IHCDA

Indiana Low Income Home Energy Assistance Program Intake and Operations Program Manual 2022-2023

VERSION 1.0

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Appendix	C	IHCDA Community Programs Contacts
Appendix	D	Federal LIHEAP Statute
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Form	ABS-2023	Declaration of Absent Household Members
Form	ADDR-2023	Address Change Form
Form	APPL-2023	EAP and Water Program Application Form
Form	APPLESP-2023	EAP and Water Program Application Form – Spanish
Form	APPLLP-2023	EAP and Water Program Application Form – Large Print
Form	DBPE-2023	Direct Benefit Payment Election Form
Form	DIS-2023	Disability Medical Statement
Form	DWD-2023	Department of Workforce Development Release of Information
Form	EARN-2023	Request for Earnings Information
Form	EBTR-2023	Energy Benefit Transfer Request
Form	ERRCHECK-2023	Emergency Repair and Replace Checklist
Form	ERRCON-2023	Emergency Repair and Replace Consent/Release of Liability Form
Form	IVA-2023	Income Verification Affidavit
Form	LLA-2023	Landlord Affidavit
Form	MTRX-2023	EAP Benefit Matrix Form
Form	RECERT-2023	Simplified Recertification Tool
Form	UTIL-2023	Utility Affidavit

IMPORTANT ACRONYMS AND INITIALISMS

CSBG	Community Services Block Grant
DOE	Department of Energy
DWD	Department of Workforce Development
EAP	Energy Assistance Program
EITC	Earned Income Tax Credit
ERR	Emergency Repair and Replace
ES	Emergency Services
HCV	Housing Choice Voucher, a.k.a. Section 8
HHS	Health and Human Services
HUD	Housing and Urban Development
IHCDA	Indiana Housing and Community Development Authority
IURC	Indiana Utility Regulatory Commission
IVA	Income Verification Affidavit
LIHEAP	Low-Income Home Energy Assistance Program
LLA	Landlord Affidavit
LP	Liquid Propane
LSP	Local Service Provider
MOA	Memorandum of Agreement
OUCC	Office of Utility Consumer Counselor
QA	Quality Assurance
ROMA	Results-Oriented Management and Accountability
SMI	State Median Income
SNAP	Supplemental Nutrition Assistance Program, a.k.a. Food Stamps
SS	Social Security
SSA	Social Security Administration
SSDI	Social Security Disability Insurance
SSI	Supplemental Security Income
SSN	Social Security Number
VA	Veterans Affairs
VASH	Veterans Affairs Supportive Housing

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 the IHCDA as the local agencies administering the Energy Assistance Program. The State has designated twenty (20) 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, or through another subcontractor. These organizations are responsible for eligibility determination and timely submission of payment transmittals to vendors. These organizations ensure that the program covers all of Indiana's 92 counties. Also see ***Appendix C - IHCDA Division of Community Programs Contact 2022-2023*** 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. The program responds promptly to eligible households with a heating emergency. EAP can provide benefits to off-set the high costs of energy, but does not traditionally have the funds available to pay all of 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.

IHCDA provides training and technical assistance to the Local Service Providers as needed or requested.

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 its stakeholders as well as the public at large and will consider all feedback received when amending its policies. 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:

Indiana Housing and Community Development Authority, 30 S Meridian Street Suite 900, Indianapolis, IN 46204, Attn: Community Programs Manager – EAP; via telephone at 1-800-872-0371; or via email at liheap@ihcda.IN.gov.

EAP Benefits

The purpose of EAP funds 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 his or her own utility bill, EAP benefit payments are made directly to the utility vendors on behalf of the eligible household. When an eligible client has his or her utilities included in the rent, the client is paid the EAP benefit directly. Vendors include metered heating and electric utilities, who provide electricity and/or natural gas; and bulk fuel, LP gas, and other non-regulated vendors, who provide fuel oil, LP gas, coal, wood, kerosene or pellets. The delivery fee for fuel oil, LP gas, coal, wood, kerosene, or pellets is part of the benefit. Taxes are also covered by the benefit, as well as reconnection fees for a disconnected account or connection fees for a new account.

Heating benefit amounts are calculated by awarding points based on factors within four categories of a benefit matrix:

- Income level based on household size
- Dwelling type
- At-risk status
- Primary Heating Fuel source

The amount of the benefit is computed at a rate determined by IHCDA based on available funding and awarded on the benefit matrix. An additional $150 for electricity is added to keep the heating system operational. A household may be eligible for an additional crisis benefit of up to $500 per utility if the regular benefit is not enough to prevent a disconnection. Households may come back once for additional crisis if they have not used the entire benefit.

Regular EAP funds can be used for connection, reconnection, and direct energy, fuel, or delivery costs.

1.2 About the Weatherization Program

The Weatherization Assistance Program (WAP) is a federally funded program through the U.S. Department of Energy (DOE) and Health and Human Services (HHS) as a portion of LIHEAP funding. As of program year 2017-2018, households with income up to 200% of FPL for DOE and LIHEAP are eligible for WAP. The program is administered by the State of Indiana through the Indiana Weatherization Assistance Program. Provisions in the LIHEAP Block grant law require that LIHEAP and WAP coordinate. Indiana fulfils this function by referring eligible EAP applicants to WAP.

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

1.3 EAP Operation

For PY2023, the statewide database of record will be EAPConnect. All references to the statewide database in this manual shall be understood to refer to EAPConnect, and not to any other database or user interface.

The following program administration dates apply for the upcoming heating season:

PRE-PROGRAM YEAR SEASON	
Key Dates	Purpose
August 29, 2022	Sub-grantee Plan Packet due.
September 6, 2022	LSPs may send mail-in application packets to at-risk households and/or households determined needing assistance by local LSPs. LSPs may distribute EAP Applications and/or post to their websites for the general public.
September 19, 2022	Applications may be entered into the statewide database.

EAP ASSISTANCE SEASON	
Key Dates	Purpose
October 1, 2022	Opening day of Federal PY2023.
October 3, 2022	Online application opens to the public. LSPs may distribute mail-in applications to households who do not qualify as at-risk.
November 1, 2022	Statewide start of the Energy Assistance Program: • In-person appointments may begin. • Transmittals may be sent to utility vendors. • Applicant Notification letters may be sent to clients.
December 1, 2022	Start of Moratorium Protection.
December 1, 2022	First Benchmark: 30% of funds obligated.
February 1, 2023	Second Benchmark: 60% of funds obligated.
March 15, 2023	End of Moratorium Protection at 11:59pm.
April 1, 2023	Final Benchmark: 75% of funds obligated.
May 15, 2023	End of EAP application period at 5:00pm Eastern time.
May 30, 2023	All incomplete EAP applications must be fully processed.
June 10, 2023	Last day to submit transmittals.
June 24, 2023	All vendors must be fully reconciled.

PROGRAM CLOSEOUT	
Key Dates	Purpose
September 30, 2023	Last calendar day of Federal PY2023.
October 18, 2023	All claims for reimbursement are due to IHCDA.
October 25, 2023	Closeout Reports due to IHCDA.

Standard turnaround times routinely used within EAP:

Response Requirement to Applicant	Turnaround Time
Life Threatening Crisis Mitigation	18 Hours
Crisis Mitigation	48 Hours
Process time for face-to face appointments, notify of approval or denial. Denial of incomplete application.	14 calendar days
Applicant written appeal to LSP	30 calendar days
LSP written appeal response to applicant/client.	14 calendar days
Maximum time period to notify mail-in or online applicants of eligibility determination. (Processing time does not start until November 1 for early at-risk applicants.) Maximum time period before an application must be denied (Applicants must submit new application 55 days after initial application date). Minimum time period before a denied applicant may submit a new application for assistance.	55 calendar days

PROGRAM 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.

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 Sub-grantee, 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 at-risk 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 on 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.

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.

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 situation to the LSP. An applicant

household is considered to be in a life-threatening crisis situation when 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 at-risk 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 situation is an energy emergency when there is a potential shut-off or depletion of the energy sources or an energy source is inoperable and it is not considered a life-threatening crisis situation 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 situation to the LSP.

For non-bulk utilities, a household will be considered to be in crisis if it has received a current Notice of Disconnection on residence primary heating sources, such as the electric or natural gas utilities, but not yet disconnected. This also applies to an electric utility required to power a furnace or thermostat in order to heat with another fuel type. For applicant households that have a prepaid electric utility account, a household will be considered to 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.

For bulk fuel utilities, a household will be considered to be in crisis if its propane or fuel oil tank is at or below 25% full. If an applicant household heats using wood, corn, pellets, coal, or other biofuel, it will be defined as in crisis if it is within ten (10) days of running out of its current supply of heating fuel.

Timely Intervention
LSP procedures must be in place to address a crisis within the time frames noted above. This can be accomplished by maintaining open appointment slots each day to address crisis applications, contacting the utility vendor on behalf of the client, or by making and documenting timely referrals to other community resources.

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 constitutes a proper response to the emergency. If this is not feasible, providing the client a list of available resources or communicating with the client's utility vendor may constitute mitigation if properly detailed in the statewide database.

Documentation
In order to comply with the crisis intervention timeline, LSPs must take action within the 18- or 48-hour timeframe and document these steps.

- Once a household contacts an LSP about a crisis situation, the LSP must schedule an appointment with the first available opening in the appointment schedule, or triage the online or mail-in application. If an appointment is scheduled, the LSP should advise the caller to contact the utility vendor(s) to let them know that an EAP

appointment has been scheduled and inquire about payment arrangement options until the appointment is completed. Doing this can be considered a mitigating action for the 18/48 hour timeframe. If the LSP has an online or mail-in application, intake staff should contact the utility vendor(s) and notify them that the applicant has submitted an EAP application. During moratorium, this will stop disconnection actions.

- LSPs must ensure that the date that the crisis application is received is recorded in the statewide database as the “Application Date”. To track the crisis timeline properly, the date to be recorded in the statewide database is not the date that the application was complete, or the date of the appointment. The timeline for the 18 or 48 hour crisis must start on the date that the client contacts the LSP with a crisis (or the date that a mail in application with crisis is received). The LSP can also record the date the application and documentation was completely available to process the application as the “Completion Date”.

- The LSP must document what actions have been taken within the 18/48 hour timeframe to mitigate the crisis. If the appointment is not within the 18/48 hour timeframe, LSPs must ensure that they take some other kind of action such as calling the vendor to see if the disconnect can be delayed, telling the client to call the vendor, telling the client about other resources, or other mitigating strategies (see list below) to help alleviate the situation. Giving the client an appointment and telling them to let their utility company know that they have an appointment is a mitigating strategy. Please note that giving out space heaters is not an approved mitigation strategy.

- LSPs must take care to distinguish mail-in applications with crisis from regular applications.

- At the appointment, the LSP must ensure that the client either submits a complete application or is informed which documents are missing for completion. If the appointment is not the same day as the initial communication, the client should be provided the list of necessary documentation at time of scheduling.

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

- The LSP must enter the application to the statewide database and be sure to record the original date/time that the client first contacted the LSP, as well as the date/time stamp that the application was completed.

- The LSP must contact the client if the regular and crisis assistance is not sufficient to prevent the crisis and if additional payments need to be made to alleviate the crisis. The client must provide documentation that the payments were made, or the LSP can contact the vendor directly and get verbal confirmation. Verbal confirmation must be noted in the statewide database.

- Once eligibility has been determined, the LSP must immediately contact the utility vendor and client about EAP approval.

In addition, all LSPs must provide clients information about mitigating a crisis during non-business hours. LSPs should at a minimum identify local organizations that provide utility assistance when the offices are closed. For example, in certain parts of Indiana, LSPs may tell clients to call 211 as the primary referral source or develop additional local methods. The preferred referral source must be communicated to clients on the LSP's outgoing voicemail message.

Determination of Crisis
For non-bulk 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 bulk heating fuel, crisis funds will be awarded to assist with delivery costs, but the applicant household is not considered to be experiencing a crisis unless they indicate that they are nearly out of or already out of fuel at the time of application, or if they verbally certify a crisis after the time of application. Applicable crisis timelines will apply to bulk fuel households with a documented declaration of crisis. 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. This includes utilities who are electric or gas, including a municipally-owned, privately-owned, or cooperatively-owned utility. 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 or after October 1 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 submitted a complete application and has been determined eligible by the local LSP or their subcontractor.
- The customer has submitted a complete application 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 the applicant has submitted an application and is covered under moratorium in order 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.
- The customer has furnished proof to the utility provider of his/her application to receive Energy Assistance, or the local LSP has notified the utility in writing.

Once the household has submitted an application and has been deemed or is being deemed eligible for the EAP benefit, the client is protected under the moratorium, whether a benefit has been received or not. 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.

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. A client who has submitted a complete application and is being deemed or has been deemed EAP eligible and has active service on December 1 will receive moratorium protection through March 15.

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
Because the moratorium provides for temporary protection from disconnection while eligibility is being determined, it is vital that LSPs maintain an open line of communication with utility vendors during the moratorium period between December 1st and March 15th. The LSP has a responsibility to promptly notify the utility vendor that a client with a disconnection scheduled has submitted an application and that the disconnection action must be suspended.

Note that with documentation, this notification may qualify as a mitigating action for crisis intervention purposes. IHCDA strongly recommends using e-mail to verify notification of the application and documenting the date and time of receipt of application in the e-mail in order to establish compliance with the required timeline.

3. EAP Eligibility

3.1 Who can get EAP benefits?

Energy Assistance benefits are available to households with a combined annual income at or below 60% of State Median income.

In order to be eligible for EAP benefits under this program, an applicant must maintain residency 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.

For EAP purposes, a dwelling is defined as a walled structure roof with a kitchen, a bathroom, and at least one bedroom or living space permanently connected to the required utilities (including plumbing, electricity and a primary heating source).

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. 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, his or her spouse should be included as a household member on the application. The spouse's income is counted during the period of 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. If a household member is pregnant and can provide a medical proof of pregnancy, the child can be considered part of the household, regardless of the projected date of birth. The household will be awarded points under the at-risk category based on this child.

- **Joint Custody**: Court documentation may indicate that both parents share legal custody of one or more children as part of a divorce decree or parenting agreement. Non-custodial parents may include their minor children (under age 18) as household members.

- **Roommates:** Any roommates or housemates should 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 should 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 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 persons who are not counted are:

- Persons residing in homeless shelters, alcohol or drug treatment centers, battered women and children shelters, transitional dwellings, or group homes for the prior to application. Any income these persons receive should not be counted.
- Absent household members (out of the household for three (3) months or longer) is 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.

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 shall complete ***Appendix J - Declaration of Absent Household Members,*** 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 in 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 his/her 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 at a later date to remove the name of the deceased household member.

- **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 ABS-2023 - Declaration of Absent Household Members***, in the place of a decree.

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 on 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 a collateral contact. 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.

- **Boarders:** Boarders are persons renting a specific defined space (e.g., a bedroom) within the residence of the energy assistance applicant. If boarders are living in the household at the time of application, they are not counted as household members, nor is their income counted as part of the household income. Any rent collected from the boarders by any member of the household is counted as household income.

3.4 Who is *At-Risk*?

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 five or younger be treated as priorities as vulnerable populations. Indiana has included those with Veteran's status to the *at-risk* categories. In order to qualify as *at-risk*, households only have to prove that they fit under one of the vulnerable categories. At-risk points are only awarded once per household; however, all applicable at-risk categories must be recorded in the statewide database.

Persons with a Disability

A person is determined to be living with a disability if he or she receives 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 considered to be a person with a disability if he or she receives 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

SSDI are earned benefits that are paid to clients with physical or mental disabilities that will prevent them from working for at least twelve (12) months. The clients have worked and paid Social Security taxes long enough to qualify. These benefits can be paid to a child or spouse upon death of the client.

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, he or she 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 shall 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.

Please note that 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 the statewide database as verified but copies should not be made. If an applicant sends a copy of a military ID, it should be destroyed and noted in the client's file. Please see the following link for more information: https://www.defense.gov/News/Inside-DOD/Blog/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, as long as 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 at risk. This includes households with a member that is pregnant at the time of application.

3.5 Recertification of Fixed Income Applicants

Households with fixed incomes may recertify for EAP without providing all of the documentation typically needed for a full application. Applicants may recertify for two (2)

program years with less paperwork and must send in paperwork every third program year. For example, if an applicant sent in all documents at the start of the program year 2020-2021, he or she would qualify in 2021-2022, and 2022-2023 without sending in the supporting documentation. That applicant would only have to send in current paperwork again for the 2023-2024 program. To qualify for recertification, household income must have one or more of these income types and no others:

- Social Security
- Veteran's Benefits
- Supplemental Security Income (SSI)
- Retirement Pension/Annuity

Incremental or cost-of-living changes to the above incomes will not count as change, and the applicant will be eligible for simplified recertification.

Small amounts of income, such as interest accrued on a bank account that totals under one dollar, will not disqualify applicant households who otherwise meet the requirements for recertification.

LSPs may consider sending the recertification tool to all mail-in applicants to help applicants determine if they can recertify using this tool, see ***Form RECERT-2023 – Simplified Recertification Tool.*** Sending the tool to all mail-in applicants is not required.

In all cases, clients will have to send in a signed application and a utility bill. No other documentation is necessary.

If any household member is a zero-income claimant or wage earner, the household is not eligible for simplified recertification. These household members are not on a fixed income. If any household composition or income source changes have occurred, the client is no longer eligible for simplified recertification and all documents must be collected.

It is the LSP's responsibility to ensure that documents for applicants who qualify for recertification are reviewed at the appropriate times.

The LSP may choose in its operating procedures not to offer Simplified Recertification as an option.

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 2-1-1 or 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 may not be signed by any other third party, non-household member, or individual under 18.

If an applicant completes an application through the online portal, the application is electronically signed when it is submitted.

When an application is submitted electronically via an approved proxy (e.g., a 2-1-1 intake staff), 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.

Signature by the EAP applicant is not required if the application is taken over the phone by LSP intake staff, 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 these situations.

If LSP intake staff fill out an application online for a client during a home visit, 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.

The EAP statewide application collects eligibility information for EAP, but also collects statistical data for CSBG reporting for the Module 4, Section C: All Characteristics Report (see https://nascsp.org/csbg/csbg-data-collection-and-reporting/csbg-annual-report/module-4/). Several questions on the EAP statewide application are present solely for this purpose. CSBG statistical information must be entered accurately into the statewide database and must match information provided on the application form or over the phone.

4.2 Photo Identification

The head of household who is applying for energy must provide a copy of State- or federally-issued photo identification. Documentation may include a Driver's License (does not have to be valid and address does not have to match), Military ID (do not copy, see Section 3.5, *Who is Considered At Risk, Veterans and Military Personnel*), passport, etc.. If the participant's religion does not allow them to be photographed, an ID without a photograph is acceptable. Applicants only have to provide photo identification once. Copies of photo identification cards from previous years can be used for the current year if the person's name has not changed. Copies of the cards from previous years should be copied and put in current year files.

4.3 Indiana Residency

The applicant must have resided in 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 submitting a utility bill in their own name with their current address do not have to submit any other kind of documentation to prove Indiana residency.

Other proof of residency may include:

- Driver's License with current address
- Lease agreement listing the applicant's name and current residence
- Completed Landlord Affidavit form
- Employer's statement or pay stub listing residence address
- Mortgage document.
- Bank or credit card statement.
- Letter from a medical or correctional facility.

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-US citizens (aliens) as defined by 8 U.S.C §1641(b). Applicants submitting Social Security Cards (SSNs) will not have to submit any other kind of proof of citizenship or qualified non-US Citizen Status.

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

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

In order 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 persons in the household age one (1) and older. Applicants must provide proof of Social Security Number. Applicants only have to provide proof of SSN once. Copies of SSN cards from previous years can be used for the current year if the person's name has not changed, even if the card has been redacted. Individuals who do not have or refuse to furnish an SSN are considered an ineligible household member. SSN documentation that reads, "Authorized for work use only" is acceptable.

Social Security Numbers are no longer being required to be written in full on the statewide application. Intake workers should collect the SSN numbers from the SSN documentation.

Real IDs (Indiana drivers licenses or State IDs with a star on the corner, see below) or United States Passports can be used in place of SSN documentation. If a client provides only the last four numbers of his or her SSN as well as a REAL ID or a United States Passport, then the person does not have to provide any further SSN verification.

When a household member over the age of one (1) cannot provide an SSN, the LSP will enter the household member and use nines or zeros in place of the Social Security number. The application should remain in incomplete status until the SSN is verified or the individual becomes classified as an ineligible household member. All zeros or nines can be entered for household members under age one (1).

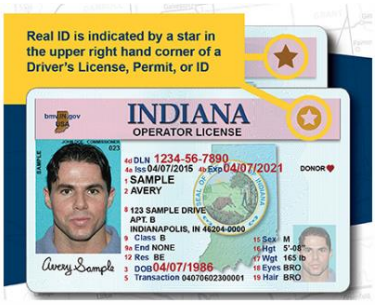
The web site for the SSN application form and instructions for applying for a new Social Security number can be found at: http://www.ssa.gov/online/forms.html (Form SS-5 Application for a Social Security Card). LSPs should assist applicants to apply for Social Security numbers and the necessary documentation.

All LSPs are required to retain a copy of the documentation used to verify the SSN. LSPs should ask to see Social Security cards and copy the cards for the files. Once an applicant has furnished a Social Security card and a copy of the card has been made, the LSP does not have to ask for the Social Security card again. Copies of the cards from previous years should be copied and put in current year files. If the LSP receives a worn, illegible SSN Card, the LSP should maintain the best version possible.

Copies of SSN verification documents uploaded into the statewide database must have the first five digits of the SSN redacted. If an LSP would like to maintain a non-redacted hard copy of the identity verification documents, this is permitted as long as LSP staff have completed confidentiality documentation and provided that any personally identifiable information is kept in a locked file.

- A Social Security card issued by the Social Security Administration. Please note that this does not include engraved metal cards bearing a Social Security number, which are novelty items made to order by a third party and are not acceptable as proof of a Social Security number.

- An Indiana State-Issued Real ID. A Real ID can be a Driver's License, Permit or State ID and can be identified by the star in the upper right hand corner. This document can serve as proof that the client has an SSN number. If the SSN has not been provided, the first nine numbers of the Real ID should be entered into the statewide database.



- United States Passport: A United States Passport can be used as proof of Social Security number. If a client shows a US passport, no further proof of SSN number is needed. The passport number is found in the upper right hand corner of the passport. The passport may be expired.
- A letter from the Social Security Administration that provides the household member's name and full Social Security Number.
- Any other **federal** form with the full Social Security number printed on it.
- W-2, form 1099, or pay stub that contains the full SSN, as long as it is not handwritten.
- Documentation from another eligible program. This documentation could be, but is not limited to:
    - Medicare Benefit Identification.
    - FSSA benefit letter.
    - U.S. Military Identification (e.g., DD214; see section 3.4, *Who is Considered At Risk, Veterans and Military Personnel* for more information).
    - U.S. Government Identification
    - Indiana Government Identification (e.g., Dept. of Corrections)
    - Benefit Statement.

Documentation prepared by the applicant or a third party cannot be used to validate the SSN information for any household members. Individual Tax Identification Numbers (ITIN) numbers cannot be used. Self-prepared tax forms (e.g., form 1040, Income Withholding, etc.) cannot be used.

4.6 Proof of Utility Payments

Households applying for the Energy Assistance Program must show a 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 Landlord Affidavit ***(Form LLA-2023 – Landlord Affidavit)*** showing that utilities are included in the monthly rent payment. 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.

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 a 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 his or her name due to other reasons such as credit problems or unpaid bills. Applicant may still be eligible if service address corresponds with the applicant's 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 UTIL-2023 – Utility Affidavit.*** LSPs should still make every effort to assist the client to get the utilities in his or her name.
- The Utility Affidavit has been updated this year to allow for up to four utilities (electricity, heat, water, and wastewater) to be reported on a single form. 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 Utility Affidavit 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 when the name is switched to a household resident or in the name of someone who qualifies under these exceptions.

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 an 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" shall refer to metered utilities, such as electricity and natural gas, regardless of whether the provider of this utility is actually regulated by IURC. The phrase "unregulated utilities" shall refer to bulk deliverable fuels, such as liquid propane, fuel oil, and bio-fuels.

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 on 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 live 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-2023 – Direct Benefit Payment Election Form***).

Clients must have a Landlord Affidavit 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 Landlord Affidavit, a lease agreement signed by both parties within the last 24 months may be used. If the client cannot obtain a LLA or a lease, 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.

LSPs will calculate the benefit using the benefit matrix in the same way as applicants whose utilities are not included in the rent. All direct payment recipients must be offered the opportunity to receive their benefit via ACH/direct deposit or as a check. In order to expedite payments and reduce chances of lost payment, LSPs should encourage recipients to provide ACH information. However, LSPs may not require or compel applicants to supply this information.

Additionally, if an applicant pays one utility directly but one indirectly, the applicant has the opportunity to waive the indirect utility benefit to the utility they pay directly. This arrangement eases burden on the LSP's QA 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 electric directly but heat 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 a 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

Clients whose main heating source is firewood, pellets, corn, or biofuel will receive their benefit as a live check or an ACH direct deposit, allowing them to purchase their fuel at a free market price from the vendor of their choice. 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 heats with firewood 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.

LSPs are encouraged to enter into an agreement with local wood, wood pellet, and/or biofuel vendors. Such agreements will allow LSPs to issue vouchers to their clients for

the purchase of heating fuel. When the vendor returns a completed voucher, the LSP will pay the vendor for the benefit amount and submit a claim to IHCDA for reimbursement. This results in less burden on LSP QA processes and IHCDA's fiscal teams, and provides applicants with access to their bulk heating fuel benefits in a more timely manner.

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 presents a utility bill for a vendor that is not currently participating in Indiana's EAP, the LSP should first contact IHCDA to review the case and check to see whether IHCDA has already communicated with the vendor. It is possible that the vendor is in fact participating, but the LSP needs to have access granted to the vendor in the database.

If IHCDA has not already communicated with the vendor, the LSP shall instruct the vendor to send an e-mail to liheap@ihcda.in.gov in order to begin the MOA process. IHCDA will advise the LSP when the vendor's entry available in the database.

If the vendor declines to participate, IHCDA will advise the LSP and the applicant may be treated as a direct benefit payment recipient. 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 will be issued from IHCDA; live checks will be issued and sent by IHCDA's banking institution. LSPs are responsible to ensure that all direct benefit payment claims undergo the internal QA process in a timely manner. LSPs are strongly encouraged to ensure that all direct pay claims undergo internal QA checks before being submitted for payment. If any errors are found in these claims after payment has been issued, the LSP will be responsible to repay a portion or all of the claim to IHCDA out of unrestricted, non-federal funds. Direct benefit payment claims shall be submitted to IHCDA for payment within sixty (60) calendar days of household eligibility determination.

If a client heating with firewood, pellets, corn, or biofuel is in crisis, the LSP may choose to cut a check to the client internally for the eligible benefit so that the client does not need to wait for the usual transmittal and payment process. The LSP is strongly advised to put a procedure in place for these situations to ensure that the file undergoes internal QA prior to benefit payment.

The LSP is strongly urged to, at a minimum, issue crisis benefits to clients heating with biofuels by cutting a check internally. Because of IHCDA's claims and payment processes, IHCDA will be unable to expedite crisis payments. The LSP issuing these

payments directly will ensure that biofuel clients have access to benefit funds immediately to purchase a supply of heating fuel.

LSPs are expected to QA biofuel claims regularly and promptly in order to ensure these clients have meaningful access to their benefits in a reasonable time frame. IHCDA strongly urges that all biofuel claims are submitted for payment to IHCDA within one week of being awarded, and requires that these claims are submitted no later than two weeks after being awarded. LSPs must ensure that their internal QA policies contain measures to specifically address timely review of biofuel claims.

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. However, reissued checks will contain the following disclaimer:

> ***READ BEFORE ENDORSING:***
> *This is a replacement check for a lost Energy Assistance Program (EAP) check previously issued by IHCDA. Endorsement of this check acknowledges the following:*
>
> 1) *I have not received the original check issued by IHCDA.*
> 2) *I understand that IHCDA has placed a stop-payment on the original check.*
> 3) *In the event that the original check is received, it will immediately be returned to IHCDA.*
> 4) *Violation of these terms will result in suspension from EAP.*

Any client who cashes an original check after receiving a replacement check may be ineligible for future EAP benefits.

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 in the event that 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 an application, but prior to determining eligibility, the applicant household shall be given the opportunity to submit a revised application to reflect their new address, dwelling information, and utility/heating fuel accounts.

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 eligibility determined, but the benefits should be denied and the case notes 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-2023 – 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 should return this form within ninety (90) days of moving.

If an applicant leaves an EAP credit with one or both utility/heating fuel providers when they move, this credit may be able to be transferred to their new utility/heating fuel provider. The LSP must complete and submit and Energy Benefit Transfer Request (***Form EBTR-2023 – Energy Benefit Transfer Request***) to IHCDA along with the Address Change Form. See section 13.7.

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. LSPs should ensure proper documentation if applicants have a disconnect notice, have been disconnected, or are nearly or completely out of fuel.

Applicant File Documents include the following items, in order:

<u>Standard Documents</u>

- Signed Complete Application, date stamped when received by the agency.
- ***Form ADDR-2023 – EAP Address Change Form***, if the applicant moves during program year
- Photo ID for head of household. Photo IDs for other members is optional.
- Proof of US Citizenship or residency (Social Security card, Real ID, or other documents)
- Proof of Indiana Residency (utility bill, applicant's Driver's license, or other documents)
- Proof of Income
    - Pay stub, 1040 with schedules, etc.
    - Proof of Benefits
    - Bank Statements
    - Income Affidavit (***Form IVA-2023 – Income Verification Affidavit***)

    - Department of Workforce Development Wage Inquiry (for unemployment benefits)
    - Proof of child support payments
    - Other income
- Landlord Affidavit or Lease for applicants with utilities in rent only
- Utility bills or account statements, including Utility Affidavits if applicable
- Approval, denial, and incomplete letters

<u>ERR Documentation</u>

- ERR Checklist (***Form ERRCHECK-2023 – ERR Checklist***)
- Proof of Homeownership
- Client Consent Form (***Form ERRCON-2023 – Client Consent/Release of Liability Form***)
- Invoice for work completed
- Documentation of assessments completed
- Warranty documentation for labor and materials

<u>ES Documentation</u>

- Documentation of an emergency situation or authorization from IHCDA
- Documentation used to calculate amount of supplemental benefit

<u>Supporting Documents</u>

- Audit Checklist or QA documentation
- Declaration of Absent Household Members
- Doctor's letter for unborn child
- Declaration of Inoperable Heating Source
- Power of Attorney Statement
- Documentation of communication with utility vendor
- Energy Education Pre & Post Test, if applicable
- Applicant Appeal letter
- Fraud investigation documents
- LSP Appeal response letter
- Other(s) as needed by LSP to determine eligibility and/or process 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 are to be careful to not 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 file scans must be uploaded to the statewide database within 45 days of eligibility determination, regardless of application status; however, LSPs are to make every effort to complete this within a shorter timeframe, bearing in mind the need to maintain their required QA percentage. File uploads being completed correctly and timely is part of the QA.

The LSP is to scan all supporting or supplemental documentation needed to determine eligibility or process an application. This includes all written communications. Notes are to be made for all actions the LSP made on behalf of the client. This includes but is not limited to contact with the client him/herself, 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.

When using the simplified recertification policy, LSPs must rescan or re-upload all relevant eligibility documents from a prior year application file. For simplified recertification, only the application form and the utility bill will need to be current.

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 assure 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 is strongly encouraged to maintain an electronic or hard copy of the application as a backup outside of the statewide database for three (3) years following program closeout or the last action taken on applicant files for a given program year, whichever is later.

5. EAP Application Processing

The LSP or its subcontractor must provide an application to anyone who requests one and accept an application from anybody who wishes to submit one. Pursuant to Assurance 8, nobody may be denied the right to receive or submit an EAP application. The LSP will review and determine EAP eligibility based on information received from the applicant and the LSP's available budget.

EAP and Weatherization Assistance applications have been combined to ensure that clients with the highest heating costs but lowest income are referred to Weatherization services. Any household whose application indicates that weatherization services are needed, such as indicated by a high point total on the current program year Benefit Matrix scale, must have the application and copies of the income verification passed on to the Weatherization department of the LSP. Each LSP must identify a weatherization referral on the EAP application and in 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), or through the online portal. IHCDA must be informed of all local application sites, addresses, phone numbers, and times of operation. This information is to be included in the LSP's Subgrantee Plan Packet submitted to the

Community Programs Analyst. If any of this information changes after the initial report, the LSP must inform IHCDA.

For the purposes of this policy manual, applications submitted by postal mail, e-mail, any other delivery service, through the online portal, by facsimile, by proxy, or by any other method that does not involve a face-to-face interview with an intake staff shall be considered a “mail-in.”

- Federal regulations mandate that walk-in sites be available for those clients who need crisis assistance, intake services, or help with completing their application. These sites must be available from the start of the program. IHCDA requires LSPs to operate at least one walk-in site in each county that they serve for the complete EAP application period. This site can be operated by the LSP itself or through a partnership with another community organization.
- In order to reach those clients who did not apply during the previous EAP year, LSPs are strongly encouraged to conduct outreach so that information is made available throughout the community explaining the process, including all walk-in sites and methods of application.
- 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 mechanism to communicate orally with people with LEP.

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: Fourteen (14) calendar days of the application's completion.
- For mail-ins: Fifty-five (55) calendar days of application date. This time frame starts on November 1. Any application received before November 1 would have to be processed within 55 calendar days of November 1.

Dates are defined as follows:

- Application 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.
- Completed mail-in applications received before November 1 should be assigned the date received, not the program start date.
- Completion date: The date when all required documents have been submitted and the LSP has verified that all information is correct. Applications should not be processed prior to receiving all information required to determine eligibility.
- LSPs should record in statewide database the date that the application was received, the date that request for more documents was sent if the application is incomplete, and the date of completion. Application dates in the database should not

be changed. LSPs should ensure that a clear trace of the application's timeline is recorded, especially in cases in which a household reapplies.

- Recommended best practice is to date-stamp every page of every document when it is received in order to clearly show the timeline and how date determinations were made.

All eligible benefits must be assessed to the applicant within the timeframes listed above (i.e., benefit eligibility must be determined upon completion of household eligibility determination). Households must be notified in writing of their approval or denial and the amount of their benefit. If the applicant is approved, he or she will receive a letter stating the amount of the benefit. All status notification letters must be included in the client's file. Notification letters may be sent via postal mail, or may be sent electronically if an applicant household has provided an e-mail address and consented to notification via e-mail.

The LSP must ensure that applications are complete and that all applications are signed and placed in the applicant file. A household application may be approved only one time during the heating season.

The EAP Application includes a release of information disclosure for all applicants.

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 all of the benefit during monitoring. LSPs must enter all applications into the statewide database.

5.2 Mail-In Applications

According to LIHEAP regulations, states are required to conduct outreach activities that will assure that eligible households, especially at-risk households, are made aware of available assistance. LSPs should serve these households through a mail-in process, which allows eligibility to be determined without a face-to-face interview.

Client households from the previous year that are identified as at-risk must be sent a mail-in application packet. All LSPs are to include all of the at-risk 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 PY 2023 to their at-risk populations beginning August 22, 2022. This is done to alleviate the congestion at the start of the fall appointment period. Completed applications for the PY 2023 program may be entered into the statewide database beginning September 19, 2022. Applications may be made available to non-at-risk households beginning October 01, 2022.

No transmittals are to be generated or sent to the utility vendors prior to November 1, 2022. Applicant Notification letters for approved or denied households are not to be sent prior to November 1, 2022. Applicants who submit an incomplete application can receive a notification of their incomplete status as soon as it has been determined.

Incomplete applications are not to be put into denied status prior to November 1.

All LSPs are strongly encouraged to have a generic email inbox where clients can send applications and upload documents or photos of documents.

5.3 LSP Employee or Sub-Contractor Applications

Any applicant household that includes an LSP staff member, governing board member, sub-contractor, or relative of any such member must be received and processed by the Program Manager or an appropriate supervisory-level designee and 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 should have their file reviewed and approved by a designated member of the LSP's governing board or a board committee.

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

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

LSP staff or relatives receiving benefits must undergo quality assurance (QA) 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 documented in the statewide database and must be completed prior to transmitting benefits to the utility providers.

LSPs must indicate in their Subgrantee Plan Packet any appropriate designees to fulfill the above requirements.

5.4 Application Packet

LSPs must use the state-wide application (see ***Form APPL-2023 – Statewide Application*****),** which may be obtained from the Community Programs division upon request. Subgrantees must add their agency name, logo, and contact information to the application prior to distributing to the public. The application must be accompanied by the 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 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.

IHCDA also recommends that LSPs consider including:

- Their own internal cover letter, advising applicants of their processes or return instructions or guidance for notifying agency if they go into crisis
- The ***Form LLA-2023 – Landlord Affidavit*** form (for clients with utilities in rent only)
- The ***Form DBPE-2023 – Direct Benefit Payment Election*** form (for clients with utilities in rent or biofuels only)

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

Incomplete Applications

An application is considered incomplete if the household fails to provide all documentation necessary to complete the client eligibility review, fails to complete all required fields of the application, provides documentation that is illegible or insufficient, or otherwise does not provide the LSP with the information needed to properly complete an eligibility review. Even though an application is incomplete, the LSPs must enter it into the statewide database.

Note that incomplete status is only used for items that are relevant to the eligibility review. An application is not, for example, to be deemed incomplete if the only thing that is missing is a utility bill, which is part of the benefit review following eligibility review.

The household must receive a written notice identifying items that need to be submitted to complete the application and a timeline for submission. The letter must indicate that the file will be denied if the items are not submitted within 14 calendar days. The incomplete letter must be in the client's file.

LSPs may inform the applicant of the incomplete status via electronic notification or a telephone call, but LSPs must also send out the incomplete letter through postal mail or e-mail, or hand a copy of the letter to the applicant if the applicant is physically present.

Applicants who do not submit the required information within 14 days will have their applications denied by the LSP. The denial letter will specify that any appeals must include the requested information in order to be taken into consideration. Alternatively, applicants may submit a new application with updated income information 55 days following their previous application, based on the date the LSP received the application.

At the end of the heating season, LSPs must change the application status of any remaining outstanding applications from *incomplete* to *denied* since the application was not processed.

Homebound clients who are unable to complete the mail-in application should be followed-up with a home visit. If a home visit is not feasible, an application may be completed by phone as detailed in section 4.1.

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 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 his or her 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 files.

5.5 Client Appeals

Applicants may appeal any eligibility determination with which they do not agree, including a denial, or the perceived failure of an LSP to take action 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 households whose assistance has been denied. 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 on the Applicant Denial Form.

Step One: The client must send his or her 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 must be uploaded to the statewide database and notes entered into the statewide database, and IHCDA's Community Programs Manager must be notified of denied appeals.

Step Two: If the applicant is not satisfied with the LSP's determination, he or she may request formal review by the State, but it must be submitted in writing. 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 reviews the materials submitted and issues a written finding to the applicant and the LSP, based on the documentation submitted within fourteen (14) calendar days of receipt. If an applicant needs assistance with this procedure, he or she may call IHCDA.

Step Three: If the applicant is still not satisfied, he or she may appeal to IHCDA's Director of Community Programs. The applicant must request this appeal within thirty (30) calendar

days of being notified of IHCDA's Community Programs Manager's decision. IHCDA alerts the LSP of the pending formal review. Requests for a formal review should be sent to the attention of the Director of Community Programs.

The request for review must include the stated reasons for the Applicant's objection to the decision, which reasons must be based solely upon evidence supporting one (1) of the following circumstances:

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

The Applicant receives written acknowledgement of the request within seven (7) calendar days of its receipt, noting the day the request was received. The Director of Community Programs has thirty (30) calendar days from IHCDA's receipt of the written request to review the file and make a determination. The decision of the Director of Community Programs is final. At the time of the formal review, the benefit in question will be considered as obligated until the appeal is resolved. If the formal review is successful, the LSP will pay the benefit amount to the appropriate household or vendor. If the formal review is unsuccessful, the funds will revert to the program.

5.6 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. This data is required by Health and Human Services (HHS) for all states. 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 household (those with a high burden) 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 energy usage reporting which is submitted to HHS annually.

In order to obtain Performance Measures Data, LSPs should collect and enter into the statewide database the below data during the intake process whenever possible:

- Households who do not have service because they are disconnected or received a disconnect notice.

- Households who do not have service because they are out of fuel or have less than 25% filled.
- Households who do not have service because they have inoperable equipment.
- The name of the electrical provider if electricity is not the main heating source.
- The annual cost of electric and heating bills, if possible.

This information is used to calculate the average annual energy use by household to ensure that EAP benefits are distributed to clients with the highest energy burden.

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. Intake 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 shall make notes in the EAP database when accepting documentation that may be considered less than ideal.

In order 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. If an application is incomplete, and time passes between the date the application was received and the date the application is complete that makes the income documentation out-of-date, the LSP must use the date the application was received in order to avoid having to collect new income information again.

The statewide database will treat this three-month income as a representative sample, and will multiply the three-month income by four in order 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:

- 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
- Self-employment documentation (tax forms or self-declaration)
- W-2s for the previous year's wages. This documentation can be used by itself only for applications in the month of January of the current heating season. Use Box #1.

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

Paystubs

In order to promote consistency in how we collect and calculate income across the state, as well as to reduce the burden on applicants, LSPs are strongly encouraged 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. Beginning in PY2022, IHCDA defines the income eligibility period as three (3) complete months, or thirteen (13) weeks. IHCDA has developed a spreadsheet that will automatically calculate 13 weeks of income from a single representative sample paystub. Agencies may also use the YTD aggregate pay information from the end of the most recent complete months to calculate the payment for the most recent 3 complete months.

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 shall not manually subtract deductions to determine federal taxable gross if it is not supplied on the paystub.

To calculate the pay for 13 weeks, intake is 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 spreadsheet will use this information to extrapolate how much income was earned during the past 13 weeks.

To calculate using the three most recent complete months, intake shall use either the last pay stub for the most recent complete month, or may use the first paystub from the current month and subtract the current pay from the YTD in order to extrapolate the information at

the end of the most recent complete month. Intake is then to divide the YTD gross by the number of months included in the YTD aggregate (e.g., a November application using pay information from the end of October would use 10 as the denominator, assuming the applicant has worked at the job since January) and multiply this figure by 3 to determine the three-month income.

Special circumstances:

- For applicants who apply during the month of April, the YTD gross or YTD federal taxable gross from the end of March may be accepted as three-month income without any further calculations.
- If an applicant applies at the end of the month and provides a paystub for the current month and, based on the pay schedule, it can reasonably be assumed that they will not receive any more pay that month (e.g., an applicant with a two-week pay period applies on October 22 and supplies an October 20 paystub, and it can be deduced that the next paystub will be received on November 03), the current month may be considered a complete month so long as there are no other sources of income in the household expected to generate further income for the current month. (i.e., if the applicant has a roommate with a weekly pay schedule who also supplies an October 20 paystub, and it is deduced that the roommate can expect another paycheck on October 27, this household will be ineligible to consider October a complete month).

Incidental, 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 Income Affidavit. The first section allows applicants to self-declare income if there is no documentation for this income, see ***Form IVA-2023 – Income Verification Affidavit.***

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, his or her 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 self-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:

- 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
- 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.
- 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.

The 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 Income Affidavit. If other household members are listed on the application and are not part of the Schedule C or do not have a 1099 and are claiming no income, however, they must complete an ***Form IVA-2023 – Income Verification Affidavit***.

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 on 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 of time during which he or she is 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, 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 times three (3) to get the income for the last three (3) months. Tax Form 1099 for the previous calendar year is acceptable in the first four months of the current calendar year.

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 it was received by the household.

For example, the principal 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 compounding into the account.

Gambling Winnings, Awards
Winnings from any source of gambling or gaming is 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 similar to 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 similar to 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 the purposes of 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 an ***Income Affidavit***.

The Social Security Administration sends SSA-1099's each January to everyone who receives Social Security benefits. 1099s are eligible documentation from January 1 – April 15. They show the total amount of benefit in the previous year and is used for tax purposes. Several versions of the 1099 are used, depending on the nature of the income transaction (i.e. SSA-1099-SM). Social Security beneficiaries can obtain replacement SSA-1099 form or other versions from *My Social Security* account at www.socialsecurity.gov or by calling 1-800-772-1213.

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

- 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

- The most recent 1099 tax forms. If the income is calculated using the tax form, then the LSP should use the *amount paid for the current year or amount paid via check or direct deposit* and then calculate the income for the most recent 3 month period.
- 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.

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 are 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 gross benefit.
- 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 added in to calculate the client’s gross income.
- 1099G from the DWD showing the previous year’s draw of benefits.
- 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 would be such things like 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 his or her 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. 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 he/she is 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 IVA-2023 – Income Verification Affidavit*** 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, 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.

Sale of Property
Any money realized as a result of the sale of personal property, regardless of whether the property in question is real estate or chattel, and regardless whether a net profit is realized as a result 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
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 similar to 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 as a result 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 female 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 excluded as income. Some of the other assistance program benefits that are not included as income are as follows:

- **TEFAP**
  The Emergency Food Assistance Program (TEFAP) the value of federally donated food commodities acquired through price support operations for school lunch programs or for distribution to needy individuals 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 are 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 child care provider as a form of payment for providing child care, 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 (Food Stamps)**

Supplementary Nutrition Assistance Program (SNAP) benefits, formerly known as food stamps, provided to a household or any of its members is excluded.

- **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 oversee 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 or 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, child care, 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 the EAP.

6.3 Applicants with Zero Income

Households in which any adults declare zero income for any or all of the previous three (3) months are required to complete a ***Form IVA-2023 – Income Verification Affidavit*** for each applicable member. Each person age eighteen (18) or over who is not a full-time student and claims zero income must provide a description of how he or she 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 a priority in case management services offered by the LSP under EAP Family Development or other programs. The income affidavit 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.

6.4 Drastic Loss of Income

If a household is originally over the income threshold, but indicates that there has been a drastic change in income due to the sudden loss of earnings within the three (3) months prior to application, the client is within the drastic loss period.

Examples of drastic loss may include, but are not limited to, plant or business closing, company downsizing, or lost employment income due to a medical condition that prohibits employment. Note that this does ***not*** include:

- Difference between an individual's part-time wages and what the person would have received for full-time wages
- Regular self-employment income (full time or main income source)
- Irregular self-employment income (part-time/occasional side work)

This policy does not apply to applicant household members who lose employment income due to voluntary resignation of their employment or involuntary dismissal for cause.

Income Calculation
Intake workers should treat these clients as having zero income, but the rest of the household income should be calculated as laid out in the manual and any other guidance issued by IHCDA.

Documentation
LSPs shall request the applicant provide a statement from the employer, union, or workforce development that the person's employment has been terminated or interrupted. If the client is unable to provide this, the agency should make an attempt to verify and document through other means. A ***Form IVA-2023 – Income Verification Affidavit*** is to be completed.

Public Health Emergency
If a state or national public health emergency is declared and said public health emergency has a widespread impact on employment earnings, IHCDA may use its authority to issue additional guidance and alter the Drastic Loss of Income policy in order to appropriately address the circumstances. Such guidance will be issued to the LSP network and posted on IHCDA's website.

7. Crisis Assistance

The LIHEAP statute requires that states reserve a reasonable amount of funds each fiscal year for crisis intervention. 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.

A Federal crisis benefit can be provided at the time of application for households whose regular heating benefit cannot assure service (regulated utilities) or guarantee delivery (bulk fuel). The LSP must use Crisis Assistance funds to alleviate crisis when it is appropriate. Crisis assistance must guarantee continuation of service. As long as continuation of service is guaranteed, the client can receive a crisis benefit. 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.

If crisis funds cannot guarantee continuation of service, then EAP funds must not be offered.

Although clients receive moratorium protection between December 1 and March 15, LSPs must extend crisis benefits consistently throughout the entire heating season, including the moratorium period. Clients who have already received a Federal crisis benefit are allowed to return for an additional crisis benefit once per program year per utility if there is a new documented crisis, as long as the household has not yet reached the maximum crisis amount per application.

7.1 Crisis Benefit

Crisis benefits may be applied if the household owes money on the heating and/or electric source. 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:

	Federal EAP Crisis	Calculation
Regulated utility	Up to $500	The client will present a utility bill
Propane, LP gas, Fuel Oil, Wood, wood pellets, biofuels, corn, coal	Up to $500	The benefit is to be automatically applied to the utility at the time of initial application in order 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. As long as 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. Intake is 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 November 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 may contact the utility vendor to obtain a copy of the billing statement. In general, the intake should take care 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 is to obtain an updated copy of the utility billing statement from the applicant or the vendor and apply crisis funding accordingly.

Clients can receive a crisis benefit twice on each utility as long as the maximum allocation has not been met (at the time of initial application and one more time). If the client does not qualify for crisis at the time of application, they may return once per utility for crisis if

they experience an energy emergency after eligibility determination. This means that clients with separate heat and electric utilities may potentially return twice for additional crisis benefits, while clients in total electric households may only return once.

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 $500 in crisis funding per household, 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 until and 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, the household must provide a utility bill with a disconnect amount or verification from the utility company that the client is up for disconnect. The LSP must show in the client file how the crisis award was determined. 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.	$400.00	Yes – the client gets a regular and crisis benefit. If the client's regular benefit is $400, then $500 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.	$400.00	Yes – the client gets a regular and crisis benefit. If the client's regular benefit is $400, then $500 crisis will be given.	No
Client owes $1,000, but the energy company will continue service if $400 is paid.	$400.00	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 $400, we will award $400 in crisis, and the applicant will have $100 remaining if they find themselves in disconnect again.	No

Client owes $2,000, and the energy company will disconnect unless the entire $2,000 is paid. The client is applying on March 18th.	$400.00	Yes – if the client can find resources to cover the difference between our benefit and the amount owed. The LSP must show documentation that the difference has been paid through documentation or notes in the state-wide database.	Yes – the client has to pay whatever is not covered by the EAP benefit in order to get the benefit. Note that if the client was applying during moratorium, however, continuing service would be guaranteed.
The client owes $600, but is only one month behind on the bill. The energy company has not issued a disconnection notice.	$400.00	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

The benefit may not be applied to that portion of a household's utility bill which is in arrears over one year from October 1st of the current program year. For example, for the program year starting October 1, 2022, the EAP benefit may not be applied to bills accrued before September 30, 2021.

The LSP EAP Manager may waive this rule, however, if he or she feels there is a good reason for the arrearage. The reason for the waiver must be documented in the client case file.

7.3 Crisis for Limiters, Meters 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 ***Utility Affidavit***.

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.

Vendors 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 may be a breach of Indiana Code: 8-1-2-121.

Budget Plans and Payment Arrangements
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 his or her utility. Because the account is always prepaid, it will usually have a 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 $500 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 services to the household to secure additional funds. These services include referrals to other sources of utility assistance, intervention on behalf of the family with utility vendors, providing budget counseling with an emphasis on maintaining rent and utilities.

- Case Management. For more extensive intervention with the family, 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 should be referred to receive EAP Energy Education.

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)
- 2nd 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 may not 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-2023 -Energy Assistance Program Benefit Matrix.*** 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 4-8 based on where the household falls on the following charts.

Category: Income Level Determination	Points Possible	Points Awarded
From chart	4, 6, 8	

SMI, as opposed to Federal Poverty Guidelines, will be applied for 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.

- For current guidelines, see: https://www.acf.hhs.gov/ocs/policy-guidance/liheap-im-2022-04-state-median-income-estimates-optional-use-ffy-2022-and

- 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 2023 for a family of four (4) is $89,193. Sixty Percent (60%) is $53,515.

INCOME MAXIMUMS Less than 30% of SMI: 8 points			
Persons in family/household	1 month Less than 30% of SMI	3 months Less than 30% of SMI	12 months Less than 30% of SMI
1	$ 1,159	$ 3,477	$ 13,913
2	$ 1,516	$ 4,548	$ 18,195
3	$ 1,873	$ 5,619	$ 22,476
4	$ 2,229	$ 6,687	$ 26,757
5	$ 2,586	$ 7,758	$ 31,038

6	$ 2,943	$ 8,829	$ 35,319
7	$ 3,010	$ 9,030	$ 36,122
8	$ 3,077	$ 9,231	$ 36,925
9	$ 3,144	$ 9,432	$ 37,728
10	$ 3,210	$ 9,630	$ 38,530

INCOME MAXIMUMS Between 30% and 45% of SMI: 6 points			
Persons in family/household	1 months 30% to 45% SMI	3 months 30% to 45% SMI	12 months 30% to 45% SMI
1	$ 1,739	$ 5,217	$ 20,870
2	$ 2,274	$ 6,822	$ 27,292
3	$ 2,809	$ 8,427	$ 33,714
4	$ 3,344	$ 10,032	$ 40,136
5	$ 3,879	$ 11,637	$ 46,557
6	$ 4,414	$ 13,242	$ 52,979
7	$ 4,515	$ 13,545	$ 54,183
8	$ 4,615	$ 13,845	$ 55,387
9	$ 4,716	$ 14,148	$ 56,592
10	$ 4,816	$ 14,448	$ 57,795

Income Maximum 45% to 60% of SMI: 4 Points			
Persons in family/household	1 Month 45% of 60% of SMI	3 Months 45% of 60% of SMI	12 Months 45% to 60% of SMI
1	$ 2,318	$ 6,954	$ 27,827
2	$ 3,032	$ 9,096	$ 36,390
3	$ 3,746	$ 11,238	$ 44,952
4	$ 4,459	$ 13,377	$ 53,515
5	$ 5,173	$ 15,519	$ 62,077
6	$ 5,886	$ 17,658	$ 70,639
7	$ 6,020	$ 18,060	$ 72,245
8	$ 6,154	$ 18,462	$ 73,850
9	$ 6,288	$ 18,864	$ 75,456
10	$ 6,421	$ 19,263	$ 77,061

8.4 Dwelling

Dwelling points are awarded based on the relative cost of heating 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 the primary heating utility.

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

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

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 (Kerosene, LP Gas, Oil, Coal), Wood, Wood Pellets, Corn, Biofuels	12	
Natural Gas	3	
Electric	3	
Any fuel source in which heating costs are included in rent	0	

Award twelve (12) points if the household heats with one of the bulk fuels (kerosene, LP gas, oil, coal, or pellets), wood, wood pellets, corn, or biofuels.
Award three (3) points if the household heats with natural gas.
Award three (3) points if the household heats with electric.
Award zero (0) points if the heating costs are included in the rent, regardless of fuel type.
Maximum points are eleven (11).

8.6 At-Risk

The At-Risk households for the Energy Assistance Program include the elderly (60+), individual with a disability, veterans, and households with children five (5) years old or younger.

Category: At-Risk	Points Possible	Points Awarded
Elderly (60+), individual with a disability, veterans, and/or children five (5) years old or younger.	4	

Award four (4) points only if the household has a member who fits one of the At-Risk factor definitions. Households only need to have one member fall into one category to be considered at risk. Households only have to provide documentation on one factor to receive At-Risk points. Maximum points are four (4).

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. That is why the program adds $150 for the electric utility in the benefit matrix.

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.

8.8 Household Eligibility vs. Benefit Eligibility

The LSP Intake staff must take care to observe the distinction between household 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 LIHEAP 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).

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.

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, or is already out of deliverable bulk fuel or is about to run out of deliverable bulk fuel. The household must provide a utility bill with a disconnect amount or verification from the utility company that the client is up for disconnect. The allowable crisis benefit is the actual amount

needed to maintain or restore service, up to the maximum crisis benefit of $500 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, up to $500. 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 $1,000 in crisis funding for the electric utility. The LSP, however, must take care to code a maximum of $500 of the benefit to electric and $500 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. The LSP may refuse 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.

> Example: A total electric home earning 8 points would be awarded $350 (8 x $25 = 200, plus the flat electric benefit of $150). They present a disconnect notice of $175.00. They would receive $175 in crisis benefits and $50 in regular benefits for a total benefit of $525.
>
> Example: A total electric home earning 8 points would be awarded $350 (8 x $25=200, plus the flat electric benefit of $150). They present a disconnect notice of $945.00. They would receive $945 crisis + $350 for a total of $1,295. 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. Intake worker must make notes in the statewide database.
>
> Example: A total electric home earning 8 points would be awarded $350 (8 x $25=200, plus the flat electric benefit of $150). They present a disconnect notice of $1,500.00. They would receive $1,000 crisis + $350 for a total of $1,350. The utility company states that it needs the entire $1,500 for the client to remain connected. Customer would need to provide documentation showing the remaining $150 has been paid before benefit can be released.

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 $500 in federal crisis benefits to assist with the delivery costs associated with these heating fuels.

This crisis benefit should be awarded in its entirety up-front at the time of application. No applicant self-declaration of crisis in 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.

Benefit Matrix Points

Category	Maximum Points	Minimum Points
Income Level Determination	8	4
Dwelling Type	2	0
Fuel Source	12	0
At-Risk population	4	0
Total	26	4

Benefits	Maximum Benefit	Minimum Benefit
Total Points X $25	$650 (26 pts)	$100 (4 pts)
+ Electric	$150	$150
Total Regular EAP benefit	$800	$250
+ Crisis EAP	$1,000 ($500 per utility)	$0
Total EAP Benefit	$1,800	$250

Calculating the Benefit:

1. Add all of the points in each category for the Total Points. Multiply that amount by $25 per point and enter the subtotal.

2. Add $150 for the electric benefit (already on the form).
   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, the household is not eligible for the electric benefit.

3. Enter the amount of Crisis benefit when applicable.

4. Add the amount of the 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 in excess of $500 on one of the regulated utilities at the time of the application, that utility will not be eligible for assistance until the credit balance is under $500. Once the credit balance is under $500 the client can come back and request the benefit if he or she meets the other program requirements.

If the client has a credit balance on the unregulated utilities in excess of $750 at the time of the application, that utility will not be eligible for assistance until the credit balance is under $750. Once the credit balance is under $750, the client can come back and request the benefit if he or she meets the other program requirements.

Benefits for accounts with excess credit balances may not be waived to the other 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), however, 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. They may also be evaluated for Emergency Repair and Replace services if they are homeowners and meet at-risk 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.

9. Additional Emergency Benefits

Emergency Services (ES) and Emergency Repair and Replace (ERR) 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 combined emergency benefits.

9.1 Emergency Services

Additional Emergency Assistance

Clients (both renters and homeowners) who are seeking an additional crisis benefit due to an emergency situation are eligible for up to $1,000 in benefits for emergency services or additional crisis benefits. For example, if a client needs an additional $800 for additional crisis during extreme cold to prevent a utility disconnect, the client would get $800. The ES benefit is a one-time benefit.

When can Emergency Services be Used?
ES can be used for alleviating an emergency energy crisis. LSPs must determine if each household who presents a crisis situation is eligible for additional emergency funds on a case by case basis. Examples of emergencies include, but may not be limited to:

- Natural disasters such as floods, tornadoes, or other catastrophic weather events when clients incur additional fees or need to use large amounts of energy in order to run utilities more than normal.
- Extreme cold weather conditions when clients have already used their heating and crisis benefit and need an extra benefit. In general, extreme conditions should be linked back to documented severe weather events declared by the National Weather Service or an appropriate state, county, or municipal official.
    - Note that the Emergency declaration must specifically relate to extreme weather conditions causing health and safety concerns, and not to travel advisories or restrictions related to snowfall or ice accumulation.
- Documented medical emergencies explicitly requiring the use of electrical medical equipment in the home.
- Please note that having a large disconnect bill due to continued nonpayment prior to a natural disaster or severe weather event does not in itself constitute qualification for this benefit.

Emergency Services funds should only be awarded within 30 days of the documented emergency event.

If an LSP has any questions about the use of Emergency Services funds and when they are appropriate, they are strongly encouraged to contact IHCDA for guidance and consideration.

Documentation
Documentation of the disaster or emergency event, as well as justification for the amount of assistance awarded, is required. This documentation may include documentation of an emergency situation, or authorization from IHCDA, and documentation of the method used to determine the amount to the benefit. These documents must be uploaded into the statewide database in order to completely support the additional emergency assistance claim.

9.2 Emergency Repair and Replace

Furnace or Wood Stove Emergency Repair and Replacement (ERR)

Clients (homeowners only) can get up to $7,000 for repair or replacement of their heating sources. Alternatively, LSPs may choose to operate the program ensuring that the average benefit per household is maintained at $7,000 or less, waiving the $7,000 per household cap. Program and fiscal monitors will select client ERR files over $3,000 for review during monitoring. All LSPs are expected to either administer this benefit or to partner with another entity to administer this benefit on their behalf. LSPs must indicate in the Subgrantee Plan Packet whether they will administer the ERR program directly or partner with another entity in order to provide this service, and whether they will implement a $7,000 per household cap or maintain a $7,000 per household average. If an LSP chooses to use the average benefit method, the LSP must develop a tool to track its benefits and ensure it is maintaining the average benefit level of $7,000 or less.

Who can get ERR?

Clients applying for ERR must have at least one person in the household who is part of an at-risk population (elderly, children, veterans, or disabled, see definitions Section 8.5). LSPs may request an exception from the EAP Manager to provide ERR to non-at-risk clients. Applicants must present an emergency situation such as a furnace that no longer works between November 1 and March 15. Furnaces that do not work from March 16 to October 31 do not constitute an emergency unless extreme weather is present, and are not eligible for assistance during that timeframe. Only homeowners are eligible for Emergency Repair and Replace of a heating source. An applicant may not receive an ERR benefit and decline Weatherization Services. 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.

Contractors

LSPs can use its weatherization staff or an agency approved contractor to conduct repairs or replacements on heating systems. LPSs are to create a list of acceptable contractors who they have worked with for ERR. Only contractors on the list are allowed to perform ERR services. When using contractors to perform an assessment rather than the LSP's own Weatherization staff, the contractor that performed the assessment is not eligible to bid on completing the actual work. This is to improve program integrity and to remove a potential conflict of interest.

- 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 submit to LSP a completed W-9 Request for Taxpayer Identification Number and Certification Form, which can be downloaded from the U.S. Internal Revenue Service website.
- Contractors must be licensed as required by pertinent laws, ordinances, regulations or codes.
- Contractors must be well trained in the proper furnace installation.
- Contractors must be able to perform pressure checks when required.

- 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.
- Contractors must meet the following minimum insurance coverage requirements:
    - Property damage: $50,000.
    - Bodily injury and liability: $1,000,000.
    - Basic workers compensation.

Assessment

ERR is allowable for primary furnaces and wood stoves if there is no redundant heating system. The intention of ERR is to restore heat when heat or systems no longer function.

- For repairs/replacements under $1,000, no assessment is necessary. The LSP only needs to review what repairs/replacements will be done with the contractor.
- For repairs/replacements over $1,000 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 inhabitable, and the assessment should take into account general standards. The LSP reviews the contractor's assessment and notes to determine if a repair or replacement should be done.
- The reason for the repair or replacement (Scope of Work) is to be documented within the assessment.
- 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.

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

- The repair/replace 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.
- Non-traditional heating source may be replaced with ERR funds if it is not redundant or excessively expensive. Examples include: heat pumps, outdoor biomass furnaces/boilers, radiant floor, renewable resources, and fireplace inserts.
- ERR electrical repairs outside of 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). This includes routine maintenance measures.
- 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 being used to provide heat.

Repairs

- Repairs must meet code and be completed in a professional manner.
- If a 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.

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 nor 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-2023 – Client Consent/Release of Liability Form***). This form is a release of liability and waiver of claims for IHCDA and the LSP.

Clients are only eligible for an Emergency Repair once per year. Clients are only eligible for an Emergency Replacement once every 10 years at the same address.

The applicant or client is not to be made responsible for arranging for 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.

Documentation
Required documentation includes:

- proof of homeownership (this may be a printout from the county 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)
- an invoice from the repair or replacement
- 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
- documentation of warranty for labor and materials
- assessments (when an assessment has been completed)

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.

If an LSP chooses to waive the $7,000 per household cap in favor of using an average benefit, the LSP must document how it is tracking its benefits and ensuring this average is maintained and include this documentation with its claims. This documentation must also be shared with IHCDA upon request.

If an LSP or a contractor feels that there is a compelling health and safety issue to replace an otherwise functioning furnace 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 furnace indicated as functioning during the assessment may result in a monitoring finding.

10. Statewide Database

Chapter forthcoming.

11. Weatherization

The Weatherization Assistance Program (WAP) is a federally funded program through the U.S. Department of Energy (DOE) and Health and Human Services (HHS) through LIHEAP.

- Households with income up to 200% of poverty for DOE and LIHEAP 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.
- Clients with no income being referred to the Weatherization Assistance Program must complete a ***Form IVA-2023 – Income Verification Form***, which must be notarized after completing the referral.

LSPs may still pull waitlists from IWAP or the reports from the statewide database based on points, in order to contact high-need clients. All referrals must be taken into account for weatherization.

Weatherization Program Management
All weatherization work must follow the Department of Energy (DOE) rules and regulations unless exceptions are specifically stated in the policy manual, grant agreement, and/or program guidance. Please refer to the Weatherization Policy Manual for further information.

12.Related Programs

12.1 The USP (Universal Service Program)

The Universal Service Program (USP) is the result of an agreement among Vectren Energy Delivery of Indiana and Citizens Energy Group in Indianapolis, the Indiana Office of Utility Consumer Counselor, the Citizens Action Coalition of Indiana, the State of Indiana, and a group of manufacturing and health providers. The USP (Universal Service Program) was renewed in May 2014 and will be renewable through the year 2020. USP is a program for Indiana gas customers and provides a monthly discount on residential gas charges during the heating season. By enrolling in the Energy Assistance Program, customers are automatically enrolled in USP. The monthly discount for Vectren customer is 15% to 32% of the total bill (not including EAP benefits) and is applied from December, or upon receipt of transmittal indicating the client qualifies, through May 31. For qualifying Citizens customers, monthly bill reductions will range from 10% to 32% of the total bill (not including EAP benefits).

To qualify for USP, a client must meet the following criteria:

- Enroll in and be eligible for assistance from EAP.
- Must have residential gas heating.
- Must reside at the service address.
- Must have only one account in the client's name.

The USP will also provide additional funding to Vectren and Citizens customers in the form of crisis assistance programs, which targets qualified low-income households that need additional help to get reconnected and/or maintain heat throughout the winter. The programs will provide assistance to households up to 200% of the poverty level who might not otherwise be available for traditional assistance.

12.2 CARE Program (NIPSCO)

NIPSCO's Customer Assistance for Residential Energy (CARE) discount program provides bill reductions in addition to applying EAP benefits for customers falling within 150% of federal poverty guidelines. Once approved for EAP, customers are enrolled in the program by NIPSCO and reductions range from 11% to 26% (not including EAP benefits), depending on the same criteria used by the state in determining the level of assistance through EAP. The monthly discount will be applied starting December 1 and will continue through May 31. If a client applies for EAP after December 1, the discount will be applied on the first bill after program enrollment.

12.3 Lifeline for Affordable Communications

The Lifeline program provides a discount on phone service for qualifying low-income consumers to ensure that participants have the security that phone service brings, including being able to connect to jobs, family and emergency services The Lifeline benefit can lower or eliminate the cost of monthly phone or internet bills. The Lifeline

program is available to eligible low-income consumers. Approved EAP households qualify for Lifeline.

To participate in the program, subscribers must either have an income that is at or below 135% of the federal Poverty Guidelines or participate in certain assistance programs such as Medicaid, SNAP (Food Stamps), SSI, or Section 8.

Information about Lifeline can be found at:
https://www.fcc.gov/general/lifeline-program-low-income-consumers or
http://www.lifelinesupport.org/ls/ or
http://www.in.gov/oucc/

13. IHCDA Training and Guidance

13.1 Annual EAP Training

IHCDA offers a training session annually on policy changes for the Energy Assistance Program, as well as other practical concerns and issues. Each LSP is required to have at least one representative present for all such sessions at these trainings each year. LSP representatives are required to remain in the training for the entire duration of all sessions. LSPs will be held responsible for knowledge of all information and guidance shared at these training sessions.

For PY2023, IHCDA will be hosting live training webinars to conduct the annual training. Videos of the sessions will be posted to IHCDA's partner website for LSP staff to view on demand on their own schedule. IHCDA will be offering at least one additional live webinar to host a Q&A session. All LSPs are expected to have participated in the live webinars or viewed the recorded videos prior to attending the Q&A session. Each LSP is expected to have a representative attend a Q&A session. The Q&A session will be recorded and made available on IHCDA's partner website for future review.

13.2 IHCDA Roundtables

IHCDA may occasionally organize and host roundtable events intended to update LSPs on the state of the Energy Assistance Program and to facilitate conversation, information-sharing, best practice sharing, or problem-solving discussion among LSPs within the network. When these sessions are held, each LSP is required to have at least one representative present for the entire duration of the event. LSPs will be held responsible for knowledge of all information and guidance shared at these events.

13.3 Written Guidance Updates

IHCDA may, as needed, occasionally share newly-developed or newly-updated guidance with the network electronically (e.g., through an e-mail correspondence or through an electronic newsletter). Whenever IHCDA issues guidance, either through an explicit policy update memorandum or as part of a periodic electronic newsletter, it is to be treated as an amendment or update to the information contained within this manual.

LSPs are responsible to integrate 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.

13.4 Additional Trainings and Meetings

In addition to the annual training session and the roundtables referenced above, IHCDA may occasionally offer additional meetings, usually narrow and specific in scope, or additional trainings on relevant topics. When these meetings or trainings are offered, LSP participation is recommended and encouraged, but attendance is not mandatory for all LSPs unless otherwise stated.

LSPs are encouraged to organize and hold regular meetings or teleconferences to help share best practices on overcoming common difficulties, problem solving, etc.

14. Program Operations

14.1 Internal Operations and Controls

This Intake and Operations Program Manual describes the LSP's minimum requirements for administering LIHEAP and minimum requirements but does not provide information about how such responsibilities are to be performed. As such, this manual is not intended to relieve the LSP of the responsibility to maintain its own internal policies and procedures regarding administration of LIHEAP, nor shall it replace such policies and procedures. Each LSP must have written policies and procedures that 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
  - Procedures for processing transmittals
  - 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 or 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 Subgrantee Plan Packet. These procedures will be reviewed during monitoring to ensure total 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.

Pursuant to this clarification of Internal Operations and Controls, IHCDA will expect all LSPs to bring their Internal Operations and Controls into compliance by PY 2023.

14.2 Quality Assurance Reviews

Each LSP is required to perform internal Quality Assurance (QA) reviews on a portion of their own applications. QA checks are to be performed by a staff member who did not have any part in handling or processing the original application. IHCDA strongly recommends that QA reviews are performed by a supervisor or manager, or by a QA department. Any errors found during internal QA reviews must be corrected internally, and the corrected file uploaded to the statewide database. Currently, IHCDA requires that an agency maintain a QA rate of at least ten percent (10%) of files, unless otherwise instructed as part of a Quality Improvement Plan.

QA reviews are to be performed within 45 days of the determination of application approval or denial. IHCDA requires LSPs to QA 100% of applications that involve a direct pay claim or any household member who is or is related to an agency staff member, board member, or subcontractor.

In general, LSP's Quality Assurance (QA) Reviews should check that:

- Client files reflect the purpose of the program, representing implementation and outcomes of EAP policies. Files should be transparent and show that the client has been served according to the program guidelines.
- Files are complete and clear to anyone reviewing the file, legible, and in IHCDA's requested order.
- Documents that require signatures are signed.
- Files tell the entire story of that applicant's EAP process.
- All information is safely stored and secured.
- The LSP has kept track of files that have been reviewed.

QA reviews check complete applications to ensure that the all information was processed accurately, including but not limited to:

- Completeness of the case identification information.
- Accuracy of the income computation.
- Points awarded correctly under each category.
- Points totaled correctly.

- The crisis benefit, if applicable.

When performing QA checks, LSPs are strongly encouraged to follow the below guidelines:

- A high sampling of reviews should be conducted on zero income claimants, self-employed, denied applications, and applications completed by new EAP intake staff.
- LSPs are to make notes in the statewide database to track QA reviews and monitoring, as well as any adjustments to benefits as a result of QA.
- After the QA reviews are completed, LSPs should compile a list of errors and use that information as a tool for future program training and development.

During the program reviews, the monitor and/or monitoring consultants will ensure that all LSPs are compliant with these rules. The ten percent (10%) of quality assured files must be maintained from the beginning through the end of the program year.

14.3 Vendor Notification

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

- The vendor must be notified of client eligibility once the application is fully approved by the LSP. The vendor is not to be notified prior to the benefit determination, unless notifying the vendor will allow the client to be tentatively eligible for moratorium.
- If the household is ineligible or is pending eligibility determination, an EAP benefit amount is not to be recorded on the application.
- Cities, towns, and municipalities 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. Clients should be advised to continue paying their utility bills according to their regular schedules.

14.4 Transmittals

EAP transmittals notify the vendor that a household is approved for a certain benefit amount. The transmittal and the EAP claim submission are automatically created in the statewide database**.** All EAP claims are to be remitted to utility vendors via transmittals within fourteen (14) calendar days from their approval date. Upon review and approval by utility vendors, transmittals are to be submitted to IHCDA for payment within seven (7) calendar days of receipt. All LSPs are strongly encouraged to adhere to a weekly schedule for submission of transmittals both to vendors and to IHCDA. This is because it is particularly important to have timely transmissions for EAP. In addition, certain programs, such as the Universal Service Program, provide a discount for EAP clients that only take effect once the transmittal is finalized, so timely submission of transmittals will maximize these benefits.

The transmittal must be sent to the vendor by electronic transmission (email). IHCDA no longer allows transmittals to be sent by post mail or fax unless those are the only methods the vendor is capable of accepting. LSPs must make an effort with each vendor to be able to use email to submit transmittals.

Transmittal Process:
EAP transmittals are generated by the LSP and sent to the vendor for review. LSPs must not provide sensitive information on the transmittal, such as the applicant's full or partial Social Security Number. If the vendor needs additional information, he or she must contact the applicant directly.

The vendor identifies any errors or changes. The returned transmittal from the vendor to the LSP should include:

- The approved or modified transmittal;
- The vendor signature page for electronic submission. Original or electronic signatures are not necessary on electronic transmittals.

The vendor signature on the EAP transmittal certifies that the vendor has acknowledged the EAP enrollment and credited or will credit the account (for regulated utilities) or delivered the fuel (unregulated). This will protect households with regulated utilities under the provision of the moratorium on disconnection from December 1st through March 15th.

LSP staff update information on the transmittal and update the client's case in the statewide database. The LSP should maintain a copy of the corrected transmittal.

Once the LSP makes corrections in the statewide database, the claim is submitted to IHCDA via statewide database. The LSP should submit claims within seven (7) calendar days of receipt of the signed transmittal.

- Once the transmittal has been submitted to IHCDA Online, no changes can be made. The LSP will need to send an overpayment remittance to make corrections. Quality assurance adjustments regarding household eligibility or benefit adjustment should be indicated in the statewide database.
- Utility vendors should anticipate transmittals for eligible clients no earlier than the first business day in November.
- Payment is processed in IHCDA Online. IHCDA is allowed 30 calendar days to process claims. The preferred method of payment is automatic clearinghouse (ACH), also known as direct deposit. Vendors may, however, request to receive paper checks.

14.5 Negative Transmittals

Any overpayments found during the internal QA process must be corrected in the statewide database (see 13.6, Corrections, Overpayments, Underpayments, and Refunds for more information). If a payment is due from the utility vendor for this

purpose, the negative benefit should be recorded. When the negative transmittal is run, the LSP must send to the vendor as normal. The LSP may not submit the negative transmittal to fiscal until the signature sheet is returned. If the vendor has not returned the sheet or the error is caught outside of the QA timeframe, the negative transmittal must be accompanied by a check from the LSP using unrestricted funds.

14.6 Corrections, Overpayments, Underpayments, and Refunds

Correcting Documents
If an error occurs on documentation, the LSP intake staff must make the correction, 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 QA 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 QA process to verify this amount. However, if the document was found to be missing during the QA process, the LSP could call the landlord to verify.

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

- If the error is detected by the LSP's internal QA 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, corporate funds. Federal funds such as LIHEAP Leveraging, CSBG, or other federal funds cannot be used (see Section 14.7, 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 transmittal 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, corporate funds. Federal funds such as LIHEAP Leveraging, CSBG, or other federal funds cannot be used. IHCDA will send a remittance for payment to the LSP.

Overpayment Notification
The LSP must send a written notification to the client stating that a portion or all of 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 a transmittal 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.

14.7 Benefit Transfers

If a client moves or changes utility vendors, he or she may request a benefit transfer. IHCDA can transfer the remaining benefit 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 his or her LSP for the credit within ninety (90) calendar days of closure of the account and complete a ***Form ADDR-2023 – 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-2023 - 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. If IHCDA does not have a check number, the benefit amount will not be transferred until that is confirmed.

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 the IHCDA's EAP and used to fund additional benefits for other clients.

14.8 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.

14.9 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 is the utility vendor confirms that the account is no longer scheduled to be closed and service will continue.

14.10 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. An LSP may, however, identify individuals as customers.

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 shut down when not in use. Computer passwords to 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 he or she chooses. In addition, if the client wants the application discussed with an authorized representative, he or she 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.

Records Retention

The LSPs are strongly encouraged to maintain a backup (electronic or hardcopy) of the application and supporting documentation outside of the statewide database. Hard copies of approved applications, denied applications, and incomplete applications are no longer required.

LSPs are strongly encouraged 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 hardcopy 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.

14.11 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, kerosene, or corn.

Vendors are not allowed to deduct sales tax from the LIHEAP 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 should 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)/check) 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. To reference IRS tax forms, please see https://www.irs.gov/forms-pubs.

IHCDA facilitates the MOA directly with all existing vendors from the previous program year. Because the MOA is completed in a paperless format with digital signatures, LSPs should not provide a blank copy of the MOA to any new utility vendors or vendors who otherwise do not have an active MOA. LSPs should send an e-mail connecting the vendor representative and liheap@ihcda.in.gov in touch with each other so that the MOA process may be initiated.

14.12 Biofuel Vendors

As of PY2020, IHCDA no longer enters into MOAs with wood, coal, pellet, and other biofuel vendors. LSPs may choose to enter into direct MOAs with biofuel vendors who deliver to clients in their service areas.

Approved EAP clients who heat with one of the above biofuels may choose to receive a voucher to redeem with one of these approved vendors, or they may choose to receive a check for the value of their heating benefit in order to purchase heating fuel on the free market.

Memorandum of Agreement

If an LSP has one or more biofuel vendors who serve clients in its service area that they would like to contract with, they may draft a Memorandum of Agreement. The MOA must, at a minimum, ensure that the vendor is complying with LIHEAP requirements as outlined in federal guidance and the state's current LIHEAP Intake and Operations Program Manual. The MOA should be drafted in consultation with an LSP's own legal counsel and should not replicate IHCDA's existing MOA. The MOA is to be tailored to the specific needs and circumstances of the LSP. The MOA is to be submitted to IHCDA for review upon request.

Vouchers

If an LSP chooses to enter into an MOA with one or more biofuel vendors, the LSP may award the client's benefit in the form of a voucher. This voucher can then be redeemed with any approved biofuel vendor in exchange for a delivery of fuel. The voucher must, at a minimum, indicate: the name of the applicant; the amount of the benefit being awarded, both numerically and written out; the physical home address of the client, which is to be used as the delivery address; and the phone number of the client. In addition, the voucher must have fields for the vendor to complete, including: vendor's name, vendor's business address, and vendor's phone number. Finally, the voucher must include spaces for both the vendor and the applicant to sign upon satisfactory delivery of the fuel. The voucher must be fully executed by both the recipient and the vendor in order to be eligible for payment.

Vendor Lists

If an LSP chooses to enter into an MOA with one or more biofuel vendors, the LSP will be responsible to create and maintain a list of biofuel vendors with whom these agreements exist. These lists are to be provided to clients who heat with biofuel upon request. The lists should be updated to include all vendors with whom an MOA exists. The lists may be separated by heating fuel type, but otherwise, the vendors on the list are to be presented in a neutral manner. Neither an LSP nor any of its representatives may indicate a preference for one vendor over another either implicitly or explicitly, nor try to encourage an applicant to purchase fuel from a particular vendor unless the vendor in question is the only vendor from which a particular fuel type is available. A copy of each MOA should be sent to the LIHEAP email inbox liheap@ihcda.in.gov.

Benefit Payment

If the LSP chooses not to enter into MOAs with any local vendors, or if the client chooses to purchase fuel on the market rather than through one of the vendors with which an agreement exists, the LSP is to issue a check for the crisis portion of the benefit. The LSP can then receive reimbursement for the benefit as a normal third party payment transmittal with the vendor as the LSP themselves. The regular portion of the benefit is to be entered as a direct pay claim and will be issued by IHCDA according to regular direct pay procedure.

For all client benefits for fuel purchased from a vendor with whom an MOA exists at the LSP level, the LSP is to issue a check to the vendor upon receipt of a fully-executed voucher indicating delivery and receipt of fuel. The LSP can then receive

reimbursement for the benefit through the transmittal process, with the LSP receiving the funds as the vendor.

All direct payments must go through QA; this does include crisis.

LSPs are advised to determine an internal control that allows checks to be issued in a timely fashion including from outlying offices that might not typically have the ability to issue checks.

Payment scenarios:

- If an MOA is present with the vendor
  - Crisis: LSP issues crisis check to vendor
  - Regular: LSP issues regular check to vendor
- If an MOA is not present with the vendor
  - Crisis: LSP issues crisis check to client
  - Regular: IHCDA issues regular check to client

Required Actions:

1) **LSPs must submit their process for issuing crisis checks within the required time frames with their Subgrantee Plan Packet. Please submit this process to the LIHEAP inbox at liheap@ihcda.in.gov.**
2) **When an LSP is sending a crisis check and IHCDA is going to send a regular check, the LSP is required to include an insert or letter with the crisis check that indicates the client will receive the regular portion of their benefit in a separate check from IHCDA.**

Documentation

When submitting third party payment claims for reimbursement, the LSP will submit to fiscal through the statewide database as normal and will need to attach supporting documentation in IHCDA Online. The documentation will vary slightly depending upon whether the claim is a reimbursement for direct pay claims or payment to a vendor with which the LSP has an active MOA.

For direct pay claims, the LSP will need to submit a spreadsheet that lists the clients for whom the LSP is seeking reimbursements, the amount of benefit per client, and scans of the checks issued to the clients.

For vendor payments, the LSP will need to submit a spreadsheet grouped by vendor that lists the clients for whom the LSP is seeking reimbursement, the amount of benefit per client, subtotaled for each vendor, scans of the fully executed vouchers, and scans of the checks issued to the vendors.

Database

All benefits will need to be documented and tracked in the statewide database, regardless of whether the client receives the benefit via a direct payment or a fuel voucher. IHCDA will establish a bulk fuel payment vendor within the database to

facilitate this tracking. Notes must be made indicating whether the client received their benefit as a direct payment or as a voucher. If the client receives benefit as a voucher, the voucher must be scanned and uploaded into the statewide database both at the time of issue and when returned fully executed.

15. 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. Local Service Providers participate in this process by providing fiscal and statistical information to IHCDA.

15.1 LSP Grant Agreements

All LSPs will enter into a sub-grantee agreement in order to administer EAP. A contract will be created at the beginning of the program year, and amendments will be created any time funds are added or reduced to a grantee's budget. IHCDA uses an electronic signature system that eliminates the need for original paperwork with a wet signature.

15.2 Recording Energy Assistance Benefit Payments

LSPs must not record LIHEAP benefits on their general ledgers. This is because LIHEAP 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.

During the recent Health and Human Services (HHS) monitoring visit, monitors noticed inconsistencies amongst LSP's recording of benefit payments. LSPs were recording benefit payments in their General Ledgers (GL) as expenditures in cases where the payments were not ultimately made. For example, if an LSP had a transmittal for $1,000, but the vendor only approved $800 of benefits, the payment would be made for $800, yet the benefits were still being recorded in the GL as $1,000. LSPs who are not recording data accurately present an opportunity for inaccurate planning or reporting. Further, Energy Assistance benefit funds are not paid from IHCDA to LSPs, nor are the funds able to be spent by LSPs, so they cannot be classified as Accounts Payable, Accounts Receivable, or any other applicable account or line item. Energy Assistance benefit funds, therefore, cannot be included in an LSP's general ledger.

15.3 LSP Budgets

Allocation

The allocation for PY2023 EAP funds to the Local Service Providers will be based as follows:

- IHCDA will allocate funds using the same formula as previous program years. This allocation is based on county-level Census data pertaining to poverty, as well as elderly and disabled populations, and is approved by the IHCDA Board of Directors

- 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-2023 – Energy Assistance Program Budget.*** LSPs will submit a budget to IHCDA at the initiation 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.

LSP Budget Requirements:

LSP Budget	Allowed Percentage
Administrative and Program Expenses	17% Limit combined
Administrative Costs (maximum 7.5% of total expenditures)	7.5%
Outreach and Eligibility Determination	4.5%
Assurance 16 (maximum 5% of total expenditures)	5%
Regular/Crisis Assistance	
Regular Assistance	
Crisis Assistance (must set aside minimum of 8% budget through March 15)	
Emergency Benefits	10% limit combined
Emergency Repair and Replace	
Emergency Services	

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

- Obligating thirty percent (30%) of the Grantee's LIHEAP funding under this Agreement by December 1, 2022;
- Obligating sixty percent (60%) of the Grantee's LIHEAP funding under this Agreement by February 1, 2023; and
- Obligating seventy-five percent (75%) of the Grantee's LIHEAP funding under this Agreement by April 1, 2023.

Benchmark analysis is conducted by the IHCDA Community Programs Manager, and LSPs are no longer required to submit funding analysis. IHCDA looks at the amount of

regular, crisis, Emergency Services, and Emergency Repair and Replace benefits obligated within the statewide database in order to determine obligation level.

An LSP may have to return funds if it fails to meet performance benchmarks. Funds may be reallocated to other LSPs who have met or exceeded the benchmark. 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 Sub-grantee Agreement, to recapture and reallocate funds as needed to effectively meet the needs of all low-income Hoosiers.

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 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 a 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.

If there is not enough available funding to complete the request, the Community Programs Manager will request that the LSPs modify the request based on the balance of available funds.

IHCDA will also create grant amendments reducing funds in the case of LSPs who 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 email budget modifications.

Claims
LSPs must claim reimbursement for EAP obligated funds from IHCDA for Eligibility, Direct Program Expenses, Energy Education, and Family Development, as well as ERR and reimbursement claims for Biofuel benefit payments, 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.

15.4 Benefits

Benefits go directly to clients and can include:

- Regular Heating Assistance
- Crisis Heating Assistance (funds should be maintained in the Crisis line item throughout out the year)
- Emergency Services
- Emergency Repair or Replacement of a Primary Heating Source
- Other private funding, such as Duke Helping Hand

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.

15.5 Administrative Costs

Administrative Costs will cover overall administration and operation of the program. Administrative costs are defined as the LSP costs to accurately conduct intake, eligibility determination, vendor communication, data entry and reporting, and other associated costs.

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 dollars may be used in the administration of EAP. Eligibility includes:

- EAP administrative functions, including but not necessarily limited to: program planning, staff training, reporting, and the EAP portion of costs such as rent, utilities, maintenance and general supplies.

- EAP service delivery functions, including fiscal, executive, supervisory, and support operations.

Administrative Costs may also be used to pay for the following uses if the LSP has depleted its Outreach and Eligibility Determination line item:

- Supplies that are directly associated with EAP intake/eligibility determination or program/client outreach.
- Payroll for line-level staff spending 100% of their time completing EAP intake functions, including eligibility determination and verification, application processing, and program/client outreach.
- Technology expenses solely and directly associated with EAP eligibility determination.

Note that the 7.5% figure is based on final expenditures, not on initial budget. Although LSPs may assign up to 7.5% of its budget to this line, underspending on the total budget may lead to expenditures in Administrative Costs to go above 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.

15.6 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. This applies to payroll for line-level intake staff, supplies that are needed by EAP intake staff in order to complete eligibility determination, client outreach, and technology needs that will only be utilized by Energy Assistance Program staff.

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 oversees EAP or is participating in intake activities. 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 Eligibility 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.

15.7 Assurance 16

LSPs can use up to five (5) percent of funds for Assurance 16 activities to provide services that *encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved (see* LIHEAP statute, 42 U.S.C. § 8624(b)(16))

Assurance 16 activities fall into two categories: Energy Education Programs and Family Development. LSPs may use up to five percent (5%) of their award for these activities combined. There is no percentage limit on either category. LSPs may spend all five percent in one category or the other, or may split the 5% however they would like between the categories.

Acceptable Assurance 16 Activities: Assurance 16 funds may be used to conduct referral and advocacy activities that contribute towards reducing household energy need and enabling energy security. The direct preparation, performance, and recording of LIHEAP referral and advocacy activities may be charged to Assurance 16. Such allowable expenses could include:

- Needs assessment counseling,
- Staff time for referrals,
- Printing costs and postage for mailing Assurance 16 materials and information (such as energy efficiency pamphlets and letters for family development meetings), etc.

Please see https://liheapch.acf.hhs.gov/pubs/LCIssueBriefs/A16/A16.pdf.

Unacceptable Assurance 16 Activities: Any activities that may be considered Administrative costs. This includes but is not limited to:

- Office space, desks, equipment, supplies.
- Non-LIHEAP staff referring clients to LIHEAP, etc.
- Outreach such as informing potential clients about the Energy Assistance Program.

During the LIHEAP monitoring visit, HHS staff noticed these kinds of non-allowable expenses were being charged to the A16 line and to Program Support. Please note, Program Support no longer exists.

Documentation of Assurance 16:
Each LSP may create its own Assurance 16 plan. All Assurance 16 activities should be outlined in the Subgrantee Plan Packet, which is reviewed and accepted or sent back for revision by IHCDA. LSPs should be able to document Assurance 16 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.
- At a minimum, 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.

Energy Education Costs
Energy Education Materials and Supplies are Assurance 16 activities. Energy education sessions may be conducted for EAP clients in a classroom, in-home setting, remotely, online, or via mail.

IHCDA must approve any training that LSPs develop on their own. 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 (Admin costs) 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. The following items are potential materials that may be included in an energy education kit:

- Carbon Monoxide Alarm Radon Alarm
- Smoke Alarm
- Smoke and Carbon Monoxide (combination) Alarm
- Energy Savings Smart Surge Protector (6ft. w/ 8 total outlets)
- 13 watt, 18 watt, or 23 watt energy star Light Emitting Diode (LED) bulbs
- 13 watt, 18 watt, or 23 watt energy star dimmable LED bulbs
- Green Deeds Energy Conservation Wheel
- Hot Water Temperature Card
- Refrigerator/Freezer Thermometer or Temperature Card
- Window Kit (shrink fit 42 x 62 or shrink fit 62 x 210)

LSPs may claim actual costs for energy education programs. For materials or supplies, the LSP should 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 is also an Assurance 16 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 in order to better understand how to implement a Family Development Program, however certification is not required.

15.8 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. Effective June 15, 2017, 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.

15.9 LSP Online Claims Submission

All service providers must submit claims at least monthly for their administrative expenses, Assurance 16, Direct Program Expenses, and reimbursement for direct pay crisis payments, benefit payments to biofuel vendors, 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 should include 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 direct pay crisis payments or 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.

15.10 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-2023 – Energy Assistance Program Closeout Form***. The close out process is the same for both Federal and State funds:

- 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 LIHEAP 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 matches the final expended amount on the close out form.

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.

15.11 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 EAP Agreement.

Sub-grantees 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 Sub-grantee's possession purchased with federal funds. The inventory document must be maintained at the Sub-grantee'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.

16. **Monitoring and Compliance**

Proper oversight and monitoring of LIHEAP funds is important in order 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 12 for additional details) during the program year.

16.1 Monitoring Season

When the EAP season officially begins in November, 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 the U. S. Department of Health and Human Services 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 risk and a 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.

16.2 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 liheap@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 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.

16.3 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 Assurance (QA) review process, customer service strategies, training, and outreach activities for at-risk 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 three percent (3%) of the LSP's client files for review. Incomplete, denied, staff receiving benefit, and Emergency Services/Repair and Replacement files are a small part of the overall file review.

16.4 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 any and all program related files and information, as requested
- Implement corrective action items, as identified, within the established timeline

16.5 Monitoring Report

All identified eligible findings will be contained on 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, amount 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 success rate is the total value of findings divided by the total number of files (base administration and client) reviewed. Bonus opportunities are added to the success rate to provide an overall performance score.

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 Assurance (QA) 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, at-risk, fuel source)
   - Missing benefit determining documentation (income, application, utility bill, etc.)
   - Failure to document crisis timelines within the statewide database.

c. One (1) Point (Each finding is grouped together and counted as one; <u>not</u> per each occurrence)
   - LSP Staff, governing board, or their relatives' application was not signed off by the Executive Director or staff/board designee
   - QA not performed on LSP staff, governing board, or their relatives' application
   - QA less than 10% of client files at the time of monitoring
   - QA was not performed within 45 days of application completion
   - QA file was found to have errors
   - Spending benchmarks were not met
   - Mandatory or requested program documents not submitted within in 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, 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 actions items required through the previous year's monitoring or through an improvement plan.

d. Bonus Opportunities (valued at 1 point each)

Bonus opportunities are to reward LSPs for going beyond compliance. It may also serve as an incentive for LSPs to implement promising practices in their program administration. One point is added to the success rate for each of the following:

- The LSP has developed and implemented a comprehensive training plan.
- The LSP implemented at least one (1) Best Business Practice Recommendation from the previous year's monitoring.

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 Success Rate

Number of Findings ÷ - 100 = %

Base Administration Number + Number of Client Files Reviewed

D. Calculating Overall Performance Score

Success Rate + Bonus Opportunities

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.

16.6 Monitoring Report Response

The LSP must either **Accept** or **Informally Appeal** (Refer to Section 15.7) 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.

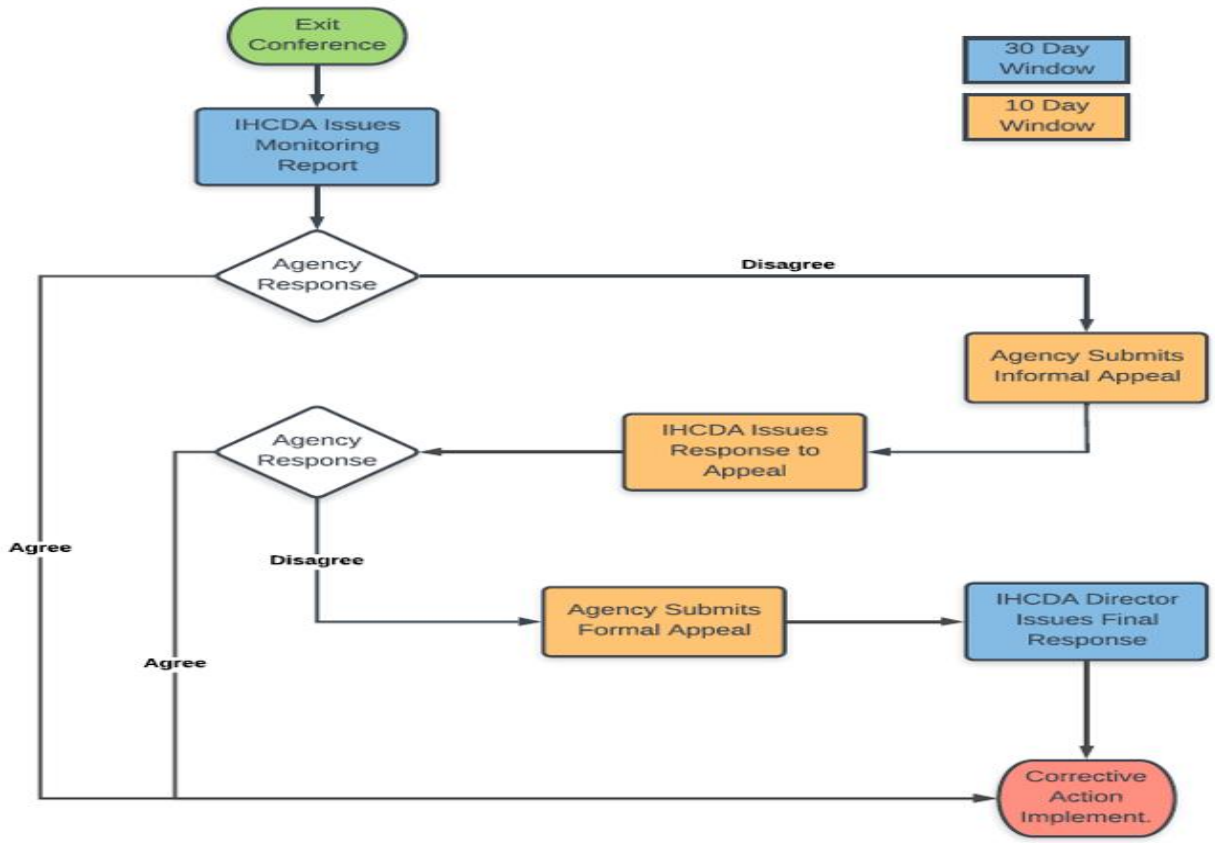
Corrective actions taken on items identified prior to or at the exit conference are not eligible for appeal. These items have already been acknowledged as a finding by the LSP by making the necessary correction.

16.7 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 Community Programs. The Director of Community Programs will review the formal appeal and provide a written decision within thirty (30) calendar days. Whatever decision made is final.



16.8 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.*

16.8.1 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.

16.9 Corrective Action Improvement Plans

Compliance is essential in assuring overall program success. Sub-grantees 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 in order 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 his or her 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-seven percent (87%) or higher is considered to be in "good standing" and does not require being placed on an improvement plan. The LSP's only responsibility is completing 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 15.9)*

B. Improvement Plans

An individualized improvement plan may require the LSP to undergo additional training and technical assistance (T/TA), site visit(s), additional LSP QA file review, IHCDA spot check of LSP QA files, EAP 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-two and eighty-six percent (82% - 86.99%) and typically lasts up to ninety (90) calendar days.

As a condition of the MQIP, the LSP will be required to:

- QA 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-two percent (82%) and typically lasts up to one hundred and twenty (120) calendar days.

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.
- QA 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, he or she 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 an 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.