

Indiana Energy Assistance Program Intake and Operations Program Manual PY 2026 -2027

ihcda

Indiana Housing & Community Development Authority

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Client-Facing Forms

Form	ADDR-2026	Address Change Form
Form	APPL-2027	EAP Application Form
Form	APPLLP-2027	EAP Application Form – Large Print
Form	DBPE-2027	Direct Benefit Payment Election Form
Form	DIS-2026	Disability Medical Statement
Form	DWD-2026	Department of Workforce Development Release of Information
Form	NHMD-2026	Non-Household Member Declaration
Form	TVS-2026	Tenant Verification Statement
Form	UIV-2027	Undocumented Income Verification

Agency-Facing Forms

Form	EARN-2026	Request for Earnings Information
Form	EBTR-2026	Energy Benefit Transfer Request
Form	MTRX-2027	EAP Benefit Matrix Form
Form	ENRE-2026	Enhanced Application Review Form
Form	UFAIR-2026	Utility/Fuel Account Information Request

IMPORTANT ACRONYMS AND INITIALISMS

ACPU	Average Cost Per Unit
BLBA	Black Lung Benefit Act
CSBG	Community Services Block Grant
CCDBG	Child Care and Development Block Grant
CCDF	Child Care and Development Funds
DIC	Dependency and Indemnity Compensation
DOE	Department of Energy
DWD	Department of Workforce Development
EAP	Energy Assistance Program
ERR	Emergency Repair and Replace
ES	Emergency Services
GIS	Geographic Information System
GL	General Ledger
HHS	Health and Human Services
IDOA	Indiana Department of Administration
IHCDA	Indiana Housing and Community Development Authority
IRS	Internal Revenue Service
ITIN	Individual Tax Identification Number
IURC	Indiana Utility Regulatory Commission
LEP	Limited English Proficiency
LIHEAP	Low Income Home Energy Assistance Program
LKE	Last Known Employer
LP	Liquid Propane
LSP	Local Service Provider
MOA	Memorandum of Agreement
MQIP	Modified Quality Improvement Plan
PPI	Personal Identifying Information
QC	Quality Control
QIP	Quality Improvement Plan
RFP	Request for Proposal
RRB	Railroad Retirement Board
SMI	State Median Income
SNAP	Supplemental Nutrition Assistance Program, a.k.a. Food Stamps
SOP	Standard Operating Procedures

SS	Social Security
SSA	Social Security Administration
SSBG	Social Services Block Grant
SSC	Social Security Card
SSDI	Social Security Disability Insurance
SSI	Supplemental Security Income
SSN	Social Security Number
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TANF	Temporary Assistance for Needy Families
TEFAP	Emergency Food Assistance Program
TVS	Tenant Verification Statement
Title V	Senior Citizens Service Employment Program
UIV	Undocumented Income Declaration
U.S.	United States
USP	Universal Service Program
VA	Veterans Affairs
VFW	Veterans of Foreign Wars
VIC	Veteran’s Administration Identification Card
WAP	Weatherization Assistance Program
YTD	Year-to-Date

Section 1: Introduction

1.1 About the Energy Assistance Program (EAP)

The Low-Income Home Energy Assistance Program (LIHEAP) Block Grant is a non-competitive, federally funded block grant offered through the U.S. Department of Health and Human Services (HHS). The LIHEAP Block Grant funds individual states to assist low-income families with the high cost of their home energy. Since July 1, 2006, the block grant has been administered by the Indiana Housing and Community Development Authority (IHCDA). The program is managed by IHCDA's Department of Community Programs. Throughout Indiana, this program is known as the Energy Assistance Program (EAP).

Community-based organizations are designated by federal regulation and under contract with IHCDA as the local agencies administering the Energy Assistance Program. The State has designated nineteen (19) community organizations referred to as Local Service Providers (LSPs). A complete list of local service provider contacts can be found in ***Appendix B –Local Service Providers.*** Applications for assistance are accepted in person, through a mail-in process, telephonically, via an online portal, or through another subcontractor. These organizations are responsible for eligibility determination and timely submission of payment benefit claims to vendors. These organizations ensure that the program covers all of Indiana's 92 counties. See ***Appendix C - IHCDA Division of Community Programs Contact 2026-2027*** for all community programs contacts.

The Energy Assistance Program treats all households equitably when determining eligibility. The program serves low-income households subject to an energy burden and responds promptly to eligible households with a heating emergency. EAP can provide benefits to offset the high costs of energy, but the intent is not to pay all a household's energy costs. EAP is intended to provide ongoing, continuing service, and not to make payments on a household's debts for previous service.

Information about the program, as well as documents such as this manual, appendices, and EAP intake sites, can be found online at www.eap.ihcda.in.gov. Additionally, the Community Programs division of IHCDA actively solicits and welcomes feedback on its policies and procedures from stakeholders and will consider all feedback received when amending its policies. IHCDA also provides training and technical assistance to the Local Service Providers as needed or requested.

For questions concerning the program, or to submit feedback on the program's policies, please contact the Community Programs Manager for the Energy Assistance Program at:

Indiana Housing and Community Development Authority
Attn: Community Programs Manager – EAP
30 South Meridian Street, Suite 900
Indianapolis, IN 46204
1-800-872-0371
EAP@ihcda.IN.gov

EAP Benefits

The purpose of EAP is to ensure that all eligible people living within the State of Indiana who have an energy burden have utility service, primarily during the winter months. When an eligible applicant has their own utility bill, EAP benefit payments are made directly to the utility vendors on behalf of the eligible household. When an eligible client has their utilities included in the rent, the client is paid the EAP benefit directly. Below are some examples of allowable expenses that EAP can pay for; more information can be found in *Section 8: EAP Benefits*.

Allowable EAP Expenses	Unallowable EAP Expenses
▪ Heating charges from Regulated vendors (metered heating and electric utilities, natural gas, etc.) ▪ Heating charges from non-regulated vendors (bulk fuel, LP gas, coal, wood, pellets, other biofuels, etc.) ▪ Delivery fees for fuel oil, LP gas, coal, wood, pellets, and other biofuels ▪ Taxes for the above fuel sources ▪ Connection fees for new accounts ▪ Reconnection fees for disconnected accounts	▪ Unsafe heating methods or fuels in residential settings, such as: o Cooking stoves o Ovens o Kerosene o Portable space heaters ▪ Appliance payments or service fees ▪ Water or sewage bills ▪ Tampering charges or unauthorized usage

Heating benefit amounts are calculated by awarding points based on factors in the following categories in a benefit matrix: income level based on household size, dwelling type, vulnerable population status, and the primary heating fuel source.

The benefit amount is computed at a rate determined by IHCDA based on available funding and awarded on the benefit matrix. An additional benefit amount between $50-$125 for electricity is added to keep the heating system operational. A household may be eligible for a crisis benefit of up to $400 per utility if household is experiencing an energy crisis on their initial application (see *Section 7: Crisis Assistance*). A household may request an additional crisis benefit once more between March 1 and the end of the program year if they experience an energy crisis after the initial application, if they have not used the entire benefit and if program funds are still available.

EAP-eligible applicant households may qualify for additional benefits to assist with utility payments. For instance, several utility providers in Indiana offer Universal Service Programs, or USPs, that reduce the rate charged for utility service to LIHEAP-approved customers during a specific time frame. Other vendors have additional bill assistance programs that are funded through a foundation, charitable contributions from other ratepayers (such as round-up or holiday giving drives), or a combination of the two. These programs often use LIHEAP eligibility to categorically qualify their customers. For more

information, please contact the utility partners you work with or inquire with the Community Programs team.

1.2 About the Weatherization Assistance Program

The Weatherization Assistance Program (WAP) is a federally funded program through the Department of Energy. It is also partially funded by Health and Human Services (HHS) as a portion of LIHEAP funding goes to WAP. Households with income up to 200% of FPL for DOE, and those with an approved EAP application are eligible for WAP. The program is administered by the State of Indiana through the Indiana Weatherization Assistance Program. LIHEAP Block grants require coordination between LHEAP and WAP program participants, and Indiana fulfils this function by referring eligible EAP applicants to WAP.

All EAP clients are income eligible for Weatherization. LSPs must ensure that all clients are informed and, if desired, referred to Weatherization (see Section 10*: Weatherization*).

1.3 EAP Operation

Beginning in PY2027, all LSPs will use LITT as the database of record for the state of Indiana. The following program administration dates apply for the upcoming energy assistance season:

PRE-PROGRAM YEAR SEASON	
Key Dates	**Purpose**
August 25, 2026	• Subrecipient Plan Packet due. • Optional A16 Application due
September 1, 2026	• LSPs may send mail-in application packets to vulnerable population households. • Statewide database opens for early application entry • LSPs may begin booking in-person appointments, not to occur prior to 8:00am EST on October 01, 2026.

EAP ASSISTANCE SEASON	
Key Dates	**Purpose**
October 1, 2026	• Beginning of Federal Fiscal Year 2027 • Online applications open to the public at 8:00 AM EST. • LSPs may distribute application materials to all households • Application packet can be made available for download via LSP website. • In-person appointments may begin. • Benefit claims may be sent to utility vendors. • Applicant Notification letters may be sent to clients. • Approved A16 activities can begin
December 1, 2026	Start of Moratorium Protection.
January 15, 2027	First Benchmark: 50% of funds obligated.

March 15, 2027	• End of Moratorium Protection at 11:59pm. • Final Benchmark: 75% of funds obligated.
April 30, 2027	End of EAP application period at 5:00pm Eastern time.
May 15, 2027	All incomplete EAP applications must be fully processed.
May 31, 2027	Last day to submit benefit claims.
June 15, 2027	All vendors must be fully reconciled.

PROGRAM CLOSEOUT	
Key Dates	**Purpose**
September 30, 2027	Last calendar day of Federal PY2027
October 1, 2027	All claims for reimbursement are due to IHCDA
October 30, 2027	Closeout Reports are due to IHCDA

REQUIRED TURNAROUND TIMEFRAMES WITHIN EAP	
Response Requirement to Applicant	**Turnaround Time**
Life Threatening Crisis Mitigation	18 Hours
Crisis Mitigation	48 Hours
• Entry of household application into statewide database after receipt by LSP.	14 calendar days
Applicant written appeal to LSP	30 calendar days
LSP written appeal response to applicant/client.	14 calendar days
• Maximum period to notify mail-in or online applicants of eligibility determination. • Minimum period before a denied Applicant may submit a new application for assistance. • Process time for face-to-face appointments, notify of approval or denial.	55 calendar days

Programmatic Forms

Energy Assistance Program is a statewide program administered by various providers who each operate independently. To assure program consistency and integrity, certain functions of EAP must be standard across all service providers. For that reason, any document that has an IHCDA logo or is generated through the statewide database is proprietary to IHCDA and must not be changed or altered by the local service provider unless instructed otherwise by IHCDA.

Unusual Situations

This manual is intended to address the fundamental policies regarding EAP eligibility and the most common scenarios and issues subrecipient may encounter during administration of the program. It would be impossible and unwieldy to address all potential situations that intake or agency management may encounter. If intake or agency management encounters a situation that falls outside of the explicit guidance in this manual, they are encouraged to use the concepts contained in the manual and apply them to the specific situation. If the solution to the situation is still unclear, or if the subrecipient is unsure of their determination, they should reach out to IHCDA via the EAP inbox for clarification.

Section 2: Legislative Protections and Obligations

2.1 The 16 Assurances

The federal LIHEAP Statute (see ***Appendix D – Federal LIHEAP Statute***) requires grantees to meet certain conditions, known as the 16 Assurances. As a Subrecipient, each LSP administering LIHEAP agrees to meet these conditions as well. The Assurances state that the Grantee will:

1. Conduct outreach activities and provide assistance to low-income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy; intervene in energy crisis situations; provide low-cost residential weatherization and other cost-effective energy-related home repair; and not to use these funds for any other purposes;

2. Ensure that all program recipients meet the defined income qualifications;

3. Conduct outreach activities designed to assure that vulnerable population households and high energy burden households are made aware of the assistance available to them under this program;

4. Coordinate administration of LIHEAP with similar and related programs administered by the Federal Government and the State, particularly low-income energy-related programs;

5. Provide, in a timely manner, that the highest level of assistance will be provided to those households with the lowest income levels and the highest energy cost or needs, taking into account household size;

6. Designate local administrative agencies to carry out the program, giving special consideration to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance or weatherization program;

7. Notify each participating household of the amount of assistance being paid on its behalf; assure that the utility vendor, regulated or unregulated, will apply the benefit to the client's bill fairly, honestly, and without discrimination on the basis of receiving such service; and abide by all other terms and conditions agreed upon in the MOA;

8. Allow everyone an equal opportunity to apply for LIHEAP, and treat renters and homeowners equitably;

9. Ensure that any overspending on planning or administration of LIHEAP beyond the allowable admin line item is paid for out of unrestricted, non-federal funds (i.e., an agency may not use CSBG funds to augment for overspending);

10. Establish appropriate fiscal controls and fund accounting procedures as necessary

to monitor compliance to the requirements of the program;

11. Permit and cooperate with any relevant Federal investigations;

12. Provide for timely and meaningful public participation in the development of the State plan;

13. Provide an opportunity for applicants whose applications are denied or are not acted upon with reasonable promptness to appeal;

14. Cooperate with the Secretary of the US Department of Health and Human Services with respect to data collection and reporting;

15. Provide preference to agencies that administer low-income weatherization or energy crisis intervention programs when awarding grants or contracts for intake services;

16. Use up to 5% of funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, which may include but are not limited to needs assessments, counseling, and family coaching. **This standard is only required for subrecipients receiving an A16 Award.**

2.2 Crisis Intervention

The federal LIHEAP statute (42 U.S.C. 8623, § 2605; see ***Appendix D – Federal LIHEAP Statute***) requires a timely and effective energy crisis intervention program for households experiencing an energy emergency and in need of immediate assistance. LSPs cannot place additional burdens on an applicant in crisis to request or receive assistance.

Life-Threatening Crisis

A LIHEAP-eligible life-threatening crisis *must* be resolved or mitigated within **eighteen (18) hours** from the initial communication of the crisis to the LSP. An applicant household is considered to be in a life-threatening crisis situation if either the heating and/or electric is currently shut off, disconnected, or inoperable, or the household's bulk fuel heating source is completely out of fuel; **and** the household qualifies as an vulnerable population household, there is a documented medical need with an extreme safety concern, or there is a need for a propane tank safety inspection.

Non-Life-Threatening Crisis

A LIHEAP-eligible crisis is an energy emergency when there is a potential shut-off, depletion, or inoperability of the heating source or electric service, and it is not considered a life-threatening crisis as described above. Non-life-threatening crisis situations *must*

be addressed with a mitigating action within **forty-eight (48) hours** from the time of the initial communication of the crisis to the LSP.

For metered utilities, a household is in crisis if it has received a current Notice of Disconnection on residence's primary heating fuel, is enrolled in an arrearage management plan due to having received a Notice of Disconnection, or if the service has already been disconnected. This also applies to an electric utility, regardless of whether it is required to power a furnace or thermostat to heat with another fuel type. For applicant households that have a prepaid electric utility account, a household will be in crisis if they are within ten (10) days of running out of funds in their account based on current daily usage for the past thirty (30) days or has already depleted its account.

For deliverable bulk heating fuels, a household is in crisis if its propane or fuel oil tank is at or below 25% full or is completely out of fuel. If an applicant household heats using wood, corn, pellets, coal, or other biofuel, it will be defined as in crisis if it is within 21 days of running out of its current supply of heating fuel or has already depleted its fuel supply.

Timely Intervention

LSP procedures must be in place to address a crisis within the time frames noted above. Examples of how this may be accomplished include maintaining open appointment slots each day to address crisis applications, contacting the utility vendor on behalf of the client to notify them of an application, or by making and documenting timely referrals to other community resources. All mitigation efforts must be documented in the statewide database.

The specific response must be designed to protect the health and safety of the household members. For the LSP's part, the extension of crisis benefits and other services constitute a proper response to the emergency. If this is not feasible, providing the client with a list of available resources or communicating with the client's utility vendor may constitute mitigation if properly detailed in the statewide database.

Documentation

To comply with the crisis intervention timeline, LSPs must act within the 18- or 48-hour timeframe, and these steps must be recorded in the Crisis Mitigation section of the statewide database. LITT will automatically record the entry date of the crisis; the LSP must select the mitigating action and the date the crisis was mitigated.

Mitigating Actions

Mitigating actions may include, but are not limited to:

- Providing a list of community resources
- Informing the vendor of the client's application or approval status
- Contacting the vendor on behalf of the client to negotiate a payment plan
- Contacting internal or external resources on behalf of the client for other services
- Personalized recommendations for additional resources and assistance

- Recommend the client to negotiate a payment plan with the vendor
- Develop a reconnection or continuation of services plan with the client
- Begin or complete ERR (if applicable)
- Other (LSP must detail what actions were taken in the statewide database)

Please note that giving out space heaters is **not** an approved mitigation strategy.

LSPs must provide information to clients about mitigating a crisis during non-business hours. At a minimum, LSPs must identify local organizations that provide utility assistance when the offices are closed, and the preferred referral source must be communicated to clients on the LSP's outgoing voicemail message.

Applicant Contacts LSP about Crisis Situation: Once a household contacts an LSP about a crisis, the LSP must first collect the applicant's basic contact information, input the applicant into the statewide database, and then schedule an appointment at the next available opportunity, or triage the application.

If an appointment is scheduled, the LSP must advise the client to contact their utility vendor(s) to let them know an EAP appointment has been scheduled and to inquire about payment arrangement options until the appointment is completed. This *can* be considered a mitigating action for the 18- or 48-hour timeframe, if it is documented properly.

Online Crisis Situation: Utility vendors with an active MOA will immediately see their client in the All Applicant Queue in the statewide database upon submission of an application. Regulated vendors are expected to regularly check this list and protect eligible clients from shutoffs to avoid Moratorium violations. Vendors are not allowed to ask for proof of application submission and should always be routed to LITT for verification. Violations should be reported to IHCDA. Nonparticipating regulated utilities may need to be contacted as they are still required to observe moratorium rules.

***Mail-in Crisis Situation*:** If the LSP receives a mail-in application and has indicated they are in crisis, the intake staff must complete basic intake by entering the application into LITT. Once the application is in the statewide database, utility vendors with an active MOA will be able to verify their client's EAP application for Moratorium protection. Nonparticipating regulated utilities may need to be contacted as they are still required to observe moratorium rules.

LSPs must take care to distinguish mail-in applications with crisis from regular applications to ensure proper triaging and response time.

Determining Eligibility on Crisis Apps

The eligibility process is to be expedited wherever possible, and the LSP is to determine eligibility as soon as the application is complete.

The LSP must enter the application to the statewide database and include the original date and time that the client first contacted the LSP, as well as the date and time stamp that the

application was completed.

Determination of Crisis

For metered utilities, a utility bill or account statement should be used to determine whether a household is in crisis. Alternatively, an LSP may speak directly with a customer service representative from the vendor to confirm a crisis and document the conversation within the statewide database. Any contact with the vendor must be documented within the statewide database.

For deliverable bulk heating fuels, crisis funds will be awarded to assist with delivery costs, however, the applicant household is not to be considered “in crisis” unless they indicate that their fuel tank at or below 25% full at the time of application, or if they verbally certify a crisis after the time of application. Although households with bulk fuel automatically receive crisis benefits in LITT, if there is a documented declaration of crisis, then the 18- and 48-hour crisis mitigation timeframe applies. Because of the nature of bulk deliverable fuels, LSPs are encouraged to expedite processing of these files even if the household does not present as being in crisis.

For pre-paid electric utilities, the applicant household is in crisis if it is within ten (10) days of running out of funding in the pre-paid account based on thirty-day rolling average usage. This can be verified by reviewing the account status.

2.3 Moratorium

In 1983, the Indiana General Assembly enacted Indiana Code 8-1-2-121 governing the termination of natural gas and electric service without the customer's request. This law states that a utility (municipally-owned, privately-owned, or cooperatively-owned) may not, during the period from December 1 through March 15 of any year, terminate residential utility service to any customer who is eligible for and who has applied for the Energy Assistance Program. The definition of municipally-owned utility means every utility owned or operated by any county, city, or town in Indiana. See ***Appendix E – Indiana Moratorium Legislation*****.**

The language contained in the Indiana Code does not limit moratorium protection based on the method that the utility uses to provide electric or gas service. Therefore, vendors who render service using limiters, meters, and prepaid services must provide moratorium protection to EAP clients as prescribed in by law and reiterated in the EAP memoranda of agreement.

Any household who has qualified for EAP on for the current program year cannot have its service disconnected between December 1 and March 15. Utilities may not disconnect service to EAP recipients during this timeframe if:

- The customer has applied for the program and has been determined eligible by the local LSP or their subcontractor.
- The customer has applied for the program and a staff person at the LSP is determining eligibility (submitting an application makes a household eligible for the moratorium). If the LSP does not have sufficient resources to conduct an immediate eligibility review,

then the household is still protected until eligibility can be determined. The LSP must promptly contact the utility vendor to confirm that an applicant with a disconnection scheduled has applied for the program and is covered under moratorium for this protection to be extended. If the client is found to be ineligible, the LSP must notify the utility provider as soon as possible. If an applicant was denied and submits an appeal, the moratorium protection is reinstated while the appeal is being considered.

- The household has an account in good standing, which is defined as not in disconnect status on December 1.

Once the household has **submitted** their application and has been deemed or is in the process of being deemed eligible for the Energy Assistance Program, the client is protected under the moratorium. Benefits are determined separately and have no impact on shutoff protection during moratorium. If an applicant household is determined to be ineligible for the program, this protection will end immediately. Ineligibility must be communicated to the vendor by the LSP and noted in the statewide database. The LSP is never required to make a pledge to the utility for the moratorium protections to begin.

Summer Moratorium

In 2026, the Indiana Legislature passed H.B. 1002 requiring any non-municipal electric utility provider to enroll EAP clients in a levelized billing plan and to observe a summer shutoff moratorium. The bill states that these utility providers cannot terminate residential electric service to a customer on any day with respect to which the National Weather Service has forecast, not earlier than 48 hours in advance, a heat index of at least 95 degrees for the location where the customer receives service.

Although the Energy Assistance Program does provide the eligibility criteria for this bill, electric providers should be working closely with the IURC to ensure their policies are being implemented.

Disconnection Prior to December 1

If a client who has qualified for EAP has a past due bill and that client does not make a payment before December 1, the utility has the right to disconnect that client before December 1, since that client is not yet protected by the moratorium. If the same client has active service as of December 1, the utility may not disconnect that client until March 15.

Benefit Refusal

A utility vendor may refuse an EAP benefit at any time during the heating season. Benefit refusal does not prevent moratorium protection. Vendors must document their reason for refusing a benefit in the LITT system.

Landlord/Tenant Agreements and Moratorium Protection

Circumstances may arise where landlords and tenants must create a utility payment arrangement to ensure that the utility bills are paid on time. This policy provides clarification on moratorium protection when the payment arrangement between the landlord and client is breached.

If the utility is listed in the landlord's name, but the client has breached payment agreement with the landlord, the landlord may request service disconnection during the moratorium period. Though the client was deemed eligible for EAP assistance, the landlord is the customer of record on the utility bill.

If the utility is listed in the client's name, but the landlord has breached the payment agreement, then the client is protected under the moratorium because the client is the customer of record on the utility bill.

Disconnection during Moratorium

Regulations allow utilities to disconnect service for a customer otherwise covered under the moratorium in the following circumstances:

- If a condition dangerous or hazardous to life, physical safety, or property exists.
- Upon order by any court, the Indiana Utility Regulatory Commission (IURC), or other duly authorized public authority.
- If fraudulent or unauthorized use of electricity or gas is detected, and the utility has reasonable grounds to believe the affected customer is responsible for such abuse.
- If the utility's regulating or measuring equipment has been tampered with and the utility has reasonable grounds to believe that the affected customer is responsible for such tampering.
- Death of the single household customer (moratorium applies to the individuals in the household, not the physical location).

Vendor Notification

Vendor notifications will now occur within the statewide database for all clients, and vendors are required to check the online portal on a weekly basis for communications, updates, and documentation requests. Clients in crisis may require further communication from the LSP and details can be found in Section 2.2 Crisis Mitigation. Additionally, regulated vendors are expected to monitor their applicant queue to ensure LIHEAP-enrolled households are not scheduled for shutoff or service disconnect during winter moratorium.

Section 3: EAP Eligibility

3.1 Who can get EAP benefits?

EAP benefits are available to households with a combined annual income at or below 60% of State Median income (see Section 8.3).

To be eligible for EAP benefits under this program, an applicant must maintain residency within a dwelling and active utility service within the state of Indiana. If the client moves out of the state or otherwise fails to maintain active services prior to the transmittal being accepted by the utility provider, the benefits may be rescinded. Any household that has a pending writ of possession for eviction is not eligible to receive benefits.

3.2 Who is Part of the Household?

Anyone living in the household continuously for the past three (3) months must be listed on the application, except as provided in 3.3. Below are some clarifications about who is considered a household member.

Marriages: If a household member marries during the three (3) months prior to application, their spouse should be included as a household member on the application. The spouse's income is counted during the time that the couple was living together. Income that the spouse earned before the couple was living together should not be included.

Adopted Children: Children who have been adopted must be counted as a part of the household. Assistance or stipends received for those children should not be counted as household income.

Births: Household members born any time during the three (3) months prior to the date of application shall be counted as members of the household for the entire three (3) months.

Joint Custody: A child who is subject to joint custody between their parents/guardians may be listed in either, or both, the parents/guardian's household, and can be claimed in up to (but no more than) two households.

Roommates: Any roommates or housemates must be counted as household members if they are living in the household at the time of application, even if they are not related to other household members or are not direct parties to a lease or mortgage. Their income must be calculated as part of the household income. Any rent collected directly by any other member of the household to be given to the property owner should not be counted as household income.

Adult Care: If an elderly individual or individual with disability lives in the applicant's household and the applicant is paid to provide care to the individual, or if a caregiver resides full-time in the household of an elderly or disabled applicant, the caregiver and

the care recipient would both be counted as household members. This is because both individuals would have a direct impact on the energy burden of the household. Any stipend received by the caregiver to reimburse or provide for care-related expenses would not be counted as household income. Any other income received by the caregiver, as well as any countable income received by the care recipient, must be counted as household income.

3.3 Who is Not Part of the Household?

Households do not include people who are no longer residing in the household. Some examples of individuals who are not counted include: persons residing in homeless shelters, alcohol or drug treatment centers, battered women and children's shelters, transitional dwellings, or group homes for the prior to application. Any income these individuals receive should not be counted.

Absent household members (out of the household for three (3) months or longer) are defined as any of the following:

- An adult listed on the utility, lease, or mortgage as a co-applicant for credit purposes, but who does not physically reside in the household.
- An adult currently residing in a correctional facility (based upon legal or correctional institution documentation).
- An adult living in a hospice, hospital, medical facility, nursing home, or rehabilitation facility.

Absent Household Members Listed on Documents

If there are persons listed on the lease, mortgage, utility bill, or other supplied documents who are absent and do not live in the household, the client should explain where those persons are currently living; however, proof of where they reside is not required unless the LSP has reason to believe the adult may be in the household. The applicant must complete ***Form NHMD-2026 – Non-Household Member Declaration Form,*** or the intake worker must make notes in the EAP database. These persons should not be counted as household members. This form will confirm who is absent from the household. Absent members of the household can be any of the following:

Deceased Household Member: If a household member died during three (3) months prior to the date of application, the deceased member should neither be counted as a household member, nor should their income for the three (3) month eligibility period be considered. If the deceased person's name is present on the deed or parcel along with another household member's name, the LSP may process the application. LSPs should work with the applicant to remove the name of the deceased household member *before the end of the program year*.

Divorced Household Members: If applicants were divorced or separated within the past three (3) months, then income from the absent spouse may be excluded and the remaining spouse counted as a single person for the full three (3) months prior to application. Documentation can be a divorce or separation decree or any other verification

of separation. Applicants can also fill out ***Form NHMD-2026 – Non-Household Members Declaration Form,*** in the place of a decree.

Not Counted but Present Household Members

Household members who should not be counted, but may be present, are the following:

Drop-In Household Guests: A drop-in guest is defined as an unexpected or casual visitor, family member, friend, etc., who has resided in the household fewer than three (3) months and who the applicant certifies will be in the home fewer than (3) months.

Drop-in guests are not to be included in the application. Drop-in guests are not counted as a member of the household or as part of the income calculations. If an applicant wishes to count a drop-in guest as a part of the household, the applicant must wait and apply after the guest has reached the three (3) month requirement.

If there is a question on the part of the LSP as to the status of any household member the LSP may require collateral contact for confirmation. This could be in the form of a statement from a neighbor, friend, or relative as to the living situation of the person(s) in question.

Foreign Exchange Student: Foreign Exchange Students do not count as part of the applicant's household. They are considered an ineligible applicant. Any stipend received by the host family is counted as household income.

Foster Children: Foster children do not count as part of the applicant's household. Any stipend received by the household for the children is not counted as income. If the foster children are adopted by the adults in the household, these children would be counted as household members.

3.4 Who is Vulnerable?

HHS mandates in Assurance 2 of the LIHEAP statute (see ***Appendix D – Federal LIHEAP Statute***) that households with at least one member that is elderly (age 60 or older), disabled, or have a child age five or younger be prioritized as vulnerable populations. Indiana has included those with Veteran's status to the *vulnerable populations* categories.

To qualify as *vulnerable*, households only need to prove that they fit under one of the vulnerable categories. Vulnerable population points are only awarded once per household; however, all applicable vulnerable population categories must be recorded in the statewide database.

Persons with a Disability: A person is determined to be living with a disability if they receive benefits from the Social Security Administration (SSA). A household with any member meeting the definition of a person with a disability above is counted as a Disabled Household for EAP statistical purposes. A household member may automatically be considered a person with a disability if they receive one or more of the following benefits:

- Supplemental Security Income (SSI)

- Social Security Disability Income (SSDI)
- Veterans Disability
- Medicaid Disability
- Medical Assistance for Aged, Blind, and Disabled (MAABD)
- Railroad Retirement Disability
- Vocational Rehabilitation Services
- Black Lung Disability

SSI benefits are paid to low-income clients who are elderly, blind, or disabled with little or no income. This program is designed for people with very limited income and assets.

If the person with a disability does not receive any of the above benefits, they may present a doctor's statement, along with a pending SSA application or appeal for benefits. The doctor's statement must indicate that the client is unable to engage in any substantial, gainful employment, by reason of any medically determinable physical or mental impairment which can be expected to result in death, or which has lasted or can be expected to last for a continuous period of twelve (12) months or longer. The doctor's note *should not* indicate the nature of the disability, or any other medical history. Instead, it should only state that the person has a disability that will last twelve (12) months or longer. If this method is used to provide proof of disability status, both the medical statement and the application or appeal for benefits are required. If information regarding the nature of disability or medical history is provided, it must be redacted prior to being uploaded into the statewide database.

If an applicant household member indicates on the application that they are disabled and they do not receive any of the above-listed benefits, the intake caseworker must follow up with the applicant and request a medical statement and SSA application or appeal for benefits. The intake is to document the outcome of this request in case notes within the statewide database. If the applicant household member is unable to or declines to provide documentation, the individual must not be indicated as disabled in the statewide database.

Households with Elderly Persons: EAP considers households with elderly persons to be households containing a member sixty (60) years or older.

Veterans and Military Personnel: A Veteran household is defined as a household where any member of the household served or is serving for any length of time in any military service branch (Army, Navy, Air Force, Marines or Coast Guard) and received an honorable discharge if no longer participating in active services. Veteran and Military status can be illustrated with a DD214 form, VA benefit documentation, or military Identification reflecting current or previous duty.

It is illegal to photocopy a military ID. A military ID can be used to verify veteran status but not copied. When a military ID is presented, veteran status should be noted in the statewide database as verified but copies *must* not be made. If an applicant sends a copy of a military ID, it must be destroyed and noted in the client's file. Please see the following

link for more information: *https://www.war.gov/News/Feature-Stories/Story/article/2061835/did-you-know-photocopying-a-government-id-is-illegal/*

Although there is an exception for government agencies who need to copy IDs for government business, this exception does not apply to EAP applicants. LSPs who have copied military IDs must remove all copies from electronic and paper files.

Please note that it is acceptable to copy military paperwork like DD214 or other paperwork showing military status. In general, LSPs can copy any military paperwork that does not have a photo if redaction rules are followed. These documents can be used to determine proof of veteran status:

- Form DD214.
- Veteran's Administration Identification Card (VIC).
- Active Duty Common Access ID card (typically white) – has an expiration date. Can be shown as proof but not copied. LSPs should destroy copies of Military ID cards.
- Reserve Uniformed Services ID card (typically green) – has an expiration date. Can be shown as proof but not copied. LSPs should destroy copies of Military ID cards.
- Retired Military Uniformed Services ID card (typically red or blue) – never expires.
- Military Separation/Retirement Orders.
- Veterans of Foreign Wars Card (VFW).
- American Legion membership Card.
- Veteran's Administration Disability Award Letter.
- A homeowner with a VA Loan.
- State Driver's License or Identification card with veteran identification.

Households with Children Age Five (5) or Under: Households with at least one child age five (5) or under are considered vulnerable-population households.

Section 4: EAP Documentation

4.1 EAP Statewide Application

All applicants must fill out and sign the EAP statewide application. An application may be completed on the statewide application form, via the online portal, or telephonically via LSP intake staff.

If the applicant is submitting a paper application, the form must be signed by the adult household member who is completing the application on behalf of the household, or a third party who is a power of attorney for the household member. The paper application form, as well as any accompanying forms, affidavits, or other documentation that require a household member signature, may not be signed by any other third party, non-household member, or individual under 18. If a third-party power of attorney is signing any documents on behalf of a household member, documentation of this authorization must be submitted as part of the application.

If an applicant completes an application through the online portal, the application is electronically signed when it is submitted. The application may only be submitted by a household member aged 18 or above, or a third-party power of attorney for an adult household member. If a third-party power of attorney is submitting the application on behalf of the household, documentation of this authorization must be submitted as part of the application.

Any applications or supporting documents that are determined to be submitted or signed by an individual who is not legally authorized to do so under these policies may be investigated as potential application noncompliance or fraud, and may be subject to penalties up to and including debarment from the program and responsibility to repay any benefits found to have been awarded in error due to application noncompliance or misrepresentation.

When an application is submitted electronically via an approved proxy, the proxy obtains verbal permission to electronically sign on the applicant's behalf and obtains the applicant's acceptance of the certification and release of information statements.

If LSP intake staff fill out an application online for a client during a home visit or telephonically, the applicant does not have to sign, but intake does have to read the certification statement aloud to the applicant and obtain their verbal assent. LSPs are to make notes in the statewide database to explain in these situations. If intake staff fills out a paper application for a client during a home visit, the intake staff must have the applicant sign the paper form.

Federally required EAP reporting has been expanded to collect additional demographic statistics. The EAP statewide application collects eligibility information for EAP and requires demographics for reporting. All EAP demographic and statistical information must be entered accurately into the statewide database and must match information provided on the application form or over the phone. The EAP application no longer collects

information that is specific to the CSBG report, Module 4, Section C: All Characteristics Report.

4.2 Photo Identification

Photo identification is no longer required of the applicant, nor any other household member. The applicant signing the application will be self-attesting to the identity of all household members.

4.3 Indiana Residency

The applicant must have resided in a dwelling within the State of Indiana for at least thirty (30) calendar days prior to the time of application to be eligible for the Energy Assistance Program. The best verification for Indiana residency is the utility bill in the applicant's name and reflecting the applicant's current address. Applicants will also be self-attesting that they have been an Indiana resident for the past thirty days by signing the application.

For EAP purposes, a dwelling is defined as a structure zoned for residential or mixed-commercial use that has four walls, a roof, and separate living/bedroom, kitchen/dining, and bathing areas. The dwelling must be permanently connected to the required utilities, including plumbing, electricity, and a primary heating source.

4.4 Citizenship/Qualified Non-US Citizen

In addition to the above criteria, eligible household members must be United States (U.S.) citizens, U.S. Nationals or qualified non-U.S. citizens (aliens) as defined by 8 U.S.C§1641(b).

Individuals who are not citizens or qualified non-US citizens are ineligible household members, but ineligible household members living with eligible household members do not disqualify the family from receiving assistance.

Applicants will identify household members who are not citizens or qualified non-citizens on the application and will self-certify to the citizenship status of all household members by signing and submitting the application.

Households with Ineligible Applicants

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

To calculate the household's eligibility, an LSP will exclude the ineligible household members from the total number of household members (total household size) when calculating the benefit amount. The income of the ineligible household member, however, must be counted when determining the total household income eligibility. Income of all household members regardless of eligibility must be documented.

4.5 Social Security Number

A Social Security Number (SSN) is required for all individuals in the household age one (1) and older. Individuals who do not have or refuse to furnish an SSN are considered an ineligible household member. Social Security Cards or any other proof of SSN will no longer be required of any household members. The applicant will provide all Social Security Numbers on the application and will certify their accuracy by signing the certification statement. The applicant will affirm the SSNs of all household members on the application form.

When a household member over the age of one (1) cannot provide an SSN, the LSP will mark the individual as ineligible and provide the household with an opportunity to submit the missing information. The application will be considered incomplete until the SSN is provided or until the individual is marked as an ineligible household member. If an individual under the age of one (1) is part of the household, SSN is not required.

4.6 Proof of Utility Payments

Households applying for the Energy Assistance Program must show a **complete** current utility bill coded for residential use. For applicants with utilities included in the rent, the applicant must show a current, signed lease or a Tenant Verification Statement (***Form TVS-2026 – Tenant Verification Statement***) showing that utilities are included in the monthly rent payment as a flat, non-fluctuating monthly rate. LSPs must verify that the address of residency on the application and the proof of residency documentation is the same as the service or delivery address on the utility bill. However, the mailing address on the application or utility bill does not have to match the service address. This is because some individuals may choose to have their mail sent to a P.O. Box or to a relative's address. LSPs are responsible for documenting the difference between the mailing address and service address. The Tenant Verification Statement language cannot be modified by any landlord or LSP.

Utilities must be in the name of a household member (eligible or ineligible), age eighteen (18) or over with these exceptions:

- The utilities are listed in the landlord's or property owner's name.
- Applicant is a person with a disability, and the utilities are handled by a company or service.
- If utilities are listed in a household member's name who is temporarily in a correctional facility, nursing home or rehabilitation center, supporting documentation must be provided.
- Utilities are listed in a person's name but there is a court-ordered protection against the person.
- Utilities are listed in the name of the legal power of attorney. The power of attorney documentation must be kept in the client's file and have the name of the attorney and the name of the person who has the power to act on behalf of the principal person. The power of attorney must be fully executed.
- The utilities are listed in someone else's name because the applicant could not get the utilities listed in their name due to other reasons such as credit problems or unpaid bills. The applicant may still be eligible if service address corresponds with

their residence, and an explanation is given as to why the utilities are not in the applicant's name. The applicant must complete and sign ***Form NHMD-2026 – Non-Household Member Declaration Form***. LSPs should still attempt to assist the client in getting the utilities in their name. If the applicant declines, they will have to complete a new Non-Household Member Declaration Form every year. Non-Household Member Declaration Form should not be accepted for applicants who choose not to have utilities turned on in their name without a barrier.

- The Non-Household Member Declaration Form allows both heating and electric utilities to be reported on the same form; however, each form only allows for one non-household member billing name. If the household has multiple utilities in the name of multiple non-household members, a separate Non-Household Member Declaration Form will be required for each billing name.

The household will be ineligible for a utility benefit (either electric or primary heating source) if the bill is not listed in the name of a household resident or in the name of someone who qualifies under the above exceptions. This household will become eligible for benefits when the name is switched to a household resident or in the name of someone who qualifies under these exceptions. LSPs should actively advocate for their applicants in these situations and document actions taken and efforts to negotiate an agreement with the utility vendor to establish utilities in the name of a current household member without a fee or security deposit in the statewide database.

Utility bills with multiple service addresses listed for one customer must have separate meters and account numbers. The LSP must document the correct account that will receive the EAP benefit. Commercial accounts are not eligible to receive a benefit with LIHEAP funds. If an applicant household pays utilities indirectly as part of their rent payment, the applicant will not need to demonstrate that their household has its own meter.

If an applicant fails to provide a utility bill or bulk fuel account statement with their application, the LSP is to attempt to contact the appropriate vendor and request the necessary documentation on the household's behalf. An applicant must not be denied a benefit or presented with a denied incomplete letter if the only documentation missing is proof of utility payments. Utility vendors sign an MOA with IHCDA in which they agree to cooperate in providing necessary information to IHCDA and to LSPs.

Some bulk fuel vendors may refuse to supply documentation for unregulated utilities. LSPs must provide notes in the client's file documenting that they requested a copy of a receipt or bill, but the request was denied.

For the purposes of this manual, the phrase "regulated utilities" refers to metered utilities, such as electricity and natural gas, regardless of whether the provider of this utility is factually regulated by IURC. The phrase "unregulated utilities" refers to bulk deliverable fuels, such as liquid propane, fuel oil, and biofuels.

Combined Gas, Water, Wastewater Bills

Some municipalities have combined utility bills that combine electric, gas, water, and wastewater on one bill. Normally, the combined bills are split out according to the utility type. However, if a client comes in without a split bill, the LSP must contact the utility company to get the information separated. LSPs should keep information about the electric and heat utilities only.

If the client comes in with a disconnect notice or past due amount, the LSP must ensure that it is paying only for the electric or heat utility crisis. LSPs must call the utility company to verify the amount related only to heating/electric.

4.7 Direct Benefit Payment

In the case of clients who have their heating and/or electric utility included in their monthly rent payment or who heat with firewood or other biofuels, there is not a vendor to whom IHCDA can submit a direct payment. For these situations, the EAP payment will be made directly to the client through a paper check or an ACH direct deposit.

Utilities Included with Rent

If a household's rent payment includes utilities in the rent, the applicant is eligible for an EAP regular benefit. Households with heating or electric utilities included in the rent will not be eligible for a crisis benefit. Because the client does not have a utility account, EAP benefits will be paid directly to that individual in the form of a check or ACH/direct deposit (see ***Form DBPE-2026 – Direct Benefit Payment Election Form***).

Clients must have a Tenant Verification Statement (TVS) that shows which utilities are included in rent and how much the client is responsible for paying in rent. Clients must be paying a minimum of $1 monthly in rent to receive an EAP benefit when utilities are included in the rent.

If the landlord refuses to sign the Tenant Verification Statement, a lease agreement signed by both parties within the last 24 months may be used. If the client cannot obtain a lease or other written documentation of agreement such as a TVS form, IHCDA may approve other ways of determining if the utilities are in the rent. LSPs should let IHCDA know when a client is having difficulty receiving an EAP benefit because of an uncooperative landlord.

Since LITT will automatically calculate the benefit amount based on the information provided in the application, LSPs are expected to verify and confirm that all applicant information is entered into the online portal correctly (see *Section 8: EAP Benefits* for more information). All direct payment recipients must be offered the opportunity to receive their benefit via ACH/direct deposit or as a check. To expedite payments and reduce chances of lost payment, recipients are encouraged to provide ACH information to the LSPs, especially if the application is completed via mail, telephonically, or in person. If an applicant, who is eligible for a direct benefit payment, neglects or declines to return the

Direct Benefit Payment Election Form, the applicant's benefit payment will default to being paid by paper check.

Additionally, if an applicant pays one utility directly but one indirectly, the applicant can waive the indirect utility benefit to the utility they pay directly. This arrangement eases burden on the LSP's Quality Control (QC) process and IHCDA's financial operations department and avoids the applicant needing to wait for a check. A waiver form is not required; if an applicant is waiving their direct pay benefit to a billed utility, the LSP must only document this in case notes.

Heat/Electric Situation	Types of Renters Benefits
Tenant pays the electric bill directly, but heating is included in the rent	• The electric utility vendor will be paid directly. The heat benefit will be paid to the client directly by check or direct deposit. • Clients may waive heating benefit to electric to avoid waiting for a check. • No form is necessary, but LSPs should make notes in the Statewide database.
Tenant pays the heating bill directly, but electricity is included in the rent	• The heating benefit will be paid directly to the utility vendor. The electric benefit will be paid to the client directly by check or direct deposit. • Clients may waive electric benefit to heating to avoid waiting for a check. • No form is necessary, but LSPs should make notes in the Statewide database.
Tenant pays all utilities in rent to landlord or property owner	• Both benefits will be paid to the client directly by check or direct deposit.

Firewood, Pellets, Corn, or Biofuel

IHCDA will now enter MOAs with wood, coal, pellet, and other biofuel vendors. Biofuel vendors must follow the same rules and regulations as other utility vendors and therefore must be registered and in good standing with the Indiana Secretary of State to be considered for participation in the Energy Assistance Program.

Clients who receive their fuel from unregistered fuel vendors must be direct paid in LITT.

Every effort should be made to complete the benefit payment by direct deposit. This will decrease the chances of lost or misplaced checks, replacement check requests, and fraud, waste, and abuse.

If an applicant who uses firewood as a heating source discloses or is known by the LSP to cut their own firewood, this applicant does not have a heating burden, as their heating expenses are $0. Therefore, such applicants will be eligible for an electric benefit, but not a heating benefit. The LSP must take care to note the reason for the heating benefit denial in the statewide database.

For eligible clients using any of the above biofuels as their primary heating source, LSPs should ensure that the biofuel is the primary, and not supplemental, heating source and that a properly installed stove or fireplace is being used to heat the home.

Nonparticipating Vendor

If an applicant submits a utility bill from a nonparticipating utility, the LSP should inquire and share that contact information with IHCDA using the vendor inbox vendors@ihcda.in.gov. IHCDA will work to execute an MOA with the nonparticipating vendor.

If the vendor declines to participate, IHCDA will advise the LSP, and the applicant may receive the benefit payment directly. The vendor will still need to be notified of the applicant's eligibility, as refraining from participation in the program does not relieve the vendor of the obligation to comply with moratorium requirements.

Payment Process

Direct deposits and paper checks will be issued and sent by IHCDA's banking institution. LSPs are responsible for ensuring that all direct benefit payment claims undergo the internal QC process in a timely manner, and that all direct pay claims undergo internal QC checks before being submitted for payment. If any errors are found in these claims after payment has been issued, the LSP will be responsible for repaying a portion or all the claim to IHCDA out of unrestricted, non-federal funds. The LSP may pursue restitution of these paybacks from the benefit recipient at their discretion.

Misuse of EAP funds for Direct Pay Clients

IHCDA will reissue EAP checks for clients who did not receive their checks if the client has not received it at least a month after it was issued. Any client who cashes an original check after receiving a replacement check may be ineligible for future EAP benefits.

Use of EAP funds for Direct Pay Clients

LIHEAP funds are authorized for a narrow usage – namely, to pay for energy usage, specifically electricity and heating, or otherwise provide services that reduce the energy burden of income-eligible households. Thus, EAP benefits are not taxable, do not count as income, are not considered personal property of the recipient, and may not be included as part of the estate of the recipient. They may also not be reissued in the name of a non-household member if an applicant in a single-person household passes away. If an applicant passes away but other eligible adults were in the household, the check may be reissued in the name of another household member.

4.8 Change of Address

If an applicant household moves to a new address after submitting their application, but prior to determining eligibility, the applicant household must be given the opportunity to submit a ***Form ADDR-2026 – EAP Address Change Form*** to reflect their new address,

dwelling information, and utility/heating fuel accounts. This form may also be completed telephonically or via the online portal.

If the applicant household moves out of the geographical bounds of the State of Indiana, the household will no longer be eligible to receive benefits. The application should be recorded in the statewide database and have their eligibility determined, but the benefits should be denied, and their case notes should be updated to reflect that the household no longer resides in Indiana.

If an applicant household moves to a new address after they have been approved for benefits, it is the applicant's responsibility to report the change of address to their LSP using ***Form ADDR-2026 – EAP Address Change Form***, along with providing documentation of their new utility/heating accounts. This will ensure that any future release of benefits will follow them to their new accounts and continue moratorium protection as appropriate. If the household has moved from one LSP's territory to another, the applicant household may submit this form to either their old or new LSP. LSPs may need to coordinate to ensure data is updated appropriately; this should be done with minimum burden to the applicant. The applicant must return this form within ninety (90) calendar days of moving.

If an applicant leaves an EAP credit with one or both utility/heating fuel providers when they move within the state of Indiana, the credit may be transferred to their new utility/heating fuel provider. The LSP must complete and submit and Energy Benefit Transfer Request (***Form EBTR-2026 – Energy Benefit Transfer Request***) to IHCDA along with the Address Change Form. See section 12.7.

4.9 File Documentation

An LSP must ensure that all clients have been appropriately documented in the statewide database at the time of their initial application.

Applicant File Documents include the following items:

Types of Documents for EAP Applications	
Standard Documents	**Supporting Documents**
• Signed and completed application, stamped with intake date • Proof of Indiana residency for at least 30 days (utility bill or signed certification statement) • Proof of income (see *Section 6.1 What is Counted as Income* for more information) • Utility bills, account statements, or Fuel Account Requests as needed • Tenant Verification Statements or lease agreements (if utilities are included in rent)	• Any supporting documentation from audits or quality control • Declaration of Absent Household Members • Declaration of Inoperable Heating Source • Power of Attorney statements • Documentation of any communications with utility vendors • If applicable, Energy Education pre- and post-test scores • If applicable, applicant and LSP appeal letters

• Previous approval or denial letters • If applicable, Address Change Form	• If applicable, fraud investigation documents

The LSP must ensure that the retained documentation is orderly, streamlined, and relevant. All duplicate documentation or documentation that is not relevant to the eligibility determination or other facts of the case should not be retained as part of the applicant file. LSPs are no longer required to combine relevant documentation into one digital file, however all relevant documents must be in the Document Center for the application.

Scanning/Uploading

The LSP must scan and upload all applicant files into the statewide database. These scans must include all relevant documents in the applicant file, including the signed statewide application. LSPs must not include any documents that are not relevant to the completed application file within the scan. LSPs should be careful not to scan blank pages and to scan both sides of two-sided documents. LSPs are to scan all documents so that they are clear and legible.

All applications, regardless of how they are received, must be entered into the system within fourteen (14) calendar days of receipt. At a minimum, this includes applicant household member, household address, vendor information, and any other information the database requires as a baseline to save the household. This does not include scanning and uploading any documents received. All documents must be scanned and uploaded in accordance with file processing and benefit determination guidelines. Documents used to determine eligibility must be part of the file at the time eligibility is determined.

The LSP is to upload all supporting or supplemental documentation needed to determine eligibility or process an application. This includes all written communications, including notes regarding all actions the LSP took on behalf of the client. This includes but is not limited to contact with the client themself, contact with the utility company, and contact with IHCDA. Notes may be made electronically within the statewide database, or they may be included in the form of handwritten notes captured within the file scan.

All documentation must have the first five (5) numbers of the SSN redacted. Scanned copies that are stored in the statewide database must be redacted.

The LSP is strongly encouraged to develop an internal LSP scanning/uploading tracking system to ensure all applicant files have been uploaded into the statewide database. If the LSP is using the electronic backup system, scanned PDF files should be labeled using the application number to assure client confidentiality.

The LSP must maintain a copy of the application for three (3) years following program closeout or the last action taken on applicant files for a given program year, whichever is later. This can be either a paper application or the complete application in the system. The LSP is also encouraged to consider maintaining hard copy retention of documentation until and unless they have reviewed file uploads and confirmed that the

file scan is correct, complete, and legible. Any documentation that is scanned incorrectly, incompletely, or illegibly may result in findings and required paybacks in the event of a monitoring finding.

Section 5: EAP Application Processing

Pursuant to Assurance 8, no one may be denied the right to receive or submit an EAP application. The LSP or its subcontractor *must* provide an application to anyone who requests one and accepts an application from anybody who wishes to submit one. The LSP will review and determine EAP eligibility based on information received from the applicant and the LSP's available budget.

The LSP must ensure that all applications are complete and signed before being placed in the applicant file, and LSPs must enter all physical (paper) applications into the statewide database. Note that a household application may be approved only *once* during the heating season.

Any approved household whose application accepts a weatherization referral must be referred to the Weatherization department of the LSP, or if the LSP does not have a Weatherization department in the county of the household, then the appropriate Weatherization LSP. Each LSP must identify a weatherization referral on the EAP application and the statewide database.

A household must apply for the Energy Assistance Program at the local office of their primary residence, at another site authorized by the LSP (such as a Township Trustee or other LSP subcontractor), through the online portal, or telephonically directly with the LSP.

To provide meaningful community access, LSPs are strongly encouraged to operate at least one walk-in site in each county they serve for the complete EAP application period. Walk-in sites must be available for clients who need crisis assistance, intake services, or help with completing their application, and these sites *must* be available from the start of the program. This site can be operated by the LSP itself or through a partnership with another community organization. The site does not have to operate every day, but it must have a fixed, regular schedule that is publicly advertised.

To reach clients who did not apply during the previous EAP year, LSPs must conduct outreach to inform the community about the program, the application process, and include details for the walk-in sites and how to apply for benefits. LSPs are required to follow the outreach plan outlined in their approved subrecipient plan packet.

LSPs are required to ensure that persons with limited English proficiency (LEP) have meaningful and equal access to benefits and services. The LSP is required to provide spoken translation in addition to translated written publications as some individuals may not read English or other languages. The LSP must have a documented procedure in place to communicate orally with people with LEP, and this mechanism will be reported in their subrecipient plan packet.

5.1 Application Dates

The LSP must make a timely and accurate determination of the household's eligibility for benefits within the timeline below:

- For appointments: Fifty-five (55) calendar days of the application's completion.
- For mail-ins: Fifty-five (55) calendar days of application date. This time frame starts on October 1.

Dates are defined as follows:

- Intake date: The date an application is first received by the LSP. LSPs must date stamp all incoming mail-in applications when received. These applications should be processed on a first-received, first-serve basis, and these dates in the database must not be changed.
- Mail-in applications received before October 1 should be assigned the date received and not the start date of the program.

LSPs should record the dates that the application was received, and the completion of the application in the state database. LSPs should ensure that a clear trace of the application's timeline is recorded, especially in cases in which a household reapplies. The best recommended practice is to date-stamp every page of every document when it is received to clearly show the timeline and when date determinations are made.

All eligible benefits must be assessed to the applicant within the timeframes listed above. Households must be notified in writing of their approval or denial. If the applicant is approved, they will receive a letter stating the amount of the benefit. All status notification letters must be included in the client's file. The expectation is that if an individual applied via a mail-in application, telephonically, or in person, the letter will be mailed. Separately, a letter will be emailed to all applicants that provided an email address on their application.

All applicants who applied prior to the closing date must have their eligibility determined, and all applicants must be granted full appeal rights within allowable time windows. To be considered a submitted application before the closing date, if an online application, the application must be fully submitted in the system; for mail-ins, the application must be in the office by closing date. An application received via mail after the closing date will not be considered a legitimate application.

5.2 Mail-In Applications

Client households from the previous year that are identified as vulnerable population households may be sent a mail-in application packet. If an LSP chooses to send a packet, LSPs are to include all the vulnerable population groups identified by IHCDA in this mailing. LSPs should continue to expand their mail-in groups, particularly for working families for whom coming to the office may be difficult.

LSPs can mail applications for PY2027 to their vulnerable populations beginning September 1, 2026. Completed applications for PY2027 may be entered into the statewide database as soon as September 1, 2026, but notifications to both the vendors and applicants cannot occur until October 1, 2026; this will be announced to the network

when we have received confirmation of completion. Applications may be made available to non-vulnerable households beginning October 1, 2026.

Applicant Notification letters for approved or denied households are not to be sent prior to October 1, 2026. Applicants who submit an incomplete application can receive a notification of their denied-incomplete status no sooner than October 1.

All LSPs are required to have an e-mail inbox where clients can send questions and correspondence, as well as required EAP documents. This e-mail address must be included in the subrecipient plan packet, the LSP's application form, the LSP's EAP webpage, and the LSP's application letters.

5.3 LSP Employee or Sub-Contractor Applications

Any applicant household that includes an LSP staff member, governing board member, volunteer, sub-contractor, or relative of any such member must be received and processed by the LSP EAP Manager or an appropriate supervisory-level designee and should be reviewed by the Executive Director, Human Resources Director, or Board President for determination for approval or denial of a benefit. Relatives of the Executive Director or board member must have their file reviewed and approved by a designated member of the LSP's governing board or a board committee. Under no circumstances should an applicant's file be reviewed and determined by a subordinate or direct report.

Relatives are any person(s) with the following relationship to a staff member, governing board member, volunteer, or sub-contractor: parent, child, grandparent, grandchild, sibling, spouse, aunt, uncle, niece, nephew, parent-in-law, child-in-law, sibling-in-law, grandparent-in-law, or grandchild-in-law.

All required EAP policies, procedures, and deadlines are still applicable. LSPs are to store paper applicant files with the EAP Manager or Executive Director as an added measure of privacy for LSP staff and/or their relatives. These files must also be marked "confidential" within the statewide database.

LSP staff or relatives receiving benefits must undergo QC by a supervisor in the LSP who is not related to the recipient of the benefits and did not determine eligibility. All above reviews must be completed prior to transmitting benefits to the utility providers.

LSPs must indicate in their Subrecipient Plan Packet any appropriate designees to fulfill the above requirements. IHCDA will provide a standardized form to document that all appropriate reviews and approvals have taken place, ***Form ENRE-2026 – Enhanced Application Review Form***. This documentation must be included in the statewide database.

5.4 Application Packet

LSPs must use the state-wide application (see ***Form APPL-2027 – Statewide Application***), which can be obtained from the Energy and Utility Programs division upon request or on IHCDA's website. A subrecipient must add their agency name, logo, and contact information to the application prior to public distribution. The application form must

identify only the subrecipient of record and not any other entities with which the subrecipient may contract. The application must be accompanied by the IHCDA-created instruction page as well as the Privacy Notice and Rights and Responsibilities, which includes federally mandated disclosures.

In addition to the application form, instructions, and privacy, rights, and responsibilities disclosures, the packet must contain an LSP-created cover letter advising applicants of their processes and return instructions or guidance for notifying the agency if they go into crisis or move during the application process, as well as an LSP-created referral form for other programs administered by the LSP and other resources in the area that partner with the LSP. This will help facilitate enrollment in other programs.

If the LSP contracts with other entities and wishes to include their contact information, they may include this in the cover letter rather than in the header of the application form.

IHCDA also recommends that LSPs consider including:

- The ***Form TVS-2026 – Tenant Verification Statement*** form (for clients with utilities in rent only)
- The ***Form DBPE-2026 – Direct Benefit Payment Election*** form (for clients with utilities in rent or biofuels only)
- Other client-facing forms as necessary

LSPs may also include any other documentation in the packet that is relevant to their programs.

5.5 Applicant Notifications

Denied-Incomplete Applications

An application is incomplete if the household:

- Fails to provide all documentation necessary to complete the client eligibility review;
- Fails to complete all required fields in the application;
- Provides insufficient or illegible documentation; or
- Does not provide the LSP with the information needed to properly complete an eligibility review.

Even if an application is incomplete, the LSPs must enter it into the statewide database. If the application is processed before receiving all documentation required to accurately determine eligibility, the LSP will be required to pay back a portion or the entirety of the benefit during monitoring. Note that incomplete status is only used for items that are relevant to the eligibility review. For example, an application is not considered incomplete if the only thing that is missing is a utility bill, which is part of the benefit review following eligibility review.

The LSP must provide a denied-incomplete letter identifying the missing items needed to determine eligibility of the application and ways to appeal the determination. The applicant can appeal this decision within **30 calendar days** of the determination by submitting the missing necessary documentation to the agency. If the

applicant submits the missing documentation within the 30 days, the application will then return to the original intake reviewer's queue with their original application date. LSPs must retain documentation of the household's notification letters, which include the client's appeal rights, in the client's file. The denied-incomplete letter must be sent within one (1) business day of incomplete status determination.

If the applicant returns the requested documentation to the LSP, the documentation must be uploaded to the electronic application file in the statewide database, and the appeal decision must be made within fourteen (14) days.

Applicants who do not submit the required information within the appeal window will have their appeal window closed, will no longer be able to submit new documents, and will need to begin another application fifty-five (55) days following their previous application date.

Denied Applications

If upon completion of the EAP application, a household is found to be over the income or does not meet another criterion of the Energy Assistance Program, the household is ineligible for EAP benefits. Applications may be denied for the following reasons, not necessarily limited to:

- Over income guidelines.
- Failed to meet other eligibility criteria.
- Failed to submit required documents to complete eligibility process.
- Falsified information or documentation which was discovered by the LSP prior to awarding benefits.

The applicant must be notified of their denial in writing using notification letters generated by the statewide database. LSPs must retain documentation of the household's notification letters, which include the client's appeal rights, in the client's file. The denial letter must be sent within one (1) business day of denial determination.

Approved Applications

Upon application approval, the applicant must be notified of their approval, as well as the awarded benefit amount, in writing using notification letters generated by the statewide database. LSPs must retain documentation of the household's notification letters, which include the client's appeal rights, in the client's file. The letter of approval must be sent within one (1) business day of approval determination.

5.6 Client Appeals

Applicants may appeal any eligibility determination with which they do not agree, including a denial of benefits, the benefit amount, or the perceived failure of an LSP to act on a submitted application within a reasonable timeframe. Allowing a client to appeal an LSP decision is mandatory for the Energy Assistance Program. The appeals procedure must be communicated to all households applying for the program. When the LSP provides written notification of denial to an applicant, the notification must include the household's right to appeal that determination. This information is included in the Applicant Denial Letter. All applicants' appeal rights must be honored, even if they are appealing after the

end of the application period. An applicant may appeal by submitting a handwritten letter or by using the “Appeal” function on the statewide database.

First Level Appeal: The client must send their written appeal to the local LSP’s EAP Manager or Executive Director within thirty (30) calendar days of receipt of the denial. The LSP’s Executive Director or EAP Manager determines the applicant’s eligibility on review within fourteen (14) calendar days of receipt of the applicant’s written appeal. All appeal documentation and notes must be uploaded to the statewide database, and IHCDA’s Community Programs Manager must be notified of denied appeals. LSPs must retain documentation of the appeal process, including the original appeal, the agency response, and all correspondence related to the appeal, in the client's file. The LSP must send the applicant both the database-generated appeal determination notification and an explanation of how the appeal was considered and why the agency came to its determination. This letter must be sent within one (1) business day of determination.

If the applicant received a Denied—Incomplete determination due to an incomplete application, they can appeal the determination by submitting the missing information to the LSP within thirty (30) calendar days of receiving the denied status.; if the missing documentation has not been submitted, or if the application has not been completed, after 30 calendar days, the application will be considered “Denied—Final,” and the applicant will need to reapply for benefits or file a second level appeal.

Second Level Appeal: If the applicant is not satisfied with the LSP’s determination, they may request formal review by the State, but it must be submitted in writing or through the online application portal. This request is made by submitting the appeal to IHCDA’s Community Programs Manager for the Energy Assistance Program. The LSP may submit this appeal on behalf of the client or the client may submit it directly to IHCDA. This request for formal review must be made within thirty (30) calendar days of receipt of the LSP’s appeal determination. IHCDA’s Community Program Manager (or their designee) will review the materials submitted and issue a written finding to the applicant and the LSP within thirty (30) calendar days, based on the documentation provided. The IHCDA Community Programs Manager response will consist of both the database-generated appeal determination notification with an explanation of how the appeal was considered and why they came to their determination. The decision of the IHCDA Community Programs Manager is final.

5.7 Performance Measures Data Collection

Performance Measure Data is designed to show the impact of LIHEAP and other home energy related benefits on low-income households. All states are required to provide this data to HHS. The main goal of Performance Measure Data is to understand the clients’ energy burden. Energy burden is defined as the amount the client’s energy cost divided by the client’s income. For example, if the client earns $10,000 per year but pays $2,000 in energy costs, that client has a 20% energy burden. In addition, the Performance Measures report attempts to look at high burden households compared to non-high burden households to see if benefits are being distributed according to the intent of the program.

IHCDA can use this information to support funding decisions and to review the program to best target benefits to the highest burden households. Utility Data Usage Tracking is calculated by IHCDA for Performance Measures for all LSPs on an annual basis. IHCDA completes and submits the energy usage reports to HHS annually.

Section 6: EAP Income Computations

The household income is the total income received by all household members aged eighteen (18) and above during the application period. The total household income is used to determine financial eligibility for benefits. Households are eligible with an income up to 60% of State Median Income. Income computation is used to compute points on the benefit matrix.

It is the household's responsibility to provide accurate and complete documentation of income. It is the LSP's responsibility to assess the adequacy and completeness of that documentation and provide the applicant with a list of additional documentation needed to determine eligibility for benefits. LSP staff will encounter various forms of income documentation and should use their best judgment, with opinions from supervisors, in accepting or rejecting specific forms of verification. The LSP must make notes in the statewide EAP database when accepting documentation that may be considered less than ideal.

To calculate income, LSPs will consider the most recent three (3) consecutive months or thirteen (13) consecutive weeks of income. The LSP should use the documentation provided by the applicant whenever possible.

The statewide database will treat this three-month income as a representative sample and will multiply the three-month income by four to calculate the annual income for eligibility determination.

Any income amount of one dollar ($1.00) or less (e.g., an interest accrual on a bank account of ten cents [$0.10]) may be excluded from income calculations.

6.1 What Is Counted as Income?

Income from Employment

There are several types of employment including:

- Wages (including salaries, tips, bonuses, and commissions)
- Irregular employment and odd jobs
- Self-employment income
- Profit from a business
- Military Allotments (except for combat zone pay)

Income from employment may be gross wages, salaries, commissions, bonuses, profit-sharing, cashed-out vacation or sick pay, tips, military allotments, pensions, self-employment and other retirement payments such as private retirement plans. This kind of income can be verified using, in order of preference from most preferred to least preferred:

- Paystubs identifying the person whose income is being considered (i.e., Social Security number or name) and showing the income for the period being considered for the computations

- Written statements from employers stating the income for the period being considered for the computations (including Form 2025-EARN)
- Self-employment documentation (1040 tax forms, IRS tax transcripts, or self-declaration)
- W-2s for the previous year's wages. **This documentation can be used by itself only for applications in the months of January, February, or March of the current heating season**, because it will essentially be used as a paystub for December 31 and therefore the application must be within the first 13 weeks of the year. Because we prefer to use current income via the most recent paystub, this is not a preferred form of income documentation. Use Box #1.
- Self-declaration of earned income or self-employment via a ***Form UIV-2027*** as a last resort only. These should be accompanied by 1099s or receipts for support.

When using less-preferred documentation of income, LSPs must document attempts made to obtain more preferred forms of documentation and why these more preferred documentation types were not able to be used. For instance, if an applicant applies and submits a handwritten note as documentation of earned income, the LSP must request that the applicant provide paystubs. If the applicant's paystubs are provided electronically through a portal and the applicant reports having difficulty accessing these, the LSP must attempt to provide support to the applicant in accessing the portal. If the applicant is unable to provide paystubs even with LSP support, the LSP must document this and have the applicant complete a Form UIV-2027 (taking care to ensure the IVA captures gross earnings, not net earnings) and ask the applicant to identify all employers from which they receive payment in the previous 13 weeks. The LSP must then send a Form-EARN-2026 to the employer(s) and allow two (2) weeks for the employer(s) to respond. If the LSP receives no response, or if the employer declines to provide the requested information, the LSP may document this and accept the IVA. Failure to fully document attempts to obtain more preferred documentation prior to accepting less preferred forms and the rationale for accepting such will result in monitoring findings.

For households whose members file taxes jointly and one is self-employed, and one is working, wages for the working member must be verified.

Paystubs

To promote consistency in how we collect and calculate income across the state, as well as to reduce the burden on applicants, LSPs are to request only the most recent paystub from each employed household member and to use the information on this paystub to extrapolate the mean three-month income. Routinely requesting three complete months or thirteen complete weeks of documentation from applicant household members will result in monitoring findings. IHCDA defines the income eligibility period as three (3) complete months, or thirteen (13) weeks.

LSPs are to calculate employment income based on the gross amount paid; however, if total gross and federal taxable gross income are both provided, the federal taxable gross income is to be used for the calculation. LSPs must not manually subtract deductions to determine federal taxable gross if it is not supplied on the paystub.

To determine three months' worth of income, application reviewers are to use the following methodology:

- Application reviewers are to use a paystub dated within 90 days prior to the application date. The most recent paystub is preferred, but any paystub within the eligibility period is acceptable.
- Application reviewers are to use the pay date to determine what day of the week the applicant household member's pay is received.
- Application reviewers are to determine how many weeks comprise the year-to-date (YTD) aggregate on the paystub. For our purposes, each instance of the day of the week on which the household member is paid constitutes a week.
    - For example, in 202, Friday first fell on January 02. Therefore, when counting weeks, January 02 would mark one week, January 09 would be 2 weeks, February 06 would be 6 weeks, August 28 would be 35 weeks, etc.
    - If a household member's paystub indicates they are paid based on a 2-week pay period rather than a 1-week pay period, then any odd-numbered week counts must be rounded up to an even number. For example, an applicant paid every two weeks who is paid on January 5 is being paid for 2 weeks, not 1, and the week count must reflect this.
- The gross YTD (or federal gross YTD, if available) is then to be divided by the number of weeks represented by the check being used to calculate eligibility income. This will give intake the mean weekly income for the household member.
- The mean weekly income is then multiplied by thirteen (13) to determine the household member's total income for the eligibility period.

Special considerations with this calculation method:

- If the household member has not been earning pay from the employer since the beginning of the year, it may be appropriate to offset the number of weeks used as the denominator when dividing the YTD amount. If the mean weekly income seems significantly different from what is reflected in the current paystub, intake should follow up with the applicant. Intake must determine the number of weeks for which the applicant did not receive pay from this job and subtract it from the denominator prior to dividing the YTD value by the number of pay weeks.
    - E.g., an applicant applies on November 20, 2026, and provides a paystub for November 06 with a two-week pay period. This would be week 46 (rounded up from 45). However, the applicant began working at the job in February 2026 and received their first paystub on February 27. This is 10 weeks (rounded up from 9) for which the applicant did not receive pay. Intake would subtract 10 from 46 and determine that the YTD amount represents 36 weeks, then divide the YTD amount by 36 to determine the mean weekly income.
- If the household member has not been working for an employer for more than ninety (90) days, or if the household member no longer works for the employer, it may be appropriate to offset the thirteen (13) week multiplier used to determine the household member's total income for the eligibility period. Intake must determine the number of pay weeks that have elapsed since the applicant's last pay, and then subtract that number from the multiplier prior to multiplying.

    - E.g., an applicant applies on November 20, 2026, with a two-week pay period. Their last paystub was November 06. This represents two weeks during which the applicant did not receive pay from this job, so intake will multiply the mean weekly income by 11 rather than 13.
- Whenever offsetting any of these values, intake must always use pay dates rather than hire/termination dates in determining the offset and must document to the extent possible the cause and justification for the offset.

IHCDA has developed the income calculator in LITT that mirrors a spreadsheet that will automatically calculate 13 weeks of income from a single representative sample paystub without having to manually make the above calculations. To calculate the pay for 13 weeks, application reviewers are to enter the application date, the paystub date, the pay period length in weeks, the YTD gross (or federal taxable gross) income, and some information about when the applicant household member started working this job and whether they are still working the job. The LITT calculator and spreadsheet will use this information to extrapolate how much income was earned during the past 13 weeks.

Monthly or Bi-Monthly Earned Income

Some applicant household members may hold employment in which they are paid once per month, or they may be paid twice per month on fixed dates (distinct from bi-weekly pay, where they will receive a third paycheck for two months of the year). These applicants will require special techniques for calculating their eligibility income.

For applicant household members who are paid monthly, the applicant should provide their most recent paystub. Determine how many months are represented by that paystub (e.g., if the applicant provides a paystub for October, this will represent ten months of pay), divide the YTD gross or YTD taxable gross by the number of months on the paystub, and multiply by three.

For applicant household members who are paid bi-monthly, the applicant should provide their most recent paystub.

- If this paystub is the first paystub of the month, subtract the current period gross from the YTD gross to determine the YTD gross for the end of the previous complete month. Then divide the YTD gross by the number of complete months represented by this calculation, and multiply by three.
- If this paystub is the second paystub of the month, then it represents the end of a complete month. Divide the YTD gross or YTD taxable gross by the number of months represented by the paystub and then multiply by three.
    - Example: John Smith works at a job that pays him on the 10th and 25th of each month. If he applies and provides a paystub for November 10th, intake would subtract the current period gross pay from the YTD to determine the YTD gross at the end of October. Intake would then divide this by 10 and multiply by three to determine eligibility income. If John Smith had provided a November 25th paystub, intake could conclude that this represents pay for 11 complete months, and simply divide the YTD gross by 11 and multiply by three.

Incidental or Unreported Income

Income that is not reported for tax purposes is nevertheless included in the calculation of the household's gross income. This income should be verified when possible. Applicants may claim this income using the first section of the Undocumented Income Statement. The first section allows applicants to self-declare income if there is no documentation for this income, see ***Form UIV-2027 – Undocumented Income Statement***.

Self-Employment

Self-employment income is an individual's income from a private trade or business (including farming). If a household reports a member who is self-employed, their income must be verified by the Internal Revenue Service (IRS) Tax Form 1040 or IRS transcripts for the most recent, complete calendar year. Most recent is defined as taxes that were filed by April 15 of the current program year. To reference IRS tax forms, please see https://www.irs.gov/forms-pubs.

If the applicant cannot produce the most recent tax return, the applicant should declare income for the previous three (3) months. Other income that is not from self-employment must be documented (current paystubs, etc.). For the purposes of determining eligibility for LIHEAP benefits, LSPs will consider gross income and profits before allowable business expenses and other adjustments are applied.

In addition to the Form 1040 – U.S. Individual Income Tax Return, applicants must provide one or more of the following schedules to complete the self-employment verification (note that these are based on 2024 tax forms, and may be amended when 2025 1040s are released):

- Schedule 1 – Additional Income and Adjustments to Income
  - Summarizes what kind of income is included in the return and indicates which other schedules should be considered.
- Schedule C – Profit or Loss from Business
  - Use line 5, Gross profit
    - Subtract Line 11 (Contract labor)
    - Subtract Line 14 (Employee benefit programs)
    - Subtract Line 19 (Pension and profit-sharing plans)
    - Subtract Line 26 (Wages)
- Schedule E – Supplemental Income and Loss
  - Use line 3, Rents received, and/or line 4, Royalties Received
  - For Partnerships and S Corporations, use line 32, Total partnership and S corporation income or loss.
  - For Estates and Trusts, use line 37, Total estate and trust income or loss.
  - For Real Estate Mortgage Investment Conduits (REMICs), use line 39.
  - For Farm rental income or loss, use line 40.
- Schedule F – Profit or Loss from Farming
  - Use line 9, Gross income.
    - Subtract Line 15 (Employee benefit programs)
    - Subtract Line 22 (Labor hired)
    - Subtract Line 23 (Pension and profit-sharing plans)

        - Subtract Line 26 (Wages)
- Schedule SE – Self-Employment Tax
    - Use line 5a, Church employee income, from the Long Schedule SE if it is completed.

If the client's tax returns indicate that wages and business income were received, then the client must provide income documentation for the wages as well as schedules for the business income.

Schedule C tells the LSP that at least one of the applicants had a business that did or did not make a profit. If the business did not make a profit, the applicant does not need to complete an Undocumented Income Statement. If other household members are listed on the application and are not part of the Schedule C and are claiming no income, however, they must complete ***Form UIV-2027 – Undocumented Income Statement***.

Applicants who operate a business or have a home office with the same physical address as their primary residence must provide proof of a separate meter for business operations or evidence that the residence is not used solely for the purpose of the business. LSPs must make a reasonable effort not to fund a business account. If the business utilizes only a portion of the residence, the client may qualify for LIHEAP benefits if the household is income eligible. If the household presents a utility bill coded as a commercial account C, however, the household is ineligible for EAP benefits on that utility.

Other Income

Income may be earned in other ways besides employment. Examples of different types of income may include, but are not necessarily limited to, the following:

Alimony Payments
Alimony, or spousal support, is a legal obligation for a person to provide financial support to their spouse before or after marital separation or divorce. The obligation arises from the divorce law or family law of each state. Alimony received by a client should be counted as income.

Black Lung Disability for Survivor of Recipient
The Black Lung Benefits Act (BLBA) is a U.S. federal law which provides monthly payments and medical benefits to coal miners totally disabled from black lung disease arising from employment in or around the nation's coal mines. Only when the recipient of the Black Lung Pension has passed away and the benefit is awarded to the survivor of the recipient should it be included as income.

Disability Payments from Insurance
An individual may have insurance coverage that pays a specified amount for a specific period during which they are unable to work because of a disabling condition. Such disability payments made by an insurance company directly to the individual are counted as income.

Indemnity health insurance plans pay a specified benefit to a person based on the number of days the person is hospitalized. Variations on indemnity health insurance include accident and cancer policies. These benefits are counted as income. The verified and documented amount of the benefit that is used for the payment of medical bills, however, may be deducted from the benefit in computing the household's income.

Dividends and Interest

Dividends or interest earned on financial assets are counted as income to the extent that they are realized (received) by the owner of the asset. Assets include savings accounts, interest bearing checking accounts, equity shares (mutual funds and stocks), bonds, and retirement accounts, or other similar accounts. Assets should not be considered for EAP income calculations; however, any income from those assets over $1.00 is to be considered.

Dividends and interest from financial assets can be verified by earnings statements from the financial institution. If a monthly statement is presented, take the monthly amount multiplied by three (3) to get the income for the last three (3) months.

That portion of any savings instrument which represents the individual's contribution to the principle is never considered as income. The saved money has already been counted since it was received by the household.

For example, the principle withdrawn from a savings account or other cash asset is not used in income calculations. The principle is the amount of the asset that was contributed by the individual owner of the asset. If, however, that account was paying an interest payment of $10 a month, that $10 would be counted as income if the money was not compounded into the account.

Gambling Winnings, and Awards

Winnings from any source of gambling or gaming are considered income including, but not limited to private gambling, the Hoosier Lottery, Power Ball, Mega Millions, horse racing, bingo, etc.

Life Insurance Payments

Life insurance payments issued on a regular basis to a surviving household member should be counted as income. Lump sum payments, however, should not be counted.

Military Allotments

Payments received during a military deployment should be considered except for combat zone pay. The person who is deployed should be counted as a household member. Such payments are income and can be verified by a copy of the check, a check stub, or other documents showing the current amount.

Pensions and Annuities

Ongoing pension payments are counted as income. Most often, the employee and/or the employer pay retirement funds into an annuity account. Annuities are paid out after the person retires, usually with an option for lump sum payments or periodic payments.

Like Social Security, many retirement funds are also available to persons who become disabled, or to their surviving spouse and surviving minor children in the event of their death.

The most desirable documentation of a pension amount is a check stub. Care should be taken to use the gross amount of the pension check, since deductions, including income tax withholding, may affect the net. Pensions are usually “fixed” income that may be computed based on one month’s check.

Railroad Retirement and Railroad Disability Benefits

Railroad retirement and disability benefits are like Social Security benefits, however these benefits are open only to former railroad workers, their dependents, or survivors. Railroad workers are entitled to participate in a federal retirement and disability program like Social Security. The railroad retirement program offers different and somewhat expanded benefits from Social Security, however

Additionally, the program is administered by the Railroad Retirement Board (RRB) and not by Social Security Administration (SSA). Both retirement and disability benefits are available and are counted as income. These benefits are administered by the Social Security Administration, and payments are often combined with regular Social Security if the person is eligible. These benefits can be verified using the same methods as Social Security. Railroad benefits should be calculated based on the net amount.

Retirement

Any ongoing, recurring retirement payments are counted as income. A lump sum pension or retirement payment that represents the employee's contribution and/or interest is excluded as income.

Royalties

Royalties include payment for copyrighted or patented property of a household member, such as payments for the right to use copyrighted materials, licensed products, patented items etc. Royalties may be documented by statements or by contracts with the entity paying the royalty. Documentation of a period of income from the royalties may also be used.

Social Security Benefits

Benefits administered by the Social Security Administration include Social Security retirement benefits, Social Security disability benefits, and Supplemental Security Income assistance. These benefits may be recurring, regular or underpayments.

Only benefits paid during the three-month calculation period should be counted. The net amount of the Social Security check, after the deduction for Medicare Part B premiums and/or Part D, overpayment recovery, tax withholdings, and child support garnishments, is to be used to compute income. Social Security benefits paid to a surviving spouse in the name of the surviving children are counted as income to the household.

Children under age 18 may receive benefits from SSA if they or one or both of their parents are disabled. Typically, this income is received addressed to the child in care of

an adult payee. While EAP generally excludes income received by individuals under 18, any SSA benefits received by a household are to be included as income. For assigning income in the statewide database, these benefits should be assigned to the adult payee. If an adult payee's only source of income is a child's SSA benefit, the household member must complete ***Form UIV- 2027 – Undocumented Income Statement.***

To verify Social Security income, any of the following documents may be used, in order of desirability:

- **Complete** Social Security Award Certification Letter from the current year. If the client can't provide a letter from the current year, the LSP is encouraged to assist the applicant in obtaining a current award letter if it has capacity to do so.
- Most recent direct deposit statement from a bank.
- A letter from the bank including the deposit amount and date of receipt, verifying a deposit from the Social Security Administration.
- Lump sum Social Security may be awarded for back payment. Determine the amount by pro-rating the entire award and then consider the most recent three (3) months. If there is no way to identify what time period the lump sum covers, it should be excluded from calculation.
- Report of Confidential Social Security Benefit Information (SSA-2458) or written verification from the Social Security Administration (SSA) with a Form L634 (cover letter) attached.

Social Security/SSI beneficiaries can obtain a benefit verification letter from their My Social Security account at www.ssa.gov or by calling 1-800-772-1213.

Strike Benefits

A union may award strike benefits to employees who are striking against their employer. Strike benefits are counted as income. They may be verified by statements from the union, or by a check copy or stub.

Unemployment Benefits

Unemployment Benefits is income that is available to individuals who have lost their job through no fault of their own and who are currently available for employment. Unemployment Benefits may be documented by any of the following, in order of desirability:

- Department of Workforce Development (DWD) Last Known Employer (LKE) report: This report can be requested directly from DWD. The report has several columns. LSPs must use the column "NET". This is the actual amount that the client has earned without tax or other withholdings.
- Uplink Unemployment Payment Summary- Deductions and entitlement amounts should be added to calculate the gross benefit amount.
- If unemployment benefits are sent to an electronic benefit transfer debit card, a statement of benefits can be used to document the income. All tax or other withholding must be included to calculate the client's gross income.
- Note: The client cannot show bank statements because withholding and other taxes may already have been deducted.

Veteran's Benefits

Veteran's benefits should be counted as income. A copy of the most recent benefit check, an entitlement letter, or a statement from the Veterans Administration are all acceptable documentation of VA benefits. Veteran's Benefits also include the Dependency and Indemnity Compensation (DIC), a tax-free monetary benefit paid to eligible survivors of military service members who died in the line of duty or eligible survivors of veterans whose death resulted from a service-related injury.

Worker's Compensation

Worker's Compensation may be awarded to an injured employee or his survivors under state and federal statute. Benefits are paid either in a lump sum or, more likely, as a monthly payment. Benefits should be counted as income. Worker's Compensation is either paid by an insurance company or by the employer out of a self-insurance fund. In either case, the individual should have an "Agreement to Compensation" form which states the amount of the benefit.

Worker's Compensation can also be verified by calling the Worker's Compensation Board of Indiana at (317) 232-3808. LSPs will be asked if they have a release of information form signed and on file.

6.2 What is Not Counted as Income?

In computing a household's eligibility for EAP, certain types of income are to be excluded. In addition, assets are not to be included. This includes assets held by and/or disposed of as a part of a household member's business. Unlike some other federally funded programs, there is no asset test or resource limit for EAP. The total value of a household's assets does not affect its eligibility for benefits. Only the income produced by the assets is used in the eligibility determination. LSPs are to exclude the below types of income.

Income of Household Members Under Eighteen (18)

The income of any household member under 18 years old at the time of application is excluded from the household's eligibility determination. This includes tasks and activities such as babysitting, mowing the lawn, or working a part-time after school job. If a household member is under age eighteen (18) but is emancipated, then that emancipated person becomes an adult, has their own household, and income is counted. For more information on Indiana Law concerning emancipation, see Indiana Code §31-34-20-6.

Income of High School/College Student

Income for high school students who are a dependent member of the household is not counted. The high school student's income should not be counted, even if the student is over 18. Proof of enrollment in school or report card must be included.

Income from a full-time college student, up to age 23, who is a dependent of a member of the household should not be counted. Proof of student status, such as a schedule or letter that he/she is enrolled for 12 credit hours or more per semester, must be provided.

Black Lung Disability

When awarded to the recipient while they are still living, Black Lung Disability should be excluded when figuring income. As noted above, black lung disability is counted as income when awarded to a survivor unless the recipient is under 18 years of age.

Sheltered Workshop Employment/Work Centers

Income from household members who have worked in centers that are authorized to employ workers with disabilities at sub-minimum wages should not be counted.

Lump Sum Social Security Payments

Non-recurring or lump sum Social Security and Supplemental Security Income (SSI) payments should be excluded from income calculations unless part of the lump sum payment was for the three (3) month income calculation period. In that case, only the amount relevant to the three (3) month period would be counted.

Child Support

When an applicant receives child support, payments are excluded as income. If a client's only source of income is child support, then that client should be treated as a zero-income claimant. The client must complete a ***Form UIV-2027 – Undocumented Income Statement*** and provide supporting documentation.

When an applicant is paying child support, payments can be deducted from income. LSPs should look at pay stubs, bank statements, or letters from other government agencies to determine how much an applicant has paid in child support for the three (3) month period.

Loans

Loans to an individual are not counted as income. Loans include, but are not limited to, educational loans, car or home loans, reverse mortgages, money advanced on a credit card, etc. Any grant or loan to any undergraduate student for educational purposes made or insured under any program administered by the United States Department of Education is not to be considered income for the Energy Assistance Program. This includes federal work-study grants or the Department of Veterans Affairs-Dependents Education Assistance Program.

Sales of Property

Any money realized from the sale of personal property, regardless of whether the property in question is real estate or chattel, and regardless of whether a net profit is realized because of the sale, is to be excluded as income.

Medical Reimbursement

Reimbursement, from a third party, for medical expenses is not counted as income. Note that funds paid by a health indemnity plan for a person in the hospital, however, may be counted to the extent that it is not used to pay medical bills.

Employer-Paid Benefits

The Employer-paid or union-paid portion of health insurance or other employee fringe benefits are excluded as income. Reimbursements for work or medical expenses (travel

or mileage) are not eligible as income and should be deducted from any YTD gross wages.

Insurance Settlements
A one-time, lump sum insurance settlement payment for injury is excluded as income.

Retirement
A lump sum pension or retirement payment that represents the employee's contribution and/or interest is excluded as income.

Inheritance
An inheritance received in a lump sum is excluded as income.

Gifts
A cash gift to an individual that does not represent household support is excluded as income.

Non-Recurring, Lump Sum payments
Non-recurring, or lump sum, payments to a household (not an individual) for household support (living expenses) should not be counted as income. These payments are like gifts, which are not counted.

Savings Instruments Principle
That portion of any savings instrument which represents the individual's contribution to the principle is never considered as income. Saved money has already been counted as the household received it.

Capital Gains
A capital gain is a rise in the value of an investment or real estate that gives it a higher worth than the purchase price. The gain is not realized until the asset is sold. Capital Gains are not considered income.

Tax Refunds
Income tax refunds and Earned Income Tax Credits are excluded as income.

Veterans Reduction Assistance Allowance
That portion of Veterans Reduction Assistance Allowance which represents the veteran's contribution to the allowance is excluded. Veterans who served before December 31, 1977, have not made a contribution toward their benefits. This contribution will not exceed $2,700 and can be identified by the Veterans Administration (VA) when verifying benefits. To verify benefits, call 1-800-827-1000 and provide the applicant's VA file number. A Social Security number may be used as a last resort. The VA will verify the educational expenses (i.e., tuition, books, fees, transportation) which are excluded from income.

Veteran Clothing Allowance
Veterans who have unique clothing needs because of a service-related disability or injury may receive a supplement to their disability compensation. This stipend should not be considered as income.

Children of Vietnam War Veterans living with certain disabilities

VA benefits provided to children of Vietnam Veterans (including adult children) who were born with the congenital defect spinal bifida are excluded. Also, effective December 1, 2001, VA benefits to children of women Vietnam veterans born with certain other birth defects are excluded. The monthly monetary allowance is paid at a rate that is based on the child's level of disability.

Payments on a Household's Behalf

Payments made by others on the household's behalf are excluded, including payments for such items as car and health insurance payments, payments for rent, or payments for other household expenses made on the household's behalf. If money is given directly to the applicant on a regular basis it is counted as income. Occasional cash gifts, however, are excluded as income.

In-kind Payment to the Household

An in-kind payment to a household in lieu of payment for work is excluded from income computations, including the imputed value of rent from owner-occupied housing, food or rent received in lieu of wages, items received in barter for rent; or gifts received from an employer.

Benefits from Other Assistance Programs

In general, the cash and non-cash benefits received by the household from other social services programs are not considered income. Some of the other assistance program benefits that are not included as income are as follows:

- **TEFAP**: The Emergency Food Assistance Program (TEFAP), a federal program that helps supplement the diets of people with low income by providing them with emergency food assistance at no cost, shall not be considered income for the purpose of determining eligibility for the Energy Assistance Program.
- **Child Nutrition Programs:** The value of food provided under National School Lunch Act or other child related commodities distribution programs are excluded as income.
- **Elderly Nutrition Programs:** The value of food such as congregate dining and home-delivered meals is excluded. The value of elderly nutrition programs such as congregate dining, home-delivered meals, Senior Citizens Service Employment Program (Title V), and Experience Works (formerly Green Thumb) may not be treated as income or benefits for eligibility purposes under the EAP.
- **Childcare Assistance Payments:** Childcare Assistance Payments on behalf of the household are not considered income to the household. Childcare assistance paid to the household as a childcare voucher is not counted. Common types of assistance that should not be included are Child Care and Development Funds (CCDF), Child Care and Development Block Grant funds (CCDBG), Social Services Block Grant funds (SSBG), At-Risk Child Care, Guaranteed Child Care, and Transitional Child Care. When vouchers are received by a childcare provider as a form of payment for providing childcare, however, this is considered income for the provider.
- **TANF:** Temporary Assistance for Needy Families (TANF) replaced several forms of welfare assistance. TANF should not be calculated as income.

- **SNAP:** SNAP benefits, formerly known as food stamps, provided to a household or any of its members is excluded as income.
- **Medicare and Medicaid:** Reimbursements to a household for medical expenses are not considered income for the Energy Assistance Program. The premium for Medicare Part B is not included as income.
- **Subsidized Housing:** The value of a housing subsidy is excluded. Rental assistance may include rent and a utility allowance toward the utility bills. The utility allowance is not required to be considered subsidized. Rural Development-funded properties are considered subsidized if the funding source provides a monthly rental payment. Other programs that may provide monthly rental assistance are, but not limited to, HOPWA, HOME TBRA, and HOME AGAIN, which are IHCDA-funded programs. Local municipalities may have their own rental assistance programs that provide a monthly payment amount. Those programs are included as well.
- **Volunteer Service (VISTA, AmeriCorps, etc.):** VISTA, ACTION, RSVP, Foster Grandparents, Senior Companion Program, Older Americans Community Services, AmeriCorps, payments to volunteers, living allowances, or education awards, should not be included as income. AmeriCorps is a network of national service programs which engage Americans in intensive service to meet critical needs in education, public safety, health, and environment. Created in 1993, AmeriCorps is part of the Corporation for National and Community Service, which also oversees Senior Corps and Learn and Serve America. AmeriCorps living allowances and education awards are excluded as income.
- **Job Corps:** The nation's largest career technical training and education program for low-income young people ages 16 through 24. Established in 1964, Job Corps serves approximately 60,000 young people each year. While enrolled in the program, students receive housing, meals, basic medical care, and biweekly living allowances that are excluded from income eligibility. Refer to www.jobcorps.gov.
- **Victims of Nazi Persecution:** Restitution payments made to individuals because of their status as victims of Nazi persecution shall not be counted as income, per Public Law 103-286 signed August 1, 1994.
- **Supportive Services for Employment:** The value of supportive services received under various employment and training programs is excluded as income. These programs include the Job Training Partnership Act, the Personal Responsibility and Work Opportunity Reconciliation Act, the Senior Community Service Employment Program, and similar programs. Supportive services include payments made on behalf of, or through an individual for transportation, health care, special services and materials for persons living with a disability, childcare, meals, temporary shelter, financial counseling, and other reasonable expenses required for participation in the training program and may be provided in kind or through cash assistance.

  Township Trustee Assistance: All forms of township trustee assistance are excluded as income for EAP.

6.3 Applicants with Zero Income

Households in which any adults declare zero income for any or all the previous three (3) months are required to complete a ***Form UIV-2027 – Undocumented Income Statement*** for each applicable member. Each person aged eighteen (18) or over who is not a full-time student and claims zero income must provide a description of how they met living expenses during that period. If there is no indication how a zero-income household meets basic living expenses, then no EAP assistance should be offered. This is not meant to disqualify a household with no income, but rather to understand how the household survives and if case management services would be appropriate.

Applicants with zero income should be given priority in case management services offered by the LSP under EAP Family Development or other programs. The Undocumented Income Statement is to be completed in its entirety without leaving any blanks. If a line is not applicable it should be marked N/A. LSPs are to make every effort to encourage the client claiming zero income to leave a meaningful comment in every field, unless the LSP determines that it is truly not applicable. LSPs are to document why a particular field was determined not to be applicable.

Section 7: Crisis Assistance

The LIHEAP statute requires that states reserve a reasonable amount of funds each fiscal year for crisis assistance. In Indiana, these funds make up the Crisis Assistance line item in each LSP's budget. LSPs are required to set aside at least eight percent (8%) of their budget to assist with crisis applications. Funds budgeted for crisis must be used at the time of application in an energy emergency, as described in ***Section 2.2: Crisis Intervention***.

A crisis benefit can be provided at the time of application for households whose regular heating benefit cannot assure continued service for regulated utilities, or guarantee delivery for households who heat with bulk fuels. Crisis assistance funds may only be provided to households if they guarantee continuation of service. The client does not have to provide additional funds to cover the entire amount owed if the utility company will continue service with a partial payment.

Although approved applicant households receive moratorium protection between December 1 and March 15, LSPs must extend crisis benefits consistently throughout the entire heating season, including the moratorium period. Approved applicant households may come back once prior to the end of the program year for additional crisis if they experience an energy crisis after the initial application, provided they have not used the entire benefit.

7.1 Crisis Assistance Benefit

Crisis benefits may be applied if the household owes money on the heating and/or electric source. If a utility bill is for combined services, LSPs can utilize the database's crisis calculator to document, record, and calculate the amount of eligible crisis benefits for the applicant household. To be eligible for the crisis benefit, the household must have lost service or be in danger of losing service. Crisis benefits are distributed as follows:

Energy Source	EAP Crisis	Calculation
Regulated utility	Up to $400	The client will present a utility bill
Propane, LP gas, fuel oil, wood, wood pellets, biofuels, corn, coal	Up to $400	The benefit is to be automatically applied to the utility at the time of initial application to ensure as large a delivery as possible.

Crisis benefits awarded at the time of application will be determined and assessed based on the household circumstances at the time of application. If the applicant turns in a current utility bill at the time of application, intake is to use the documentation provided by the household to determine crisis benefit eligibility. LSPs are not to contact the utility provider to obtain updated billing information at time of eligibility determination, even in cases where the household applies before the beginning of the program year (e.g., the household applies on September 14 with a disconnect notice for September 21, and the

LSP cannot contact vendor with pledge until October 1). In these cases, LSPs are simply to award crisis according to the billing circumstances at the time of application.

If, on the other hand, the applicant does not turn in a utility billing statement at the time of application, or if the applicant turns in a non-current utility billing statement, the intake will contact the utility vendor to obtain a copy of the billing statement. In general, the intake should ensure to request the billing statement that would have been current at the time of application.

If it comes to the LSP's attention that an applicant whose eligibility has not yet been determined has gone into disconnect status since submitting their application, the intake may escalate the application to address the crisis within timeline requirements, but the benefit is to be awarded based on the billing status at the time of application.

Clients may receive up to two crisis benefits per eligible utility if the maximum benefit has not been awarded (once at the time of initial application and one more time between March 1 and the end of the program year) and if program funds are still available. If the client does not qualify for crisis at the time of application, they may receive up to one additional crisis benefit if they experience an energy emergency after eligibility determination. Households may not receive more than two separate instances of crisis benefits.

Crisis benefits are awarded subject to availability of funding, meeting of eligibility criteria, and the ability of the funds to ensure continuing service. While clients may be eligible for up to $400 in crisis funding per utility, this is not guaranteed. Clients are not entitled to crisis benefits by virtue of being approved for LIHEAP benefits, and crisis benefits are not considered to be part of a household's total benefits unless they receive a notification letter awarding them such benefits.

The allowable crisis benefit is the ***actual amount*** needed to maintain or restore service for regulated utilities. For regulated utilities, the household must provide a utility bill with a disconnect amount or verification from the utility company that the client is up for disconnect, or that the household is in a payment arrangement. The LSP should utilize the database's crisis calculator to determine the awarded crisis amount, and if a household with regulated utilities has a documented energy crisis, the crisis benefits should be applied to the bill prior to applying the regular benefit.

See ***Section 8: EAP Benefit Matrix***, for crisis benefit calculations.

Client situation	Client's Regular Benefit	Crisis Offered?	Does the client need to pay anything?
Client owes $1,000, but the energy company will continue service if $600 is paid.	$250.00	Yes – the client gets a regular and crisis benefit. If the client's regular benefit is $250, then $400 crisis will be given.	No
During moratorium, client owes $1,000. The client can't be turned off, but the bill indicates that $600 is the disconnect amount.	$250.00	Yes – the client gets a regular and crisis benefit. If the client's regular benefit is $250, then $400 crisis will be given.	No
Client owes $1,000, but the energy company will continue service if $250 is paid.	$250.00	Yes – the client gets a regular and crisis benefit, since we apply the crisis benefit to the bill prior to applying the regular benefit. Since the disconnect amount is $250, we will award $250 in crisis, and the applicant will have $150 remaining if they find themselves in disconnect after moratorium.	No
The client is applying on March 18. Client owes $2,000, and the energy company will disconnect unless the entire $2,000 is paid.	$250.00	Yes – the client is not required to cover the difference between the benefit and the amount owed prior to being awarded the benefit.	No
The client owes $600 but is only one month behind on the bill. The energy company has not issued a disconnect notice.	$250.00	No – if the utility vendor has not issued the applicant a disconnection notice, a crisis does not exist, even if the client is behind in their payments.	No – there is no threat to the continuation of service.

7.2 Arrearages

EAP benefits may not be applied to the portion of a household's utility bill which is in arrears for over one year from October 1st of the current program year. For example, for the program year starting October 1, 2026, the EAP benefit may not be applied to bills accrued before September 30, 2025.

7.3 Crisis for Limiters, Meters, Payment Arrangements and Prepaid Services

Prepaid Bulk Fuel Accounts

Some bulk fuel customers have prepaid services called cash for delivery or cash only accounts. Prepaid services are eligible for EAP regular and crisis benefits if the account is in the name of applicant household member or landlord. If the account is in the name of a different third party, the applicant must complete a ***Form NHMD-2026 – Non-Household Member Declaration***.

Metered Bulk Fuel Accounts

Some bulk fuel clients have "metered propane tanks". The metered propane tank is a computerized bulk fuel tank that is controlled by a centralized computer system. Clients have an automated delivery schedule based on the amount of fuel in the tank, time since the last delivery, and outside temperature. The client receives a monthly bill that is based on the amount of fuel used within a thirty (30) day window. Clients who fall behind on their monthly bill will receive a notice of disconnection with a disconnection amount. If the disconnection amount is not paid, the tank will be turned off from the centralized computer. The bill must be paid before the tank is turned back on and the client will not be switched to a cash-for-delivery contract. Clients with these types of tanks are considered unregulated and are eligible for crisis benefits.

Metered bulk fuel providers using limiters, meters and prepaid services must provide moratorium protection to EAP clients. Vendors may impose daily or other limits to clients wherein a brief interruption of service is used to notify a client they are nearing or over the maximum usage. However, an interruption in service longer than thirty minutes to an hour within a 24-hour period may be a breach of Indiana Code: 8-1-2-121.

Payment Arrangements

Payment arrangements are arrearage satisfaction agreements between utility/fuel providers that require a customer to consistently pay their monthly current charges while also paying a portion of their past-due balance. This past-due balance is typically divided into 3, 6, 9, or 12 equal payments. Typically, failure to pay both the monthly agreement on the arrearage and the current usage charge in full will result in a default of the agreement, and the entire balance will be due on the next bill. A payment arrangement typically extends or cancels a scheduled disconnection. Disconnection does not typically occur immediately upon default; usually, the next regular bill will state that the entire account balance is due, and the account is eligible for disconnection if this is not satisfied. Payment arrangements are useful as a way of mitigating a crisis immediately and the arrearage amount being mitigated by the payment arrangement is eligible to be factored into crisis benefit determination, as outlined in section 8.9.

Budget Billing Plans

Clients with regulated utilities on a budget billing plan are eligible for crisis assistance even though the monthly utility bill is being maintained by a pre-arranged payment plan if they produce a disconnection notice, show that the prepaid account is near zero, or show that they have a negative balance and that the service will be terminated.

Clients with unregulated utilities who have a negotiated payment plan are eligible for crisis benefits even though the payment plan ensures that clients receive bulk fuel deliveries on an automated schedule, as opposed to calling when the tank is low. Bulk fuel clients should provide a notice or other statement that the bill is past due and that they will not receive an automatic tank refill.

Prepaid Accounts

When a client has a prepaid account, generally, the client must pay in advance for their utility. Because the account is always prepaid, it will usually have credit. However, prepaid customers are still eligible for crisis assistance in addition to their regular benefit if they have certified that the prepaid utility will run out within ten calendar days.

LSPs must give the entire crisis benefit of $400 to clients with pre-paid accounts for crisis when they self-certify that they will run out of their utility within ten (10) days. LSPs may allow the client to verbally declare the crisis and make notes in the statewide database. A current account statement of the prepaid account can also be used to demonstrate that the applicant will run out of their utility within ten (10) days.

7.4 Other Crisis Intervention Strategies

In addition to providing funding and assistance as described above, LSPs may use other intervention strategies such as:

- Case Work Activities. If the authorized heating and crisis benefits cannot resolve the emergency, the LSP must provide references to the household to secure additional funds. These services include referrals to other sources of utility assistance, intervention on behalf of the household with utility vendors, providing budget counseling with an emphasis on maintaining rent and utilities.
- Case Management. For more extensive intervention with the household, the LSP should have procedures for referrals to the LSP's case management component such as Family Development Consultants or Family Self-Sufficiency caseworkers.
- Energy Education. Crisis clients can be referred to receive EAP Energy Education if that is part of the LSPs approved A16 plan.

Section 8: EAP Benefits

When applying benefits, LSPs are to apply benefits in the following order:

- EAP Crisis benefit for regulated utility and/or bulk fuel (if eligible)
- EAP Regular Benefit
- Private/local fuel fund (e.g., Duke Share the Light)
- Second EAP Crisis for regulated utilities (if necessary and available)
    - While IHCDA does not administer or oversee the administration of private/local fuel fund benefits, it is important to note that these funds should only be awarded after any crisis and regular benefits being awarded at the time of application. These benefits must be documented and tracked in the statewide database so that we can see the role they play in mitigating any crisis or outstanding balance due.

EAP payments *cannot* be made for the following expenses:

- Business or commercial accounts
- Deposit fees
- Operation of unsafe heating devices such as portable heating devices, stoves, etc.
- Past due bulk fuel bills (unless payment of the past due bill prevents an immediate crisis delivery to the household)
- Setting an LP tank
- Water or sewage bill
- Direct rent payments
- Tampering charges (diversion/illegal usage)
- Appliance payments, appliance service programs charged to the utility bills
- Charges for optional services not directly related to residential energy consumption or delivery (e.g. warranty and insurance plans, security lighting programs, etc.)

8.1 Regular Benefits

The benefit computation is completed using the EAP Benefit Matrix (see ***Form MTRX-2026 – Energy Assistance Program Benefit Matrix)***, and this is also automatically calculated in the system based on the information entered. The matrix sections and instructions follow:

8.2 Household Information

Name of Head of Household:	
Application No:	County:
Household Income:	Date of Application:

Enter household and case identification as indicated.

8.3 Income Level Determination

Income Points are determined by comparing the household's income level and size to the State Median Income (SMI). Points range from 2-6 based on where the household falls on the following charts.

All households with heat included in rent receive two (2) income points, regardless of their income level.

Category: Income Level Determination	Points Possible	Points Awarded
From chart	2,5,9	

SMI, as opposed to Federal Poverty Guidelines, will be applied to all households regardless of household size.

- Compute the household's income for the most recent three (3) months.
- Locate the point on the chart where the income and household size falls to find the amount and the number of points to be awarded.
- Enter the number of points on the matrix under Income Points.
- The State Median Income guidelines are generally updated in June of each year. Indiana updates the guidelines in September before the start of the new EAP heating season each year.
- See the Administration for Children & Families' website for updated guidance on SMI estimates.
- IHCDA has provided income guidelines for households up to 10 individuals. For larger households, please see guidelines for calculation methodology or contact Community Programs.

The State Median Income in Indiana for Federal Fiscal Year 2027 for a family of four (4) is $111,012. Sixty Percent (60%) is $66,607.

Income Maximum 0% to 30% of SMI: 9 Points			
Persons in family/household	1 month 0% to 30% of SMI	3 months 0% to 30% of SMI	12 months 0% to 30% of SMI
1	$1,443	$4,329	$17,317
2	$1,887	$5,661	$22,646
3	$2,331	$6,993	$27,975
4	$2,775	$8,325	$33,303
5	$3,219	$9,657	$38,631
6	$3,663	$10,990	$43,960
7	$3,746	$11,239	$44,959
8	$3,829	$11,489	$45,958
9	$3,913	$11,739	$46,957
10	$3,996	$11,989	$47,957

Income Maximum 30% to 45% of SMI: 5 Points			
Persons in family/household	1 month 30% to 45% of SMI	3 months 30% to 45% of SMI	12 months 30% to 45% of SMI
1	$2,164	$6,494	$25,976
2	$2,830	$8,492	$33,969
3	$3,496	$10,490	$41,962
4	$4,162	$12,488	$49,955
5	$4,828	$14,486	$57,947
6	$5,495	$16,485	$65,940
7	$5,619	$16,859	$67,439
8	$5,744	$17,234	$68,938
9	$5,869	$17,609	$70,436
10	$5,994	$17,983	$71,935

Income Maximum 45% to 60% of SMI: 2 Points			
Persons in family/household	1 month 45% to 60% of SMI	3 months 45% to 60% of SMI	12 months 45% to 60% of SMI
1	$2,886	$8,658	$34,635
2	$3,774	$11,323	$45,292
3	$4,662	$13,987	$55,950
4	$5,550	$16,651	$66,607
5	$6,438	$19,315	$77,263
6	$7,326	$21,980	$87,921
7	$7,493	$22,479	$89,919
8	$7,659	$22,979	$91,917
9	$7,826	$23,478	$93,915
10	$7,992	$23,978	$95,914

8.4 Dwelling

Dwelling points are awarded based on the relative cost of heating for three types of dwellings. A manufactured home on a foundation is classified as a single site built. While households with the primary heating utility included in the rent are eligible for a heating benefit, they are assigned fewer points here because the energy burden for these households is significantly less than those households that pay a separate bill for their primary heating utility.

Category: Dwelling	Points Possible	Points Awarded
Site Built Single-Family	3	
Mobile Home	2	
Multi-Unit (Duplex or Greater)	1	
Any dwelling with primary heating utility included in rent	0	

Award three (3) points if the household lives in a site built single-family home;
Award two (2) points if the household lives in a mobile home;
Award one (1) point for households living in a duplex or multiplex (apartments);
Award zero (0) points for households living in any type of dwelling if the primary heating utility is included in the rent;
Maximum points are three (3).

8.5 Primary Heating Fuel Source

Points are awarded for the primary Heating Fuel Source based on the relative costs of heating with the various types of fuel.

Category: Fuel Source	Points Possible	Points Awarded
Bulk Fuels (LP Gas, Oil, Coal, Wood, Pellets, Corn, Biofuels)	6	
Natural Gas	1	
Electric	1	
Any fuel source in which heating costs are included in rent	0	

Award six (6) points if the household heats with one of the bulk fuels (LP gas, oil, coal, pellets, wood, wood pellets, corn, or biofuels).
Award one (1) points if the household heats with natural gas.
Award one (1) points if the household heats with electricity.
Award zero (0) points if the heating costs are included in the rent, regardless of fuel type.
Maximum points are six (6).

8.6 Vulnerable Populations

The Vulnerable Population households for the Energy Assistance Program include the elderly (60+), individuals with a disability, veterans, and households with children five (5) years old or younger.

Category: Vulnerable Populations	Points Possible	Points Awarded
Elderly (60+), individual with a disability, veterans, and/or children five (5) years old or younger.	2	

Award two (2) points only if the household has a member who fits one of the Vulnerable Population factor definitions. Households only need to have one member fall into one category to be considered vulnerable. Households only need to provide documentation on one factor to receive Vulnerable Population points. Maximum points are two (2).

8.7 Electric Utility Payments

Even though a household may not depend on electricity as a source of heat, electricity is generally required to operate the heating source. It is important, therefore, to maintain electricity to ensure effective operation of the primary heat source. Electric Benefit payments are determined by comparing the household's income level and size to the State Median Income (SMI). Electric Benefit payments range from $50-$125.

All households with electric included in rent receive a fifty dollar ($50) electric benefit payment, regardless of their income level. The LSP may not apply regular benefit dollars to the electric utility and less to the heat utility when electricity is not the main heating source.

Category: Electric Benefit Payment	Payment Possible	Electric Benefit Awarded
From chart	$50, $100, $125	

Income Maximum 0% to 30% of SMI: $125 Payment			
Persons in family/household	1 month 0% to 30% of SMI	3 months 0% to 30% of SMI	12 months 0% to 30% of SMI
1	$1,443	$4,329	$17,317
2	$1,887	$5,661	$22,646
3	$2,331	$6,993	$27,975
4	$2,775	$8,325	$33,303
5	$3,219	$9,657	$38,631
6	$3,663	$10,990	$43,960
7	$3,746	$11,239	$44,959
8	$3,829	$11,489	$45,958
9	$3,913	$11,739	$46,957
10	$3,996	$11,989	$47,957

Income Maximum 30% to 45% of SMI: $100 Payment			
Persons in family/household	1 month 30% to 45% of SMI	3 months 30% to 45% of SMI	12 months 30% to 45% of SMI
1	$2,164	$6,494	$25,976
2	$2,830	$8,492	$33,969
3	$3,496	$10,490	$41,962
4	$4,162	$12,488	$49,955
5	$4,828	$14,486	$57,947
6	$5,495	$16,485	$65,940
7	$5,619	$16,859	$67,439
8	$5,744	$17,234	$68,938
9	$5,869	$17,609	$70,436
10	$5,994	$17,983	$71,935

Income Maximum 45% to 60% of SMI: $50 Payment			
Persons in family/household	1 month 45% to 60% of SMI	3 months 45% to 60% of SMI	12 months 45% to 60% of SMI
1	$2,886	$8,658	$34,635
2	$3,774	$11,323	$45,292
3	$4,662	$13,987	$55,950
4	$5,550	$16,651	$66,607
5	$6,438	$19,315	$77,263
6	$7,326	$21,980	$87,921
7	$7,493	$22,479	$89,919
8	$7,659	$22,979	$91,917
9	$7,826	$23,478	$93,915
10	$7,992	$23,978	$95,914

8.8 Household Eligibility vs. Benefit Eligibility

The LSP Intake staff must take care to observe the distinction between household/programmatic eligibility and benefit eligibility. There may be some circumstances in which a household demonstrates that it meets the eligibility criteria for EAP, but the LSP is unable to release a benefit at the time of application. This is an important distinction to draw, because verification of EAP eligibility may be used to prove eligibility in other benefit programs, including the moratorium and Universal Service Program discounts. In these cases, it is important that the LSP determine and document the household eligibility, while marking the reason for any benefit ineligibility in the statewide database (e.g., primary heating source not operational or credit balance above program limits on a utility, as described in section 10.12: Credit Balance").

Household eligibility is based on verification of household members, dwelling, the eligibility of household members to receive taxpayer-funded benefits, and total household income.

Benefit eligibility is based on the existence of a utility burden, operational heating equipment, active service at the address of application in the name of a household member or a qualified exception, service being coded as residential rather than commercial, and not having an excessive positive credit balance.

Because our policy only requires a household to verify eligibility once per program year, a household that has been determined to be eligible but was ineligible for a benefit may bring in proof that it is now eligible to receive the benefit later in the program year, and the LSP may release the benefit without redetermining household eligibility.

Household turned in:	Can eligibility be determined?	Can benefit be determined?	Next step
• Application • Utility bills	**No**; Income documentation missing	**No**; Household eligibility must be determined first	Household is considered "Denied Incomplete" and must appeal determination by submitting missing documentation.
• Application • Income	**Yes**; all that is needed to determine programmatic eligibility is present	**No**; without utility bills, energy burden cannot be established	Approve household if they meet eligibility but withhold the benefits. Contact utility vendor to request utility bills. When vendor provides bills, determine benefit eligibility and release benefit
• Application • Income • Utility bills	**Yes**; all that is needed to determine programmatic eligibility is present	**Yes**; if the household meets programmatic eligibility requirements	Determine eligibility and award benefits if household qualifies

Issue	Does it prevent household/programmatic eligibility determination?	Does it prevent benefit eligibility determination?
Missing income	**Yes**	**Yes**, because benefit eligibility cannot be determined before household/programmatic eligibility
Missing Utility Bills	**No**	**Yes**
Heating source not functional	**No**	**Yes**, for heating benefit only; electric benefit may still be released
Excessive Credit Balance	**No**	**Yes**, for utility with excessive credit balance only
Billing name/Non-Household Member Declaration Form issues	**No**	**Yes**

8.9 Crisis Benefits for Regulated Utilities

Crisis benefits may be applied if the household owes money on the heating and/or electric source and is in imminent danger of disconnection or already disconnected. This includes outstanding arrearages that are currently being managed through a payment arrangement but would otherwise have caused the household to have their service disconnected or scheduled for disconnection.

The household must provide a utility bill with a disconnect amount, payment arrangement, or reconnection amount; or verification from the utility company that the client is up for disconnect, already disconnected, or enrolled in a payment arrangement. The allowable crisis benefit is the actual amount needed to maintain or restore service, up to the maximum crisis benefit of $400 per utility. The LSP must show how the crisis award was determined in the client file. Reconnection and connection fees and other penalties may be paid for with EAP funds. Deposits cannot be paid with EAP funds.

The crisis benefit will be based on the family's circumstance at the time of application.

Calculating Crisis Benefits

The LSP will apply the crisis benefit to the portion of the bill designated as the disconnection amount as well as any outstanding payment arrangement amount, up to $400 per utility. The LSP will then apply the regular benefit to the remainder of the bill.

If a household's primary heating source is electric, that household will be eligible for a total of $800 in crisis funding for the electric utility. The LSP, however, must take care to code a maximum of $400 of the benefit to electric and $400 to heating. Unused crisis assistance from one utility may not be waived to the other utility. The LSP must show in the client file how the crisis award was determined.

The LSP must ensure that the benefit amount with crisis assistance is enough to prevent disconnection and maintain regular service. If the benefit amount including crisis is not enough to prevent a disconnection, the client should be asked to make a payment to the utility vendor for any past due amounts or deposits before the pledge is made, or the LSP may document that the utility provider agreed to continue service for the amount that the household qualifies for. The LSP is to withhold a benefit if the benefit amount is not enough to maintain active service and the client lacks the funds to pay the remaining balance or subsequent deposits. Note that the client contribution is not needed to ensure continuing service from December 1st through March 15th due to the utility shutoff moratorium.

> Example: A total electric home earning 8 points is awarded $300 (8 x $25 = 200, plus a $100 electric benefit amount). They present a disconnect notice of $175.00. They would receive $175 in crisis benefits and $300 in regular benefits for a total benefit of $475.
>
> Example: A total electric home earning 8 points is awarded $300 (8 x $25=200, plus a $100 electric benefit amount). They present a disconnect notice of $945.00. They would receive $800 crisis + $300 for a total of $1,100. The utility company states that it will accept a payment of $200 for the client to remain connected. The client would still receive the regular benefit and the crisis benefit. Full crisis would be awarded because even though the utility states it will accept $200 to continue service, we must mitigate the documented crisis to the greatest extent possible. The intake worker must make notes in the statewide database.
>
> Example: A total electric home earning 8 points would be awarded $300 (8 x $25=200, plus a $100 electric benefit). They present a disconnect notice of $1,500.00. They would receive $800 crisis + $300 for a total of $1,100. The utility company states that it needs the entire $1,500 for the client to remain connected. The client does not need to pay the remaining $400 before the benefit is released. Per the vendor MOA, **upon acceptance** of the benefit, the utility will delay disconnection or restore service for 30 days. If the utility does not accept the benefit, the client will need to pay the remaining balance.

8.10 Crisis Benefits for Unregulated Utilities

Clients with bulk fuels, such as propane, LP gas, fuel oil, wood, wood pellets, coal, corn, or biofuel are eligible for up to $400 in crisis benefits to assist with the delivery costs associated with these heating fuels. The crisis benefit may also assist with any outstanding arrearage on the household's account in accordance with Section 7.2. This crisis benefit should be awarded in its entirety up-front at the time of application. No applicant self-declaration of crisis is necessary.

8.11 Total Benefit

Total points are used to determine the amount of the Regular EAP benefits. The total number of points from the matrix are multiplied by $25 to determine the base benefit. Electric and Crisis dollar amounts are added to the base benefit. Since LITT will

automatically calculate the total benefit amount based on user input, it is crucial that LSPs verify that the submitted information is correct and make corrections as necessary to ensure applicants are receiving the correct benefit amount.

IVA Points

Category	Maximum Points	Minimum Points
Income Level Determination	9	2
Dwelling Type	3	0
Fuel Source	6	0
Vulnerable population	2	0
Total	20	2

Benefits	Maximum Benefit	Minimum Benefit
Total Points X $25	$500	$50
+ Electric	$125	$50
Total Regular EAP benefit	$625	$100
+ Crisis EAP	$800	$0
Total EAP Benefit	$1,425	$100

Calculating the Benefit:

1. Add the points in each category for the Total Points. Multiply that amount by $25 per point and enter the subtotal.
2. Add the appropriate electric benefit.
   If the primary heating source is electric, then the entire benefit will be given to the electric utility. If a household does not have electric service provided by a utility vendor, the household is not eligible for the electric benefit.
3. Enter the amount of Crisis benefit when applicable.
4. Add the amount of points from the regular benefit, the electric benefit, and any crisis amount (if applicable) to determine the Total EAP Benefit**.**

8.12 Credit Balance

If an applicant household has a credit balance more than $250 on one of the regulated utilities at the time of the application, the benefit cannot be released unless and until the balance falls below $250. The household must still have programmatic eligibility determined, and if the household is eligible, the utility shall be apprised of household eligibility to ensure moratorium protection and enrollment in USP rates, if applicable.

If the client has a credit balance on an unregulated fuel more than $500 at the time of the application, that fuel will not be eligible for assistance until the credit balance is under $500. Once the credit balance is under $500, the client may return and request the benefit if they meet the other program requirements.

Excess credit balances do not impact a household's programmatic eligibility determination.

All LSPs are strongly encouraged to incorporate periodic reviews of unobligated balance reports to monitor bulk fuel households in which a benefit has been withheld due to an excessive credit balance and assess them for eligibility of benefit release. This will avoid putting the burden of following up with the LSP on the low-income applicant.

Benefits for accounts with excess credit balances cannot be waived to another utility.

8.13 Inoperable Heating Source

If the home's designated heating source is not operable either due to intentional disconnection or mechanical failure and is heating with an unsafe source (such as electric space heater, stove, etc.), the applicant is not eligible for the regular heating benefit. The client is eligible for the electric credit only.

If the client is heating with an alternative safe heating source (such as a properly installed wood-burning stove), the primary benefit may be applied to that heating source. LSPs should be sure that secondary heating sources are safe before approving a benefit. This can be accomplished by having a conversation with the client and documenting the conversation. These clients are to be referred to Weatherization and be evaluated for Emergency Repair and Replace services if they are homeowners and meet vulnerable population criteria.

The client may not waive the heating benefit to electricity when electricity is not the primary heating source when there is no operable heating source.

If the client has not received a regular EAP heating benefit and the primary heating source is rendered operable later during the program year, the client may contact the LSP to request release of the regular benefit. Intake staff should update the original application, the file, the notification letter, and the supporting documentation showing the repair or replacement.

Section 9: Emergency Repair and Replacement

9.1 Emergency Services

Emergency Services is no longer a line item. Should an emergency arise that would qualify for emergency services, additional guidance will be issued by IHCDA.

9.2 Emergency Repair and Replacement

Emergency Repair and Replacement (ERR) benefits can be provided to protect the health and safety of households when other forms of assistance under LIHEAP will not resolve the energy-related crisis. LSPs are allowed to allocate up to ten percent (10%) of their total award for Emergency Repair and Replacement. If an agency exhausts this 10% funding limit and has further needs to administer either benefit for its clients, the LSP shall contact IHCDA and request flexibility on the funding cap.

All LSPs are required to either directly administer this benefit or to partner with another entity to administer this benefit on their behalf.

- LSPs must indicate in the Subrecipient Plan Packet whether they will administer the ERR program directly or partner with another entity to provide this service. Agencies may utilize their weatherization programs to administer this benefit if indicated in their Plan Packet.
- LSPs must maintain a $7,000 or lower average cost per unit (ACPU) for this benefit.
- Each LSP is responsible for developing its own internal tool to track ERR benefits to ensure it is staying below this ACPU and to demonstrate its methods during the monitoring process.
- This benefit is predominantly for repairs; any replacements must receive meet criteria for replacement on the ERR Checklist.

ERR is allowable for primary installed heating sources if there is no redundant heating system. The intention of ERR is to restore heat when heat or systems no longer function. The repair/replacement should be for the primary heating source only and not secondary or back-up sources. A household may have a secondary source that could be used as a primary heating source if the secondary source is both a legitimate option to restore heat and is a cost-effective alternative. In this case ERR should not be used.

Because applicants are not advised of their approval or denial before October 1 (the official start date of the statewide program), ERR work may not commence prior to October 1. However, LSPs may complete preparatory work, including having the applicant complete consent forms or having assessments completed, prior to October 1. Because ERR is a crisis component, agencies must show they took mitigating actions within the required crisis timelines. Beginning the ERR process may be a mitigating action.

Who can get ERR?

Applicants who have an inoperable or nonfunctioning heating source qualify as being in an energy crisis, as outlined in section 2.2. A heating source that is only sporadically or intermittently functioning properly is, for IHCDA's purposes, considered to be nonfunctioning.

Clients are only eligible for Emergency Repair once per year. Clients are only eligible for an Emergency Replacement once every ten (10) years at the same address. Clients applying for ERR must have at least one person in the household who is part of a **vulnerable population** (elderly, children, veterans, or disabled, see definitions Section 8.5), **and must own their home**.

- Documentation of vulnerable population status and homeownership will be required.
    - LSPs may request an exception from the IHCDA Community Programs Manager to provide ERR to non-vulnerable clients; exceptions to the homeownership requirement will not be granted. Applicants must present an emergency such as a furnace that no longer works during the application period for the appropriate program year.
- If the applicant's home is in foreclosure, the applicant is not eligible for ERR services unless they can provide documentation that their mortgage has been brought current.

Other aspects to consider when assessing the feasibility of an ERR are:

- Non-traditional heating sources may be replaced with ERR funds if they are not redundant or excessively expensive. Examples include heat pumps, outdoor biomass furnaces/boilers, radiant floor, renewable resources, and fireplace inserts.
- ERR electrical repairs beyond repairing the heating source are limited to the wiring (dedicated circuit) that connects from the source to the service panel or thermostat.
- A dwelling must have adequate electrical service to operate the heating system to be repaired or replaced.
- ERR can be used for changing energy vendors when the household changes fuel or energy vendor for health and safety or medical reasons only. For example, a wood stove could be changed to a gas furnace if an elderly or disabled client cannot lift, cut or feed the wood stove they heat with.

ERR may NOT be used for:

- Non-emergency repairs or replacements
    - Example: a furnace repair in the summer is not an emergency.
    - Example: routine maintenance measures, such as a clean and tune or clogs resulting from failure to change filters regularly.
- Replacements of the furnace when it could have been addressed with a repair.
    - All replacements must indicate the specific reasons that repairs were not feasible.
- Repairs or a replacement not initiated by the EAP Service Provider.
    - The LSP cannot reimburse for already initiated or finished repairs or replacements.

- Unoccupied dwellings.
    - Example: The household purchased a house and cannot move in until the furnace is repaired or replaced.
- A repair or replacement for a home that is being foreclosed upon.
    - If the applicant can provide documentation that any outstanding arrearage has been satisfied and that the home will no longer be in foreclosure, the work can be authorized.
- A furnace that is deemed to be operational after the ERR assessment.
    - For example, if the initial assessment shows that the furnace is operational, the LSP must not replace it.
- A dwelling that currently does not have an installed heat source.
    - For example, this funding cannot be used for new construction. An exception can be made if the household had an inoperable heat source that was removed.
- A secondary or primary heating system that is redundant.
- Portable heaters used to provide heat.

Procurement

ERR contracting must follow agency's procurement rules. In addition to following an agency's procurement policy Contractors must meet the following minimum insurance coverage requirements:

- Property damage: $50,000.
- Bodily injury and liability: $1,000,000.
- Basic workers compensation.

Contractors Requirements

- Contractors must be able to conduct pressure tests and meet standard mechanical equipment and work requirements.
- Contractors must ensure that the old, inoperable heating source is removed.
- Contractors must install the highest efficiency parts and heating sources possible.
- Contractors must be licensed as required by pertinent laws, ordinances, regulations or codes.
- Contractors must be well trained in the proper heating source installation.
- Contractors must provide a warranty for work and materials in each household where service is provided.
    - The warranty must be in writing, with the original provided to the household and a copy to the Service Provider.

Assessment

The applicant or client is not to be made responsible for arranging quotes/estimates, assessments, or the actual work, or any other step of the process. The LSP must make these arrangements on behalf of or in collaboration with the applicant or client.

The repair/replace may include duct work, venting, adjustment of gas lines, or any other work that is necessary to repair or replace the heat source.

- For repairs/replacements under $2,500, no assessment is necessary. The LSP only needs to review what repairs/replacements will be done with the contractor.
- For repairs/replacements over $2,500 the LSP or its contractor must assess the structure of the dwelling, how the heat source functions to heat the house, and if there is heating provided by any secondary system.
    - The assessment can be an “eyeball” assessment.
    - The dwelling must be inhabitable, and the assessment should consider general standards. The LSP reviews the contractor’s assessment and notes to determine if a repair or replacement should be done.
- When a replacement is deemed necessary, the assessment must detail and document why a repair was not feasible or appropriate.

Repairs

- Repairs must meet code and be completed in a professional manner.
- If the proposed repair is not cost-effective given the age or condition of the system, the LSP should replace the heating system.
    - This standard does not include routine maintenance, such as a nozzle replacement.

Replacements

Heating source models for all fuel types must be energy efficient and meet performance, reliability, and cost-effectiveness standards. This means that heating replacements must:

- Must always have the highest maximum efficiency.
- The unit must be properly sized and installed to assure maximum comfort and efficiency using industry accepted sizing protocols.
    - This should be assessed by the LSP Weatherization staff or LSP contractor.
- Have a manufacturer's limited warranty.
- Ductwork must be designed and installed properly.
    - This should be assessed by the LSP Weatherization staff or LSP contractor.

Health & Safety Issues

If an LSP or a contractor feels that there is a compelling health and safety issue to replace an otherwise functioning heating source under this policy, the LSP should contact IHCDA to discuss the situation and obtain authorization to move forward with the action.

Failure to consult with IHCDA prior to repairing or replacing a heating source indicated as functioning during the assessment may result in a monitoring finding.

Clients’ Responsibilities

If there is a dispute or problem with the work that the contractor has performed, the client must address the concern to the contractor. The Local Service Provider has no liability or obligation to ensure the work of contracted entities. Inspections will not be performed. Contractors are required to provide a one-year warranty for parts.

All clients who receive an emergency repair or replacement of their heating source must sign a client consent form (see ***Form ERRCON-2025 – Client Consent/Release of***

Liability Form). This form is a release of liability and waiver of claims for IHCDA and the LSP.

9.3 Documentation

Required documentation includes:

- *Proof of Homeownership*- this may be a printout from the county Geographic Information System (GIS) system, a current mortgage statement showing the property address, proof of homeowner's insurance, a title or deed, or proof of Life Estate
    - A land contract on its own is not sufficient to prove ownership for the purposes of this benefit without corroborating documentation that the sale has been registered and recorded with the applicable county or state government entity)
    - LSPs are to attempt to verify homeownership using a local GIS system or through the county assessor's website, rather than placing this burden on the applicant. If the LSP is unable to document homeownership independently, the LSP may then request further documentation from the applicant.
- *Invoice from the Repair or Replacement*
- *Documentation Of Warranty for Labor and Materials*
- Assessments
    - When an assessment has been completed
- *A Building Permit*
    - if the ERR service is being conducted in a jurisdiction in which permits are required
- *A Completed Client Consent Form*
- *IHCDA's ERR checklist*
- *Average Cost Per Unit Documentation*
    - The subrecipient must provide IHCDA with documentation showing how they are tracking their ACPU to stay under the $7,000 per household cap upon request.

Claims

All ERR work must be documented in the statewide database. This ensures that we can track and report on ERR expenditures accurately. ERR claims in the statewide database must account for all expenses related to and being claimed for a given household's ERR, including, but not limited to, any permit fees, service fees from contractors performing assessments, or reimbursement for time or labor claimed by an agency's Weatherization team.

Failure to create the ERR claims in the statewide database or submit claims for reimbursement within the prescribed timelines will result in monitoring findings.

- These claims must be entered into the statewide database within fourteen (14) calendar days of the ERR work being completed.
    - An ERR job is considered completed once an agency has received the last invoice related to parts, labor, or services associated with the ERR job.

- ERR claims are to be incorporated into each agency's monthly grantee claim process.
- All ERR claims shall be submitted to IHCDA for reimbursement within thirty (30) calendar days of the claim being entered into the statewide database.

Monitoring

ERR will be monitored as a separate process from EAP monitoring. This may mean agencies are monitored for ERR at a different time of year. The ERR monitoring will not impact the LSP's EAP monitoring; it will, however, impact the agency's risk assessment.

IHCDA reserves the right to do technical monitoring of the work completed for ERR.

Section 10: Weatherization

The Weatherization Assistance Program (WAP) is a federally funded program through the DOE. A percentage of EAP funds are also used in the Program.

- Households with income up to 200% of poverty for DOE are eligible for WAP.
- All EAP clients are eligible to be considered for WAP. No new application is required.
- For LSPs who do not manage their own Weatherization Program, the LSP must upload to the statewide database all EAP documents within ten (10) business days of the Weatherization agency's request.

Weatherization Referral

EAP applicants must be advised of the Weatherization Program and asked if they would like to be referred to the program.

For both weatherization LSPs and non-weatherization LSPs, weatherization program referrals must meet the following criteria:

- All clients who ask for weatherization should be put on a waitlist, regardless of their matrix point level.
- All referrals must be documented in the State's database system. This way non-weatherization LSPs can ensure that Weatherization staff can pull referral reports from the statewide Database.

Section 11: IHCDA Training and Guidance

Subrecipients must have at least one representative attend all annual trainings and monthly updates calls, and review monthly newsletters, periodic guidance, or any other material provided by IHCDA. All relevant information regarding content, timing, and other details will be provided to all primary and secondary EAP contacts as identified in the subrecipient plan packet. All subrecipients will be responsible for all material shared during training, monthly update call, monthly newsletter or other communication. If an effective date is not specified, the effective date of subrecipient responsibility shall be from the time of the training or communication.

Whenever IHCDA issues newly developed or updated policy guidance, it is to be treated as an amendment or update to the information contained within this manual. Subrecipients are responsible for integrating any information contained within these updates into their own policies and procedures from the time such guidance is sent by IHCDA. Policy guidance issued mid-program year will also be posted to IHCDA's website.

In addition to the annual training, IHCDA may periodically offer additional trainings. Many of these additional trainings may be optional. The announcement of any training will always indicate whether attendance and participation is optional or mandatory.

Section 12: Program Operations

12.1 Internal Operations and Controls

This Intake and Operations Program Manual describe the LSP's minimum requirements for administering LIHEAP but does not provide information about how such responsibilities are to be performed. As such, each LSP is expected to maintain its own internal policies and procedures regarding administration of LIHEAP. These written policies and procedures must ensure accurate client eligibility determination, benefit approval, and protection of the funds from fraud, waste, and abuse, particularly in cases where the policies presented in this manual provide flexibility. These policies and procedures are to be collected into a document referred to as Internal Operations and Controls.

At a minimum, the Internal Operations and Controls document must outline the following:

- LSP Operations
    - Addressing crisis in a timely manner
    - Confidentiality and security
    - Completing appointments, mail-in applications, and online applications
    - Handling of appeals
    - ERR procedures
- Fraud, Waste, and Abuse
    - Identifying and handling conflicts of interest
    - Handling of applications by agency staff, board members, subcontractors, or relatives of such
    - Investigating fraud, waste, and abuse by an employee
    - Investigating noncompliance or fraud by an applicant
    - Actions to be taken upon substantiated fraud, waste, or abuse by an employee or an applicant

Internal Operations and Controls will be submitted to IHCDA as part of the Subrecipient Plan Packet and reviewed. These procedures will also be reviewed during monitoring to ensure internal compliance. Internal Operations and Controls must be updated at least annually; however, all LSPs are strongly encouraged to review and update their Internal Operations and Controls regularly throughout the year to ensure that the document always reflects current practices and remains consistent and compatible with IHCDA-issued guidance. When taken together with the Intake and Operations Manual, the Internal Operations and Controls document should provide a clear picture of the agency's EAP operations.

12.2 Quality Control Reviews

Each LSP is required to perform internal Quality Control (QC) reviews on a portion of the applications received and processed. QC checks are to be performed by a staff member who did not have any part in handling or processing the original application, and IHCDA strongly recommends this task is completed by a supervisor, manager, or Quality Control team. Any errors found during the internal QC review *must* be completed internally, and the corrected file is to be uploaded to the statewide database. IHCDA requires that all LSPs maintain a QC of at least 10 percent (10%) of files, unless otherwise instructed as part of a Quality Improvement Plan (QIP).

In general, the LSP's QC reviews should ensure that:

- Client files reflect the intended purpose of the program and represent the implementations and outcomes of EAP policies. Files are transparent and demonstrate the client has been served appropriately and according to the program guidelines. Files are legible, clear, and complete.
- Documents with required signatures are signed (either "wet ink" signatures or secured electronic signatures).
- The LSP has tracked and recorded a log of all reviewed files, and that all files tell the story of that applicant's EAP process.
- All information is safely and securely stored.

QC reviews check completed applications to ensure that all information was processed accurately, including but not limited to:

- The completeness of the case identification information.
- The completion and accuracy of the benefit matrix, including the points awarded in each category and the total sum of points awarded.
- If applicable, any crisis benefits.

LSPs must review:

- 100% (all) self-pay applicants or households with utilities included in rent. Files that meet this criterion must always be selected for QC review.
- 100% (all) applications with a professional or familial connection to an LSP employee (such as an employee, staff member, or intake worker applying for benefits, or if an employee's family member is applying for benefits). Files that meet this criterion must always be selected for QC review.

LSPs will utilize the statewide database to record notes during the QC review and monitoring, as well as document any adjustments to benefits based on review findings. After the QC is complete, LSPs are to compile a list of identified errors to be used as a tool for future program training and development. Additionally, this list will be reviewed during monitoring to ensure that LSPs are meeting

IHCDA requirements. Lastly, LSP must maintain the 10% of QC files for the entire program year.

12.3 Vendor Notification

Vendors must be notified of client eligibility. Notification of regular and crisis benefits follow the following procedure:

- The vendor must be notified of client eligibility once the application is fully approved by the LSP. This notification should take place within the statewide reporting system as long as the client is not facing imminent disconnection.
- City, town, and municipal utilities require receipt of payment before the benefit is uploaded to the client's account according to auditing standards set by the State Board of Accounts.
- Clients should be notified that their EAP benefit may take up to sixty (60) calendar days to process, assuming funding is available. Clients should be advised to continue paying their utility bills according to their regular schedules.

Utilizing LITT, vendors will see and be notified of applicant status – either in progress, approved, denied or on appeal. The vendor will not see the reason for denial, and if the applicant is denied-incomplete, the vendor will see this status as "in progress."

12.4 Benefit Claims

The EAP transmittal system is changing in LITT, the new statewide reporting system. LSP's will no longer collate, send, review and submit client benefit claims for payment via transmittal.

LITT will automatically send benefit and applicant details to vendors, once eligibility is determined. If an agency has a file selected for quality control, then the vendor will not see any of the payment or applicant information until after the file has passed QC review.

Utility vendors will have greater responsibilities within LITT, including reviewing and approving client benefits and batching them for payment. It is the responsibility of the vendors to lock batches of approved applications. Once the vendor has approved the client(s) information and batched their payments, the payments will be submitted directly to IHCDA's financial system.

Benefit Payment Process

Once a client has been approved for benefit, their claim will move to the Approval Queue for vendor approval, where vendors will have the ability to approve, reject, or correct claims as needed.

When a vendor approves an EAP benefit, they are certifying and acknowledging the client has enrolled in the EAP program and will credit the client's account (for regulated utilities) or authorize fuel delivery (for unregulated utilities). If the vendor denies the benefit claim or returns the claim for corrections, they must indicate the reason in LITT using the provided selections.

Reason for Rejection	Reason for Correction
• No active account or account is closed • The account is for commercial or non-residential use • No account or client found	• Account number is incorrect • Address is incorrect

At a minimum, utility and fuel providers should be reviewing LITT on a weekly basis. This will include approving or processing client benefits, and batching client benefits for payment. A benefit is not required for moratorium, and the action of application submission extends shutoff protection during Moratorium.

LSP staff will have visibility on the Vendor View within LITT and will be tasked with monitoring outstanding tasks for vendors to complete. Vendors are required to review claims on a weekly basis to approve or reject benefit claims. If an agency is made aware of any outstanding client approvals or other delays in processing client benefits, the LSP is to contact IHCDA within one calendar week for review and corrective action.

Issue Queue

Claims that are flagged for corrections or rejection are moved to the Issue Queue. Each agency is responsible for monitoring and addressing their Issue Queue on at least a weekly basis. Once those issues have been resolved, the claims will be returned to the vendor Approval Queue for regular processing.

Some claims will never clear from the Issue Queue and will reset at the end of the program year. It is expected that if a vendor has rejected a claim and there is no way to address the issue, then the LSP will notify the client and communicate why their previously approved benefit is not being applied.

Payments

Utility vendors are responsible for locking payment batches. Locking a batch submits it to IHCDA for payment. All approved client benefit claims automatically fill a payment batch, that that the utility can review and lock for submission. Where possible, LSPs should refrain from answering payment questions and instead route utility vendors to find the information within LITT. Any payment issues should be routed to IHCDA to resolve.

12.5 Negative Benefit Claims

Any over or under payments found during the internal QC process must be corrected in the statewide database (see *Section 12.6: Corrections, Overpayments, Underpayments, and Refunds* for more information). If an error is found after payment has gone to the vendor, the benefit matrix should be regenerated. Only the difference between the original benefit and corrected amount will go to the vendor as either an additional benefit for the vendor to lock or an overpayment. If it was an overpayment, the system will record a negative benefit claim and the vendor must acknowledge in the system whether they will repay the overpayment(s).If the vendor agrees to repay the overpayments, they will select the accounts and dollar amounts owed back in the system and submit a check to IHCDA.

If the vendor declines to repay the overpayment the responsibility to repay the amounts falls on the LSP. They must submit a check to IHCDA using unrestricted funds.

The system will have a return of funds queue that will track the application number, reason, vendor, dollar amount, and if/when it was received. The totals are calculated at the bottom of the queue. Any outstanding balance at the end of the program year is the responsibility of the LSP to repay.

12.6 Corrections, Overpayments, Underpayments, and Refunds

Correcting Documents

If an error occurs on documentation, the LSP intake staff must make the necessary corrections, scan the new or updated information and make notes in the statewide database indicating what was changed and how the information was verified.

LSPs can make corrections during the internal QC process using documents that were sent with the application. LSPs are not to seek out updated documents. For example, if a client with utilities in rent sends in a lease showing her rent amount, the LSP should not call the landlord during the QC process to verify this amount. However, if the document was found to be missing during the QC process, the LSP could call the landlord to verify.

Overpayments

When a client is overpaid because their benefit is miscalculated, funds must be returned to IHCDA in the following way:

- If the error is detected by the LSP or monitoring within sixty (60) calendar days of the application's initial approval, the LSP must ask the vendor to remove funds from the client's utility account and return them to IHCDA.
- Utility vendors have the option to decline the overpayment request if services and/or discounts have been rendered to clients. If utility vendors opt not to pay for overpayments or put charges back on clients' accounts, the LSP will be required to remit the funds back to IHCDA from its unrestricted, non-federal funds. Federal funds such as LIHEAP Leveraging, CSBG, or other federal funds cannot be used (see *Section 13.8: CSBG Funds*).
- If the overpayment is discovered after sixty (60) calendar days of the application's initial approval, the LSP must repay IHCDA. The LSP must submit a negative benefit claim in the statewide database as notification for payment. The LSP will be required to send the funds back to IHCDA from its unrestricted, non- federal funds. Federal funds such as LIHEAP Leveraging, CSBG, or other federal funds cannot be used.
- Overpayments are defined as ineligible expenses. As such, repayment of these is a federal requirement, and is agreed to by the subgrantee in the subgrantee agreement. As per the subgrantee agreement, these repayments must be made within thirty (30) days.

Overpayment Notification

The LSP must send a written notification to the client stating that a portion or all the EAP benefit was revoked. This communication should include the LSP's reason. The client should be instructed to contact the utility vendor immediately to make payment arrangements and that disconnection may result otherwise. The LSP is to upload this notification into the statewide database.

Underpayment

If a client is due additional funds following a quality assurance or monitoring review, a claim must be entered into the statewide database, and must be submitted to the vendor for the additional funds. These additional funds will be paid out of the LSP's regular EAP allocation and should be documented using the regular benefit claim process through the statewide database.

12.7 Benefit Transfers

If a client moves or changes utility vendors within Indiana, they may request a benefit transfer. IHCDA can transfer the remaining benefits to the new utility vendor account. If the client is changing account numbers within the same utility vendor, there is no need for a benefit transfer, unless the vendor has already sent the money back to IHCDA.

The client must contact their LSP for the credit within ninety (90) calendar days of closure of the account and complete a ***Form ADDR-2026 – EAP Address Change Form***. This form will document the new address and utility information, including new vendors and account numbers. The LSP may gather this information over the phone from the client, noting that on the completed form. The LSP must then complete the transfer request form, see ***Form EBTR-2026 – Energy Benefit Transfer Request Form***. The LSP must upload the form into the statewide database and send it to IHCDA. The LSP must inform the utility vendor that the client has made the request and that the remaining benefit must be sent back to IHCDA. The LSP must verify with the vendor what the remaining benefit amount is, when it was or will be sent, and the check number (when possible) that the benefit amount was returned to IHCDA. This information is needed to ensure a smooth and quick transition of funds to the client. The benefit amount will not be transferred until IHCDA has the check number.

This utility vendor must issue IHCDA a refund check within sixty (60) calendar days of the benefit transfer request with the client's name, last known address, and initial transmittal number. If the client does not initiate the EBTR process within ninety (90) calendar days of the closure of the account, the refund will be reinvested into IHCDA's EAP and used to fund additional benefits for other clients.

12.8 Closed Accounts

If a household moves out of the service area of their utility company, or leaves an open account with a balance due, the EAP benefit may be applied to the balance before any credit is returned to the IHCDA. However, IHCDA cannot pay on a closed or disconnected account. If the client receives a benefit after the account has been closed, then the money can't be applied to the closed account.

For example, if the account was closed on January 31st and the EAP benefit was transmitted on February 8th, then the utility company could not apply the money to the account. However, if there was a transmittal sent February 8th and the client closed the account on February 15th, then the benefit could be applied.

12.9 Final Bills

Because the purpose of EAP is to provide continuing service, EAP cannot pay benefits on a utility account that indicates that it is a final bill and is scheduled to be closed. If the household is eligible for EAP, the LSP may make that determination and release the benefit when the household brings in proof of their new account. Alternately, an LSP may release the benefit to the existing account if the utility vendor confirms that the account is no longer scheduled to be closed and service will continue.

12.10 Confidentiality and Security

Identifying applicants or clients as EAP recipients in an open forum (i.e. sign-in sheets) is a violation of an individual's privacy and discloses confidential information.

All files should be easily accessible to appropriate staff without compromising confidentiality. For example, cabinets containing EAP files should be locked. Computers must be password-protected. Computers which LSP staff use to access client information should be locked when not in use. Computer passwords for client databases should be changed at least every 60 calendar days. The computer network and laptops should be protected with appropriate and up-to-date security software.

Confidentiality must also extend to the internal procedures, processes, and outside contacts the LSP uses to administer EAP. LSP staff should never conduct conversations concerning EAP procedures in the presence of an applicant. Doing this may disclose internal procedures to the applicant. For example, LSP staff should not call a utility vendor to pledge payment while the applicant is listening.

Applicant or client files are for internal use only and should not be shared with any other local, state, or federal program outside of your organization. The information, however, belongs to the applicants or clients and can be provided to them, if requested. The client may then share that information with any person or organization they choose. In addition, if the client wants the application discussed with an authorized representative, they must designate that authorized representative in writing. The client file must indicate that information was released to the applicant, client, or representative and include a copy of the designation in the file.

The LSP must strike out all but the last four digits of the SSN if the copy is retained in the eligibility file, the statewide database, or any time the LSP releases information.

All client records are considered confidential and should be open only to authorized personnel. Such information cannot be shared with unauthorized individuals. Personal Identifying Information (PII) includes the following:

- Name
- Social Security Number

- Birth date
- Home phone number
- Home address
- Health information (note: no unredacted health records may be kept by LSPs)
- Citizenship status
- Disability status

LSPs are required to maintain completed Employee Confidentiality Agreement records for all staff who have access to any personal clientele information and/or access to the statewide database.

All staff with access to the statewide database must be issued their own login credentials. These login credentials must reflect their own legal name and be associated with that individual's agency-issued e-mail address. Agencies shall not utilize generic login accounts for all staff in a certain location, department, etc. Staff shall not share their login credentials or password with any third party. Agency supervisors must actively maintain the list of active users and promptly deactivate the accounts of any staff members who leave agency employment or no longer require access to the statewide database.

Records Retention

LSPs are required to maintain all records relative to the client's application during the effective period of each grant agreement and for a period of three (3) years from the date the LSP submits to IHCDA its final close out form, or one (1) year from the resolution of any outstanding administrative, program, or audit question, or legal action; whichever is later. LSPs shall protect all electronic and physical documentation containing confidential client information. LSPs shall properly dispose of any electronic or hard copy documentation containing confidential client information after the required retention period. A proper disposal of this information is one that is reasonable and appropriate to prevent any unauthorized access to confidential client information. Approved disposal methods include:

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

12.11 Program Integrity

All LSPs must have a robust plan for ensuring program integrity as part of their Internal Operations and Controls. This plan must address noncompliance, fraud, waste, and abuse of federal funds perpetrated by applicants or by staff, contractors, volunteers, or board members. The policies, processes, and procedures for addressing and investigating applicant noncompliance or fraud must be separate from those for staff, contractor, volunteer, or board member fraud, waste, or abuse – i.e., LSPs must have at least two distinct sets of policies, processes, and procedures. They may have more if they

choose to develop separate policies and procedures for staff members, volunteers, contractors, and/or board members.

Noncompliance, Fraud, Waste, and Abuse

Noncompliance refers to the failure of an applicant to adhere to application instructions or requirements. Noncompliance can be intentional or unintentional. In general, noncompliance may be engaged in by applicants.
Fraud refers to willful and intentional noncompliance that is engaged in to receive personal or financial gain. In the case of EAP, this would mean receiving a larger benefit than one is actually eligible to receive or receiving a benefit when one is in fact not eligible to receive one. All fraud is noncompliance, but not all noncompliance is fraud – intent must be able to be demonstrated. Fraud is a criminal act. In general, fraud may be engaged by applicants, subrecipient staff, or utility/fuel vendors.
Waste refers to thoughtless or careless expenditure, mismanagement, or mishandling of resources to the potential or actual detriment of a government agency. In general, waste may be engaged in by subrecipient staff or utility/fuel vendors.
Abuse refers to excessive or improper use of resources, or the use of resources in a manner contrary to the legal rules for their use. In general, abuse may be engaged in by subrecipient staff or utility/fuel vendors.

Investigation Procedures

When an LSP receives a whistleblower report of fraud, waste, or abuse, the allegation must always be taken seriously. The following steps must be taken should a report occur. Communication must be made to IHCDA's Community Programs Manager – EAP, via eap@ihcda.in.gov, within forty-eight (48) hours of the report being received.

LSPs must investigate the alleged activity and produce a written report within thirty (30) days that details the allegations that were made, the methods used to conduct the investigation, the relevant information considered, and the conclusions and findings of the investigation.

The investigation may include the collection of additional information and documentation from members of the applicant household; however, the household must not be told at any time that they are under investigation. Upon completion, the report is to be sent via e-mail to IHCDA's Community Programs Manager – EAP for review.

Within fourteen (14) calendar days, the Community Programs Manager will either accept the investigative report, or return it with feedback, questions, or suggestions based on the evidence available. Upon Community Programs Manager acceptance, the investigative report is to be uploaded to LITT as part of the application file and the LSP may formally close the investigation.

What Happens After the Investigation?

If the investigation determines that noncompliant or fraudulent activity is not supported by the evidence, the LSP does not need to take any further action.

If the investigation results in the conclusion that the subject of the investigation engaged in noncompliant or fraudulent activity, the LSP must take and document action in response.

- For **applicant noncompliance**, the LSP must send the applicant a letter explaining that due to the application noncompliance, the household was actually ineligible for the program or ineligibility could not be determined. If the household was not awarded any funds, the application may be denied. If applicant had been approved and awarded benefits were disbursed, the LSP must begin the process of issuing a negative claim to the appropriate vendor. If the noncompliance is found after the deadline to submit an overpayment claim to the vendor, or if the claim cannot be recovered through the overpayment process (e.g., a bulk fuel vendor or an applicant who received a direct benefit payment), the LSP shall request that the applicant repay the benefit.
- **For applicant fraud**, the LSP must send the applicant a letter explaining that it was determined that they intentionally submitted false information with the intention of receiving a larger benefit than they were eligible for. The applicant must repay the benefit and shall be barred from participating in EAP for the remainder of the current program year as well as the entire next program year. The letter must inform the applicant of when they will again be eligible to participate in EAP (i.e., an applicant who is found to have engaged in fraud during PY2026 would be eligible to participate again during PY2028, so they may apply starting in the fall of 2027).
    - An LSP manager may submit to IHCDA a recommendation that a given household be given more severe or less severe consequences based on specific circumstances, context, or mitigating factors. The LSP manager must submit their recommendation along with their reasoning to the Community Programs Manager along with their final investigation report. The Community Programs Manager will evaluate the request and choose whether to approve it. This communication will come in writing within fourteen (14) days of the submission of the report and request.
- For **employee, contractor, volunteer, or board member fraud**, the LSP must document and communicate to IHCDA any corrective or disciplinary actions taken.

Ultimately, LSPs must ensure that all whistleblower allegations are taken seriously and investigated and documented appropriately, and that the consequences for fraud are consistent.

If an LSP receives a report or has reason to suspect utility/fuel vendor fraud, waste, or abuse, the LSP must report it to IHCDA via vendors@ihcda.in.gov within forty-eight (48) hours of the initial report or suspicion. IHCDA will conduct its own investigation when the allegation involves a utility or fuel provider.

12.12 Vendor Responsibilities

EAP utility vendors (vendors) may be any entity who supplies home energy commodities such as electricity, natural gas, oil, coal, propane, wood/wood pellets, or corn.

Vendors are *not* allowed to deduct sales tax from the EAP benefit. The full amount of the customer's utility bill is subject to sales tax. The client's EAP benefit, however, may pay sales tax.

If the EAP benefit is not completely used, it will be rolled over to the next billing cycle and placed on the customer's account as a credit. At the end of the program year, credits will remain on the customer's account. Funds are returned to IHCDA only if the client's account is closed and the credit is due to the EAP benefit, or if an overpayment is discovered.

To become a participating EAP vendor, all utility vendors must complete a Memorandum of Agreement (MOA) with IHCDA. These MOAs are signed every two (2) years. MOAs must be completed in their entirety and include payment (ACH (direct deposit)) information. Utility vendors cannot be paid if there is no MOA on file. All vendors are required to complete a W-9 tax form, in addition to the MOA. If the vendor receives payments totaling $600 or more, the vendor will receive an IRS tax form 1099 by January 31, detailing the total amount of payments received from EAP if the utility falls into one of the following categories: Individual, Partnership, Limited Liability Company (LLC), Limited Partnership (LP), or Estate.

It is the vendor's responsibility to correct account numbers and billing names and should be verified during the benefit review and acceptance process. For example, if a vendor notices transposed numbers for an account or a misspelled account holder's name, they must submit a correction in LITT to be resolved before accepting the benefit.

LSPs should refer any nonparticipating utility vendor to IHCDA for review and MOA contracting. All utility vendors must be registered and in good standing with the Indiana Secretary of State.

12.13 Direct Benefit Payments

All direct benefit payments must be pass the LSP's quality control review (12.2 Quality Control Reviews). Once the application is verified during the QC process, direct payments will be locked and submitted to IHCDA's financial system for payments.

12.14 Client Interactions

Due to the nature of benefits programs, interactions with clients and other LIHEAP customers may become tense or emotionally charged. While the LSP has an obligation to administer the program to the best of their ability, it should not be at the expense of intake staff's mental, emotional, or physical health and safety. If an applicant has demonstrated or has a history of harassing, intimidating, or physically threatening staff, the LSP has the authority to bar the applicant from entering the premises for one program year. In these instances, the applicant will need to:

- Apply for benefits online, utilizing the EAP@ihcda.IN.gov email for assistance, or
- Request a mail-in application from a different LSP or agency location, or
- Utilize a different LSP or agency location (if one is available).

If the agency has barred an applicant, they must inform the applicant of this decision in writing within two (2) calendar days and send notice to the IHCDA EAP Director via email within 24 hours of the decision, including the name of the applicant as well as the reasoning behind banning the individual from the office.

The applicant will be able to utilize the agency's services again once the one program year has passed; however, if the harassing, intimidating, or threatening behavior persists, the agency can ban the individual from utilizing their services for two (2) calendar years and enter a probationary period with IHCDA. If this occurs, the agency must inform the client in writing of this decision within two (2) calendar days and send the application to the IHCDA EAP Director for client interactions and application processing.

If the client applies for benefits during their probationary period, and their behavior continues or fails to show improvement, then the IHCDA EAP Director (at IHCDA's discretion) may deem the client programmatically eligible for the program but with no benefits awarded *except* for crisis assistance. This ensures the client is still protected under moratorium and can receive emergency benefits as needed. However, if after the two-year period, client interactions improve, then they will be able to utilize the LSP services again and apply for benefits at their local agency.

Section 13: LSP Financial Management

As a condition for receiving the LIHEAP block grant, the State of Indiana is required to account for how the grant funds are spent. LSPs participate in this process by providing fiscal and statistical information to IHCDA.

13.1 LSP Grant Agreements

All LSPs enter a subgrantee agreement to administer EAP. A contract is created at the beginning of the program year, and amendments are created any time funds are added or reduced to a grantee's budget. IHCDA uses an electronic signature system.

13.2 Recording Energy Assistance Benefit Payments

LSPs must not record EAP benefits on their general ledgers. This is because EAP benefits never actually go into the LSP's budget. Only Administrative Costs, Assurance 16 activities, Outreach and Eligibility Determination, direct pay crisis benefits that the LSP issues and is reimbursed for and ERR contractor payments that the LSP is reimbursed for should be on the general ledger.

13.3 LSP Budgets

Allocation

The initial allocation for PY2027 EAP funds to the Local Service Providers will be distributed as follows:

- IHCDA will allocate funds using the IHCDA Board of Directors approved allocation formula. This allocation is based on county-level Census data pertaining to vulnerable populations, the proportion of households that heat with bulk fuel, and the number of households served in previous years. If the federal appropriation exceeds the current projected amount, IHCDA will distribute additional funds on an as-needed basis.
- If an energy crisis is identified or energy emergency is declared, IHCDA may amend the funding allocation to accommodate the energy crisis.

Budgets

LSPs will inform IHCDA of their budgets in writing using the budget form, see ***Form EAPB-2026 – Energy Assistance Program Budget***. LSPs will submit a budget to IHCDA at the beginning of the annual contract, its renewal, or upon a change of funding. LSPs may also need to submit a budget to adjust line-item balances, such as to move funding between Regular and Crisis assistance. The budget is effective October 1st through September 30th each year. IHCDA will approve all budgets and subsequent modifications. Budgets must be sent to eap@ihcda.in.gov within 7 days of acceptance of the subrecipient agreement.

LSP Budget Requirements

LSP Budget	Allowed Percentage
Administrative and Program Expenses	12% Limit combined
Administrative Costs (maximum 7.5% of total expenditures)	7.5%
Outreach and Eligibility Determination	4.5%
Regular/Crisis Assistance	
Regular Assistance	
Crisis Assistance (must set aside minimum of 8% budget through March 15)	

Benchmarks

LSP benchmarks as outlined in the grant agreement are as follows:

- Obligating fifty percent (50%) of the Grantee's LIHEAP funding under this Agreement and open carryover Agreements by January 15th, 2027; and
- Obligating seventy-five percent (75%) of the Grantee's LIHEAP funding under this Agreement and open carryover agreements by March 15th, 2027.

Benchmark analysis is conducted by the IHCDA Community Programs Manager. IHCDA looks at the amount of regular, crisis, , and Emergency Repair and Replace benefits obligated within the statewide database to determine obligation level.

If an LSP fails to meet its performance benchmarks, they may be required to return funds, and IHCDA reserves the right to reallocate or redistribute those funds to other LSPs who are meeting or exceeding their performance benchmarks. IHCDA will initiate the process of recapturing funds if, upon review, it is determined that an LSP has not met their benchmarks. Furthermore, IHCDA reserves the right, as outlined in the Subgrantee Agreement, to recapture and reallocate funds as needed.

Request for Additional Funds

An LSP must request additional funds if it is hitting its benchmarks before the program term has ended, or once it has reached 90% benefit obligation. The request for additional funds must be sent to the Community Programs Manager at eap@ihcda.in.gov from the LSP's Executive Director, submitted on LSP letterhead and must include:

- Estimated number of clients to be served and average benefit per client (this should include a summary of appointments currently scheduled and estimated number of mail-in applications to complete).
- Estimated amount of funds to be used toward program administration.
- Total amount of funds needed.
- Estimated length of time that the funds will cover.

IHCDA's Community Programs Manager and Executive Director will review the funding request. If funds are available, the following process will take place:

- IHCDA will create grant amendments for adding additional funding. Anytime IHCDA issues additional funds to an LSP an amendment must be completed.
- The LSP's Executive Director will sign the amendment and return it to IHCDA.
- The LSP must return an updated budget.
- Funds will be available to the LSP when IHCDA receives and executes the signed amendment.

The Community Programs Manager reserves the right to use discretion in only partially approving the request based on availability of funds or overall needs of the network.

IHCDA will also create amendments reducing funds in the case of LSPs that do not meet benchmarks.

Energy Emergency Intervention

If an energy emergency is declared during the funding analysis calendar, IHCDA may amend the funding analysis schedule to accommodate the energy needs of affected households.

In addition, the Community Programs Manager will determine if a recapture is required to mitigate the emergency. LSPs will be notified of the recapture and redistribution of funds at least seven (7) calendar days prior to the funding realignment.

Budget Modification

An LSP may modify its budget when it changes the dollar amounts between line items. Budget modifications can be completed any time during the program year as long as the budget meets the percentage requirements. Original signed budget modifications are not necessary. LSPs can e-mail budget modifications.

Claims

LSPs must claim reimbursement for EAP obligated funds from IHCDA for Eligibility, Direct Program Expenses, Energy Education and Family Development through IHCDA Online.

Claims that go over the maximum percentage of a particular line item will not be reimbursed by IHCDA. IHCDA will reconcile claims at the end of the program year to check percentages.

13.4 Benefits

Benefits go directly to clients and can include:

- Regular Heating Assistance
- Crisis Assistance (funds should be maintained in the Crisis line item throughout the year)
- Other private funding, such as Duke Share the Light

Benefits that go over the maximum allocation will not be reimbursed by IHCDA. IHCDA will reconcile benefits at the end of the program year to check benefit spending.

IHCDA considers LIHEAP funds to have been obligated by the LSP at the time that a benefit notification letter has been sent to the applicant.

13.5 Administrative Costs

Administrative Costs will cover overall administration and operation of the program. Administrative costs are defined as the LSP costs related to program operations, planning, development, and implementation.

LSPs may budget and use up to seven and a half percent (7.5%) of their total EAP budget for Administrative Costs. No other federal funds can be used in the administration of EAP. Administrative Costs include:

- EAP administrative functions, including but not necessarily limited to: program planning, management, supervision, conducting staff training, reporting, and the EAP portion of costs such as rent, utilities, maintenance and general supplies.
- LSP organizational functions, including fiscal, executive, supervisory, human resources, IT, and other support operations.
- Any other allocated costs.

Administrative Costs may also be used to pay for any expense that is eligible to be paid for from the Outreach and Eligibility Determination line (see 13.6 Outreach and Eligibility Determination).

Note that the 7.5% figure is based on the final expenditures, not on initial budget. Although LSPs may assign up to 7.5% of their budget to this line, underspending on the total budget may lead to expenditures in the Administrative Costs category to exceed 7.5%. If this line is overspent by percentage at closeout, the LSP will be obligated to repay the difference out of unrestricted, non-federal funds.

13.6 Outreach and Eligibility Determination

Outreach and Eligibility Determination is defined as costs that are specific to the delivery of the Energy Assistance Program and do not otherwise contribute to the overall operations of the agency, nor to any other program. These may include:

- Payroll for line-level staff engaged in outreach, prescreening, intake, eligibility determination, data entry, case management, energy education, home visits, or file review/quality assurance/quality control. This includes training time.
- Supplies that are needed by EAP staff to complete eligibility determination or to conduct outreach, including postage and printing and copying services.
- Costs associated with conducting home visits or outreach events, including vehicle costs and mileage. Mileage reimbursement rates must not exceed the current Indiana Department of Administration's established rate, which can be found here.
- Technology needs that will be utilized by Energy Assistance Program staff while conducting outreach, intake, eligibility determination, or home visits.
- Language translation services.

Indirect and allocated costs may not be charged to the Outreach and Eligibility Determination line. Payroll for management and supervisory staff may not be charged to

Outreach and Eligibility Determination, even if that manager or supervisor only oversees EAP or is participating in intake activities or other activities that may typically be paid for from Outreach and Eligibility Determination. Rent, utility, or other facility costs may not be charged to the Outreach and Eligibility Determination line, even for office locations that only provide EAP-related services.

LSPs may budget and use up to four and a half percent (4.5%) of their total EAP budget for Outreach and Eligibility Determination. If an LSP depletes its Outreach and Eligibility Determination line, it may charge these items to its Administrative Costs line. However, the inverse is not true; expenses defined in 14.5 as Administrative Costs may not be charged to Outreach and Eligibility Determination if they do not meet the definition in the preceding paragraph.

The LSP's allowance for Outreach and Eligibility Determination is not tied to expenditures.

13.7 Assurance 16

IHCDA will reserve up to three (3) percent of the initial release of funding from HHS to fund approved Assurance 16 (A16) activities.

A16 activities are activities that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance.

All activities must be able to demonstrate the impact and outcome of the activities; i.e., that the household's energy usage has decreased because of the activities. LSPs administering A16 must also be prepared to report the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved each year. Acceptable A16 activities will primarily fall into two main categories: Energy Education Programs and Family Development/Case Management.

Energy Education Costs

Energy education materials and supplies could be A16-allowable expenses in the context of an approved Energy education program. Energy education sessions may be conducted for EAP clients in a classroom, in-home setting, remotely, or online.
IHCDA must approve any training that LSPs plan to utilize, whether this is developed by the LSP or an external provider. LSPs may consult with IHCDA on curriculum contents. Energy education costs must be spent within EAP on approved activities and not be used for Eligibility or Administrative costs, client benefits, or the LSP general budget.

LSPs may purchase necessary materials and supplies for energy education. LSPs may also want to enhance their presentation with educational material not otherwise provided, such as an Energy Education Kit. Should an LSP provide Energy Education Kits, the LSP must ensure that the materials provided will be installed and the applicant understands the purpose of the material.

LSPs may claim actual costs for energy education programs. For materials or supplies, the LSP must provide purchase orders, invoices, or receipts and a report from the LSP's

accounting software showing that the purchases are accounted for properly. LSPs may submit a copy of any pre- and post-tests or surveys when applicable.

Family Development

The Family Development Program focuses on strengthening the family by providing guidance and support to address issues that impede self-sufficiency. Family development should have an emphasis on energy conservation. The premise of the Family Development Program is that intensive case management services will increase the long-term stability of low-income families.

Family development could be an A16 activity. LSPs can use Family Development to strengthen their case management. Family Development Program participants are eligible for further case management services with an emphasis on energy conservation allowing LSPs to enhance their ability to provide social services to EAP households.

Family Development line items include:

- Costs associated with short-term, intermediate, or long-term case management intervention with an EAP household.
- Needs assessment and energy counseling.
- Travel by EAP Staff to provide Family Development services to client(s).
- Training for EAP Staff in Family Development.

Some LSPs have their staff complete the certification process to better understand how to implement a Family Development Program, however certification is not required.

A16 Selection Process

A16 funds will be awarded to subrecipients on a competitive basis.

- Agencies are not required to conduct A16 activities and may elect to not apply.
- An application for A16 will be provided to subrecipients and will be reviewed by IHCDA for quality and completeness. IHCDA will inform subrecipients if they were chosen to be awarded A16 funds, in which case these funds may be budgeted and obligated by approved subrecipients as specified in their application. IHCDA reserves the right to approve an agency's A16 proposal at a lower budget than the agency proposed.
- While activities proposed should primarily fall into Energy Education or Family Development/Case Management, if an agency has a compelling case for an innovative activity that would meet the requirements of A16 to enable households to reduce their home energy needs and thereby the need for energy assistance, those will also be allowed on a case-by-case basis.
- If a subrecipient is not selected to be awarded A16 funds, or chooses not to submit an application, the funds will not be awarded and subrecipients may not budget or obligate A16 funds.
- If a subrecipient is selected to administer an A16 program but fails to expend the funds by the close of the program year, the funds will be returned to IHCDA and redistributed.

Documentation for Assurance 16
Each LSP must create its own A16 plan. All A16 activities should be outlined in their A16 application packet, including how the agency plans to measure impact and report progress to IHCDA.

LSPs should be able to document A16 activities in the same way they document other EAP activities. Some of these documents could include:

- Payroll records/ledger that identify the number of hours spent on Family Development.
- Timesheets from the Family Development Specialist.
- Paystubs showing hours paid for family development.
- Transfer documentation or journal entry if the expenses are reimbursed from another program that pays the employee's salary.
- LSPs must be able to provide a list of the clients served by Assurance 16.
- If Assurance 16 activities can identify actual cost, an invoice may be submitted.
- LSPs may not claim a flat rate per household for engaging in A16- allowable activities.

13.8 CSBG Funds

LSPs may **not** use Community Services Block Grant (CSBG) funds to cover excess LIHEAP Administrative costs. The LIHEAP statute is codified the United States Code at: 42 U.S.C. § 8621-8630 (2008). Section 2605(b) (9) of the LIHEAP statute requires grantees to assure that they will follow these requirements:

> *(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year, and*
> *(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost.*
>
> *In 1991, the Government Accounting Office issued a report, "Low Income Home Energy Assistance: HHS Has Not Assured State Compliance with Administrative Cost Restrictions" (GAO/HRD-91-15). The issue raised in the report involved a state's use of Community Services Block Grant funds to supplement the 10% of LIHEAP funds that the state was using for LIHEAP administrative costs. As a result, this office issued FSA- IM- 91-19, in which we reminded grantees that any Federal funds used for LIHEAP administration and planning must be applied to the 10% limit on federal funds. The only exception to this restriction is for costs associated with administering Assurance 16 activities*.

In Indiana the State retains a portion of the Administrative allowance of the LIHEAP award and passes the remainder through to the LSPs. All federal funds used for LIHEAP administration must be counted toward the LSP's administrative total. LSPs, therefore, must use nonfederal funds to supplement any expenses necessary to administer EAP beyond the allowable LIHEAP administration. Although allowable by the CSBG federal

regulations, the LIHEAP federal regulations restrict the supplanting of CSBG to the LIHEAP administration expenses.

13.9 LSP Online Claims Submission

All service providers must submit claims at least monthly for their administrative expenses, Assurance 16, Direct Program Expenses, and or ERR contractor payments made by the LSP. All claims and supporting documentation are submitted online at IHCDA Online https://online.ihcda.in.gov. LSPs should reference the IHCDA Claims Manual located on the IHCDA Partner site at https://www.in.gov/ihcda/program-partners/claims-submissions/ or http://www.eap.ihcda.in.gov for assistance.

When filing a claim for expenses, LSPs must include the EAP claims cover sheet, reports or registers from accounting software, as well as purchase orders, invoices, and receipts where applicable. The documentation must support expenses that are being claimed. Claims for reimbursement for ERR contractor payments made by the LSP must include all documentation that is required to determine eligibility, including a copy of the check that was issued as payment. If expenses are allocated among several departments or grants, the LSP must have a Cost Allocation Plan on file with IHCDA, and allocated costs must be detailed to the line-item level (i.e. Allocated Salary, Allocated Rent, etc..) in either the initial GL or a supplementary document.

13.10 Closeout

The grant cycle for the energy assistance program closes on September 30 of each year. To close out the grant cycle, the program's allocation spreadsheet and budget forms will be reconciled to the closeout form, see ***Form CLOSE-2026 – Energy Assistance Program Closeout Form.*** This form has separate sheets to indicate carryover for the first year of each two-year award and closeout for the second year of a two-year award. The close out process is the same for all federal funding awards:

- The LSP is notified of the closeout date and sent the close out forms.
- All closeout forms and final claims must be received by October 31st.
- LSPs should ensure that the allowable percentages are in line with the subgrantee agreement. If not, IHCDA will request repayment.
- IHCDA will reconcile the close out form to the allocation spreadsheet.
- IHCDA will verify that the final budget amount on the allocation spreadsheet matches the amount to the final allocation amount on the closeout form.
- IHCDA will verify that final grant expenditures match the final expended amount on the close out form.

All outstanding Return of Funds claims must be received by IHCDA and reconciled prior to closeout.

Any funds that are not expended by the LSP will be returned to the program and redistributed during the next program year. The LSP will not carry over the funds in its budget during the next program year.

13.11 Procurement and Inventory

Procurement activities should be conducted in a manner consistent with open and free competition. Each LSP must develop its own procurement standards based on its organization's procurement policies. When an LSP purchases items for the energy assistance program, it must follow all LSP, State and Federal procurement guidelines. All purchases must be eligible expenses. All purchases over $5,000 must follow the guidelines established in the subrecipient agreement.

Subgrantees are required to compile and maintain a living inventory document of all equipment and supplies with a useful life of one (1) year or greater in Subgrantee's possession purchased with federal funds. The inventory document must be maintained at the Subgrantee's office and provided to IHCDA during monitoring and upon request.

The inventory will include:

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

Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, at a minimum, meet the following requirements:

- Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- A physical inventory of the property must be taken and the results reconciled with the property records annually, prior to monitoring.
- A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- Adequate maintenance procedures must be developed to keep the property in good condition.
- If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

Section 14: Monitoring and Compliance

Proper oversight and monitoring of LIHEAP funds are important to ensure compliance with federal and state LIHEAP policies, procedures, and law. Monitoring can also be important in identifying additional controls and procedures that could strengthen a service provider or the overall program. The state is responsible for monitoring fiscal and program performance of the subgrantee's, per LIHEAP statute, Section 2605(b)(10). Additionally, the state must ensure their own compliance with federal and state policies because it is subject to periodic monitoring by federal staff, as outlined in LIHEAP statute, Section 2608(b)(1).

IHCDA EAP monitoring has evolved over the years from a simple file review to a more comprehensive system to ensure each LSP has the capacity to administer the program effectively as well as for IHCDA to meet its federal obligation. To accomplish this, the monitoring covers the complete content of the EAP Program Manual, EAP Award Agreement requirements, as well as any issued EAP Policy Guidance (Refer to Section 15 for additional details) during the program year.

14.1 Monitoring Season

When the EAP season officially begins in October, the EAP Monitor performs a courtesy "spot check" of files for LSPs that are participating. There are no punitive actions that result from items observed during the spot check. The process is designed to be educational in nature and make the LSP aware of possible issues so they may be corrected, and additional staff training provided, as needed.

Each year, IHCDA submits the State Plan to HHS which contains a section on program integrity. This includes IHCDA's risk analysis and fraud prevention strategies. IHCDA is required by HHS to conduct a risk assessment on each LSP each year. IHCDA reviews a variety of LSP factors when determining risk. A medium- or high-risk score may impact the number of client files reviewed during the monitoring session or require the LSP to perform other actions as deemed appropriate.

The compliance monitoring season for EAP runs approximately from January through October. IHCDA will monitor all LSPs each program year. IHCDA will use a risk-based approach for scheduling. The risk assessment score will be a factor in determining placement on the monitoring schedule. Higher risk LSPs should be placed towards the beginning of the schedule.

14.2 Monitoring Process Overview

The review is conducted by the IHCDA Community Programs Monitors (EAP & Fiscal) and/or a possible fiscal monitoring subcontractor of IHCDA. The IHCDA Community Programs EAP Monitor will serve as the agencies' point of contact, oversee the complete process including issuing all reports, interviewing the LSP EAP Manager, collecting documentation, and evaluating compliance. Working closely with the EAP monitor, the fiscal monitor will primarily be responsible for reviewing fiscal operations, fiscal files and possibly interviewing fiscal staff. The monitors ensure compliance with existing policy;

they do not set policy. When guidance or an interpretation is required, the LSPs must contact eap@ihcda.in.gov prior to the action and document those determinations in the applicant file.

Notification of the desktop monitoring will be sent at least thirty (30) calendar days prior to the beginning of the monitoring session.

The review will begin with an entrance conference held between the IHCDA monitor(s) and the LSP's EAP management team (or other point(s) of contact as applicable). The entrance conference will familiarize the agency with the review process and allow the monitor to become familiar with specific details unique to each organization. Currently all EAP client file reviews are conducted remotely by desktop. EAP Fiscal Review may be conducted onsite if part of another IHCDA monitoring. During the desktop review, the EAP Monitor will provide ongoing communication of the findings to the LSP and allow for constant feedback so an accurate and complete picture is obtained of the monitored activity. When the monitoring session is complete, an exit conference will be conducted to provide the LSP with a preliminary report of the results.

14.3 Monitoring

As a part of Indiana's program integrity plan, IHCDA will review each LSP's proper application of EAP operations. This includes a variety of review activities, including but not limited to:

- Analyzes all components of the application for completeness and accuracy.
- Allows the EAP staff opportunities to explain their Quality Control (QC) review process, customer service strategies, training, and outreach activities for vulnerable population clients, crisis timelines, intake procedure for internal applications and general program management.
- The LSP has properly followed written procedures, applicable laws, regulations, Assurances, and award agreement terms.
- Internal procedures and controls are in place to minimize the opportunity for fraud, waste, abuse, and mismanagement.
- The LSP has the capacity to carry out the program's goals and objectives.
- Ensures that EAP applications are remitted via transmittals to utility vendors and that transmittals are submitted to IHCDA after receipt from the utility vendors within the allotted timeframes.
- Fiscal review:
    - The most recent "Single Audit" for EAP compliance issues and the status of any corrective actions resulting from those findings
    - EAP budget spending benchmarks
    - Randomly test at least two (2) EAP submitted claims for expenditures accuracy to include but not limited to payroll, common cost, energy education, family development, travel expenses, supplies, asset purchases etc.
    - Inventory listings

IHCDA randomly selects up to ten percent (10%) of the LSP's client files for review. Denied, staff receiving benefit, and Emergency Services/Repair and Replacement files are a small part of the overall file review.

14.4 LSP Responsibilities

The LSP is responsible for actively participating in the monitoring session. LSPs shall ensure the following occur:

- Submittal of the pre-monitoring questionnaire by the established deadline
- Attend the entrance and exit conference
- Upload program participant information into the statewide database
- Submittal of requested documents by the established deadlines
- Ensure on-going and timely communication with the monitor(s)
- Be respectful of the monitors as they carry out their duties
- Access to all program and fiscally related documentation, as requested
- Implement corrective action items, as identified, within the established timeline

14.5 Monitoring Report

All identified eligible findings will be contained in the monitoring report. Each LSP will receive a copy of the monitoring report within thirty (30) calendar days from completion of the exit conference. The monitoring report will include the number of files reviewed, the number, type and description of deficiencies, number of benefits to be paid to clients, any funds which should be repaid to IHCDA, and best business practice recommendations.

Findings are program deficiencies that require corrective action, known as "action items".

1. **Overall Performance Score**

   The Overall Performance Score is the total value of findings divided by the total number of files (base administration and client) reviewed.

   A. Base Administration

   Administrative review items are added to the client file review number, increasing the available points used to calculate the success rate. These are one (1) point each for a total of thirteen (13) base administrative points.

   - Inventory
   - Single Audit issues for EAP
   - Transmittal processing
   - Fiscal claim Review
   - Benchmark spending
   - Timely claims submission
   - Timely administrative documentation submissions
   - Quality Control (QC) processes (5 items)
   - All required corrective actions from the previous year's monitoring were met.

   B. Value

   A value will be assigned to the different types of findings, including the Base Administration items, as categorized below:

a. One (1) Point, per occurrence
   - Income calculation error
   - Failing to give crisis when appropriate
   - Giving crisis when not eligible
   - Unallowable costs charged to an EAP claim

b. Half (.5) Point, per occurrence
   - Incorrect benefit matrix point allocation (dwelling type, vulnerable populations, fuel source)
   - Missing benefit determining documentation (income, application, etc.)
   - Failure to document crisis timelines within the statewide database

c. One (1) Point (Each finding is grouped together and counted as one; not per each occurrence)
   - LSP Staff, governing board, or their relative's application was not signed off by the Executive Director or staff/board designee
   - QC not performed on LSP staff, governing board, or their relatives' application
   - QC less than 10% of client files at the time of monitoring
   - QC was not performed within 30 days of application completion
   - QC file was found to have errors
   - Spending benchmarks were not met
   - Mandatory or requested program documents not submitted within the required timeframe
   - Crisis or life-threatening crisis not mitigated within stated timelines.
   - Not processing applications in a timely manner
   - Not processing transmittals in a timely manner
   - Missing supporting documentation that does not affect the benefit matrix (declaration of absent household members, request for benefit transfer, utility bill, etc.
   - Intake specialist errors that do not result in a benefit matrix change (applicant misspelled name, incorrect address, incorrect social security number, incorrect utility account number, etc.)
   - Any errors found related to corrective action items required through the previous year's monitoring or through an improvement plan

Calculating the Number of Findings (Sample)
Two (1 point each) Findings + One (half point each) Finding + two (one point each, grouped together) Findings = 4.5 total Findings

C. Calculating Overall Performance Score

$$\frac{\text{Number of Findings}}{\text{Base Administration Number + Number of Client Files Reviewed}} \div \text{-100} = \%$$

The Overall Performance Score is not a true percentage even though it is depicted as such. It is a ratio of an agency's performance based upon all criteria that might affect the output. By converting the results, it allows performance to be represented equally across the network. The Overall Performance Score is considered a benchmark to identify if there is a need for additional training and technical assistance and is also used to determine if the LSP should be placed on an improvement plan.

2. Recommendations

Recommendations are not mandates. A best business practice recommendation is to be considered by the agency as part of their continuous improvement efforts.
Recommendations are not based on a violation of policy or procedures but may aid in stronger operations and capacity building, if enacted.

14.6 Monitoring Report Response

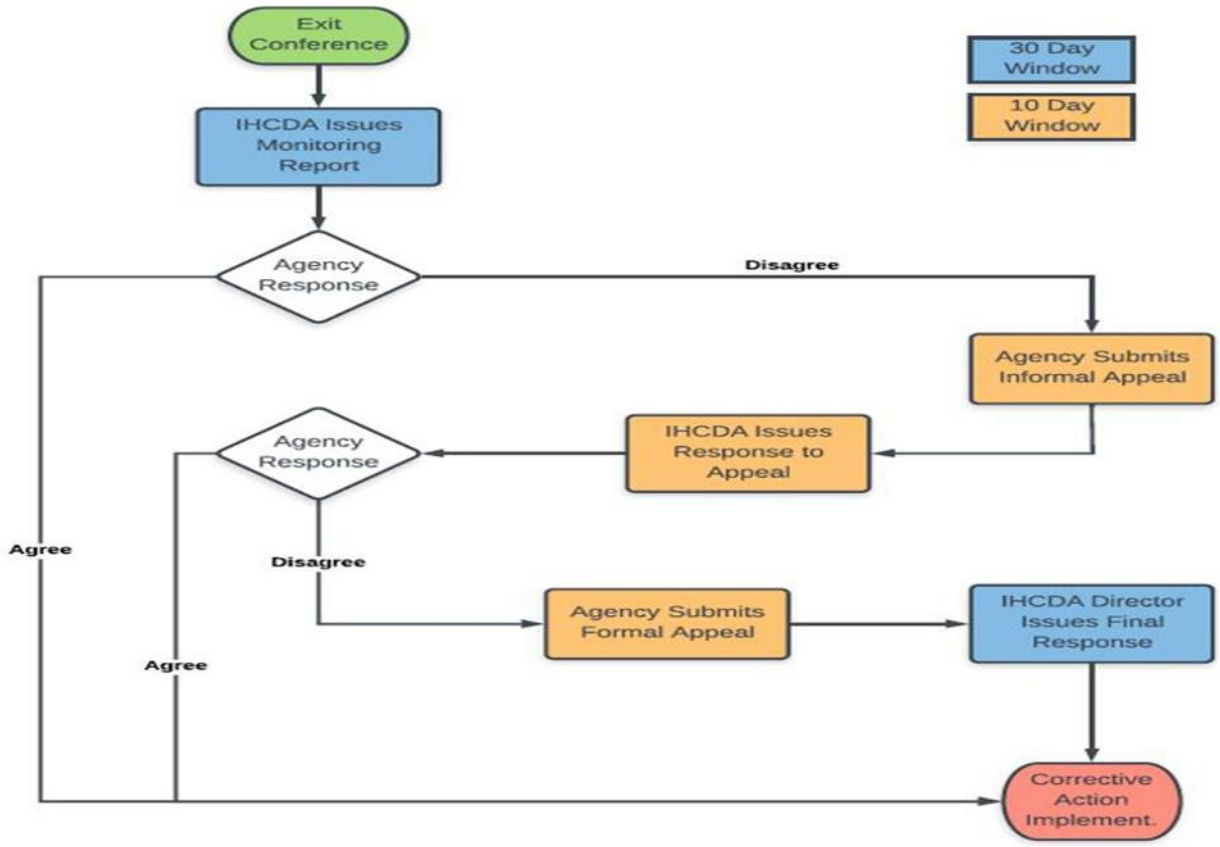
The LSP must either **Accept** or **Informally Appeal** (Refer to Section 14.7) the listed Findings. The LSP will have ten (10) calendar days from the receipt of the monitoring report to submit any written response to IHCDA's Community Programs Monitor-EAP.

Corrective actions taken on items identified prior to or at the exit conference are not eligible for appeal. These items have already been acknowledged as findings by the LSP by making the necessary corrections.

14.7 LSP Monitoring Appeals Process

If the LSP informally appeals (disagrees with) any item on IHCDA's EAP Monitoring Report, the LSP must send an Informal Appeal to the Community Programs Monitor-EAP vie e-mail within ten (10) calendar days of the receipt of the monitoring report.

1. IHCDA's Community Programs Monitor-EAP will respond within ten (10) calendar days of receipt of LSP's informal appeal to the Monitoring Report.
    a. If IHCDA agrees with all items identified in the LSP's **Informal Appeal**, the LSP will receive a revised monitoring report that it will use to ensure all actionable items are completed.
    b. If IHCDA does not agree (in-full or in-part) with the LSP's informal appeal, the LSP will receive an **IHCDA Informal Appeal Reply**. The response will acknowledge which findings have been approved or still stand as identified.
2. The LSP will provide a **second response** within ten (10) calendar days to IHCDA's Informal Appeal Reply.
    a. If the LSP agrees with the decision, the LSP's second response is to be sent to the Community Program Monitor- EAP acknowledging acceptance.
    b. If the LSP disagrees (in-full or in-part) with IHCDA's informal appeal reply, the LSP may submit a **Formal Appeal** in writing to the Director of Energy and Utility Programs. The Director of Energy and Utility Programs will review the formal appeal and provide a written decision within thirty (30) calendar days. Whatever decision made is final.



14.8 Desktop Monitoring Completion

The LSP will take Corrective Action to address the findings identified during the monitoring review. **The LSP will have thirty (30) calendar days to provide to IHCDA any payments and supporting documentation agreed upon in the report.** The corrective action may include, but is not limited to:

- Crediting funds to a client's account
- Paying funds to IHCDA because of an overpayment
- Reviewing an application to verify that portions of the application were properly processed
- Attempting to collect a debt
- Developing tools to assist LSP intake staff

The LSP will receive a Monitoring Completion Letter once all completed corrective actions have been accepted, documentation of credits to clients, and copies of checks paid to IHCDA have been submitted.

It is the responsibility of the LSP to provide the **Community Programs Monitor – EAP** all required documentation, including payments, that supports that all requirements have been met within the required timeframe.

IHCDA Recommendation: *The LSP fiscal staff should be informed by the LSP EAP Manager of the current process/directions of submitting repayments to IHCDA.*

14.9 Monitoring Return of Funds Process

Step 1

- Select Awards Claim Management
- Create Claim
    - Select Award (LIHEAP or State EAP) i.e. LI-019-0___ or IR-019-0___ (NOTE: *for the program year of the refund*)
    - Select Transaction Type (Return of Funds)
    - Click on "Create"
- Click on the word "claim" (at the top of the next screen)
    - Enter amount on appropriate line item that you are returning to IHCDA
    - In the comment section enter "Return of Funds due to EAP Monitoring Finding"
        - Click "Save" (at the bottom right hand of this screen)
- Go to the Supporting Documentation tab (at the top of that same screen)
    - Upload the supporting documentation required by the EAP Monitor
- Click on the "Summary Tab" (at the top of the same screen)
- Click "SUBMIT Claim" (on the bottom of the screen)

Step 2

- Make check payable to IHCDA
- Place the receipt number from the Awards Claim List in the memo
- Mail check to:
    - IHCDA, Community Programs Monitor-EAP, 30 South Meridian Street, Suite 900, Indianapolis, IN 46204.

14.10 Corrective Action Improvement Plans

Compliance is essential in assuring overall program success. Subgrantees are monitored to determine whether they have continuously met the established program guidelines and government legislation as instructed in IHCDA the Award Agreement, the IHCDA provided Program Manual, and IHCDA Information Memoranda. Failure to meet the minimum monitoring standards will result in corrective action.

Improvement plans are developed and implemented in conjunction with the monitoring report, but are developed, overseen, and evaluated primarily by the Community Programs Manager with the input and collaboration of the rest of the team, including the Community Programs Monitor.

Corrective Action Improvement Plans are not intended to be punitive in nature, but rather to help the LSP to identify and correct weaknesses or deficiencies within their policies, procedures, practices, or standards to ensure a high level of service is being maintained.

While the assignment of a Corrective Action Improvement Plan is primarily driven by the overall performance score at the conclusion of a monitoring session, the Community Programs Manager may, at their discretion, assign a more or less severe plan than the overall performance score indicates based on an analysis of the specific errors and underlying issues presented in the monitoring report, or may decline to assign a Corrective Action Improvement Plan if the underlying issues do not appear to be systemic in nature.

A. Meeting State Monitoring Threshold

An LSP whose overall performance score is eighty-five percent (85%) or higher will be considered in "good standing" and does not require being placed on an improvement plan. The LSP's only responsibility is to complete all action items identified in the monitoring report.

> ***IHCDA Recommendation****: If the LSP agrees with any action items during the exit conference, the LSP should begin to correct these issues and submit supporting documentation along with its written response. This will assist the LSP in meeting the 30-day closeout deadline (Refer to Section 14.8)*

B. Improvement Plans

Placement on an improvement plan (Modified Quality Improvement Plan [MQIP] or Quality Improvement Plan [QIP]) will be at the discretion of the IHCDA Community Programs Manager and is not part of the monitoring session. An individualized improvement plan may require the LSP to undergo additional training and technical assistance (T/TA), site visit(s), additional LSP QC file review, IHCDA spot check of LSP QC files, EAP Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis, develop EAP Standard Operating Procedures (SOP), or other relevant actions as determined by IHCDA.

Modified Quality Improvement Plan (MQIP)

A modified quality improvement plan may be used when the LSP's overall performance score is between eighty and eighty-four percent (80% - 84.99%). As a condition of the MQIP, the LSP will be required to:

- QC twelve and a half percent (12.5%) of the next year's EAP files.
- Provide updates on progress meeting the MQIP corrective actions to IHCDA, as determined by the IHCDA Community Programs Manager – EAP
- Perform other corrective or training actions as determined by IHCDA.

Quality Improvement Plan (QIP)

A Quality Improvement Plan may be used when the LSP's overall performance score is below eighty percent (80%). As a condition of the QIP, the LSP will be required to:

- Provide notification to the governing board of the identified program findings and ongoing progress on the QIP. Governing board meeting minutes must be provided to IHCDA demonstrating that the Board of Directors has been notified and kept apprised of the status of the QIP.
- QC fifteen percent (15%) of the next year's EAP files

- Provide monthly updates on progress meeting the QIP corrective actions to IHCDA via video conference and/or conference call, as determined by the IHCDA Community Programs Manager – EAP.
- Perform other relevant corrective or training actions as determined by IHCDA.

Release from Improvement Plan

IHCDA will assess the LSP's progress throughout the improvement plan period. If corrective actions have been made to remedy the deficiencies or other identified issues, and a consensus and compliance have been reached between the LSP and IHCDA, the LSP will be cleared from the improvement plan, and the compliance monitoring period will be closed.

The Community Programs Manager has ultimate discretion on determining whether an LSP has satisfactorily fulfilled the requirements of a Corrective Action Improvement Plan. If the Community Programs Manager does not believe the actions taken have fulfilled the requirements, they may decline to release the LSP from the Corrective Action Improvement Plan. The Community Programs Manager will issue a letter explaining what required actions are still outstanding, why the corrective action taken by the LSP was deemed insufficient and will issue a new due date for revision of the item.

An LSP that has been placed on any Corrective Action Improvement Plan should consider itself to still be subject to the plan until it receives correspondence from the Community Programs Manager explicitly releasing it from the improvement plan.

C. Reduction in Funding/Territory or Defunding

If an LSP is unable to successfully complete the improvement plan, the LSP may be required to undergo additional monitoring during the next program year. LSPs that fail to complete quality improvement plans may receive a reduction in funding, reduction in service territory, or potential defunding.

If an LSP is defunded or has its territory reduced for EAP, the service territory may be placed out to bid through a request for proposal (RFP) if time allows. Otherwise, IHCDA may at its discretion offer LSPs currently operating within the network the opportunity to temporarily take over the affected territories. In either case, IHCDA will ensure that EAP services and benefits are available and accessible for residents of the affected territory.