

Low Income Home Energy Assistance Program

LI-017-02

LIHEAP Budget Changes: Minimum Threshold Change

Effective Date: July 1, 2017

Release Date: May 19, 2017

Background: Local Service Providers (LSPs) may claim reimbursement for Low Income Home Energy Assistance Program (LIHEAP) obligated funds from IHCDA for Eligibility, Energy Education, and Family Development. To claim expenses the LSPs must submit claims to IHCDA and should keep all supporting documentation. Since 2013, IHCDA has not require supporting documentation to be submitted for claims under \$1,000.

During the recent Health and Human Services (HHS) monitoring visit, monitors noted that IHCDA must collect supporting documentation for all claims and could not allow a minimum threshold.

HHS's requirement based on Section 2605(b) (10) of the LIHEAP statute [42 U.S.C. § 8624(b)(10)] – Assurance 10—requires that grantees:

[P]rovide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act").

IHCDA must have an accounting system in place to accurately trace every LIHEAP dollar disbursed. Supporting documentation must be available to the IHCDA and HHS to ensure the funds are accurately accounted for and disbursed. However, IHCDA has the discretion to determine which documents it requests from the local agencies in order to ensure the funds are spent appropriately. Therefore, in order to comply with this requirement, IHCDA will require LSPs to submit detailed General Ledger print-outs as supporting documentation for claims under \$1,000.

Policy Change: Effective for all claims submitted on and after July 1, 2017, IHCDA will no longer reimburse LIHEAP claims without detailed supporting documentation for all expenses being claimed. However IHCDA will allow a General Ledger print-out detailing specific purchases as sufficient supporting documentation to be submitted with each claim. Grantees should continue to keep all supporting documentation (including receipts, invoices, checks, etc) for their own records and for monitoring and auditing purposes.