mechanical Operations completion is a combined \$300.00 in material and labor. LIHEAP mechanical may be used for Health and Safety related measures that mirror DOE Health and Safety line items. Allowable LIHEAP Mechanical could include items such as vapor barriers, gutters/gutter extensions, and other forms of moisture mitigation.

Capital Intensive Operations – Actual costs that combine those associated with Base and Mechanical Operations. A minimum of \$300 must be spent on mechanical repairs and at least \$100 in labor and material on Base measures in order to claim under the capital intensive line item.

503.3 Allowable LIHEAP Expenses

IHCDA allows, as a LIHEAP program expense, the costs of eliminating energy related health and safety hazards prior to installation of weatherization materials. Health and safety is not a separate budget line item in LIHEAP and therefore is included in the mechanical average cost per home.

Replacement of gas cook stoves will be allowed with LIHEAP funds as a health and safety measure and must be charged to the Mechanical line item. Replacement of the cook stove may NOT be charged to DOE but must be paid for with LIHEAP funds. *Repair* of the cooking stove may be charged to either DOE Health and Safety or LIHEAP Mechanical.

IHCDA does not allow DOE or LIHEAP funds to be used for replacing air conditioners. Repairs to an *air conditioning* system may only be made when current operation of the AC unit endangers the operation of the furnace. Repairs can be charged to either DOE Health and Safety or LIHEAP Mechanical depending upon the funding source being used to weatherize the home.

503.4 LIHEAP Re-weatherization

If the unit meets the criteria outlined in Section 302.1, Sub-grantees may proceed with weatherizing the home. A “rework” is different and is defined in Section 309.

504 DOE PROGRAM MANAGEMENT

All DOE completions are counted as Base Program completions. ***The maximum allowable average cost per home for DOE is \$7,000.00.***

504.1 DOE Completion

In order for a home to be counted as a DOE completion and reported to DOE:

1. At least a combined total of \$100.00 in labor and materials must have been used.

2. Weatherization work must be completed on the shell. This includes, but is not limited to air sealing, insulation of the walls, attic, perimeter, foundation, or floor.
3. A final inspection has been performed by a BPI certified Quality Control Inspector (QCI).
4. It has been certified that the work has been completed in a workmanlike manner and in accordance with approved procedures in 10 CFR 440.21 and 10 CFR 440.16(g), and;
5. All materials have been properly installed.

Agencies are required to complete appropriate base load measures on all homes completed in weatherization. Those measures include, but are not limited to:

- Faucet aerators;
- Low flow showerheads;
- Water heater blankets;
- Pipe insulation;
- Air sealing;
- Duct sealing where appropriate;
- Lighting upgrades.

DOE funds used to abate *health and safety* problems, as defined in Section 309, are to be tracked as a separate line item. These costs are not to be included in the average cost per home. IHEDA limits expenditures in the Health and Safety budget line to 20% of **Base Program Operations expenditures**. All health and safety measures must be charged within the allowable Health and Safety line item.

Furnaces may be replaced for energy efficiency under Base costs. However, agencies must use NEAT/MHEA to calculate the savings-to-investment ratio. A SIR of greater than one must be obtained to justify this expense under DOE Base. If NEAT/MHEA is used to justify the furnace replacement based upon energy efficiency, the NEAT/MHEA run must be used as the work order for the home.

All units where DOE funds are combined with LIHEAP or other sources of funding, the entire weatherization process, including final inspection, must be completed prior to March 31 – the end of the current DOE program year.

504.2 DOE Program Expenditure Limits

Budget categories for DOE include:

1 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 will be up to 7% of the total grant expenditures for 2018-2019 DOE funding.

2 Liability Insurance – Actual costs, comprehensive general liability insurance coverage in the minimum amount of \$750,000.00 covering the risks related to the property and personal liability claims of other parties against the insured party. DOE strongly recommends Pollution Occurrence Insurance (also known as a Rider) (POI) as a part of, or as an addendum to, general liability insurance. POI will cover problems with Lead Safe Weatherization or disturbance of other environmental pollutants. This is an optional expense eligible to be charged to the Liability Insurance line item.

3 Fiscal Audits – Actual costs, per Sub-grantee cost allocation plan, attributable to the weatherization program for independent fiscal audit.

4 Base Program Operations – The cost of weatherizing the unit. Agencies may not exceed an **average cost per home of \$7,000.00** in Base Program Operations. (See OMB Circular A-122 Attachment A and B for details.)

5 Health and Safety – The cost for the evaluation, repairs, and/or replacement of water heating, furnace or vented space heating systems. This category represents an amount not to exceed **20% of Base Program Operations expenditures** and is not included in the average cost per home. The primary goal of the program is energy efficiency. The cost of all energy-related health and safety risk mitigation must be charged to the DOE health and safety line, LIHEAP Mechanical or other outside funding sources. All costs must follow DOE WPN 17-7, and DOE Health and Safety costs **must** be paired with DOE Base expenses.

504.3 DOE REWEATHERIZATION

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. Each client must be asked whether their home has been weatherized after September 30, 1994; and
3. 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.

504.4 Work Order Changes

Work order changes are defined as an item or items needing performed in order to complete a measure identified in the audit yet determined not to be performed on a regular basis. Sub-grantees shall require that charges for these work order changes are arrived at following proper procurement practices, invoices are itemized by labor and material costs and approval for the item or items is obtained by the Sub-grantee prior to being performed.

506 STATE-FUNDED INDIANA HOME ENERGY ASSISTANCE PROGRAM

Pursuant to **I.C. 4-12-1-14.5**, a limited amount of funds are allocated from the State of Indiana's portion of the mortgage foreclosure multistate settlement agreement to be used in the newly created Indiana Home Energy Assistance Program. Weatherization services must be conducted according to the LIHEAP guidelines described in Section 503, except as listed below.

The Indiana Home Assistance Program ("State LIHEAP Program") guidelines and procedures differ from the guidelines and procedures contained in Section 503 as follows:

1. All State LIHEAP weatherization funds must be used on **owner occupied units**;
2. Completions will be listed in IWAP under the funding source: **State LIHEAP**;
3. Allowable Administrative costs are 5% of expended grant amount;
4. State LIHEAP cannot be combined with Federal LIHEAP Weatherization grant funds on the same unit to deliver traditional weatherization services;
5. State LIHEAP can be combined with DOE funding on the same unit following Federal LIHEAP guidelines; and
6. There are no Supply or Equipment budget line items.
Deferral issues can be addressed with State LIHEAP funds for homeowners only. Please refer to section 900 of this policy manual for guidance on addressing deferral issues.

507 UTILITY PROGRAMS

Funding from Utilities must be used to enhance the Sub-grantees Weatherization Assistance Program, including such activities as addressing deferral issues. It is important to note that Utility funds are not considered program income. Sub-grantees eligible to participate in utility programs administered by IHCDA will enter the required information in IWAP under the Utility DSM Program Installation report. The required information is within the scope of traditional weatherization services. The report is triggered by the zip code and name of utility provider associated with the unit being weatherized. **Only measures paid for with LIHEAP and State LIHEAP funds are eligible for utility rebates. Measures paid for with DOE funds are not eligible to be submitted for rebates.**

The active time frame and amount of funds/rebates paid for each eligible measure is determined by the individual utility. IHCDA will process and issue funds to the Sub-grantees throughout the active time frame. These funds should be used within twelve (12) months from the time they are received. Utility funds must be used to enhance your weatherization program through traditional weatherization services or the elimination of deferral issues. Utility funds cannot be used to buy-down a measure.

All funds received through an IHCDA administered utility program must be tracked separately and recorded on the closeout form of the program the funds were used to support.

508 FUNDING SOURCE COMBINATIONS

The funding sources for weatherization and their sub-programs may be combined on any one weatherization job, in order to provide flexibility and to ensure that an individual dwelling can receive all appropriate measures as determined by the energy audit. The following are the allowable funding source combinations:

1. DOE Base + LIHEAP Mechanical
2. DOE Base + State LIHEAP Mechanical
3. DOE Base + LIHEAP Mechanical + DOE Health & Safety
4. DOE Base + DOE Health & Safety
5. LIHEAP Base + LIHEAP Mechanical creating a LIHEAP Capital Intensive
6. State LIHEAP Base + State LIHEAP Mechanical creating a State LIHEAP Capital Intensive
7. State **Deferral** Funds can be combined with State LIHEAP, LIHEAP or DOE funding on the same unit. Please reference Section 900 for specific guidelines for the State Deferral Funds.

Notes: Any one unit can only be counted as a completion in two funding sources.

- **LIHEAP BASE and DOE BASE can NEVER be mixed.**
- **State LIHEAP BASE and LIHEAP BASE can NEVER be mixed.**

- **State LIHEAP BASE and DOE BASE can NEVER be mixed.**
- **State LIHEAP and LIHEAP can NEVER be mixed for a traditional Weatherization completion.**
- **DOE Base can NEVER be mixed with LIHEAP or State LIHEAP Capital Intensive.**
- **According to DOE WPN 11-6A, DOE Health and Safety must be paired with DOE Base expenses. This means that DOE Health and Safety CANNOT be paired with LIHEAP Base, LIHEAP Capital Intensive, State LIHEAP Base or State LIHEAP Capital Intensive**

Examples of how to combine various funding streams are given below:

- A home is weatherized under DOE Base Program. The Mechanical work, totaling \$600.00 is completed under the LIHEAP Mechanical Program. The Base work would be charged to DOE, including all related labor, as a Base completion. The Mechanical work, including labor, would be charged to LIHEAP Mechanical. This would be a completion under the DOE Base Program and also under the LIHEAP Mechanical Program.
- A home is weatherized under DOE Base Program where a heating system is replaced as an energy efficiency measure (ECM). The heating system, totaling \$4800, is completed and is to be shared between the DOE Base Program and the LIHEAP Mechanical Program. The shell work would be charged to DOE Base. Any part of the heating system that is to be charged to DOE must also be charged to Base when the heating system is an ECM. LIHEAP Mechanical can also be used to share the cost of the heating system. Sharing the cost between DOE Base and LIHEAP Mechanical allows the Sub-grantee to maintain the DOE Base + LIHEAP Mechanical funding combination flexibility, especially in situations where a furnace replacement as an energy efficiency measure would limit the installation of additional measures because of limited funds.
- The Base work was completed under LIHEAP and the home required \$2,000.00 in mechanical work. The mechanical work could be charged to LIHEAP Mechanical resulting in a LIHEAP Capital Intensive completion.
- The same home in the previous example could be completed as a LIHEAP Capital Intensive unit and counted once as such. Or the Base work could be completed under DOE and the Mechanical work under LIHEAP Mechanical and counted as a completion under both programs.

SECTION 600

Training

601 IMPORTANCE OF TRAINING

Due to the technical and changing nature of the Weatherization Assistance Program (WAP), a high priority has been placed on the training aspect of the program. In Indiana, Weatherization specific training is offered by the Indiana Community Action Association (INCAA). Lead based paint risk assessor/inspector training is offered by the Environmental Management Institute (EMI). Classes of both organizations combine lecture, hands-on and applied field demonstrations of the concepts discussed in the classroom in order to provide theory and application to weatherization staff and contractors.

Technical assistance which provides guidance on specific problems found in the field is a strong component of the WAP. Training and technical assistance in the field may be provided by either INCAA training staff or IHCDCA personnel depending on the issue and/or contractual commitments.

Agencies are strongly encouraged to take full advantage of the opportunities available to them for program enhancement and improvement through training and technical assistance. IHCDCA has taken a strong position that the Weatherization Assistance Program will maintain its level of technical expertise only through the continued emphasis on its Training and Technical Assistance component.

Training and monitoring are the tools that IHCDCA uses to ensure that weatherization measures are applied consistently, and that Indiana maintains a high standard of work. Along with increasing flexibility in the combining of funds, IHCDCA has implemented training requirements to help ensure that monies provided are used on weatherization measures that will enhance energy savings. By including all staff and contractors in this process, it will ensure organizational performance while providing the means for evaluating our achievements, as well as developing plans to improve upon our successes.

Sub-grantees can find Indiana's SWS-aligned Field Guide, Health and Safety Plan guidance, and 2019 State Plan at <https://www.in.gov/myihcda/weatherization.htm>. INCAA will be providing training in PY 2019-2020 on all guidance.

602 MINIMUM TRAINING REQUIREMENTS

Working in conjunction with DOE's Weatherization Job Tasks Analyses IHCDCA, in cooperation with INCAA, has developed Indiana Weatherization Competency Standards.

The following three categories of workers exist in Indiana's Weatherization Competency Standards:

- Energy Auditor
- Retrofit Installers (Shell and Mechanical)
- Crew Leaders (Required for Shell only)
- Crew Leaders will be allowed to re-certify both their Retro Shell and Crew Leader Competency as a combined certification as long as both Crew Leader and Retro Shell ISV certifications are current at time of their re-certification.

The following certification(s) are required by DOE with the training and certification process available at INCAA:

- DOE Quality Control Inspector (QCI)

The following certification(s) are offered at INCAA in addition to the requirements above:

- DOE Energy Auditor

Individuals performing energy audits in Indiana's Weatherization Assistance Program must either be Indiana Competent as an Energy Auditor or possess DOE/BPI's Energy Auditor Certification.

Indiana Weatherization Competency Standards:

Those required to pass competency standards:

- All individuals working within the Indiana Weatherization Assistance Program in the categories of Energy Auditor, Retrofit Installer (Shell and Mechanical), Crew Leader and Quality Control Inspector are required to pass and maintain competency or certification in the category in which they work.
- Individuals needing or desiring to perform final inspections in Indiana must obtain and maintain the QCI certification through the Building Performance Institute (BPI).
- All individuals desiring to become Indiana Weatherization Competent must be working with/for (staff and/or contractors) an IHEDA funded Sub-grantee (with Weatherization funding) in order to train for and achieve being Indiana Weatherization Competent.
- Intake staff, fiscal staff, and clerical staff **are not** required to pass competency training.
- Workers who are performing limited, rarely utilized services such as specialty plumbers, exterminators, mold remediation, or specialty electricians **are not** required to pass competency training.
- Specialty contractors whose work results in changes to exhaust systems, ventilation systems or the tightening of the home **are required** to complete the

Daily Safety Test Out (DSTO) training at INCAA and **are required** to complete a DSTO form upon completing their work on the home.

- IHEDA **does allow** the use of a Mechanical Helper. The Mechanical Helper is defined as an individual who only performs tasks such as helping remove old heating equipment and/or ductwork, assist with carrying tools and equipment to/from the home, and other work not related to testing, commissioning or adjusting heating systems. The Mechanical Helper is not allowed to be left at the home unsupervised, must be working with an Indiana Competent Retrofit Installer-Mechanical technician and is not allowed to perform any diagnostic testing, CAZ testing, or adjustments to/of heating systems. Sub-grantees are responsible for tracking the names and use of Mechanical Helpers. Sub-grantees must also ensure that the names of Mechanical Helpers are listed in the client file for each home worked in as required in Section 607 below.
 - It is the Sub-grantee and the certified/competent technician's responsibility to ensure that the Mechanical Helper is properly supervised and utilized.
 - The Mechanical Helper must have a background check performed prior to working in a client's home as outlined in section 610.

603 TRAINING REQUIREMENTS

Testing will be performed at the end of each class offered through INCAA. This testing is required as part of INCAA being a nationally accredited training center and follow DOE's National Training/Certification Program. Test results will be tracked by INCAA and available to IHEDA, as well as the Sub-grantee Weatherization Program Manager and Sub-grantee Executive Director upon request.

Sub-grantee Executive Directors and Weatherization Program Managers may only request and view testing results for their employees or sub-contractors.

Time Limits for becoming Indiana Weatherization Competent:

- All Sub-grantee staff/contractor new employees will have nine 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.
- Sub-grantees 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.
- Sub-grantees may shorten the 45-day grace period to 30 days provided this shortened time period is approved by IHEDA and included in the Sub-grantee's policy and human resources manuals.

- All Sub-grantee staff/contractor employees must have a completed background check prior to being allowed to work in/on client homes. IHCD's specific requirements for background checks are detailed in Section 609 below.
- **Individuals not identified as working with an IHCD funded Sub-grantee providing Weatherization services will not be allowed to participate in training or testing toward becoming Indiana Weatherization Competent.**
 - Exceptions to this requirement will only be allowed on a case by case basis. Should an exception be desired or felt necessary, permission from IHCD must be granted prior to attending training and pursuing competency verification.

Testing Parameters

- Becoming Indiana Weatherization Competent will require passing both a written exam and a skills verification event. The skills verification event will involve performing skill sets associated with the competency category being tested.
 - Both the written test and the skills verification event are pass/fail. There will be no provisional results given.
 - Should re-testing of the skills verification be necessary only the portion failed by the candidate will need re-tested.
 - Should re-testing of the written test be necessary, the entire written test must be completed. Certain categories of competency utilize more than one test. For these competencies candidates will be given a different test on their second attempt.
 - All testing results will be sent to the candidate, the Sub-grantee Weatherization Program Manager and the Sub-grantee Executive Director.
 - Candidates will have three opportunities to pass all testing to become Indiana Weatherization Competent. Individuals that fail to pass competency on the third attempt will be required to submit a formal request to IHCD for reapplication to work in Indiana's Weatherization Assistance Program for consideration.
 - If the individual testing for one competency holds another competency, yet fails the second attempt for the additional competency, the individual would be able to continue working in the competency that has been achieved. For example: if an individual has become Indiana Weatherization Competent as a Retrofit Installer Shell, This same individual tests to become a Crew Leader but fails both attempts. This individual would be allowed to work in Indiana's Weatherization Assistance Program as a Retrofit Installer Shell but not perform the duties of a Crew Leader.
 - Should a second attempt at passing competence be needed, the second attempt shall take place no later than **three months** following the initial attempt.

- IHCDCA will only pay for the first attempt for an individual to pass competency. In the case of a failed attempt, the Sub-grantee or contractor will be responsible for the cost of any subsequent test procedures.
- Competency testing must take place no later than the conclusion of the nine-month training period commencing 45 days from their hire date.

Quality Control Inspector (QCI) through BPI

- Candidates needing to become QCI Certified must complete the following steps:
 - Apply for a letter of permission from BPI to sit for testing
 - Pass both written and skills verification testing according to BPI and DOE requirements
- Testing Perimeters:
 - The QCI written test is performed on a lap top computer at INCAA and requires the letter of permission from BPI
 - Candidates have six opportunities within a twelve-month time period, commencing at the date of the first test, to be successful at the written test. Should the candidate fail the written test six times they are ineligible to test again until the twelve- month time period has elapsed.
 - IHCDCA will only cover the expense for the first test. Should additional attempts at testing be necessary the cost of testing will be the responsibility of the contractor, the Sub-grantee or the individual taking the test.

Class Recommendations/Requirements

- Individuals new to Weatherization attempting to obtain the Retrofit Installer Shell Competency are strongly encouraged to complete Daily Safety Test-Out (DSTO) training prior to performing skills verification testing.
- Individuals attempting to obtain the Energy Auditor Competency or DOE's Energy Auditor Certification are strongly encouraged to complete Mechanical Systems for Auditors prior to performing skills verification testing.
- Individuals pursuing the Retrofit Installer Mechanical Competency are **required** to complete the CAZ Pressure Diagnostics for Auditors and Heating Technicians training through INCAA.

604 DURATION, MAINTENANCE, AND RECORDKEEPING

- Each Indiana competency will be in effect for three years
 - At the end of the three year duration each competent individual must re-test and pass the skills verification portion of their competency(s).
 - Each candidate will have **three (3)** opportunities to pass the skills verification portion of their competency(s).

- IHCDCA will only pay for the first attempt for an individual to pass competency. In the case of a failed attempt, the Sub-grantee or contractor will be responsible for the cost of the second testing event.
 - At the end of three years, individuals holding competencies as both Retrofit Installer Shell and Crew Leader will only need to test for and pass the Crew Leader competency. Passing the Crew Leader skills portion will initiate the next three year cycle for both the Retrofit Installer Shell and Crew Leader competencies. From that point forward, both competencies will have the same expiration dates.
 - Individuals are required to perform the Crew Leader testing based upon which competency expires first. For example, an individual's Retrofit Shell Competency expires on April 15, 2016 while their Crew Leader expires on June 30, 2016. This individual is required to perform the Crew Leader testing PRIOR to the April 15th date – it is the competency that expires first.
 - The BPI Quality Control Inspector certification is also in effect for three years. All BPI requirements regarding the QCI certification must be followed to maintain this certification.
- All Indiana Weatherization Competent, QCI and BPI certified individuals are required to attend an Annual Competency Maintenance Training in years two and three of their competency(s) or BPI Certification.
 - **If a certification expires and is not renewed concurrent to the certification expiration then written notification must be sent to IHCDCA with a request for extension and allowances for a timely recertification must be made.**

604.1 CONTINUING EDUCATION UNITS (CEUs)

IHCDCA is reviewing current CEU requirements and may issue additional guidance to Sub-grantees during PY 2019-2020.

The requirement of Continuing Education Units is designed to ensure that Indiana's Competent and Certified individuals increase their knowledge base beyond what is necessary to obtain the competency. This is one way that IHCDCA is helping to ensure that each client's home receives the highest quality of Weatherization services possible.

All Indiana Weatherization Competent individuals must acquire 16 CEUs per year (April 1 – March 31).

- Record of CEUs **must** be tracked by the **Sub-grantee** for their Weatherization staff, crews, and contractors.
- The 16 CEUs requirement is per individual and not per competency. For example, an individual holds competencies for both Retrofit Installer Shell and Energy Auditor. This individual is only required to obtain 16 CEUs.
- Sub-grantees must track the training that was taken connected to the claimed CEUs for review at time of monitoring. This tracking must include documentation

verifying completion of the training, who performed the training and the length of time that the training lasted.

- **Non-technical training for CEUs is limited to four (4) hours.**
- The requirement for CEUs begins at the time that an Indiana Competency is obtained. The following scale represents a reduced CEU requirement based upon when the first or initial competency is obtained:
 - Competency obtained on or after July 1: **6** CEUs required
 - Competency obtained on or after October 1: **4** CEUs required
 - Competency obtained on or after January 1: **2** CEUs required
- BPI requires that individuals holding BPI certifications obtain 24 CEUs over the three year duration of the certification.

The following is a list of examples of training that apply toward the 16 hours of Indiana continuing education:

| CEU Ratio | CEU Category | Example | Ratio Breakdown | Documentation required | Limitation |
|-----------|--|---|---------------------------------|--|------------------------------|
| 1:1 | INCAA or IHEDA Provided T&TA | Training on Site | 1 hour of training earns 1 CEU | <ul style="list-style-type: none"> •A sign in sheet which includes the date and times of the class •The instructors name •The location of the training | NONE |
| 1:1 | Weatherization Specific Conference | Affordable comfort, HPC, Energy Out West ECT... | 1 hour of training earns 1 CEU | <ul style="list-style-type: none"> •A sign in sheet which includes the date and times of the class •The instructors name •The location of the training | NONE |
| 1:1 | Manager/Technical training | SAMM, SATT, CMR | 1 hour of training earns 1 CEU | E-mail confirmation of attendance | NONE |
| 2:1 | For non weatherization specific courses and their respective refreshers. | Lead, mold, OSHA ECT... | 2 hours of training earns 1 CEU | Certificate or card Required | 10 CEU per certificate cycle |
| 4:1 | Training provided by manufactures that promotes a specific model or style produced by that manufacturer. | Installation of Navien water heaters. Class provided by Navien about Navien . | 4 hours of training earns 1 CEU | <ul style="list-style-type: none"> •A sign in sheet which includes the date and times of the class on the manufactory's letter head. •Must include the instructors name and contact information. •A short summary of how the training can improve weatherization. | NONE |

The following is a list of examples of training that DO NOT apply toward CEUs:

- The required training to obtain a particular competency DOES NOT count toward CEUs. For example – someone is taking the five-day Energy Auditor training to obtain their Energy Auditor Competency. This five day class DOES NOT count as CEU's – it is required to obtain the competency (For instance, if the above person takes a CAZ class to supplement the Energy Auditing training, the CAZ class DOES count toward their CEUs).
- Classes outside of INCAA that do not pertain to Weatherization skills and topics
- Classes that are taken for which the Sub-grantee has no documentation of class completion or attendance

- Classes that are not related to the competency or certification that the individual(s) obtain

Please note that these are not exhaustive lists. Questions regarding whether or not a particular training would/should apply toward the 16 hours of continuing education should be directed to IHCDCA prior to attending the training.

Questions regarding industry specific training being allowed to count toward the 16 hours of training should be directed to IHCDCA.

IHCDCA STRONGLY recommends that the required CEUs be obtained through training offered through the accredited Weatherization courses offered at INCAA.

Each IHCDCA Sub-grantee 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

IHCDCA will verify training records and qualifications of all Sub-grantee staff, crew members and contractors annually near the end of March. Sub-grantees must be prepared to provide training documentation whenever it is requested by IHCDCA. 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. IHCDCA may, at their discretion, monitor the tracking and completion of the required training at times other than listed in the bullet point above.

605 ADDITIONAL COMPETENCY/TRAINING REQUIREMENTS

IHCDCA staff and contracted monitors responsible for evaluation of Sub-grantee administrative performance are required to complete at least eight (8) hours of administrative training per year.

IHCDCA staff and contracted monitors responsible for evaluation of Sub-grantee technical performance are required to complete at least ten (10) hours of technical training per year. IHCDCA staff and contracted monitors responsible for evaluation of Sub-grantee technical performance are required to be either Indiana Weatherization Competent as an Energy Auditor or BPI certified as an Energy Auditor and be certified as a BPI Quality Control Inspector.

Weatherization Program Managers responsible for the administration of the Weatherization Assistance Program at the Sub-grantee level are required to attend all Semi-Annual Managers Meetings (SAMM) as well as any other required administrative offerings provided by IHCDA. If a Weatherization Program Manager is not able to attend any required training, an appropriate representative from the Sub-grantee must attend in their place. SAMM's will be held no more often than twice per year and other administrative courses will be held as deemed necessary by IHCDA. When possible, IHCDA will attempt to host trainings via webinar, video conferencing, distance learning, or conference calls.

Each Sub-grantee is required to send at least one technical representative for their field staff/contractors to all Semi-Annual Technical Trainings (SATT). Failure to do so could result in repercussions from IHCDA.

All staff or contractors subject to the competency training outlined earlier in this chapter are required to attend Lead Safe Work Practices and Mold & Moisture Assessment within the first nine months of employment. Additionally, all pre-audit inspectors are required to attend Lead Safe Weatherization, Moisture Assessment, Healthy Homes and OSHA 10 courses.

Verification of LSWP/Moisture certification is not required after four (4) years of continuous employment in the Indiana WAP as an ISV mechanical, crew leader, shell, audit or QCI.

Following WPN 17-7, Grantee Monitors and Inspectors must be Certified Lead Renovators.

606 ADDITIONAL TRAINING OPPORTUNITIES

IHCDA will continue to offer, through INCAA, additional courses which will address specialized training needs in one to five-day class formats. Course subjects, course descriptions, length of classes, prerequisites, and course schedules are located on INCAA's web site at www.intelligentweatherization.org

Classes are filled on a first come-first served basis. Once a class is filled, Sub-grantees are encouraged to place those needing training on the waiting list so that existing classes can remain full if there are cancellations and future classes can be scheduled to meet the demand. To be placed on the waiting list individuals must register for the class.

607 LEAD BASED PAINT

Every Sub-grantee is required to be in compliance with the Environmental Protection Agency's (EPA) Lead Renovation, Repair, and Painting Rule (RRP). All contractors performing work where lead based paint will be disturbed must be an EPA Firm and comply with the EPA RRP Rule. Details regarding compliance and requirements can be found at the EPA's RRP site <http://www.epa.gov/lead/pubs/renovation.htm>

All HUD properties receiving Weatherization services must follow HUD lead based paint rules.

Please follow guidance under section 309 under “We Care About Lead” when the area to be disturbed is less than de minimus.

608 OSHA TRAINING

OSHA 10 hour training is required for all Weatherization workers including auditors, final inspectors, shell workers, mechanical workers, crew supervisors, **pre-audit inspectors**, **HVAC helpers** and HVAC employees who work in the home. For newly hired employees, this training must be completed within the first nine months of employment commencing 45 days from hire date.

609 BACKGROUND CHECKS

In order to protect the safety of clients receiving weatherization services, sub-grantees must perform a criminal background check and employment verification prior to the employment of sub-grantee/contractor employees planning to work with clients or in the home of client’s being rehabilitated or weatherized as a part of Indiana’s Weatherization Assistance Program. **IHCDA is instituting a look-back period for convictions to seven (7) years for individuals employed by sub-grantees for the Weatherization program. This policy mirrors the State’s employment policies.**

The criminal background report must contain a criminal background check which includes the following:

- State and county records from all 50 states including data from courts, sexual offender registries and department of correction records.
- An Indiana criminal history check which contains records of criminal convictions or currently pending criminal charges in counties throughout the State of Indiana.
- A Social Security Number (SSN) Trace which provides names and addresses associated with a social security number along with the date and state of its issuance (this is a tool to aid in verifying the identity and location of a particular applicant).
- Confirmation of employment dates and job titles held with previous employers, the reason for leaving, and eligibility for rehire, if available.
- Sub-grantees must use careful consideration when analyzing the results of the reports and prohibit employment of anyone convicted of violent offenses (including but not limited to aggravated battery, physical assault, use of weapons, home invasion, rape, murder, burglary, robbery) or appearing in any sex offender registry.
- Sub-grantee Weatherization Program Managers are encouraged to work with their Human Resources and Executive Staff personnel to develop acceptable hiring practices based upon background check results.

- It is the sub-grantee's responsibility to ensure that this background check is performed and properly tracked for all sub-grantee weatherization staff and contractor employees.

610 COMPLIANCE ISSUES

IHCDA will evaluate compliance with competency and other required training annually. Sub-grantees must be prepared to provide IHCDA with training documentation whenever it is requested by IHCDA.

If a Sub-grantee fails to meet the Indiana Competency Training, **BPI Energy Auditor**, or BPI Quality Control Inspector (QCI) requirements or is found to have an individual or individuals working or worked on a weatherization home without the above mentioned requirements. IHCDA may take, but not be limited to, the following steps:

- Issue a written finding with a timeline for resolution of the non-compliance issues
- Require re-works or re-inspections at the Sub-grantee/contractor expense
- Require repayment of all funds claimed for the affected Weatherization work
- Hold the Sub-grantees weatherization financial claims until all issues are properly addressed
- Temporarily suspend the affected workers from performing work in Indiana's Weatherization Assistance Program.

IHCDA will review Sub-grantee compliance through Sub-grantee files (tracking) and INCAA training records. It is the responsibility of the Sub-grantee to identify within the client file each individual who entered the home.

611 DOE REQUIRED CERTIFICATIONS

Every weatherized home in Indiana must be final inspected by a BPI certified Quality Control Inspector (QCI) to count as a completion.

The QCI Certification will be effective for three (3) years. The Building Performance Institute (BPI) is the certifying body for the QCI Certification. BPI requires that each QCI Certified individual obtain 24 CEUs over the three (3) year duration of the certification. IHCDA will allow the CEUs obtained for this certification to count toward the 16 CEUs outlined in Section 604.1 above. QCI certified individuals are encouraged to reference BPI's web site regarding acceptable CEUs for the QCI certification.

IHCDA contracts with INCAA for BPI Certifications during the DOE funding cycle of April 1, 2019 – March 31, 2020.

612 ROLES AND RESPONSIBILITIES

What is an Energy Auditor?

An energy auditor is a residential energy-efficiency professional who **evaluates** the energy efficiency and health & safety of a home and conducts field measurements and diagnostic testing to identify areas for energy savings and enhancements. The energy auditor **produces a work order** based upon the information gathered to direct the energy efficient work and installed measures for homes to be weatherized.

What is a Quality Control Inspector (QCI)?

A quality control inspection is a residential energy-efficiency professional who **ensures** the completion, appropriateness and quality of energy efficiency upgrade work and installed measures. This will be accomplished by the following:

- Conducting a methodological audit/inspection of a building and the completed work
- Performing safety and diagnostic tests
- Observing the work
- **Reviewing/assessing** the effectiveness and completeness of the energy audit

IHCDA Expectations and Best Practices for Indiana's Weatherization Network

IHCDA allows two options for meeting the Quality Control Inspection requirement. Sub-grantees must apply to IHCDA in order to be able to utilize the Energy Auditor as the QCI option and must indicate their intended method to IHCDA for consideration. Sub-grantees that do not submit a plan to IHCDA will be required to utilize an Independent QCI.

Independent QCI

Per WPN 15-4, the Independent 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. The Grantee or a DOE-approved representative (for example, a certified QCI employed by a third-party) must perform quality assurance review of at least 5 percent of all completed units.

- Separation of duties between the Energy Auditor and QCI must be clearly defined – and not crossed.
- **Weatherization Program Managers who would like to perform QCI must obtain prior IHCDA approval.**
- The QCI must take every precaution necessary to not become involved in the decision making process regarding the work being performed at the home.
- All additional work or needed re-work should be brought to the attention of the WX Program Manager or Energy Auditor and not handled directly by the QCI.
- Crew Leaders should seek guidance on performing work from the WX Program Manager or Energy Auditor.

Energy Auditor / QCI

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, IHCDCA is required to increase the percentage of quality assurance reviews to ensure that audits are being performed consistently and correctly. IHCDCA will monitor a minimum of 10% of DOE completions.

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

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.

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

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.

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

If sub-grantees are found to be out of compliance, remedial training may be required for the QCI, the installation contractor, and/or Sub-grantee staff. Limited remedial training may be provided by IHCDCA staff onsite 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 noncompliance 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 being allowed to perform inspections for Indiana WAP.

Sub-grantees could 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
- High risk outcome on the Risk Assessment

Sub-grantees 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, Sub-grantee 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 Sub-grantee 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 Sub-grantee 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 Sub-grantee grant agreement (contract). **The sub-grantee's Weatherization Manager or Weatherization Director may not be the QCI and Energy Auditor combination staff member.**

613 TRAINING STIPEND

Sub-grantees will be allotted a **\$2,000** base award with an additional \$500 for every county serviced by the Sub-grantee per grant cycle for the purpose of providing Training and Technical Assistance for sub-grantee staff and contractors interested in performing weatherization work for the Sub-grantee. **Sub-grantees can request additional T&TA stipend on a first come first served basis.** These funds may be used to cover only those expenses related to weatherization training, including:

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

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

Sub-grantees that use a stipend for contractors and staff must provide training documentation to IHCD 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 Sections 602 and 604. Sub-grantees must have approval from IHCD 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 IHCD. Requests for additional funds will be submitted to IHCD for review.

SECTION 700 MONITORING

701 QUALITY ASSURANCE

The primary purpose of monitoring visits is to assist the Weatherization Sub-grantee in providing high quality energy conservation services to low-income people. Monitoring also provides compliance review and information sharing to Weatherization Sub-grantees 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
- Federal, State and IHEDA standards and regulations are followed

702 STANDARDS AND PRACTICES

Program Monitoring

In program year 2019-2020, an in-house fiscal monitor will provide fiscal monitoring, and a contracted monitor will conduct the majority of the technical monitoring, file monitoring, and program monitoring. IHEDA will review reports before they are distributed to Sub-grantees. IHEDA **may** perform real-time Program Monitoring for each Weatherization Sub-grantee once a year. The program monitoring includes a review of Program Administration, Procurement, Training, Competency and Certification, 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** – IHEDA will review agency policies as they apply to awarding priority, wait list maintenance, rental policies, and client redetermination.
- **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, Competency and Certification** - IHEDA 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. Sub-grantee lead based paint practices and compliance with EPA and HUD regulations will also be reviewed.
- **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** – IHCDCA will perform financial monitoring for their Weatherization Sub-grantees. The financial monitoring will occur in conjunction with the Weatherization Program/File Monitoring. IHCDCA will check for appropriate payment processing as specified in *Section 500* of this manual. The monitor will also look at grant utilization to insure funding is utilized in allowable combinations, that Sub-grantees have properly tracked and utilized Program Income, 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 IWAP database. 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 client files will be reviewed.
- **Field Inspections** (See Technical Monitoring below) – IHCDCA 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 DOE, HHS and IHCDCA. The local Sub-grantee is responsible for quality control on all completed units and must ensure that the final inspection completed by the BPI certified Quality Control Inspector (QCI) 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, IHCDCA 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 Sub-grantee diagnostic testing.
- A copy of the Program Monitoring Tool utilized by IHCDCA's monitoring staff can be found <http://www.in.gov/myihcda/weatherization.htm> Appendix F. - Monitoring Tool 2018-2019 templet
- **Training and Technical Assistance (T&TA)** – The purpose of T&TA is to provide Sub-grantees with assistance in the technical aspects of the weatherization program. IHCDCA monitoring staff is available for consultation via the phone or email. If Sub-grantee personnel feel it necessary, and time allows, IHCDCA monitoring personnel may be available for T&TA visits to the Sub-grantee.

Technical Monitoring

IHCDCA will perform real-time Technical Monitoring for each Weatherization Sub-grantee at least once a year. Technical Monitoring will evaluate the appropriateness of Base Load, Shell and Health & Safety measures. The Technical Monitoring will also review and inspect for all invoiced materials, justification for the number of labor hours charged, initial and final audit detail, adherence to technical standards and accuracy of Sub-grantee diagnostic testing. Additionally, the Technical Monitoring will cover the quality, professionalism and appropriateness of all measures performed or installed. A minimum of 5% of all DOE completed homes will be monitored for those Sub-grantees utilizing an Independent QCI,

and a minimum of 10% of all DOE completed homes will be monitored for those Sub-grantees with an Energy Auditor/QCI.

- Sub-grantee responses to technical findings MUST include documentation verifying that all findings have been corrected.
- IHCDAs monitoring staff will, when possible, incorporate in-progress visits to client homes as part of the Technical Monitoring visit. The Technical Monitor will use the current Final Inspection Form.
- IHCDAs Technical Monitoring visits will include an evaluation of the Quality Control Inspector (QCI) process to ensure the inspection process is fulfilling the expectations of WPN 15-4.
 - Sub-grantees are required to ensure that each Weatherization completion receives an appropriate and properly executed final inspection. This inspection will be performed by a DOE/BPI certified Quality Control Inspector (QCI). IHCDAs, as part of their regular monitoring procedures, will review final inspection forms, Sub-grantee 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 Sub-grantee to utilize the QCI process correctly may result in the affected completion(s) being considered unallowable and all associated cost being returned to IHCDAs. Should multiple instances of poorly performed inspections be found, IHCDAs will, at the very minimum, place the Sub-grantee on a Quality Improvement Plan (QIP). Should the QIP fail to correct the issues, IHCDAs will seek stiffer actions as allowed in the Weatherization Policy and Procedures Manual and the Sub-grantee grant agreement (contract).
- If a client is a “no show” for a scheduled Technical Monitoring visit, an in-progress visit shall be performed during the time of the original appointment. It is the Sub-grantee’s responsibility to know the locations where their contractors or crews are working to facilitate the in-progress visit under these circumstances.

703 MONITORING PROCESS

IHCDAs staff and contracted monitors prepare the monitoring schedule and contact each Sub-grantee to establish the necessary appointments.

IHCDAs monitoring staff may use alternate procedures or request additional information to verify compliance when it is necessary or deemed appropriate.

Upon completion of the monitoring, the monitor(s) will perform an exit conference to summarize issues discovered during the monitoring as well as offer best business practice recommendations for improvement. For Technical Monitoring visits, an exit conference may be delayed, conducted via telephone or by other means as situations permit, and the parties agree.

Program Monitoring Specific

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.

Technical Monitoring Specific

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.

Sub-grantees are prohibited from revisiting client homes chosen by IHCD 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. IHCD may, at its discretion, require a Return of Funds for all expenses associated with the revisited home thereby removing it as a completed unit.

704 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 IHCD. 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 IHCD based upon funding levels and Sub-grantee performance.

For homes utilizing both DOE and LIHEAP the monitored process is outlined above. IHCD estimates that approximately 60% of Weatherization completions in Indiana utilize both DOE and LIHEAP funding.

705 MONITORING REPORTING PROCESS

Monitoring Report

Each Sub-Grantee will receive a copy of the monitoring report within thirty (30) calendar days from completion of the exit conference. The report will identify such areas as training and technical assistance recommendations, summary of program /technical and client file/QCI findings and concerns, funding utilization per client, and NEAT/MHEA review.

- **Findings** should be classified as critical in nature and may require immediate corrective action by the Sub-grantee. (E.g. Health and Safety issue)
- **Concern** do not require immediate action by the Sub-grantee and in many cases may not require action at all. These tend to be low to medium intensity issues.

The level of severity (classification as a finding/concern) may be based upon conditions in the field at the time of monitoring.

Findings and Concerns will be noted as:

a. Incomplete Work:

- Incomplete work that is minor, that has little or no cost, does not pose a health and safety issue and is not part of past trends for the agency, is

written as a concern and depending on the circumstance may not be required to be repaired.

- Incomplete work that includes any of the following: part of past trends, is associated with a noteworthy cost, may affect the potential energy savings, or is a health and safety issue is written as a finding and will be required to be remedied by the sub-grantee. This would also prompt some needed T&TA for all parties involved.

b. Questioned Costs

- Questioned costs are clarified with the sub-grantee. If they are deemed unallowable, they would be required to be returned or removed from DOE funding. Depending on the circumstances this may be considered a red flag that would require some T&TA and possibly the sub-grantee being put on a Quality Improvement Plan (QIP.)

c. Client complaints

- When clients complain at the field monitoring, each complaint is reviewed to discover the validity of the complaint. For claims that are valid, they are addressed according to the respective issue found: please see, incomplete work, Major workmanship issues and minor workmanship issues.

d. Major Workmanship Issues

- Major workmanship issues are written as a finding and must be resolved by the sub-grantee, this would also trigger some T&TA for all parties involved.

e. Minor Workmanship Issues

- Minor workmanship issues are written as a concern, with suggested T&TA. If the minor workmanship issue is part of past trends, then it is treated as a major workmanship issue.

Monitoring Report Response

The Sub-grantee must either **Accept** the submitted report or provide an **Informal Appeal** (see *Monitoring Appeal Process*) to specific findings and concerns. The Sub-grantee will have ten (10) calendar days from the receipt of the monitoring report to submit a written response to IHCD's Weatherization Policy and Technical Specialist. IHCD will then provide a written response.

Any corrective action taken by the Sub-grantee is considered an acknowledgment of the **finding or concern**. Failure by the Sub-grantee to respond in writing to the monitoring report by the established deadline may result in claims being held by IHCD until the proper response is received.

Monitoring Appeals Process (Informal or Formal)

If the Sub-grantee informally appeals (disagrees with) any item on the WAP Monitoring Report, the Sub-grantee must send an informal appeal (email) to the IHCD Weatherization Policy and Technical Specialist within ten (10) calendar days of the receipt of the monitoring report.

1. IHCDAs Weatherization Policy and Technical Specialist will respond within ten (10) calendar days of receipt of Sub-grantee's Informal Appeal to the Monitoring Report.
 - a. If IHCDAs agrees with all items identified in the Sub-grantee's **Informal Appeal**, the Sub-grantee will receive a revised monitoring report that it will use to ensure all actionable items are completed.
 - b. If IHCDAs does not agree (in-full or in-part) with the Sub-grantee's informal appeal, the Sub-grantee will receive an **IHCDAs informal appeal reply**. The response will acknowledge which findings and/or concerns have been approved or still stand as identified.
2. The Sub-grantee will provide a **second response** within ten (10) calendar days. (If applicable)
 - a. If the Sub-grantee agrees with the reasons described for not changing items identified in the informal appeal, the Sub-grantee's second response is to be sent to the IHCDAs Weatherization Policy and Technical Specialist acknowledging such.
 - b. If the Sub-grantee disagrees (in-full or in-part) with IHCDAs informal appeal response, the Sub-grantee may submit a **Formal Appeal** in writing to the Director of Community Programs. The Director of Community Programs will review the formal appeal and provide a written decision within thirty (30) calendar days. Whatever decision is made will be final.

Monitoring Completion

Once all parties are in agreement with all findings and concerns, the Sub-grantee will have thirty (30) calendar days to close out the monitoring session. The Sub-grantee will receive a Monitoring Completion Letter provided that all completed corrective actions and copies of checks paid to IHCDAs have been submitted.

706 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 Sub-grantee's available budget. The state will reuse these funds in future allocations. Topics include insufficient justification for work performed, insufficient documentation, ineligible clients, lack of adherence to policy or Federal guidelines or negligence is evident resulting in a dangerous condition for a client.

Examples of disallowed costs 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 when job has been closed, except when specifically authorized by IHCD A
- 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 the contract period.
- If IHCD A cannot determine an expenditure is allowable because of inadequate records or documentation, IHCD A will request additional documentation. If documentation cannot be produced, the costs will be disallowed.

Sub-grantees 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, Sub-grantees with incomplete work and workmanship issues will be allowed to rectify the problem before disallowances are levied. Sub-grantees 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, Sub-grantees 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 A's Director of Community Programs for review and approval.

707 COMPLIANCE

Compliance is essential in assuring overall program success. Sub-grantees are monitored to determine whether they have continuously met the established program guidelines, government legislation, IHCD A contract, the IHCD A provided Program Manual, and IHCD A Information Memoranda. Failure to meet the minimum monitoring standards will result in corrective action.

Modified Quality Improvement Plan (MQIP)

Similar to a Quality Improvement Plan, a MQIP requires less oversight and time frame to accomplish the stated compliance objectives.

Quality Improvement Plan (QIP)

Monitoring visits uncovering serious, numerous or recurring findings may result in the Sub-grantee being placed on a 120-day QIP. The intent of the QIP is to help the Sub-grantee improve the areas of deficiency. As part of the QIP, IHCD A monitors will make additional visits to the Sub-grantee 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 IHCDCA to accomplish the needed Sub-grantee improvement.

Program Monitoring

A Sub-grantee 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

Sub-grantees who have been placed on a QIP will be studied carefully, and processes will be reviewed and analyzed by IHCDCA staff. Sub-grantees can expect for IHCDCA 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

Technical Monitoring

A Sub-grantee 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 Field Guide SWS-Aligned Edition

Sub-grantees that have been placed on a QIP will be closely overseen, and processes will be reviewed and analyzed by IHCD staff. Sub-grantees can expect for IHCD 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 in 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 two (2) additional homes monitored for a modified QIP and up to four (4) additional homes for a standard QIP

SECTION 800

REPORTING

801 MONTHLY AND QUARTERLY REPORTING

Data for production and claims should be added to Indiana Weatherization Assistance Program (IWAP) (*Section 810*) and IHCDAonline (*Section 811*) on an ongoing basis. Timely entry of all weatherization information ensures that current data is relayed to the appropriate federal funding source and in turn could be used by the federal government to justify future appropriations. IHCDA is currently required to submit quarterly financial and production reports to the DOE.

Production Reports that are used for monthly reporting to DOE include: Closeouts (*section 404*), Desktop Monitoring (*section 803*) and Spending/Production Benchmarks (*section 804*). Reports are pulled at least monthly by IHCDA from the IWAP database and IHCDAonline to review production and spending information recorded by Sub-grantees. Sub-grantees are strongly encouraged to enter completions into IWAP within thirty days of the final inspection.

802 REPORTING REQUIREMENTS TIMELINES

IHCDA is required to report on Sub-grantee progress on an ongoing basis. Reporting is completed in the IWAP database and the IHCDAonline system. The following is a list of Reporting Requirements:

- **Daily/Ongoing** - Completions entered in IWAP
- **Monthly** - Online Claims

803 DESKTOP MONITORING

IHCDA will closely monitor claims and average cost per unit on each grant throughout the active grant period. A consistent level of production, spending and reporting throughout the grant year is indicative of good program management and demonstrates that a Sub-grantee is able to efficiently manage available resources. IHCDA emphasizes the importance of blending all sources of funding throughout the year and attempting to use LIHEAP funds in conjunction with each DOE unit.

IHCDA will examine Sub-grantee's status on production, spending/claims and reporting in comparison with the established benchmarks on the Sub-grantees budget form. This information along with incentive pool qualifications and technical monitoring results will be taken into account when issuing grants, distributing additional funds as they become available or under circumstances when IHCDA, in its sole discretion, deems it is necessary to de-obligate and/or re-distribute all or any portion of a Sub-grantee's grant funds.

Below is the schedule IHCD will follow regarding benchmark and average cost per home tracking for DOE and LIHEAP programs:

- **Benchmark review/ Average cost analysis**

- June 30: DOE WX 1qtr LIHEAP WL 3qtr
- Sept 30: DOE WX 2qtr LIHEAP WL Closeout
- Dec 31: DOE WX 3qtr LIHEAP WL 1qtr
- March 30: DOE WX Closeout LIHEAP WL 2qtr

804 SPENDING AND PRODUCTION BENCHMARKS

For those Sub-grantees who are substantially and consistently under-spending or under-producing, a request may be made for a meeting and/or conference call with the Director of Community Programs to discuss the Sub-grantee's progress. Additionally, IHCD may require additional planning documentation and reporting. Under circumstances where a Sub-grantee fails to display adequate progress and/or fails to provide a definitive plan for the remainder of the grant period, IHCD reserves the right to decrease the amount of the grant and reallocate funds to other Sub-grantees. Funding for all grant programs will be reconsidered on a quarterly basis.

The Sub-grantee shall administer its program to comply with the following benchmarks as identified in its approved Budget:

1. Complete Fifteen percent (15%) of yearly production by July 1, 2019;
2. Complete Forty percent (40%) of yearly production by October 1, 2019;
3. Complete Eighty percent (80%) of yearly production by February 1, 2020;

IHCD will compare Sub-grantee's claims and expenditures against the Sub-grantee's approved Budget in order to verify Sub-grantee's compliance with the above-referenced benchmarks. In addition, sub-grantees shall submit monthly production reports to IHCD. These reports are due monthly by the end of the first week of each following month.

IHCD regularly tracks DOE, LIHEAP, and State LIHEAP expenditures, production, and average cost per home. IHCD may, at their discretion, reallocate funding during the grant cycle should grant tracking reveal low Sub-grantee expenditure or production rates as well as issues with their average cost per home.

Sub-grantees failing to spend at least 80% of their awarded grant funds may be subject to funding allocation reduction or redistribution at IHCD's discretion. IHCD may, in its sole discretion, de-obligate and/or re-distribute all or any portion of the Total Grant Amount if Sub-grantee fails to meet applicable program requirements and DOE benchmarks or deadlines.

805 RECORD RETENTION AND DISPOSAL

Sub-grantee shall maintain all records relative hereto during the effective period of each grant agreement and for a period of three (3) years from the date Sub-grantee submits to IHCD its final financial status report, or one (1) year from the resolution of any outstanding administrative, program or fiscal audit question, or legal action, whichever is later. The retention period for records relating to any equipment authorized to be purchased with grant funds begins on the date of the disposition, replacement, or transfer of such equipment (including vehicles).

Sub-grantee shall protect all electronic and hardcopy documentation containing confidential client information. Confidential information means any individually identifiable information about the participants who receive services and/or assistance from grantees and/or sub-recipients of the IHCD. Sub-grantee shall properly dispose of any electronic or hard copy documentation containing confidential client information after the required retention period. A "proper" disposal of this information is one that is reasonable and appropriate to prevent any unauthorized access to confidential client information. Approved disposal methods include:

- Burn, pulverize, or shred papers containing confidential client information so that the information cannot be read or reconstructed;
- Destroy or erase electronic files or media containing confidential client information so that the information cannot be read or reconstructed;
- Conduct due diligence and hire a document destruction contractor to dispose of confidential client information.

806 REQUIRED FORMS ON FILE

All Sub-grantees must ensure the forms below are current:

- **Authorized Signature Form** – Person(s) authorized to sign grant agreement and claims – must be notarized for each signer. Direct Deposit Form – account where claim payments will be deposited. This form can now be completed online.
- **Tax Form W9** – Request for Taxpayer Identification Number and Certification. Registered CCR and DUNS Numbers (numbers only, signature not necessary).

807 CONTRACTOR PROCUREMENT, PRICE LISTS, RESPONSIBLE CONTRACTORS

Sub-grantees must follow proper procurement procedures when acquiring goods and/or services for the weatherization program. See grant agreement Section III, J and 2 CFR 200 Subpart D for federal rules and regulations concerning procurement.

To assist this process, DOE issued an updated Procurement Tool Kit in 2012 that provides templates, checklists and guidance for procurement of weatherization materials and services. To download or review the DOE Procurement Tool Kit or documents

807.1 Contractor Procurement and Price Lists

Sub-grantees must either bid each weatherization job individually or develop a price list for contractor costs. If a price list is developed, each Sub-grantee must follow federal regulations as outlined in 10 CFR 600, rebid at least every two years and perform a cost analysis of its current price list. Written procedures and documentation must be maintained at the Sub-grantee's office and provided to IHEDA or DOE upon request.

Whether the Sub-grantee chooses to bid out each job or work off of an established price list, Sub-grantees must establish in their written procedures whether their process for accepting contractors is open year-round, once per year or multiple times per year. If each home is individually bid, copies of all bid packets must be included in the client file. The following procedures must be included in Contractor Procurement and Establishment of a Price List:

- Must be publicly bid with advertising using newspapers, websites or hard copy and be available for at least three (3) business days.
- Fair and open competition must be provided.
 - The process must take place annually unless the Sub-grantee's written procedures manual specifies every two years.
 - If bid packets will be mailed or emailed to existing contractors, a list must be kept of interested contractors.
 - The solicitation must include a clear and accurate description of the service or material being procured.
 - Written selection procedures must be established and available for review.
- Deadlines must be established and adhered regarding responses to packets.
- A cost or price analysis must be performed for each procurement process or the Sub-grantee may establish an annual price list.
- Materials and labor are the most common items to be bid out for a price list.

Miscellaneous items are optional price list items. If they are not included on a price list, the Sub-grantee must demonstrate that prices paid for both labor and materials are reasonable based upon market prices.

807.2 Responsible Contractors

All contractors awarded contracts by weatherization Sub-grantees must annually review their contractors against the federal contractor disbarment list accessed, with instructions, at <https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf>. If a contractor is listed on the Excluded Parties List System website, Sub-grantees should not enter into a contract for goods or services paid with DOE or LIHEAP funds.

807.3 Removal or Suspension of Contractors

Overview:

A major goal of the IHCDCA Weatherization Assistance Program (WAP) is that the homeowners receive services in a safe, effective and efficient manner. IHCDCA's intent is that contractors that provide weatherization assistance services are qualified, competent and demonstrate a high degree of professionalism. To this end, IHCDCA has developed a policy that detail's when a contractor can be disciplined and/or suspended from performing weatherization services that are funded through IHCDCA's Weatherization Assistance Program. This policy shall apply to any contractor, contractor employees, or Sub-grantee crew members that are providing weatherization services as a part of the Weatherization Assistance Program. Under this policy the contractor, contractor employees or Sub-grantee crew members can be disciplined in the following manner: (1) denied participation until remedial training, as directed by IHCDCA, is completed; (2) denied participation in the WAP for a period up to two (2) years; (3) suspended or debarred permanently under IHCDCA's Suspension & Debarment Policy as described below. The following violations by contractors and/or crews can lead to disciplinary action.

Violations:

1. Repeated occurrences of failed Combustion Appliance Zone (CAZ) testing resulting in re-work;
2. Repeated occurrences of failing to properly complete required heating systems forms;
3. Repeated monitoring findings related to the contractor or persons performing the work;
4. Repeated incidents of unsatisfactory, sub-standard work performance;
5. Repeated incidents of Sub-grantee having to repay funds related to poor work performance by contractor;
6. Repeated incidents of violating IHCDCA, DOE or LIHEAP program requirements;
7. Fraudulent activity or fraudulent charges that are being reimbursed by the Weatherization Assistance Program; or
8. Negligent work performance that leaves clients or other workers in imminent danger (Health and Safety- i.e., carbon monoxide allowed to enter the home or gas leak not addressed).

Consequences:

1. **Remedial Training.** A contractor or persons performing work that fall under any of the categories (A- B) will be recommended for remedial training and will be denied participation until remedial training is completed.
2. **Denial of Participation.** A contractor or persons performing work that fall under any of the categories (C-F) can be denied participation for up to 2 years.
3. **Permanent Debarment.** A contractor or persons performing work that fall under category (G and H) will fall under the IHEDA Suspension & Debarment Policy, which could lead to permanent debarment from providing weatherization services funded through IHEDA's Weatherization Assistance Program.

Sub-grantees are advised to make sure that contracts with sub-contractors specify remedies for breach of the provisions of the contract including termination. In addition, Sub-grantees should provide a copy of this policy to its contractors.

<http://www.in.gov/myiheda/weatherization.htm> *Appendix Z - Policy for Removal or Suspension of Contractor*

808 VEHICLES, EQUIPMENT, SUPPLIES

808.1 Inventory of Equipment and Vehicles

Sub-grantees are required to compile and maintain a **living document (Inventory)**, of all equipment (including vehicles) and supplies, **with a useful life of (1) year or greater**, in Sub-grantee's possession purchased with federal **or IHEDA** funds. An inventory must be maintained at the Sub-grantee's office and provided to IHEDA **during monitoring and** upon request. The inventory will include:

- Type of item
- **Description**
- ID Number (**Serial or VIN**)
- Acquisition Date
- Award number
- Total acquisition cost
- Source of funds (LIHEAP-federal or state and DOE)
- Title holder
- Location
- Condition
- Disposition Date
- Value at disposition

Management requirements per 2CFR 200.313. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

(1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

(2) A physical inventory of the property must be taken and the results reconciled with the property records **annually, prior to monitoring.**

(3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.

(4) Adequate maintenance procedures must be developed to keep the property in good condition.

(5) If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

Dispositioning Items

As long as the current fair market value of the item to be disposed is under \$5,000 no additional paperwork is needed. IHCD recommends recording the date and noting the condition of the equipment, fair market value at the time of disposal and the method of disposal (transferred to agency, recycled, etc.). If the fair market value is over \$5,000 different rules apply to equipment purchased with federal funds.

From [WPN 17-6 FAQs](#): “As soon as the fair market value of an individual unit of property falls below \$5,000, DOE’s interest in the property is extinguished. At this point, recipients/subrecipients take full title to the property without restriction, free and clear of government interest, and a disposition request to DOE is not necessary. Disposition requirements no longer apply and the recipient/sub-recipient have no further obligation to DOE.”

808.2 Use of Equipment and Vehicles

- Any equipment and supplies purchased with federal or IHCD funds shall be used by the Sub-grantee in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When the equipment is no longer needed for the original program or project, the equipment may be used in other activities or programs currently or previously supported by a Federal agency, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other uses shall be given to other programs or projects supported by DOE. User fees should be considered if appropriate.
- The Sub-grantee cannot use equipment acquired with DOE grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services. See 10 CFR 600.135(b) for details.

When acquiring replacement equipment, the Sub-grantee may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval by IHCD A.

808.3 Vehicle Titles

When purchasing a new vehicle with Federal grant funds, the title shall list Indiana Housing and Community Development Authority (IHCD A) as the lien holder and the Sub-grantee as the owner. The title must be mailed to IHCD A to the attention of the Community Programs Analyst. All titles will be held at the IHCD A office. See 2 CFR 200 Subpart D §200.313 for details.

808.4 Sale of Vehicles or Equipment

In order to sell a vehicle or equipment having a fair market value greater than \$5,000.00 that was purchased with DOE funding, the Sub-grantee must contact IHCD A for further instructions. In order to sell a vehicle or equipment having a fair market value that is greater than \$5,000.00 that was purchased with LIHEAP funds, a Sub-grantee must document the following actions before the sale:

1. Determine how your organization will sell the equipment/vehicle. This can be a public sale, a trade in with a dealer or a sale to another department of the Sub-grantee.
2. Research current market value for the equipment/vehicle (ex. Kelley Blue Book, local comparable prices through dealers) Keep copies of documented values.
3. Advertise the sale of the equipment/vehicle via a public notice for at least three (3) days in a local newspaper. If possible, Sub-grantees should use all available media outlets for publication, including websites and agency publications.
4. The advertisement should include a minimum price and a reasonable time frame for offers to be accepted.
5. There should be an open bidding process with the sale going to the highest offer. All vehicle sales must have at least two documented offers and must be sold at or above the highest offer. (If the vehicle is up for private sale or a sale to another department of the Sub-grantee because the agency feels as though a better price can be achieved through private sale than through trade-in, the sale price may not be lower than the offered trade-in value)
6. An email or letter must be written to IHCD A to request the release of the title. Include in your correspondence: your intent to either trade in or sell the equipment, your process, and documentation of the offer. The letter must be signed by the Sub-grantee Executive Director. It will take at least five (5) business days for IHCD A to release the title and mail it back to the Sub-grantee for the sale. (If the sale is to another department within the Sub-grantee, an email to the Community Programs Analyst can result in the transfer of the title to another IHCD A department)
7. If a sale, the income from the sale is to be returned to IHCD A for redistribution under the current LIHEAP grant.

8. If the vehicle/equipment is used as a trade-in for a replacement vehicle/equipment, the value of the trade-in is applied to the purchase price of the new replacement vehicle/equipment.

Equipment sales by non-profit entities purchased with DOE funds should follow 2 CFR 200 Subpart D §200.313 (e).

808.5 Disposal of Equipment and Vehicles (less than \$5,000.00) and Supplies

- Upon termination or completion of the award, the Sub-grantee must compensate DOE for its share of unused inventory and supplies (including tangible, nonexpendable, personal property having a useful life of more than one (1) **year** and having an acquisition cost of less than \$5,000.00) when the aggregate fair market value of these items exceeds \$5,000.00. This applies to residual inventory from ARRA or SERC funds of unused supplies (including tangible, nonexpendable, personal property having a useful life of more than one (1) **year** and having an acquisition cost of less than \$5,000.00.) exceeding \$5,000.00 in total aggregate fair market value upon termination or completion of the award if the inventory and supplies are not needed for any other federally-sponsored programs or projects.
- Inventory, supplies, equipment, and vehicles purchased with ARRA, SERC, or DOE funds of any value can be used by another weatherization program (such as the DOE annual allocation or LIHEAP), in this case, the Sub-grantee can transfer the supplies and equipment without further obligation to DOE or the State of Indiana. However, the Sub-grantee must ensure that the tracking and accounting of the remaining inventory is in accordance with its established policies and procedures.
- If the Sub-grantee is transferring to another federally funded program, outside of weatherization, within the Sub-grantee's organization, the program purchasing the inventory, supplies, equipment or vehicles must compensate the program selling it at a fair market rate. Proceeds are reinvested in the weatherization program. See section 808.4 or below for sales details.
- If the Sub-grantee is no longer providing weatherization services and does not have another federally-funded program to transfer the equipment, inventory, supplies, or vehicles to, regardless of whether the \$5,000.00 fair market value aggregate threshold is met, these items must be sold in a public sale and the funds returned to DOE by check written to IHCD. A second option is to return the items to IHCD without any further financial obligations.

In order to sell any tangible, nonexpendable, personal property having a useful life of more than one (1) **year** and a fair market value less than \$5,000.00 that was purchased with LIHEAP, ARRA, DOE or SERC funds, a Sub-grantee must document the following actions before the sale.

1. Inventory the supplies/equipment the Sub-grantee wants to sell.

2. Set up the sale as a public sale.
3. Research current market value for the supplies/equipment. Keep copies of documented values such as website catalog prices, quotes from suppliers, etc.
4. This must be a public sale.
5. Advertise the sale of the supplies/equipment via a public notice for at least three (3) days in a local newspaper.
6. There should be a closed bidding process with the sale going to the highest offer. All sales must have two documented offers and must be sold at or above the highest offer.
7. The advertisement should include a minimum price per item and a reasonable time frame for offers to be accepted.
8. If a sale, the income from the sale is considered “Program Income” to the funding source that purchased the supplies/equipment. If the supplies/equipment were purchased with ARRA or SERC, the proceeds must be recorded as income to the current DOE annual allocation grant program year and used to enhance the Sub-grantees Weatherization Assistance Program. Follow policy manual section 403-Program Income for details.
9. Only supplies purchased and reimbursed with ARRA funds need to be sold. If purchased with Sub-grantee funds, supplies can be transferred to the DOE or LIHEAP weatherization program without further documentation.

Supplies sales by non-profit entities purchased with DOE or ARRA funds should follow 2 CFR 200 Subpart D §200.314.

808.6 Rental of Vehicles, Equipment and Supplies

Rental of vehicles or equipment to other Sub-grantee departments, other nonprofits or a for-profit entity is only allowable if the Sub-grantee continues to use the item at least twenty-five percent (25%) or more of the time for the current weatherization grant programs.

An agency must freely loan or permanently transfer any surplus equipment that has been purchased with federal dollars for Weatherization which could aid or benefit another sub-grantee in the network.

If supplies, equipment or vehicles are being rented, the following must be documented in your files for future monitoring:

1. A rental fee can be charged for the use of supplies, equipment, and vehicles purchased with LIHEAP funds. Any income received must be recorded as program income.
2. The allowable rental fee charged may not be less than private companies charge for equivalent services. See 2 CFR 200 Subpart D §200.313 (c)(3)Equipment).

Documentation of comparable rental rates must be secured from at least two sources prior to establishing a rental rate for supplies, equipment, or vehicles. If two market rates

cannot be found, a rate can be set based on the cost of the equipment and the useful life of the equipment including maintenance costs. File documentation must contain the two documented comparable market rental rates or rental rate calculation and accounting detail for the rate charged, department or entity paying the rental, and rental payments received and applied to Program Income.

809 BID PROCEDURE FOR EQUIPMENT PURCHASES

Weatherization specific equipment with a unit cost of greater than \$5,000.00, such as vehicles, may be purchased with the LIHEAP Equipment line item. Equipment requires prior written approval from IHCDCA before the purchase is made. All requests must follow the IHCDCA bid procedure below to be considered for approval. See section 808 Vehicle and Equipment sales or rental procedures.

1. Bid Specifications

- Write specifications for the item you are requesting to purchase – make, model, features, year, new/used, etc.
- Specifications should be specific to the organization's needs but not so specific as to pin point an already selected item.

2. Solicit Bids

- Mail, email or deliver bid specifications to local dealers or companies to solicit bids
- A minimum of three bids must be solicited and submitted.
- If you do not receive three bids or the bids did not meet the specifications, bids may be selected based on a similar make and model. This is only true for unique items.

3. Bid Selection

- Review and select a bid that meets your bid specifications.
- If this bid is not the lowest bid, please specify why it was chosen.
- Priority should be given to bids meeting the specific bid description.

4. Requesting approval from IHCDCA

- Mail or email a letter with an authorized signature to the IHCDCA Community Programs Analyst.
- The letter should describe your bid process, your selected bid and the reason for your choice.
- Attachments should include your bid specification, a list of companies or dealers solicited and three bids meeting your specifications.

5. IHCDCA Approval

- If your request is complete, a letter will be sent via email approving your purchase.
- Incomplete requests will delay approval and may require rebidding for valid bids.
- IHCDCA will respond within five business days with questions or approval.

DOE issued an updated Procurement Tool Kit in 2012 that provides templates, checklists and guidance for procurement of weatherization materials and services. To download the DOE Procurement Tool Kit or documents, see

<https://nascsp.org/wap/technical-assistance-centerwaptac/training-tools/financial-management-took-kit/>

To ensure that procurement standards are properly followed, IHCDCA requires a minimum of three bids on all transactions or purchase of services totaling \$5,000.00 or more. To be considered proper procurement the three bids must be obtained from three independent sources.

810 INDIANA WEATHERIZATION ASSISTANCE PROGRAM DATABASE (IWAP)

The Indiana Weatherization Assistance Program Database (IWAP) was created by Roeing Corporation specifically for Indiana's weatherization program. Data is recorded in the system for many aspects of the program including:

- Unit Completions – client info, job info, job costs, measures, contractors
- Wait Lists

As a result of this data input, reports can be generated for each funding source daily, monthly, quarterly, and lifetime of the grant. These reports can be used by IHCDCA staff and monitors to review progress and for compliance. Questions or problems concerning the database should be directed to IHCDCA staff and may be referred to the system administrator.

IWAP is a web-based database and can be accessed at:

<https://inwap.azurewebsites.us/IWAPlogin.aspx?ReturnUrl=%2f>

Below are instructions on the use of IWAP. This is arranged based on the order a Sub-grantee will use the system with a new client. IWAP offers a training database/test site at <http://test.roeing.com/iwap/>. Contact IHCDCA's Community Programs Analyst for a username and password.

810.1 Administrator Privileges

All Sub-grantees are given an original log on and at least one person is assigned as the Supervisor for each Sub-grantee. The Sub-grantee Supervisor has the ability to add, delete and modify access for the Sub-grantee's employees. This is completed under Main Menu items "System Utilities" and "Maintain Users". New users are added at the bottom and current users can be updated by clicking their name. Only 1-2 people should have supervisor rights per Sub-grantee. Most will need Report rights and Edit rights if they update files. Employees with these rights will have several grayed out fields that only a Supervisor can view or update. If the individual identified as the agency Supervisor leaves, the replacement Supervisor will need to contact the Community Programs Policy and Technical Specialist or Community Programs Analyst in order to assign permissions.

The IWAP database is linked to the EAP database. In order to delete an employee, his or her IWAP rights must be removed. If you are unable to remove an employee's access completely in IWAP, contact the EAP Supervisor at your agency.

The IWAP software has the ability to perform Ad Hoc Reporting. If an employee will be using the Ad Hoc Reporting portion of IWAP, click on the employee's name, add a check to the Ad Hoc Reporting box and have him or her log back into IWAP to access the new Ad Hoc Reporting.

EAP Data Access Policy

When a Sub-grantee performs weatherization services in territories that are served by another Sub-grantee's Energy Assistance Program, IHCD requires that the following guidelines be followed to ensure that all necessary and required EAP information and documents are accessible within the database, and can be transmitted securely between sub-grantees:

- In order to access EAP applications and documents, when a sub-grantee provides weatherization services to clients that another agency serves in EAP, the sub-grantee will automatically be given read-only access in the EAP database for the counties in question. The Sub-grantee will be notified when access has been granted.
- Permissions in the EAP database for sub-grantee staff will be assigned by the sub-grantee.
- The sub-grantee providing EAP services must ensure that all documents are uploaded to the EAP database, and that they are accurate and up-to-date within 60 days of the completion of the EAP application for files that will be accessed by the weatherization provider. If additional time is needed, the sub-grantee providing EAP may submit a request for extension to IHCD.
- IHCD strongly recommends that an audit of each file be performed by the weatherization provider to ensure the information is correct before proceeding with weatherization services.
- Any errors found in the client files by the weatherization sub-grantee must be forwarded to IHCD for review. IHCD will then work with the EAP service provider to resolve the issues, and will notify the weatherization provider when the information has been verified.
- Sub-grantees must reference the client by application key only when communicating. Any other Personally Identifiable Information (PII) should not be shared.
- The weatherization provider must ensure that the client's EAP application is active when 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 weatherization database is the most current, no paper copy is required.

810.2 Wait List (Main Menu Item)

“Wait List” is the last menu item in IWAP. This will access all of the Sub-grantee’s eligible clients and provide detailed information about the client based on his or her Energy Assistance Program (EAP) application.

Sub-grantees will be responsible for building their own wait lists using the prioritization policy outlined in Section 301.

810.3 Completions (Current Clients – Main Menu Item)

A completion requires many steps before the Sub-grantee receives a completed unit for a program.

A completed unit will be recorded after the following steps/menu items have been worked through.

- **Application** - This is the Client Information that comes from the EAP file and from the initial audit. This page must be completed before moving forward.
- **Job Information** – This information comes from the initial audit.
- **Job Costs** – identify the labor and material costs for the unit for Base Program Operations, Health and Safety or Mechanical budget line items. The following other items can be entered on this page: Overhead costs, Funding Source, and dates for the Final Inspection, Invoice and Completion. Although not required at this time, IHEDA strongly encourages entering Overhead costs in IWAP. By doing this, an agency would increase their management of the average cost per unit and assist in identifying cost to be moved in the event a job is transferred to a new funding source.

| Funding Source | Completion Date | Rework | Contractor | Total Cost |
|----------------|-----------------|--------|----------------|------------|
| DOE | 1/10/2018 | NO | CAP Agency | \$346.12 |
| DOE | 1/10/2018 | NO | ABC Heating | \$1879.00 |
| LIHEAP | 1/10/2018 | NO | CAP Agency | \$1155.00 |
| LIHEAP | 1/10/2018 | NO | XYZ Insulation | \$816.89 |

NOTE: A contractor should only appear once per funding source with all expenses associated with that contractor and funding source totaled and placed in the Total Cost column.

Overhead costs that are tracked in IWAP shall be reported under the agencies name and not combined with other invoices or contractors.

| | |
|------------------------|--------------------------|
| Funding Source* | DOE |
| Completion Date* | 12 / 17 / 2013 |
| Contractor* | SAMPLE Contractor |
| Invoice Date* | 11 / 25 / 2013 |
| Final Inspection Date* | 12 / 19 / 2013 |
| Is Rework | <input type="checkbox"/> |

NOTE: The Final Inspection Date should be the last day the home is touched. The Completion Date should never be before the Final Inspection Date.

- **Measures** – click off measures completed in the unit.
- **Close Out** – when the record is complete, click on the close out menu. Close the record to indicate a completion is ready to be reported to DOE and/or LIHEAP.

810.4 Current and Historical Clients (Main Menu Items)

All Current Clients can be pulled up under this menu tab. The easiest method is by IWAP Application Key (which is different than the Wait List Application Key) but name and address can also be used.

Historical Clients are archived clients from closed programs. These client files are locked and are for viewing only. A client completed more than 18 months prior will appear in the Historical Client list.

810.5 Reports (Main Menu Item)

A variety of reports can be pulled by the Sub-grantee and IHEDA staff, monitors and contract compliance companies.

- Quarterly Reports by funding source is the most useful report for the Sub-grantee. This report needs to be checked for accuracy and submitted at Close-Out (*section 404*). IHEDA will compare this data to your Close-Out Reports to calculate average cost per home. Additionally, detailed demographics are summarized and used by IHEDA for DOE monthly and quarterly reporting.
- Client Completion List will pull a completed client list per county or date range.

810.6 Client Record Unlock

If it is necessary to unlock a locked/closed client record, please contact IHEDA's Community Programs Analyst for permission. Requests may be made via email or phone; email requests should only include the client's IWAP-generated application key to

maintain security, and the reason the record needs to be unlocked. Once a record is unlocked, it will remain open 24 hours for editing. The record will automatically lock at the end of the 24 hour period. If a funding program is closed out, the record may not be accessible due to recording and reporting of data to Federal funding sources such as the Dept. of Energy.

811 IHCDOnline.com

All claims and reporting requirements on IHCDOnline.com are detailed in *Section 408* and <https://ihcdaonline.com/AuthorityOnline/Default.aspx>

812 HISTORIC AND ENVIRONMENTAL REVIEWS

Weatherization activities funded by DOE and LIHEAP are only subject to Environmental and Historic Review processes if they fall outside of the scope of the agreement established between IHCD and the State Historic Preservation Office.

New guidance is forthcoming. A guidance supplement will be issued when available.

SECTION 900

HEALTHY HOMES Deferral Program

901 STATE-FUNDED HEALTHY HOMES Deferral Program

It is the intent of the Healthy Homes Program to decrease the number of homes that are deferred from the Indiana Weatherization Assistance Programs, and improve the health of the occupants and energy efficiency of the home.

Pursuant to I.C. 4-12-1-14.5, a limited amount of funds are allocated from the State of Indiana's portion of the mortgage foreclosure multistate settlement agreement to be used in newly created Indiana Home Energy Assistance Programs. The Healthy Homes Deferral Program is funded out of the state's weatherization portion of the mortgage settlement. The program operates under the same eligibility guidelines and program year as the State LIHEAP program.

Through various Department of Energy and Low Income Home Energy Assistance Programs, Indiana provides weatherization services to approximately 1,800 households annually. In addition to the 1,800 homes that do receive weatherization services, the state experiences a deferral rate of nearly 50%.

While clients may meet income eligibility requirements for weatherization, Sub-grantees 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. Please refer to Section 304 for an expanded view of Indiana's Deferral Standards.

In situations where the deferral issues cannot be addressed within the scope of the Weatherization Assistance Programs and the client does not have the means to resolve the deferral issues, the home may never receive services.

902 CLIENT ELIGIBILITY

The Weatherization Sub-grantee staff, or its subcontractor, is obligated to review and determine eligibility status for the Healthy Homes Deferral Program based on the criteria below.

- Client must adhere to the HHS requirements of **200%** or below of the current OMB poverty guidelines

- Client's **Energy Assistance Programs application (EAP)** 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. Sub-grantees must utilize the most recent available application.
- If client is not an EAP recipient, income documentation must be in the file
- Unit must be a single family and owner occupied
- Unit must have undergone an initial audit and determination of deferral made
- Unit must have received a Home Heating Index (HHI) calculation
- Elimination of the deferral issues must result in the unit's immediate (within 12 months) eligibility for traditional weatherization services through DOE, LIHEAP or State LIHEAP
- All Land Contract units **MUST** be reviewed by IHCD prior to receiving deferral services/funding.
- Deferral expenses will not be eligible if the unit does not receive traditional weatherization services within twelve (12) months of receiving deferral mitigation. At that time IHCD reserves the right to request repayment of funds received for deferral expenses (extenuating circumstances will be reviewed by IHCD)
- **Previously weatherized units require IHCD prior approval.**
- **All homes utilizing Healthy Home Deferral Funds must be run through NEAT/MHEA.**
- **Required worksheet to be completed and returned with closeout.**

903 REASONS FOR DEFERRALS

Deferrals may take place during any phase of the weatherization process, including but not limited to: during or after the initial audit, the work performance phase, or immediately following the identification of a health and safety risk to the occupants or to crew and contractors.

Below are examples of existing conditions under which a unit can be deferred but still eligible for Healthy Homes Deferral Program funds.

- 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
- Presence of sewage or other sanitary problems that not only endangers the client, but the workers who will perform the weatherization work

- 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
- 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 weatherization

904 ALLOWABLE ACTIVITIES

Below is a non-exhaustive list of activities that are within the parameters of the Healthy Homes program. All activities must have been previously determined as a cause for the home to be deferred. Measures not listed below require IHEDA approval.

- Mold remediation
- Moisture control
- Electrical issues
- Grading
- Roof repair
- Gutters and associated materials
- Sump pump installation
- Pest control
- Structural issues

To ensure the client receives the maximum benefit, we encourage you to think outside the box regarding the whole health and safety of the home. Additional items to consider are:

- Handrails
- Adequate lighting on stairs
- Grab bars in bathrooms

905 BUDGETARY LIMITS

- **Administration** – Actual costs associated with the administration include fiscal, executive, support operations, rent, utilities, supplies, etc. Total claimed cannot exceed 5% of the total amount expended.
- **Deferral** – *Actual costs for performance of necessary measures to resolve Deferral issues.*

The average allowable deferral cost per home using Healthy Homes funds is \$7,500. However, the HHI and matrix points must still be recorded, and included in the file. The

HHI can be calculated through a form downloaded from INCAA's website:

<http://www.in.gov/myihcda/weatherization.htm>

State Healthy Homes Deferral Program funds can be combined with State LIHEAP, LIHEAP or DOE funding on the same unit. However, State LIHEAP Mechanical or Base funds cannot be combined with LIHEAP Mechanical or Base funds. Please refer to section 508 for a detail of funding source combinations.

906 REQUIRED FORMS

Client files must be kept to verify the work completed, track all expenditures and funding sources utilized. All forms listed in Section 200 are to be kept in the files of clients determined to be eligible for the Healthy Homes Program.

*Note: The Landlord Rental Agreement would not be necessary as only **homeowners** are eligible for this program.*

907 TRACKING DEFERRAL FUNDS

Each Sub-grantee must track/enter the use of Deferral expenses in IWAP just as Health & Safety expenses are. Deferral expenses will be captured in the "Total Cost" but not in the "Total Completion Costs".

Each Sub-grantee must complete and submit the spreadsheet with the State LIHEAP closeout. *Appendix V Deferral Closeout Form*

908 PRECAUTIONS

- Deferral funds ARE NOT to be used to help maintain the average cost per home of the traditional weatherization grants.
- Deferral funds ARE NOT to be used as a "buy down" to enhance other measures.
- Deferral funds ARE NOT to be used as a substitute for traditional weatherization mechanical expenses.
- Deferral funds ARE NOT to be used as an emergency "no heat" program.