



**Low-Income Household
Water Assistance Program
(LIHWAP)**

Operational Manual

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Chapter 1 – General Program Requirements

1.1 Introduction

The Low Income Household Water Assistance Program (LIHWAP) is administered by the Tennessee Housing Development Agency (THDA) and funded by the U. S. Department of Health and Human Services (HHS). The program is designed to assist eligible low income households in meeting their immediate household water and wastewater needs. Priority assistance, is based on households with water services that have been shut off, have a shut off notice, or are past due on payments.

LIHWAP is funding as an emergency response program due to the COVID-19 National Emergency. LIHWAP is funding through the Consolidated Appropriations Act, 2021 and the Allocation under the American Rescue Plan Act of 2021.

Local contract agencies serve as the vehicle to provide assistance to eligible households under the program. The local agencies' responsibilities include outreach activities, application acceptance and intake, eligibility determination, maintenance of records, processing of appeals, monitoring, and payment of benefits.

Tennessee LIHWAP Agencies

Blount County Community Action Agency, Inc.
(865) 983-8411
Serving: Blount

Bradley-Cleveland Community Services Agency
(423) 479-4111
Serving: Bradley

Chattanooga Youth and Family Development
(423) 643-6434
Serving: Hamilton

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Clarksville-Montgomery County Community Action Agency
(931) 896-1800
Serving: Montgomery

Delta Human Resources Agency
(901) 476-5226
Serving: Fayette, Lauderdale & Tipton

Douglas-Cherokee Economic Authority, Inc.
(423) 587-4500
Serving: Cocke, Grainger, Hamblen, Jefferson, Monroe & Sevier

East Tennessee Human Resource Agency (ETHRA)
(865) 691-2551
Serving: Anderson, Campbell, Claiborne, Morgan, Scott, & Union

Highland Rim Economic Corporation
(931) 289-4101
Serving: Dickson, Houston, Humphreys & Stewart

Knoxville-Knox County Community Action Committee
(865) 546-3500
Serving: Knox

Metropolitan Action Commission
(615) 862-8860
Serving: Davidson

Mid-Cumberland Community Action Agency
(615) 742-1113
Serving: Cheatham, Robertson, Rutherford, Sumner, Trousdale, Williamson & Wilson

Mid-East Community Action Agency
(865) 354-0450
Serving: Loudon & Roane

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Northwest TN Economic Development Council

(731) 364-3228

Serving: Benton, Carroll, Crockett, Dyer, Gibson, Henry, Lake, Obion, & Weakley

Shelby County Community Services Agency

(901) 222-4315

Serving: Shelby

South Central Human Resource Agency

(931) 433-7182

Serving: Bedford, Coffee, Franklin, Giles, Hickman, Lawrence, Lewis, Lincoln, Marshall, Maury, Moore, Perry, & Wayne

Southeast Tennessee Human Resource Agency

(423) 949-2191

Serving: Bledsoe, Grundy, Marion, McMinn, Meigs, Polk, Rhea, & Sequatchie

Southwest Human Resource Agency

(731) 989-5111

Serving: Chester, Decatur, Hardeman, Hardin, Haywood, Henderson, Madison, & McNairy

Upper Cumberland Human Resource Agency

(931) 528-1127

Serving: Cannon, Clay, Cumberland, DeKalb, Fentress, Jackson, Macon, Overton, Pickett, Putnam, Smith, Van Buren, Warren, & White

Upper East Tennessee HDA

(423) 246-6180

Serving: Carter, Greene, Hancock, Hawkins, Johnson, Sullivan, Unicoi, & Washington

1.2 Definitions - As used in this plan:

Active Account – An open water or wastewater account being used for billing to a public vendor, or septic services offered through contract as a service to a community of income-eligible households, with payments made directly to the vendor through a LIHWAP vendor agreement.

Administrative Fair Hearing – An independent hearing for any applicant whose application for assistance is not acted upon within a timely manner, for any applicant who is denied assistance except for when funds are exhausted, and for any recipient who is dissatisfied with the service for any reason.

Advocacy – Providing advocacy on behalf of LIHWAP applicants by building collaborations with community service agencies and working with local utility providers.

AEIEI – Employment Information. This ACCENT screen lists any earned income in the case.

AEFMI – Monthly Unearned Income. This ACCENT screen lists any earned income in the case.

AEIID – Application Entry Individual Demographics. This ACCENT screen lists all case members, social security numbers and date of birth.

AEISE – Self-Employment Information. This ACCENT screen lists any self-employment income in the case.

Applicant – The individual applying for LIHWAP benefits who signs and certifies the application.

Arrearage – For purposes of LIHWAP, arrearage refers to an unpaid past due bill for household drinking water and/or wastewater utility services. LIHWAP grant resources can be used to pay for arrearages incurred at any point in time by households that meet LIHWAP eligibility criteria and may include reconnection charges, fees and penalties or other fees as approved by THDA at its sole discretion.

Categorical Eligibility – For purposes of LIHWAP, categorical eligibility refers to a determination that a household is eligible for LIHWAP assistance based on enrollment in the Low-Income Home Energy Assistance Program (LIHEAP). If a household is determined to be categorically eligible, that means that the recipient or sub recipient's intake staff do not need to repeat the income test for purposes

of the household qualifying for LIHWAP assistance.

Community Education – An outreach activity agency staff will use to educate the community about LIHWAP services and eligibility.

Community Outreach Event – Holding an event to promote LIHWAP services and give community members an opportunity to apply for LIHWAP services.

Debarment or suspension – A determination that excludes a company or individual from doing business with the Federal Government. These exclusions are intended to ensure that only responsible companies or individuals participate in contracts and financial assistance awards with the Federal government.

Household – Any individual or group of individuals who are living together as one economic unit for whom residential water is customarily purchased in common or who make undesignated payments for water in the form of rent.

Household Drinking Water Burden - The proportion (amount) of total household income spent on drinking water utility bills during a specific timeframe set by THDA in its written policies (e.g., days, monthly, quarterly, or annual). This burden may be calculated based on gross income or net income depending upon the policies, procedures and requirements of the state manual. It is also calculated based on the amount billed to the household for such services.

Household Income – Income refers to total annual cash receipts before taxes from all sources, with the exceptions as noted in the State Plan. Income data for a part of a year may be annualized in order to determine eligibility.

Household Wastewater Burden: The proportion (amount) of total household income spent on wastewater bills during a specific timeframe set by THDA in its written policies (e.g., days, monthly, quarterly, or annual). This burden may be calculated based on gross income or net income depending upon the policies, procedures and requirements of the state. It is also calculated based on the amount billed to the household for such services.

Income Eligibility - For the purposes of LIHWAP, income eligibility means that a household has qualified for water utility (LIHWAP) assistance based on an intake worker's review of the total household income of all household members and any other eligibility criteria required by the state,

plus a determination that the total household income is below the eligibility threshold established (60% (sixty percent) of the State Median Income).

IQCH – Cash Issuance History. Cash history for TANF; benefit amount, dates, eligibility period, reason codes, issuance status, county caseload and worker number.

IQCP – ACCENT case number. Applicant name, address, phone number, open-closed date, pending status, payee, Aid group size, reapplication dates and worker number.

Local Contract Agency – Any local public or private nonprofit agency which receives LIHWAP funds under contract with the THDA.

Outreach - Promote and increase program awareness with the goal of increased program enrollment. This activity should target or prioritize efforts to selected populations including the vulnerable population.

Owners – Households who own or are purchasing their dwelling units and who are responsible for their home water costs and are making direct payments to home water suppliers for water.

Prioritization – A system used by local contract agencies to ensure that eligible households with the highest need or burden receive priority in assistance.

Poverty Level – Households who are at or below 150% of the current poverty guidelines established by HHS and updated annually.

Public Awareness – An outreach activity to promote LIHWAP services, available funding for the program year and program service numbers from the prior year.

Rate Reduction - For the purposes of LIHWAP, rate reduction refers to full or partial payment of a currently due bill charged to a household for drinking water or wastewater services and may include standard charges and fees included in the household water bill.

Renters – Households who are renting their dwellings and who are responsible for paying their home water costs to water suppliers or for making payments for actual home water consumption as an undesignated portion of their rent. Each household may live in a single family unit or multi-family unit. (Tenants in public housing or Section 8 housing are not included in this definition of renters).

Stormwater Fee: A fee charged to property owners for costs related to pollution in stormwater drainage.

Subgrantee – Any local public or private nonprofit agency, or unit of local Government, which receives LIHWAP funds under contract with THDA.

Supplies – Space and equipment related to payroll, fiscal reporting, program reporting, personnel/HR issues, executive management tasks, program budgets, work plans, public relations, procurement, and property management.

Tenants – Households who reside in public housing units or subsidized housing, and who are fully or partially responsible for their home water costs. Tenants who are partially responsible for their water costs receive public subsidies for a specific amount of water usage. When actual usage exceeds allotted amounts paid by subsidies, these tenants are then subject to the payment of “overages”. Tenants who are fully responsible for their water costs (Section 8) pay such costs directly to the water suppliers which bill them.

Uncontrollable Circumstances - For the purposes of Priority Group 3: Defined as lost employment; medical hardship, became disabled, or at risk of falling behind in water and water service payments.

Wastewater: Water that has been used in a household. This may include stormwater charges, as noted above.

Water Burden – A low-income household who has experienced a loss of water services; a disconnect notice; or a past due invoice for their water service.

Water Included With Rent: Water included with rent is defined as, a rental or lease agreement in which a portion of the rental payment is dedicated toward the unit’s water/sewer cost, whether as a fixed or variable amount. In either case, the landlord maintains responsibility and control of the units water source account(s).

EXAMPLE: A landlord rents two (2) separate dwelling units with a shared water meter. The landlord maintains the water account and all payments due on the account. Each month, the landlord divides the water bill, and charges each renter his or her designated share of that month’s bill, to be paid with rent. Each month’s water amount will change due to the variance in actual water costs incurred each month.

1.3 Distribution of Funds

Designation of Agency Services Areas

The nine (9) Community Action Agencies and four (4) local government entities which operate LIHWAP in Tennessee have service areas which the appropriate public officials have designated. Likewise, the service areas of the six (6) Human Resource Agencies are defined by the Tennessee General Assembly in the Human Resource Agency Act of 1973. These service areas are recognized by THDA when it determines the areas to be served by LIHWAP by either Community Action Agencies or Human Resource Agencies.

The responsibilities of the subgrantees include outreach activities, application acceptance and intake, eligibility determination, maintenance of records, processing of appeals, monitoring, and payment of benefits.

Allocation Formula

Individual Agency and County level data are developed using the most current annual data from the Small Area Income and Poverty Estimates (SAIPE) program. The U.S. Census Bureau, with support from other Federal agencies, created the SAIPE program to provide more current estimates of selected income and poverty statistics than the most recent decennial census.

Estimates are created for states, counties, and school districts. The main objective of this program is to provide updated estimates of income and poverty statistics for the administration of federal programs and the allocation of federal funds to local jurisdictions.

The data used in the calculations for the each fiscal years' allocations is the average of the SAIPE program data for three previous years as available. THDA uses this "rolling" three-year average instead of updating the allocation formula only after the formal Census every ten years.

1.4 Assistance to Household

Assistance can be provided one time within a program year.

Assistance Process:

- Subgrantees will administer payments directly to water and wastewater providers and or debt collection agencies. All payments can include late fees, interest, reconnection fees, collection service fees, and deposits. Payments can be split between providers and debt collectors should there be more than one company charging for water and wastewater services.
- All qualified applicants must submit a water and or wastewater bill of no less than ten dollars, (\$10.00).
- Subgrantees will provide a one-time payment of two hundred and fifty dollars (\$250.00), which can be split between water, sewer and collection agency companies, to all qualified applicant households, during the program year of October 1st to September 30th. If bills exceed this amount, all water expenses will be paid in full. (Priority list of qualified applicants noted below).
 - For water utility companies that do not have the capacity to manage a credit on the participants account: Split benefits into multiple payments to get around the capacity limitation. For example, if a household is approved for a \$250 dollar benefit, but their current bill is \$100 per month, the state would pay the full \$100 bill and then request that the household send their bill in again the following month, which will be paid off until the household hits their \$250 dollar benefit amount ceiling. If month 2 is also a \$100 bill, they will receive LIHWAP benefits for those two months. If the bill for month 2 is less than \$100, they could go to month 3 and the payments would continue as long as their total benefit is less than the \$250 dollars they were approved for based on the benefit matrix.
- For those utility companies that bundle their electric, gas, trash removal with water and wastewater removal, HHS requires a separation of water and wastewater bills to qualify for the LIHWAP program.

Priority of Qualified Applicants:

Priority Group 1:

Households with Disconnected Water Services.

The initial priority is to target assistance first for those households whose services are already disconnected. Subgrantees may use a variety of interventions to achieve the expected outcome of restoring service. This may include paying the entire amount past due plus all required fees or paying a portion of the outstanding balance and coordinating approval of other resources that can be used to bring the account current. Another intervention is paying a portion of the past due amount and negotiating reconnection of the

service for 90 days or longer based on the LIHWAP benefit. Still another intervention might include negotiating with vendors to get the household on a budget payment plan. There are many interventions your team can use in coordination to achieve the outcome of restored service.

Households with Pending Disconnection. Also an initial priority group are the households that currently have service but are about to lose service because of nonpayment. This means they have a disconnection notice, or they could have an outstanding balance but have been protected by a disconnection moratorium that is about to expire. For this group, the expected outcome is to avoid a disruption of service regardless of how brief.

Priority Group 2:

Households in Arrearages: Households who are in arrearages or behind in paying their water/sewer bills and at risk of receiving a disconnection notice. The second priority group are families struggling to maintain their household expenses due to various reasons including change in household income, to the current increased inflation rate causing an uptick in household bills. There is no disconnection notice but the bill(s) due date has passed.

Priority Group 3:

1. Households Seeking Help with Current Water Bills (No Past Due Balance). The third priority is assisting households who need assistance with initial water set up fees, or have a working service and are seeking help with current bills only, meaning they are not behind on their bills.
2. Households whose water and sewer bills are included with rent defined as, a rental or lease agreement in which a portion of the rental payment is dedicated toward the unit's water/sewer cost, whether as a fixed or variable amount. In either case, the landlord maintains responsibility and control of the units water source account(s). To serve households with single water meters, the subgrantee will need to obtain/confirm certain information from the landlord, including:
 - The name of the water vendor; the account number; and the cost of water charged in the rental fee. With this information, the subgrantee can make a payment directly to the water vendor. In these cases, once the water vendor receives a payment, the agency must confirm that the benefit is being passed to the household in the form of a rent reduction.

- A fixed amount is when the portion of the rental payment dedicated toward the unit's water and wastewater cost is the same dollar amount from month to month.
- A variable amount is when the portion of the rental payment dedicated toward the unit's water and wastewater cost changes dollar amounts from month to month.

Through payment agreements, the subgrantee should ensure landlords agree that by accepting a LIHWAP benefit payment made to a utility vendor on behalf of a household, the landlord is bound by LIHWAP requirements to provide the household with rent reduction(s) in the amount equal to the benefit received. To ensure proper enforcement of this program requirement, OCS highly encourages grant recipients to develop a "three-party" agreement for all parties (grantee, landlord, and household).

3. Households who reside in income based housing, who can provide a current rental assistance voucher or current lease. Subgrantees can work with property management to review which households can receive assistance and decide if a portion of their rent payment supports water utilities for that property to receive LIHWAP assistance.
4. LIHWAP funds can be used for septic wastewater removal service payments to individual households, or offered through contract as a septic service to a community of income-eligible households, but not for a private well system. Subgrantee's should provide payments directly to a wastewater treatment or septic service vendor, based on a LIHWAP vendor agreement for wastewater removal, for qualified applicants. A one-time payment will be provided to the septic removal service.

NOTE: Charges for damages to utility equipment, such as meter tampering charges, are not allowable costs covered by LIHWAP benefits.

Chapter 2 – Application Processing and Eligibility

2.1 Application Intake and Review Process

Anyone can apply for assistance.

All applicants must provide government-issued identification. Acceptable Government-issued identification includes, but is not limited to:

- Birth Certificate
- Driver's License
- Passport
- State or Federal Identification Card
- Military ID
- Voter's Registration Card
- Proof of receiving other government benefits in which identity has been verified (must include applicant's name). Verification documentation includes but not limited to the Award Letter, ACCENT, Benefit ID Card

*If none of the forms listed are available, the subgrantee can contact THDA for additional guidance on verifying identification.

The following documentation is needed in determining if the applicant qualifies for water assistance:

- A complete and signed LIHEAP application.
- A signed LIHWAP Addendum.
- Acceptable Government-issued identification.
- Current gross income for all household members and current net income for household members receiving Social Security Benefits.
- Self-declaration for all members claiming zero income.
- Social security number verification for all members of the household or birth certificate for children under 1 year of age.
- Current water and/or wastewater bill reflecting the balance due for reinstatement including any reinstatement deposits and late fees; septic sewer service provider contract; third party debt collection agency specific for a household water and sewer bill arrearages including debt collection service and late fees.

***Note:** Some cases might require additional documentation to make a decision on the applicant's qualification or verification.

Additional assistance/special accommodations with the application process must be provided to homebound clients, persons with disabilities, and LEP (Limited English Proficiency) clients.

Applications are required to be available to clients at all subgrantee agency offices and must be mailed free of charge to clients requesting them. Mailed applications must be date stamped upon receipt and include a copy of the applicant's government issued identification and the envelope must be attached to the application to show the date the application was mailed to the subgrantee agency.

Physical applications must be date stamped upon immediate receipt (**not after the application is considered complete**), whether they are mailed, faxed, e-mailed, or hand delivered.

The subgrantee can use the THDA LIHEAP application, or a THDA subgrantee approved LIHEAP application. A THDA LIHWAP addendum will be provided to all subgrantee's for use as additional application information.

Applications for regular assistance are to be processed by the subgrantee on a year round basis pending available funding.

All information from the LIHWAP applications must be entered and processed through the statewide LIHWAP client database, Thomas H. O'Neal Software Solution (THO). Whether the application is approved, pending, or denied.

2.2 LIHWAP Online Applications

Clients who have been served by LIHEAP, beginning October 1, 2021 and moving forward in the calendar year to current date, can use the THO LIHWAP Online Application, if desired. The Online Application Process is detailed in the additional THO training slides which will be offered as a supplement to the THDA LIHWAP Manual.

Subgrantees must ensure online documentation uploaded into THO are labeled clearly and correctly.

Applicants that have applied for LIHEAP prior to October 1, 2021, must provide full application documentation to receive benefits.

2.3 Timeframes for Determining Eligibility

Applications must be continuously accepted for assistance throughout the contract period. LIHWAP Applications for LIHWAP assistance must be approved, denied or added to the waitlist and customers notified of their status via letter generated by the THO System within 30 calendar days from the date of application, or intake month. Benefits (if any) must be issued within 30 calendar days from the date the application is received, or intake month. The pending verification form and Approval/Denial form are contained in the THO system. The pending verification letter will provide applicants who have submitted ***incomplete applications*** 10 business days to provide the missing information. All applicant information must be entered into THO, even if the application is incomplete or denied. If the missing information is not received within 10 business days, the case will be denied and the applicant will need to reapply for assistance. THO system forms must be utilized in order to track timeframes and consistency.

All forms must be from THDA or the THO system. Any forms generated by the subgrantee for LIHWAP services must be approved by THDA prior to every program year.

THDA will monitor all local agencies for compliance and correctly implementing program requirements.

Applicants must submit a minimum water bill of \$10.00 (ten dollars) to be eligible for the LIHWAP Program.

2.4 Supervisory Review of Client Applications

Subgrantees are required to review a sample of 10% of applications and case files to ensure accuracy. All agency staff working with LIHWAP must be trained in processes to determine eligibility. The supervisory review process is intended to provide a systematic way to complete internal monitoring which further helps to prevent fraud, waste, and abuse in the LIHWAP. All agencies will write a process for supervisory review that is made available to auditors and LIHWAP staff. This information must be kept on file at each agency, and should be available upon request by THDA and authorized external review staff.

All reviews must be documented. Documentation must include the case number, client name, supervisor name, county or counties, and date of the review. The Supervisory Review box will be

checked in the LIHWAP client database, THO. In addition, the local agency may elect to record the reviewer's signature and date of the review on the client application.

2.5 Client Eligibility

A water and wastewater payment may be made on behalf of eligible households to the owners and operators of water treatment works under the LIHWAP program.

All households must be provided with an approval or denial letter.

Households that are within 60% of State Median Income can receive assistance.

Annualized Income based on Family Size and Percentage of Poverty

LIHWAP 2022 - Effective 10/1/2021

Family Size	0-50% of Poverty	51%-75% of Poverty	76%-100% of Poverty	101%-125% of Poverty	126%-of Federal Poverty – 60% State Median Income (LIHEAP Income Standard)
1	\$0 – \$6,440	\$6,441 - \$9,660	\$9,661 - \$12,880	\$12,881 - \$16,100	\$16,101 - \$25,201
2	\$0 – \$8,710	\$8,711 - \$13,065	\$13,066 - \$17,420	\$17,421 - \$21,775	\$21,776 - \$32,956
3	\$0 – \$10,980	\$10,981 - \$16,470	\$16,471 - \$21,960	\$21,961 - \$27,450	\$27,451 - \$40,710
4	\$0 – \$13,250	\$13,251 - \$19,875	\$19,876 - \$26,500	\$26,501 - \$33,125	\$33,126 - \$48,464
5	\$0 – \$15,520	\$15,521 - \$23,280	\$23,281 - \$31,040	\$31,041 - \$38,800	\$38,801 - \$56,218
6	\$0 – \$17,790	\$17,791 - \$26,685	\$26,686 - \$35,580	\$35,581 - \$44,475	\$44,476 - \$63,972
7	\$0 – \$20,060	\$20,061 - \$30,090	\$30,091 - \$40,120	\$40,121 - \$50,150	\$50,151 - \$71,726
8	\$0 – \$22,330	\$22,331 - \$33,495	\$33,496 - \$44,660	\$44,661 - \$55,825	\$55,826 - \$79,480

*** For families/households with more than 8 persons, 60% of State Median Income (SMI) poverty increases \$7,754 for each additional person.**

The determination of which eligible households receive assistance is accomplished through the Priority Points System when initially applying to LIHEAP. Applicants are given points based on their incomes by family size, energy burden, and the presence of vulnerable members in the household. Those applicants with the lowest incomes, highest water burden, and greatest vulnerability receive the most number of points available.

After the total number of points is determined for each eligible household, the applicants must be ranked from the highest number of points to those with the lowest number. Those households with the highest number of points must receive priority in assistance and must be served subject to available funds. The Priority Point System is only for income eligible households, noted in number 3 on pg. 21, and Priority Group 3 on pg. 14. Only those applicants will receive the amount of \$250 dollars per household, unless the bill(s) they present for one month are higher which should be paid in full.

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Subgrantees are to determine which eligible households will receive assistance by prioritizing the applicants with the highest water burden in the following manner:

1. Households who have experienced disconnected water services; and or households that have received a disconnect notice.
2. Households who have a past due water invoice.
3. Households who are unable to pay their current water and wastewater bills.
Households with septic services offered through contract to a community of income-eligible households, or to an individual household provided that payments are made directly to a vendor based on a vendor agreement for wastewater removal.

Appendix.

**Priority Points and Benefit Levels Matrices for Priority Group 3
Income Based on Family Size (35 Point Maximum)**

% of Federal Poverty Guidelines	Points
0-50%	35 points
51-75%	30 points
76-100%	25 points
101-125%	20 points
126-150%	15 points

Energy Burden (20 point maximum)

% of Income Used for Home Energy Cost	Points
14% or higher	20 points
9-13%	15 points
4-8%	10 points
1-3%	5 points

Vulnerable Household Members (55 point maximum)

Household with:	Points
Elderly (70 years or older)	15 points
Elderly (60-69 years)	10 points

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Disabled, self-declared	10 points
Children under 6 years of age	10 points
Adult Protective Services (APS) Referral	10 points
Six (6) or more persons	5 points
Veteran or Active Military	5 points

Benefit Levels

LIHEAP Total Points	Benefit Amount
0-50 points	\$250.00
	\$250.00 if client lives in Public Housing*
55-75 points	\$250.00
	\$250.00 if client lives in Public Housing*
80-110 points	\$250.00
	\$250.00 if client lives in Public Housing*

LIHEAP Benefit levels are used to establish LIHWAP Priority Group 3 participants' urgency of assistance. Benefit levels are established by THDA and used by all LIHEAP agencies in the State of Tennessee. Benefit levels must be established in ranges as indicated in the chart above. Benefit levels are uniform statewide.

The benefit levels for Energy Assistance (Heating and Cooling) Crisis Assistance, and Water Assistance must be included in the agency's operational plan.

To determine which households receive priority in assistance when sufficient funds are not available to serve all households with the same number of points, the applications will be ranked based on the water burden calculated. Those households with the highest water burdens are to receive assistance first.

Applicants must submit a minimum bill of \$10.00 (ten dollars) to be eligible for the LIHWAP Program.

THDA will allow subgrantees that receive applications and pay arrearages at or above \$2,000.00 (two thousand dollars). Subgrantees can approve these payments after a detailed review is completed of water bill(s) by the subgrantee and copies upload to THO System.

2.5.1 Treatment of Social Security Numbers, Proof of Citizenship/ Qualified Alien

THDA policy mandates that every individual served with LIHWAP funds, except children under 1 year of age, provide documentation of each household member's social security number (SSN). An individual tax ID is not acceptable SSN documentation. Secondary documentation showing individual tax ID for tax filing purposes cannot be used to apply federally funded LIHWAP benefits in lieu of a SSN. Documentation from the list in Section 2.5.2 must be provided for children under 1 year of age that are claimed as United States citizens.

Verification can be obtained through the client's social security card, verification from the State's case management and eligibility system provided the SSN is listed for the client, Form SSA-1099 Social Security Benefit Statement, and other documentation directly from the social security administration. Secondary documentation that has a SSN listed is not allowed. A household member with a social security card with "Valid For Work Only With DHS Authorization" or "Not Valid For Employment" is acceptable for social security number verification only. These social security cards are not acceptable in determining if the individual is a qualified alien, therefore they will need to provide two forms of documentation of identity and immigration status. A list of the allowable documents can be found in Section 2.5.2.

The fact that an applicant applies for benefits, or a member of the household, does not have a SSN would not automatically impact their eligibility for benefits. If there are other eligible members of a household, the agency may provide benefits to the entire household with restrictions. The undocumented individual's income will be counted, but they will not be included in the total count of household members.

A household applying for LIHWAP benefits must be treated differently if the applicant, or a household member, who has a SSN refuses to provide one to the agency. As is true with other necessary documentation used to determine eligibility, refusal to provide a SSN results in denial of the household. It is crucial for an agency to determine and clearly document whether an individual does not have a SSN or simply refuses to provide one. This information must be included in the notice to the client.

THDA monitors the social security number policy for consistent implementation within the program at the local agencies. The federal SAVE program is the Systematic Alien Verification for Entitlements program created pursuant to the federal Immigration Reform and Control Act of 1986 and operated currently by the United States Department of Homeland Security.

2.5.2 Requirements for citizens and qualified aliens

In order to fulfill the requirements of the Act, the following must occur:

1. Every state government entity or local health department must include a written or verbal statement on all forms (including electronic) and automated phone systems requiring all applicants for federal, state, or local public benefits to attest under penalty of perjury that the applicant is either a United States citizen or qualified alien as defined by 8 U.S.C § 1641(b).
2. Determine based upon the applicant's signature and attestation on the application form whether he or she is claiming to be a citizen or a qualified alien.
 - a. The procedure for those claiming to be **citizens** requires the following:

Each Household Member must present **ONE (1)** of the following documents to verify his or her **U. S. Citizenship**:

1. (1) (A) A valid Tennessee driver license or photo identification license issued by the Department of Safety; or

(B) A valid driver license or photo identification license from another state where the issuance requirements are at least as strict as those in Tennessee, as determined by the Department of Safety;
2. An official birth certificate issued by a U.S. state, jurisdiction or territory, including Puerto Rico, U.S. Virgin Islands, Northern Mariana Islands American Samoa, Swains Island, Guam; provided, that Puerto Rican birth certificates issued before July 1, 2010, shall not be recognized under this subdivision (c)(2);
3. A U.S. government-issued certified birth certificate;
4. A valid, unexpired U.S. passport;
5. A U.S. certificate of birth abroad (DS-1350 or FS-545);
6. A report of birth abroad of a citizen of the U.S. (FS-240);

7. A certificate of citizenship (N560 or N561);
8. A certificate of naturalization (N550, N570 or N578);
9. A U.S. citizen identification card (1-197, 1-179);
10. Any successor document of subdivisions (c)(4)-(9); or
11. A social security number that the entity or local health department may verify with the Social Security Administration in accordance with federal law.

The procedure for those household members identifying themselves as **qualified aliens** is as follows:

1. An applicant who claims qualified alien status, shall present **two (2)** forms of documentation of identity and immigration status, as determined by the U.S. Department of Homeland Security to be acceptable for verification through the SAVE program.

NOTE: Documents demonstrating immigration status may include: Arrival/Departure Record (Form I-94), Permanent Resident Card (Form I-551), Employment Authorization Document (Form I-766) or Foreign Passport and Visa

2. If an applicant who claims eligibility as a qualified alien is unable to present two (2) forms of documentation as described above, then the applicant shall present at least one (1) such document that the entity or local health department shall then verify through the federal SAVE program
3. Each state governmental entity or local health department must maintain a copy of all documentation submitted by an applicant for verification in a manner consistent with the entity's or local health department's rules, regulations or policies governing storage or preservation of such documentation. Since the law is silent on whether hard copies must be maintained, it is our opinion that we may maintain these as scanned copies. We recommend that the Department issue a policy that directs that such documents be maintained in scanned form only.
4. ***Any document submitted as citizenship verification shall be presumed to be proof of an individual's eligibility under this chapter until a final verification is received*** by the state

governmental entity or local health department, and ***no entity or local health department can delay the distribution of any federal, state or local benefit based solely on the pendency of final verification.***

5. Upon receipt of a final verification that indicates the applicant is not a U.S. citizen or qualified alien, the state governmental entity or local health department must terminate any recurring benefit and shall pursue action applicable against the applicant under the Tennessee Medicaid False Claims Act or the False Claims Act at Title 4, Chapter 18.

Other Requirements of the Tennessee Act

1. The verification process required by this section must be enforced without regard to race, religion, gender, ethnicity or national origin.
2. Any natural person age eighteen (18) or older who knowingly and willfully makes a false, fictitious, or fraudulent statement or representation under this chapter shall be liable under either: (a) The Tennessee Medicaid False Claims Act at T.C.A. §§ 71-5-181 through 185; or (b) The False Claims Act at Title 4, Chapter 18.
3. Any natural person who conspires to defraud the State or any local health department by securing a false claim allowed or paid to another person in violation of this chapter shall be liable under T.C.A. § 4-18-103(a)(3).
4. Requires the state governmental entity or local health department to file, with the State Attorney General's Office, a complaint alleging a violation pursuant to § 4-57-104(a) concerning the Tennessee Medicaid False Claims Act or (b) concerning the False Claims Act above, as applicable.
5. Any moneys collected pursuant to § 4-57-104 are to be deposited with, and utilized by the applicable entity or local health department that filed a complaint pursuant to 4-57-104(c) above. The applicable entity or local health department is required to establish a fund for the deposit of the money collected and shall use the money for the sole purpose of enforcing this chapter. Any interest accruing on investments and deposits of the fund shall be credited to the fund, shall not revert to any general fund, and shall be carried forward into each subsequent fiscal year.
6. The state governmental entity or local health department must file, with the United States Attorney, a complaint alleging a criminal violation of 18 U.S.C. § 911, for each person who willfully makes a false, fictitious, or fraudulent statement or representation of United States citizenship.

7. The Act states that no state governmental entity or local health department shall provide or offer to provide any federal, state or local public benefit in violation of this chapter.
8. Each entity and local health department subject to this chapter, shall include in any annual report to the General Assembly, as required by law, a report of its compliance with this chapter through June 30th of each year.
9. Unless otherwise provided by federal law, no state governmental entity or local health department shall be prohibited, or in any way restricted, from sending to or receiving from the Immigration and Naturalization Service information regarding the immigration status, lawful or unlawful, of an alien in the U.S.
10. The Act is to be interpreted consistently with all federal laws including, but not limited to, federal laws regulating immigration, labor, and Medicaid, and all state laws.

This means that the Department must only implement this to the extent not otherwise prohibited by federal or state laws or regulations.

11. The Act is not to be interpreted as limiting a state governmental entity or local health department regarding its current application process for administering a federal, state or local public benefit, including, but not limited to, requesting additional information from the applicant or requiring additional verification of eligibility.

Programs that do not have applications that require statements of citizenship or qualified alien status will need to create or revise their applications to obtain those statements; and will also be required to obtain and maintain the necessary documentation pursuant to the Act.

Verification of citizenship status will need to be included in the client file.

2.6 Income

Definition of Income - Income is cash receipts earned and/or (in some cases) unearned by the applicant household before taxes. See "Cash Receipts Include" and "Exclusion" lists for specific inclusions and exclusions of income.

Income will be automatically calculated within the THDA mandated LIHWAP system, T.H.O Software

Solutions (THO). Monitoring of the THO system will be performed by THDA.

***Note:** If a household is determined to be categorically eligible, that means that the recipient or subrecipient's intake staff do not need to repeat the income test for purposes of the household qualifying for LIHWAP assistance.

Cash Receipts Include:

- Wages and Salaries before **any** deductions:
- Net receipts from non-farm or farm self-employment (receipts from a person's own business or from an owned or rented farm after deductions for business or farm expenses)
- Regular payments from social security*, TANF, railroad retirement, unemployment compensation, strike benefits from union funds, workers compensation, veteran's payments, training stipends, alimony, child support, regular adoption assistance, and military family allotments or regular support from an absent family member or someone not living in the household
- Private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments
- Net college or university scholarships, grants, fellowships or assistantships
- Dividends and/or interest
- Net rental income and net royalties
- Periodic receipts from estates or trusts; and
- Net gambling or lottery winnings
- Black Lung benefits will be considered income except for the first \$20 of each monthly benefit.

NOTE: Medicare premiums, overpayment recover or child support garnishment for SSA are excluded. The **net** amount of Social Security Benefits is counted.

Exclusions:

The following Cash Receipts are **not** considered sources of Income for the purposes of determining applicant eligibility:

- Utility allowances provided to public housing and Section 8 tenants
- Capital gains
- Any assets drawn down as withdrawals from a bank
- Money received from the sale of a property, house, or car;

- One-time payments from a welfare agency to a family or person who is in temporary financial difficulty;
- Tax refunds;
- Gifts, loans or lump-sum inheritances
- One-time insurance payments, or compensation for injury;
- Non-cash benefits, such as the employer-paid or union-paid portion of health insurance;
- Employee fringe benefits, food or housing received in lieu of wages
- The value of food and fuel produced and consumed on farms;
- The imputed value of rent from owner-occupied non-farm or farm housing;
- Federal non-cash benefit programs such as Medicare*, Medicaid, Supplemental Nutrition Aid Program (SNAP), school lunches, and housing assistance;
- Earned income for a child under the age of 18. High school student's income should not be counted, even if the student is 18 years or older. Proof of current enrollment in high school or report card must be included in this situation.
- Payments to Vista volunteers
- Income received under Title V of the Older Americans Act
- Direct benefits received by participants in the Foster Grandparents Program
- Funds received by a household for the care of a foster child
- Education benefits received under the GI Bill
- The value of child care paid by the Department of Human Services and received by client households and;
- Combat zone pay to the military
- Native American per capita payments, unless provided due to gaming (casino) revenue

2.6.1 Calculation of Income

Current income is defined as total income received by the household within the past thirty (30) days of the LIHWAP application date. The THO Current Income Detail must be included in the applicant file. THO calculates all bi-weekly income. In the event of THO being offline, income will be calculated as follows:

- If payments are received weekly, multiply weekly average by 4.33, and round to the nearest cent.
- If payments are received bi-weekly, multiply bi-weekly average by 2.16, and round to the nearest cent.
- If payments are received semi-monthly, semi-monthly average multiply by 2.

2.6.2 Calculation of Unemployment Income

For purposes of determining eligibility for recipients of unemployment income*, divide the maximum benefit by 12 to arrive at the monthly income. Proper documentation must be placed in the client file.

NOTE: Stimulus unemployment is not included as income

2.6.3 Acceptable Forms of Verification

Income verification must show proof of current and representative income. Current income is defined as income received within the past thirty (30) day period of the LIHWAP application date.

- Current paycheck stubs (determine the period covered by the check and whether it is representative of usual pay) showing at least thirty (30) days' worth of pay. If current income is not representative of usual pay, agencies are encouraged to use year-to-date amounts. The previous year's year-to-date amount can be used if the current year-to-date does not represent the applicant's current income. When year-to-date amount is not available, it is acceptable to use thirty (30) days' worth of consecutive paycheck stubs from the period beyond thirty (30) days, as long as the reason is clearly documented, and the period used is reasonably determined to be the most representative of annual income.
- Current Copies of court orders or legal documents.
- If every household member listed on the LIHWAP application is accounted for in ACCENT under the same address, then ACCENT can be used to verify the household income, regardless of the number of different cases. ACCENT can only be used to verify household income if every household member is listed in ACCENT and is listed under the same address. The Application Entry Individual Demographics (AEIID) ACCENT screen lists all active household members in the case. All income verification used from ACCENT must fall within the current income timeframe (having been verified within the last twelve months.) Subgrantees must print off all applicable ACCENT screens for unearned (AEFMI, IQCH & IQCP) and earned income (AEIEI& AEISE).
- Records of county or circuit courts for child support or alimony. If the court documents are over sixty days old, then a child support printout or monthly notice must be provided.
- Written, signed and dated statements from employer(s). Employer statement must be on official company letterhead. It is not permissible for subgrantees to contact employers to verify income documentation information.

- Copies of income tax returns for self-employed income. Tax returns from the previous year will be accepted up until the April cut off period, current tax returns are required after that period unless client has an extension.
- Well maintained documents by self-employed persons.
- Award letters and/or other 'proof of income' letter from Social Security and a bank statement with the account information marked out.
- A current employer separation letter is acceptable when verifying zero income (within 30 days)
- Zero Income self-declaration – After all avenues of documenting zero income are exhausted, a written self-declaration is permissible using the THDA provided Self-Declaration of Zero Income Form. Any household member eighteen (18) years and older claiming zero-income must have a Self-Declaration of Zero Income Statement signed by the Head of Household. All subgrantees will use THDA's self-declaration statement even if household members are listed in ACCENT with zero income or provide a current employer separation letter.

2.7 Public Housing and Section 8 Clients

Public housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing comes in all sizes and types, from scattered single-family houses to high rise apartments for elderly families. There are approximately 970,000* households living in public housing units, managed by some 3,300 HAs. The U.S. Department of Housing and Urban Development (HUD) administers Federal aid to local housing agencies (HAs) that manage the housing for low-income residents at rents they can afford. HUD furnishes technical and professional assistance in planning, developing, and managing these developments. (https://www.hud.gov/topics/rental_assistance/phprog)

Section 8/Housing Choice Voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments. The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects. Housing choice vouchers are administered locally by public housing agencies (PHAs). The PHAs receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program. A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. This unit may include the family's present

residence. Rental units must meet minimum standards of health and safety, as determined by the PHA. A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program. Under certain circumstances, if authorized by the PHA, a family may use its voucher to purchase a modest home.

(https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/about/fact_sheet)

Applicants who reside in a Public Housing unit or in a unit being paid with a Section 8/Housing Choice Voucher *utility subsidies* determined by HUD's program service calculations.

Public Housing Agency/Section 8/Housing Choice Voucher

Applicants who provide a bill in their name directly from the utility vendor and check Section 8/Housing Choice Voucher on the LIHWAP application are eligible for a water assistance. The applicant must provide documentation to the agency indicating any "Utility Allowance" or "Utility Reimbursement" received by the household.

2.8 Acceptable forms of verification for Veteran or Active Military

For Veterans: the Defense Department issues to each veteran a DD-214 or DD-256, identifying the veteran's condition of discharge - honorable, general, other than honorable, dishonorable or bad conduct. Before January 1, 1950, several similar forms were used by the military services, including the WD AGO 53, WD AGO 55, WD AGO 53-55, NAVPERS 553, NAVMC 78PD, and the NAVCG 553.

State Issued ID with "VETERAN" listed, State Issued Driver License with "VETERAN" listed, Check Stubs for payments or benefits from Veterans Affairs. An expired Veteran or Military ID can be used to verify the household member as being a Veteran.

If none of the forms listed are available the subgrantee can contact THDA for additional guidance on verifying Veteran identification.

Copies of the verification form or ID must be complete with form number included.

For Active Military: Active Duty, Retiree or Reservist military ID card (DD Form 2 or 2A)
Also Military Dependent ID card (for spouse or children of Active Duty Military personnel)

If none of the forms listed are available the subgrantee can contact THDA for additional guidance on verifying Active Military identification.

2.9 Depletion of Funding

When funding is depleted, it is appropriate to deny clients based on lack of funds. The agency will inform the client when the next open application period begins, so the client can check to see if additional funding is available. The agency must maintain a waiting list in THO. An applicant served under another program such as CSBG or CSAP within the same program year does not make them ineligible for LIHWAP. The agency must update THDA by the middle of the contract period, of their funding status, including if funding will be fully expended or if the agency expects to have funds remaining at the end of the contract period.

A waiting list will be maintained of all LIHWAP applicants denied due to lack of funds. If additional funds become available during the program year, those LIHWAP applicants who were denied due to lack of funds will be re-prioritized and notified of the change.

2.10 Natural Disasters and Emergencies

Natural disasters and emergencies can affect the delivery of the LIHWAP program. Both at the state and local levels, the program must be able to adjust and respond to disastrous conditions and situations. Planning before a disaster or emergency occurs is essential to address the needs of households and local agencies.

THDA will follow state and federal disaster declarations, including the designation of geographic areas of disasters. Subgrantees must implement all directives from the State, including coordination with other agencies providing disaster relief or emergency assistance.

State LIHWAP Disaster or Emergency Waiver

THDA may temporarily modify or waive any state LIHWAP procedures to alleviate potential hardship or suffering, save lives and protect health and safety and protect property in the event of any natural disaster or emergency. The Housing Program Manager shall modify the Tennessee State Model Plan for LIHWAP and notify the U.S. Department of Health and Human Services, if needed.

Disaster and Emergency Notification Requirements

Subgrantees must inform THDA via email at Water@thda.or of any natural disaster or emergency in

their local area that interferes with the subgrantees ability to operate the program.

2.11 Hearing Process

Individuals whose claims for LIHWAP assistance are denied or are not acted upon with **reasonable promptness**, except if the denial or lack of reasonable promptness is due to lack of funds, may request a hearing with the local contracting agency. Subgrantees fair hearing process must be detailed and approved in the annual LIHWAP Operational Plan. No hearing shall be required if LIHWAP funds are no longer available to the local contracting agency.

Reasonable promptness for regular assistance means that an agency must take action on an application within 30 calendar days from the application date.

Each local contracting agency shall establish processes and procedures for hearings at the local level. At a minimum, such process and procedures shall include the following requirements:

1. That a statement regarding the Administrative Fair Hearing process be provided on the approval and denial letters.
2. That requests for hearings be made in writing, on a specific Administrative Fair Hearing form provided by the local contracting agency, with detailed information about the error made by the local contracting agency in denying or not acting with reasonable promptness on an individual's claim for LIHWAP assistance.
3. That a copy of the completed form be given to the individual requesting the hearing, with one copy to THDA and a copy retained by the local contracting agency in the individual's permanent file.
4. That requests for a hearing shall be filed within 30 calendar days from the denial date of LIHWAP assistance or within 30 calendar days following a submitted application for LIHWAP assistance that has not been acted upon by the local contracting agency.
5. That the local contracting agency will hold a hearing, in accordance with their policies and procedures, within a reasonable time, from the date of a proper request for a hearing and shall provide written notice of the results of the hearing to both the individual who requested the hearing and THDA.

Individuals who properly apply for LIHWAP assistance shall be informed by the local contracting agency at the time of a denial of their application the following:

1. The ability to request a hearing;
2. The requirements associated with requesting a hearing; and
3. The ability to be represented by an authorized representative, such as legal counsel, relative, or friend.

The local contracting agency shall also provide information and referral services regarding any legal services available in the community that may be available to the individual requesting the hearing.

The local contracting agency shall notify, in writing, all individuals who claim LIHWAP assistance whether their claim for assistance is approved or denied. If the claim for assistance is approved, the written notification shall also indicate the benefit amount to be provided. If the claim for assistance is denied, the written notification shall state the correct procedures to follow to request a hearing in connection with the denial and shall include the items stated above.

Individuals who believe their application was not acted upon in a timely manner or whose claim for LIHWAP assistance is denied and that denial is upheld by the local contracting agency may request a review by THDA. Requests to THDA for a review may be made in writing, electronic mail, or telephone within thirty (30) calendar days of the date of the written notification of the outcome of the hearing conducted by the local contracting agency. THDA will respond to appeals within fifteen (15) calendar days from the date received. No request for a THDA review will be accepted until a hearing has been held by the local contracting agency and notification of the results have been made.

All requests to THDA for a review shall include all materials submitted by the individual to claim LIHWAP assistance and all other documentation and communication between the individual claiming LIHWAP assistance and the local contracting agency and shall be submitted to:

Semoine Pearson, Housing Program Manager
Tennessee Housing and Development Agency
502 Deaderick Street, 3rd Floor
Nashville, TN 37243-0900

Water@thda.org

2.12 Safe at Home Program

Effective March 1, 2019, Tennessee launched the Safe at Home (SAH) program. LIHWAP follows the guidelines of SAH which is offered by the Tennessee Secretary of State's office. SAH participants are eligible for the LIHWAP program.

SAH is an address confidentiality program which is open to all victims of domestic abuse, stalking, human trafficking, rape, sexual battery, or any other sexual offense who satisfy eligibility and application requirements. Participants in the program will be provided a government-managed substitute address to be used as their official mailing address on all government documents. The address may be used for both victims and children. SAH forwards the mail to the program participants and keeps their personal address confidential. Once enrolled, the participant can provide the substitute address to all government entities in Tennessee, with very limited exceptions. Thereby, SAH allows its participants to go about their lives, interacting with public and private entities without leaving traces of where they live to keep their abuser from locating them.

How SAH Works

Participants in SAH share a common 'substitute address' but are assigned a unique Participant ID. The participant will be able to use this 'substitute address' as their official mailing address for all government purposes and for their children.

A SAH participant's mail is sent to the 'substitute address', which is managed by the Office of the Secretary of State. The office will accept all first class mail and/or certified mail received at the substitute address and forward this material to the participant at the address designated by the participant on the participant's application. The Office of the Secretary of the State will not accept packages or other boxes, unless marked as sent from a state or local government agency.

The address provided by SAH participants is:

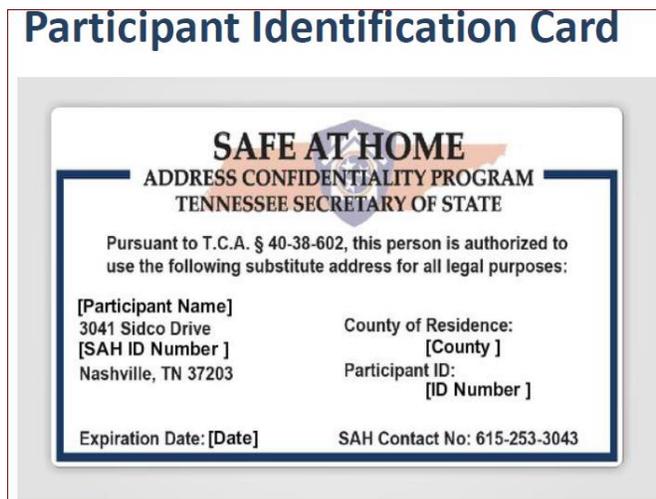
Participant's Name
3041 Sidco Drive
SAH ID Number
Nashville, TN 37203

SAH Participants cannot be required to disclose their real physical address. Subgrantees must accept a SAH participant's 'substitute address' without requiring the participant to also provide any address that could be used to physically locate them, including their actual home, work or school address,

whether as a substitute or in addition to their assigned SAH address, or as a condition of receiving a service or benefit.

SAH Participation Card

SAH Participants are issued a SAH participation card. The SAH participation card cannot take the place of official identification forms such as a driver’s license or State ID card. Presentation of the SAH card creates a rebuttable presumption that enrollment is valid. In other words: if someone shows the card, it proves they are a participant. SAH can be contacted to confirm program participation if you give them the potential participant’s name and Participant ID #.



The SAH office may be contacted at 615-253-3043 with questions or to confirm a SAH applicant’s participation in SAH.

Chapter 3 – Subgrantee Administrative Responsibility

3.1 Documentation and Record Keeping Processes

Client records will be maintained for a minimum of 5 years after the final invoice for the program year has been submitted. Client records are kept in a secure location accessible only to pertinent staff. Computer files will be maintained under a secured system overseen by management. The process for uploading and securing scanned program records into a secure database must be included in the Agency Operational Plan. Applicant files saved in digital form must include all information that is required in hard copy files. Continuity of Operations Plans should include processes for electronic records in the event following any emergency or disaster.

3.2 Confidentiality of Client Information

All employees must be trained on client confidentiality, code of ethics and conduct, electronic communications, customer relations, and release of information. This information should be contained in an Employee Handbook/Agency Policy Manual.

3.3 Conflict of Interest

Contract agencies must have a conflict of interest statement signed by all employees involved with LIHWAP programs. A blank copy of the subgrantee's Conflict of Interest Policy/statement, as signed by each employee and board members, must be provided with the agency's Operational Plan – Agency Specific Questions.

3.4 Preventing Fraud, Waste, and Abuse

If fraud, waste or abuse of government funds is detected, the subgrantee must report the issue to the Tennessee Comptroller's Office and, then, to THDA. The bulletin provided by the state with the Comptroller's toll-free hotline number must be posted at state and local agencies. THDA will hold annual training for state staff and local agency staff on how to detect and mitigate fraud, waste and abuse.

Chapter 4 – Outreach

4.1 Outreach General Information

Outreach is the process of making information about LIHWAP available to the public. According to the LIHWAP statute, Assurance 3, such information should be:

"Designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home water burdens, are made aware of the assistance available" under the program.

In practice, outreach means the various activities LIHWAP state and local providers engage in to promote and increase program awareness with the attendant goal of increased program enrollment. Outreach may also include activities designed to reach and enroll selected populations, also known as targeting. For example, **a LIHWAP office may decide to target or prioritize its outreach efforts, in order to reach and enroll more elderly households, more lower-income households, more public assistance recipients, or other targeted populations. Outreach may also include helping clients filling out their applications.**

Effective outreach means the neediest households, those the state has prioritized and those least likely to apply for assistance are made aware of the program as well as of other water-related programs available locally. Effective outreach can streamline both the application and enrollment process.

4.2 Outreach Categories and Definitions

- **Community Education**

- What is LIHWAP?

The Low Income Home Water Assistance Program (LIHWAP) is a federally funded grant program that helps income eligible households in meeting their immediate water needs. This grant provides a one-time payment, to low-income residents with overdue water bills; those who are in an emergency situation by means of a disconnected service; residents who are in jeopardy of losing their water service; and those who are unable to pay their current water and sewer bills.

- What type of assistance is available?

Assistance – helps families pay their delinquent water bills. The one-time payment is sent directly to your utility providers.

- What does LIHWAP help pay? LIHWAP helps pay delinquent water bills. These include: water usage, delinquent charges, reconnect fees, and other water related costs approved by THDA.

- Who is eligible? Any Tennessee resident, who is considered low-income eligible and; has been disconnected from their current water service or has received a disconnect notice; has water and sewer bill arrearages; or is unable to pay their current water and /or sewer bills.
- Where can I apply? Applications will be accepted and administered by the 19 subgrantees listed on pages 4-6 in this manual.
- **Public Awareness**
 - How are allocations determined? See Allocation of Formula on page 11 of this manual. What is my counties budget for LIHWAP assistance? Budgets are submitted by the grantees. Please see your contract.
 - What is the contact information for LIHWAP referrals? Please see the LIHWAP Manual; Public Awareness for details.
 - What is low-income for LIHWAP? Please see 2.6 Income, 2.6.1 Calculation of Income in your LIHWAP Manual.
 - Can we schedule a date to set-up for LIHWAP intakes? As of April 15, 2022.
- **Advocacy**
 - Vendor Agreements
 - Utility provider contact
 - Proclamation signing with county and/or city mayors to promote LIHWAP Action day/month activities.
- **Community Outreach**
 - Local events: Open-houses, tax-free weekend set up at Wal-Mart, Free Rural Clinics (dental & medical), Career Fairs, Virtual events, Parenting Classes, etc.

4.3 Subgrantee Outreach

LIHWAP Subgrantees must provide detail in their annual Operational Plan regarding their planned outreach activities. Subgrantees are encouraged to use the mapping function in THO in order to plan and target outreach efforts.

One of the major factors in creating an effective outreach program is the identification of and coordination with other agencies, organizations, and groups that can assist in outreach activities. Contact may be made with agencies and groups such as the following:

- Libraries (Librarian, staff and possible intake date set-up)
- Health Department (Staff meetings)
- Department of Human Services (Local County Office and Health Fairs)

- Senior Citizen Centers (County Offices at staff meetings)
- Public Housing Authorities (Presentation at staff meeting)
- Housing Counseling agencies
- Continuum of Care meetings (Presentation at monthly meeting)
- Utility Offices (Vendor contact)
- Domestic/Sexual Victim Service Agencies – Local (Advocates)
- Court House (Clerk)
- Sheriff Department (Roll-calls and In-Service training)
- City Police (Roll-call and In-Service training)
- Landlords
- School Systems (In-Service, registration or Open-house events)
- Community Colleges (In-Service, registration or Open-house events)
- Churches (Sunday announcements or Wednesday presentation to congregation)
- Career Fairs (booth) – good opportunity to provide intake or get volunteers
- Employment temp offices
- Hospitals (monthly meetings or meeting with social worker)
- Department of Children Services (Staff meetings and parenting meetings)
- Attorney offices
- Family Justice Centers – Board meetings
- Crisis Pregnancy Centers (both faith based and not faith based)
- Planned Parenthood
- Chamber of Commerce
- Media-Newspapers and Radio Personnel
- UT Extension Offices
- Clubs and Civic Organizations
- Vocational Rehabilitation
- Ambulance Service Workers (In-Service training)
- Fire Department Workers (In-Service training)
- TN Department of Labor and Workforce Department
- Local non-profit entities serving households with limited English proficiency

4.4 Allowable Outreach

All outreach materials must include LIHWAP specific information including how to apply for assistance intended to reach new LIHWAP clients. Any materials or other charges that subgrantees

wish to bill to LIHWAP Outreach and are not listed in Chapter 7.3.4 must be requested prior to purchase or preapproved as part of Annual Operational Plan.

Chapter 5 – Utility Vendors and Vendor Agreement Requirements

5.1 Suspension and Debarment

SAM Registration

The System of Award Management (SAM) is the main database of the U.S. Federal Government to collect, validate and store data from suppliers and then make that data available to various government agencies. Both civilian and military agencies use the database in addition to some state and local governments.

The clause titled “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions” must be included in all sub-contracts/agreements executed by subgrantees. The clause must be written without any modifications, as follows:

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Subgrantees must have written controls to ensure water providers have not been suspended or debarred in accordance federal regulations. Controls must be made available for review during monitoring site visits.

Subgrantees must retain a dated copy of the (SAM) printed record for each vendor searched on the SAM website. Records should be searched in SAM **before** a Vendor Agreement is executed with the utility vendor. Searches must be completed **annually** and prior to the start of the program year. Printed records should include: Entity Registration Profile, No Record Found for Current Search or Current Record Details for Exclusions. Entity Registration Profiles will include entity overview, entity

registration and exclusion summary. **Vendors with expiration dates in SAM** must be checked prior to the expiring date. No Record Found for Current Search records are for vendors who are not registered in SAM, but this record search will document subgrantees searched the vendor by name in SAM to ensure they have not been suspended or debarred in accordance with federal regulations. Subgrantees must verify that vendors are active and in good standing **before** the contract is signed. Current Record Details for Exclusions will provide information on the excluded entity and detailed information on whether or not the exclusion is active. Records must include the web search date at the bottom of the page. *If the search date cannot be printed on the page the agency must stamp receive the date indicating when the search was completed.*

Exclusion Record

A SAM search that results in an Exclusion Record for a company or individual must have additional steps completed to ensure verification for potential matches. The Exclusion Record will document the status of the company or individual's exclusion and the excluding agency. Subgrantees will click on the link for the excluding agency to obtain instructions and the Point of Contact (POC) if additional research is required. Each search result must be printed and placed with the Vendor Agreement. Subgrantees are encouraged to contact THDA for any additional guidance regarding SAM.

Examples of SAM record searches can be found in – **Appendix**.

5.2 Vendor Agreements

Subgrantees must enter into Vendor Agreements with utility providers in order to process LIHWAP payments with that provider. The Vendor Agreement may be **effective for up to three (3) years**. The vendor and the client cannot be the same person, nor can the vendor live in the same household as the client. The client will need to seek another vendor if they are a close relative due to a conflict of interest. If vendors are limited, then it is permissible if the client and vendor are not residing in the same household. The Vendor Agreement is provided in Chapter 8.

5.3 Performance Measurement

Subgrantees are required to gather household annual water usage and client data from the vendors. This requirement is included in the Vendor Agreement. Agencies will enter this information into the THO system during the application process for the information to be gathered by the state.

5.4 Vendor Refunds

Subgrantees are required to enter all refunds from Utility Vendors for the beneficiary into the THO software system. Once a refund has been returned to the subgrantee and processed by the subgrantee, then a current THO refund report can be submitted with an invoice. If it is a THO Prior Year Refund Report, then it must be submitted along with a check to THDA.

5.5 Credits to Pay

Each subgrantee must detail how they handle LIHWAP Benefits that are unable to be paid in full to the vendor and how they ensure that the client is eligible to receive all of their allotted benefit. The process used must be included in the annual Operational Plan and approved by THDA. THO's "Enter Returned Credit" field, should be updated at least monthly.

Chapter 6 – Fiscal Accountability

6.1 Allocation Levels

THDA allows local agencies up to thirteen percent (13%) of their LIHWAP formula allocation levels for administration and THDA will retain two percent (2%) of the State's LIHWAP allotment for administration. THDA will not reimburse any local agency for more than thirteen percent (13%) of its total actual expenditures for administration. All subgrantees are subject to spending within the caps in accordance to the amount drawn.

6.2 Contract and Amendments

Subgrantees must comply with all the terms and conditions of their current contract, and any subsequent amendments. All submitted expenditures will be reviewed in accordance with the agency's current, approved budget.

6.3 Budget and Budget Amendments

All LIHWAP budgets and budget amendments must be sent to Water@thda.org for review and approval. When submitting a budget amendment, please include in the email a description of and reason for the requested change. The first initial budget for a new allocation must accompany the contract and Authorized Signature Form. Budgets must be received and approved prior to any

expenditure of funds. Budget Revisions must be submitted if expenditures for any one line-item is exceeded. If a line-item is exceeded, but THDA has not received a budget revision, THDA will either wait for a budget revision and then process the invoice, or reduce the invoice by the amount exceeded and process the invoice for payment. All LIHWAP Budgets/Amendments and Invoices should only include signatures from the Authorized Signature Form. An updated Authorized Signature form must be submitted if a person authorized leaves the agency or changes roles and therefore is no longer authorized to sign the Invoices or Budgets.

6.3.1 Expenditure Caps and Minimums

Administrative Costs:	13% maximum cap of the total awarded allocation
Outreach Intake / Eligibility Costs:	10% maximum cap of the total allocation

Administrative Costs are limited to 13% of the total amount the subgrantee has drawn down. Outreach Intake / Eligibility Costs are limited to 10% of the subgrantee's total allocation.

Reimbursement for administrative expenses will only be made in proportion to the drawdown of program funds. Administrative costs may be paid based on the guidance provided in the appropriate OMB circular(s) and other program guidance for the specific agency (governmental or non-profit), and in accordance with the subgrantee's submitted and approved annual budget. The subgrantee organization should define their administrative cost consistent with the generally accepted accounting practices and procedures within each organization. Indirect costs can be considered a part of Grantee Administration and will be considered allowable provided an indirect rate or amount is approved by the cognizant agency for the subgrantee and provided to THDA. Note: Indirect cost documentation that has been provided to THDA for purposes of administering LIHEAP does not need to be provided again.

6.3.2 Allowable Administrative Expenditures

The term administrative costs means costs necessary for the proper administration of the LIHWAP program.

Allowable Administrative Charges are capped at 13% of the total amount the subgrantee has drawn down. Examples include:

- Salaries for those not providing direct services (example: Executive Director)
- Personnel Administration
- Fringe Benefits
- Professional Fees (legal services)
- Occupancy (Office/facilities lease or rental (including outstations)*)
- Insurance
- Telephone/Internet*
- Utilities
- Equipment rental and maintenance
- Printing and Publications
- Receptionist, mail distribution, filing, and other centralized and clerical services
- Supplies
- Postage and Shipping*
- Advertising
- Travel expenditures*
- Audits
- Staff training
- Monitoring
- Data Processing*
- Indirect costs*

* Direct supervision of staff providing Direct Program Support and outreach should be charged to Outreach & Intake/Eligibility, not to administration. Personnel typically identified as administrative may relate, at times, more directly to Direct Program Support and outreach activities than to administration. Sometimes management staff may be properly allocated to Direct Program Support, but only if supported by a cost allocation plan.

6.3.3 Allowable Outreach Intake / Eligibility Expenditures

Outreach Intake / Eligibility costs are capped at 10% of the total amount the subgrantee's awarded allocation. Costs that are **not administrative** in nature, but are used for providing benefit determination assistance, information resources and referrals, outreach, crisis determination, case

management, and other activities necessary to serve eligible households. You will notice that some items can be administrative costs and/or direct services depending on how the item is used/delivered. Examples include:

- Salaries, fringe benefits, and travel expenditures of staff when providing **Direct Services**, such as benefit determination assistance, information resources and referrals, outreach, crisis determination, case management, and other activities necessary to serve eligible households.
- Printing costs associated with materials used in Direct Program Support activities.
- Office Supplies (paper, envelopes, and other expendables) used for Direct Program Support activities.
- Office space cost as a percentage of the area used for Direct Services.
- Telephone costs when documented as used for Direct Services.
- Copying costs when copied materials are being given to a client.
- Postage costs for materials mailed to prospective or current clients.

6.3.4 Allowable Outreach Expenditures (Assurance 3)

Outreach expenditures can only be charged under Outreach Intake / Eligibility. The expenditures include:

- Salaries and Benefits – Verification documentation: timesheet showing hours billed to outreach and a description of the activities classified as Outreach
- Upkeep of outreach offices
- Travel - Gas receipts or travel invoices and description of the activities performed based on the outreach travel costs
- Supplies and materials for client intake
- Printing and placing posters/flyers in locations within the community accessed by potential program beneficiaries
- Phone charges for outreach activities
- Publication costs for articles or advertisements in local newspapers or broadcast media announcements
- Costs of developing, printing, and distribution of inserts in water vendor billings to inform individuals of the availability of the LIHWAP assistance
- Mass mailings to past recipients of LIHEAP

- Targeted outreach to households who are lower income or include the Elderly, individuals with disabilities, veterans, and children under 6 years of age about the availability of LIHWAP assistance and other low-income programs
- Costs to develop interagency agreements with other low-income program offices to perform outreach to target groups
- Other charges will be considered if submitted to THDA for approval prior to purchase

6.4 Reimbursement of Expenses

Expenditures will be reimbursed, with appropriate documentation to support the expenditure, and in accordance with the approved budget for the agency. Items considered to be questioned costs will not be reimbursed, and are subject to recovery for subsequent invoices, or by other means. THDA will not reimburse for late fees. THDA will only reimburse for allowable expenses as defined in 2 CFR 200.

6.5 Equipment Purchases

Equipment can be charged to LIHWAP in accordance with the LIHWAP Grant Contract. Computer equipment can be charged to LIHWAP if justified. Subgrantees must obtain purchase or disposition approval for equipment that is nonexpendable, tangible personal property an acquisition cost over \$5,000 per piece. The agency must include a detailed explanation of each item's purpose, the reason for replacement and who within the organization will use the equipment, and how it relates to LIHWAP. If several programs share the equipment, the cost must be spread reasonably. The agency must provide a minimum of three estimates for the computers, and the request must be made before the purchase of the equipment. These requests can be sent to Water@thda.org

Subgrantees must maintain an up to date inventory list that includes Equipment and Supplies of any items that are over \$500.00 purchased with LIHWAP funds.

6.6 Submission of Invoices/Pay Request

1. Admin/DPS Invoice

- Your invoice should include the totals where indicated on the form and they must be correct according to the backup documentation. The entire request will need to be resubmitted if the amounts are missing or incorrect.

- The GL (General Ledger), should be placed at the beginning of each corresponding line item or after the pay request if the GL does not separate the breakdown of each line item separately.
- Documentation should follow the layout of the line items on of the pay requests.
- If your pay request is missing appropriate documentation or illegible, then THDA will put the pay request back into the Grantee's EDT Web folder. You will need to resubmit the entirety of the request to THDA once all missing documentation is added.
- If you are required to resubmit your request, it may be placed at the bottom of the queue. We currently process requests in the order in which they are received.
- Salaries line items should have all the documentation for administrative cost, followed by all the documentation for direct support salaries. The documentation should follow in this order with fringe benefits, Professional Fees, Occupancy, Insurance, etc.
- If a check and documentation captures the cost of multiple line items, then copies of the check and documentation will need to be placed with each individual line item.
- Please make sure you have enough funding in the budget categories in which your agency is billing before you submit a request. If you submit a request that requires a budget revision, it will be placed back into the Web Transfer Client folder and returned to the Subgrantee. You will need to complete and receive approval for the budget revision. The request will need to be resubmitted upon budget amendment approval.
- If invoice requires a budget revision, please use the current LIHWAP Budget Form. It is important that the agency review their budget to make sure there is enough to cover the invoice before submitting.

2. Direct Assistance (DA) Invoice

- The same requirements for the Admin/DPS Invoices apply to the Direct Assistance, except for the required documentation and layout.
- The required documentation and layout of the invoice is as follows:
 - I. Invoice/Pay Request

- II. Check (if the agency is using the THO Listing with signatures, then you are not required to include the check).
- III. THO Listing (the THO listings must include the signature and date of both the vendor and agency if a check is not included a part of the documentation). Check the THO listings to make sure the information is legible before sending.
- IV. Refund Report (current Refund Report)

6.6.1 Frequency

All invoices must be submitted using THDA's Electronic File Transfer (EFT) Server. One Direct Assistance Invoice can be submitted twice a month; one on the 15th of the month, and the second at the end of the month. One Administrative and Direct Program Support Invoice can be submitted no more than once a month. If an additional Administrative and Direct Program Support invoices should need to be submitted, the subgrantee will need to send a letter of request explaining the reason for an exception prior to submission.

- a. The frequent submission of direct assistance invoices ensures cash flow.
- b. Submit only completed invoices in a timely manner to THDA's EFT Server. All invoices submitted incomplete will be deleted and a new complete invoice will be requested.
- c. Each invoice must be one PDF document.
- d. **The EFT server will delete the file after 7 calendar days. THDA staff will notify the agency that the documentation has been received. However, if no notification is received by the subgrantee within 4 calendar days after submission, please contact THDA staff by emailing Water@THDA.org**
- e. Name the files according to the following standard: Agency's name, Month of costs, Funding Year. Example: BCCAA.December.2021

6.6.2 Documentation

The required documentation for program support and administrative costs are the same, except you must provide the cost allocation plan if indirect costs are requested. Please note that you cannot charge for the same expense, for the same staff in both direct program support and administration. Documentation must be clear regarding who, what and how the expense is charged in each category. Only complete invoices will be accepted. Supporting documentation must be submitted to THDA no later than 60 calendar days of payment by the subgrantee. Supporting documentation older than 60

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calendar days will need a letter of request as stated in the contract at section CFDA #93.568 (B). An agency representative must submit the complete invoice to the THDA EFT server. If the THDA EFT server user account is locked, please contact THDA for assistance at (615) 815-2226 or email Water@THDA.org.

I. General Ledger—A General Ledger must be submitted with the monthly invoice.

- a. The general ledger should match the amount invoiced. If it does not match, a detailed explanation must be included.

II. Administrative Costs—Capped at 13%

a. Administrative Costs including Indirect costs

- i. General Ledger with detailed explanation for each line item.
- ii. Time breakdown that ties to general ledger (example pay stub).
- iii. Receipts, proof of payment, and invoices to support all line items.
- iv. Travel expense—purpose and documentation to support invoice
 - 1. Proof of reimbursement for mileage and travel related expenses
 - 2. Purpose and documentation for conferences, meetings, trainings, etc.
 - a. Who attended (name and job title)
 - b. Who provided the event (agenda, brochure, etc.)
 - c. Proof of reimbursement
- v. Indirect Costs
 - a. Supporting documentation demonstrating compliance with the agency's approved cost allocation plan must be submitted with each invoice requesting reimbursement for indirect costs.

III. Outreach Intake/Eligibility costs - capped at 10%

- a. Costs that are **not administrative** in nature, but are used for providing:
 - i. Benefit determination assistance
 - ii. Information resources and referrals
 - iii. Crisis determination and other crisis services

- iv. Case management, and other activities necessary to serve eligible households.
 - b. You will notice that some items can be administrative costs and/or direct services depending on how the item is used/delivered. Examples include: Salaries, fringe benefits, and travel expenditures of staff when providing **Direct Services**, such as benefit determination assistance, information resources and referrals, outreach, crisis determination, case management, and other activities necessary to serve eligible households.
- IV. Outreach
 - a. Time breakdown that ties to general ledger for Salaries and fringe benefits of those promoting LIHWAP services

Include documentation that shows the outreach activity that was being invoiced.
 - b. Printing, publishing or broadcast media announcements
 - i. Receipts, proof of payment, and invoices to support all line items
 - c. Travel expense—purpose and documentation to support travel spent promoting LIHWAP services
 - ii. Purpose and documentation for conferences, meetings, trainings, etc.
 - 1. Who attended (name and job title)
 - 2. Who provided the event (agenda, brochure, etc.)
 - 3. Proof of reimbursement
- V. Direct Assistance to Individuals – Benefits to Households
 - a. A list of clients from the subgrantees’ tracking system, THO, that contains at a minimum:
 - i. Client name (last, first, middle initial)
 - ii. Amount of assistance
 - iii. Water Provider
 - iv. Total amount invoiced per client by water provider
 - b. Proof of request to provider for payment

- c. Type of assistance provided
 - i. Household drinking water, waste water, storm water fee, and or removal of waste from a community septic system through a vendor.
- d. Benefit Amount Changes
 - i. Handwritten amounts on a THO printouts will not be accepted unless accompanied by an explanation.
- e. Refunds/ Reissues
 - 1. **REFUND** - Funds returned to the agency due to benefits not able to be reissued to an active water account. There are two type of refunds: current and prior.
 - a. **Current Refunds** – Refunds from payments issued out of the current Federal Fiscal Year (Any payments October 1, 2021– September 30, 2022). These refunds can be put back into the allocation. The Current Year Refund Report should be included with the pay request (invoice) submitted to THDA for reimbursement.
 - 2. **REISSUE** - Funds returned to the agency due to an error or client circumstance can still be applied to the same client’s active water account with corrected errors or new account information. The agency will have until December 29, 2023 to reissue payments to the client. If the agency is unable to reissue the payment within the given timeframe, then it becomes a refund.

Reissues are necessary due to a client moving and needing their benefit applied to a new account, a clerical error by the agency selecting the wrong vendor or an incorrect benefit amount. Reissued funds are not refunds and should not be included in the refund report and should not be sent back to THDA.

6.6.3 Closeout and Reconciliation Reports

Subgrantees must closeout the program and submit final documents, called the LIHWAP Disbursement Reconciliation Report and LIHWAP Closeout Report, within sixty (60) days of the Grant Contract end date or sixty (60) days after the funds are fully expended, whichever date is earlier. Subgrantees will use the forms provided by THDA (see Appendix: LI-08 and LI-09).

The documentation submitted for closeout must include:

- The LIHWAP Disbursement Reconciliation Report showing the cumulative expenditures of program funds for the program year.
- The LIHWAP Closeout Report completing the answers to all the questions included on the form.

Please email Water@thda.org to submit the LIHWAP Disbursement Reconciliation and Closeout Reports and/or if you have questions about the closeout process.

Chapter 7 – Monitoring and Technical Assistance

7.1 Training and Technical Assistance

THDA will provide training at least annually. Subgrantees are required to attend any mandatory trainings. Technical Assistance will be provided upon request or when a need is identified through monitoring or other avenues.

7.2 Title VI – Civil Rights Training

The subgrantee's Title VI coordinator/responsible party must hold mandated annual Title VI training. Employee attendance will be documented. Each employee must also be provided with a copy of the agency's Title VI policy. A copy of the policy must be provided with the agency's Operational Plan – Agency Specific Questions.

7.3 Monitoring

Program monitoring will begin when 30% of the subgrantee agency's contract funds have been expended. THDA's Program Monitor will contact the agency six (6) weeks prior to schedule the visit and provide information regarding the monitoring, including expectations, items to be covered, and a sample checklist. Two (2) weeks prior to the scheduled monitoring site visit the Program Monitor will send a Notification Email Package which will include tools to be used while monitoring. A Client Summary List will be sent to the agency one (1) day prior to the monitoring site visit in order for subgrantees to pull randomly selected regular, crisis, denied and any pending client files for review. The Program Monitor will inform LIHWAP staff of any issues, deficiencies, and/or findings within thirty (30) business days after the monitoring site visit. Subgrantees are required to respond to all findings noted in the report fifteen (15) business days after the date of the monitoring report. Subgrantees have the option but are not required to respond to the concerns and observations in the report. The subgrantees response letter is called a Corrective Action Plan (CAP).

Finding - Evidence of a major deficiency in program performance based on written material noncompliance with a statutory, regulatory, or program requirements (Manuals, Operational Plans, and Memos). This includes any monetary deficiencies that either have to be paid on behalf of clients or refunded back to (THDA). The (CAP) is required for all findings identified in the monitoring report.

Concern - Evidence of minor deficiency in program performance based on written material or verbal (rules given out during annual trainings) noncompliance with a statutory, regulatory, or program

requirements. CAPs are not required for concerns identified on the monitoring report.

Observation - A “potential” deficiency that could arise in program performance if the oversights is not handled accurately or appropriately. CAPs are not required for observations identified in the monitoring report.

Examples of findings include:

- Did not document supervisory review of potential client applications;
- Did not maintain support for clients’ and household members social security numbers;
- Paid water providers incorrect amounts; and,
- Did not have internal controls to ensure water providers were not suspended or debarred.

Fiscal Monitoring is performed by THDA’s Internal Audit Division, which is independent of the Community Programs Division. The Fiscal Monitor from Internal Audit will schedule and conduct the review and notify Community Programs staff of any findings.

Each LIHWAP Invoice is reviewed for allowable costs and compared to the agency’s budget. Any issues identified will be addressed before invoices are processed for payment. The budget is monitored regularly for compliance with administrative, direct program, and outreach expenditure caps.

Subgrantees are subject to single audit requirements, and a copy of the single audit must be sent to THDA. The Comptroller may also monitor each agency. It is expected that each agency will also monitor the program for integrity in both fiscal and program areas. Additionally, the program may be subject to additional federal oversight and review.

Chapter 8 – THO System Requirements and Reporting

Subgrantees are required to enter all LIHWAP applicant data into the THO Software system in order to process applications whether approved, pending or denied.

THO Online Application

The THO System includes an Online Application module that can be used by any subgrantee upon THDA approval.

Reporting

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Reporting at the state level will be coordinated with THO directly. THO training will be provided as needed. THO can create custom reports for subgrantees. Examples of custom reports include service maps, demographics and outreach reports. Please contact THO directly if your agency would like a custom report to be prepared.

The main contact for all THO related issues or questions is:

Connie J. Everson, MIM, Ed.D.

T.H.O Software Systems - www.thosoftware.com

520 Nicollet Mall – Suite 320

Minneapolis, MN 55402

Phone: 877-339-1505

Appendix

LI-01: LIHWAP Application – updated annually

LI-02: Vendor Agreement

LI-03: Self-declaration

LI-04: Poverty Guidelines

LI-05: Landlord agreement

LI-06: Self Employment Form

LI-07: LIHWAP Disbursement Reconciliation Report

LI-08: LIHWAP Closeout Report

LI-09: LIHWAP Budget/Amendment Form

LI-10: LIHWAP Invoice Forms

Resources

US Department of HHS/OCS/LIHWAP Website: <https://www.acf.hhs.gov/ocs/programs/lihwap>

LIHWAP Policy and Guidelines: <https://www.acf.hhs.gov/ocs/policy-guidance/lihwap-policy-and-guidance>

LIHWAP Laws and Regulations: <https://www.acf.hhs.gov/ocs/law-regulation/lihwap-laws-and-regulations>