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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 the agency’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-one (21) community organizations referred to as Local Service Providers (LSPs). A complete list of local service provider contacts can be found in Appendix A – Local Service Providers. Applications 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 92 counties. Also see Appendix B - IHCDA Department of Community Programs Contact 2017-2018 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 offset the high costs of energy, but does not traditionally have the funds available to pay all of a household's energy costs.

IHCDA provides training and technical assistance to the 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 on-line at www.eap.ihcda.in.gov. For questions concerning the program, please contact the Community Programs Manager for the Energy Assistance Program:

Indiana Housing and Community Development Authority Toll Free: 1-800-872-0371, or email Liheap@ihcda.IN.gov
1.2 Regular (Federal) 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 regulated heating and electric utilities who provide electricity and/or natural gas; bulk fuel, LP, 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 are part of the benefit. Taxes are also covered by the benefit, as well as reconnection or a connection fees for a new account.

1.3 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) through LIHEAP. As of program year 2017-2018, households with income up to 200% of poverty 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 Appendix CC Weatherization for more details).

1.4 Indiana Home Energy Assistance Program (State EAP)

Homeowners may also be eligible for the Indiana Home Energy Assistance Program also known as State EAP. Effective July 1, 2012, the Indiana State Legislature enacted HEA 1141, which created the Indiana Home Energy Assistance Program. This program is funded by the multistate mortgage settlement fund. The State Budget Agency remits payment, equal to amount of the gross tax revenue collected, to the Office of the Lieutenant Governor no later than October 1. The funds are sent to IHCDA to administer the program. The Indiana Home Energy Assistance Program (State EAP) provides home energy assistance to homeowners. The program uses the same eligibility standards as the federally-funded Low Income Home Energy Assistance Program (LIHEAP). Renters are not eligible for this benefit. The State EAP Program runs parallel to the LIHEAP program October 1 to September 30.

Each LSP is allowed up to eight and one-half percent (8.5%) of State EAP funds toward administrative expenses. Each LSP will also receive funding to provide homeowners with $100 toward the primary heating source as the state EAP benefit amount.

Homeowners can receive:
• **Regular assistance** to the primary heating source: Each homeowner who has applied for and has been approved for LIHEAP benefits is eligible to receive $100 toward the primary heating bill. The funds are added during the application process.

• **Crisis assistance**: Homeowners who receive a State EAP benefit and qualify for a crisis benefit receive up to $200 in crisis benefit at the time of initial application. Clients are allowed to return once for an additional benefit if there is a new documented crisis up to a $200 total, the maximum amount of crisis allowed.

**Please note:** The State EAP program is due to end after the 2018-2019 Program year. LSPs should make a point to mention this to their clients.

### 1.5 EAP Operation

The PY 2019 statewide Heating Assistance Program begins **November 1, 2018** and ends on **May 17, 2019**. The following program administration dates apply for the upcoming heating season:

#### PRE-PROGRAM YEAR SEASON

<table>
<thead>
<tr>
<th>Key Dates</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 1, 2018</td>
<td>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.</td>
</tr>
<tr>
<td>September 1, 2018</td>
<td>LSPs must send IHCSA local intake and satellite locations with physical addresses, telephone number, and hours of operation.</td>
</tr>
<tr>
<td>September 4, 2018</td>
<td>Grantee Plan Packet due</td>
</tr>
<tr>
<td>September/October 2018</td>
<td>Applications may be entered into the State EAP database.</td>
</tr>
</tbody>
</table>

#### EAP ASSISTANCE SEASON

<table>
<thead>
<tr>
<th>Key Dates</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1, 2018</td>
<td>Internal control procedures due to IHCSA. LSPs may schedule appointments for the start of the program.</td>
</tr>
<tr>
<td>October 1, 2018–September 30, 2019</td>
<td>Federal and State EAP Program Year.</td>
</tr>
</tbody>
</table>
| November 1, 2018   | Statewide start of the Heating Assistance Program and State EAP program:  
                      * In-person appointments.  
                      * Transmittals may be sent to utility vendors.  
                      * Applicant Notification letters may be sent to clients.                                                                 |
<p>| December 1, 2018   | Start of Moratorium Protection.                                                                                                          |
| December 31, 2018  | First Benchmark: 45% of funds spent.                                                                                                     |
| February 1, 2019   | Second Benchmark: 60% of funds spent.                                                                                                    |
| March 15, 2019     | End of Moratorium Protection at midnight.                                                                                                 |
| April 1, 2019      | Final Benchmark: 75% of funds spent.                                                                                                     |
| May 17, 2019       | End of Federal EAP Heating Assistance Season program statewide. Federal EAP applications may no longer be accepted.                         |</p>
<table>
<thead>
<tr>
<th>Date</th>
<th>Key Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 1, 2019</td>
<td>All incomplete Federal EAP applications must be fully processed</td>
</tr>
<tr>
<td>June 2019</td>
<td>Start of Summer Cooling Assistance Program (if available). Accept new applications for A/C units only.</td>
</tr>
<tr>
<td>July 2019</td>
<td>Accept applications from new households (who have not received heating assistance), if funding is available.</td>
</tr>
<tr>
<td>Mid-August 2019</td>
<td>End of State EAP program (regular and crisis)</td>
</tr>
<tr>
<td>Mid-August 2019</td>
<td>End of Summer Cooling Assistance Program, applications may no longer be accepted</td>
</tr>
<tr>
<td>Beginning September 2019</td>
<td>All EAP incomplete applications must be fully processed and vendors reconciled.</td>
</tr>
</tbody>
</table>

**PROGRAM CLOSEOUT**

<table>
<thead>
<tr>
<th>Key Dates</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 30, 2019</td>
<td>Last day to submit transmittals. All quality assurance reviews (at least 10%) of client files must be completed.</td>
</tr>
<tr>
<td>November 15, 2019</td>
<td>Closeout Reports due to IHCDA. All claims must be submitted for reimbursement.</td>
</tr>
</tbody>
</table>

Standard timeframes routinely used within the EAP program:

<table>
<thead>
<tr>
<th>Response Requirement to Applicant</th>
<th>Turnaround Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Threatening Crisis Assistance</td>
<td>18 Hours</td>
</tr>
<tr>
<td>Crisis Assistance</td>
<td>48 Hours</td>
</tr>
<tr>
<td>Incomplete Application Denial</td>
<td>7-10 business days</td>
</tr>
<tr>
<td>Process time for face-to-face appointments, notify of approval or denial.</td>
<td>10 business days</td>
</tr>
<tr>
<td>Applicant written appeal to LSP. LSP written appeal response to applicant/client.</td>
<td>10 business days</td>
</tr>
<tr>
<td>Maximum time period to process mail-in from the date the application is complete with all required documentation. Processing time does not start until November 1.</td>
<td>60 calendar days</td>
</tr>
<tr>
<td>Maximum time period to notify mail-in applicants after eligibility is determined.</td>
<td></td>
</tr>
<tr>
<td>Maximum time period before an application must be denied (Applicants must submit new application 60 days after initial application date).</td>
<td></td>
</tr>
<tr>
<td>Maximum time period a client has to provide requested documentation.</td>
<td></td>
</tr>
</tbody>
</table>
2. **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 C - Moratorium*.

The language contained in the Indiana Code does not limit moratorium protection based on the method that the regulated 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 if:

- The customer has submitted a complete application and has been determined eligible by the local LSP or their subcontractor; and/or,
- 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 local LSP does not have sufficient resources to conduct a timely eligibility review, then the household is still protected until eligibility can be determined.
- 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. Clients deemed eligible for EAP, without a benefit, will be placed in a HOLD status. All clients deemed eligible, but in a HOLD status, will be placed on a report. That
report will be submitted to the utility vendors to ensure moratorium protection. Once funding is available, clients on the Hold Status Report will be approved, and the vendors will be contacted about EAP benefits.

**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 household not the house).
Transmittals for Moratorium Protection Only

LSPs must run a separate set of transmittals for clients who are eligible for moratorium protection but who have not yet received a benefit or funding is not yet available.

When funding is made available or the client gets approved for the benefit, agencies must run the Hold Status Report. All clients on this report must be changed from ON HOLD to approved, and benefits must be distributed to all of the clients listed on the report. Agencies must run regular transmittals to notify vendors that funding is available.

3. Crisis Assistance

A regular (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. 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.

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.

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

State EAP includes additional Crisis benefits for homeowners. Homeowners who are in crisis at the time of initial application also receive a State EAP crisis benefit.
<table>
<thead>
<tr>
<th>Client situation</th>
<th>Crisis Offered?</th>
<th>Does the client need to pay anything?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client owes $1,000, but the energy company will continue service if $600 is paid.</td>
<td>Yes- The client gets a regular and crisis benefit. If the client’s regular benefit is $200, then $400 crisis will be given.</td>
<td>No</td>
</tr>
<tr>
<td>During moratorium, client owes $1,000. The client can't be turned off but the bill indicates that $600 is the disconnect amount.</td>
<td>Yes- The client gets a regular and crisis benefit. If the client’s regular benefit is $200, then $400 crisis will be given.</td>
<td>No</td>
</tr>
<tr>
<td>Client owes $1,000, but the energy company will continue service if $200 is paid. The client’s regular benefit is $250. Therefore the regular benefit will keep the utilities on.</td>
<td>Yes – The client gets a regular and crisis benefit, since we know that the client has an outstanding amount and will go into disconnect.</td>
<td>No</td>
</tr>
<tr>
<td>Client owes $1,000, and the energy company will disconnect unless the entire $1,000 is paid.</td>
<td>Yes – if the client can find resources to cover the difference between our benefit and the amount owned. The LSP must show documentation that the difference has been paid through documentation or notes in the state-wide database.</td>
<td>Yes, the client has to pay whatever is not covered by the EAP benefit in order to get the benefit.</td>
</tr>
</tbody>
</table>

3.1 Crisis (48 Hour Response)

Reference: LIHEAP Statute Section 2604 (c) (1).

A LIHEAP-eligible crisis situation is an energy emergency when there is a potential shut-off or depletion of the energy sources and is not considered a life-threatening crisis situation. Non-life threatening crisis situations must be alleviated within forty-eight (48) hours from the time of the initial communication of the crisis situation to the LSP.

Utilities:
- Has received a current Notice of Disconnection on residence primary heating sources, such as the electric or natural gas utilities but not yet disconnected.
Bulk Fuel:

- Propane, LP gas and fuel oil will no longer be eligible for federal crisis. All crisis will be given up-front for propane and fuel oil. If a propane/fuel oil household has an electric crisis, it may waive up to $200 of the heating benefit to electricity. Households may self-declare this crisis. No documentation is necessary, LSPs must make notes in the state wide database.

- Bulk fuel can get a State crisis benefit if the client is low on bulk fuel (at or below 25% of a tank) or out of fuel.

- Wood, biofuels, corn, pellets or coal can get a Federal Crisis benefit of $400 as well as a State Crisis benefit of $200. Clients can self-declare that they are within ten (10) days of running out of their primary heating source.

Declaration of Crisis

The client can self-declare the crisis by using the Self Declaration of Primary Fuel Source (Appendix X) or the client can verbally declare the crisis in which case the LSP should make a note in the statewide database.

3.2 Life-threatening Crisis (18 Hour Response)

Reference: LIHEAP Statute Section 2604 (c) (2).

A LIHEAP-eligible life-threatening crisis must be alleviated within eighteen (18) hours from the initial communication of the crisis situation to the LSP. A life-threatening crisis situation is defined when either of the following are met:

- Heating and/or electric service is currently shut off or disconnected, or out of bulk fuel (empty tank) and there is a documented medical need with an extreme safety concern.
- There is a need for a propane tank safety inspection.

3.3 Crisis Intervention

The LIHEAP statute (42 U.S.C. 8623, § 2605) requires a timely and effective energy crisis intervention program for households in need of immediate assistance.

Timely Intervention - If the eligible household is experiencing an energy emergency the local LSP and/or its subcontractor must provide intervention that will resolve the crisis within 48 hours of the initial communication of the crisis situation to the LSP. Assistance must be provided within 18 hours of the initial communication of the crisis situation to the LSP, if a life threatening crisis exists. This 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. Appointments are scheduled when the first available time slot becomes available.

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.
3.4 Crisis Timeline

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. When the appointment is scheduled, the LSP should advise the caller to either contact the utility vendor or have the household 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.

- LSPs must ensure that the date that the crisis application is received is recorded in the State’s EAP database. To track the crisis timeline properly, the date to be recorded in the State’s EAP 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 was complete.

- 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, agencies should 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. The eligibility process should be expedited wherever possible. The LSP should determine eligibility as soon as the application is completed.

- The LSP should enter the application to the State’s EAP 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 should 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. If so, the LSP should ask the client to 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 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.

### 3.5 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:

<table>
<thead>
<tr>
<th>Federal EAP Crisis</th>
<th>State EAP Crisis</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulated utility</td>
<td>Up to $200</td>
<td>Up to $200</td>
</tr>
<tr>
<td>Propane, LP gas,</td>
<td>None - No crisis is awarded because the client can get the full $400 at the time of application. Crisis benefit will be given as additional matrix points.</td>
<td>Up to $200</td>
</tr>
<tr>
<td>Fuel Oil</td>
<td>Up to $400</td>
<td>Up to $200</td>
</tr>
</tbody>
</table>

Clients can receive a crisis benefit twice until the entire benefit is used up (at the time of initial application and one more time).

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. See section 8, Matrix, for crisis benefit calculations.
3.6 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, 2018, the EAP benefit may not be applied to bills accrued before September 30, 2017.

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

3.7 Emergency Services, Repair and Replace Pilot Program

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. Emergency Services funding comes from crisis funding. LSPs are allowed up to ten percent (10%) of their total crisis funding for emergency services. Actions taken by the LSP in the Emergency Service Repair and Replace program within 18 or 48 hours are considered mitigating actions for the 18-48 hour crisis timeline.

When can Emergency Services be Used?

Emergency Services, Repair and Replace 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 could be:

- Disasters such as floods or tornados where clients incur additional fees or need to run utilities more than normal.
- Extreme cold where clients have already used their heating and crisis benefit and need an extra benefit.
- Emergency repairs or purchases needed to maintain or restore heating system.

Services include:

- Furnace/Wood stove (including wood pellets or outside wood furnace) replacement or repair.
- An additional crisis benefit for electricity or heating, if a natural occurrence such as extreme cold, flooding etc has created a situation where the client is using large amounts of energy.

Who can get Emergency Repair and Replace (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). 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. Both renters and home owners are eligible for emergency services however only homeowners are eligible for Emergency Repair and Replace of a heating source.
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 emergency services benefit is a one-time benefit.

Furnace replacement/repair, wood stove replacement/repair Emergency Repair and Replacement (ERR)

Clients (homeowners only) can get up to $5,000 for repair or replacement of their heating sources. Program and fiscal monitors will select client ERR files over $3,000 for review during monitoring.

Contractors

LSPs can use its weatherization staff or an agency approved contractor to conduct repairs or replacements on heating systems. LPSs are must create a list of acceptable contractors who they have worked with for ERR. Only contractors on the list are allowed to perform ERR services.

- Contractors must be bonded.
- 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.
- Contractor must install the highest efficiency parts and heating sources possible.

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 (i.e. an estimate or initial inspection), 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 estimate and notes to determine if repair or replacement should be done.
- 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).
• 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 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.
- Be installed by a bonded heating contractor.
- Ductwork must be designed and installed properly. This should be assessed by the LSP weatherization staff or LSP contractor.

Contractors must:

- Submit to LSPs a completed W-9 Request for Taxpayer Identification Number and Certification Form, which can be downloaded from the U.S. Internal Revenue Service website.
- Be licensed and surety bonded as required by pertinent laws, ordinances, regulations or codes.
- Be well trained in the proper furnace installation.
- Be able to perform pressure checks when required.
- 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.
- Meet the following minimum insurance coverage requirements:
  - Property damage: $50,000.
  - Bodily injury and liability: $1,000,000.
  - Basic workers compensation.

Clients’ Responsibilities
If there is a dispute or problem with the work that the contractor has performed, the client must address 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 Appendix AA – Client Consent Form. This form is a release of liability and waiver of claims for IHCDA and the local service agency.

Clients are eligible for both an emergency crisis benefit and an emergency repair or replace in the same heating season, but are only eligible once for an emergency repair per year and replace once every 10 years at the same address.

Documentation
For repair or replace of a main heating source: invoice from the repair or replacement, client consent form. Assessments, when an assessment has been completed.
For additional emergency crisis: Additional disconnect notice, documentation of an emergency situation or authorization from IHCDA.
3.8 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.

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 not eligible for Federal crisis because all federal crisis is given up front through additional matrix points. However these clients are eligible for up to $200 in State crisis assistance.

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.

For State EAP funds only, clients with unregulated utilities who have a negotiated payment plan are eligible for State crisis 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 $200 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 can use the Appendix X – Self-Declaration of Primary Fuel Source Level to certify the clients or they may speak to the client and make notes in the statewide database.
3.9 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.

4. EAP Application Processing

The LSP or its subcontractor must give an application to anyone who requests one. Clients may not 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 clients 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 State’s EAP database.

A household must apply for the Energy Assistance Program at the local office of their primary residence or at another site authorized by the LSP such as a Township Trustee or other LSP subcontractor. IHCDA must be informed of all local application sites, addresses, phone numbers, and times of operation by September 4, 2018. This information should be included in the LSP’s Grantee Plan Packet submitted to the Community Programs Analyst.

- 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.
- In order to reach those clients who did not apply during the previous EAP year, LSPs should conduct outreach so that information is made available throughout the community explaining the process.
- 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.

4.1 Application Dates

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

- For appointments: Ten (10) business days of the application's completion.
- For mail-ins: Sixty (60) calendar days of received date. The time frame starts November 1. Any application received before November 1, 2017 would have to be processed within 60 calendar days of November 1.

Dates are defined as follows:

- Received date: The date an application is received by the LSP. LSPs must time 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.
- Complete 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 without all required information to determine eligibility.
- LSPs should record in State’s EAP 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.

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. See Appendix F - Applicant Approval Notification. Both approval and denial notification letters must be included in the client’s file.

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. Denial and incomplete letters must be in the application file.

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

If the application is processed prior to the completion, the LSP may be required to pay back a portion or all of the benefit during monitoring. LSPs must enter all applications into the State’s EAP database. IHCDA recommends that the LSP maintain an electronic copy of the application as a backup; however this is not required.
4.2 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.

Clients from the previous year’s EAP database who are identified as at-risk must be sent a mail-in application packet. 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 FY 2019 beginning August 2018. This is done to alleviate the congestion at the start of the fall appointment period. Completed applications for the FY 2019 program may be entered into the State’s EAP database beginning September 2018. However, no transmittals should be sent to the utility vendors until November 1, 2018. Also, for applicants who are eligible for EAP benefits, the Applicant Notification letter should not be sent to households prior to November 1, 2018. Applicants who are denied or incomplete can receive a notification of incomplete or denial as soon as the incomplete or denial has been determined.

4.3 E-Mail Applications

For the 2019 EAP year, LSP are required to have a generic email in box where clients can send applications and upload documents or photos of documents.

4.4 LSP Employee or Sub-Contractor Applications

Any relative, staff or governing board member, completing an application for the EAP benefits should have their file reviewed by the Program Manager or Executive Director 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 or governing board member: spouse, sibling, parent, grandparent, child, grandchild, brother-in-law, sister-in-law, aunt, uncle, niece or nephew.

All required EAP policies, procedures and deadlines are applicable. LSPs may store applicant files with the Program Manager or Executive Director, as an added measure of privacy for LSP staff and/or its relatives.

LSP staff or relatives receiving benefits must undergo quality assurance (QA) by someone in the LSP who is not related to the recipient of the benefits. If the supervisor or program manager is receiving the benefits, the review must be conducted by the Executive Director or their designee for determination for approval or denial of a benefit.
4.5 Application Packet

LSPs must use the state-wide application see *Appendix G - Statewide Application* which may be downloaded from the IHCDA web site at www.eap.ihcda.in.gov. Applicants may also refer to *Appendix BB – Your Rights and Responsibilities*. In addition to the application, the packet must contain the following:

- The *Appendix G - Statewide Application*

IHCDA also strongly recommends that LSPs include:

- The *Appendix E - Indiana Workforce Development Release of Information*
- The *Appendix K - Landlord Affidavit* (for clients with Utilities in Rent only).
- The *Appendix N - Zero Income Affidavit*

LSPs may also include any other documentation in the packet that is relative 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. Even though an application is incomplete, the LSPs must enter it into the State’s EAP database. The household must receive a letter identifying items that need to be submitted to complete the application and a timeline for submission. The letter should indicate that the file will be denied if the items are not submitted within that timeline (generally 10-30 days based upon the LSPs policies). The incomplete letter must be in the client’s file.

Clients must submit a new application with updated income information if their application is incomplete for more than 60 calendar days. At the end of the heating season, LSPs must change the application status 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.

**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 are denied for, but not limited to, any of the following reasons:

- Over income.
- Failed to meet all 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, see *Appendix I - Denial Letter Notification*. LSPs must retain documentation of the household's ineligibility and notification letters, which include the client’s appeal rights, in the client's files.
4.6 Client Appeals

Applicants may appeal a denial. 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 appeal to the local LSP’s EAP Manager or Executive Director within ten (10) business days of receipt of the denial. The LSP’s Executive Director or EAP Manager determines the applicant’s eligibility on review within ten (10) business days of receipt of the applicant’s written appeal. All appeal documentation must be uploaded to the statewide database.

- **Step Two:** If the applicant is not satisfied with the LSP’s determination, he or she may request formal review by the State. 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 ten (10) business days of receipt of the LSP’s appeal determination. IHCDA’s Community Program Manager reviews the materials submitted and issue a written finding to the applicant and the LSP, based on the documentation submitted within ten (10) business days of receipt. If an applicant needs assistance with this procedure, he or she may call the IHCDA.

- **Step Three:** If the applicant is still not satisfied, he or she may appeal to the IHCDA’s Director of Community Programs. The applicant must request this appeal within thirty (30) business days of being notified of the IHCDA’s EAP Program 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 five (5) business days of its receipt, noting the day the request was received. The Director of Community Programs has thirty (30) business 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.

4.7 Performance Measures Data Collection

Performance measure data is designed to show the impact of LIHEAP and other home energy related benefits on low-income households. 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, Performance measures 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 State’s EAP database the below data during the intake process whenever possible:

- Households who do not have service because they are disconnected.
- Households who do not have service because they are out of fuel.
- 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 average monthly cost of electric data, 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.

5. EAP Eligibility

5.1 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 or 150% of the current poverty level (poverty levels are determined by the Office of Management and Budget) whichever is higher. Heating benefit amounts are calculated by awarding points based on factors within five categories of a benefit matrix:

- Poverty level based on household size
- Dwelling type
- On-time incentive
- At-risk status
- 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. A regional differential is added for regions that are colder (see Appendix P – Regional Map), and an additional $125 for electricity is added to keep the heating system operational. A household may be eligible for an additional crisis up to $200 benefit if the regular benefit is not enough to prevent a disconnection. Households heating with wood can come back for an additional $400 in crisis. Households may come back once for additional crisis if they have not used the entire $200 benefit.

Regular EAP funds can be used for connection, reconnection and energy costs.

5.2 Who can get State EAP?

Homeowners who have been approved for LIHEAP benefits are eligible to receive $100 toward the primary heating bill from State EAP. State EAP funds can be used by homeowners for connection, reconnection and energy costs.

Homeowners who are in a state of energy crisis can also receive up to $200 crisis benefits at the time of application. Households may come back once for additional crisis once if they have not used the entire $200 benefit at the time of application. The homeowner must present documentation that justifies the additional crisis assistance.

When determining if a household is eligible for the State EAP benefit, the LSP should attempt to verify proof of homeownership using Beacon or the County Assessors’ websites. If the LSP is not able to verify proof of homeownership, the clients will be required to provide documentation. This documentation must confirm that an individual in the household is listed as the owner of the property.

Proof of Homeownership may include:

- Current Property taxes (spring and/or fall).
- Current mortgage statement.
- Current homeowner Insurance.
- Deed

Life Estate

A life estate is an ownership interest in real estate that gives a person, called a life tenant, the right to live at or use property during his or her life. When life tenants die, their life estate ends, and the property reverts to a designated person called a remainderman. Applicants who are Life Estate life tenants are considered homeowners because ownership of the property will only revert or be passed on to another person at the time of death of the life tenant. Proof of a life estate should be shown in order for the life estate owner to be considered a home owner and be eligible for a State EAP benefit.
5.3 Who is Part of the Household?

Anyone living in the household continuously for the past three (3) months should be listed on the application. Below are some clarifications about who should or should not be 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.

**Foster Children**
The household can be given a choice to count foster children in the household. If the foster children are counted then the stipend received for the children is also counted as household income.

**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 twelve (12) 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. Non-custodial parents may include their minor children (under age 18) as household members.

5.4 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.

- Absent household members (out of the household for sixty (60) calendar days or longer) is defined as one or more of the following
  - An adult not listed on the application; however, the name is present on the utility or lease as a co-applicant for credit purposes.
  - 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 necessary. The applicant should fill out the 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 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 legally 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 a Declaration of Absent Household member, Appendix J.

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 or 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.
• **Roomers and Boarders**: Roomers and boarders are persons renting space within the residence of the energy assistance applicant. If roomers or boarders do not have a utility bill in their name, they are not counted as household members, and their income is not included on the application. However, rent collected by the applicant from roomers and boarders must be counted as 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, the individual’s income would not be counted as income for the household and the individual would not be counted as part of the applicant’s household. A live-in care attendant related by blood, marriage, or adoption to any member of the household is not considered a household member.

5.5 **Who is At-Risk?**
In order to qualify as at-risk, households only have to prove that they fit under one of the vulnerable categories. For example, if a household qualifies as elderly, it doesn’t have to prove that a member is a veteran too. At-risk points are only awarded once, so LSPs should verify a household as vulnerable in the easiest verifiable category.

**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 is 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 have the above documentation, he or she may present a doctor’s statement. 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 the client presents a doctor’s disability statement, he or she must provide a pending SSA application or appeal for benefits.

**Households with Elderly Persons**
EAP considers households with elderly persons to be households containing a member sixty (60) years or older. If an elderly household member is also a person with a disability, the household is counted as elderly, not disabled, for EAP statistical purposes.

**Veterans and Military Personnel**
A Veteran household is defined as a household where any member of the household served 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 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. Please see the below links for more information: http://www.dodlive.mil/2017/05/11/did-you-know-photocopying-a-government-id-is-illegal http://www.navy.mil/submit/display.asp?story_id=63581. 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.

These documents can be used to determine proof of veteran status:
- Form DD214.
- Veteran’s Administration Identification Card (VIC).
- Retired Military ID card (typically blue) – never expires.
- Active Duty ID card (typically green) – has an expiration date. Can be shown as proof but not copied. LSPs should destroy copies of Military ID cards.
- Reserve ID card (typically red) – has an expiration date. Can be shown as proof but not copied. LSPs should destroy copies of Military ID cards.
- 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 Under Age Six (6):** Households with at least one child under age six (6) are considered at risk.

### 5.6 Recertification of Fixed Income Applicants

Households with fixed incomes may recertify for EAP without providing the documentation needed for a full application. Applicants may recertify for two (2) years and must send in paperwork every third year. For example, if an applicant sends in all documents at the start of the program year 2018-2019, he or she would qualify in 2019-2020, and 2020-2021 without sending in the supporting documentation. That applicant would only have to send in current paperwork again for the 2021-2022 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.

LSPs should send the recertification tool to all mail-in applicants to help applicants determine if they can recertify using this tool, see *Appendix H - Do I Qualify for Recertification?*

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

If changes have occurred, the client is no longer eligible for simplified recertification and all documents must be collected. This may occur when households have income changes or the household composition changes.

### 6. EAP Documentation

#### 6.1 EAP Statewide Application

All applicants must fill out and sign the EAP statewide application. It is acceptable for in-take workers to fill out an application for a client or add information over the phone.

EAP in-take staff is not required on the application. Signature by the EAP applicant is not required if the application is taken over the phone. However, notes must be made on the application or in the statewide database that the information was taken over the phone.

If a client fills in an application on-line (as a fillable PDF) and submits the application through email, then no signature is required. If in-take staff fill out an application on line for a client
during a home visit, the applicant does not have to sign. LSPs should make notes in the statewide database.

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 http://www.nascsp.org/CSBG-Annual-Report/959/Module-2-through-4.aspx?iHt=19). Several questions on the EAP statewide application are there solely for this purpose.

6.2 Proof of Utility Payments

Households applying for the Energy Assistance Program must show a utility bill. For applicants with utilities included in the rent, the applicant must show a lease or Landlord Affidavit (Appendix K - Landlord Affidavit) showing that utilities are in the landlord’s name. LSPs should make sure that the address of residency on application and proof of residency documentation is the same as the service address on the utility bill. However, the mailing address (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:

- Lease or landlord affidavit states that the utilities are listed in the landlord’s name. A lease agreement or contract with the landlord stating the landlord’s name, address, telephone number, or a Landlord Affidavit is required.
- 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 should 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 should be signed by the principal person and be a legal document.
- 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. LSPs should document the reason why the utilities are not in the applicant’s name. The applicant must sign Appendix D - Utility Affidavit. LSPs should still make every effort to assist the client to get the utilities in his or her 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.

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

**Combined Gas, Water, Waste Water Bills**

Some cities have combined utility bills that combine electric, gas, water, and waste water 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.

### 6.3 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 5.5, *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. Once an applicant has provided a photo ID and a copy of the card has been made, the LSP will only need to see the original card every three (3) years. Copies of the cards from previous years should be copied and put in current year files.

### 6.4 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 with the client’s current address, which he or she must submit to receive payment. Applicants submitting a utility bill 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 the medical or correctional facility.
6.5 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 should not 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 should exclude the ineligible household members from the total number of household members (total household size) when calculating the benefit amount. However, the income of the ineligible household member should be counted when determining the total household income eligibility. Income of all household members regardless of eligibility must be documented.

6.6 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 (drivers licenses or State IDs with a star on the corner, see below) 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, then the person does not have to provide any further SSN verification. The intake worker should enter the first 9 digits of the Real ID number in place of the Social Security number.

When a household member over the age of one (1) cannot provide an SSN, the LSP should enter the household member and use nines or zeros in place of the social security number. The application should remain in pending 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.

If an LSP would like to maintain a non-redacted 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.

**6.7 Social Security Verification**

Each household member age one (1) and over must have a valid social security number as part of the eligibility process. LSPs should assist applicants to apply for social security numbers and the necessary documentation.

Social security validation is the member’s social security card. However, other acceptable forms include:

- **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.

  ![Real ID Example](image)

  - **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 first 9 numbers of the passport number may be entered into the statewide database in place of the social security number. The number is found in the upper right hand corner of the passport. The passport may be expired.
- A letter from the Social Security Administration.
- A Social Security benefit letter (as long as the full number is provided)
- Any other federal form with the full social security number printed on it.
• Pay stub that contains the full SSN.
• Documentation from another eligible program. This documentation could be, but is not limited to:
  o Medicare Benefit Identification.
  o FSSA benefit letter.
  o U.S. Military Identification (i.e. DD214 or AF-retired military) (Do not copy, see section 5.5, *Who is Considered At Risk, Veterans and Military Personnel* Veterans and Military Personnel).
  o U.S. Government Identification
  o Indiana Government Identification (- i.e. Dept. of Corrections)
  o Benefit Statement.
  o W-2 or 1099.

All LSPs are required to retain a copy of the documentation used to verify the SSN. However, all social security numbers must be redacted before uploading to the statewide database.

Documentation prepared by the client 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. Intentionally invalid SSN entry, Tax forms, other than a W-2 or Self-prepared tax forms (i.e. 1040, Income Withholding, etc) cannot be used.

### 6.8 Landlord Affidavit

The Landlord Affidavit is no longer required for renters who have their own utility bills. All rental applicants who have utilities in rent must provide a Landlord Affidavit for the program year or alternative documentation as noted below. A copy should be obtained and retained in the client file. An LSP cannot provide EAP benefits if the landlord acknowledges the renter is being evicted. A copy of the Landlord Affidavit can be found in *Appendix K – Landlord Affidavit*.

If a landlord affidavit is not feasible, LSPs should consider alternative documentation such as:

- Verification by phone, fax, or electronic submission to the landlord or management company for verification. Notes must be made in the State’s EAP database.
- Another client’s LLA or lease who lives in the same building showing that utilities are included in rent. The LSP should ask for permission to use this document from IHCDA.
- A letter from the township trustee.
- A Memorandum of Understanding from rental properties.
- The HUD Section 8 Reauthorization.
- A lease agreement within the past 24 months.

### 6.9 Utilities Included in Rent

**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 utility 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 *Appendix L - ACH Authorization Form*).
Clients must have a Landlord Affidavit that shows which utilities are included in rent and how much the client is paying in rent. Clients must be paying a minimum of $50 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 may be used. If the client cannot obtain a LLA or a lease, IHCDA will 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. Clients will have the option of receiving an ACH/Direct Deposit or a personal check. 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.

<table>
<thead>
<tr>
<th>Heat/Electric Situation</th>
<th>Types of Renters Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renter pays electric directly but heat is included in the rent</td>
<td>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.</td>
</tr>
<tr>
<td>Renter pays a heating bill directly but electricity is included in the rent</td>
<td>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.</td>
</tr>
<tr>
<td>Renter pays all utilities in rent to landlord or trailer park owner</td>
<td>Both benefits will be paid to the client directly by check or direct deposit.</td>
</tr>
</tbody>
</table>

Direct deposits will be issued from IHCDA.

**Payment Process:**
Checks may be distributed one of two ways:

- IHCDA will print checks. LSP’s will submit claims with the names, addresses and amounts to be paid on IHCDA on-line.
  - LSPs have the option of having IHCDA mail the checks or IHCDA can mail packets of checks to LSPs and LSPs can then mail checks or allow clients to pick them up at their office.

- The LSP will print and mail checks. LSPs will then submit claims for the amount sent to clients, as well as a list of client who received checks. IHCDA will reimburse LSPs for these payments. LSPs will then mail checks or allow clients to pick them up at their office.
LSPs must inform IHCDA which method they prefer for the 2018-2019 program year.

6.10 File Documentation

An LSP must ensure that all clients have been appropriately documented in the State’s EAP 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:

Standard Documents
Photo ID for all head of household. Photo IDs for other members is optional.
Signed Complete Application (this can be an electronic or hard copy).
Proof of Indiana Residency (utility bill, applicant’s Driver’s license, or other documents)
Proof of US Citizen or resident (Social Security card, Real ID or other documents)
Proof of Income
• Pay stub, W-2, 1040, etc.
• Bank Statements
• Zero Income Verification Affidavit
• Department of Workforce Development Wage Inquiry
• Proof of Benefits
• Proof of child support payments
Utility Statement(s)
Landlord Affidavit or Lease for applicants with utilities in rent only
Proof of Homeownership (State EAP)
Incomplete or denial letters

ERR Documentation
Client Consent form
Invoice for work completed
Assessments, when an assessment has been completed
For additional emergency crisis: Additional disconnect notice, documentation of an emergency situation or authorization from IHCDA.

Supporting Documents
Audit checklist
Utility statements
DWD wage history
Zero income verification affidavit
Declaration of Absent Household Members Form
Doctor’s letter for unborn child
Declaration of Inoperable Heating Source
Benefit Waiver Request Form
Power of Attorney Statement
Communication with utility vendor
Air Conditioning Unit documentation  
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 State’s EAP database system. When scanning documents the LSP should make sure it scans all documents, making sure that the signed application is scanned. LSPs should be careful to not scan blank pages and to scan both sides of two sided documents. LSPs should scan all documents so that they are clear and legible.

The LSP should make sure to scan all supporting or supplemental documentation needed to determine eligibility or process an application. This should include any other written communications. Notes should be for all actions the LSP made on behalf of the client. This could be contact with the client him/herself, contact with the utility company, contact with IHCDA, etc.

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

The LSP should develop an internal LSP scanning/uploading tracking system to assure all applicant files have been uploaded into the State’s EAP 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 copy of the application as a backup outside of the State’s EAP database system for three (3) years.

**7. EAP Income Computations**  
The household income is the total income received by all household members age 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 of 60% of State Median Income or 150% of poverty whichever is higher. Income computation is used to compute points on the benefit matrix.

It is the household’s responsibility to provide accurate documentation of income. It is the LSPs responsibility to assess the adequacy 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 should make notes in the EAP database when accepting documentation that may be considered less than ideal.
In order to calculate income, LSPs should look at the most recent three (3) consecutive months of income.

All income should be calculated based on the date the application was received. Therefore, the LSP should use the documentation provided by the applicant. If an application is incomplete, and time passes between the date the application was received and the date the application is complete, which makes the income documentation out-of-date, the LSP may use the date the application was received in order to avoid having to collect new income information again.

Below is a table which provides a quick review of what income is countable or not for EAP purposes. Further details will follow.

<table>
<thead>
<tr>
<th>Income Type Overview Chart</th>
<th>Count as Income?</th>
<th>Gross/Net Income</th>
<th>Documentation (when more than one is listed, only one is required)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adoption Assistance</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alimony</td>
<td>Yes</td>
<td>Gross</td>
<td>Divorce settlement, bank statements</td>
</tr>
<tr>
<td>Annuities, Pensions and other retirement plans</td>
<td>Yes</td>
<td>Letter from insurer, bank statements</td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black Lung for Recipient</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black Lung for Survivor of Recipient</td>
<td>Yes</td>
<td>Gross</td>
<td></td>
</tr>
<tr>
<td>Blood plasma payment</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Care Assistance (vouchers) when received by a parent for childcare</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Care Assistance (vouchers) when received by a provider for child care service</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Nutrition programs (school lunch programs)</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Support – when received</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Support – when paid</td>
<td>No</td>
<td>A parent who pays child support may deduct the amount paid from his/her income. Proof of payment may be bank statements, pay stubs with garnishment, proof from a government agency, etc</td>
<td></td>
</tr>
<tr>
<td>Children of Vietnam War Vets living with disabilities</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>College scholarships</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Combat Zone Pay from the military</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disability Payments from Insurance</td>
<td>Yes</td>
<td>Gross</td>
<td>Letter from insurance company, bank statements</td>
</tr>
<tr>
<td>Income Type</td>
<td>Include?</td>
<td>Type?</td>
<td>Verification Methods</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>----------</td>
<td>-------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>Dividends, Interest</td>
<td>Yes</td>
<td>Gross</td>
<td>Bank statements, tax returns</td>
</tr>
<tr>
<td>Divorce Settlement</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earned Income Credit</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elderly programs (nutrition, AARP)</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer Paid Benefits</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gifts and Inheritances</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing Assistance</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from House members under 18</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from Rental Property</td>
<td>Yes</td>
<td>Gross</td>
<td>Receipts of payment, bank statements, taxes</td>
</tr>
<tr>
<td>In-Kind payments</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance Settlement</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Irregular income</td>
<td>Yes</td>
<td>Gross</td>
<td>Pay stubs, receipts, taxes, bank statements</td>
</tr>
<tr>
<td>Job Corps</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jury Duty Pay</td>
<td>Yes</td>
<td>Gross</td>
<td>Pay stubs, bank statements</td>
</tr>
<tr>
<td>Life Insurance Payments</td>
<td>Yes</td>
<td>Gross</td>
<td>Statement from company, bank statements</td>
</tr>
<tr>
<td>Loans</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lump sum Retirement</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lump Sum Social Security Payments within the 3 months being considered</td>
<td>Yes</td>
<td>Gross</td>
<td>Lump sum payments should be counted if the time period that the payments was for can be determined. If time the payment period cannot be determined, the lump sum payment can be excluded as income.</td>
</tr>
<tr>
<td>Medical Reimbursements</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicare/Medicaid</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Military Allotments (pay)</td>
<td>Yes</td>
<td>Gross</td>
<td>Pay stubs, tax statements</td>
</tr>
<tr>
<td>One-time payment from a welfare agency</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments on behalf of a Household</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plasma donation payments</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pensions and Annuities</td>
<td>Yes</td>
<td>Gross</td>
<td>Pay statements, tax statements</td>
</tr>
<tr>
<td>Railroad Benefits/railroad retirement</td>
<td>Yes</td>
<td>Net</td>
<td>Letter from Railroad administration, Social security documentation when applicable</td>
</tr>
<tr>
<td>Retirement benefits (recurring)</td>
<td>Yes</td>
<td>Gross</td>
<td>W-2’s, Wage inquiries, letter or written statements from retirement provider</td>
</tr>
<tr>
<td>Reverse Mortgages</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royalties</td>
<td>Yes</td>
<td>Gross</td>
<td>Contracts, pay stub, bank statements</td>
</tr>
<tr>
<td>Sale of Property</td>
<td>No</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Source of Income</th>
<th>Required Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings Principal</td>
<td>No</td>
</tr>
<tr>
<td><strong>School Lunch</strong></td>
<td>No</td>
</tr>
<tr>
<td>Self-employment Income</td>
<td>Yes, Gross, Tax forms, self-declaration</td>
</tr>
<tr>
<td>Sheltered Workshops/Work Centers</td>
<td>No</td>
</tr>
<tr>
<td>SNAP (Food Stamps)</td>
<td>No</td>
</tr>
<tr>
<td>Social Security Disability / Supplemental Security Income (SSI),</td>
<td>Yes, Net, Social Security Award Certification Letter, bank statements, Social Security checks, tax forms or tax returns, a letter from the bank including the deposit amount and date of receipt, Report of Confidential Social Security Benefit Information (SSA 2458) or written verification from the Social Security Administration (SSA) with a Form L634</td>
</tr>
<tr>
<td>Strike Benefits</td>
<td>Yes, Gross, Statements from the union, check stub.</td>
</tr>
<tr>
<td>Subsidized Housing</td>
<td>No</td>
</tr>
<tr>
<td>Supportive Services for Employment</td>
<td>No</td>
</tr>
<tr>
<td>TANF (Temporary Assistance for Needy Families)</td>
<td>No</td>
</tr>
<tr>
<td>Tax refunds</td>
<td>No</td>
</tr>
<tr>
<td>Township Trustee assistance</td>
<td>No</td>
</tr>
<tr>
<td>Unemployment Compensation Benefits</td>
<td>Yes, Gross, Wage or Benefit Transcript from the LKE report. The net column on the LKE is the gross income.</td>
</tr>
<tr>
<td>Veteran’s Benefits</td>
<td>Yes, Gross, Paystubs, W-2’s, Wage inquiries, written statements from employers</td>
</tr>
<tr>
<td>Veteran’s Disability</td>
<td>Yes, Gross,</td>
</tr>
<tr>
<td>Veterans Reduction Assistance Allowance</td>
<td>No</td>
</tr>
<tr>
<td>Victims of Nazi Persecution</td>
<td>No</td>
</tr>
<tr>
<td>VISTA</td>
<td>No</td>
</tr>
<tr>
<td>Wages, salaries, tips, bonuses, garnished wages, tips, vacation pay, commission</td>
<td>Yes, Gross, Paystubs, W-2’s, Wage inquiries, written statements from employers</td>
</tr>
<tr>
<td>Winnings, Prizes, and awards</td>
<td>Yes, Gross, Receipts, tax statements, self-declaration</td>
</tr>
<tr>
<td>Worker’s Compensation</td>
<td>Yes</td>
</tr>
</tbody>
</table>
7.1 What Is Counted as Income?

Income from Employment
There are several types of employment including:
- Wages
- Salary, tips, bonuses, commissions
- 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
- W-2s for the previous year’s wages. This documentation can be used by itself only for applications in the months of January, February, March, and April of the current heating season. Use Box #1.
- Wage inquiries
- Written statements from employers stating the income for the period being considered for the computations
- Self-employment documentation (tax forms or self-declaration)

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
To calculate income using a paystub, an LSP should identify how much the person was paid in the last three (3) months. The LSP should use the most recent available three (3) months. If total gross and taxable gross income are both provided, use the taxable gross income for the calculation.

Wage Inquiry
To calculate using a wage inquiry, use the most recent quarter available. Use only the most recent 3 months in the wage inquiry. For example, for someone who has lost his job, if the wage inquiry shows data for January, February and March, and the person applies in May, use 2 months of the wage inquiry and use the zero income affidavit for the month of April. If there is no income recorded within the previous quarter then the income calculated would be zero.

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 Zero Income Affidavit. The first section allows applicants to self-declare income if there is no documentation for this income, see Appendix N - Zero Income Affidavit.
**Self-Employment**

Self-employment income is an individual's income from a private trade or business (including farming). The person’s adjusted gross income is calculated using the IRS Schedules, allowing for certain business deductions, as computed as self-employment income under Federal income tax law.

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](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 and the LSP should obtain a wage inquiry from DWD. In order to obtain the wage inquiry, the client must sign a release see *Appendix E - Indiana Workforce Development Release of Information* form. Other income that is not from self-employment must be documented (current paystubs, etc).

The adjusted gross income is listed on the last line of the section on Form 1040 labeled “Adjusted Gross Income”.

In addition to the Form 1040, applicants must provide one or more of the schedules to complete the self-employment verification:

- Form 1040 - U.S. Individual Income Tax Return
- Schedule C - Profit or Loss From Business
- Schedule E - Supplemental Income and Loss
- Schedule F - Profit or Loss From Farming
- Schedule SE - Self-Employment tax transcript

Form 1040 also has information about other income that a self-employed person may have had in the section labeled *Income*. This amount will have been computed in the Adjusted Gross Income already.

Self-employed clients with a $0 Adjusted Gross Income are not required to submit a wage inquiry from DWD.

If the client provides a tax return that is outdated, the LSP may use the business income reported on that tax return but require the client to provide more current wage history via a wage inquiry from DWD.

If the client’s tax returns indicate that wages and business income were received, then the client must provide W-2s for the wages as well as schedules for the business income. If a W2 is not available, the LSP must conduct a wage verification.

Income from the rental of property is considered self-employment income. This income may be recorded on the Income Self Declaration Form.

**Home Business Owners (Self-Employed)**
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. LSP should 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, the household is ineligible for EAP benefits. If review of the self-employed individuals 1040 Form, Schedule C reveals that the household has taken its allowable utility deduction, as an expense, the deduction must be added back to the adjusted gross income (AGI or Line 37). The household must be income eligible after the utility deduction is added back to its Adjusted Gross Income.

The Schedule C tells the LSP that at least one of the applicants had a job that did or did not make a profit. If the business did not make a profit, the applicant does not need to complete a zero 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 a zero income affidavit.

Schedule C-EZ does not list expenses or have a worksheet. To have expenses deducted, the applicant will need to provide this information; otherwise the LSP must use the total AGI.

To reference IRS tax forms, please see https://www.irs.gov/forms-pubs.

**Other Income**

Income may be earned in other ways besides employment. Examples of different types of income:

- Alimony payments
- Black Lung Disability for survivor of recipient
- Disability payments from insurance
- Dividends, interest
- Gambling winnings, awards
- Income from Rental Property
- Life Insurance Payments
- Military Allotments
- Pensions and Annuities
- Railroad retirement and Railroad disability benefits
- Regular life insurance payments
- Retirement plans
- Royalties
- Social security benefits
- Strike benefits
- Unemployment Benefits
- Veterans benefits
- Workers compensation
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.

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.

The Social Security Administration sends SSA-1099’s each January to everyone who receives social security benefits. 1099s are eligible documentation. 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, the following documents should be used in this order of importance:

- Social Security Award Certification Letter from the current year. If the client can’t provide a letter from the current year, a letter from a previous year can be used however the LSP must explain in the statewide database why the client can’t provide a current letter.
- Most recent direct deposit statement from a bank
- The most recent tax forms or tax returns. 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.
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.

Black Lung Disability

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.**

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.

Life Insurance Payments

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

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 should 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

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.

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.

Retirement

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

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 the following:

- 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 deducted to calculate gross benefit.
- If unemployment benefits are sent to an electronic benefit transfer debit card, a statement of benefits can be. 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.
- 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. Agencies will be asked if they have a release of information form signed and on file.
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.

### 7.2 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 should 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 Zero Income 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.

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

Cash gifts of a personal nature, to an individual that does not represent household support, are 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

Tax refunds and Earned Income Tax Credits refunds 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 should not be 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, then 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](http://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 program.

7.3 **Applicants with Zero Income**

Households who declare zero income are required to complete a *Zero Income Affidavit (Appendix N)* for each member claiming zero income during the previous three (3) months. Each person over age eighteen (18) who is not a full time student who claims zero income must provide a description of how he or she met living expenses during that period. A DWD Wage Report should be used for all applicants reporting total zero income. All claimants with zero income must sign a release for the LSP to obtain this verification, see *Appendix E - Indiana Workforce Development Release of Information*. 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 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 zero income claimant form should be completed in its entirety without leaving any blanks. If a line is not applicable it should be marked N/A.

8. **EAP Benefit Matrix**

When applying benefits, agencies should apply benefits in the following order:

- Federal EAP Benefit
- Federal EAP Crisis Assistance
- State EAP
- State EAP Crisis Assistance
- 2nd Federal Crisis (if necessary)
- 2nd State EAP Crisis Assistance (if necessary)

EAP payments may not be made for the following expenses:

- Business or commercial accounts
- Deposit fees
- 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

8.1 **Regular Benefits**

The benefit computation is completed using the EAP Benefit Matrix, see *Appendix O - Energy Assistance Program Benefit Matrix*. The matrix sections and instructions follow:

8.2 **Household Information**

<table>
<thead>
<tr>
<th>Name of Head of Household:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application No:</td>
</tr>
<tr>
<td>Household Income:</td>
</tr>
</tbody>
</table>

Enter household and case identification as indicated.
8.3 Poverty Level Determination

Poverty Points are determined by comparing the household’s income level and size to the Poverty Guidelines. Points range from 4-8 based on where the household falls on the following charts.

State Median Income (SMI) will be applied for households with 1-7 members. Federal Poverty levels will be applied for households with more than 7 members.

- 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 Poverty Points.
- The State Median Income guidelines are updated in June of each year. The federal poverty guidelines are updated in January each year. Indiana updates the guidelines in September before the start of the new EAP heating season each year.

- The State Median Income in Indiana for Federal Fiscal Year 2019 for a family of four (4) is $76,063. Sixty Percent (60%) is $45,638.

<table>
<thead>
<tr>
<th>Persons in family/household</th>
<th>12 month Less than 50% of SMI</th>
<th>1 month Less than 50% of SMI</th>
<th>3 months Less than 50% of SMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$11,866</td>
<td>$989</td>
<td>$2,967</td>
</tr>
<tr>
<td>2</td>
<td>$15,517</td>
<td>$1,293</td>
<td>$3,879</td>
</tr>
<tr>
<td>3</td>
<td>$19,168</td>
<td>$1,597</td>
<td>$4,792</td>
</tr>
<tr>
<td>4</td>
<td>$22,819</td>
<td>$1,902</td>
<td>$5,705</td>
</tr>
<tr>
<td>5</td>
<td>$26,470</td>
<td>$2,206</td>
<td>$6,618</td>
</tr>
<tr>
<td>6</td>
<td>$30,121</td>
<td>$2,510</td>
<td>$7,530</td>
</tr>
<tr>
<td>7</td>
<td>$30,806</td>
<td>$2,567</td>
<td>$7,701</td>
</tr>
</tbody>
</table>

Less than 50% of 150% of FPL

| 8                           | $31,785                       | $2,649                      | $7,946                        |
| 9                           | $35,025                       | $2,919                      | $8,756                        |

INCOME MAXIMUMS  Between 50% to 75% of 60% of SMI: 6 points

59
<table>
<thead>
<tr>
<th>Persons in family/household</th>
<th>12 months 51% to 75% SMI</th>
<th>1 months 51% to 75% SMI</th>
<th>3 months 51% to 75% SMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$17,799</td>
<td>$1,483</td>
<td>$4,450</td>
</tr>
<tr>
<td>2</td>
<td>$23,276</td>
<td>$1,940</td>
<td>$5,819</td>
</tr>
<tr>
<td>3</td>
<td>$28,752</td>
<td>$2,396</td>
<td>$7,188</td>
</tr>
<tr>
<td>4</td>
<td>$34,229</td>
<td>$2,852</td>
<td>$8,557</td>
</tr>
<tr>
<td>5</td>
<td>$39,705</td>
<td>$3,309</td>
<td>$9,926</td>
</tr>
<tr>
<td>6</td>
<td>$45,182</td>
<td>$3,765</td>
<td>$11,295</td>
</tr>
<tr>
<td>7</td>
<td>$46,208</td>
<td>$3,851</td>
<td>$11,552</td>
</tr>
</tbody>
</table>

**Less than 50% to 100% of 150% of FPL**

<table>
<thead>
<tr>
<th>Persons in family/household</th>
<th>12 months 51% to 75% SMI</th>
<th>1 months 51% to 75% SMI</th>
<th>3 months 51% to 75% SMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>$47,678</td>
<td>$3,973</td>
<td>$11,919</td>
</tr>
<tr>
<td>9</td>
<td>$52,538</td>
<td>$4,378</td>
<td>$13,134</td>
</tr>
</tbody>
</table>

**Income Maximum 76% to 100% of 60% of SMI: 4 Points**

<table>
<thead>
<tr>
<th>Persons in family/household</th>
<th>12 Months 76% to 100% of 60% of SMI</th>
<th>1 Month 76% to 100% of 60% of SMI</th>
<th>3 Months 76% to 100% of 60% of SMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$23,732</td>
<td>$1,978</td>
<td>$5,933</td>
</tr>
<tr>
<td>2</td>
<td>$31,034</td>
<td>$2,586</td>
<td>$7,759</td>
</tr>
<tr>
<td>3</td>
<td>$38,336</td>
<td>$3,195</td>
<td>$9,584</td>
</tr>
<tr>
<td>4</td>
<td>$45,638</td>
<td>$3,803</td>
<td>$11,410</td>
</tr>
<tr>
<td>5</td>
<td>$52,940</td>
<td>$4,412</td>
<td>$13,235</td>
</tr>
<tr>
<td>6</td>
<td>$60,242</td>
<td>$5,020</td>
<td>$15,061</td>
</tr>
<tr>
<td>7</td>
<td>$61,611</td>
<td>$5,134</td>
<td>$15,403</td>
</tr>
</tbody>
</table>

**101% to 150% FPL**

<table>
<thead>
<tr>
<th>Persons in family/household</th>
<th>12 Months 76% to 100% of 60% of SMI</th>
<th>1 Month 76% to 100% of 60% of SMI</th>
<th>3 Months 76% to 100% of 60% of SMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>$63,570</td>
<td>$5,298</td>
<td>$15,893</td>
</tr>
<tr>
<td>9</td>
<td>$70,050</td>
<td>$5,838</td>
<td>$17,513</td>
</tr>
</tbody>
</table>

FPL add $4320 for each person per year, $360 per month, $1080 per 3 months.
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.

<table>
<thead>
<tr>
<th>Category: Dwelling</th>
<th>Points Possible</th>
<th>Points Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Home</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Single, Site Built</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Multi-Unit (Duplex or Greater)</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

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); Maximum points are two (2).

8.5 At-Risk

The At-Risk households for the Energy Assistance Program include the elderly (60+), individual with a disability, veterans, and households with children under six (6) years old.

<table>
<thead>
<tr>
<th>Category: At-Risk</th>
<th>Points Possible</th>
<th>Points Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elderly (60+), individual with a disability, veterans, and/or children under six (6).</td>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>

Award three (3) 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 three (3).

8.6 Fuel Source

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

<table>
<thead>
<tr>
<th>Category: Fuel Source</th>
<th>Points Possible</th>
<th>Points Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulk Fuels (Kerosene, LP Gas, Oil, Coal)</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Wood/Wood Pellets/Bio Fuels</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Natural Gas</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Electric</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

Award nineteen (19) points if the household heats with one of the bulk fuels (kerosene, LP Gas, oil, coal, or pellets). Award three (3) points if the household heats with Wood, Wood Pellets, or Bio Fuels. Award two (2) points if the household heats with natural gas. Award two (2) points if the household heats with electric. Maximum points are nineteen (19).
8.7 On-Time Payment Incentive

One (1) point is awarded if the household is current (no outstanding balance) on its most recent primary heating source. One (1) point is awarded if the household is current on its most recent electric bill. If the household has only electric and is current, it is awarded 2 points. Renters with utilities included in the rent will be eligible for the on-time benefit for the utility that is included in the rent if the rent is current. No documentation is necessary to prove that the rent is current.

<table>
<thead>
<tr>
<th>Category : On-Time Payment Incentive</th>
<th>Points Possible</th>
<th>Points Awarded</th>
</tr>
</thead>
</table>
| • The household is current (no outstanding balance) on its primary heating source bill.  
  • The additional benefit will go to the main heating source.  
  • Bulk fuel households must not be in crisis.  
  • Renters with utilities included in the rent will qualify if the primary heating source is included in the rent and the rent is current. | 1 | |
| • If a household is current (no outstanding balance) on its electric bill.  
  • The additional benefit will go to the electric bill.  
  • Renters with utilities included in the rent will qualify if electricity is included in the rent and the rent is current. | 1 | |
| • If a household has only electricity as its primary heating source and is current.  
  • Renters with utilities included in the rent will qualify if electricity is the primary heating source and is included in the rent and the rent is current. | 2 | |

Maximum points are two (2).

8.8 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 $125 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, unless they heat with bulk fuel, then $200 can be waived over to electric

8.9 State EAP Benefit

Each homeowner who has applied for and has been approved for LIHEAP benefits is eligible to receive $100 toward the primary heating bill. Homeowners can also receive up to $200 in crisis.

Homeowners in crisis may request a crisis benefit up to $200. Homeowners with a crisis should receive the benefit at the time of initial application. Homeowners are allowed to come back once for an additional crisis benefit if there is a new documented crisis and if they have not used their entire $200 benefit. The homeowner must present documentation that justifies the additional crisis assistance. Homeowners may receive State EAP until the end of the program year in August.
Example: The homeowner qualifies for an $80 crisis benefit in November. The person comes back to the agency in crisis on March 16 and receives $100 crisis. The client has now received $180 out of the $200 possible crisis benefit. However the client cannot come back for the remaining $20 because he can only come back for crisis once.

8.10 Crisis Benefits for Regulated Utilities

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. 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 $200 if the main heating source is electric, natural gas, or wood. 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.

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

Calculating Crisis Benefits

- The LSP will subtract the amount of the EAP regular benefit from the disconnection amount listed on the bill. The crisis benefit amount will be the difference, up to $200.

Example: A total electric home earning 12 points would be awarded $425 (12 x $25=300, plus the flat electric benefit of $125). They present a disconnect notice of $825.00. They would receive $425 + $200 crisis for a total of $625. The utility company states that it only needs a payment of $200 for the client to remain connected. The client would receive the regular benefit and the crisis benefit and does not need to pay the remainder. In-take worker must make notes in the statewide database and include if the client is covered under Moratorium.

Example: A total electric home earning 12 points would be awarded $425 (12 x $25=300, plus the flat electric benefit of $125). They present a disconnect notice of $225.00. They would receive $425 in regular. The regular benefit covers the disconnect, therefore the client would not receive a crisis benefit.

Example: A total electric home earning 12 points would be awarded $425 (12 x $25=300, plus the flat electric benefit of $125). They present a disconnect notice of $825.00. They would receive $425 + $200 crisis for a total of $625. The utility company states that it needs the entire $825 for the client to remain connected. Customer would need to provide documentation showing the remaining $200 has been paid.

- Crisis assistance may be split between the two utilities, as long as the total amount does not exceed $200 for both utilities. The crisis benefits may be applied entirely to the electric
utility even if it is not the primary heat source if there is an electricity crisis. 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.

### 8.11 Crisis Benefits for Unregulated Utilities

Clients with the bulk fuels such as Propane, LP gas, Fuel Oil experiencing an energy emergency are no longer eligible for Federal Crisis benefits because the entire $400 that would be considered Crisis Assistance is given up front in additional matrix points. Bulk fuel clients who are homeowners are still eligible for a State Crisis benefit if the client has a declared crisis.

Clients heating with wood, pellets, corn or other biofuels will not get crisis up-front. Therefore, these clients are eligible for $400 in Federal crisis. The $400 in crisis may be given all up front, or later when the client declares a crisis. These fuels are also still eligible for a State Crisis benefit if the client has a declared crisis.

Bulk and wood fuel clients may waive up to $200 from their Federal heating assistance to their electric bill if the electric bill is in crisis at the time of application.

### 8.12 Total Benefit

Total points are used to determine the amount of the Regular EAP benefits. Electric, Regional differentials, State EAP, Crisis, and State Crisis are dollar amounts are added.

**Benefit Matrix Points**

<table>
<thead>
<tr>
<th>Category</th>
<th>Maximum</th>
<th>Minimum Points Possible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty Level</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Dwelling Type</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>At-Risk population</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Fuel Source</td>
<td>19</td>
<td>2</td>
</tr>
<tr>
<td>On-Time Benefit</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Maximum Possible</th>
<th>Minimum Possible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Points X $25</td>
<td>$850 (34 pts)</td>
<td>$175 (7 pts)</td>
</tr>
<tr>
<td>+ Electric</td>
<td>$125</td>
<td>$125</td>
</tr>
<tr>
<td>Category</td>
<td>South</td>
<td>Central</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>-------</td>
<td>---------</td>
</tr>
<tr>
<td>Regional Differential (South, Central, North)</td>
<td>$15</td>
<td>$5</td>
</tr>
<tr>
<td>Total Regular EAP benefit</td>
<td>$990</td>
<td>$305</td>
</tr>
<tr>
<td>+ Crisis EAP</td>
<td>$200</td>
<td>$400</td>
</tr>
<tr>
<td>+ State EAP Regular (homeowners only)</td>
<td>$100</td>
<td>$0</td>
</tr>
<tr>
<td>+ State EAP Crisis (If applicable for homeowners only)</td>
<td>$200</td>
<td>$0</td>
</tr>
<tr>
<td>Total EAP Benefit</td>
<td>$1,290</td>
<td>$305</td>
</tr>
</tbody>
</table>

**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 $125 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 correct Regional Differential of $5 for the South region, $10 for the Central Region, or $15 for the Northern region, see *Appendix P - Regional Map*.

4. Enter the amount of Crisis benefit when applicable.

5. For homeowners only:
   Enter the amount of the regular State EAP benefit ($100).
   Enter the amount of State EAP Crisis when applicable. Homeowners may also return once for a Crisis benefit until the end of the heating season. LSPs should update the matrix at that time. Crisis should be documented.

6. Add the amount of the points from the regular benefit, the electric benefit, the regional differential, the Crisis, and State EAP Regular and Crisis (if applicable) to determine the Total EAP Benefit.

**8.13 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.

The client may, however, request to waive the benefit and add the funds to another utility, see *Appendix Q - Benefit Waiver Request Form*, which must be completed and approved by the LSP’s
Program Manager. A copy of the waiver must be kept in the client’s file. Upon approval, the client will be ineligible for additional benefits until the next program year.

If the client has a credit balance on the unregulated utilities in excess of $500 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.

Alternatively, the client may request to waive $200 of the unregulated fuel benefit to another utility, see Appendix Q - Benefit Waiver Request Form, which must be completed and approved by the LSP’s Program Manager. A copy of the waiver must be kept in the client’s file. Upon approval, the client will be ineligible for additional benefits until the next program year.

8.14 Inoperable Heating Source

If the home’s designated heating source is not operable either due to intentional disconnection or mechanical failure, the applicant is not eligible for the regular benefit if he or she is heating with an unsafe source (such as electric space heaters, stove, or other unsafe alternatives). The client is eligible for the electric credit only. If the client is heating with an alternative safe heating source (such as a 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. The client must fill out Appendix C – Declaration of Inoperable Heating Source.

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 because the EAP program is intended to assist with heating.

If the client has not received a regular EAP benefit and the primary heating source is operable later during the program year, the client may re-apply for the regular benefit. Intake staff should update the original application, the file, the notification letter, and the supporting documentation showing the repair or replacement.

Replacement Heating Source

If the client replaces the designated heating source with a new primary heating source, the household may receive the regular benefit for the new heating source. For example, if client has installed an electric baseboard heating system to replace the inoperable LP furnace, the household may now receive a regular benefit for electricity. The household must provide documentation such as a receipt for installation.

9. Summer Cooling Assistance Program

If funds are available, IHCDA will conduct a Summer Cooling program. The statewide Summer Cooling Assistance Program for PY2019 will be June 2019 to August 2019, with the exact dates announced when available. Unless otherwise specified below, the rules established for the EAP Heating Assistance Program apply to the Summer Cooling Assistance Program. Each LSP will be allocated a certain amount of administrative funds to supplement the operating costs for running the summer cool transmittals.
9.1 Summer Cool Eligibility

All households who received PY2019 winter heating benefits are automatically approved for Summer Cooling Assistance Program based on the previously approved application. A further eligibility determination is not necessary.

The program is not restricted to households who received the prior winter’s heating benefit. A household who did not receive heating benefits the prior winter may apply and be determined eligible under the guidelines as a new applicant. New households or households who were previously deemed ineligible may apply. LSPs may begin taking new applications and allotting air-conditioners as soon as the Summer Cool program begins.

9.2 Summer Cool Benefits

All eligible households qualify for:

- An electric benefit. The amount varies by year depending on available funding.
- A window air conditioner unit, if a there is medical condition documented by a medical professional. The documentation does not need to state the medical condition.

The electric benefit is awarded to households who are responsible for an electric utility bill and will be paid directly to the electric utility vendor. Renters whose utility is included in rent will also be eligible for summer cool. There will be a direct payment made to households with electric included in their rent.

Relocating between winter and summer programs

Winter EAP clients who move within the original LSP’s service area will need to provide a new utility bill to confirm the client name, address, utility provider, and account number. If the client moves but retains utility account information from winter, no action is required by the LSP. If the client moves into a different LSP’s service area, the original LSP will process the summer benefit with the same requirements as if the client was within the service territory.

9.3 Window Air Conditioners

A household may be eligible to receive a window air conditioning (A/C) unit, in addition to the Summer Cool monetary benefits. LSPs are required to provide at least 10 A/C units to eligible clients as part of the summer program. If an LSP cannot administer the A/C program directly, they must find a contractor or another agency to administer it for them.

A room air conditioner may be awarded to income eligible households who pay an electric bill and meet certain medical conditions. All the following criteria must be met to receive an air conditioner:

- Households with an operating central air conditioning unit are ineligible for a window unit.
- The household must be eligible for the EAP program.
- The household must have at least one household member living with a medical condition and whose health may be jeopardized by not having an air conditioner.
- The medical condition must be verified in writing by the appropriate medical professional, see Appendix R - Air Conditioner Affidavit. The statement must be completed and signed
by the medical professional. In order to comply with HIPPA regulations, no information about the client’s actual medical condition should be indicated on the form. The statement can be sent directly to the LSP, as long as no medical information is indicated on statement.

- If the medical statement contains HIPPA protected information, the document must be redacted if kept in the file. LSPs may also make note that they have received the document and then shred it.
- The household must be classified as At-Risk: elderly, disabled, veteran, or have a child under age six (6). A household who applies but does not qualify as at-risk can, however, still qualify for an air conditioning unit if LSP feels that a life-threatening situation exists. The LSP Program Manager should complete a waiver for the file.
- The household must sign a statement that it will not sell or transfer the air conditioner for a period of five (5) years.

A household qualifies for the air conditioner benefit no more than once every five (5) years, except in extreme circumstances such as a flood, tornado, or fire that caused the household to relocate. Households who received an air conditioner in PY 2014 or prior are eligible for an air conditioner in PY 2019. If in doubt of whether a household can receive an A/C unit, the LSP can count back exactly 5 years to the date that the last A/C unit was received. For example, a client who received and A/C unit on June 15, 2013 would be eligible on June 16, 2018.

Air Conditioner Requirements

LSPs must purchase air conditioners that meet these requirements:

- At least 5,000 BTU (British Thermal Units) capacity units.
- Must not exceed a cost of two hundred seventy five dollars ($275). LSPs should purchase the units at a lower cost when available. LSPs can purchase additional A/C units (beyond the ten (10) allotted) if funds are available.
- Must be Energy Star rated. Exceptions must be approved in writing by the Community Programs Manager.
- If the LSP has surplus A/C units that will be carried over to the next program year, the LSP must submit the carry over numbers to IHCDA.
- Renters whose utility is included in the rent must receive permission from their landlord to install the A/C unit.

It is important to purchase enough of a supply of air conditioners to accommodate the anticipated demand and obtain a volume based price. Inventory should, however, be limited to avoid storage costs. IHCDA suggests that agencies plan to have no more than 10% of their overall purchased volume on hand to carry over as inventory for next year. Agencies may also issue a merchandise credit from the vendor to allow the client to pick up the unit directly, especially for those concerned with storage costs.

Any warranty issues with the air conditioner should be handled between the client and the vendor.

The purchase of air conditioners will be tracked using the Summer Cool A/C Funds line item on the EAP Budget Form. Agencies will submit a claim (not a transmittal) to IHCDA via IHCDA Online,
which will go through the LSP’s fiscal department for the air conditioner units purchased. A copy of the purchase invoice must be provided as proof of purchase. The case must be updated to show a client has received a unit. If possible, a list of clients who received A/C units should also be included.

10. 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 Zero Income Claimant affidavit which must be notarized after completing the referral.

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

11. 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.
11.1 LSP Grant Agreements

All LPS 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 anytime funds are added or reduced to a grantee’s budget. Previously, all contracts and amendments had to be returned to IHCDA with an original signature. However, IHCDA will be using an electronic signature system for the 2019 EAP season which will eliminate the need for original paperwork.

11.2 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 Admin, Assurance 16 activities, and window air conditioning units 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.

11.3 LSP Budgets

Allocation

The allocation for PY2019 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.

- 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.

IHCDA will distribute funds at least three times in PY2019: Before the beginning of the season for LSPs to start their program using any remaining funds from the prior program year, after the initial award from Health and Human Services (HHS) which is typically in October, and after the second award from HHHS which is typically in June, if released.

Budgets

LSPs will inform IHCDA of their budgets in writing using the budget form, see *Appendix S – 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:

<table>
<thead>
<tr>
<th>LSP Budget</th>
<th>Allowed Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility (based on expenditures)</td>
<td>8.5%</td>
</tr>
<tr>
<td>Assurance 16 (5% of total expenditures)</td>
<td>5%</td>
</tr>
<tr>
<td>Regular/Crisis Assistance</td>
<td></td>
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<tr>
<td>Regular Assistance</td>
<td></td>
</tr>
<tr>
<td>Crisis Assistance (must set aside 8% budget through March 15)</td>
<td></td>
</tr>
<tr>
<td>ERR Crisis Assistance (up to 10%)</td>
<td></td>
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<tr>
<td>Summer Cooling Program</td>
<td></td>
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<tr>
<td>Summer Cooling Benefits (if additional funding is available)</td>
<td></td>
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<tr>
<td>Summer Cooling A/C Funds (if additional funding is available)</td>
<td></td>
</tr>
</tbody>
</table>

**Benchmarks**

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

- Obligating forty-five percent (45%) of the Grantee’s LIHEAP funding under this Agreement by December 31, 2018;
- Obligating sixty percent (60%) of the Grantee’s LIHEAP funding under this Agreement by February 1, 2019; and
- Obligating seventy-five percent (75%) of the Grantee’s LIHEAP funding under this Agreement by April 1, 2019.

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 and crisis benefits obligated.

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.

**Request for additional funds:**

An LSP should request additional funds if it is hitting its benchmarks before the program term has ended. 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 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 five (5) business 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, Energy Education, and Family Development, as well as AC units, 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.

**11.4 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 the year.
- Summer Cooling Assistance
- Summer Cool Air Conditioner
- State Regular Assistance
- State Crisis
- 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.

For State EAP, LSPs will add the State EAP to each homeowner’s primary heating source as a separate benefit claim.

**11.5 Eligibility (Admin) Costs**

Eligibility (administrative costs) will cover overall service delivery of the program. Eligibility costs are defined as the LSP costs for intake and eligibility determination and other associated costs.

Agencies may budget and use up to **eight and a half percent (8.5%)** of their total EAP budget for Eligibility. Any other federal dollars used in the administration of EAP must be included against this limit. Eligibility includes:

- EAP service delivery functions, including fiscal, executive, and support operations.
- EAP program intake functions, including eligibility determination and verification, application processing, and transmittal processing.
- Costs such as rent, utilities, and supplies etc. that are staff costs directly associated with Eligibility determination.
- Technology expenses, including annual maintenance and support of technology.

**11.6 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 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.


**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:**
LSPs may create their own Assurance 16 plan. All Assurance 16 activities should be outlined in the Grantee 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:

If Assurance 16 activities can identify actual cost, an invoice may be submitted.

- 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.

**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 the EAP program 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 mini spiral compact florescent light bulb (CFL) or Light Emitting Diode (LED)
• 13 watt, 18 watt, or 23 watt energy star dimmable CFL or LED
• 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.

**11.7 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 1.5% and the LSPs receive 8.5% of this total. Effective June 15, 2017, all federal funds used for LIHEAP administration must be counted toward this 8.5% administrative total. LSPs, therefore, must use nonfederal funds to supplement any expenses necessary to administer the LIHEAP program beyond the 8.5% allowable LIHEAP administration. Although allowable by the CSBG federal regulations, the LIHEAP federal regulations restrict the supplanting of CSBG to the LIHEAP administration expenses.

**11.8 LSP Online Claims Submission**

All service providers must submit claims at least monthly for their administrative expenses, window air conditioning units, and Assurance 16. All claims and supporting documentation are submitted online at IHCDA Online [https://ihcdaonline.com](https://ihcdaonline.com). LSPs should reference the IHCDA Claims Manual located on the IHCDA Partner site [http://www.in.gov/myihcda/2477.htm](http://www.in.gov/myihcda/2477.htm) or [www.eap.ihcda.in.gov](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 should support expenses that are being claimed.

**11.9 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 *Appendix T – 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 November 15th.
- 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.

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• IHCDA will verify that final grant expenditures matches the final expended amount on
the close out form.

Any Federal or State EAP 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.

11.10  Procurement

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.

12.  Monitoring, Compliance and Quality Assurance (QA)

The State has the responsibility to ensure that LSPs are correctly carrying out the administration
of the program. Monitoring reviews will evaluate execution of the guidelines established in the
EAP Program Manual such as:

• The LSP has properly followed written procedures, applicable laws, regulations, and
contract terms.
• The LSP has administered the program according to established time frames.
• Calculation of household income is correct.
• EAP benefits are correctly applied to the clients.
• Eligible costs are charged to administer the program.
• 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.

Additionally, the State is federally required to complete a risk assessment on each LSP. The risk
assessment includes risk categories that generally cover use of funds, claims and transmittal
compliance, and findings and concerns from monitoring.

IHCDA will monitor at least half of all LSPs each year, with a priority for LSPs who are
considered high risk or who have been on a quality improvement plan.

12.1  Monitoring Checklist

LSPs must scan in only documents that are relevant to the application. LSPs should scan in order
of this checklist:
• Signed Completed Mail-in Application (Must Date Stamp)
• Photo ID for Head of Household
• Proof of US Citizen or Resident (Social Security Card(s) or other document(s) for all household members)
• Proof of Income (Pay stub, W-2, 1040, etc).
• Proof of Benefits (social security, SSI, Railroad ret. And/or Disability, etc.)
• Bank Statements (Only needed if benefit letters are outdated or not available)
• Zero Income Verification Affidavit
• Department of Workforce Development Wage Inquiry
• Proof of Child Support Payments
• Other Income (i.e. unemployment, workman’s comp, Income from rental property, pensions/annuities, Veteran Benefits, regular life ins. payments, etc.)
• Lease or Landlord Affidavit (LLA Mandatory for Utilities in Rent)
• Proof of Homeownership
• Utility Statement
• Other supporting documents as needed

LSPs must make notes in the statewide database for any actions that are taken for the client’s case. LSPs must rescanned or re-upload all documents when using the recertification policy. For recertification, only the application and the utility bill will need to be current.

12.2 Monitoring Process

As a part of Indiana’s program integrity plan, IHCDA, will review proper application of the EAP program operations, during which IHCDA Program and Fiscal monitors conduct the following activities:

• Client eligibility review: This review analyzes the components of the application for completeness and accuracy.

• Programmatic interview: The interview allows the EAP program staff to explain their Quality Assurance (QA) review process, customer service strategies, and outreach activities for at-risk clients, crisis timelines, and intake procedure for internal applications.

• Financial review: The financial review ensures that EAP applications are remitted via transmittals to utility vendors within 60 calendar days from their approval date and that transmittals are submitted to IHCDA within five (5) business days of receipt from the utility vendors.

• Fiscal review: The fiscal review examines the LSP’s policies and procedures related to costs allocated to the program: fixed assets purchases and inventory; procurement procedures and the processing of administrative costs, program income, if applicable; the most recent “Single Audit” for compliance issues and the status of any corrective actions resulting from those findings; the EAP budget; the expenditures reimbursed through claims to include but not limited to payroll, common cost, energy education, family development, travel expenses, supplies, asset purchases etc.
IHCDA randomly selects at least three percent (3%) of the LSP’s client files for review. Incomplete and denied files are a small part of the file review.

Notification of the desktop monitoring will be sent at least 30 calendar days prior to the when the monitoring session is to begin. This notification will include a list of files to be uploaded for desktop monitoring at least fourteen (14) calendar days prior to the start of the review.

Currently all the EAP client file reviews are conducted remotely by desktop. EAP Fiscal Review is conducted onsite. During the desktop review, the EAP Monitor will communicate findings or concerns with the LSP as necessary. Each review will include an entrance and exit conference.

12.3 Internal Controls

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. The procedures must outline the LSP’s process for completing appointments, mail-in applications, and calculating benefits. These procedures will be reviewed during monitoring to ensure total internal compliance.

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 which 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 following information was processed accurately:

- Completeness of the case identification information.
- Accuracy of the income computation.
- Points awarded correctly under each category.
- Points totaled correctly.
- The on-time benefit amount, if applicable.
- The crisis benefit, if applicable.

When performing QA checks, LSPs can 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 should make notes in the State’s EAP 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 should be maintained through the end of the program year.

12.4 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 of findings and concerns, amount of benefits to be paid to clients, any funds which should be repaid to IHCDA, and suggestions for future program enhancement. The monitoring report will contain findings and concerns.

Findings will include fiscal items, but also items that call into question the validity of the application or the file, risky situations, or obvious non-compliance with rules that should be easy to follow or have important reasons for being in place. Examples include but are not limited to:

- Incorrect benefit matrix point allocation
- Income calculation error
- Failing to give crisis/giving crisis when not eligible
- No State EAP applied for homeowners
- Unallowable costs charged on EAP claim
- Missing application or documentation

Concerns are related to errors in executing and documenting the program rules and guidelines. Examples include but are not limited to:

- Application not signed or dated by the applicant
- No utility bill
- No zero-income verification affidavit
- Staff, governing board, or their relatives’ application is not signed off by the Executive Director or designee
- Not processing applications in a timely manner
- QA less than 10% of client files.
- QA was not performed within 45 calendar days from completion.
- QA file was found to have errors.

The LSP will take Corrective Action to correct the finding or concern identified during the monitoring review. 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
- Asking the client for additional information
- Attempting to collect a debt

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**Error Rate**
The error rate is the total number of Findings and Concerns divided by the total number of files (approved and denied) reviewed. The error rate is considered a benchmark to identify if there is a need for additional training and technical assistance. IHCDA will now only count consistent errors across multiple client files as one finding or concern.

For example, if on-time benefit was not given when it should have been given 3 times, this will only count as one finding.

**Example**
1 Finding + 5 Concerns = 6 total errors ÷ 75 reviewed files = 0.08 or 8% error rate

**Completion**
The LSP will have ten (10) business days from the receipt of the monitoring report to submit any written response. Any corrective action taken by the LSP is considered an acknowledgment of the finding or concern. If the LSP agrees with any findings, concerns, payments or credits, the LSP must begin to correct these issues and submit supporting documentation with its written response to IHCDA’s Community Programs Monitor. The LSP will receive a Monitoring Completion Letter provided that all completed corrective actions, documentation of credits to clients, and copies of checks paid to IHCDA have been submitted.

Please note that the monitoring session is not complete until a Monitoring Completion Letter has been issued acknowledging receipt and acceptance of corrective actions and supporting documentation, if necessary.

**12.5 Corrections, Overpayments, Underpayment**
When monitoring or QA reveal overpayments to the client, funds must be returned to IHCDA. LSPs should follow the below steps in order to return funds to IHCDA.

**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 should not seek out new or 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 agency’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.

- 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 refund (negative transmittal) in the State’s EAP database as notification for payment. 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 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.

**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)
Claim List
Click on claim
Claim = enter amount on appropriate line
Comment = “Return of Funds due to EAP Monitoring Finding”
SAVE = upload copy of claim receipt with the claim number, plus proof of payment
Submit document
Go to Summary = SUBMIT CLAIM

**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, 30 South Meridian Street, Suite 900, Indianapolis, IN 46204.
Underpayment
If a client is due additional funds following a quality assurance or monitoring review, 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.

12.6 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 Manager-EAP within 10 business days of the receipt of the monitoring report.

1. IHCDA’s Community Programs Manager will respond within 10 business days of receipt of LSP’s Informal Appeal to the Monitoring Report.
   a. If IHCDA agrees with the LSP’s Informal Appeal, the LSP will receive a Monitoring Completion Letter provided the response includes, if any, completed corrective action, documentation of credits to clients, and copies of checks paid to IHCDA.
   b. If IHCDA does not agree with the LSP’s response, the LSP will receive IHCDA’s informal appeal reply to its first response within 10 business days.

2. The LSP will provide a second response to IHCDA’s reply within 10 business days. (If applicable)
   a. If the LSP agrees with the monitoring report the LSP’s second response is to be sent to the Community Programs Monitor. The LSP will receive a Monitoring Completion Letter provided the response includes, if any, completed corrective action, documentation of credits to clients and copies of checks paid to IHCDA.
   b. If the LSP disagrees with IHCDA’s second response, the LSP is to submit a formal appeal in writing to the Director of Community Programs. The Director of Community Programs will review the formal appeal and make a decision within 30 calendar days. Whatever decision is made by the Director of Community Programs will be final. The LSP will receive a Monitoring Completion Letter provided that all completed corrective actions, documentation of credits to clients, and copies of checks paid to IHCDA have been submitted.

12.7 Modified/Quality Improvement Plan (MQIP/QIP)
As a part of the monitoring report, each LSPs error rate is assessed to identify if there is a need for a quality improvement which will typically require the LSP to undergo additional training and technical assistance, site visits, additional monitoring, or other relevant actions as determined by IHCDA. There are two types of Quality Improvement Plans:
• A Quality Improvement Plan (QIP): May be used when the LSP’s error rate is twenty percent (20%) or higher and lasts 120 calendar days.
• A Modified Quality Improvement Plan (MQIP): May be used when the LSPs error rate is between 15% - 19% and lasts ninety (90) calendar days.

IHCDA will assess the LSP’s progress at the end of the QIP period. If corrective actions have been made to remedy the findings and concerns, and a consensus and compliance have been reached between the LSP and IHCDA, the LSP will be cleared from the QIP, and the monitoring period will be closed.

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 who fail to complete quality improvement plans may receive a reduction in funding or reduction in service territory.

The monitoring session is not complete until a Monitoring Completion letter has been issued, acknowledging that all corrective actions have been satisfied for the noted monitoring.

12.8 IHCDA Risk Assessment

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.

Risk Factors that IHCDA looks at are:
• Amount of staff overturn
• Training Attendance
• Operating Years: Renewal, added territory, and/or New LSP (newer territories are higher risk)
• Findings on Single Audit
• Timely Submission of Reports
• Timely Submission of Claims
• Quality of Claim Documentation
• Grant Award Amount
• Complaints from Constituents
• Benchmark Achievement
• Last EAP File Monitoring Score

12.9 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 should also extend to the internal procedures, processes, and outside contacts the LSP uses to administer the EAP program. 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 should 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 (no health records should 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 State’s EAP database.

**Records Retention**

The LSPs are strongly encouraged to maintain a backup (electronic or hardcopy) of the application and supporting documentation outside of the State’s EAP database system. 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.

13. EAP Vendors

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.

13.1 Memorandum of Agreement (MOA)

To become a participating EAP vendor, all utility vendors must complete a Memorandum of Agreement (MOA) with IHCDA, see Appendix V - EAP Utility Vendor Memorandum of Agreement. These MOAs are signed every two (2) years. MOAs must be completed in their entirety and include payment (ACH (direct deposit)/check) information, see Appendix L - ACH Direct Deposit Form. 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 the EAP program 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. Wood vendors will need to also provide a copy of a W-9 tax form. Vendor payments cannot be made if IHCDA does not have a current vendor MOA.

IHCDA facilitates the MOU process by sending previous utility vendors an updated copy of the MOA prior to the start of the new program year. This creates a direct relationship between IHCDA and the vendor. The LSP should provide the current MOA form to new utility vendors, however, and provide IHCDA contact information to facilitate processing.
13.2 Vendor Notification

Vendors must be notified of client eligibility. 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 should not be notified prior to the benefit determination, unless notifying the vendor will allow the client to be tentatively eligible for moratorium (see Section 2, Transmittals for Moratorium Only).
- If the household is ineligible or is pending eligibility determination, an EAP benefit amount should not 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 continue paying their utility bills according to their regular schedules.

13.3 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 State’s EAP database.

The transmittal must be sent to the vendor by electronic transmission (email). Faxing the transmittal is also allowable. IHCDA no longer allows transmittals to be sent by post mail unless that is the only method the vendor is capable of accepting. LSPs must make an effort with each vendor to be able to use email to submit transmittals. Weekly submission of transmittals should be the standard both to vendors and to IHCDA.

This is because it is particularly important to have timely transmissions for the EAP program. In addition, certain programs like the Universal Service Program provide a discount for EAP clients that only take effect once the transmittal is finalized.

Transmittal Process:

- EAP transmittals are sent to the vendor for review (note: wood vendors do not have to sign transmittal, the signed wood voucher is enough). LSPs must not provide sensitive information on the transmittal such as the applicant’s full or partial social security. 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 five (5) business 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 State’s EAP database.
  - Regulated utilities should anticipate transmittals for eligible clients no earlier than the first business day in November.
  - Payment is processed in IHCDA Online. IHCDA claims 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.

### 13.4 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.

The client must contact **his or her LSP** for the credit within ninety (90) calendar days of closure of the account. The client must provide new address and utility information including the new account number. The client must complete the transfer request form, see *Appendix W - Energy Benefit Transfer Request Form*. The LSP must send the form 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.

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 contact IHCDA for the credit **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.
13.5 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.

IHCDA cannot pay, however, on a closed or disconnected account. That’s to say, 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 May 31st and the Summer Cool benefit was transmitted on June 8th, then the utility company could not apply the money to the account. However, if there was a transmittal sent June 8th and the client closed the account on June 15th, then the summer cool benefit could be applied.

13.6 Wood Vendors

LSPs issue clients who heat with wood a wood certificate for wood vendors that have signed and returned a current MOA (see Appendix U - Energy Assistance Program Wood Vendor Certificate). This allows clients to select the vendor of their choice. Clients and vendors complete the wood certificate/voucher upon product delivery, and vendors return the voucher to the LSP for payment. To better serve wood clients, LSPs should assist clients by maintaining a list of local wood vendors or by contacting neighboring LSP’s vendors. All wood vendors must have a valid MOA for the current EAP season.

Clients who heat with wood also have the option to receive their wood benefit in the form of a check. For example, checks should be issued when clients prefer buying wood pellets from a retail store that will not take wood vouchers.

For eligible clients using wood (including corn pellets) as their primary heating source, LSPs should ensure that households meet the following criteria:

- Wood is the primary heat source. Wood is not covered when it is a supplemental heat source.
- Wood stove or fireplace is being used to heat a home.

14. Procedures for Fraud, Waste, and Abuse

If an LSP believes that an applicant has received a benefit in error, due to misrepresentation or false reporting of their household information, it must begin an investigation. Each LSP has the authority to request additional information from a household or independently verify information provided during the eligibility process.

The purpose of investigating fraud, waste, and abuse is to:

- Ensure that energy assistance benefits are received in the correct amounts and only by those individuals who are eligible.
- Recover tax dollars obtained by participants through fraudulent activities, unintentional participant error, administrative error, or non-compliance.
• Deter future occurrences of fraud and/or non-compliance within all energy assistance programs and to help maintain program integrity.

Fraud is defined as “wrongful or criminal deception intended to result in financial or personal gain.”
Waste is defined as “consuming, spending, or expending thoughtlessly or carelessly.”
Abuse is defined as “misusing or using improperly or excessively.”
While all three (3) of these situations have serious financial implications for an LSP, fraud occurrences will likely be the most investigated. Fraud occurs when:
• A participant knowingly and willfully provides false information about his or her circumstance.
• When a participant intentionally fails to report changes in his or her circumstance in a timely manner in order to receive benefits for which he or she is not eligible.

To constitute fraud, the participant must know that the information he or she provides is false and that he or she did so with the intent to gain something of value.

Fraud, Waste, and Abuse should not be confused with Non-compliance, which is the failure of the individual participant to act in accordance with the rules and regulations of the energy assistance programs.

A participant providing incorrect information by mistake is not committing fraud. Also, a participant does not commit fraud if he or she is unaware of his or her responsibility to provide certain information. The participant may provide false information for reasons other than to receive excess benefits, in which case he or she is not committing fraud. For instance, the participant may have an embarrassing situation which causes her to fail to report the actual circumstances of her situation, or there may be other reasons that need to be taken into consideration for concealing the truth or failing to report changes.

Early Detection and Prevention: Early Detection and Prevention is designed to detect and prevent fraud prior to authorization of energy assistance benefits. Effort needs to be taken to keep fraud and non-compliance from occurring in the first place. By practicing early detection and prevention, the intake worker can refer applicants who meet certain conditions to their supervisor for in-depth examination.

This begins with thorough training of all intake workers. The intake workers must be capable of conducting detailed eligibility interviews and identifying cases that need to be referred to their supervisor. An initial step is to check the Ineligible Applicant List in the State’s EAP database. Applicants on this list should not be processed further.

Another step is to make sure that all applications are fully completed. Questions should be asked in all situations where the intake worker needs further clarification. Even with early detection and prevention, there will still be situations where clients receive benefits for which they are not entitled. Once this happens, notification is usually through a whistleblower, an anonymous tip, an LSP monitoring, or other action. This is when an investigation is initiated.
Investigating Fraud, Waste, and Abuse

LSPs should follow this process in cases of suspected Fraud:

- Check the Ineligible Application List.
- Conduct a fraud investigation by verifying information from independent sources.
- Notify IHCDA of a fraud investigation and results when completed.

Investigative Steps: An investigation is a detailed examination or search to determine if an individual has committed an act of non-compliance or fraud and/or received benefits to which they were not entitled, resulting in a claim. When an investigation is started the following steps should be followed:

An In-House Investigation: These are things that can be done at the LSP through the LSP’s records and database.

a. Determine Eligibility Factors: Based on the information received from the applicant, is he or she eligible for energy assistance? If there is a specific eligibility question for the applicable time period, consult the Energy Assistance Guidelines for that time period.

b. Review Background Information: Review background information that is available at the LSP about the applicant. There are several different sources available:
   - Previous EAP application
   - The State’s EAP database
   - Public and Government Websites

Determine whether the information received from the applicant conflicts with any information found during the background checks or from an informant. If there are no conflicts, there is no need to proceed any further. If information does conflict in some way, further investigation is needed.

Documentation: It is vital that each step taken in the course of the investigation is documented in chronological order. This will provide a detailed and complete record of the processes used and the information obtained. Documentation will include investigator notes as well as copies of relevant documents. These are not just important for LSP records, but also in situations where law enforcement will need to be involved. There are six (6) basic questions to keep in mind while collecting information during the course of any investigation:

1. WHO. The case should include the names, addresses, and phone numbers of the applicant and other contacts made regarding the investigation.
2. WHAT. The case notes should reflect all the eligibility factors being investigated, such as income, household composition, resources, living arrangements, etc. Make sure the applicant is eligible in all areas, not just the area that prompted the investigation.
3. WHEN. Write down the date and time of all contacts made during the investigation. This will be needed should the case be appealed or if law enforcement gets involved.
4. WHERE. Write down the correct address, location, and time of any interview, home visit or other fact gathering activity.
5. WHY. Write down the reasons for the investigation and reasons for any actions on the case.
6. HOW. Document the way in which the information was received.
Potential Sources (to assist with the investigation):

**Employment Records:** Does the name match on the income documentation? Does the social security number match the award letter or tax return? Does the participant work for the State of Indiana? Review records for tax deductions for children.

**Utility and Phone Bill:** Contact the utility and phone service providers to determine who is billed and pays for the service.

**Landlord or Mortgage Company:** Contact the landlord and ask if he or she knows who lives in the rental property. Obtain a copy of the rental agreement or mortgage papers to determine who is a party to the contract. Determine who pays the mortgage.

**Courthouse and/or Recorders Office Records:** Both of these areas are valuable sources of information. You will be able to determine recent loan, judgment, mortgage, and real estate transfer activity of the participant or property owner. You can also search divorce, custody, and marriage records.

**Sheriff or Police Department:** Local law enforcement agencies keep records of all calls and investigations. If law enforcement made a trip to the participant’s address, it may have listed the names of all persons living there.

Confidentiality: The investigation of possible fraud, waste, or abuse should be kept as confidential as possible. This is done to ensure the integrity of the investigation. The more people who know about an investigation, the greater the chances of the subject finding out about the investigation. Knowledge of and participation in an investigation should be shared only with necessary persons.

Final Steps: Once the violation has been identified and investigated and supporting documentation has been reviewed and corroborated by the LSP, action needs to be taken against the participant’s application or against his or her benefits if they have already been distributed. Actions taken can range from the rejection of the application to the termination of benefits and request for repayment of funds, as well as placement on the Ineligible Client List. The case can also be submitted to Federal Officials if the situation warrants.

IHCDA recommendation: To prevent fraud, waste, and abuse of EAP benefits, the LSPs should review applications where the applicant and the landlord have the same last name.

The IHCDA Community Programs Manager and Compliance Attorney are available to assist at any phase of the investigation, if needed. Contact IHCDA Community Programs staff or Compliance Attorney to report all alleged or substantiated acts of fraud, waste, and abuse.

**Overpayment**

If the LSP confirms that a client should not have received a benefit, it will begin its process to request repayment from the household and contact IHCDA to ensure that the household members are added to the list of ineligible applicants until the time that payments are made.

The ineligible applicant(s) will be suspended from receiving benefits until those funds are repaid. They will, therefore, remain ineligible until the start of the next program year after they have repaid the benefit.
The LSP can make a recommendation that the household is ineligible from the program indefinitely, however this is subject to State approval. All applicants must be informed of their right to appeal.

**Return of Funds**
When an LSP discovers that a household has undeclared income which allowed the household to receive benefits for which they were not entitled, the LSP must notify the client of that discovered income. If the client has already received an EAP benefit, he or she must return the benefit.

When an applicant returns funds to the LSP, checks should be made out to IHCDA. The LSP should document the return in the applicant’s file. The LSP should send the check, the applicant’s information, application number, and transmittal number to the IHCDA Community Programs Manager.

**15. Special Programs**

**15.1 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.

**15.2 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 automatically enrolled in the program 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.

15.3 Duke LED/CFL Program

The Duke LED/CFL Program is an energy conservation program designed to increase home energy efficiency through the distribution of CFL light bulbs. This program serves clients within Duke’s service territory statewide including Area IV, Area Five, CFS, CAPE, CASI, CAPWI, HSI, HUEDC, ICAP, LHDC, OVO, PACE, REAL, SCCAP, SIEOC, TRICAP, and WICAA.

Each client receives a kit that includes LED or CFL light bulbs shipped directly to his or her home. To be eligible to participate in the program, clients must use Duke as the electric service provider and must have never received CFL light bulbs from Duke previously. Once clients have been approved for an EAP benefit and eligibility has been verified, households will receive their kits within four to six weeks of the application date.

15.4 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/

15.5 Leveraging Incentive Program

Leveraging programs have been discontinued since 2014. LSPs will no longer be able to claim leveraging funds. The below section is for information only, in case leveraging funds become available. LSPs will be notified if federal leveraging funds become available.

In 1992, federal legislation established the Leveraging Incentive Program to reward States under the Low-Income Home Energy Assistance Program (LIHEAP) who have acquired non-federal home energy resources for low-income households. Leveraging Incentive Program funds will be
awarded to those LSPs who play an active role in developing or acquiring dollars that represent a net addition to the total energy resources available to the low-income in their areas.

Under this program, Leveraging Incentive awards in one fiscal or program year (the award period) are based on countable leveraged resources that were provided to low-income households during the previous fiscal year (the base period).

States, territories, and tribes desiring Leveraging Incentive funds must submit an application each year - the federal “LIHEAP Leveraging Report” - that delineates the amount and types of leveraging activities they carried-out during the base period. HHS determines whether the reported activities meet the requirements of the statute and regulations, and therefore, are countable under the program for the purpose of determining allocation of the incentive award funds.

Once the State of Indiana receives a Leveraging award, it is allocated to the LSPs based on Leveraging activities that took place in their service area.

Countable Leveraged Resources
Leveraged resources means the benefits made available to Indiana’s Energy Assistance Program, or to households qualifying for the program, insofar as the benefit represents a net addition to the total energy resources for the low-income client, expanding the effect of their federal LIHEAP funding.

Note that the households who “qualify” in this instance include any that have an income up to the federally established limit of 150% of poverty, whether they were an EAP recipient or not.

Leveraged Utility Bill Assistance
Any non-federal form of utility assistance to the low-income household may be reported by the LSP as a leveraged resource. This would include assistance paid to or on behalf of a household by township trustees, local community organizations, churches, a landlord, or other individuals.

Utility Company Programs
Any utility vendor programs which benefit the qualifying population can be evaluated and counted as leveraged funds. This may include utility company fee waivers, discounts, deposit waivers, arrearage forgiveness, and/or the value of any other household benefit provided.

Also included is home weatherization or similar activities funded by utility companies. If the labor and/or materials are provided by the utility company, the values can be counted as leveraged funds.

Fuel Fund Programs
Various activities are used to establish local fuel assistance funds to benefit the low-income. Efforts such as Duke Energy’s “Helping Hand” program that reduce a low-income consumer’s bill can be counted as leveraging activities. IHCDA is able to gather information from the major investor owned utilities doing business in Indiana. LSPs should look for other local fuel funds established by rural co-ops, municipal utilities, and bulk fuel vendors in their service territory.

Donated/ Discounted Energy Related Items
Any energy related items donated to LSPs on behalf of qualifying households, or donated directly to the household, may be counted for leveraging. Such items include weatherization materials and energy efficient lighting, thermostats, smoke alarms, carbon monoxide detectors, windows, and doors.

LSPs may be able to obtain discounts on fans and air conditioners for the Summer Cooling Program. If such items are either donated or discounted, the value of these donated goods and services may be countable. LSPs should not purchase or accept donations of portable heating devices because of the inherent danger associated with them such as fires and the high energy cost.

State leveraging: When available each LSP will receive funding toward leveraging types of activities. IHCDA will use the most recent Census data to distribute funds. These funds can be used for the following activities: deposits, reconnection fees, and fees associated with changing or adding a household resident to the utility bill. The agencies can provide assistance up to $150 toward any balance that is not covered by the regular and crisis assistance provided by the LIHEAP funds. For unregulated utilities, agencies may not give a flat $150 to unregulated utilities without supporting documentation or to prevent a second request for funding. Crisis assistance from this fund must be provided at the time of application only. In addition, State EAP funds administered after March 15 may be as Leveraging Funds to provide crisis assistance up to $150. Agencies will add additional crisis assistance using “IHCDA Crisis” as the funding source. If the client did not receive crisis at the time of application but is in need of crisis after March 15, to restore a disconnection; the LSP may apply the original $150 crisis that was not used at the time of application in addition to the crisis amount they are currently eligible for after March 15, for a total up to $300. LSP must document in the client files the need for applying the combined crisis amount.

Fuel Discounts
Anytime a lower price for utility costs for a low-income household can be negotiated, the difference between the current price and the lower discount price can be counted as leveraged. In 1997, the Energy Assistance Program’s Summer Fill Program began. Because it is a slow business time for most bulk fuel vendors, summer is a prime time for the local agencies to negotiate the delivery of bulk fuels at a lower price. In this instance, the difference between the “regular” summer price and the negotiated price can be counted under leveraging.

Allowable Uses of Leveraged Funds
When the Leveraging Incentive Program awards are made to the states all of the funds are then distributed by IHCDA to the LSPs based on the portion leveraged in each service area. The funds received by the local LSP must be used to maintain or increase benefits to low-income households as a part of the Energy Assistance Program.

Leveraging funds should be used in the same manner as crisis funding to prevent disconnection or to assist with the reconnection of service. As with crisis, the amount of leveraging funds awarded should be up to $200 for regulated utilities and up to $400 for unregulated utilities. Funds may also be used to pay costs that are not eligible for payment under the regular EAP program. This could include deposit and reconnect fees. If it is impossible to prevent the disconnection or to assist with
reconnecting services because the amount needed is too high, agencies may opt not to apply the benefit to the client’s account this would not solve the crisis.

Leveraged funds may not be used for administration or planning.

Utility Assistance
Leveraged funds may be used to augment the regular energy assistance benefits: heating, crisis, cooling, or summer fill benefits. This may mean the expansion of the number of households served but it may also include the awarding of funds to a household over and above the amount of the regular and crisis benefits, whenever the local LSP feels it is warranted. When awarding crisis assistance, agencies should use the same guidelines as awarding LIHEAP crisis assistance - up to $200 for regulated utilities and up to $400 for unregulated utilities.