

Low Income Home Energy Assistance Program

LIHEAP SERVICE DELIVERY GUIDE

For Administrators and Program Staff



Main Office: 2415 Quail Drive
Baton Rouge, LA 70808
225.763.8700 / Toll-Free: 888.454.2001 / Fax: 225.763.8725

Industriplex Location: 11637 Industriplex Blvd.
Baton Rouge, LA 70809-5139
225.763.754.1442 / Fax: 225.754.1469

Reissued: November 1, 2014

LIHEAP SERVICE DELIVERY GUIDE
Table of Contents

CHAPTER 1: INTRODUCTION	2
1.1 Program Overview	2
1.2 LIHEAP Policy and Procedure	2
1.3 Changes/Updates to the LIHEAP Service Delivery Guide	2
1.4 Technical Assistance.....	3
1.5 Funding.....	3
1.6 Hancock Energy Software (HES) Computer System	3
CHAPTER 2: SERVICE DELIVERY	5
2.1 Customer Service	5
2.2 Outreach.....	5
2.3 The Application Process	7
2.4 Eligibility Determination.....	9
2.5 Non-Crisis Assistance - Determining the Total Energy Cost (TEC) for Non- Crisis Assistance.....	12
2.6 Delivery of Benefit for Non-Crisis Assistance	17
2.7 Crisis Assistance.....	17
2.8 Applicant Appeals and Grievances	20
2.9 Applications by Employees and their Relatives	21
CHAPTER 3: INCOME ELIGIBILITY	24
3.1 Definition of Income.....	24
3.2 Determining Monthly Income	25
3.3 Income Eligibility Guidelines.....	27
CHAPTER 4: CLIENT EDUCATION (ASSURANCE 16)	30

4.1 Energy Educational Policy	30
4.2 Client Education Grants (Assurance 16)	30
CHAPTER 5: THE LIHEAP ONLINE APPLICATION (HES).....	33
5.1 Customer Information Screen	33
5.2 Fuel Usage Screen	35
5.3 Family Information Screen	35
5.4 Income Screen	36
5.5 Documentation Screen.....	37
5.6 Employment Screen (Self Explanatory)	37
CHAPTER 6: ADMINISTRATIVE OPERATIONS	39
6.1 Financial Management.....	39
6.2 Accounting System	39
6.3 Performance-Based Contract Provision	39
6.4 Reporting.....	40
6.5 Recordkeeping.....	40
6.6 Inventory Control	44
CHAPTER 7: AGENCY INVOICE PROCEDURES	46
7.1 Invoice Preparations	46
7.2 Invoice Inclusions and Submission.....	46
7.3 Refund Procedures for Returned Benefits for Closed Accounts.....	47
CHAPTER 8: AGENCY ON-SITE COMPLIANCE MONITORING	49
8.1 Grantee Requirements.....	49
8.2 Items to be reviewed	49
8.3 Selection of Files.....	50

8.4. Findings and Contractor Discipline	51
8.4 Findings and Contractor Discipline	51
8.5 Findings	51
8.6 Contractor Discipline.....	52
8.7 Watch List.....	52
8.8 Probation.....	53
8.9 Termination of the Program	53
CHAPTER 9: SUSPECTED FRAUD REPORTING PROTOCOL.....	55
9.1 Primary Directive	55
9.2 Intake Worker Responsibility	55
9.3 Supervisors Responsibility	56
CHAPTER 10: LIHEAP FORMS	55
10.1 LIHEAP Application Required Documents Form	
10.2 Verification of Employment (VOE)	
10.3 Zero Income Statement Form	
10.3A Zero Income Supplemental Sheet	
10.4 Statement of Contributions	
10.5 Format for LIHEAP Applicant Files	
10.6 Vendor Refund Report	
10.7 Suspected Fraud Incident Report Form	
10.8 Witness Narrative Report Form	
10.9 Income Determination Worksheet	

(This page left blank intentionally. May be used for notes)

CHAPTER 1: INTRODUCTION

Low Income Home Energy Assistance Program (LIHEAP)

Chapter 1: Introduction

1.1 Program Overview

Federal Authorization

The Low Income Home Energy Assistance Program (LIHEAP) was authorized by the Low Income Home Energy Act of 1981 (Title XXVI of Public Law 97-35; the Omnibus Budget Reconciliation Act of 1981). As stated in Sec. 2602 (a) the program is designed to help low-income households pay their heating and cooling bills as well as increase their energy self-sufficiency. LIHEAP is funded through a grant from the U.S. Department of Health and Human Services (DHHS).

The program targets people with the lowest incomes and the highest energy costs based on their income and family size. Additional targets are low-income households that include the elderly, persons with disabilities, and young children.

Payments are made to the energy suppliers directly by the Louisiana Housing Corporation on behalf of eligible households. LIHEAP also intervenes during a crisis situation as well as provides in-kind benefits such as fans, space heaters, and air conditioner or heater repairs when needed.

The Low Income Home Energy Assistance Program (LIHEAP) is administered by the Louisiana Housing Corporation (LHC). LHC contracts with non-profit agencies and local governments to deliver LIHEAP services to low-income households throughout the State.

1.2 LIHEAP Policy and Procedure

LHC shall review contractors' policy and procedure manuals to ensure that they are updated, accurate, and in compliance with DHHS regulations and guidelines. A copy of this Service Delivery Guide is provided to all contractors. In addition, contractors are required to acknowledge receipt of and adhere to the provisions of this Service Delivery Guide to ensure compliance with all federal regulations as well as all applicable Louisiana statutes. The contractor must provide copies of the policy and procedure manual to all intake workers, who shall be instructed to read and become familiar with the provisions contained in the manual. LHC will review contractors' copy of the Service Delivery Guide, during monitoring visits, to ensure the guides are updated, accurate, and complies with DHHS regulations and guidelines.

1.3 Changes/Updates to the LIHEAP Service Delivery Guide

Provisions in this service delivery guide are subject to change at any time, depending on revisions to federal, state and LHC requirements.

When changes occur to the written policy, LHC will provide each contractor with the replacement page(s). Any policy updates will supersede previously issued policy. Contractor must insert the replacement page(s) in all copies of the LIHEAP Service Delivery Guide and ensure all intake workers are made aware of the changes that impact their jobs.

1.4 Technical Assistance

LHC staff will provide technical assistance, as needed. In addition, LHC will also provide training to the contractors at least once annually. Technical assistance support will be coordinated with Hancock Energy Software to maximize productivity for contractors.

1.5 Funding

Funds are distributed by allocation factors derived from the most recent census data for each parish. Households are eligible under federal standards, if incomes do not exceed 150 percent of the poverty level or 60% of the state median income. LHC reviews the eligibility criteria annually to determine which income requirement serves the most eligible households. Refer to Chapter 3-Section 3.3 for current income eligibility guidelines. The law requires benefits to be targeted to households with the highest energy costs in relation to income and household size.

To receive LIHEAP funding, LHC develops and submits a State Plan to the U.S. Department of Health and Human Services annually. As part of the Plan, the State is required to hold a public hearing to solicit comments on the proposed use and distribution of the funds. The proposed State Plan is posted at www.lhc.la.gov for review and comments prior to the public hearing.

The LIHEAP service delivery is comprised of the following components:

- **Non-crisis Assistance:** The non-crisis component helps eligible low-income households pay heating and cooling costs.
- **Crisis Assistance:** The crisis component provides assistance to eligible low-income households whose social or economic hardships are compounded by a home heating or cooling energy crisis. In a non-life threatening situation, some form of assistance will be provided to resolve the energy crisis not later than 48 hours after application. When a life threatening situation exists, some form of assistance will be provided not later than 18 hours after application.
- **Weatherization Assistance:** The weatherization component provides energy conservation and weatherization measures to help low-income households reduce their energy costs.

1.6 Hancock Energy Software (HES) Computer System

The Hancock Energy Software (HES) is a web-based software system selected by LHC to manage real-time program data for LIHEAP and WAP. All data related to service delivery of LIHEAP funds, including but not limited to customer application information, budget tracking reports, vendor payment reports and the generation of requests for payment should be entered into the HES system and then submitted to LHC for processing.

CHAPTER 2: SERVICE DELIVERY

Low Income Home Energy Assistance Program (LIHEAP)

Chapter 2: SERVICE DELIVERY

This chapter provides contractors with guidance regarding effective delivery of LIHEAP services to eligible Louisiana's households.

2.1 Customer Service

Customer service is defined as an organization's ability to meet its customers' needs in a timely and efficient manner. The applicant shall be viewed as a "customer" at all times. The contractor shall provide courteous, convenient, and prompt service to all LIHEAP customers. All customer contacts should be noted in the file, dated and should contain a brief statement regarding the contact.

A. Customer Service Requirements

The contractor shall:

- Ensure that intake workers treat customers respectfully and courteously.
- Periodically assess the "wait time" for customers and strive to reduce it to a minimum.
- Have a sufficient number of well-trained intake workers.
- Adopt an appointment system, if both telephone and walk-in requests are accepted and the customer demand is too great for the contractor's staff and facility. Appointments should be made on a "first-come, first-served" basis, considering both telephone and walk-in requests.
- Consider the needs of the customer, when implementing the application process.

B. Customer Satisfaction Surveys

LHC may periodically conduct customer satisfaction surveys. Results of the surveys will be provided to each contractor with recommendations for improvement. Contractors are encouraged to survey customer service satisfaction, and adjust application procedures, as deemed necessary.

2.2 Outreach

Section 2605(b)(3) of Public Law 97-35 requires that outreach off-site activities be designed to assure that eligible households, especially households with elderly or disabled individuals, households with children 5 years of age or less, and households with high energy costs are aware of the assistance that is available. Contractor shall make a systematic attempt to provide services beyond conventional limits, including home-bound eligible applicants.

A. Frequency of Outreach

The contractor shall conduct off-site outreach activities at least twice a year. More frequent activities shall be conducted if:

- Services are not being sufficiently utilized by the general population
- Services are not being sufficiently utilized by priority population households
- Applications are not being generated from all geographic areas of the contractor service territory.

B. Types of Outreach

Outreach methods include, but are not limited to the following:

- Off-site events for distribution of LIHEAP funds (churches, community centers, etc.)
- Newspaper advertisements
- Radio/TV Public Service Announcement (PSAs)
- Flyers, leaflets
- Community newsletters, church bulletins
- Presentations at community or school meetings
- Posters
- Referrals from community organizations
- Referrals from social service organization

Contractor shall use their knowledge from servicing low-income populations to determine the most effective outreach methods for their service area.

C. Information to be contained in outreach material/message

Written outreach material such as newspaper advertisements and flyers should include the following information:

- Benefit information
- Application dates
- Application times
- Application place and location
- Eligibility information
- Required Documentation
- Priority groups
- Name and telephone number of person to contact for additional information

D. Monitoring Requirements and Documentation

Documentation of all outreach materials and activities should be maintained and readily accessible for review during monitoring visits. Documentation should also include, but not be limited to the following:

- Notice of publication along with a copy of newspaper advertisements
- Copies of flyers, leaflets, and posters along with a listing of where they were distributed or posted
- Dated meeting agenda which reflects outreach presentation
- Copies of radio and television notices along with announcement dates

Monitors will examine outreach materials to ensure that materials meet the minimum informational requirements. Monitors will also evaluate the effectiveness of outreach by assessing the number of priority households served and determining whether those households are geographically distributed throughout the contractor's service area.

2.3 The Application Process

The Contractor must ensure that all persons are given the opportunity to apply for LIHEAP services, and the eligibility determination process remain fair, equitable, and non-discriminatory.

A. Intake Procedures

1. The Contractor must devise and plan to distribute service funds throughout the entire service delivery area. This process ensures a fair distribution of funds based on the percentage of eligible population in each geographic location.
2. Applications for LIHEAP services shall be taken on a first-come, first-served basis until all service funds are exhausted. This applies to all LIHEAP funds, LIHEAP Crisis Assistance funds and any other LIHEAP program funds provided by LHC under contract.

Appointment Lists

Contractors may utilize an appointment system whereby prospective applicants use the telephone or may walk-in to the agency to schedule an appointment to complete the application process. If a contractor schedules appointments for walk-in applicants, those appointments will be scheduled in accordance with the first-come, first-served policy; and names of walk-in applicants will be placed at the bottom of the appointment list. Walk-in applicants will be given an appointment date and time and asked to return for services. Contractors who utilize this method should maintain a written chronological log of all telephone calls and walk-in applicants, including the applicant's name, time of call or walk-in date and time, and the time and date of the scheduled appointment.

Waiting Lists

Contractors are permitted to create a waiting list when all service funds have been exhausted, provided the list is generated from on a **first-come, first-served** process. When additional funds become available, during the program year, applications must be processed from the waiting list first. Waiting lists are valid for the current program year and shall be discontinued at the end of each program year. Applicants placed on a waiting list for LIHEAP services should be informed the list is temporary based on available funds and there is no guarantee they will be given an appointment to complete an application.

3. Appointments for the elderly (over age 60), and those with disabilities, shall be consistent with the agency's assigned day(s) to process applications. The Contractor shall develop a fair and consistent means by which home-bound applicants may be provided the opportunity to apply for services. LHC will review contractor's policy regarding home bound applicants during monitoring visits.
4. The contractor shall make accommodations based on the age, infirmity or disability of the priority group population with special emphasis on applicant safety.

B. Non-discrimination.

Section 2606 of Public Law 97-35 provides that no person shall be denied benefits or excluded from participation on the grounds of race, color, national origin, or sex. Applicants are also protected under the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973.

C. Confidentiality.

Louisiana's confidentiality law R.S. 46:56 applies to all case records kept by state agencies and private and public service contractors.

The confidentiality law prohibits release of client identifying information from the LIHEAP applications or case records to any other organization or agency outside of LHC without prior written consent of the individual. Information may be released upon completion of the authorization section on Page 2 of the application. This form must be signed by the customer and maintained in the customer's case record. This information should be completed and signed at the time of the request to assure customers are aware of the information being sent.

D. Methods of Application

1. Contractor's Facilities

Customers may apply in person at a designated contractor facility in accordance with procedures for setting appointments (see 2.3 A2 above). Contractor, representatives or intake workers shall assist the customer in completing the application. The application must be signed and dated by each applicant and an agency contractor representative.

2. Home-bound and disabled applicants

Contractor shall make provisions for home-bound and infirmed applicants in accordance with Section 2604I (3) (B) of Public Law 97-35 by either traveling to the applicant or may allow a homebound applicant to designate an authorized representative to apply for LIHEAP services on their behalf. A signed statement by the applicant that names the authorized representative is required. The designated person should sign all LIHEAP forms using their name and the applicant's name (e.g. "Jane Doe for Mark Jones").

E. Disposition of Applications

1. Certification of Eligible Households

To fulfill provisions of Section 2605 (b) (7) (A) of Public Law 97-35, which requires each participating household be notified of the assistance amount paid on its behalf, Contractor shall notify each household of the eligibility decision. The notification of eligibility letter printed from the HES computer system shall be (1) provided to the applicant at time of application or (2) mailed to the applicant. For home-bound or disabled applicants, the notification of eligibility must occur within 15 days of the date of application.

2. Service Denials

When it is determined that an applicant does not meet eligibility requirements, the request for assistance shall be denied. The HES computer system denial letter shall be mailed within 5 business days of the date of application and a copy shall be filed in the applicant's case record. **If applying in person, the applicant should be provided a denial letter at the time of application.**

3. Incomplete Applications

Applications are considered incomplete when the applicant doesn't provide necessary information and documentation.

- The Contractor shall inform the applicant that he/she has five business days to submit necessary verification. If the documents are not received by the deadline and the applicant has not contacted the contractor to request additional time to acquire the required documentation, the application will not be processed. In no case shall the application remain unprocessed for longer than ten (10) business days. The contractor shall determine a reasonable time for document receipt based upon the type of document. The time should be least three (3) business days not to exceed five (5) business days from the date of application.
- Applicants shall be notified in writing that their application for service is being denied due to failure to provide necessary information. A copy of the denial letter from HES shall be retained with any incomplete application form and materials.

2.4 Eligibility Determination

Documents required for completing the application. (See Chapter 10: LIHEAP Forms – 10.1- LIHEAP Application Required Documents Form)

Requirements for the LIHEAP non-crisis energy payments are:

- Income eligibility requirements
- Vulnerability (responsibility for the household energy account)
- Have an active energy account

Definition: An **active energy account** is an account that has not been finalized (permanently closed) by the energy vendor. An applicant must show proof of an active account at the time of application. An active account may have been disconnected for non-payment, but has not been permanently closed by the vendor.

A. Household Income Eligibility

To determine an applicant's income eligibility, refer to **Chapter 3: Income Eligibility Determination** of this manual. The HES system is programmed to block applications when total household income exceeds the current income guidelines.

B. Citizenship

1. Verification of U.S. Citizenship or Nationality

Copies of the following documents, combined with acceptable proof of identity, will establish a person's U.S. citizenship or nationality for purposes of LIHEAP benefits:

- Birth certificate showing birth in one of the 50 states, the District of Columbia, Puerto Rico (on or after 1/13/41), Guam, the U.S. Virgin Islands (on or after 1/17/17), American Samoan, and Swain's Island, or the Northern Mariana Islands, unless the person was born to foreign diplomats in the U.S.
- Social Security card
- Copy of Medicaid or Medicare card.
- Documentation from U.S. Department of Immigration and Naturalization.
- INS Temporary Work Permit.

2. Federal Public Benefits under the Welfare Reform Law, "Non-Qualified Aliens" Interim guidance verification of citizenship, qualified alien status, and eligibility under Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

- Non-qualified aliens are eligible to receive certain assistance and services under the LIHEAP, if they meet other program requirements.
- Providers who are non-profit charitable organizations are not required to determine, verify, or otherwise require proof of eligibility of any applicant for benefits even if they are providers of Federal public benefits.
- Non-qualified aliens may receive benefits in the following scenario: A cooling or heating center set up to provide relief to citizens suffering during cold or hot weather.

C. Vulnerability (Responsibility)

Vulnerability means having full or partial responsibility for the payment of charges made to a residential household account by an energy supplier for heating and cooling costs incurred by the household. If an applicant is not fully or partially responsible for household energy costs, he or she is not eligible for LIHEAP service. ***Contractor must verify and document each applicant's vulnerability.***

1. Examples of Vulnerable Applicants

- A renter whose energy costs are included as a part of the monthly rental amount and who can provide documentation showing energy costs and rent separately. (If energy costs and rent cannot be separated, applicant is not vulnerable and ineligible for LIHEAP).
- Subsidized housing tenants who are responsible for and have incurred excess energy charges.
- An individual who lives alone or shares living quarters with several other individuals but has responsibility for all or part of the heating and cooling costs.

- A subsidized housing tenant who receives a Utility Allowance and is responsible for payment of energy charges to an energy vendor.
- An individual who lives in multi-housing units with a common energy meter and the heating and cooling costs are passed on to the individual as a part of the monthly rental amount. However, to qualify, the applicant must present documentation that shows energy cost and rental cost separately.

2. Verifying Vulnerability

Contractor must verify each applicant's vulnerability for energy costs. Acceptable verification of vulnerability may include, but is not limited to, any one of the following documents (in addition to a copy of the energy supplier bill). A copy of the document provided to establish vulnerability shall be copied and placed in the applicant's file, in addition to a copy of the applicant's energy bill.

An original energy bill from **another** energy supplier which includes the household member's name, the residential address to which energy is delivered, (this is often referred to as the Service Address on the vendor bill), an account number, the month and year when the energy costs were incurred, and the total amount due.

- A copy of the applicant's lease or a copy of a rent receipt that displays the name of the applicant and the service address.
- Any other written proof that the applicant is responsible for the residential household heating and cooling costs.
- A document that includes the applicant's name and address that matches the service address noted on the energy supplier bill.
- If the applicant resides in subsidized housing (Section 8 or any other government housing assistance program) and receives either a check for the amount of the subsidy, or if the Utility Allowance is detailed in the lease agreement, that amount shall be entered into the Utility Allowance space in the Fuel Usage portion of the application.

3. Documenting Vulnerability

Contractor must document each applicant's vulnerability for energy costs. Acceptable documentation of vulnerability must include a photocopy of the original energy bill, attached to the Application for LIHEAP Assistance, and one of the following:

- The original signed statement from a lease or landlord certifying that a portion of the rent is used for heating and cooling costs, attached to Application for LIHEAP Assistance.
- A photocopy of any other written proof that the applicant is responsible for the residential household heating and cooling costs, attached to the Application for LIHEAP Assistance.

Examples of documents used to establish Vulnerability

- Driver's License or State issued ID card with the same address as the service address. (If the addresses do not match, you cannot establish vulnerability, but can use this for Identification purposes only).
- Water Bill in client's name with address
- Tax Bill

- Voter Registration Card
- Other Bill, i.e. (insurance, cable, phone, credit card, medical bill)

All documentation must be dated within 30 days of application.

2.5 Non-Crisis Assistance - Determining the Total Energy Cost (TEC) for Non- Crisis Assistance

The HES data system shall use the applicant's total heating or cooling energy cost for at least a one-month period for the previous six (6) months to calculate/ determine the TEC used to compute the energy assistance benefit.

The energy bill presented must be for the month of application **or** any prior month in the previous 6 month period. If a printout is utilized, highlight the month being used.

The one-month's TEC under consideration should be the month wherein the highest cost for heating or cooling was incurred by the customer for residential energy costs. Using the month wherein the highest cost for energy was incurred should allow the maximum energy assistance benefit payment amount to the applicant.

To identify a calendar month for the purpose of determining the TEC for a household, the following shall be used in this order:

- Calendar month of the billing date on statement(s)
- Calendar month of date of fuel purchase or date delivered
- Due date of the energy bill
- Calendar month of meter reading date or final usage date for the monthly billing period.

If an energy bill does not contain a billing date, then the second priority (date of meter reading) should be used to determine the month of service.

Any energy (or fuel) costs incurred to heat or cool a home can be considered when determining the TEC for a household. The primary source of energy for cooling is electricity which operates air conditioners and electric fans. The primary sources of energy (or fuel) for heating are natural gas, propane, butane, kerosene, or wood. Electricity may also be used for heating purposes.

Residential energy costs from more than one fuel source (energy vendor) can be added together to determine the TEC for a month. However, the costs for the different fuel sources must be for the same calendar month or billing period. For example, both natural gas and electricity are used to heat a home in the winter. The cost of the natural gas and the cost of the electricity should be added together to determine the TEC, but the energy bills for the natural gas and the electricity should be dated for the same month.

Electric and or gas bills can be paid in any month meaning gas bills are not exclusive of winter months only. However, if both a gas and electric bill are used to maximize the benefit amount, they must be from the same month, and a minimum of \$50.00 must be applied to any one bill. The remaining balance can be applied to the remaining bill.

To compute the TEC **include** the following items found on the monthly bill or statement:

- Total energy cost for cooling or heating the home (total energy usage including fuel adjustment cost)
- Taxes
- Fuel adjustment charges on energy costs
- Any additional mandated charges, such as “Hurricane Recovery Charge”
- Reconnect fees
- Deposits or additional deposits

To compute the TEC **exclude** the following items found on the monthly bill or statement:

- Sewer assessment fees (Included on some city bills)
- Water assessment fees (Included on some city bills)
- Garbage assessment fees (Included on some city bills)
- Installment payments for appliances
- Security lighting fees (night watchmen)
- Any other fees not related to heating or cooling costs (with the exception of the Hurricane Recovery Charge and taxes)
- Formula Rate Plan Reduction
- Previous balances (arrearages) or carryover fees
- NSF Fees
- Tampering Charges
- Customer Charge

Note: An energy bill with a “Credit Balance” does not qualify for computing the Total Energy Costs (TEC). Another bill for any month in the previous 6 months is acceptable.

When an eligible applicant participates in a “leveling” or “averaging” or “financing” plan with an energy vendor:

Definition: The leveling (averaging or financing) plan is when a customer’s previous year’s energy cost is used to determine a monthly average payment. Customers pay the average amount in order to alleviate high energy bills at times of peak usage during the hottest part of the summer or the coldest period of the winter. For the purposes of this manual, we will refer to this as a “leveling” plan.

Energy bills sent to customers who participate in a leveling plan reflect the TEC for the month, but also list the average payment amount as that which is due for payment.

There are months when the actual **TEC** for the month is lower than the leveled payment amount. The reverse is also true at times. When customers present these leveled energy bills for use in determining LIHEAP benefit payments amounts, providers shall **use the higher of these two costs**. This will allow the highest benefit payment to each customer. If the bill presented by the client is the month being used in the application, and the current monthly charge is greater than the average, use the figures detailing the **Current month’s use, not the monthly average.**

If there was another month where the fuel charges were greater than the current month (for example an electric bill may be higher in the summer months and the application is being taken in January) and the client can provide the appropriate documentation, you may use the higher average monthly charges. If the client is not using

“Leveling or Averaging” and has no documentation of a vendor higher bill, you must utilize the bill or a usage print-out provided by the vendor.

****Example:** Ms. Jones comes in to apply in December and her electric bill is \$50.00 but she states, “My bill was over \$300.00 last August”. Unless Ms. Jones has a copy of that higher bill or a copy of the user history for that service address, the benefit must be based on the \$50.00 bill. However, if the contractor can access the client’s energy account on-line and secure the appropriate information, they may do so in order to maximize the benefit.

D. Total Energy Cost for Persons Receiving Utility Allowances (Non-Crisis)

1. Utility Allowances and TEC

According to the U.S. Department of Housing and Urban Development (HUD):

Utility Allowance – Is an estimate of the average monthly utility bills (except telephone) for an energy-conscious household. This estimate considers only utilities paid directly by the tenant. If all utilities are included in the rent, there is not a utility allowance. Utility allowances vary by unit type and are listed on the project’s rent schedule or HAP contract.

Utility Reimbursement - The amount, if any by which the utility allowance for a unit exceeds the total tenant payment for the family occupying the unit.

Since most applicants receiving Section 8 Assistance are probably receiving Utility Allowances, the Contractor must verify, as indicated in Item #3 below.

Households receiving a Utility Allowance greater than the utility bill **are not eligible** for a non-crisis benefit. The household must provide an energy bill to show an energy burden for the month of application or six months prior to the month of application.

Applicants 60 years or older are exempted from this requirement.

2. Calculating TEC and Utility Allowance

Energy Costs – Utility Allowance = TEC Excess Charge = TEC

(If the TEC is a negative amount, the household is not eligible) Utility Allowances may result in one or all of the following:

- **Reduction in rent burden:** For applicants living in subsidized housing whose Utility Allowance represents a reduction in rent burden, the contractor must deduct the Utility Allowance from the resident’s energy costs to determine TEC.
- **Check for utilities:** In the event, the applicant receives a check for energy costs, known as the Utility Reimbursement, the Contractor must not count the check amount, but deduct the full amount of the Utility Allowance from the applicant’s energy costs to determine TEC.

- Payment of energy costs with applicant paying excess charges: For the subsidized housing applicants who are responsible for “excess utility charges” not covered by the Utility Allowance, the contractor must use the amount of the “excess charges,” to determine TEC.

The HES system is currently taking into account Utility Allowances when determining the TEC. TEC represents the actual energy costs for which a household is responsible.

3. Verification of Utility Allowance

Contractor shall obtain support documentation that provides the amount of an applicant’s Utility Allowance. Support documentation includes, but is not limited to, HUD Form 50059, HUD Form 50058, HUD Form 52667, and statements from public housing authorities. When reviewing housing documentation, the contractor is to determine if the applicant’s Utility Allowance is already calculated in the applicant’s Section 8 Tenant Total Payment (TTP), resulting in a lower Section 8 Tenant Rent (TR). This should not be confused with a utility re-imbursement (a payment made to the applicant). It is possible an applicant may receive a Utility Allowance **and** a reimbursement. To provide for a more efficient application process, the contractor shall:

- Notify the applicant of the requirement for support documentation when the applicant calls for an appointment or at the time of application if the contractor does not utilize an appointment system.
- Include the requirement to provide support documentation in all outreach materials.

4. Utility Allowance and HES

If the applicant receives a Utility Allowance, the contractor shall complete the Utility Allowance section of the HES application. That portion of the HES application automatically prevents entering Utility Allowance data for applicants 60 years old or older.

E. Determining the Energy Assistance Benefit for Non-Crisis Assistance

The applicant’s energy burden is automatically calculated by the HES system, using the formula below. The energy burden is the percentage of household income used for energy costs. **(Round Energy Burden % to the nearest tenth.)**

$$\text{Total Energy Cost} \div \text{Monthly Income} = \text{Energy Burden}$$

LIHEAP PROGRAM BENEFIT MATRIX		
Energy Burden	Number of People in Household	
	1 to 3	4 or more
25% and Above	\$450	\$500
18% to 24.9%	\$350	\$400
10% to 17.9%	\$250	\$300
9.9% and Less	\$150	\$200

Using the benefit matrix below, the energy burden along with household size is used to determine the applicant's benefit amount. Households with zero income shall receive the maximum benefit payment allowed for their family size.

Additional Payment to Targeted Priority Groups

Those households that contain one or more members of the targeted priority groups shall receive an additional payment of \$100. Targeted priority groups are:

- Persons 60 years or older
- Persons who are disabled
- Persons five years of age and younger

Regardless of the number of priority members in one household, the household is eligible for **only one** additional \$100 payment per household.

Frequency of Benefit Payments

NON-CRISIS:

Applicants may be eligible to receive two Non-Crisis LIHEAP benefit payments in a twelve-month calendar period. For example, if an applicant receives a benefit payment in October of one year, they cannot receive another benefit payment until **six months** from the date of the first application. The HES system will automatically prohibit a payment of a benefit for any non-crisis application filed less than six months from the previous payment.

CRISIS:

Applicants may be eligible to receive one Crisis LIHEAP benefit payment in a twelve-month calendar period. Any applicant who has never received a Crisis benefit is eligible to receive a Crisis benefit upon application. Applicants who have received a Crisis benefit in the past **12** months are not eligible for a second Crisis benefit until **12** months have passed from the date of their last Crisis benefit.

2. Contractor errors in determining the payment amount

Overpayment or an ineligible payment made as a result of an error by the contractor shall be corrected immediately by notifying LHC of the error. The overpayment must be absorbed by the contractor. The contractor may appeal the cost of the overpayment or ineligible payment to LHC.

Underpayment made as a result of an error by the contractor shall be corrected immediately by notifying LHC of the error. But if the payment was already made to the energy vendor then the contractor has to pay the remaining costs.

3. Reverse payments

Applicants, who have received an overpayment or ineligible payment as a result of their failure to provide accurate or correct information, whether intentional or non-intentional, shall have the overpayment reversed on their energy accounts through the energy vendor.

When a contractor identifies an overpayment or ineligible payment due to applicant error, the contractor shall notify and provide support documentation to LHC. LHC will give the applicant an opportunity to dispute the finding prior to reversing the benefit through the energy vendor. The applicant shall be advised of his or her right to appeal the reversing decision to LHC.

2.6 Delivery of Benefit for Non-Crisis Assistance

Contractor must submit the following documents to LHC no later than the Tuesday following the benefit period:

1. An invoice generated by HES
2. A Vendor Payment Report generated by HES
3. A Budget Tracking Report for the invoice period

LHC will review and process all draw requests within three business days. Payments will be made to the fuel vendors by electronic cash transfer or paper check to the designated account within five business days of submission to LHC.

2.7 Crisis Assistance

In accordance with Section 2604(c)(1) of Public Law 97-35, the Crisis Intervention Program shall be administered by LIHEAP contractors to provide energy crisis intervention to eligible low-income households whose social or economic hardships are compounded by a home heating or cooling energy crisis.

A crisis assistance benefit can be in the form of an energy payment, in-kind benefit, or a combination of both. The total benefit cannot exceed the maximum benefit amount of **\$475** per household.

In-kind benefits may include; fans, **vented** space heaters, air conditioner repair cost, heater or furnace repair cost, and an air conditioner window unit in cases where repairs exceed the cost of a replacement. Energy Star-rated window or room units are recommended for energy savings. All in-kind benefits are not to exceed the maximum benefit amount. If installation costs are incurred they shall become part of the benefit.

A. Eligibility Requirements:

A crisis exists when a household's energy source for heating and/or cooling has been disconnected or scheduled for disconnection, depleted and there are insufficient resources to resolve the crisis. Weather-related and supply shortage emergencies declared by state or federal government may also constitute a crisis.

The applicant's household must meet the following requirements:

- Income eligibility
- Vulnerability (*responsible for all or a portion of the energy cost*)
- Threatened or actual interruption of services or lacking a cooling/heating source (Disconnect Notice)
- Faced with a health and/or medical safety risk (risk must be documented) or experiencing a social or economic hardship (Income and basic living expenses must be considered)

The documentation to establish a crisis situation may include:

- The applicant must have a **Disconnect/Shut-Off Notice** from their utility vendor(s) or be without service or be without a heating or cooling source (which would make them eligible for an in-kind benefit).
- In the event a household is in transition, a **final bill** and proof of a new account showing the total cost to restore services should be used to provide assistance.
- Applicants faced with a health and/or medical safety risk must be able to provide a doctor's statement to include their illness will be exacerbated with the loss of utility services.
- Applicants using propane who have less than a 7 day supply of fuel in their tank may present a written estimate, **in lieu of a disconnect notice**, from their vendor that includes the number of gallons needed to refill the tank and the estimated cost.
- To determine an economic hardship, the applicant must clearly demonstrate the circumstance is not under their control and constitutes a real emergency. The applicant must also demonstrate self-sufficiency by providing evidence of either recent employment, enrollment in an educational class or job related skill training. The documentation may include:
 - Recent tax return, unemployment benefits, paycheck stubs and any other outside sources of income.
 - Food Stamp Certification, dated within 30 days of application.
 - If applicant reports zero income, they must provide a statement that explains how their monthly household expenses are paid and include all monthly expenses and the actual amount paid or subsidized by whom. The list should include rent or mortgage payment, car payment, auto insurance, groceries, utilities, water/sewer, telephone, cell phone bill, toiletries, household products, daycare, out-of-pocket medical expenses, gasoline/oil, auto repairs, cable TV, internet service, clothing, entertainment (eating out, movies), dry cleaning, savings, loans, credit card payments and essentially everything money is spent on during the course of a month.

B. General Guidelines

1. The household can be eligible for non-crisis and crisis assistance simultaneously.
2. A household can receive only **one** crisis payment benefit during a 12-month period.
3. The Crisis benefit payment should be for the amount of the bill, up to \$475. To determine the amount of the crisis benefit payment exclude: tampering fees, NSF check amount and charges, and any other non-energy related charges.

C. Timelines

Section 2604 I (1) and (2) of Public Law 97-35 provide that assistance to resolve the crisis be delivered to the household within the following timelines:

1. **Non life-threatening crisis**—Service shall be delivered within **48 hours** from the date of the completed application.
2. **Life-threatening crisis**—Service shall be delivered within **18 hours** from the date of the completed application.

The contractor shall respond quickly to all requests for crisis assistance to adhere to the federally mandated timelines listed above. Failure to adhere to the timeframes above may result in sanctions to the contractor up to and including program re-assignment for those contractors who have a documented history of non-compliance with the noted timelines.

LHC **recommends** that life-threatening crises be resolved with an energy pledge, fan, or vented space heater due to the time constraint. Attempting to resolve a life-threatening crisis with air conditioner or heater repair may lead to violation of the 18-hour requirement.

D. Processing and Approval

The contractor shall initiate the LIHEAP application process for applicants seeking Crisis assistance in a timely manner. The purpose of this form is to (1) Document the need for Crisis assistance and identify why they are in the Crisis situation; and (2) To determine if the applicant is aware they may eliminate the potential interruption of service by seeking a payment option from the vendor. Contractor shall obtain the following information to receive **internal** approval:

1. If claiming a **health or safety risk** (requiring an 18 hour response) they must provide documentation verifying the health or safety risk.
2. If the **health or safety risk** is from extreme weather conditions, either heat, or cold, the agency may document the emergency with a print-out of weather advisory documenting the emergency by utilizing an internet weather advisory site.
3. Applicants must provide a disconnect notice at the time of application.

E. Delivery of Service

A crisis assistance benefit can be in the form of an energy payment, in-kind benefit, or a combination of both.

F. Energy Payments

The contractor shall make energy pledges directly to the energy vendor on behalf of the household in crisis. An energy benefit will be granted only if the household faces threatened or actual interruption of service or if the crisis is due to the need of an in-kind benefit.

G. In-kind Benefits

- **Definition:** An **In-kind benefit** is the cost that may be incurred by a contractor for providing replacement or repair to heating or cooling equipment for an applicant during times of extreme heat or cold when failure to do so represents a risk to health and safety for the applicants of that household. The in-kind benefit will be used in lieu of a Crisis benefit and applicants remain limited to one crisis benefit per year. For example, if an applicant has been helped with a Crisis benefit within the past year, they would not be eligible for in-kind benefit. If an applicant has been assisted with an in-kind benefit in the past year, they are not eligible for a Crisis benefit payment.
- In-kind benefits needed to resolve a **Crisis** situation will be processed using cost-reimbursement. A contractor will be reimbursed for the costs involved with providing an in-kind benefit. This may include the cost of the equipment plus installation costs, if any, for the equipment provided, or the cost of a repair to a heating or cooling unit. The total reimbursement from LIHEAP may not exceed the total amount for a Crisis payment. The sub-grantee shall obligate the funds necessary to resolve the crisis situation in a timely manner.
- To receive **reimbursement** for the purchase of an in-kind benefit, the contractor shall complete an application in HES with the contractor's name listed as the energy vendor. The contractor shall also submit to LHC documentation verifying the purchase of the in-kind benefit (i.e., receipt, repair invoices). Reimbursement for in-kind benefits (fans, space heaters, cooling or heating repairs, or window units) shall be limited to those costs that are reasonable and customary and shall not exceed \$475.00. The payment will be processed by the contractor in the same manner as energy payments. If an in-kind resolution is needed to replace or repair an air conditioner, central air conditioning unit, a furnace, or a vented heater (in the times of extreme heat or cold) an applicant does not need a disconnect notice. An explanation of the emergency should be included in the applicant's file.

2.8 Applicant Appeals and Grievances

A. Applicant Appeals

In accordance with Section 2605 (b) (13) of Public Law 97-35, applicants are to be provided an opportunity for a fair hearing when assistance is denied or is not acted upon with reasonable promptness.

1. Notification of Right to Appeal

Each applicant is to be informed in writing at the time of application of his/her right to a hearing, the method by which a hearing may be requested, and who may present his/her case. Oral explanation is to be given about fair hearings in any contact or discussion between the applicant and contractor staff concerning denials, rejections, terminations, and reduction of services.

2. How to Appeal or Request a Fair Hearing

If the issue cannot be resolved at the contractor level, the first formal step taken by an applicant in filing an appeal is to make a written request for a fair hearing to the sub-grantee who will, in turn,

forward that written request to LHC. The written request should be submitted with an explanation of the issue on back of the service application form under Right to Appeal and Fair Hearing with continuation on separate attached paper if necessary. If the application form is unavailable, the applicant may state the request in a letter addressed to the Louisiana Housing Corporation (LHC) 2415 Quail Drive, Baton Rouge, LA 70808. If assistance is required, the contractor may assist the applicant, if requested, to prepare a written request. The request must be received by LHC or contractor within 30 days of an eligibility decision or postmarked within 30 days. Services will not begin until the matter is resolved.

B. Contractor Internal Grievance Procedure

All contractors are required to maintain a written internal grievance procedure for their customers. The grievance procedure ensures that contractor resolves customer dissatisfaction with **issues not related to eligibility decisions**. Such grievances include, but are not limited to: the manner in which a service is rendered by the contractor, quality of the service, or the behavior of contractor personnel.

The grievance procedures should be developed in accordance with the following guidelines:

- Written in a manner which is easily understood by customers
- Posted in areas which are frequented by customers
- Include timeframes for each step of the procedure
- Include a statement that the contractor will assist persons in filing a grievance. The name, title and telephone number of the contractor shall be included
- Made available to all persons who state concerns or complaints, which are covered by the grievance procedures.

2.9 Applications by Employees and their Relatives

A. Employees

Many employees working for service provider agencies may be eligible for LIHEAP benefits. It is imperative that agencies follow the guidelines listed below in taking and processing applications for their employees:

1. Employees are to notify the Executive Director or their authorized representative if they intend to apply for LIHEAP benefits.
2. Employees are subject to and should participate in the same appointment process used by other applicants.
3. Employees are not to participate in the creation of their file or input of their application. Data input should be done only by another employee who has been assigned that task by a supervisor, LIHEAP Director, or the Executive Director.
4. Upon completion, the file should be reviewed for completeness and accuracy by a supervisor, and then approved by the Executive Director.

B. Relatives of Employees

The relatives of employees are to be treated no differently than any other applicant. Relatives of employees by marriage are considered relatives.

- They are required to utilize the same appointment process as any other applicant.
- An employee may not set up a relative's appointment.
- If an employee becomes aware a relative is applying for LIHEAP assistance, that employee should notify his/her supervisor.
- Employees are prohibited from handling a relative's application.
- The Supervisor or LIHEAP Director, or the Executive Director should assign another non-related employee to create the file and input data on the employee's relative.
- Upon completion, the file should be reviewed for completeness and accuracy by a supervisor, and then approved by the Executive Director.

CHAPTER 3: INCOME ELIGIBILITY

Low Income Home Energy Assistance Program (LIHEAP)

Chapter 3: Income Eligibility

3.1 Definition of Income

Contractor shall use the following inclusions and exclusions in determining an applicant's income.

A. Inclusions

- Gross wages and salary
- Net receipts from self-employment
- Net Social Security payments
- Social Security Supplemental Income (SSI)
- Social Security Disability Income
- Railroad retirement
- Unemployment compensation
- Strike benefits from union funds
- Family Independent Temporary Assistance Program (FITAP) formerly TANF
- Kinship Care Subsidy Program (KCSP)
- Worker's compensation benefits
- Veteran's payments
- Training stipends
- Alimony
- Military family allotments
- Private pensions
- Government employee pensions
- Insurance or annuity payments
- Dividends and interest
- Net rental income
- Net royalties
- Periodic receipts from estates or trusts
- Net gaming winnings
- Contributions that are not loans to be re-paid.

EXCLUSIONS THAT ARE NOT TO BE COUNTED AS INCOME ON AN APPLICATION

B. Exclusions

- Capital gains
- Bank withdrawals (from savings, CD's, retirement accounts, etc.)
- Sale of property, (home, car)
- Any non-cash assistance from DCFS (Department of Children and Family Services - i.e. Nurse-Family Partnership Program, Early Childhood Supports Services, Jobs for America's Graduates LA (LAGS-LA) Program) For more information, visit website: www.dcf.louisiana.gov.
- Tax refunds
- Gifts

- Loans to be repaid
- Lump sum inheritances
- One – time cash payments
- Food or housing received in lieu of wages
- Food or fuel value for working on farms
- Rent value from owner-occupied housing
- Federal non-cash benefits
- Child support payments
- College scholarships (Updated Sept 2011)

3.2 Determining Monthly Income

Contractor shall adhere to the following guidelines in determining a household’s income. The information collected by the contractor shall be entered into the HES computer database and the HES system will determine the monthly income automatically based on the data entered.

A. Verifying Income

Income must be verified by any one of the following:

- Last **four consecutive** check stubs. If the applicant does not have four check stubs, the Verification of Employment (VOE) form must be completed. (See Chapter 10: LIHEAP Forms - 10.2 Verification of Employment (VOE).
- **Food Stamp certification letter** or printout dated within 30 days of application date if available from the appropriate agency. (Must have a certification date on the letter.) If a timely letter/certification is not available, the applicant must provide other appropriate proof of income information just as if they were applying for food stamps, including, but not limited to recent check stubs, unemployment information, or if recently employed.
- **Self-Employment**. Self-employed applicants must provide the most recent federal income tax return with all accompanying schedules. If self-employment recently began and no federal return has been filed, the applicant must provide a written statement attesting to monthly earnings and losses.
- **Termination**. If an applicant is recently terminated or laid off, **do not** consider his or her **last check** stubs in determining income. The applicant is considered to have zero income. Verification of termination must be provided by the applicant and must be included in the file.

B. Calculating Average Income

- The applicant’s average income is calculated using the gross amount from each pay period. Enter the gross amount of income as shown on the check stubs into HES. (See Chapter 10: LIHEAP Forms - 10.9 Income Determination Worksheet).
- If earnings fluctuate greatly, determine if the fluctuation is due to an unusual circumstance (e.g., death, substituting for a co-worker, Christmas bonus). If so, exclude the pay stub when calculating the average. Decisions to exclude pay stubs must be **clearly documented** in the applicant’s file.

- If the fluctuation occurs regularly (e.g., overtime, shift work), include it when calculating the average. A fluctuation can be considered regularly occurring if it appears on at least two of four consecutive check stubs. Some jobs, such as home health care, where the employee is paid every two weeks may have reduced hours in the 2nd week due to scheduling. If that is the case the input worker will need documentation for a least a month so the average of the two pay sessions may be determined.
- It may be necessary to contact the applicant’s employer to determine if the fluctuation is unusual or regularly occurring.

C. Conversion Methodologies

The **Hancock Energy Software (HES)** automatically calculates the average monthly income, after the weekly amounts are entered. In the event the system is down, the multiplier factors, in the table below, may be used to determine the monthly income for completing paper applications, which should be entered into the HES for processing.

Based on how frequently the applicant is paid, the average income must be converted to monthly income using the appropriate conversion factors listed below:

Weekly	Multiply by 4.333
Biweekly (every other week)	Multiply by 2.167
Twice a month	Multiply by 2
Annually	Divide annual income by 12

D. Verifying Unearned Income

Each applicant must be questioned regarding **unearned income**. Unearned income includes, but is not limited to, alimony, retirement benefits, worker’s compensation, supplemental security income (SSI), interest payments, and child support.

- Documentation of unearned income includes, but is not limited to, award letters, annuity letters, court judgments, current bank statements, and copies of recent checks.

E. General Information

- **Fraud Prevention.** Intake workers are required to inform all applicants **prior** to the start of the application process they are subject to prosecution under Title 18 of the U.S. Code if they knowingly give false, incorrect, or incomplete information during this application. (See Chapter 9).
- **Zero Income.** If an applicant reports zero income and sign a Zero Income Statement (See Chapter 10: LIHEAP Forms – 10.3 Zero Income Statement Form), they must also explain how household expenses are paid utilizing the **Zero Income Supplemental Sheet** (See Chapter 10: LIHEAP Forms - 10.3A). All zero income statements should include an acknowledgement that providing false information will subject them to prosecution for falsely obtaining assistance. Expenses are not considered income.

- **Household Income.** All household members' income should be verified and documented. An applicant's eligibility for food stamps, supplemental security income (SSI), FITAP and KCSP Assistance or Veterans benefits **must not be considered in determining eligibility for LIHEAP.** With the exception of food stamps, SSI, FITAP and KCSP cash assistance and Veterans benefits are counted as income. If the application is receiving Contributions, a **Statement of Contributions** form must be signed. (See Chapter 10: LIHEAP Forms -10.4).

Prior to deviating from these guidelines permission to do so must be received in writing from the LHC Energy Assistance Manager or a designated representative.

3.3 Income Eligibility Guidelines

Contractor shall use the following table to determine a household's income eligibility. The household's gross monthly income shall not exceed the monthly income limit in the table below. For information on family sizes greater than ten (10), please see the income table entered in the Hancock Energy Software (HES) system.

2014 INCOME ELIGIBILITY GUIDELINES (Based on 60% of Estimated State Median Income)

Household income limits are determined in accordance with the criteria established by the U.S. Director of the Office of Management and Budget.

# Household Members	Monthly Household Income Limit
1	\$1,793
2	\$2,345
3	\$2,896
4	\$3,448
5	\$4,000
6	\$4,552
7	\$4,655
8	\$4,758
9	\$4,862
10	\$4,965

(This page left blank intentionally. May be used for notes)

CHAPTER 4: CLIENT EDUCATION (ASSURANCE 16)

Low Income Home Energy Assistance Program (LIHEAP)

Chapter 4: Client Education (Assurance 16)

Under Assurance 16 of the LIHEAP Statute, LIHEAP grantees are allowed to use a portion of their funds to provide services that encourage and enable households to reduce home energy needs and thereby reduce the need for energy assistance.

4.1 Energy Educational Policy

Energy education shall be provided during the application process to eligible and ineligible households.

Contractors shall develop active, participatory energy conservation education activities. Examples of active participatory educational activities include viewing a video, listening to an oral presentation, or audiotape. Contractors are encouraged to use educational activities that can be carried out while the applicant is waiting for intake. Educational activities shall not create an undue burden on the applicant or the contractor staff.

4.2 Client Education Grants (Assurance 16)

Contractors may receive funding for designing and implementing a project that would assist in moving applicants from dependency to self-sufficiency. The project should include a needs assessment, counseling, and assistance with energy vendors. At the end of the program year, a report will be required to show the impact of the activity on the number of households served, the level of direct benefits provided to those households, and the number of households that remain underserved.

LHC will accept and review client education grant applications/proposals. The deadline to submit proposals is July 31st. Approved projects shall be implemented by September 30th of each program fiscal year.

Educational activities by contractors are acceptable. Contractors applying for a Client Education Grant must submit a written application detailing their plan for grant expenditures. Such grant funds shall **not** be used to pay salaries or benefits to employees. Grant recipients must provide an end-of-year grant expenditure status report that details the type of expenditures and the number of families served.

The Client Education grant period is from October 1st through September 30th of each program year. All expenditures must be incurred during the program year and documentation must include copies of complete receipts and the cancel checks made to the vendor. Purchase orders are not considered documentation and may not be used to verify purchases. All documentation must be provided.

The following are examples of acceptable activities utilizing the Client Education Grant.

- A. An educational plan or activity for customers, that requires purchases of materials to conduct the training or activity. Copies of all invoices must be maintained in a file designated to document customer education expenditures.
- B. Production or acquisition of copies of DVD's, CD's, brochures, or pamphlets and the cost associated with the development or procurement of those materials.

- C.** Copies of itineraries or flyers indicating an energy conservation training session or conference and an invoice for the costs associated with those activities.
- D.** Copies of newspaper, radio, or television advertising cost related specifically to customer education and/or outreach.
- E.** Purchase and distribution of CFL light bulbs. Distribution must include information on the energy savings generated by the use of CFL bulbs.
- F.** Purchase of laptop computers to conduct off-site outreach to clients who have not previously been served or who may be underserved.
- G.** Purchase of “Wi-Fi” hot spot equipment to facilitate/allow preparation of online applications during an off-site outreach.
- H.** Purchase of USB type modems for use with laptops to facilitate internet connection for use during off-site outreach activities.
- I.** Portable printers to be used during off-site outreach activities.
- J.** Any equipment purchased with Client Education grant funds must be placed in the sub-grantee’s inventory control sheet and will be reviewed during on-site monitoring visits. Inventory control sheets are to be signed by the Executive Director.

CHAPTER 5: THE LIHEAP ONLINE APPLICATION (HES)

Low Income Home Energy Assistance Program (LIHEAP)

Chapter 5: The LIHEAP Online Application (HES)

When setting up appointments for applicants or when publishing outreach materials and/or public notices about the availability of funds, special attention should be given to informing those potential applicants what support documentation they will be required to produce when making application.

The following instructions explain the “Hancock Energy Assistance Online Application.” The sections are explained in the order in which they are formatted on the application.

The application collects primarily names, financial information, demographic information, and dwelling-specific information.

Accuracy is the most important requirement of the application process. Names must be spelled correctly and numbers must be recorded accurately. All fields on the application are **required** for eligibility determination and for reporting. All fields must be completed according to the directions in this manual without exception.

User Logon and Passwords All users of the HES system have assigned and unique logon and passwords. All contractors should closely monitor the use of HES and immediately report when an employee is reassigned or terminated and no longer requires HES access. Users should only use their assigned logons and administrators should not allow anyone to sign on unless they have their own logons. All requests for logon activation and deactivation are to be made by email to hes_support@lhc.la.gov HES Support will take the appropriate action on your request and notify you by email.

5.1 Customer Information Screen

A. Social Security Number (SSN) (Applicant). This is the number on the applicant’s social security card.

- The social security number **must** be verified by a social security card, and (Electronic Privacy Information Center (EPIC), a letter from the Social Security Administration (SSA), income tax returns, or proof of application for an SSN.

B. Application Date

- The application date is the date the completed, signed application and supporting documents are received by an agency.
- The application date is the same as the date following the participant’s signature.
- The application date is critical for establishing the date of services delivered.
- The application date is entered in **MM/DD/YYYY format**.

C. Applicant Name

- This is the applicant’s first name, middle initial and last name.
- The name should match the signature on the application. **The name should never be abbreviated.**

- If the name on the utility bill is not the participant's name, the relationship to the participant must be noted in the "COMMENTS" field on page 2 of the online application.

D. Telephone Numbers

- Telephone numbers are the applicant's home "landline" and other phone numbers.
- In the "Other Phone" field the work or cell phone number should be entered.
- The telephone number is an indexed field in the HES system and may be used to search for an applicant's file.

E. Mailing and Residential Addresses

These are the addresses where an applicant receives mail and where an applicant lives.

- If the residential address is *not* complete and correct, one-party and two-party benefit payments will **not** be deliverable. **Apartment, unit, or space numbers must be indicated.**
- One address: If the participant receives mail at the residential address only, the address is written in the "Mailing" **and** "Residential" fields.
- Two addresses: If the participant has **both** a mailing address and a residential address (the mailing address is a post office box or general delivery) **both** addresses must be entered.
- A five-digit zip code is required. The four (4) digit zip code extension number is included, if it is known.

F. Parish of Residence

This is the name of the parish where the participant lives.

G. Vulnerability Established

Vulnerability is defined as the act of verifying an applicant's service address by use of documents other than the energy bill. The document must be addressed to the applicant at the service address, not a post office box. Examples of documents that may be used are, but not limited to:

- (1) A driver's license or state ID containing the service address.
- (2) Any government generated document addressed to the applicant using the service address, such as a Department of Social Service print-out, a food stamp print-out, a Social Security Administration benefit letter, (3) a rent receipt, (4) a copy of a lease, (5) a tax return, (6) a copy of an unemployment benefit letter, or any other document containing the applicant's name and service address that was not created by the applicant.

Whichever document is used to establish vulnerability is to be named in the Vulnerability section of HES.

The name of the person who established vulnerability (the person who actually viewed the supporting documentation) is entered into HES.

H. Acceptance or Denial Letter Delivery This field indicates how the acceptance or denial letter was delivered.

I. Comment Section The comment field is for any relevant information about this applicant or the applicant's status.

5.2 Fuel Usage Screen

A. Fuel Supplier (Vendor) this is the name of the participants' primary fuel or energy supplier.

B. Account Number This is the account number on the applicant's utility bill.

- The vendor uses the account number to credit the benefit to the correct customer account. If the account number is incorrect, the benefit will not go to the participant.
- If the vendor does not assign an account number, please select the "No Account Number" check box.

C. Account Name If the name on the utility bill is **not in the household**, the relationship to the participant must be noted in the "Name Reason" field. Examples are: Deceased spouse, Ex-husband, parent, child, and landlord.

D. Energy Cost This is the energy cost of the applicant for one month in the prior six (6) month period. Two or more energy supplier costs may be combined to determine energy costs as long as both bills are for energy costs for the same month.

E. Utility Allowance This is where the customer's Utility Allowance is entered. If the Utility Allowance is greater than the energy cost, then the customer will not receive a benefit because they do not have an energy burden at the time of application. If an applicant's bill indicates a credit balance at the time of application that applicant does not have an energy burden and is not eligible for a benefit at that time. The applicant should be advised to return and make application when they have an actual energy burden. Utility Allowances are not applied to applicants over 60 years of age and the system will prevent inadvertent entry of an allowance for an applicant who is age 60 or over.

5.3 Family Information Screen

The family screen is used to record, add or delete a customer's family information. The following are the required data fields: birthday, social security number, and disability. These fields will impact benefit calculations. The remaining fields are important in the specification of demographics for the household. Entering the birth date of the family member will allow the software to populate the proper age category to the right of the screen. The user does not directly enter the age category information. The initial family member screen will default to the head of household entered on the customer information screen, carrying over the first name, last name, and social security number.

A. Household Members These are the first names (enter last names, if different from the applicant) of each household member.

B. Date of Birth of Household Members This is the birth date of a household member. It is entered in MM/DD/YYYY format.

C. Social Security Numbers of Household Members this is the SSN from each household member's SSN card. If the social security number for a household member has been verified in the previous program year, the copy of the SSN card may be brought forward to the current file.

D. Gender of Household Members Indicate whether a household member is male or female.

E. Disabled Household Members The selection of (yes/no) code indicates whether a household member is disabled.

- Proof of disability is required of all household members. Disability can be proven through the Social Security Administration, Veteran Affairs, Worker Compensation, or any other medical approved documentation.

F. Race Indicate appropriate race for each household member.

G. Relationship of each Household Member to the Applicant The Applicant relationship codes indicate the relationship of household members to the applicant.

5.4 Income Screen

The income screen is used to enter a customer's household income information. This screen is where all income for all family members is entered. Each family member can be selected from the populated column on the left of the screen. All family members will be listed here based on the family member information previously entered. The second column has the pick list of income types to be selected as appropriate. The amount of income is directly entered by the user, and then the "Frequency" pick list is selected. If the pick list item "Hourly" is selected, it is necessary to directly enter the hour per week information in the next column. The software will then calculate the monthly household income.

Within the income screen there is a calculator that can be used to average the four consecutive weekly pay stubs. Click on the icon (the button with the three dots) in the left side of each row of the income column. Enter the required information in the "Customer Income Checks" screen. The calculator will average the entries in the, Average Earned Income field. If correct, save the information and click on the "OK" button. Cancel to re-enter the required information.

Applicants Reporting Zero Income

If the applicant reports zero Income, the file must contain a **Zero Income Statement Form**, indicating how the household is meeting routine household expenses. If the applicant reports zero income, you may utilize the **Zero Income Supplemental sheet** to assist in determining household income.

If the applicant is receiving **Contributions from family members, friends, or others, the file must contain a Statement of Contributions form**, indicating the monthly amount of the contribution and who is providing the contribution. The Contribution form must be signed by the person making the contribution.

5.5 Documentation Screen

The document screen is used for the agency to check if their customers have submitted all required documents. Check “completed” or “not required” if the selected document has been submitted or is not required. All boxes must be checked for the customer to be determined eligible.

5.6 Employment Screen (Self Explanatory)

CHAPTER 6: ADMINISTRATIVE OPERATIONS

Low Income Home Energy Assistance Program (LIHEAP)

Chapter 6: Administrative Operations

This section provides guidance on establishing sound administrative practices that are in compliance with all applicable federal and state requirements.

6.1 Financial Management

Contractors must adhere to the Office of Management and Budget (OMB) regulations, OMB Circular A-102 (State and Local Governments) or OMB Circular A-110 (Non-profit Organizations), OMB Circular A-87, and OMB Circular A-122. For copies of the OMB Circulars, please visit the website: <http://www.whitehouse.gov/omb/circulars/>

6.2 Accounting System

Contractors are responsible for maintaining an accounting system, according to generally accepted accounting principles, which documents all expenditures in the appropriate budget categories. The system must:

- Provide accurate, current, and complete disclosure of all financial transactions;
- Separate and identify sources of federal funding;
- Maintain effective control over all funds, property, and other assets;
- Produce comparison of actual expenditures with the budget approved in the grant agreement;
- Determine the reasonable, allowable and allocated costs in accordance with applicable Federal cost principles;
- Support accounting records with source documentation (e.g., contract documents, receipts, cancelled checks, etc.);
- Assure timely resolution of audit findings and other recommendations

6.3 Performance-Based Contract Provision

The total amount of fees contractors may earn for administration of LIHEAP is performance based. The percentage of administration earned is contingent upon the actual amount of funds expended or obligated for services delivered.

The Hancock Energy Software (HES) will automatically calculate the allowable amount for administration on the agency invoice, as follows:

- Divide the actual amount expended for services by the contracted amount for services to derive at the allowable administration percentage.
- Multiply the contracted amount for administration by the allowable percentage for administration to derive at the amount of the administrative fee a contractor may draw from their allocation.
- The computation is repeated for each subsequent agency invoice.

6.4 Reporting

Federal regulations require LHC submit a report on an annual basis to the U.S. Department of Health and Human Services (DHHS). LHC and the contractors will provide statistical data as generated by the HES system. The contractors will send their weekly reports to LHC. LHC will in turn consolidate the data to complete and submit program reports to DHHS.

A. Weekly Report

The LHC contract provisions require the HES LIHEAP Agency Invoice Report signed by the agency representative to be submitted to LHC on a weekly basis. The reports shall be submitted on Tuesday following the week the services are delivered and expenditures are obligated or incurred.

LHC shall provide to each contractor training and equipment to allow for submission of reports. All signatures on originals HES/LIHEAP Agency Invoice Reports must be signed in blue ink.

Timely submission of the reports will be closely monitored by LHC. If the contractor consistently fails to submit reports timely, LHC may impose sanctions prescribed in the contract.

B. Expenditure and Statistical Report Requirements

Payment and Statistical Data Reports must be supported by documentation retained on file at the contractor agency. The inability to support expenditures and statistical data may result in imposed sanctions. Reports must be submitted each week even when no services have been delivered or expenditures incurred during the program year. No reports are required if program funds have been expended.

6.5 Recordkeeping

LHC will monitor recordkeeping practices to assure contractors are adhering to the stated requirements.

A. Record Retention Requirements

1. LHC contract provisions require LIHEAP records be retained for a period of at least four years after final payment is made to the energy vendor or contractor. This provision applies to all financial records, supporting documents, statistical records and any and all other records pertinent to the contract or expenditures. The exceptions are as follows:

- If any litigation, claim, or audit is started before the expiration of the four- year period; the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action has been taken and documented.
- Records for real property and equipment acquired with LIHEAP contract funds shall be retained for four years after final disposition.

2. Contractor should maintain and retain all records in such a manner that a review and reconciliation of any selected weekly Request for Payment/Statistical Report Form, could be performed and all supporting source documentation would be easily accessible for presentation.

3. Once a program year has ended, it is recommended that contractor maintains all LIHEAP records for that program year together in a specific location or storage site in file boxes.

B. Applicant Record Set-Up and Maintenance

Every applicant, whether determined eligible or ineligible, shall have an individual file folder with a clasp for holding documentation securely within it. It is recommended that copies of social security cards, driver's licenses or other photo I.D data be kept on the inside left of the folder for easy access. If that data is in an existing file there is no need to make additional copies even though the applicant must present the information at application.

1. Eligible Applicant Files

a. Each file folder shall be clearly labeled with the applicant's full name and the last four digits of Social Security Number (SSN). The files shall be maintained exclusively for LIHEAP, according to Program Year and Allocation.

b. Each file folder shall, at a minimum, contain the following forms and documentation completed and signed as appropriate. The completed file folder should provide an accurate record of each phase of service delivery from the initial application to the documentation and compilation of the total cost of service delivery.

c. All information shall be filed in sequential order with the most current documents filed on top. (See Chapter 10.5 –Format for LIHEAP Applicant Files)

C. Contractor Production benchmarks:

All contractors are expected to meet stated service delivery benchmarks as outlined in the program contract. Failure to reach these benchmarks may result in reductions and or total elimination.

D. Required File Documentation for NON-CRISIS Eligible Applicants

- LIHEAP application signed by both the applicant and an agency representative.
- Copies of social security cards for each household member. (Any government generated document containing the social security numbers of household members may be substituted for the social security card). All cards and/or documents must be legible.
- A picture I.D. of the head of household. All copies must be legible.
- Proof of income for all household members (if applicable).
- Verification of Employment (if applicable).
- Documentation to support Vulnerability. This is in the form of at least one other document connecting the applicant to the service address listed on the utility bill. For example (these are only examples):

- A driver's license with the same address as the utility service address:
- A copy of other mail addressed to the applicant at the service address.
- A food stamp (SNAP) certification letter which includes the applicant's name and the service address.
- A copy of another utility bill from a different vendor which lists the applicant's name and the same service address.
- A copy of a U.S. Treasury check with the applicant's name and address that matches the utility service address.

E. Required File Documentation for Crisis Eligible Applicants

All of the documents required for Non-Crisis eligible applicants, including:

- A disconnect notice or there is an actual service interruption at the time of application
- Documentation to support a claim of a Life Threatening situation
- If the crisis is due to the need for an in-kind benefit (repair or replacement of A/C or furnace), copies of the invoices to support purchase, installation, or repair of equipment.

F. Denied Files / Ineligible Applicants

- Denied files should contain all the required documentation for a regular application in order to justify the denial. The reason for the Denial should be selected in HES and the file should be saved and a Denial letter printed by the system.
- Applicants found to be ineligible are to be provided a written explanation of why they are ineligible. The HES file should list the reason for the ineligibility and a Denial letter should be generated by the system and either hand-delivered or mailed to the applicant.

G. Administrative Records

For the purpose of LIHEAP, administrative records are those that document compliance with contract provisions, and state and federal regulations.

Monitoring Administrative records may be monitored by program personnel annually during the program review. The documentation reviewed for compliance may include the following provisions and regulations:

- Compliance with non-discrimination in service delivery
- Compliance with non-discrimination in employment
- Compliance with minimum wage law
- Compliance with confidentiality policy
- Compliance with prohibition of funds for political support
- Maintenance of required insurances
- Compliance with audit policy and provisions
- Compliance with financial management practices
- Compliance with records retention policies
- Compliance with conflict of interest policy

H. General Provisions

All contractors shall have a copy of their policy and procedure manual available for review.

I. Financial Records

Contractors should utilize a generally accepted system of accounting principles, which facilitates accurate financial record keeping and the independent auditing process.

Contractors must maintain an efficient record keeping method to support accounting records with source documentation, such as: contract documents, receipts, canceled checks, vendor payment listing, payroll information, and time sheets.

Accurate financial records must be maintained to document expenditures.

6.6 Inventory Control

1. The Inventory List. Any equipment that is purchased with program funds for use by the contractor shall remain the property of LHC. Contractor shall be required to sign for equipment delivered to their location and shall maintain an LHC equipment inventory log. The inventory log shall contain, at a minimum:

- a. The date the equipment was received
- b. The brand name/manufacturer of the equipment
- c. The serial number (if applicable) of the equipment
- d. The location within the contractor's building where the equipment is located (For example, reception area, Classroom 1, Customer Intake)

2. Transfer of Equipment. If the equipment is transferred to a different building or off-site location (another contractor agency office), the inventory list will be changed to indicate where the equipment was transferred to, and to whom the equipment was transferred. The inventory file shall be maintained in the files at the contractor's main office along with other required LIHEAP correspondence and files.

3. Service on Equipment

a. **New Equipment.** Any product warranty requirements such as registration of the warranty will be handled by the contractor. Requests for warranty service will originate with the contractor utilizing the equipment.

b. **Equipment no longer under warranty to the manufacturer or vendor.** Should equipment no longer under warranty require service or need repair, the contractor should determine if the cost to repair is justified or whether it would be more cost effective to replace the equipment. The decision to repair or replace the equipment will be determined by mutual agreement with LHC. The cost to replace or repair is not guaranteed by LHC and will be determined based on availability of funds.

c. **Suggested formats for inventory control.** The contractor may utilize their own inventory forms, but should account for LHC equipment separately from their own equipment.

CHAPTER 7: AGENCY INVOICE PROCEDURES

Low Income Home Energy Assistance Program (LIHEAP)

Chapter 7: Agency Invoice Procedures

7.1 Invoice Preparations

Utilizing the HES system, the agency will generate an invoice for applications received during the previous week. There should be a separate invoice for each week. The invoice is created by:

1. Selecting "Request Payment" from system menu.
2. The Contractor's agency should pop-up. Select the appropriate parish then select new request.
3. Enter the appropriate date range. User should verify the date range is from Monday - Friday in order to capture data for all applicants.
4. The user should then scroll to bottom of screen to enter the invoice date. Hit the binocular. The user should then see all the clients for that week, once you have verified the clients select save.
5. Once you have selected save, the invoice will revert back to Request Payment, which will generate a request number for that week. Then click select for the request number and press submit.
6. Select "Payment List" from system menu.
7. Click on the request number, then scroll to the bottom and select "Agency Invoice Report".
8. Click on the request number, then scroll to the bottom and select "LIHEAP Vendor Payment Request".
9. The signed Agency Invoice Report is to be electronically transmitted to LHC by Tuesday the subsequent week following the benefit period. **Invoices will not be processed until LHC has been notified. The notification should state the request number and it must be forwarded to EnergyAssistance@lhc.la.gov.** The original LIHEAP Agency Invoice (not the vender payment report and other support documents which were electronically submitted earlier) should be mailed to LHC within two (2) days of the electronic submission.

7.2 Invoice Inclusions and Submission

Deadline for electronic submission invoice documents is every Tuesday following the previous benefit period and must include the following:

1. **The Invoice Report** for the benefit period.

2. **Vendor payment request** - crisis and non-crisis for the same benefit period.
3. **Budget tracking report** for the same benefit period. Initial submission must be sent electronically by fax or email.

7.3 Refund Procedures for Returned Benefits for Closed Accounts

Procedures to handle vendor payments returned to contractors because; (1) the client no longer resides at the service address, (2) the account has been closed or (3) the wrong vendor was selected. Funds returned from utility vendors should be returned to LHC no later than 30 days upon receipt by the contractor.

1. Upon receipt of a check from a vendor, the contractor will make a copy of the check received from the vendor.
2. The contractor will verify the name of the client whose benefits were not delivered and the allocation from which each client was served and completed the Vendor Refund Report. (See Chapter 10: LIHEAP Forms – 10.6)
3. A copy of the Vendor Refund Report, a copy of the vendor's check, along with a check made payable to LHC will be sent to LHC to the attention of the Accounting Department. If the amount of the check received from the vendor differs from the amount of funds accounted for on the Vendor Refund Report, the list of customers and intended benefits, the contractor must provide an explanation detailing the reason(s) for the difference in the two amounts.

CHAPTER 8: AGENCY ON-SITE COMPLIANCE MONITORING

Low Income Home Energy Assistance Program (LIHEAP)

Chapter 8: Agency On-Site Compliance Monitoring

8.1 Grantee Requirements

LHC, as the state grantee, is required to conduct annual on-site compliance monitoring visits to contractors. LHC will notify the contractor in writing and coordinate the on-site visit with the contractor. The purpose of the visit is:

1. To assure compliance with federal, state, and local regulations, including Public Law, Title XXVI 97-35 Section 2605 (b) (10), as amended;
2. To verify the files are maintained properly and contain required documentation for the applicants;
3. To determine all expenditures are supported and traceable;
4. To establish if there is a need for program training and/or technical assistance;
5. To verify the contractor is servicing all priority groups;
6. To confirm the contractor has fully expended the allocated funds for the program year in a timely manner;
7. To confirm the contractor has met the 10% new client threshold, as outlined in the LIHEAP Service Delivery Guide; and
8. To insure the contractor has met the annual audit requirements, and submitted a copy of the audit to LHC in a timely manner.

8.2 Items to be reviewed

LHC will review contractor policies regarding their adherence to federally-mandated policies relative to the administration of the benefit process, which includes, but is not limited to:

1. Outreach to priority populations;
2. The written guidelines regarding how the agency handles applicants from first inquiry to the completion of the application process;
3. A review of client education material that is made available and distributed to applicants;
4. The documentation of training on the LIHEAP application process for employees;
5. Written policies that prohibit discrimination in both service delivery and contractor staffing;
6. Compliance with the Americans with Disability Act (ADA) regulations for both applicant and staff;
7. Prohibition of indoor smoking;
8. Compliance with Federal Minimum Wage laws;
9. Confidentiality Policy regarding client;
10. Record Retention Policy; and
11. Contractor's policy for resolving internal grievances and appeals by both applicants and staff.

LHC shall continue to conduct on-going desk monitoring of agency reports, including: Request for Payments, Budget Tracking and LIHEAP Statistical Report.

LHC shall monitor the rate of funding expenditures by contractors to ensure funds are delivered as benefits to eligible applicants in a timely and efficient manner.

8.3 Selection of Files

LHC will select a sample of client files. The number of the sample will be percentage- based using the amount of the allocation and the number of clients served by the agency. Upon completion of the monitoring visit, LHC will notify the contractor in writing of its findings and corrective actions. Should any additional training be required, LHC will work closely with the contractor to coordinate the training for those program areas or any particular employees that may require special attention.

The contractor will be graded according to the following rating scale:

8.4. Findings and Contractor Discipline

LIHEAP AGENCY RATING CHART

ERROR PERCENTAGE OF SAMPLE*	RATING	EXPLANATION	REQUIRED ACTIONS TO BE TAKEN
0% - 5%	SATISFACTORY-A	SELF-EXPLANATORY	As identified in monitoring report.
5+% - 10%	SATISFACTORY-B	Limited training required	After training, rating will remain Satisfactory-B until next monitoring visit.
10+% - 15%	BELOW ACCEPTABLE PERFORMANCE LEVEL	Probationary status - Level 1 Must complete training and be re-monitored	Extensive training required -Placed on the Watch List. Additional monitoring within 90 days. Must achieve no less than Satisfactory- B level
15% or greater	UNACCEPTABLE PERFORMANCE LEVEL	Probationary status - Level 2 Must complete extensive training and be re-monitored	Extensive training required with additional monitoring. Placed on the Watch List. Failure to bring error rate to Satisfactory- B level within 120 days may result in program withdrawal and reassignment.

*This is the combined total of Critical and Non-Critical Errors

8.4 Findings and Contractor Discipline

The discovery of a violation of a policy and procedure is called a Finding. All Findings must be addressed by the contractor as indicated in the Final Monitoring report. The contractor must submit documentation addressing each Finding cited in the monitoring report or they must submit a plan of corrective actions within thirty (30) days of receipt of the monitoring report.

8.5 Findings

Any non-compliance with a LIHEAP policy or procedure constitutes a Finding.

Examples of Findings may include, but are not be limited to the following:

- A failure to collect and file appropriate required client eligibility documentation, including but not limited to: copies of social security cards or other government produced paperwork which includes an applicant's or household member's social security number, income verification documentation, zero income statements, contribution statements, appropriate photo identification.
- Failure to include or exclude a Utility Allowance received by the applicant where that inclusion or exclusion changes the applicant's benefit amount.
- Payment, as part of the benefit amount, charges which are not authorized by LIHEAP guidelines, such as tampering charges, fees for security lighting, Non-Crisis arrearage amounts from a previous account or location, any other surcharges not approved by the State of Louisiana.
- Maintaining files in a disorderly fashion and failure to be able to locate files requested as part of an audit.
- Failure to provide appropriate training and work product oversight for new employees.

8.6 Contractor Discipline

Consistent or repeated violations of LIHEAP standards may require LHC to impose disciplinary action upon an agency. The disciplinary action will vary and will depend on the severity of the deficiency or deficiencies identified. The disciplinary actions in order of least to most severe include:

- Placement on a "Watch List"
- Probationary Status (may include suspension of program)
- Termination of LIHEAP Contract

Placement of an agency into any one of these three categories is at the discretion of LHC. In all cases, the agency will be notified in writing of the disciplinary action being imposed.

8.7 Watch List

Placement on the watch list is typically associated with relatively minor deficiencies that warrant additional attention to prevent more serious issues from developing. The agency will receive written notice that it is being placed on a watch list and will be given a reasonable time period to correct the issues. Agencies placed on the watch list may experience an increase in the number of monitoring events and/or the number of files reviewed by LHC during both on-site and desktop monitoring. The reasons for placing an agency on a watch list include, but are not limited to the following:

- When the agency fails to submit responses to findings in a timely manner as specified in LHC's monitoring reports.
- When the agency has recurring findings consistent with previous findings (i.e. data entry errors, selecting the wrong vendors, underpayments, overpayments, etc.)
- When LHC determines that there are administrative issues within the agency, for example, failure to provide adequate staff to handle customer applications in a timely manner.

- When LHC finds that the agency staff needs additional training.
- Any other reason that LHC determines is or has negatively impacted appropriate service delivery of program funding.

8.8 Probation

Depending on the severity of observations/findings the agency may be placed on Probation Level 1 or Level 2. Probation may or may not include suspension of the Program. The agency will receive written notice from LHC executive management that it is being placed on probation noting the probation level and will be given a reasonable time period (not to exceed 120 days) to correct the issues. The notice will include the cause for probation and additional instructions to assist the agency with achieving compliance. The agency will also receive additional monitoring events and/or on-site training and/or on-line training from LHC, if deemed necessary.

Reasons for placing an agency on probation include but are not limited to the following:

- When the agency has recurring findings that are not solved timely
- When there is turnover of key staff members which results in sub-par performance.
- When the agency fails to comply with the corrective action instructions that were submitted following the monitoring visit.
- When the agency upon demand or notification by LHC there were funds which were not expended in accordance with contractual or Service Delivery Guidelines, has failed to return those funds within the time frame demanded.
- Any other reason noted as a result of monitoring and/or any other investigation where LHC determines that such noted behavior by the agency is or has negatively impacted appropriate service delivery of program funding.

8.9 Termination of the Program

For further guidance, see the LIHEAP Contract Section XII.G. General Terms and Conditions – Termination

CHAPTER 9: SUSPECTED FRAUD REPORTING PROTOCOL

Low Income Home Energy Assistance Program (LIHEAP)

Chapter 9: Suspected Fraud Reporting Protocol

9.1 Primary Directive

Agency employees, shall in the fulfillment of their duties,

1. Treat every client with courtesy and respect.
2. Advise every applicant of the potential consequences of submitting false, misleading, or incomplete information during the application process with the intent to receive or increase the amount of an energy assistance benefit in accordance with Service Delivery Guidelines.
3. Require and collect the documentation necessary to verify program eligibility from each applicant.
4. Report to their appropriate supervisor, any and all actions, statements, documents or any other information they may become aware of, no matter the source of that information, which may result in or has resulted in an applicant receiving a benefit for which they were not eligible or a benefit amount for which they were not eligible.
5. Collect and preserve any document that was used or that was attempted to be used by an applicant applying for and energy assistance benefit.
6. To be able to document, in a standard format utilizing standard forms and statements, the details of any incident of suspected fraud.
7. To be aware of and recognize potential fraudulent activities that may include but are not limited to:
 - A. Attempting to, or receiving a calculated benefit by attempting to, or increasing a calculated benefit by inflating the number of family members living in the household.
 - B. Attempting to increase benefits by under reporting household income during the application process.
 - C. Attempting to receive benefits for an account for which the applicant has no vulnerability.
 - D. Attempting to receive or receiving a benefit for an ineligible residence (for example, a residence not occupied by the applicant)
 - E. Attempting to receive a benefit by presenting altered or false documentation.

9.2 Intake Worker Responsibility

The steps to take when fraud is suspected:

1. Utilize the forms provided by your agency and used as part of the application process, to advise applicants they are subject to prosecution under various state and federal laws if they intentionally

provide inaccurate, incomplete, or false information to receive benefits under the LIHEAP program. It is especially important that you point out the provisions regarding possible prosecution for filing false information to the applicant prior to the signing of the application. Be sure to date the form and, as a witness to the applicant's signature, you must sign the form. Sign your name. **Do not** simply put your initials on the form.

2. Alert your supervisor as soon as you suspect an applicant may be attempting to file a fraudulent application.
3. Continue the application process and, outside the presence of the applicant, request your supervisor or if your supervisor is not available, another employee to observe the application process to observe and listen to answers given by the applicant.
4. Upon completion of the application and after the applicant has left the facility you should obtain a **Suspected Fraud Incident Report** form and, following the instructions on the form. Fill it out completely.
5. Collect and preserve the applicant's file paying special attention to those documents that include the applicant's signature.
6. Deliver the file, the completed and signed **Suspected Fraud Incident Report**, the signed **Incident Narrative** to the person designated by your Director to maintain files related to suspected fraud.
7. Remember, that as an employee of a non-profit community action agency or government subdivision you are **NOT** an investigator, and should never accuse anyone of fraud even if you suspect the application they are filing contains false information.

NOTE: An unsubstantiated accusation may result in civil action against the intake worker and/or the employing agency.

9.3 Supervisors Responsibility

The steps to take when alerted to possible Fraud:

Remember, you are not an investigator or law enforcement officer. You have the right to question any applicant about documents that he/she is providing but agency employees should never accuse any applicant of fraud.

If you were to make an accusation that is later proven to be unfounded, you may be opening both yourself and your agency to potential liability in a civil law suit that could be brought against you and the agency by an applicant that is falsely accused.

1. Upon notification there may be a case of suspected fraud by an intake worker, accompany the worker to the area where the application is being taken to observe the application process. Another worker may be assigned the task of becoming a witness to the incident if you, as supervisor, are unable to serve as an observer.

2. Take a memo pad with you. Write down the date and time and make any notes you might deem necessary. Observe the application process. Pay special attention to the way the worker advises the applicant about possible prosecution for intentionally providing inaccurate, incomplete, or false information.
3. Upon completion of the application process you should provide the intake worker with the following forms:
 - Suspected Fraud Incident Report form (See Chapter 10: LIHEAP Forms – 10.7)
 - Witness Narrative Report form (See Chapter 10: LIHEAP Forms – 10.8)
4. When the intake worker has completed the above reports, you should take control the forms and the complete application file. If you or someone else witnessed the incident (application session) a statement that details observations of the incident should be collected. All statements should include the name of the writer, the date and time the statement is made, and a narrative of the writer's observation.
5. The file should be copied in its entirety, all original components of the file including the **Incident Narrative** forms and **Suspected Fraud Report** should be put in a large envelope, and sealed. On the front of the envelope you should write the following:
 - The date
 - The time
 - Contents: "Suspected Fraud for (applicant's name)"
 - Sign your name to the envelope.
6. The copied file should be forwarded to LHC utilizing a cover letter with a brief synopsis of the incident.
7. The original file envelope should be secured in a locked cabinet. If the investigation reveals there was an actual case of fraud the file will be turned over to the appropriate enforcement or prosecutorial agency.
8. If it is determined that an applicant will be prosecuted the agency will be notified of the decision and will be kept informed regarding the case status.

CHAPTER 10: LIHEAP FORMS

Low Income Home Energy Assistance Program (LIHEAP)

VERIFICATION OF EMPLOYMENT

SAMPLE
Generated in HES

To Employer	
Name	
Address	
Contact	

From Agency	
Name	
Address	
Contact	
Phone	

Applicant Name	
----------------	--

Social Security Number	
------------------------	--

I hereby authorize release of my employment information

Applicant Signature

Date

THE FOLLOWING SECTION TO BE COMPLETED OR VERIFIED BY EMPLOYER:

Employee Name		Job Title	
Active Employee		Employed Date	Last Employment Date
Current Wages/Salary:			
<input type="checkbox"/> Hourly <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Twice a month <input type="checkbox"/> Annually <input type="checkbox"/> Other			

Last (4) Pay Periods Ending Date	# of Hours Worked	Hourly Pay Rate	# of Overtime Hrs.	Gross Pay	Date of Check	Year to Date Earnings	Is Overtime Regularly earned?

Are you aware of any other income this person may be receiving such as other wages, compensation, insurance benefits or pensions?

Yes
 No
 If yes, source and amount: _____

Employer's Signature	Employer's Printed Name	Date
Phone	Fax	E-mail

I certify that, to the best of my knowledge and belief the information provided on this form is correct.



ZERO INCOME STATEMENT FORM

Date: _____

I, (Full Name) _____, (SSN) _____ - _____ - _____

do hereby certify that I am unemployed and have no income for the following reason: (check appropriate reason(s))

Laid off. Enter month and year of last date worked _____

The job I had was seasonal and has ended

I am unable to find employment

I have been or am, (circle one) **sick** / **injured** and unable to return to work .

I expect to return to work by (month/year) _____

I have small children and no one to care for them except me

My only source of income is from _____

I am no longer eligible for Unemployment Benefits

I receive assistance from the La. Dept. of Social Services (circle all that apply) Food Stamps,

TANF funds, OTHER: _____

Other (please use the space below to write any conditions that are not covered above)

I understand that if I knowingly give **incomplete, inaccurate, or incorrect** information I am subject to criminal prosecution under Title 18 of the U.S. Code.

Signature: _____

Customer Signature

Agency Representative



ZERO INCOME SUPPLEMENTAL SHEET

APPLICANT NAME: _____

MONTHLY EXPENSES

MONTHLY INCOME

SECTION 1: HOUSEHOLD MONTHLY EXPENSES

SECTION 3: MONTHLY INCOME

1. RENT/MORTGAGE	
2. FOOD PURCHASES	
3. AVG. ELECTRIC BILL	
4. AVG. GAS BILL	
5. AVG. WATER BILL	
6. SEWER/GARBAGE	
7. HOME TELEPHONE	
8. CELL PHONE	
9. CABLE/SATELLITE	
10. CLOTHING EXP	
11. SCHOOL EXP	
12. MEDICAL EXP (NOT MEDICINE)	
13. PRESCRIPTION EXP	
13A. TOTAL #1-13	

19. SELF EMPLOYMENT	
20. WAGES	
21. SSA	
22. SSI	
23. VETERANS PENSION	
24. UNEMPLOYMENT	
25. WORKMAN'S COMP	
26. RENTAL INCOME	
27. ALIMONY	
28. TANF CASH ASSISTANCE	
29. CONTRIBUTIONS	
29A. FAMILY	
29B. FRIENDS	
30. OTHER	
30A. TOTAL #19-30	

SECTION 2: VEHICLE MONTHLY EXPENSES

SECTION 4: EXEMPT INCOME

14. CAR NOTE	
15. AUTO INS	
16. AVG. FUEL COST	
16a. TOTAL #14-16	
ADD: 13A	
PLUS: 16A	
OTHER (IF ANY)	
17. TOTAL EXP	

31. FOOD STAMPS	
32. AFDC	
33. CHILD SUPPORT	
34. OTHER INCOME	
34A. TOTAL EXEMPT	

SECTION 5: EXPENSES VS. INCOME

ENTER TOTAL EXPENSES	
SUBTRACT (30A)	
SUBTRACT (34A)	
35. HOUSEHOLD REVENUE:	

INSTRUCTIONS:

1. ENTER EXPENSES AMOUNT REPORTED BY APPLICANT IN SECTION 1 AND 2.
2. ENTER INCOME AMOUNTS IN SECTION 3 AND 4.
3. TRANSFER EXPENSES AND INCOME TOTALS TO SECTION 5.
4. IF THE AMOUNT IN LINE 35 IS GREATER THAN ZERO, IT MUST BE INCLUDED AS INCOME AND THE APPLICANT SHALL PROVIDE A WRITTEN EXPLANATION OF THE INCOME SOURCE.

DATE: _____ I CERTIFY TO THE BEST OF MY KNOWLEDGE INFORMATION PRESENTED ABOVE IS ACCURATE.

APPLICANT'S SIGNATURE: _____



Agency Name: _____

Agency Address: _____

STATEMENT OF CONTRIBUTIONS

Date: _____

I, (name of person making contribution) _____

do, hereby declare that I assist (enter the name of the person being assisted) _____

with monthly household expenses. Our relationship is (check the appropriate box)

I am a relative I am a friend other: _____

The amount of my monthly contribution is \$ _____

Or

I assist with the following:

- _____ A. Rent.....Amount: _____
- _____ B. Food..... _____
- _____ C. Utility Bills..... _____
- _____ D. Transportation _____
- _____ E. Medical Expenses _____

TOTAL: _____

I understand that if I knowingly give incomplete , inaccurate , or incorrect information, regarding my assistance with the person named above, I am subject to criminal prosecution under Title 18 of the U.S. Code.

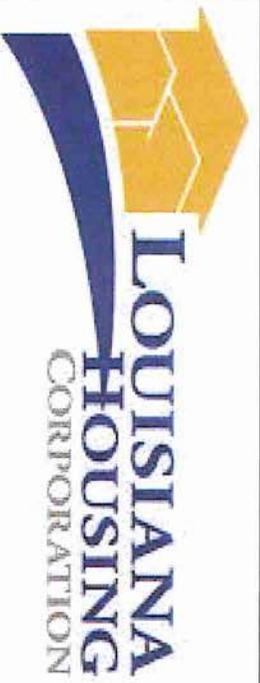
Contributor's Name: _____

Address: _____

City: _____ Zip: _____

PHONE NUMBER: (____)- _____

Signature of Contributor: _____



Format for LIHEAP Applicant Files
(In order from bottom to top)

Left Side of Folder

1. Drivers License/ID Cards
2. Social Security Cards

Right Side of Folder

1. Applications
2. Proof of Income
3. Utility Bills
4. Computer Printed Letters & Any other Documentation



WITNESS NARRATIVE REPORT

Date of Incident: _____ (if known)

Date of this form was prepared: _____

Name of Person preparing this statement: (Please print) _____

Name of applicant suspected of fraud: _____

Please complete the statements below:

I became aware of the incident when:

After being notified, I took the following actions:

I heard the applicant make the following statement (s):

I (circle one) observed did not observed the applicant sign all the required forms.

I (circle one) observed did not observed the intake worker, _____.

Explain the potential for prosecution under US Title 18 to the applicant.

Signed: _____ Date: _____



Income Determination Worksheet

The Income Determination Worksheet shall be completed and included in applicant's file along with the associated calculator tape. All earned and unearned income shall be listed on the worksheet.

Part 1. Establish Earned Income. Enter information from the applicant's last four consecutive check stubs on the table below. Enter on Line 1.

Check Stub	Pay Period Ending Date or Check Date	Gross Pay
1.		
2.		
3.		
4.		
Total		1. \$

Part 2. Obtain Average Earned Income.

Divide the amount on Line 1 by number of check stubs and enter the result on Line 2. <u>Note:</u> If pay stubs were excluded due to fluctuations in earnings, divide by the number of valid pay stubs.	2. \$
---	-------

Part 3. Conversion to Gross Monthly Income

Based on how often the applicant is paid, perform the appropriate calculation to obtain gross monthly income.	Frequency of Pay	Conversion Factor
	Weekly	Multiply Line 2 by 4.333
	Biweekly (every other week)	Multiply Line 2 by 2.167
	Twice a month	Multiply Line 2 by 2
Annually	Divide annual income by 12	
Enter result of conversion on Line 3.		3. \$

Part 4. Establish Unearned Income. List each type and amount of unearned income in the table below. Enter total on Line 4.
Note: If unearned income is not received on a monthly basis, use the appropriate conversion factor (see table above) to convert the amount to monthly.

Type of Unearned Income	Gross Monthly Amount
Total	4. \$

Part 5. Gross Monthly Income.

Add Line 3 and 4 and enter the sum on Line 5. This is gross monthly income.	5. \$
---	-------

Part 6. Determining Eligibility. Use the figure on Line 5, along with family size, to determine an applicant's income eligibility, using the 60% of State Median Income.