

Weatherization Assistance Program
Policy & Procedure Manual
Program Year 2026

ihcda

Indiana Housing & Community Development Authority

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https://www.in.gov/ihcda/program-partners/weatherization-assistance-program-wx/
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Table of Contents

Section 1: Purpose & Scope 5
Section 2: Award 6
2.1 Allocations 6
2.2 Performance Period 6
Program Year 6
Grant Cycle 6
2.3 Subaward Contracts & Forms 6
Grant Agreement 6
Amendment 6
Budget Form & Annual Production Plan 7
Request for Qualifications 7
Section 3: Intake 8
3.1 Eligibility 8
Categorical Eligibility 8
Non-Categorical Eligibility 8
Child Support 9
Zero Income Clients 9
3.2 Client Prioritization 9
3.3 Household Member Requirements 9
3.4 Dwelling Types 10
Shelters 10
Multifamily Buildings 10
3.5 Rental Units 10
3.6 Previously Weatherized Units 11
Section 4: Program Management 13
4.1 Weatherization Activities 13
Pre-Audit Walkthrough 13
Energy Audit 13
Priority List 13
Weatherization Work 14
Interim Inspection 15
QC Inspection 15
Client Education 16
4.2 Declined Units 16
Deferral 17
Denial 18
4.3 Rework 19

4.4 Warranty 19
Client Signature 19
4.5 Fuel Switching 19
Formula DOE/IIJA-Funded Fuel Switching 19
4.6 Client File 20
4.7 Dispute Resolution & Appeals Process 20
Local Review 20
State Review 20
4.8 Energy Crisis & Disaster Response 21
4.9 Historic Preservation Review 21
4.10 Procurement 22
Cost Analysis 22
Section 5: Service Provisions 22
5.1 Award Cost Requirements 23
5.2 Program Income 23
5.3 Conflict of Interest 23
5.4 Document Retention 24
5.5 Background Check 24
5.6 Personally Identifiable Information 24
5.7 Required Subrecipient Information 25
Authorized Signature Form 25
5.8 Buy America Preference 25
5.9 Fraud, Waste, and Abuse 25
Section 6: Funding 26
6.1 Production Cost Categories 26
Labor Cost 26
Material Cost 26
Direct Overhead Cost 26
6.2 Funding Sources 26
Formula DOE Funding 27
IIJA Funding 29
LIHEAP Funding 29
6.3 Rebates 30
6.4 Leveraged Funds 30
6.5 Braiding Funds 31
6.6 Fund Requests 31
Additional Funds Request 31
Award Open Request 32

Section 7: Claims 32
7.1 Claim Procedures 33
7.2 Claim Types 34
Grantee Payment 34
Adjustment Claim 34
Repayment Claim 34
Return of Funds 34
7.3 Advance Funding 35
Section 8: Reporting 36
8.1 Required Data Collection 36
Unit Data 36
Client Data 37
WAP Data 37
Davis-Bacon and Contract Work Hours and Safety Standards Act (CWHSSA) Data 38
8.2 Benchmarking & Annual Production Plan 38
8.3 Unit Counting 38
Completed Units 38
Bridging Units 39
8.4 Unit Provisional Closeout 39
8.5 Award Closeout 40
Closeout Process & Schedule 40
Closeout Report 40
8.6 WAP Database Security & Privileges 41
Section 9: Monitoring 42
9.1 Monitoring Process 42
Monitoring Notice & Scheduling 42
Monitoring Report 42
Monitoring Closeout 42
Subrecipient Appeal 43
9.2 Program Monitoring 43
Program Administration 43
Energy Audit Software 43
Procurement 43
Training and Certification 43
Fiscal 43
Client File 43
Contracts 44
9.3 Technical Monitoring 44

Energy Audit Detail 44
Weatherization Work 44
Inspection 44
Section 10: Corrective Action 45
10.1 Revised Allocation 45
Tiered Allocation 45
Reallocation 45
Deallocation 45
10.2 Quality Improvement Plan 45
10.3 Program Suspension & Probation 46
10.4 Subcontractors 46
Section 11: Property Items 47
11.1 Inventory 47
11.2 Equipment Acquisition 47
11.3 Equipment Disposition 48
11.4 Renting Out Property Items 48
Section 12: Workforce 49
12.1 Certification 49
Workforce Credentials 49
12.2 Training 49
CEUs 50
12.3 Subcontractors 50
12.4 Specialty Contractors 50

Section 1: Purpose & Scope

The purpose of the Weatherization Assistance Program (WAP) is to increase the energy efficiency of units occupied by low-income persons, or to provide such persons renewable energy systems or technologies, reduce their total residential expenditures, and improve their health and safety for those who are particularly vulnerable such as the elderly, persons with disabilities, families with children, high residential energy users, and households with high energy burden (10 CFR 440.1).

All Federal program regulations and guidance can be found at Department of Energy (DOE) Website. If Indiana Housing & Community Development Authority (IHCDA) has specifically issued Program Guidance, these notices can be found at on the WAP Website. The order of precedence given to written policy is as follows: Federal policy, State policy, Grant Agreements, Policy & Procedure Manual, Program Guidance, Field Guide. Waivers to policy apply only to the unit the request was made for and must be placed in the client file.

Section 2: Award

IHCDA acts as the Recipient of awarded funding grants authorized by Grantors to spend within the State of Indiana. IHCDA allocates funding grants to subrecipients to perform weatherization activities by WAP Professionals within their designated service areas. These WAP Professionals may be subrecipient in-house crews or subcontractors hired by the subrecipient.

2.1 Allocations

At the beginning of the Performance Period, subrecipients are allocated Federal funding based on IHCDA's allocation table. The allocation table is based on population factors of the subrecipient's service area and determines the amount of funding that an agency will receive. Subrecipients may receive additional funding upon request or through a separate allocation.

2.2 Performance Period

The Performance Period is the amount of time the subrecipient is given to fulfill all contractual obligations under the award agreement with IHCDA. In one-year contracts the Performance Period matches the Program Year based on the award.

Program Year

The Program Year is the annual period made up of 4 three-month quarters:

- **Formula DOE:** July 1 – June 30
- **IIJA:** July 1 – June 30
- **LIHEAP:** October 1 – September 30

The Standard Program Year for WAP is July 1 – June 30, regardless of extensions or conflicting Program Years applying to awards. All policies and procedures for the entirety of WAP are made and updated in regard to the Standard Program Year.

Grant Cycle

The Grant Cycle is the amount of time that authorized funds from the Grantor may be spent by IHCDA and the subrecipients. In each Grant Cycle, a new Award is created and authorized for IHCDA to spend. Each funding source has different types the Grant Cycle takes:

- **Formula DOE:** *Multi-year Grant Cycle given out into one-year allocations, using Program Years to begin and end the award*. Allocations are revised annually. Funding cannot carry over into the next Grant Cycle. Typical Formula DOE Grant Cycles last for 3 Program Years.
- **IIJA:** *Multi-year Grant Cycle given out as a multi-year allocation, without using Program Years to begin and end the award.* The end of the award is the end date of the Grant Cycle. Total award amount was set at the beginning of the Grant Cycle, and given out in allocations based on reaching certain benchmarks. The IIJA Grant Cycle will last until June 30, 2029.
- **LIHEAP:** *Two-year Grant Cycle given out as a two-year allocation, using Program Years to begin and end the award.* Funding cannot carry over in the following Grant Cycle.

2.3 Subaward Contracts & Forms

Grant Agreement

Agreements are the initial contract between IHCDA and the subrecipient; this includes all legal, production, and expenditure requirements of the subrecipient. The Executive Director (or designee) of the subrecipient and IHCDA must sign the to formally execute the contract. WAP Managers and fiscal staff must use the Agreement to build their Program Year budgets. Any budget categories that do not have a pre-determined dollar amount may be budgeted at the subrecipients discretion.

Amendment

Amendments update clauses of the original contract. This may include updates to funding amounts, budget category terms, policy or legal terms, and performance period lengths. The Executive Director (or

designee) of the agency and IHCDA must sign the Amendment contract for it to go into effect. WAP Managers and fiscal staff must use the Amendment to update their Program Year budgets and obligations.

Budget Form & Annual Production Plan

Upon signing of the Agreement contract, or an Amendment contract that impacts funding, WAP Managers and fiscal staff will complete and submit a Budget Form to IHCDA. In the event the Budget Form is for Formula DOE or IIJA, the Annual Production Plan is also required as an attachment to the Budget Form submission. The Budget Form and Annual Production Plan must be signed by the subrecipient Executive Director (or designee) and WAP Manager for funding to be available on the claims system, IHCDAOnline.

The Budget Form and Annual Production Plan will be used by the WAP Manager to plan spending and production benchmarks for the performance period. Subrecipients are responsible for limiting expenses to the amounts allowed in the budget categories. Claims may not be submitted until the Budget Form and Annual Production Plan has been approved by IHCDA. The Budget Form & Production Plan Package can be found among State Forms in the WAP Database. Subrecipients must submit all budget forms to iwx@ihcda.in.gov. In no instance will a subrecipient be permitted to exceed the total award amount for the Performance Period.

Budget Modification

In the event a subrecipient needs to adjust budget category or unit amounts, a Budget Modification must be approved by IHCDA. Subrecipients must submit all Budget Modifications to iwx@ihcda.in.gov. The Annual Production Plan is required as an attachment to all Formula DOE and IIJA Budget Modifications. The subrecipient Executive Director (or designee) and WAP Manager must sign all budget modifications before they can take effect.

Request for Qualifications

IHCDA may post a Request for Qualifications (RFQ) to identify eligible organizations to provide services within a specified service area. IHCDA will assess existing adjacent subrecipients to support service areas during the RFQ process. An RFQ may be posted for the following non-exhaustive reasons:

- Service area is currently lacking a subrecipient
- Service area's needs are not being met by its subrecipient
- Service area has been voluntarily forfeited by a subrecipient
- Service area has been removed from a subrecipient

Prospective subrecipients must be a public or nonprofit entity (such as a Community Action Agency) in order to qualify to perform weatherization activities.

Section 3: Intake

3.1 Eligibility

Per 10 CFR 440.22, a unit shall be eligible for WAP if it is occupied by a household:

- Whose income is at or below 200% of the poverty level determined in accordance with criteria established by the Director of Office of Management and Budget.
- Who is eligible for assistance under the Low-Income Home Energy Assistance Act of 1981, provided that such basis is at least 200 percent of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget.

Subrecipients must ensure client eligibility before the start of the Energy Audit. The Eligibility Date (also known as Application Approval Date) is when the client is considered eligible for WAP. The Energy Audit must be completed within 12 months of the Eligibility Date. No unit will be weatherized without documentation that the unit is eligible (10 CFR 440.22).

Subrecipients are obligated to review and determine WAP eligibility status for all applicants. A copy of the approved client application must be included in the client file. If an employee of a subrecipient is applying for assistance through WAP, a note must be included in the client file indicating that the subrecipient's Executive Director has reviewed and approved their application.

Poverty Guidelines are followed as outlined by WPN 25-3.

Categorical Eligibility

Categorically eligible units are defined as households that have been income verified by an approved federal program. Units deemed categorically eligible due to participation in the following programs will have their most recent Eligibility Date transferred into their record in the WAP Database.

- EAP
- HUD Means-Tested Program
- SSI
- TANF
- USDA

If categorically eligible under EAP, the Eligibility Date for the approved federal program must be made available via the WAP Database. If categorically eligible through the other programs, a letter confirming the client is eligible to the particular program is required. Information, such as income verification, does not need to be duplicated. The client file or WAP Database must contain the Application Approval Letter to confirm the validity of income verification.

Non-Categorical Eligibility

Subrecipients must determine eligibility for units that are not categorically eligible through household income. The household must be at or below 200% of the Federal Poverty Level to be considered income eligible for WAP.

An Application Approval Letter must be sent to the client and made available via the WAP Database. Subrecipients must verify household income during the application process, and must include all sources of income from all household members. Subrecipients must use the income calculator in the WAP Database, to calculate **annualized** income. Clients must provide their most recent paystubs issued within 90 days before the WAP Application Date. Acceptable sources of documentation include:

- W-2
- 1099
- Social Security Income
- Alimony/ Spousal Support
- Black Lung Benefits (only if person is the beneficiary of individual who had black lung)

- EITC
- Pension
- Retirement payouts
- Worker's Compensation
- VA Disability Income
- Unemployment
- Self-employment
- Interest/ Dividends

Child Support

Payee

When an applicant receives Child Support from any state program or individual during an applicable tax year, payments are excluded as income.

Payor

When an applicant is paying Child Support, through a state program or to an individual, payments are not deducted from income.

Zero Income Clients

Clients with no income are required to have a notarized Zero Income Affidavit for each household member, ages 18 and over, who claim no income for 90 days prior to the application date. The Zero Income Affidavit must be signed by zero income claimant or person who completes the application on behalf of the claimant and must be made available in the client file. If the signatory is not the zero-income claimant, the signatory must be listed as a household member on the WAP application.

3.2 Client Prioritization

In accordance with 10 CFR 440.16, IHCDA prioritizes five at risk household categories:

- **Elderly:** Person who is 60 years of age or older
- **Disabled:** Person who is handicapped as defined in Section 7(6) of the Rehabilitation Act, Section 1614(a)(3) or Section 224(d)(1) of the Social Security Act, Section 102(7) of the Developmental Disabilities Services and Facilities Construction Act, or receiving benefits under USC Title 38 Chapter 11 or 15
- **Children:** Person under the age of 18
- **High Energy Use:** Low-income household whose residential energy expenditures exceed the median level of residential expenditures for all low-income households in the State
- **High Energy Burden:** Low-income household whose residential energy burden (residential expenditures divided by the annual income of the household) exceeds the median level of energy burden for all low-income households in the State

The WAP Database provides an automatic household risk score based on information entered by the subrecipient. Priority must be given to units with the highest household risk score insofar as contacting clients on the waitlist to schedule services. Units with the same household risk score will be prioritized on a first come first serve basis. Prioritization requirements apply to DOE Readiness.

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

3.3 Household Member Requirements

Eligible household members must be United States citizens, US, Nationals, or qualified non-US citizens (aliens) as defined by 8 USC 1641(b). Applicants submitting Social Security Cards will not have to submit any other kind of proof of citizenship or qualified alien status. Persons who are not citizens or qualified aliens are considered to be ineligible household members. Ineligible household members living with eligible household members do not disqualify the unit from receiving weatherization.

3.4 Dwelling Types

Subrecipients may weatherize the following owned or rented structures known as Dwelling Types:

- Single-Family/Site Built
- Mobile Homes/Manufactured Housing
- Shelters
- Multifamily Buildings

All Dwelling Types must have a permanent address where the unit is set in order to be eligible for the WAP. If the property has a land contract, it must be recorded with the assessor's office to be considered valid. If valid, then the land contract can be treated as if the client has a mortgage on the unit. The client would be considered a homeowner.

Shelters

A shelter is considered a building whose principal purpose is to house individuals on a **temporary** basis, who may or may not be related to one another, and who are not living in nursing homes, prisons or other similar institutional care facilities. An application and eligibility determination are not required for shelters. Each completion should be counted as "data unavailable" when reporting income categories and demographics to the WAP Database. Units in a shelter may be counted in the following ways:

- Each 800 square feet of living space within the shelter may be counted as a unit
- Each floor of the shelter may be counted as a unit

An individual file must be kept for the shelter project. This file must contain:

- Shelter's mission statement
- Dwelling Type
- Recommended Measures and Energy Audit Data Reports
- All other applicable documents

Multifamily Buildings

A Multifamily building is considered any residential building containing two or more units (WPN 22-12). The different types of Multifamily building are as follows:

- **2-4 unit:** residential buildings with fewer than 5 units
- **Low-rise:** residential buildings with 5-24 units that are 3 stories or fewer
- **Large:** residential buildings with 25+ units or are more than 3 stories

To be weatherized, the below percentage of units in certain Multifamily buildings must either meet eligibility requirements or become eligible within 180 days of the Eligibility Date, as per 10 CFR 440.22(b):

- 50% of units in a 2-4 unit Multifamily
- 66% of units in a Low-Rise or large Multifamily

See the following for policy on Multifamily buildings

- Low-Rise Multifamily Manual

3.5 Rental Units

Rental units are eligible for WAP per 10 CFR 440.22. As defined by 10 CFR 440.3, a rental unit is a unit occupied by a person who pays rent for the use of the unit. Subrecipients must have a Landlord Agreement, landlord contribution policy, and monthly rental amount documentation in place before weatherization activities may be performed. The Landlord Agreement must include the following:

- Monthly rental amount for the applicable unit
- Written permission from owner or their legal managing agent
- Unit will not be subject to a rent increase due to weatherization for 12 months after completion
- Unit will not be put up for sale or sold 12 months after completion
- No undue or excessive enhancements to the value of the unit
- Benefits of the services accrue primarily to the tenant residing in the unit, per WPN 22-13

- Landlord contributions must be noted on Landlord Agreement Form

Landlord contribution policy must include the following: **(GUIDANCE: See WAP-2026-01)**
- Landlord contribution is not to be counted as program income
- Must be applied to the unit being weatherized before other federal funds are drawn down

Monthly rental documentation may be fulfilled in the following ways
- Amount included in the Landlord Agreement
- A recent cancelled check made payable to the landlord

Subrecipients are required to develop a written tenant appeals process for breach of landlord agreement to the weatherized units. The process must include methods for the following:
- Tenants filing complaints
- Landlord response to the complaints
- Landlord demonstration of actions related to matters outside of weatherization work

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

3.6 Previously Weatherized Units

If a unit was previously weatherized under a federal program, the unit may not be eligible for WAP for a specific period of time after the Quality Control (QC) Inspection Pass Date. Units that have been previously weatherization may receive non-weatherization assistance and services under other Federal programs or non-Federal sources.

If there are no documented, verbal, visual, or physical evidence of previous weatherization services, the subrecipient may proceed with weatherization services on the unit. If the subrecipient suspects, or has evidence that the unit may have received weatherization previously, the subrecipient must check with the local agency that has historically provided weatherization services in the area to inquire about any records pertaining to the address.

Once a unit elapses the specific time period after the QC Inspection Pass Date, it may receive reweatherization services. The two reweatherization types are the following:
- Formula DOE/IIJA-funded reweatherization
- LIHEAP-funded reweatherization

Formula DOE/IIJA-Funded Reweatherization

No units may receive any Formula DOE/IIJA-Funded reweatherization services for **15 years** after the QC Inspection Pass Date of the previous weatherization. The following actions must be taken on each unit prior to weatherization activities to ensure that unit that have received weatherization activities are not reweatherized:
- Each client's address must be checked in the WAP Database for previous weatherization within 15 years.
- Each client must be asked whether their unit has been weatherized within 15 years.
- A visual assessment of each unit must be performed by an energy auditor to identify if previous weatherization measures have been performed.

LIHEAP-Funded Reweatherization

No units may receive any LIHEAP-Funded reweatherization services for **5 years** after the QC Inspection Pass Date of the previous weatherization. The following actions must be taken on each unit prior to weatherization activities to ensure that unit that have received weatherization activities are not reweatherized:

- Each client's address must be checked in the WAP Database for previous weatherization within 5 years.
- Each client must be asked whether their unit has been weatherized within 5 years.
- A visual assessment of each unit must be performed by an energy auditor to identify if previous weatherization measures have been performed.

Section 4: Program Management

4.1 Weatherization Activities

Each unit that receives weatherization will have measures performed that are specific to the needs of the unit; the process by which those measures are determined is outlined within the DOE-approved Energy Audit Tool or the Region 3 DOE-approved Priority List. An Energy Audit or use of the Priority List is required prior to any weatherization work. The following activities are expected to be completed on every unit that is weatherized:

- Pre-Audit Walkthrough, when applicable
- Energy Audit (EA) **or** Priority List
- Weatherization Work
    - Energy Conservation Measures (ECM)
    - Health & Safety Measures (HSM)
    - Incidental Repair Measures (IRM)
    - Deferral Remediation Measures (DRM)
- Interim Inspection, when applicable
- QC Inspection
- Client Education

Clients must sign the Client Consent & Health Screening Form and receive the following EPA documents before performing any weatherization activities:

- *Renovate Right: Important Lead Hazard Information for Families, Childcare Providers, and Schools*.
- *Mold, Moisture, and Your Home*
- *A Citizen's Guide to Radon*

Pre-Audit Walkthrough

An assessment of the applicant's unit to ensure it is in good condition to participate in the program. This may include determining the habitability and the ability to perform work on the unit. A deferral or denial may be recommended to the WAP Manager based on the Pre-Audit.

Energy Audit

An evaluation of the ECM and HSM needs of a unit, including the conducting of field measurements and diagnostic testing. The EA produces a Work Order based upon the information gathered to direct the work and performed measures for units to be weatherized. Energy Audits must be conducted according to the DOE-approved Energy Audit tool for the associated dwelling type.

Subrecipients must use the approved Energy Audit tool for the associated housing type to calculate the savings-to-investment ratio. Energy Audits must result in a cumulative SIR equal to or greater than 1 for the unit to be eligible to weatherization. The unit must be completed at least 12 months after the Energy Audit has been completed.

Priority List

The Energy Auditor may utilize a Priority List (PL) in place of conducting the Energy Audit for the associated Dwelling Type. If the Energy Auditor determines the need for ECMs not included in the PL, or if the unit does not meet the requirements of the PL, a site-specific Energy Audit is required. A unit using Formula DOE/IIJA funds must perform all ECMs and HSMs called for in the PL. A PL may be used in the following Dwelling Types, as outlined in WPN 22-8:

- Single-Family/Site Built
- Mobile Home/Manufactured Housing
- Low-Rise Multifamily

A mandatory measure may only be skipped if it is physically impossible to perform. Optional measures may only be performed if all other applicable mandatory measures are performed. Any mandatory measure determined to be not applicable must have photographic evidence documented in the client file for reason of exclusion. Activities and costs for these measures will be reviewed during monitoring.

Weatherization Work

Activities performed in the unit during the process of weatherization must be divided out into individual measures. Purchases charged will be at their actual prices after deducting all cash discounts, trade reimbursements, discounts or rebates and allowances. Outlined below are specific requirements that apply to the different measure types:

- Energy Conservation Measure (ECM)
- Health & Safety Measure (HSM)
- Incidental Repair Measure (IRM)
- Deferral Remediation Measure (DRM)

All Weatherization Work must meet expectations detailed in the Field Guide, SWS, and requirements in 10 CFR 440, Appendix A and its approved variances for IHCDA. All ECMs and IRMs must be included in the Savings Investment Ratio (SIR) calculation package. The SIR must be equal to or greater than 1 to perform weatherization work. Units with an SIR below 1 must be denied.

Energy Conservation Measure (ECM)

Measures that are installed to a building that improve energy efficiency and are life cycle cost effective and that involve energy conservation, improvements in operations and maintenance, or retrofit activities. These are the measures from which the base of weatherization occurs, thus making them required for a unit to be considered a completion. Costs associated with ECMs are as follows:

- **ECM Labor Costs:** Cost of the installation by a WAP Professional
- **ECM Material Costs:** Material cost of installation.

The following ECMs are Major Measures that must never be skipped:

- Air sealing
- Duct sealing outside the thermal boundary
- Thermal boundary insulation

Health & Safety Measure (HSM)

Measures that eliminate certain health and safety hazards prior to installation of weatherization materials. HSMs do not require an SIR equal to or greater than 1, and are not to be included in the SIR calculation. Costs associated with HSM are as follows:

- **HSM Labor Costs:** Cost of the elimination of hazard by a WAP Professional
- **HSM Material Costs:** Material costs of elimination

The WAP Health & Safety Plan is the primary policy document detailing how HSMs will be utilized per WPN 22-7. If an HSM is not detailed in the DOE-approved Health & Safety Plan, it cannot be funded through Formula DOE/IIJA.

Incidental Repair Measure (IRM)

Measures that are minor repairs necessary for effective performance or preservation of ECM materials and may be billed to any ECM line item. The ECMs that require IRMs must be documented in the client file. IRMs must be included in the SIR calculation. IRMs not within definitions outlined in WPN 19-5 must receive IHCDA approval. Costs associated with IRMs are as follows:

- **IRM Labor Costs:** Cost of the repairs by a WAP Professional
- **IRM Material Costs:** Material costs of repair

WAP funds cannot be used to repair IRMs deemed necessary **before** the Energy Audit is performed.

Deferral Remediation Measure (DRM)
Measures that remediate an issue that prevents weatherization and is outside the scope of energy related hazards. Only deferral remediation funding may be utilized to remediate deferral issues so that a unit may be weatherized. Costs associated with DRMs are as follows:

- **DRM Labor Costs:** Cost of the remediation of issue by a WAP Professional
- **DRM Material Costs:** Material costs of remediation

Interim Inspection

Inspection to evaluate and determine standards are met in a certain stage of weatherization activities before moving on to the next stage. Must be performed by an independent Energy Auditor, QC Inspector (QCI), or Retrofit Mechanical Installer. Must include applicable notes in the appropriate forms if the Inspection passes or fails. There are four types of Interim Inspection:

- Health & Safety Interim Inspection
- LIHEAP Support Bridging Interim Inspection
- Deferral Remediation Interim Inspection
- Invoice Payout Interim Inspection

In the event a bridged unit later fails the QC Inspection, any measures that were a part of the Interim Inspection passed portion of the job must be addressed using non-federal agency funds.

Health & Safety Interim Inspection
Interim Inspection to ensure unit is ready for installation of ECMs. Required when the unit is using gas appliances or has health and safety hazards that will be exacerbated by installation of ECMs. May be used in place of a LIHEAP Support Bridging Interim Inspection only if the LIHEAP Support was utilized to eliminate health and safety hazards.

LIHEAP Support Bridging Interim Inspection
Interim Inspection to ensure applicable ECMs, HSMs, and IRMs under a bridged LIHEAP Support unit were properly performed. Required only for the bridged LIHEAP Support portion of the unit to be counted as a completion during LIHEAP closeout. A Health & Safety Interim Inspection may be used in place of a LIHEAP Support Bridging Interim Inspection only if the LIHEAP Support was utilized to eliminate health and safety hazards.

Deferral Remediation Interim Inspection
Interim Inspection to ensure all deferral issues were remediated before moving on to any ECMs, HSMs, or IRMs. Required for all units remediating deferral issues.

Invoice Payout Interim Inspection
Interim Inspection to ensure all weatherization activities were properly performed before any invoices may be paid out. Required only when the invoice will be paid before the QC Inspection has taken place. No one who performed work may inspect for payment.

QC Inspection

Inspection to evaluate all work performed and confirm it was completed to all applicable work and workmanship standards for all performed measures. All weatherization work must be verified by a QCI in order for the unit to be considered complete. Subrecipients are required to ensure that each weatherization completion receives an appropriate and properly executed QC Inspection. The following processes must be followed for all QC Inspections, as per WPN 22-4:

- Must clearly define separate duties between Energy Auditor and QCI with no crossover of responsibilities and tasks
- QCI must not be involved in the decision-making process of work performed in the unit
- Additional work or rework must be brought to the attention of the WAP Manager or Energy Auditor and not handled by the QCI

QCIs must never pass work based on assurances that deficiencies will be corrected on a later date. Incorrectly processed QCIs may result in the associated completion being considered unallowable, and the subrecipient will be considered out of compliance. All compliance issues found with QCIs are subject to IHCDA review and may result in remedial training, suspension, or permanent disbarment from WAP.

Subrecipients are only permitted to conduct further work on a unit after the QC Inspection Pass Date when a rework is determined by IHCDA. If a unit has received work between this period, an additional unit will be selected for monitoring review and claimed costs will be required to be returned. Federal funds are disallowed from being spent on a unit after the QC Inspection Pass Date.

Standard QCI
A Standard QCI is an individual who has not had involvement in the prior work of the unit they are inspecting; the role and scope is further defined under WPN 22-4. This QCI role does not require IHCDA approval. IHCDA will monitor 5% of unit completions for subrecipients who have this type of QCI.

Nonstandard QCI
A nonstandard QCI is an individual who has had involvement in the prior work of the unit they are inspecting; roles may include WAP Managers and Energy Auditors. Subrecipients must request IHCDA approval to use this type of QCI annually. IHCDA will monitor 10% of unit completions for subrecipients who have this type of QCI.

Additional documentation may be required by IHCDA if necessary, including the independent status of the QCI and any involvement of the QCI in the Energy Audit process.

Failed QC Inspection
If a QCI and a subrecipient cannot come to a mutual agreement regarding a failed QC Inspection, a neutral third party QCI must be utilized to make the final determination. The neutral QCI:

- Must not be an employee of the subrecipient
- May be an employee of another subrecipient
- May be an employee of a subcontractor not associated with the subrecipient

Client Education
Subrecipients provide the occupants with the information and tools they need to protect the weatherization materials installed and actively participate in saving energy in their units. Providing client education is mandatory. The client education must include but is not limited to the education required in WPN 22-7 and the Health & Safety Plan. Additionally, education about energy use and energy conservation must be shared with each household throughout the weatherization process. Materials can be found at Intelligent Weatherization, NASCSP, and EPA.

4.2 Declined Units
Subrecipients may determine that a unit is unsuitable for WAP at any time during the process of weatherization. At the stage of determination, the subrecipient must inform the client the decision to decline services, and all declinations must be entered through the WAP Database. A Pre-Auditor, Energy Auditor, HVAC Professional, Crew Leader, and QCI have the authority to recommend declination to the Program Manager, who will make the final decision to decline. There are two ways to decline a unit:

- **Deferral:** Unit has issues that can be remediated
- **Denial:** Unit has issues that cannot be remediated

A unit must either be deferred or denied when the decision to decline services has been finalized. The client must be provided written notification of the deferral or denial within 10 business days of the decline date, in compliance with WPN 22-7. A copy of the written decline notification must be in the client file, uploaded to WAP Database. The notification must be comprised of the following:

- Deferral Letter **or** Denial Letter
- Moisture & Home Assessment Form

- Photographs of the decline issues
- Actions and timeline required by client to receive WAP
- Applicable client education for decline issues
- Appeals process for client to follow should they wish to pursue

WAP may not be denied based on the utilities not being in the occupant's name. Utilities under the name of an individual besides the homeowner does not replace the energy burden placed on the applicant In the case of rental-occupied units, agreements with the landlord are needed to guarantee the accrual of benefits from the WAP are transferred to the tenant.

The costs associated with a declined unit are allowable expenses for Formula DOE, IIJA, and LIHEAP jobs. Subrecipients must document on the invoice all charges for the declined unit and must not count the unit as a completion. These costs must be reported to the WAP Database. IHCDA reserves the right to request repayment of funds received for deferral or denial expenses. Historic Preservation is not a cause for declining a unit.

Deferral

A unit that is deferred has issues that are outside the scope of the WAP but can be remediated using DRMs and deferral remediation funding. All weatherization activities must be postponed until the deferral issues have been remedied by the client or subrecipient. Deferral reasons include, but are not limited to, the following issues and underlying conditions within the unit:

- Roof Repair
    - Mold/Moisture
    - Sewage
    - Pest Infestation
    - Structurally Unsound
    - Prohibits Weatherization
- Wall Repair
    - Mold/Moisture
    - Sewage
    - Pest Infestation
    - Structurally Unsound
    - Prohibits Weatherization
- Ceiling Repair
    - Mold/Moisture
    - Sewage
    - Pest Infestation
    - Structurally Unsound
    - Prohibits Weatherization
- Floor Repair
    - Mold/Moisture
    - Sewage
    - Pest Infestation
    - Structurally Unsound
    - Prohibits Weatherization
- Foundation/Subspace Repair
    - Mold/Moisture
    - Sewage
    - Pest Infestation
    - Structurally Unsound
    - Prohibits Weatherization
- Exterior Drainage Repair
    - Mold/Moisture
    - Sewage

- Plumbing Repair
    - Mold/Moisture
    - Sewage
    - Pest Infestation
- Electrical Repair
    - Prohibits Weatherization
    - Safety Hazard
- Repair Beyond WAP
    - Mold/Moisture
    - Sewage
    - Suspected Asbestos Containing Materials
    - Lead Paint
    - Pest Infestation
    - Clutter Restricting Access to Necessary Areas

Subrecipients are expected to pursue funding resources to reduce the occurrence of deferrals, including established referral communication with other funding sources. If remediation funds are utilized, a Deferral Remediation Interim Inspection on the unit must be performed to ensure all deferral issues have been addressed and the unit is weatherization ready. Deferral remediation funds **cannot** be used to perform the following:

- Help maintain the average cost per unit of the traditional Weatherization grants.
- As a “buy down” to enhance other measures.
- As a substitute for traditional weatherization mechanical expenses.
- As an emergency “no heat” program.

Denial

A unit that is denied has issues that are outside the scope of the WAP, and cannot be remediated using DRMs and deferral remediation funding. Denial reasons include, but are not limited to, the following issues and underlying conditions within the unit:

- Ineligible Application
- Ineligible Dwelling Type
- Required Weatherization Activities are Impossible
- Potential Negative Health Impact
- Potential Client Activity Violations
- Client No Longer Residing in Unit
- Client No Longer Interested in Weatherization
- Client No Longer Responding
- Client is Deceased
- Client Refusal of Weatherization Activities
- Landlord Refusal of Weatherization Activities
- Unit was Previously Weatherized
- Unit is Multifamily
- Unit Remodeling Prohibits Weatherization
- Unit for Sale or Foreclosed
- Unit Condemned
- Savings Investment Ratio Below 1
- Activities Would Violate Code Compliance

In the event a denial issue is resolved, subrecipients may proceed with weatherization activities on the unit. Clients are required to resubmit their WAP application and demonstrate that the previous denial issues have been resolved in order to be considered for weatherization.

4.3 Rework

Additional work on the unit required after deficiencies with the performed measures were found after the QC Inspection was signed and unit counted as a completion. Subrecipients must receive IHCDA approval before rework on a unit may proceed. IHCDA may require a rework as a direct response to monitoring findings or concerns, and rework will only apply to specific measures in the monitoring that had issues. If subrecipients perform measures which could fail shortly after work completed, subsequent failures must be addressed by the subrecipient either through a release of liability for those types of issues, or through unrestricted funding. Federal funds are disallowed from being spent on a unit for rework.

Subrecipients should seek guidance from the following neutral third parties in the case of a disagreement regarding defects being caused by improper weatherization services:

- Third party QCI who did not perform the QC Inspection
- IHCDA staff
- IHCDA contracted monitors

4.4 Warranty

All warranties must be in compliance with the SWS/DOE requirements. Subrecipients must ensure occupants are aware of the warranty and maintenance agreement options from the manufacturer. Any defects caused by improperly performing weatherization work found within the warranty period must be remedied without charge and within a reasonable period. Warranties do not extend to measures that a client has altered after the final QC Inspection.

Any defects found outside the warranty period are the sole responsibility of the client. If a Provisional Closeout has been processed, no warranty can be issued or guaranteed. This warranty does not cover equipment failure caused by failure to perform normal maintenance, abuse or external causes beyond the control of the subrecipient or WAP Professionals. Federal funds are disallowed from being spent on a unit for warranty work.

Client Signature

After the QCI Passes a unit as complete, subrecipients must deliver the Client Warranty & Responsibility Form for the client to sign. This signature acknowledges the work is complete and the warranty period and its stipulations. Should the client refuse to sign, subrecipients should inform IHCDA of the refusal, and must upload all information to the WAP Database.

4.5 Fuel Switching

Subrecipients are allowed to change or convert a fuel source on furnaces or appliances on a limited, case-by-case basis, per WPN-23.6. Subrecipients must receive approval from IHCDA to perform a fuel switch. Weatherization work on the unit must not continue until written fuel-switch response is issued by IHCDA. IHCDA's response must be placed in the client file, whether the request was approved or not. Each request must be submitted via e-mail and contain the following documentation:

- The reason(s) the fuel switch is needed
- The current fuel source
- The new or different fuel source
- Combustion Air Zone (CAZ) testing results
- Draft testing results where applicable and digital photographs where possible
- The cost to the client based on the switch to new utility versus the cost with replacing the install
- The proposed funding source for switching the unit

Formula DOE/IIJA-Funded Fuel Switching

Formula DOE/IIJA-funded fuel switches must follow DOE rules for approval from IHCDA and DOE; any other funding source used for fuel switches requires approval from IHCDA. If a subrecipient determines the need to install a heat pump, as a fuel switch or otherwise, outside of DOE's SWS "Energy Star Certified or Equivalent" rating, they may do so with funding other than Formula DOE/IIJA with approval from IHCDA.

4.6 Client File

The Client File is the body of documentation verifying all weatherization activities and expenditures conducted on a unit. A client file is required for all units that have any weatherization activities performed on them. The client file must contain, **as applicable**, the following documentation:

- Client Consent & Health Screening Form (see **Section 4.1**)
- Zero Income Affidavit (see "Zero Income Clients" under **Section 3.1**)
- Client Warranty & Responsibility Form (see **Section 4.5**)
- Deferral Letter (see **Section 4.2**)
- Denial Letter (see **Section 4.2**)
- Moisture & Home Assessment Form (see **Health & Safety Plan Section 6.12**)
- DSTO Form (see **Section 12.3**)
- Heating Inspection Form (see **Health & Safety Plan Section 6.1**)
- Unvented Space Heater Inspection Form (see **Health & Safety Plan Section 6.1**)
- New Gas Furnace Inspection Form (see **Health & Safety Plan Section 6.1**)
- Gas Cook Stove Inspection Form (see **Health & Safety Plan Section 6.8**)
- SHPO Review Request Form (see **Section 5.6**)
- QC Inspection Form (see **Section 4.1**)
- Application Approval Letter (see **Section 3.1**)
- Landlord Agreement (see **Section 3.5**)
- Work Order (see "Energy Audit" and "Priority List" under **Section 4.1**)
- HVAC Load Calculation (see **Health & Safety Plan Section 6.1**)
- ASHRAE 62.2 Module (see **Health & Safety Plan Section 6.17**)
- Lead Renovation Recordkeeping Checklist (see **Health & Safety Plan Section 6.11**)
- Photographs of Lead Safe Work Practices (see **Health & Safety Plan Section 6.11**)
- Fuel Switch Response (see **Section 4.6**)
- SHPO Approval Letter (see **Section 5.6**)
- Invoices for weatherization activities completed (see **Section 7.1**)
- Bid Packet, if job was individually bid out (see **Section 12.2**)
- Form A (Region 3 Checklist), if job was done under the Priority List (**see Section 4.1**)
- HHI Calculation Tool
- A copy of Certificate of Insulation placed in the unit and signed by the Crew Leader
- List of all WAP Professionals who worked in client's unit
- List of all weatherization measures performed, detailing fund sources utilized and justification

4.7 Dispute Resolution & Appeals Process

Clients may submit an appeal if they are dissatisfied with the weatherization activities performed in their unit after it is completed, or to dispute issues causing a deferral or denial. If the appeal is for dissatisfaction with weatherization activities, it must be submitted within the one-year warranty period. An appeal must begin with local review before a client can submit it for state review.

Local Review

Client must send their written appeal to the local subrecipient's WAP Manager or Executive Director within 30 days of receipt of the deferral or denial. The subrecipient's WAP Manager or Executive Director will determine the applicant's eligibility within 10 business days of receipt of the written appeal. All appeal documentation must be saved in the client file and IHCDA's WAP Manager must be notified of denied appeals. The final determination for the appeal must be sent to the client in writing by the subrecipient's Executive Director.

State Review

If the client is not satisfied with the subrecipient's determination, they may submit a written appeal to IHCDA's Director of Energy & Utility Programs for formal review. Client must send their written appeal within 30 days of receipt of the subrecipient's appeal determination. The subrecipient may submit this appeal on behalf of the client, or the client may submit it directly to IHCDA. The appeal must include the

stated reasons for the client's objection to the subrecipient's decision. Reasons must be based on supporting evidence, such as the following circumstances:

- Clear and substantial error or misstated facts which were relied on in making the decision
- Unfair competition or conflict of interest in the decision-making process
- An illegal, unethical, or improper act
- Other legal basis that may substantially alter the decision

All pertinent material from the case will be requested from the subrecipient by IHCDA in order to make a determination. The applicant, as deemed appropriate, will have the opportunity to review all documentation submitted to IHCDA from the subrecipient.

The Director of Energy and Utility Programs will send written acknowledgement of the appeal within 5 business days of receipt of the written appeal and will note the day the appeal with received. The Director will have 30 days from receipt of the written appeal to review, file, and make a determination. The decision from the Director is final.

4.8 Energy Crisis & Disaster Response

As outlined by WPN 26-1, Subrecipients may utilize HSMs and/or IRMs for elimination of hazards or incidental repairs to respond an energy crisis or disaster. The use of these measures for this type of relief response must only be conducted as deemed necessary and appropriate for weatherization to continue on an eligible unit. The relief response plan allows for the following:

- Ability to perform reweatherization regardless of the date
- Securing and protecting materials, supplies, and equipment
- Protection of local agency WAP files and records

Subrecipients may not utilize federal WAP funds to conduct community relief work. No regulations are waived for WAP Activities in response to an energy crisis or disaster, including:

- ACPU or percentage cap limits
- Allowable use of budget categories
- Requirements surrounding proper implementation of Weatherization Work
- Following allowable expenditures outlined in 10 CFR 440.18

IHCDA approval is required before Subrecipients may proceed with any energy crisis or disaster relief response activities.

4.9 Historic Preservation Review

(GUIDANCE: See WAP-2026-03)

Per the signed Programmatic Agreement between IHCDA and the State Historic Preservation Office (SHPO), subrecipients are responsible for Section 106 of the National Historic Preservation Act (NHPA). Subrecipient must refer any units that may be covered under the NHPA to IHCDA, and IHCDA will submit these units to SHPO for review. Subrecipients must document the Historic Preservation status of all units. Upon completion of the Energy Audit, and before weatherization work begins, the subrecipient must compare measures planned on units **older than 45 years old** with the exempt measures list in the Programmatic Agreement Appendix A between IHCDA and SHPO. Mobile and manufactured units are exempt from SHPO Review. If a project is exempt from SHPO, the subgrantee must check the "Exempt" box in LITT. No other paper work is required.

If the unit has planned measures that are not exempted, the subrecipient must submit the SHPO Review Request Form to IHCDA for Section 106 Review. Subrecipients must use due diligence to provide documentation of the existing historical information of the property. A copy of the State Historic Architectural and Archaeological Research Database (SHAARD) register of the property is required in the review request submission, if available. The register may also be found through the Indiana Historic

Buildings, Bridges, and Cemeteries (IHBBC) map. In the event a register cannot be found for the property, subrecipients must provide a screenshot of the property from the IHBBC map.

No weatherization work may begin in a unit until a determination of approval has been made. Per the Programmatic Agreement, if SHPO fails to comment within 30 days of IHCDA's submitted review request date, IHCDA may approve the unit to proceed and assume SHPO's concurrence. All documentation and forms verifying the determination must be maintained in the client file for 3 years after unit completion.

4.10 Procurement

Bidding or price list procedures must be available to IHCDA upon request and include the following:

- RFPs must be conducted annually (unless subrecipient policy specifies every 2 years)
- Cost analysis of price list must be conducted annually
- Public bid with advertising available and open for 3 business days
- List of interested existing contractors who were sent the bid packet
- Solicitation includes clear and accurate description of service and/or material procured
- Deadline for responses to bidding packet established

Subrecipients must follow proper procurement procedures when acquiring goods and/or services for WAP. Subrecipients must demonstrate that prices paid for both miscellaneous items included on the price list are reasonable based upon fair market values. The Financial Management Toolkit provides templates, checklists and guidance for procurement of weatherization contractors. Subcontractors must sign contracts that include all DOE-required Flowdown Provisions.

Subrecipients must annually review their contractors against the Federal contractor debarment list located at sam.gov. If a contractor is listed on the Excluded Parties List, subrecipients must not enter into a contract for goods or services paid with Federal funds.

Cost Analysis

All measure-cost updates must be based on current, reasonable, and allowable market pricing, supported by documentation such as vendor quotes, procurement records, or verified retail pricing. Subgrantees must maintain supporting documentation. Prior-year cost libraries must be archived to ensure only current pricing is used.

IHCDA will review all Library Measure cost updates during monitoring to verify compliance with § 200.324, WPN 23-6, and the subgrantee's SOP. IHCDA will confirm that costs reflect current market conditions, are properly supported, and are applied consistently across all measures.

Section 5: Service Provisions

5.1 Award Cost Requirements

All federal grants must follow 2 CFR 200 E. A cost is allocable to a particular Federal award if it meets the standards below:

- Cost is specifically for the Federal award
- Benefits both the Federal award and other work of the non-Federal entity
- Can be distributed in proportions that may be approximated using reasonable methods
- Necessary to the overall operation of the non-Federal entity
- Assignable in part to the Federal award

A cost allocable to a particular Federal award may not be charged to other Federal awards to overcome fund deficiencies, avoid restrictions imposed by Federal law, or circumvent the terms and conditions of the Federal award.

A cost legitimately allowed under more than one federal grant may be split and shared between awards., but must be allocated to the awards based on proportional benefit. If the proportional benefit cannot be determined because of the interrelationship of the work involved, the costs may be allocated or transferred to benefitted awards on any reasonably documented basis.

Costs are assignable to the Federal award in instances where the purchase of equipment or other capital asset is specifically authorized under the award. This allowance is regardless of the use when no longer needed for the purpose of which it was originally required when purchasing.

5.2 Program Income

WAP Program Income is any amount of funds earned by subrecipients from non-Federal sources while performing weatherization work. Program Income must be used in accordance to 2 CFR 200.307 and must be utilized within 12 months of when they were earned. The amount received and expended must be detailed in the subrecipient Closeout Form and Reconciliation Form for the Performance Period of the associated WAP Award. Program Income may be braided with WAP funds.

Fund sources for Program Income include but are not limited to the following:

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

Landlord contributions are not considered Program Income.

5.3 Conflict of Interest

Subrecipients must not participate in any activities that involve a conflict of interest. This includes any inappropriate financial, personal, or incentive beyond the performance of one's defined duties in their role. Subrecipients must avoid the appearance of a conflict of interest and disclose all potentially questionable associations and relationships in advance to IHCDA.

Subrecipients shall not have any arrangements whereby any compensation or future referrals are influenced by any WAP activities performed. Compensation includes direct and indirect pay as well as substantial gifts or favors. Subrecipients shall not accept any form of compensation for recommending products or services to clients or other parties who have an interest in the WAP activities.

Subrecipients must maintain a written Conflict of Interest policy that meets the requirements of 2 CFR 200.318(c). The policy must include the following:

- Standards of conduct for employees, officers, agents, and board members
- Prohibit participation in procurement when a real or apparent conflict exists
- Define conflicts involving immediate family, partners, and affiliated organizations

- Prohibit the solicitation or acceptance of gratuities or favors from contractors
- Establish disciplinary actions for violations

5.4 Document Retention

Subrecipients must retain and maintain all records 3 years after the submission of the final financial report for the grant, as outlined in 2 CFR 200.334. The records under this retention policy include, but is not limited to, the following:

- Financial and Programmatic records
- Supporting documents
- Statistical records

The following specified items are subject to certain additional retention requirements:

- Records under litigation, claims, or audit findings must be retained until the final action of these activities, even when extending beyond the 3-year period
- Records for Program Income must be retained 3 years after the subrecipient's fiscal year in which the Program Income was earned
- Records for indirect cost rate, cost allocation plans, or any similar accounting computations must be retained dependent on the status of negotiation
    - If submitted for negotiation, retain for 3-year period after date of submission
    - If not submitted for negotiation, retain for 3-year period after end of fiscal year

The specified retention periods do not apply to records transferred by agencies to the Federal government. Requests by the Federal government for records to be extended in retention must be followed.

The proper disposal of documentation and information is one that is reasonable and appropriate to prevent any unauthorized access, including the following:

- Burn, pulverize, or shred documents so they cannot be read or reconstructed
- Destroy or erase electronic files so they cannot be read or reconstructed
- Conduct due diligence and hire a document destruction contractor to dispose of PII

5.5 Background Check

Subrecipients must ensure all WAP Professionals undergo background check before they may conduct any weatherization activities. Subrecipients are responsible for developing their own background checks and screening the background checks of their subcontractors. Subrecipients and subcontractors will be held liable for any injuries or damage resulting from the individual if the following are found regarding the background check:

- Background check was not conducted
- Rendered a false positive determination
- Failed to reasonably interpret findings of the check

Subrecipients must provide immediate written notice to IHCDA if a determination of the background check was found to be erroneous or has changed by reason of changed circumstances.

5.6 Personally Identifiable Information

Pursuant to 5 USC 552(b)(6) of the Freedom of Information Act, subrecipients are required to keep confidential any personally identifying information (PII) related to an individual's application, eligibility, or participation in WAP. This includes, but is not limited to, the individual's name, address, social security number, birth date, and income information. Subrecipients may release information about clients in the aggregate and which does not identify specific individuals. IHCDA approval is required before providing any PII utility program, study, or entering into a third-party agreement.

5.7 Required Subrecipient Information

The following information is required for subrecipients who participate in WAP:

- Authorized Signature Form
- Direct Deposit Form
- W9 Tax Form
- Unique Entity Identifier (UEI) number

Authorized Signature Form

Persons authorized to sign grant agreement and claims must be notarized for each signer. For all forms and agreements, the signature must be one of the subrecipient's "Authorized Signatures" and approved on IHCDA's Authorized Signature Form. If the person approved as the Subrecipient'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.

Subrecipients may use a pre-saved signature or template signature for signing. Pictures or screenshots of a signature are not allowable, and the document will not be considered signed.

5.8 Buy America Preference

Pursuant of the Buy America Preference (BAP), federal funds may not be used for a **unit that is a part of public infrastructure** (as defined by the US Office of Management and Budget) unless all iron, steel, manufactured products, and construction materials **used in the project** are produced in the United States. The Subrecipient must ensure that the BAP flows down to any subcontracts executed. The BAP terms and conditions must be included all subcontracts, and purchase orders for work performed under the unit. The BAP applies only to items that are incorporated into and permanently affixed to the unit.

5.9 Fraud, Waste, and Abuse

Subrecipients must be in compliance with mandatory disclosures outlined in 2 CFR 200.113. All complaints related to fraud, waste, and abuse (FWA) will be routed to IHCDA's Program Integrity department at fwa@ihcda.in.gov. Communications may be requested to occur in person or virtually via phone, video call, or email. A report form for FWA is available on the IHCDA Website. Individuals who report FWA will have three options for filing:

- **Not remain confidential or anonymous** – individual may be contacted and there will be no restrictions to release of identity or information
- **Remain confidential** – individual may be contacted for additional information, but there will be no release of identity outside of IHCDA
- **Remain anonymous** – individual will not be able to be contacted for additional information and the identity and information will be restricted

Program Integrity staff will review and investigate all internal and external complaints of FWA. When deemed appropriate, investigations may be assigned to IHCDA program staff. The assigned program staff will review in conjunction with Program Integrity to determine wrongdoing and next steps. In the event IHCDA does not have a relationship to the property or funds at issue, a referral will be made to the reporting party to address their complaint with another government agency or entity.

Where appropriate or required to federal law, IHCDA may work in conjunction with external partners, including the following:

- Law enforcement
- Attorney General
- Federal agencies or entities

Section 6: Funding

6.1 Production Cost Categories

Subrecipients may claim the following cost categories as they apply to specific weatherization work, and must report these costs to the WAP Database.

- Labor cost
- Material cost
- Direct Overhead cost

Costs accrued and associated with work on a unit before it is declined may be claimed only after approval of a Provisional Closeout. These costs are not to be associated with deferral remediation costs to bring a unit out of deferral.

Labor Cost

Costs for salary and fringe benefits any WAP Professional whose work is directly tied to a unit completion. Where WAP Professionals work on multiple activities, a distribution of their salaries or wages must be supported by equivalent documentation of the activity percentage of work by the WAP Professional. Eligible costs include:

- Pre-Audit Walkthrough
- Energy Audit
- Weatherization Work
- Interim and QC Inspection
- Client Education (see T&TA Plan and H&S Plan)
- Workforce Development Initiative (WDI)

Material Cost

Costs of materials installed during weatherization work, including the following costs:

- Warehousing facility (leases, utilities, security)
- Transportation of material and WAP Professionals to work site
- Vehicle maintenance
- Inventory control
- Consumable supplies (used during weatherization work and not usually left in the unit: batteries, protective suits, masks)

Direct Overhead Cost

Costs for supportive operations and items that are definable and only resulting WAP. The subrecipient cost allocation plan must define these applicable costs as necessary, allocable to the award, and consistently treated across all programs. Eligible costs include:

- Rent and utilities
- Advertising
- Consumable office supplies
- Office equipment and furnishings (including computer equipment)
- Equipment maintenance and repair (including vehicles)

6.2 Funding Sources

IHCDA acts as the Recipient, receiving funding from Grantors, and allocating this funding to the Subrecipient Network. The current funds from Grantors are:

- **Formula DOE**, sourced from DOE, annual formula funds
- **IIJA**, sourced from DOE, statutory funds
- **LIHEAP**, sourced from Health & Human Services (HHS), part of the allocation of IHCDA's EAP Department

Formula DOE, IIJA, and LIHEAP operations are all subject to an Average Cost Per Unit (ACPU). Expenditures provided under weatherization cannot exceed the established ACPU and percentage cap limits. All services must be rendered, and materials received within the allowable Performance Period.

Formula DOE Funding

Formula DOE funds have three Allocation Categories: **Program** funds, **T&TA** funds, and **Readiness** funds. The funding amounts in each category are predetermined and cannot be modified from one to the other. **Program funds** are further broken down into the following budget categories:

- Administration
- Financial Audit
- Liability Insurance
- Energy Audit
- Inspection
- Base Operations
- Health & Safety

All budget category amounts in the Program funds may be modified at the subrecipient's request and IHCDA approval.

All Formula DOE completions are counted as Base completions. When Formula DOE funds are invoiced on a unit, all weatherization work and the QC Inspection must be completed and passed by June 30 of the current Formula DOE Program Year.

Administration

Fiscal, executive, and other supportive operation staff engaged in program administration. The maximum allowable percentage of Administration expenditures is 10% of Total Award amount.

Financial Audit

Audit conducted in accordance with Subrecipient's cost allocation plan.

Liability Insurance

Insurance coverage of at least $1,000,000 covering the risks related to the property and personal liability claims of other parties against the insured party. Pollution Occurrence Insurance is recommended but not required for subrecipients who contract out Lead and Asbestos remediation.

Energy Audit

Conducting audits, pre-audit walkthroughs, or use of priority list that result in calling for materials in 10 CFR 440, Appendix A (including DOE-approved variances) or DOE-approved energy audit protocol. Allowable costs include:

- Labor
- Travel (mileage, lodging, and per diem)

Inspection

Interim and QC Inspection assessing the energy audit, field site data, software inputs, and measures called for. Allowable costs include:

- Labor
- Travel (mileage, lodging, and per diem)

Base Operations

Installing ECMs and repairing IRMs to complete a unit. Installed ECMs must be called for either in the Energy Audit or the Priority List. At least **one** ECM must be installed and must pass QC Inspection in order for a unit to be considered complete. Energy Audit and Inspection costs must either be paid out of Base or paid out of their individual line items, not both at the same time. Allowable costs include:

- Labor

- Material
- Direct Overhead
- Costs accrued preceding Provisional Closeouts, Deferrals, or Denials

(GUIDANCE: See WAP-2026-02)

Health & Safety
Eliminating HSMs prior to installation of ECM materials. HSM hazards must be identified in the Energy Audit or the Priority List to be eligible. At least **one** HSM must be eliminated and must pass QC Inspection in order for a unit to be considered complete. Typical HSMs that are identified as IRMs must never be applied to the Health & Safety budget category. Allowable costs include:

- Labor
- Material
- Direct Overhead
- Costs accrued preceding Provisional Closeouts, Deferrals, or Denials

The maximum allowable percentage of Health and Safety expenditures is 25% of total Base expenditures.

T&TA
Costs for WAP-specific training and/or technical assistance given to subrecipient or contractor staff. Trainings and conferences must be prioritized to have direct application and benefit to assigned WAP-aligned staff and contractors. Subrecipients must document how other programs will share the training costs if the training is not strictly for the benefit of WAP. Subrecipients are disallowed from using T&TA for salaries not related to training activities, property item purchases, and costs covered by Program or Readiness allocation categories. Allowable costs include:

- Class fee
- Material fee
- Written testing
- Field testing
- CEU event
- Exact time wage reimbursement for attending approved conferences and trainings
- Exact time salary for providing trainings or participating in field training
- Travel expenses following Federal guidelines and including the following:
    - Meals and per diem
    - Lodging (cost must be in line with hotels provided for by the conference or training host, or have reasonable justification of using more expensive lodging)

Subrecipients must provide training documentation to IHCDA upon submitting claims. Training records must contain the following documentation and verification that the required and appropriate training was attended and completed:

- One of the following records from an entity with the authority to train for WAP:
    - Training certificate
    - Sign-in sheet
    - Student portal information
    - Email confirmation
    - Sign-up confirmation
- Time sheet

Readiness
Remediating DRMs prior to performance of any weatherization work. Remediated DRM issues may be called for by the subrecipient, but must strictly be related to the deferral issue, and not to perform work that would otherwise be covered by ECM, HSM, or IRM costs. At least **one** DRM must be remediated and must pass QC Inspection (or Interim Inspection if bridging) in order for a unit to be considered complete. A

unit undergoing deferral remediation utilizing Readiness must have all DRMs completed by the end of the Formula DOE Program Year. Allowable costs include:

- Labor
- Material
- Costs accrued preceding Provisional Closeouts or Denials

All remaining Weatherization work must be completed and the job closed by the end of the first Quarter of the following Program Year. Units utilizing Readiness funding must result in either a Formula DOE or IIJA completion.

The maximum allowable cap of Readiness expenses per unit is $12,500. This cap may only be exceeded with IHCDA approval, with requests sent to iwx@ihcda.in.gov. The initial request must include:

- Quotes for the work
- Meaningful Photos
- Moisture & Home Assessment Form

Subrecipients must inform IHCDA if the quote amount changed after approval and provide an updated quote before work can proceed. In the event the changed amount is 10% higher than the IHCDA-approved exceeding quote, additional approval is required.

IIJA Funding

IIJA funds have two Allocation Categories: **Program** funds and **T&TA** funds. The funding amounts in each category are predetermined and cannot be modified from one to the other. **Program funds** are further broken down into the following budget categories:

- Administration (follows Formula DOE Funding requirements)
- Financial Audit (follows Formula DOE Funding requirements)
- Liability Insurance (follows Formula DOE Funding requirements)
- Base Operations (follows Formula DOE Funding requirements, except for ACPU)
    - The maximum allowable ACPU is $8,450
- Health & Safety (follows Formula DOE Funding requirements)

All budget category amounts in the Program funds may be modified at the subrecipient's request and IHCDA approval. T&TA follows Formula DOE Funding requirements.

All IIJA completions are counted as Base Program completions. When IIJA funds are invoiced on a unit, all work and the QC Inspection must be completed and passed by June 30 of the IIJA Grant Cycle.

LIHEAP Funding

LIHEAP funds have one Allocation Category: **Program** funds. **Program funds** are broken down into the following budget categories:

- Administration
- Liability Insurance
- Supplies
- Equipment
- Support Operations
- Capital Intensive Operations

All budget category amounts in the Program funds may be modified at the subrecipient's discretion and IHCDA approval.

All LIHEAP Completions are counted as either Support or Capital Intensive completions. When LIHEAP funds are invoiced on a unit, all work and the QC Inspection (or Interim Inspection if Support is bridging) must be completed and passed by September 30 of the current LIHEAP program year.

Administration
Fiscal, executive, and other supportive operation staff engaged in program administration. The maximum allowable percentage of Administration expenditures is 7% of Total Award amount.

Liability Insurance
Insurance coverage of at least $1,000,000 covering the risks related to the property and personal liability claims of other parties against the insured party. Pollution Occurrence Insurance is recommended but not required for subrecipients who contract out Lead and Asbestos remediation.

Equipment
Equipment is defined in 2 CFR 200.1 as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or $10,000.

Supplies
Supplies are defined in 2 CFR 200.1 as all tangible personal property other than those described in the definition of *Equipment*. The acquisition cost must be less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or $10,000, regardless of the length of its useful life.

Support Operations
Installing ECMs, eliminating HSMs, and repairing IRMs to complete a unit. ECMs and HSMs must be called for either in the Energy Audit or the Priority List. At least **one** ECM or **one** HSM must be performed and must pass QC Inspection (or Interim Inspection if bridging) in order for a unit to be considered complete. A unit utilizing Support must result in a Formula DOE Base or IIJA Base completion. Allowable costs include:

- Labor, Material, and Direct Overhead
- Fringe Benefits
- Costs accrued preceding Provisional Closeouts, Deferrals, or Denials

The maximum allowable average cost per unit is $9,000.

Capital Intensive Operations
Installing ECMs, eliminating HSMs, and repairing IRMs to complete a unit. ECMs and HSMs must be identified in either the Energy Audit or the Priority List. At least **one** ECM must be installed and must pass QC Inspection in order for a unit to be considered complete. Allowable costs include:

- Labor, Material, and Direct Overhead
- Fringe Benefits
- Costs accrued preceding Provisional Closeouts, Deferrals, or Denials

The maximum allowable average cost per unit is $15,400.

6.3 Rebates
IHCDA has contracted with Utility Vendors to administer rebate programs in the form of Unrestricted Weatherization Improvement (UWI) funds. Subrecipients must meet specific requirements set forth by the Utility Vendor in order for eligible weatherization work to qualify for their specific program. Subrecipients must track and enter the rebate amount spent in the WAP Database, where IHCDA will process and issue funds to the subrecipients. These funds should be used within 12 months from the time they are received.

6.4 Leveraged Funds
Leveraged funds are additional, non-DOE resources used to support or expand Weatherization services. IHCDA does not set aside funds for a leveraging program. Subrecipients may leverage funds against unrestricted or other funds in order to weatherize units.

6.5 Braiding Funds

Subrecipients may braid separate funding sources together to complete a unit. Each unit must only be composed of one standalone budget category when braiding. A standalone budget category can count as a unit completion on its own without additional braiding required. The standalone budget category is what makes a job a completion, and thus one unit must only have one standalone budget category. The current standalone categories are:

- Formula DOE Base
- IIJA Base
- LIHEAP Capital Intensive

The following budget categories may braid together in a **Formula DOE Base completion**:

- Formula DOE Health & Safety
- LIHEAP Support
- Formula DOE Readiness
- Rebates
- Private funding
- Unrestricted Weatherization Improvement funds
- Funds from other approved programs

The following budget categories may braid together in a **IIJA Base completion**:

- IIJA Health & Safety
- LIHEAP Support
- Formula DOE Readiness
- Rebates
- Private funding
- Unrestricted Weatherization Improvement funds
- Funds from other approved programs

The following budget categories may braid together in a **LIHEAP Capital Intensive completion**:

- Rebates
- Private funding
- Unrestricted Weatherization Improvement funds
- Funds from other approved programs

Braiding LIHEAP one Program Year to LIHEAP of another Program Year is **not allowable**.

6.6 Fund Requests

Additional Funds Request

After a subrecipient has received their initial allocation, they may request additional funding from IHCDA. Subrecipients must have claimed 80% of their allocation or reported 80% of their award units to be eligible for consideration. Requests must be sent via letterhead and should be submitted to iwx@ihcda.in.gov. Subrecipients should include the following in their request:

- An explanation of need for the additional funds.
- Total Allocation requested
- Totals in each Allocation Category requested (Program, T&TA, or Readiness) for the requested Funding Source
- A breakdown of either a budget or explanation of how these funds will be utilized
- Signatures of the subrecipient WAP Manager and subrecipient Executive Director or designee

Subrecipients may only request up to $500,000 per Additional Funds Request. Additional Fund Requests must be made before spending beyond budget category limitations. In the event subrecipients overspent their budget category, IHCDA reserves the right to deny additional fund requests.

Award Open Request

It is possible to have multiple LIHEAP awards active during the LIHEAP Program Year. In order to ensure that the older LIHEAP Awards are spent first, at the start of the LIHEAP Program Year, the newly allocated funding will be set as closed in the claims system. The award will remain closed until the subrecipient either expends or estimates they will expend 90% of their older LIHEAP award. IHCDA will open the new award if it is found their old awards are expended to this threshold, otherwise the subrecipient may request the award be opened. Subrecipients must supply the following information of the older LIHEAP award to iwx@ihcda.in.gov in their request:

- Total Budget
- Current Claims Amount
- Current Balance
- Estimated Final Claims Amount
- Estimated Final Balance
- Estimated Date of Final Claim

Section 7: Claims

All claims for WAP funding sources must be entered and submitted online via IHCDA's claim system, IHCDAOnline. Funds will be reimbursed to subrecipients only for authorized expenditures incurred for WAP. These expenditures must be in accordance with IHCDA and Federal policy as well as 2 CFR 200. Each subrecipient must have at least one person authorized registered in the system. There are four types of claims:

- Grantee Payment
- Adjustment
- Repayment
- Return of Funds

IHCDA functions on a reimbursement payment system. All claims must be approved by IHCDA Claims and Accounting Departments before subrecipients can receive payment. DOE has provided the Financial Management Toolkit for assistance in WAP financial management.

7.1 Claim Procedures

Subrecipients must submit properly completed claims and backup documentation every 30 days for reimbursement of costs incurred during the prior month. Claims submitted towards Base, Health & Safety, Readiness, Support, or Capital Intensive must be supported by job costs entered in the WAP Database. Subrecipients are not required to have a Job Expense Report to make claims, but must be prepared to submit one to IHCDA should it be requested during the claiming process.

Subrecipients may claim only incurred material expenses or material expenses that are expected to be due within ten days of the receipt of the claim may be submitted to IHCDA. A subrecipient may be paid for work passed by an Interim Inspection. Work after a passed Interim Inspection must have a passed QC Inspection before payment can be made. Subrecipients have 90 days after the end of the Program Year to make claims pertaining to the award.

All claims processed through IHCDA Online are required to have certain supporting documentation included with the request for reimbursement. Those items include:

- **General Ledger, Trial Balances or Other Accounting Software Generated Reports:** Reports supporting costs should be generated in such a way as to include the following:
    - Only those costs incurred by that program during the specific date range for which reimbursement is being requested (ex. May 1-May 15)
    - Indirect costs that are allocated across all activities should have separate accounts for each program. A single lump sum record with a note that a specific amount is being charged to a certain program is not acceptable. If requested, documentation supporting the cost allocation or salary/wage determination should be readily available.
    - Direct expenses associated with a unit need to include the WAP Database application number from the Job Expense Report.
    - Detailed information of expenses including vendor name, date paid, date of transaction and description of the actual expense. Incomplete, missing or insufficient descriptions may result in IHCDA asking for additional documentation to support those costs.
    - In the event of payroll costs, IHCDA should be able to easily distinguish the individuals included in the expense, the timeframe covered in the expense and the details that make up the expense.
- **Copies of Invoices/Receipts**: All invoices and receipts must be maintained and filed by the subrecipient in accordance with award agreements and federal regulations. All invoices over $1,000 must be submitted with the claim. Invoices under $1,000 will be provided from the subrecipient upon IHCDA's request.
    - Invoices must be on company letterhead and must include a detailed breakdown by material and labor and listing the date the work was performed.
    - Invoices must list WAP Professionals who worked under the specific job
    - Invoices will denote budget category being billed

- **Claim Summary Pages** a summary of completions claimed, name and address, date of interim or final audit inspection and the total dollar value of the unit to date.

Subrecipients must include all depreciation cost with the subrecipient's cost allocation plan. See WAP Claims Requirements Form.

Subrecipients must maintain and implement written procedures to minimize time elapsing between reimbursement to subrecipient and subrecipient payment of subcontractors. Subrecipients will have 45 days from the date of receiving the subcontractor invoice to check issuance of DOE and HHS-funded grants. Subrecipients must maintain financial and accounting records which identify costs attributable to each Activity Description specified on Attachment A of each Agreement and any coinciding or superseding Amendments.

Subrecipients must maintain all records that are sufficient to document financial activities and claims for reimbursement. This includes, but is not limited to:

- Payroll records
- Banking records
- Accounting records
- Purchase orders

Subrecipients will be required to repay IHCDA all sums reimbursed for which adequate fiscal or service delivery documentation does not exist for any time period audited. If audit or review results in a cost disallowance, IHCDA may set off the amount against current or future allowable claims, demand cash repayment, or withhold payment of current claims in a like amount pending resolution between IHCDA and the subrecipient of any disputed amount.

IHCDA may withhold payment to a subrecipient if a claim submitted is inaccurate or is not compliant with claim preparation instructions issued by IHCDA. IHCDA will notify subrecipient of any error in the claims submitted so subrecipient may make the corrections or revisions necessary for payment.

7.2 Claim Types

Grantee Payment

Claim to draw funds from the award. This will initiate a payment transaction to the subrecipient for the budget categories claimed against.

Adjustment Claim

Claim to edit budget category claims within the same award. Adjustment claims will have both positive and negative line-item amounts and must have a net total of zero, so as to not draw or pay.

Repayment Claim

Claim to edit budget categories between different awards. This will initiate a repayment transaction to IHCDA for the budget categories repaid against, and funds that will be made available in the budget category shown in the remaining balance. Must be done if completed units have been claimed against one award and those costs are then shifted to a separate award.

Return of Funds

Claim to return funding from the award. This will initiate a repayment transaction to IHCDA for the budget categories repaid against, and the funds will be deallocated from the award shown in the total budget. A return of funds must be paid out from non-federal funds. A return of funds may be required for the following reasons:

- Monitoring or financial audit issue
- Overages on ACPU or percentage caps
- Interest expenses paid with Federal funding
- Expenses incurred after QC Inspection Pass Date

- Expenses claimed for an award after end of Performance Period
- Disallowed equipment acquisition with Federal funds.
- Measure not cost justified

7.3 Advance Funding

Per IC 4-13-20, Payment for any services, supplies, materials, or equipment shall not be paid from any fund or state money in advance of receipt of such services, supplies materials, or equipment by the state. With the prior approval of the budget agency, payment may be made in advance for any of the following:

- Dues and subscriptions
- License fees
- Insurance premiums
- Utility connection charges

Section 8: Reporting

Subrecipients will use the WAP Database to report all aspects and data pertaining to unit production for all awards in their Performance Period. Subrecipients must report to the WAP Database within **15 days** of receiving the contractor invoice. Data to be reported and tracked in the WAP Database include.

Reports are made available for subrecipients to generate on any time frame deemed necessary. It is recommended subrecipients pull reports on monthly basis to check in on job and completion information, and inform IHCDA of any errors or discrepancies found at iwx@ihcda.in.gov. Subrecipients must contact iwx@ihcda.in.gov in order to unlock a closed job to make changes.

8.1 Required Data Collection

Subrecipients are responsible for collecting and maintaining all data pertaining to unit, client, and weatherization activities.

Unit Data

The following unit-specific data must be reported, as applicable, to the WAP Database:

- Housing Type
  - Rent
    - Utilities Billed Separately
    - Utilities in Rental Fee
  - Own
- Dwelling Type
  - Single Family
  - 2-4 unit
  - Mobile Home
  - Multifamily
  - Shelter
- Primary Heating Fuel
  - Natural Gas
  - Fuel Oil
  - Electricity
  - Propane/LPG
  - Kerosene
  - Wood
  - Other Fuel
  - No Heating System
- Mailing Information
  - Address
  - City
  - State
  - County
  - ZIP Code
- Year Built
- Deferrals Issues, when applicable
  - Stage Deferred
    - Pre-Audit Walkthrough
    - Energy Audit
    - Weatherization Work
    - Interim Inspection
    - QC Inspection
  - Listing of individual Deferral Issues & Categories (see Section 4.2)
- Denial Issues, when applicable
  - Stage Denied

        - Pre-Audit Walkthrough
        - Energy Audit
        - Weatherization Work
        - Interim Inspection
        - QC Inspection
    - Listing of individual Denial Issues (see Section 4.2)
- Reweatherization, when applicable
- Individual count of Low-Rise or Large Multifamily Buildings, when applicable
- Window Replacements (EPA Lead-Based Paint Hazard), when applicable

Client Data

The following unit-specific data must be reported, as applicable, to the WAP Database:

- Priority Type
    - Elderly
    - Disabled
    - Children
    - High Residential Energy User
    - High Energy Burden
- Poverty Level
    - Under 75%
    - 75% - 100%
    - 101% - 125%
    - 126% - 150%
    - Over 150%
- Race
    - American Indian or Alaskan Native
    - Asian
    - Black or African American
    - Native Hawaiian or Pacific Islander
    - White
    - Multi-Race
- Ethnicity
    - Hispanic, Latino, or Spanish Origins
    - Not Hispanic, Latino, or Spanish Origins

WAP Data

The following WAP data must be reported, as applicable, to the WAP Database:

- Date Information
    - Intake Date
    - Eligibility Date
    - Energy Audit Date
    - Deferral Date, when applicable
    - Deferral Remediation Complete Date, when applicable
    - Denial Date, when applicable
    - Interim Inspector Pass Date, when applicable
    - QC Inspection Pass Date
- Weatherization Activity Information
    - Energy Audit
    - Weatherization Work
        - ECMs
        - HSMs
        - IRMs
        - DRMs, when applicable
    - Interim Inspection

    - QC Inspection
- Production Information
    - Fund Source
    - Budget Category
    - Cost Category
        - Labor
        - Material
        - Overhead

Davis-Bacon and Contract Work Hours and Safety Standards Act (CWHSSA) Data

The following Davis Bacon and CWHSSA data must be collected and maintained in the subrecipient internal records, as applicable, for all Low-Rise and Large Multifamily units utilizing IIJA funding:

- Multifamily units subject to Davis-Bacon
- Funds spent on multifamily units subject to Davis-Bacon
- Number of contractors against whom wage complaints were received as related to Davis-Bacon and CWHSSA
- Number of investigations completed
- Number of contractors found in violation of Davis-Bacon and/or CWHSSA
- Total dollar amount of wage restitution due
    - Under Davis-Bacon
    - Under CWHSSA (overtime violations)
- Total dollar amount of back wages paid
    - Under Davis-Bacon back wages paid:
    - Under CWHSSA
- Total number of employees due wage restitution under Davis-Bacon and/or CWHSSA
- Total dollar amount spent toward damages assessed under the CWHSSA

8.2 Benchmarking & Annual Production Plan

At the start of the Formula DOE Program Year, IHCDA will set out a minimum production benchmark for each subrecipient to be completed on a monthly basis, called the Monthly Benchmark. The Monthly Benchmark is based on annual Formula DOE Base unit completions as described in the State Plan and a formula-driven percentage bump.

Subrecipients must develop an Annual Production Plan to meet their monthly benchmark under the following terms:

- The Monthly Benchmark amount must be planned, on average, for every month listed
- The Annual Production Plan must be attached to every Formula DOE and IIJA Budget Form submitted to IHCDA for approval. A Formula DOE or IIJA Budget Form submitted to IHCDA will be approved only if it has the Annual Production Plan attached.
- Formula DOE Awards must be spent first and have Monthly Benchmarks planned likewise
- In the event Formula DOE Awards are unavailable, the IIJA Award will be spent and Monthly Benchmarks planned likewise
- Monthly Benchmarks must never be split between Formula DOE and IIJA, except under the following circumstances:
    - Formula DOE Award is in its last month of production, and the Subrecipient would not meet its Monthly Benchmark otherwise
    - Another term or Federal requirement takes precedence (e.g. reconciling an award ACPU, reconciling an award Admin % cap)

8.3 Unit Counting

Completed Units

Completed units are determined when the unit passes QC Inspection (or Interim Inspection when bridging). A completion is counted for any budget category that the unit received weatherization work from. If a unit were to receive LIHEAP Support and Formula DOE Base, it would count as a completion for

both budget categories. A job can be completed on the one portion of the scope of work while working on completing the other portion. Subrecipients will always report the number of completed units for the Performance Period in their Closeout and Reconciliation.

Bridging Units

Only in limited braiding scenarios may a unit count towards a certain type of completion without a QC Inspection, called bridging. Bridging a unit is only possible under these scenarios:

- LIHEAP Support Bridging
- Formula DOE Readiness Bridging

LIHEAP Support Bridging

A job that braids LIHEAP Support with Formula DOE/IIJA may continue work on the unit into the next LIHEAP Performance Period under the following conditions:

- All LIHEAP Support work must be Interim Inspection Passed to be considered completed by the last day of the LIHEAP Performance Period
- All work on the unit at start of the concurrent LIHEAP Performance Period must be result in a Formula DOE/IIJA Base completion
- The weatherization work must be completed and the whole unit QC Inspection Passed on the last day of the Formula DOE/IIJA Performance Period

Formula DOE Readiness Bridging

A job that braids Formula DOE Readiness with Formula DOE/IIJA Base may continue work on the unit into the next Formula DOE Performance Period under the following conditions:

- All Formula DOE Readiness work must be Interim Inspection Passed to be considered completed by the last day of the Formula DOE Performance Period.
- All work on or after the start of the concurrent Formula DOE Performance Period must result in a Formula DOE/IIJA Base completion
- The weatherization work must be completed and the whole unit QC Inspection Passed at the end of Quarter 1 of the concurrent Formula DOE Performance Period

Bridging Formula DOE Readiness across Grant Cycles must result in an IIJA Base completion.

8.4 Unit Provisional Closeout

A unit that cannot be entered to receive further weatherization activities, but had expenses incurred, may claim expenses with approval by IHCDA. The Provisional Closeout does not allow for the unit to be counted as a completion, and funding claimed will go against the ACPU and percentage cap limits. IHCDA will respond in writing to approve or deny the request for a Provisional Closeout. Until written approval from IHCDA is received, final claims cannot be submitted for the particular unit.

In order to receive a Provisional Closeout, the following must be met and documented in the client file:

- Documentation clearly stating the reason the unit could not be completed
- Detail specific circumstances related to the issue and why access to the unit has been denied
- At least 1 attempt to schedule work, verified with a certified letter that includes the following:
    - Documentation of missed scheduled appointments by the client and/or the client refusal to allow entry to complete work or perform an Interim or QC Inspection.
    - Language stating the client will have a minimum of 7 business days to contact the subrecipient to allow for entry to complete work or perform an Interim or QC Inspection.
    - Stated consequences of not responding within the 7-day period, whereby the client releases all WAP Professionals, including the State of Indiana, IHCDA, and all subrecipients and contractors
        - All warranty and liability associated with materials installed and work performed will be forfeited

        - All liability for losses, damages, costs, personal injury, death, or other claims because or in relation to the installation, location, or malfunction of measures is the client's responsibility to address
    - Detail client's right to appeal consequence in writing to IHCDA within 10 business days of receipt of the certified letter. A letter or email must be sent to IHCDA, where the State Review level of appeals will be undertaken

In cases of deferral or denial, include documents required in Section 4.2.

8.5 Award Closeout

Closeout Process & Schedule

At the end of each Performance Period of an award, the subrecipient must perform a closeout to IHCDA. The Closeout Period lasts 45 days after which the subrecipient must complete all reporting in the WAP Database and claims in the Claims System that are present in the Closeout Report. Subrecipients may request a 15-day extension to be granted at IHCDA's discretion. Subrecipients who request an extension to IHCDA past Day 30 may be considered late, depending on the nature of the extension request.

The closeout process takes on the following schedule at the end of the Performance Period:

- **Day 0:** Program Year ends. IHCDA emails Closeout Forms
- **Day 1:** Closeout Period begins
- **Day 30:** Subrecipients must submit an update via email to iwx@ihcda.in.gov of their progress in lieu of the closeout report, including extension requests when applicable
- **Day 45:** Non-extension subrecipients final Closeout Report due
- **Day 60:** Extension subrecipients final Closeout Report due

After Day 60, subrecipients may have active WAP awards temporarily closed and claims processing paused until their Closeout is complete.

Reconciliation

A Reconciliation occurs when the Performance Period exceeds the Program Year, but information for the Program Year must be reported to Grantors. The Reconciliation follows the same requirements and documentation as a Closeout, but the award remains open for a subrecipient to continue to work under, report on, and make claims against. Subrecipients will report all Program Year information for the Reconciliation and will report all Performance Period information for the closeout. If a Performance Period lasts 18 months, the first 12 months will be reconciled, and then the whole 18 months will be closed out at the end of the grant.

Under Reconciliation, subrecipients may reconcile with overages in their ACPU and percentage caps. These overages must be addressed by the time the award closes out at the end of the Performance Period in order to avoid a return of funds.

Closeout Report

Subrecipients must complete and submit a Closeout Report to IHCDA for each funding source at the end of their respective Performance Periods. It is the responsibility of the subrecipient WAP Manager to ensure that all forms and reports are accurate and correct before submitting the Closeout Report to IHCDA. All Closeout Reports should be submitted to iwx@ihcda.in.gov for processing.

The following documentation make up the **Formula DOE/IIJA Closeout Report**:

- Closeout Form
- Performance Report
- Job Expense Report
- Readiness Report
- Last Claims Receipt

The following documentation make up the **LIHEAP Closeout Report**:

- Closeout Form
- Federal Household Report
- Job Expense Report
- Last Claims Receipt

Closeout Reports must accurately reflect the total funding claimed and total units completed within the specified Performance Period. Any errors or issues found in the Closeout Report, WAP Database, or Claims System must be reported to IHCDA and resolved by the end of the Closeout Period.

IHCDA will **reject** Closeout Reports for the following (but not limited to) reasons:

- One of the required documents is not present in the Closeout Report
- Closeout Form Grant Section and IHCDAOnline Claims do not match
- Closeout Form Production Section and WAP Database Reports do not match
- Subrecipient is over on an expenditure limit (percentage cap or ACPU)
- Closeout Form lacks signatures from WAP Manager, ED, or designees
- Repayments are reported as Return of Funds, and vice versa

Subrecipient must correct all errors to be counted as complete in the submission of the Closeout Report.

8.6 WAP Database Security & Privileges

All subrecipients must have **at least one** designated staff who has administrative privileges over the WAP Database and can readily access all information. Subrecipients are responsible for assigning the staff member or contractor privileges and security definitions in accordance with their needs within the system. Any staff member or contractor who is no longer employed by the subrecipient must have their access to all IHCDA databases revoked and account set to inactive. Deletion is not permitted, as the system must retain the record for reporting purposes

Section 9: Monitoring

9.1 Monitoring Process

Monitoring follows the Formula DOE/IIJA Program Year, July 1 – June 30, for its annual compliance review of the unit. The subrecipient must comply with the annual policy that the unit's Energy Audit start date was under. Monitors review following for units that undergo weatherization:

- Quality weatherization activities are provided consistently throughout the state
- Necessary measures are provided to clients
- Program accountability and efficiencies are in effect and verifiable
- Appropriate use of all funding sources
- Federal, State, and IHCDA standards and regulations are followed

The Monitoring process is conducted as follows:

- Monitoring Notice and Scheduling
- Monitoring Report
- Subrecipient Response
- Monitoring Closeout

The percentage of units that undergo monitoring is determined by if the subrecipient used a standard or nonstandard QCI. IHCDA will select units within the specified review percentage of monitored files that utilized the Readiness budget category.

Monitoring Notice & Scheduling

Monitors will notify subrecipients of monitoring 30 days prior to the entrance meeting date. The monitors and subrecipients will schedule an entrance meeting, monitoring visit, and exit meeting. The exit meeting will be held within 30 days of the monitoring visit. IHCDA approval is required for any exit meetings that will exceed the 30-day period.

Monitoring Report

The Monitoring Report will be submitted to the subrecipient for signature within 30 days of monitoring visit completion. The report will identify the following items:

- Issue severity
    - **Finding:** critical in nature and require rework by the subrecipient
    - **Concern:** low intensity in nature and may require rework by the subrecipient
    - **Best Practice:** recommendations for work that do not require rework by the subrecipient
- T&TA recommendations
- Funding utilized on the unit
- Energy Audit software review

Issue severity is based upon conditions in the unit at the time of monitoring. Additional T&TA will be scheduled to target findings and concerns for all individuals involved. IHCDA may increase the amount of monitored units depending on issue frequency and issue severity.

Monitoring Closeout

Subrecipients will have 30 days to complete required action items detailed in the monitoring report and submit a signed response form. Failure to complete required action items may result in claims being delayed in payment approval. Rework conducted by the subrecipient as directed by IHCDA is considered an acknowledgement of the issue. Issues that cause a rework must remain on the Monitoring Report. The monitor will have 30 days upon receipt of the response form to review documentation, clarify questions, request additional information, and sign the response form. The response form will be submitted to IHCDA for signature to close out the monitoring session.

Subrecipient Appeal
An appeal for any item on the report must be submitted to IHCDA within 10 days of the monitoring report being received. Upon receipt of the appeal, IHCDA will have 30 days to request additional documentation from the monitor and subrecipient and make a formal decision:

- **Upheld:** subrecipient must sign form complete required items
- **Rescinded:** subrecipient will receive a revised report and must only complete required items not rescinded in the appeal

9.2 Program Monitoring
Program Monitoring will review the following for each unit:

- Program Administration
- Energy Audit software
- Procurement
- Training and Certification
- Fiscal
- Client File
- Contracts and Approvals

Program Administration
Review of agency policies as they apply to priority, wait list maintenance, rentals, client determination, and services in accordance with policy.

Energy Audit Software
Review of inputs in DOE-Approved tool to ensure price lists are up to date, measures are categorized correctly, and Energy Audits are reconciled when additional costs or measures are added after the initial Energy Audit.

Procurement
Review of contractor selection and evaluation, price lists, and written standards.

Training and Certification
Review of WAP Professionals for appropriate training and certifications to perform weatherization activities. All certifications for active WAP Professionals must be maintained by the subrecipient, and may be entered into the WAP Database.

Fiscal
Review of payment processing and the following practices:

- Budget categories utilized correctly and with allowable braiding
- Proper tracking of Program Income
- Contractors paid within 45 days
- Back-up documentation provided with claims when appropriate

Subrecipient financial audits will be monitored annually.

Client File
Review the unit processing and the following practices:

- Forms used correctly
- Information is accurate and complete
- Work processes
- Eligibility verification
- Appropriate documentation and allowability of declined units
- Verification of Energy Audit’s cumulative SIR is equal to or greater than 1

Contracts
Review of IHCDA contracts and approvals and subrecipient's subcontracts. Subcontractors will be reviewed for compliance with local licensing standards.

9.3 Technical Monitoring
Technical Monitoring will review the following for each unit:

- Energy Audit detail
- Weatherization Work
- Inspection

The Technical Monitoring Data Collection Form must be provided. An alternate unit will be chosen for review when the client is unavailable.

Energy Audit Detail
Review of initial and final Energy Audit detail, compliance with technical standards, and accuracy of diagnostic testing. Subrecipients must provide Energy Audit cost inputs and actuals with justification where there are deviations from the initial input.

Weatherization Work
Review of quality of work and necessity of all performed measures. Subrecipients must provide justification for all invoiced materials and labor hours charged, and verification of bids.

Inspection
Review of Interim and QC Inspections for compliance in passing or failing a unit, dates of Interim or QC Inspection Passed, correct and accurate Inspector signatures, client signatures, and appropriate procedures in accordance with requirements in 10 CFR 440.16(g).

Section 10: Corrective Action

Risk assessments are conducted annually to determine subrecipient deficiencies and areas of concern. A subrecipient may be placed on a Corrective Action Plan (CAP) when IHCDA determines deficiencies within their programs require immediate action. A CAP may consist of the following:

- Remedial training
- Revised Allocation
- Quality Improvement Plan (QIP)
- Suspension and Probation

10.1 Revised Allocation

The distribution of funding is revised for the subrecipient when the subrecipient fails to meet benchmarks, reporting or claims requirements, or has a lack of production. IHCDA may pursue one or more of the following revisions:

- Tiered allocation
- Reallocation
- Deallocation

Failure to meet QIP corrective actions or continued programmatic or technical challenges may also result in a revised allocation.

Tiered Allocation

An allocation of funds for an award that covers a quarter's worth of production within the Performance Period. Subrecipients must demonstrate their utilization of the current tier of funding in order to receive the next tier of allocation. This must include meeting reporting and claims requirements. Subrecipients must meet expected benchmarks in order to be removed from tiered allocations.

Reallocation

A partial reduction of funds from an award to be reallocated to other subrecipients in the program. IHCDA may determine the need for reallocation, or the subrecipient may volunteer this reduction of funds. Subrecipients must demonstrate exhaustion of the revised allocation before additional funds may be requested.

Deallocation

A total reduction of funds from an award to be reallocated to other subrecipients in the program. IHCDA may determine the need for deallocation. Subrecipients must meet expected benchmarks and demonstrate exhaustion of other awards before any funding from the previously deallocated award may be requested or approved.

10.2 Quality Improvement Plan

A QIP is designed by IHCDA to provide additional support to the subrecipient and aid in directing the program. The following non-exhaustive reasons may result in a subrecipient being placed on a QIP:

- Monitoring findings and concerns
- Late closeouts, reconciliations, reporting, and claims
- Lack of production and failure to meet benchmarks
- Exceeding ACPU and percentage caps
- Determined "High Risk" on the Risk Assessment
- Undergoing a revised allocation
- Placement on Suspension and Probation

When the subrecipient is placed on a QIP, IHCDA will develop an Accountability Schedule to address Areas of Concern. The IHCDA and the subrecipient will determine Corrective Action steps to fix these

Areas and track them over time until the QIP is fulfilled. This schedule will be agreed upon and signed between IHCDA and the WAP Manager. Additional monitoring will be placed on the subrecipient when deemed necessary. Nonstandard QCIs will be disallowed for the duration of the QIP.

Subrecipients on QIP must adhere to the following requirements:

- Report completions in the WAP Database within **10 days** invoices are paid
- All client file documents must be uploaded to the WAP Database
- Claim on the claims system within **30 days** invoices are received
- Claims cannot be claimed on any production budget categories without a unit attached

Additional financial and reporting restrictions may be implemented by IHCDA during the development of the QIP. Subrecipients must have explanations in writing explaining any reason for failing to meet corrective actions within the QIP.

10.3 Program Suspension & Probation

In the event the subrecipient is found to have egregious issues (fraud, waste, and abuse) or fails to meet the terms of their QIP, IHCDA will place them on an immediate suspension. The suspension period will be used to determine stronger measures and terms that must be met by the subrecipient to return to normal functions within the program. IHCDA will submit terms for lifting the suspension the subrecipient must sign to continue in the WAP.

Once measures are agreed to by the subrecipient, they will be placed on a probation, and an updated QIP will be developed to meet the new terms. The probationary period will give the subrecipient time to fulfill the required terms while continuing to perform weatherization. The extent to their weatherization performance will be restricted to the terms of the probation and QIP.

Failure to meet the terms of the probation and QIP will result in suspension and may result in permanent debarment from the program.

10.4 Subcontractors

Subcontractors who fail to uphold IHCDA and Federal policy will result in the following corrective actions for the entity or employee:

- Remedial training: Denied participation in WAP until training is completed and passed
- Suspension: Up to 2 years as determined by IHCDA
- Permanent Debarment: Excluded from all WAP-funded services in Indiana

Violations that may result in one of the three corrective actions include:

- Failure in testing of critical, potentially life threatening systems
- Failure in completing required forms accurately
- Excessive monitoring findings and concerns
- Unsatisfactory work performance causing reworks
- Unallowable or unsatisfactory work causing subrecipient to perform return of funds
- Fraudulent, wasteful, or abusive activities or charges
- Negligent work that leaves clients or WAP Professionals in imminent danger

Subrecipients are recommended to specify remedies for breaches of contractual obligations, up to and including termination, within the contract

Section 11: Property Items

Subrecipients may utilize Federal funds to acquire the property items Equipment (including vehicles) and Supplies as defined 2 CFR 200.1. A control system must be developed to ensure adequate safeguards to maintain condition and prevent loss, damage, or theft of the property. Any loss, damage, or theft must be immediately investigated and reported to IHCDA. Supply acquisition and disposition does not require IHCDA approval and supplies do not need to be tracked in the inventory.

Subrecipients must use all property items acquired with Federal WAP funding for weatherization as long as needed. When the property item is no longer needed for weatherization, the property item may be used in other activities or federally funded programs. First preference shall be given to other subrecipients.

User fees must only be considered if appropriate. The subrecipient may not use property items acquired with Federal funds to provide services for a fee to compete unfairly with private companies that provide equivalent services. Disposition of all property items must ensure the highest possible return.

11.1 Inventory

Subrecipients are required to document and maintain a physical inventory of all equipment (including vehicles. The inventory must be reconciled with property records prior to monitoring and available upon request, including the following information:

- Description (if vehicle: year, make, model)
- Condition (must use one of the following categories)
    - Excellent: new or unused condition and needs no modification or repair
    - Usable: some wear, but can be used without significant repair
    - Repairable: unusable in current condition without significant repair
    - Salvage: value in excess of basic material content, but repair impractical
    - Scrap: value only in basic material content
- Location (address of parking location)
- Insurance (if applicable: company, policy number, coverage limits)
- Owner (if vehicle: title number, title holder, lien holder)
- ID Number (Serial or VIN)
- Award Number (Claim Number for purchase)
- Date of most recent maintenance (maintain all service records)
- Acquisition date (purchase date or transfer from date)
- Total acquisition cost
- Disposition date (sell date, trade-in date or transfer to date)
- Value at disposition (in line with fair market value)
- Method of disposition (sell, trade-in, transfer)

11.2 Equipment Acquisition

Equipment acquisitions require prior written approval from IHCDA before the purchase is made. The Financial Management Toolkit provides templates, checklists and guidance for acquisition of weatherization equipment. All equipment acquisition requests must include documentation for the three bid procedure items:

- **Specifications:** Equipment description following the inventory information requirements where applicable. Specify enough to fit the subrecipient need without having an item predetermined.
- **Solicit Bids:** Deliver bid specifications to appropriate dealers or companies. A minimum of three bids must be solicited and submitted. If three bids cannot be solicited, bids may be selected for a similar equipment item.
- **Bid Selection:** Review and select a bid that best meets specifications. Specify why the bid was chosen if it is not the lowest in price.

A request with the documented bid procedure must be emailed to iwx@ihcda.in.gov. IHCDA will reply within 10 days with an email approving or denying the request. More information may be required as determined by IHCDA.

When acquiring a new vehicle with Federal grant funds, the title must list "Indiana Housing and Community Development Authority" as the lien holder and the subrecipient as the owner. All titles must be mailed to be held at the IHCDA with the Department of Program Integrity.

11.3 Equipment Disposition

Per 2 CFR 200.313, IHCDA approval is required for disposition of Federally-funded equipment that is at or over $10,000. The subrecipient must document the following before disposition is approved:

- Nature of Disposition
    - **Public listing sale:** Open market sale available to anyone. Proper public notice must be given and a reasonable timeframe for bids. Funds accrued from the sale must either be used to purchase replacement equipment or to offset future weatherization expenditures. Must be tracked as funding from the original award the equipment was acquired under.
    - **Trade-in:** The value of the trade-in must be applied to the acquired price of the new replacement equipment. Funds accrued from the traded-in equipment must be tracked as funding from the original award the traded-in equipment was acquired under.
    - **Transfer:** An agreement of transfer must be signed by both subrecipients performing the transfer and IHCDA.
- Fair Market Value
- Process of determining Nature of Disposition and Fair Market Value
- Release of lien (for vehicles only)
- Signature from subrecipient Executive Director approving disposition

Equipment under $10,000 or the capitalization threshold of the subrecipient do not require approval. Subrecipients are required to finalize all inventory information prior to the disposition of the equipment. Funds accrued through disposition of equipment worth $10,000 or more must be returned to IHCDA under the original award the equipment was purchased under. Funds accrued through disposition of equipment worth less than $10,000 must itemized as Program Income and spent before continuing to spend on Federal award funding.

11.4 Renting Out Property Items

Renting out property items to other non-Federal subrecipient departments or entities is only allowable if the subrecipient reinvests the funds accrued of the rental back into WAP. Subrecipients must not use equipment acquired with Federal funds to provide services for a fee that is less than private companies charge for equivalent services.

Section 12: Workforce

IHCDA utilizes monitoring to keep track of network workforce numbers and WAP Professional certifications necessary to perform weatherization. Additional T&TA funding is available to subrecipients for recruitment efforts, onboarding, and training of WAP Professionals.

(GUIDANCE: See WAP-2026-004)

12.1 Certification

Subrecipients must track all WAP Professional certifications with the following information:

- Individual name
- Hire date
- Certifications held
- Expiration date of certifications
- Record of Continuous Education Units (CEUs)
- Attendance at Competency Maintenance Refresher (CMR)

IHCDA follows WPN 22-7, informed by EPA's Lead Renovation, Repair, and Painting Program (RRP). All WAP Professionals must receive and follow RRP training when working in pre-1978 units to perform measures in a lead-safe manner, unless testing confirms work area to be lead free.

Workforce Credentials

WAP Professionals may be BPI or DOE-equivalent certified by any IREC-accredited WAP Training Provider. IHCDA recognizes the following credentials attained through certification:

- Energy Auditor
- Quality Control Inspector
- Crew Leader
- Retrofit Shell Installer
- Retrofit Mechanical Installer

A certified Crew Leader is required to be present at the unit at all times during weatherization work. If a Retrofit Shell Installer is not a certified Crew Leader, they must be supervised by an Energy Auditor, Crew Leader, QCI or the IREC-accredited WAP Training Provider. Retrofit Installers must complete Moisture Assessment, Introduction to Weatherization, and DSTO training. Before performing any field work independently, full certification must be completed within 12 months.

Uncertified workers must be supervised by a WAP Professional. All weatherization work performed by an uncertified worker must receive a DSTO conducted by a Retrofit Mechanical Installer, Energy Auditor, or QCI. Retrofit Mechanical Helpers must never enter a unit without the Retrofit Mechanical Installer.

12.2 Training

Existing subrecipients and contractors have 12 months to train, test, and attain certifications for new staff working under them. IHCDA will fund the first testing for certification. Subrecipients must receive IHCDA approval to receive additional funds to support further in the event the first test is a failure. WAP Professionals with a qualifying license must pass an initial test out for Retrofit Mechanical Installer if they do not wish to go the path of certification. If the test results in a failure, certification is required. Onsite T&TA will be provided to Retrofit Mechanical Installers who pass license test out and do not have certification.

Subrecipients are responsible for ensuring all WAP Professionals meet training requirements and properly track training documentation. IHCDA reviews the training documentation and tracking during monitoring to ensure compliance. If IHCDA finds a person who is working or has worked on a unit without required certifications or supervision, the following steps may be taken:

- Issue a written finding with a timeline for resolution of the non-compliance issues.
- Require re-works or re-inspections at the subrecipient/contractor expense.
- Require repayment of all funds claimed for the affected weatherization work.
- Hold the subrecipients WAP financial claims until all issues are properly addressed.
- Temporarily suspend the noncompliant person from performing work in WAP

CEUs

All professionals must be certified by a WAP Training Provider that mandates at least 8 CEUs annually for recertification. Record of CEUs must be tracked by the subrecipient for all WAP Professionals and maintained by the certifying body. Subrecipient must coordinate with the certifying body to ensure CEU requirements are met. A valid, current certification must be provided during monitoring as verifying documentation. Subrecipients must be prepared to provide training documentation whenever it is requested by IHCDA .

12.3 Subcontractors

Subrecipients may use utilize subcontracts through either bidding each weatherization job individually or developing a price list for contractors following 2 CFR 200.318 and 2 CFR 200.319. Subrecipients must establish written selection procedures and detail whether their process for procuring subcontractors is one of the following:

- Year-round
- Once per year
- Multiple times per year

12.4 Specialty Contractors

Any contractor performing weatherization work outside the standard weatherization measures is considered a specialty contractor. Specialty contractors who complete work units which results in changes to exhaust systems, ventilation systems or the tightening of the unit are required to complete a Daily Safety Test Out (DSTO) training from a WAP Training Provider and are required to complete an DSTO Form on the day the work is performed. A representative from the subrecipient may also complete the DSTO Form at the end of each specialty contractor workday when applicable. All specialty contractors must carry valid liability insurance before performing any work. IHCDA recommends all specialty contractors be placed under a contract with subrecipients before starting work.