



Low-Income Home Energy Assistance Program
(LIHEAP)
Operational Manual for Regular and Crisis
Assistance

Table of Contents

Chapter 1 – General Program Requirements

1.1 Introduction

1.2 Definitions

1.3 Weatherization

1.4 Distribution of Funds

1.5 Assistance to Individuals

Chapter 2 – Application Processing and Eligibility

2.1 Application Intake and Review Process

2.2 Online Applications

2.3 Timeframes for Determining Eligibility

2.4 Supervisory Review of Client Applications

2.5 Client Eligibility

2.5.1 Treatment of Social Security Numbers

2.5.2 Requirements for citizens/qualified aliens

2.6 Income

2.6.1 Calculation of Income

2.6.2 Calculation of Unemployment Income

2.6.3 Acceptable Forms of Verification

2.7 Calculation of Energy Burden

2.7.1 Public Housing and Section 8 Clients

2.8 Priority Points and Benefit Levels Matrices

2.9 Acceptable forms of Verification for Veteran or Active Military

2.10 Crisis Funding

2.11 Depletion of Funding

2.12 Natural Disasters and Emergencies

2.13 Hearing Process

2.14 Safe At Home

Chapter 3 – Subgrantee Administrative Responsibility

3.1 Documentation and Record Keeping Processes

3.2 Confidentiality of Client Information

3.3 Conflict of Interest

3.4 Preventing Fraud, Waste, and Abuse

Chapter 4 – Outreach

4.1 Outreach General Information

4.2 Subgrantee Outreach

4.3 Allowable Outreach

Chapter 5 – Assurance 16

- 5.1 Assurance 16 General Information
- 5.2 Activities to Support Assurance 16
- 5.3 Allowable Energy Conservation Activities
- 5.4 Tracking and Documentation Requirements

Chapter 6 – Utility Vendors and Vendor Agreement Requirements

6.1 Suspension and Debarment

- 6.2 Vendor Agreements
- 6.3 Performance Measurement

6.4 Vendor Refunds

6.5 Credits to Pay

Chapter 7 – Fiscal Accountability

- 7.1 Allocation Levels
- 7.2 Contracts and Amendments
- 7.3 Budget and Budget Amendments
 - 7.3.1 Expenditure Caps and Minimums
 - 7.3.2 Allowable Administrative Expenditures
 - 7.3.3 Allowable Direct Program Expenditures
 - 7.3.4 Allowable Outreach Expenditures
 - 7.3.5 Allowable Energy Conservation Expenditures
- 7.4 Reimbursement of Expenses
- 7.5 Equipment Purchases
- 7.6 Submission of Invoices**
 - 7.6.1 Frequency
 - 7.6.2 Documentation**
 - 7.6.3 Closeout and Reconciliation Reports**

Chapter 8 – Monitoring and Technical Assistance

- 8.1 Training and Technical Assistance
- 8.2 Title VI – Civil Rights Training
- 8.3 Monitoring

Chapter 9 – THO System and Reporting

Appendix

- LIHEAP Application – updated annually
- Vendor Agreement
- Self-declaration
- Poverty Guidelines**
- Landlord agreement
- Self-Employment Form

Assurance 16 Usage and Tracking Spreadsheet

LIHEAP Disbursement Reconciliation Report

LIHEAP Closeout Report

LIHEAP Budget/Amendment Form

LIHEAP Invoice Forms

LIHEAP Section 8 HCV Flowchart

LIHEAP PHA Flowchart

Chapter 1 – General Program Requirements

1.1 Introduction

The Low Income Home Energy Assistance Program (LIHEAP) is administered by the Tennessee Housing Development Agency and funded by the U. S. Department of Health and Human Services. The program is designed to assist eligible low income households in meeting their immediate home energy needs. Priority in energy assistance, as well as the level of assistance, is based on the energy burden, income, size of applicant households, and the presence of vulnerable household members (i.e., the frail elderly, individuals with disabilities, and young children).

As a block grant, the State is afforded the flexibility to plan and design the energy and weatherization assistance services to best meet the needs of Tennessee's low income households. The development of the LIHEAP Operational Manual is done with the guidance of the Low Income Home Energy Assistance Act of 1981, as amended and State Legislation (i.e., Public Chapter No. 852).

Tennessee has the option to allocate a portion of the LIHEAP resources to provide weatherization services (LIHEAP Wx). The remaining allocation provides resources to address the immediate home energy needs of eligible households through the provision of Regular and Crisis assistance. This Operational Manual covers only the implementation of Regular and Crisis assistance by THDA partners. The separate LIHEAP Wx Policy addresses the weatherization services.

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 LIHEAP Agencies

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

Bradley-Cleveland CSA
(423) 479-4111
Serving: Bradley

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

Clarksville-Montgomery County CAC
(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 CAC

(865) 546-3500

Serving: Knox

Metropolitan Action Commission

(615) 862-8860

Serving: Davidson

Mid-Cumberland CAC

(615) 742-1113

Serving: Cheatham, Robertson, Rutherford, Sumner, Trousdale, Williamson & Wilson

Mid-East Community Action Agency

(865) 354-0450

Serving: Loudon & Roane

Northwest TN Economic Dev. Council

(731) 364-3228

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

Shelby County CSA

(901) 222-4315

Serving: Shelby

South Central HRA

(931) 433-7182

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

Southeast Tennessee HRA

(423) 949-2191

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

Southwest HRA

(731) 989-5111

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

Upper Cumberland HRA

(931) 528-1127

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

Upper East Tennessee HDA

(423) 246-180

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

1.2 Definitions

As used in this plan:

Active Account – An open utility account being used for utility usage billing. This account must show current and/or past 12 months of usage where applicable

Active Duty - is simply full time Military service. Active-duty members are available for duty 24 hours per day, 7 days a week

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 LIHEAP 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.

Annual Average – The average of 12 months of energy usage.

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

Child – Any person under the age of 18.

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

Community Outreach Event – Setting up a booth to promote LIHEAP services and give community members an opportunity to apply for LIHEAP services.

Disability – Any person, who has a physical or mental impairment which substantially limits one or more major life activities such as caring for one’s self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning or working. Documentation of disability can be a self-declaration or someone receiving Social Security Disability (SSDI).

Elderly – Individual who is 60 years of age or older.

Energy Burden – The percent of an applicant’s total household income which is used for home energy costs.

Energy Conservation Education - Services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance.

Energy Crisis – is defined Statewide as a sudden, unexpected, uncontrollable loss of financial resources; life threatening conditions or any circumstances that threaten the stability of the household if energy assistance is not provided.

Energy Crisis Component – is defined Statewide as a program component which provides services to households which are subject to life-threatening conditions without immediate intervention to address their critical energy-related needs. Applications determined eligible to meet the Energy Crisis definition and which are based on uncontrollable circumstances that have not allowed the payment of energy bills, will receive assistance on a “fast-track” approach

to alleviate the crisis situation.

Debarment or suspension – of an organization or individual excludes that 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.

Home Delivered Energy – Energy sources which are actually delivered to residential dwellings (i.e., coal, fuel oil, kerosene, L.P. gas, and wood).

Home Energy – A source of heating or cooling in residential dwellings.

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

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.

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.

LIHEAP – Created by the Omnibus Budget Reconciliation Act of 1981, as amended (Public Law 97-35); the Low Income Home Energy Assistance Program is designed to provide assistance to eligible low income households for their home energy costs.

Local Contract Agency – Any local public or private nonprofit agency which receives funds for the Low Income Home Energy Assistance Program under contract with the Tennessee Housing Development Agency.

Natural Disaster – An event such as a flood, tornado, or earthquake that causes major loss of income and resources and is declared a disaster by the President of the United States or the

governor of Tennessee.

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 energy costs and are making direct payments to home energy suppliers for energy.

Prioritization – A system used by local contract agencies to ensure that eligible households with the lowest income and highest needs receive priority in assistance.

Poverty Level – Households who are at or below 150% of the current poverty guidelines established by the U. S. Department of Health and Human Services and updated annually.

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

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

Subgrantee – Any local public or private nonprofit agency, or unit of local Government, which receives funds for the Low Income Home Energy Assistance Program under contract with the Tennessee Housing Development Agency.

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 energy costs. Tenants who are partially responsible for their energy costs receive public subsidies for a specific amount of energy 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 energy costs (Section 8) pay such costs directly to the energy suppliers which bill them. In addition, these tenants are not responsible for the payment of “overages”.

Veteran - Title 38 of the Code of Federal Regulations defines a veteran as “a person who served in the active military, naval, or air service and who was discharged or released under conditions other than dishonorable.” This definition explains that any individual that completed a service for any branch of armed forces classifies as a veteran as long as they were not dishonorably discharged.

Vulnerable Household – A household with the presence of members who are elderly, young children under six years of age, who have a disability, a veteran or an active member of the military.

1.3 Weatherization – Energy conservation measures and minor repairs for households to minimize heat loss and to improve thermal efficiency. Activities include repairs to stop heat loss through infiltration; and installation of a balanced combination of energy saving home improvements, including attic, floor, wall and pipe insulation, window and door screens, Electric water heater insulation or replacement, major appliance replacement and storm windows when absolutely necessary. LIHEAP Weatherization (LIHEAP Wx) is covered by a separate LIHEAP Wx Policy.

1.4 Distribution of Funds

Designation of Agency Services Areas

The nine (9) Community Action Agencies and four (4) local government entities which operate LIHEAP 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 Tennessee Housing Development Agency when it determines the areas to be served by LIHEAP 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.

1.5 Assistance to Individuals

1. Regular or Crisis Assistance can be provided one time within a program year. Subgrantees will receive one allocation per year unless THDA receives additional funds from HHS. Subgrantees are responsible for budgeting the funds to ensure direct assistance is provided all year. THDA reserves the ability to reallocate LIHEAP funds as needed to ensure that funds can be utilized before the end of the obligation period.

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 energy assistance:

- A complete and signed application
- 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 and active 12 month energy billing history (or however long the client has lived at their address.)

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

Additional assistance/special accommodations with the application process will 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 must use and accept the THDA LIHEAP Application. If the subgrantee wishes to add any additional fields or language to the LIHEAP application, a copy of the revised application must be sent to THDA for approval on an annual basis.

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

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

2.2 LIHEAP Online Applications

Clients that have been served by LIHEAP within the past 2 years can use the THO LIHEAP Online Application, if desired. The Online Application Process is detailed in the THO Manual which is attached to the Appendix of the THDA LIHEAP Manual. The LIHEAP Online Application can only be used for Regular Assistance Applications.

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

2.3 Timeframes for Determining Eligibility

Applications must be continuously accepted for Crisis and Regular Assistance throughout the contract period. If an agency has expended all Crisis funding, applicants must have the option to apply for Regular LIHEAP assistance, regardless of availability of funds. Applications for Regular LIHEAP 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 90 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*** will be given 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.

Applications for Crisis Assistance must be processed year round. **Crisis Assistance must be provided and notification must be given to eligible households no later than forty-eight (48) hours** (excluding weekends or holidays) **after a household applies**. If the household is in a **life-threatening situation**, (utility service is disconnected or fuel is depleted), **crisis assistance must be provided and notification must be given no later than eighteen (18) hours after the household applies**.

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

THDA will monitor all local agencies for compliance and correctly implementing regular and crisis policies.

NOTE: Crisis Assistance is a minimum 10% of the subgrantee's direct assistance to individuals.

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 LIHEAP 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 LIHEAP. All agencies will write a process for supervisory review that is made available to auditors and LIHEAP 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 LIHEAP 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

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

Annualized Income based on Family Size and Percentage of Poverty
LIHEAP 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.**

Special consideration must be made for the elderly, individuals with disabilities, and children under 6 years of age, as long as the household is income eligible.

The determination of which eligible households receive assistance is accomplished through the Priority Points System. 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 energy 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. If eligible households are tied in points, the applications will

be ranked based on the energy burden calculated. Those households with the highest energy burdens are to receive assistance first. In addition, the number of points awarded to each household is the determining factor in the benefit level of assistance provided to each household.

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

THDA policy mandates that every individual served with LIHEAP 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 LIHEAP 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 individuals 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 LIHEAP benefits must be treated differently if an 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 **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.

b. 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 LIHEAP system, T.H.O Software Solutions (THO). Monitoring of the THO system will be performed by THDA.

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

* **Note:** Income Inclusions and Exclusions Chart is provided in Exhibits.

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 LIHEAP 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.

*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 LIHEAP 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 LIHEAP 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 on the Application Entry Individual Demographics (AEIID) ACCENT screen. 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) and earned income (AEIEI, IQCH, IQCP & 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 Calculation of Energy Burden

When calculating energy burden, the percentages must be rounded to the nearest whole number.

Example 1:

A household has a combined countable income of \$1,015.45 per month. The monthly energy expense is \$89.24.

$$\$89.24/\$1,015.45=8.79\%$$

The priority points would be 15 because 8.79% rounded to the nearest whole number is 9%.

Example 2:

A household has a combined countable income of \$1,015.45 per month. The monthly energy expense is \$85.24.

$$\$85.24/\$1,015.45=8.39\%$$

The priority points would be 10 because 8.39% rounded to the nearest whole number is 8%.

Energy burden for **metered** utilities will be calculated using the current cost of energy amount. Past due amounts will be **excluded**. Only the energy costs for the past 12 months will be taken into consideration.

Costs that are directly related to the client's energy must be included in the household's energy burden. This includes service fees, delivery charges and other costs associated with energy.

The cost for other services such as water, cable or trash collection are not to be included in the energy burden calculation. Late fees, past due amounts, reconnect fees and other optional charges are not to be included.

If an applicant's energy cost is included in rent to their landlord, the applicant is still able to receive assistance. The LIHEAP landlord/tenant energy assistance agreement must be completed by the landlord and customer. The form is found in Appendix, which explains the stipulations.

The benefit amount can be applied to a different energy vendor if requested by the applicant regardless of which energy usage was used (electric, propane, etc.). For example, if the applicant provides a 12 month print out for their electricity, but want their benefit to go to the propane utility provider this is allowable.

Applicants living in Public Housing who pay utility overages will only receive half of the benefit amount in their benefit level because they are only responsible for a portion, or overage, of their utilities. The applicant must show proof of their energy burden and proof of their utility allowance, e.g. energy bills and copy of lease agreement. The applicant's calculated average overage amount must be entered in THO in the box labeled, "Overage Amount".

If the applicant does not have an energy burden, they are not eligible for assistance. The applicant must have an active energy account to have an energy burden. If the applicant received LIHEAP assistance in the previous LIHEAP program year and still has a credit, they are not eligible to be served in the new LIHEAP program year until the credit on their account has been spent. If there is a balance owed, the LIHEAP credit has been spent. If there is not a balance owed, the LIHEAP credit has not been spent. After the credit has been spent they can apply for assistance. If an applicant does not have an active energy account, they do not have an energy burden and are not eligible to be served by LIHEAP.

If the applicant has a credit on their account due to a previous LIHEAP benefit the applicant is not eligible for a new LIHEAP benefit until the previous LIHEAP credit is spent. If the applicant has a credit on their account due to a client overpayment, budget billing or an applicant's prepaid account, then the client is eligible to be served under regular LIHEAP. Applicants with prepaid accounts can only be served under crisis if the client has less than \$10.00 over the lowest allowable

Tennessee Housing Development Agency
LIHEAP Operational Manual for Regular and Crisis Assistance

credit on their prepaid account. If the client has a balance due, but the bill still reflects a previous LIHEAP credit, the actual usage for the client is used to calculate energy burden.

Annual Average

Clients are required to provide documentation of their annual energy usage from an active account. All agencies must use the annual energy usage average when calculating the applicant's energy burden.

In the event the THO is down Annual Average should be calculated as follows:

Example 1:

Applicant A: Has lived at the address for 12 months with usage for every month.

Months	Monthly Energy Usage
1	\$45.00
2	\$90.00
3	\$85.20
4	\$96.00
5	\$10.00
6	\$63.00
7	\$75.00
8	\$45.50
9	\$80.00
10	\$50.00
11	\$120.00
12	\$75.00
Total:	$\$834.7/12=\834.72

Tennessee Housing Development Agency
LIHEAP Operational Manual for Regular and Crisis Assistance

Applicant B: Has lived at the address for 12 months, but did not have usage for three (3) of the 12 months.

Months	Energy Usage
1	\$56.00
2	\$63.00
3	\$0.00
4	\$0.00
5	\$32.00
6	\$33.00
7	\$0.00
8	\$73.00
9	\$24.00
10	\$18.00
11	\$15.00
12	\$25.00
Total	$\$339.00/12=28.25*12=\339.00

Example 2:

Applicant C: Has lived at the address for only five (5) months.

Months	Energy Usage
1	\$120.00
2	\$89.00
3	\$96.00

**Tennessee Housing Development Agency
LIHEAP Operational Manual for Regular and Crisis Assistance**

4	\$78.00
5	\$150.00
6	Leave Blank
7	Leave Blank
8	Leave Blank
9	Leave Blank
10	Leave Blank
11	Leave Blank
12	Leave Blank
Total	$\$533.00/5=\$106.60*12=\$1,279.20$

Acceptable documentation of energy costs includes correspondence from electric and natural gas utility companies, and correspondence or written statements from home delivered energy suppliers. All documentation must, as a minimum, identify the name of the household member responsible for the energy costs; the address of the applicant household; and the period for which the energy costs are being provided. If the bill is in a non-household member's name, the name of the account holder must be listed on the LIHEAP Application and included in THO. The documentation must reflect current usage of their home energy costs. The data will be used to calculate each applicant's energy burden.

Note: If the applicant has not lived at their current address for 12 months, then the billing information entered should reflect only the amount of months applicant lived at the current address at the time of application. In THO the remaining fields should remain blank, to show an accurate energy burden cost for current address.

Pre-Paid Accounts

Clients that have pre-paid accounts must provide documentation of their energy burden. Acceptable documentation must show the amount of energy used and the cost in order to calculate the energy burden. If a vendor is unable to provide the usage amount as required Subgrantees must contact THDA for additional guidance on allowable documentation.

2.7.1 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. The information entered into THO will determine the household's benefit level.

***Public Housing Agency**

Applicants that provide an energy usage bill directly from public housing are eligible for half of the standard benefit amount. Subgrantees must also have a signed Vendor Agreement with the public housing agency in order to provide direct payments to the agency. Applicants must provide documentation from the public housing program indicating any "overages" or "excess consumption" amounts (Examples located in the Appendix). The agency must **calculate the average amount** of the overage or excess consumption (12 months or however long the applicant has resided at the address) and enter this average monthly amount into THO's "Overage Amount" detail box. The agency must also click "PHA" in the Applicant Housing Detail in THO for the overage detail box field to open. Information entered into the overage box will determine the

applicant's energy burden and benefit amount.

Section 8/Housing Choice Voucher

Applicants that provide a bill in their name directly from the utility vendor and check Section 8/Housing Choice Voucher on the LIHEAP application are eligible for a full benefit amount. The applicant must provide documentation to the agency indicating any "Utility Allowance" or "Utility Reimbursement" received by the household (Examples located in the Appendix). Any utility allowance and utility reimbursement must be deducted from the twelve (12) month energy usage amounts before entering the amount into Energy Burden Detail box in THO. This is to determine the actual usage amount the household is responsible for.

If a client does not fit into one of the two categories please contact THDA for additional guidance. Flow charts for Public Housing and Section 8/Housing Choice Voucher programs are located in the Appendix.

2.8 Priority Points and Benefit Levels Matrices

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
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

Tennessee Housing Development Agency
LIHEAP Operational Manual for Regular and Crisis Assistance

Benefit Levels

Total Points	Benefit Amount
0-50 points	\$600.00 \$300.00 if client lives in Public Housing*
55-75 points	\$800.00 \$400.00 if client lives in Public Housing*
80-110 points	\$1,000.00 \$500.00 if client lives in Public Housing*

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) and for Crisis Assistance must be included in the agency's operational plan.

Client benefits must be correctly distinguished between heating and cooling. The term **heating** is applied to assistance during October through May. **Cooling** is assistance applied during June through September.

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 energy burden calculated. Those households with the highest energy burdens are to receive assistance first.

2.9 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. If verification is not available the subgrantee can still serve the household (if eligible) without the additional points for veteran status.

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)

*The single largest point value the family qualifies for in the elderly category will be applied for the household. Points from **both** elderly categories will not be combined to increase the point value. If none of the forms listed are available the subgrantee can contact THDA for additional guidance on verifying Active Military identification.

2.10 Crisis Funding

Crisis Assistance is a minimum 10% of your Direct Assistance to individuals. Subgrantees must spend the minimum of 10% on crisis assistance. Subgrantees may spend more than 10%.

Crisis funds must be budgeted in a way that ensures crisis intervention is available through March 15th of each program year.

Applicants must be notified of status within forty-eight (48) hours (excluding weekends or holidays) after a household applies. Eighteen (18) hours for households who have a life-threatening situation. A copy of the Notification Letter is to be kept in the applicant file. If the subgrantee requests to use the voucher payment letter or an email sent to the utility provider documentation must be kept in the applicant file and available for review. The purpose of notification is to prevent disconnection of services until payment is received.

Crisis Assistance will be provided in the amount of the applicant's determined benefit level.

The Crisis Assistance component will be based on uncontrollable circumstances which must include either a shut off notice, disconnected utilities, eviction notice for renters responsible only for overages, or a lack of home delivered fuel notice in combination with at least one of the following:

- Household has an unanticipated medical or major household expense. Out of pocket expense should exceed 100% of current utility bill. Documentation could include: receipts of payments made to meet this unanticipated medical or major household expense.

- Household wage earner with at least a year of stable work history has lost his/her job within the last twelve (12) months. Documentation could include: letter from employer, termination or lay-off notice, Unemployment Insurance (UI) claims, UI notification of eligibility.
- Household wage earner has left the home within the past forty-five (45) days. Documentation could include recent application for family assistance (Families First, Supplemental Nutrition Assistance Program (SNAP)), order of protection, police report, revised lease, or other legal documentation.
- Death of wage earner within the last twelve (12) months. Documentation could include obituary, death certificate, and funeral program.
- Significant loss of work hours. Documentation could include a letter from employer outlining details of loss of work hours or pay stubs.
- Household wage earner is unable to work due to illness and does not receive sick leave or time away from work. Documentation could include a statement from employer.
- Household has a non-functioning or malfunctioning heating system.
- Child under the age of six (6) in the home.
- Elderly - 1 member of household is age 60 or above.
- Disability – 1 member of household is disabled.
- Uncontrollable Circumstances must be explained by the client and documented to a reasonable extent.

2.11 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 LIHEAP. 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 LIHEAP applicants denied due to lack of funds. If additional funds become available during the program year, those LIHEAP applicants who were denied due to lack of funds will be re-prioritized and notified of the change.

2.12 Natural Disasters and Emergencies

Natural disasters and emergencies can affect the delivery of the LIHEAP 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's Housing Program Manager - Energy will direct subgrantee use of LIHEAP resources in the event of a natural disaster or emergency.

The Housing Program Manager - Energy 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 LIHEAP Disaster or Emergency Waiver

The Housing Energy Program Manager may temporarily modify or waive any state LIHEAP 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 – Energy shall modify the Tennessee State Model Plan for LIHEAP and notify the U.S. Department of Health and Human Services, if needed.

Disaster and Emergency Notification Requirements

Subgrantees must inform the Housing Energy Program Manager of any natural disaster or emergency in their local area that interferes with the subgrantees ability to operate the program.

Allowable Uses of Disaster Funds

After a Federal or State declared natural disaster LIHEAP funds can be used to meet the energy related needs of Eligible Low-Income households. Below is a list of items that the Federal Department of Health and Human Services has deemed allowable usage of LIHEAP funds in response to a natural disaster.

These items are only available to LIHEAP eligible households that have been deemed affected by the natural disaster with verification by local jurisdiction records or energy vendor records for extended power outages or damage. If a FEMA number is assigned the number must be provided, once available. No payments can be made directly to the client. All client information must be tracked using the statewide database for eligibility. Payments must be processed through the online LIHEAP system directly to the supplier.

Allowable uses of LIHEAP funds to deal with crisis situations, particularly with respect to assistance for home energy related needs resulting from a tornado or other natural disaster, include:

- Extending the eligibility of affected households to a maximum income of 60% State Median Income
 - Costs to temporarily shelter or house individuals in hotels, apartments or other living situations in which homes have been destroyed or damaged, i.e., placing people in settings to preserve health and safety and to move them away from the crisis situation
 - LIHEAP funding for temporary housing due to energy related needs will not exceed 3 days and must be reasonable. Any period requested beyond 3 days must be submitted to THDA for review on a case by case basis.
- Costs for transportation (such as taxis, ride-share cars, shuttles, buses) to move individuals away from the crisis area to shelters, when health and safety is endangered by loss of access to heating or cooling
 - Costs must be reasonable and energy related. Vehicles are not allowed to be purchased.
- Utility reconnection costs
 - Must be energy related and if costs exceed \$500 they must be approved by THDA on a case by case basis
- Repair or replacement costs for furnaces and air conditioners
- Insulation repair
- Coats and blankets, as tangible benefits to keep individuals warm
- Crisis payments for utilities and utility deposits
- Purchase and installation of fans and air conditioners
- Purchase and installation of generators
 - Generators may be purchased in life threatening situations when a household member must have power for medical equipment

All costs must be reasonable and follow State and Federal regulations including established procurement requirements. Subgrantees shall contact THDA on a case by case basis for any questions or for additional review.

Costs of these items are only allowable for LIHEAP eligible households that were affected by the natural disaster. State and Federal LIHEAP regulations must be followed and all eligibility guidelines must be followed as described in the THDA LIHEAP Manual. Reasonable exceptions for documentation requirements or alternative documentation, when original versions have been destroyed, must be submitted to THDA for review on a case by case bases.

Client Applications during Disasters and Emergencies

All LIHEAP households must have an approved LIHEAP Application. If the household has already been approved for LIHEAP during the current program year, the original application can be used and they do not have to re-apply. If a client has not yet been served by LIHEAP, they will be required to provide a new application in order to be approved for LIHEAP Crisis Disaster Assistance. THDA has partnered with our LIHEAP Database Administrator to create a Crisis Disaster Assistance module in the online LIHEAP system. The Crisis Disaster Assistance module will be available to agencies that serve counties that have been affected by a natural disaster during the program current program year.

2.13 Hearing Process

Individuals whose claims for LIHEAP 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 LIHEAP Operational Plan. No hearing shall be required if LIHEAP 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.

Reasonable promptness for crisis assistance means that an agency must take action to provide assistance to resolve the client's energy crisis within 48 hours. If the client is in a life threatening situation, the agency must take action to provide assistance to resolve the client's energy crisis within 18 hours.

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 LIHEAP 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 LIHEAP assistance or within 30 calendar days following a submitted application for LIHEAP 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 LIHEAP 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 LIHEAP 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 LIHEAP 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 LIHEAP assistance and all other documentation and communication between the individual claiming LIHEAP assistance and the local contracting agency and shall be submitted to:

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

LIHEAP@thda.org

2.14 Safe at Home Program

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

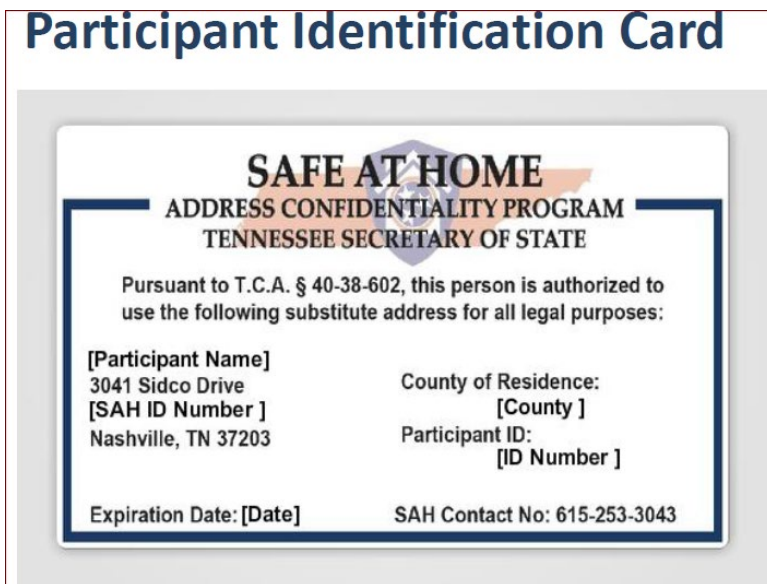
SAH ID Number

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 LIHEAP 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, an inquiry must be reported to the Tennessee Comptroller's Office. In addition to contacting the Comptroller's Office, local agencies must also contact THDA regarding any fraud, waste or abuse of government funds. The bulletin provided by the state with the Comptroller's toll-free hotline number must be posted at state and local agencies. The 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 LIHEAP available to the public. According to the LIHEAP 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 energy burdens, are made aware of the assistance available" under the program.

In practice, outreach means the various activities LIHEAP state and local providers engage in to promote and increase program awareness with 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 LIHEAP 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, etc. Outreach may also include helping clients filling out their applications.**

Effective outreach means the neediest households, or those the state has prioritized such as elderly or disabled, are made aware of the program as well as of other energy-related programs for which they may be eligible e.g., the Weatherization Assistance Program or utility-funded rate assistance. Effective outreach can streamline the application process, as well as the enrollment process.

4.2 Outreach Categories and Definitions

- **Community Education**

- What is LIHEAP?

- The Low Income Home Energy Assistance Program (LIHEAP) is a federally funded grant program that helps income eligible households in meeting their immediate home energy needs. Energy assistance can help residents stay warm in the winter and cool in the summer through a program that reduces the risk of health and safety problems that arise from unsafe heating and cooling practices.

- What type of assistance is available?

- Regular Assistance – helps families pay their heating and cooling bills. The one-time payment is sent directly to your utility company or fuel provider, and will be credited on your bill. Assistance is based on your household size, income, and fuel type.

- Crisis Assistance – applicants receive the same benefit as Regular Assistance applicants. However, the Crisis component will be based on uncontrollable circumstances. Please check with your local LIHEAP agency regarding crisis

- eligibility.
- *What does LIHEAP help pay?* LIHEAP helps pay main heating and cooling bills. These include: electric, gas, propane, coal, oil, kerosene and wood.
- Who is eligible?
- Where can I apply?
- **Public Awareness**
 - How are allocations determined?
 - What is my counties budget for LIHEAP assistance?
 - What is the contact information for LIHEAP referrals?
 - What is low-income for LIHEAP?
 - Can we schedule a date to set-up for LIHEAP intakes?
- **Advocacy**
 - Vendor Agreements
 - Utility provider contact
 - 12 month print off
 - Proclamation signing with county and/or city mayors to promote LIHEAP 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

LIHEAP 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)
- 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)
- 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)

4.4 Allowable Outreach

All outreach materials must include LIHEAP specific information including how to apply for assistance intended to reach new LIHEAP clients. Any materials or other charges that subgrantees wish to bill to LIHEAP 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 - Assurance 16

5.1 Assurance 16 General Information

Under Assurance 16 of the LIHEAP Statute, LIHEAP grantees are allowed to use a portion of their funds, at its option, to provide services that encourage and enable households to reduce home energy needs and thereby reduce the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors. In Tennessee, Assurance 16 activities can attribute up to 2% of an agency's LIHEAP budget. Assurance 16 also requires states to report to the

Department of Health and Human Services the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved. Subgrantees participating in Assurance 16 must submit a detailed description of their Assurance 16 plan to deliver and track energy conservation activities in their service delivery area. Subgrantees may then receive funding for designing and implementing activities that assist in transitioning LIHEAP recipients from dependency to self-sufficiency.

5.2 Activities to Support Assurance 16

Examples of Assurance 16 activities could include but not limited to:

Financial Budgeting – Helping the client increase the regularity of energy bill payments. The client must agree to participate and work with the agency in collecting all data requirements. Data must be tracked to show if the budgeting sessions led to the client being able to pay their bill on a more regular basis.

Energy Conservation Education – Classes held for clients to learn ways to decrease their energy consumption. Clients must sign a participation agreement and pre/post usage data must be shared or collected directly from the vendor.

Energy Saver Kits – Kits can be distributed to clients that are interested and willing to install the items in the kit. The client must agree to participate via a Client Commitment Form and provide pre/post energy usage data.

The structure of the Assurance 16 activities can be delivered using methods that are designed to maximize client engagement and program effectiveness. Examples of activity delivery methods include but are not limited to:

- Workshops
- One-on-one
- Independent activity by LIHEAP recipient (i.e. installing LED light bulbs & low flow showerheads)
- Financial incentives

- In-home visits
- Media (i.e. videos and online courses)

5.3 Allowable Energy Conservation Expenditures

Services provided under Assurance 16 are eligible for reimbursement from Assurance 16 funds instead of administrative funds. Documenting activities received through Assurance 16 demonstrates that clients received a benefit in terms of reducing their energy needs through provision of those services. Allowable expenditure costs under Assurance 16 include services that encourage and enable households to reduce their home energy needs. For example:

- Salaries and Benefits - Staff time spent conducting and gathering reporting information for Assurance 16 activities. Staff must keep track of time spent on Assurance 16 activities. Time billed must be actual time not estimated.
- Travel - Costs associated with Assurance 16 activities such as traveling to a homebound client for an Assurance 16 case management or traveling to an Assurance 16 energy conservation class is billable under Assurance 16. Documentation must indicate that the travel being charged was for Assurance 16.
- Supplies - The cost for Energy Saver Kits and other materials are allowed to be charged under Assurance 16. This also includes Assurance 16 flyers, brochures, etc.
- Offsite space and Educators - Space costs and the cost for an Assurance 16 energy conservation education is allowable to be billed under Assurance 16.

5.4 Tracking and Documentation Requirements

Activities for all approved Assurance 16 plans should be documented and be sufficient enough to report on the following:

- The activities actually conducted and the timeline for completing them
- Any changes to the approved plans
- The number of households that participated
- How the activities contributed to reducing household energy need and enabling energy security

- How the effect or impact of the activities were measured or determined
- A breakdown of actual expenditures for approved activities (that can be reconciled to the approved budget).

All subgrantees are required to track Assurance 16 activities. Subgrantees who experience challenges or face issues with tracking their Assurance 16 activities should contact THDA for assistance.

Chapter 6 – Utility Vendors and Vendor Agreement Requirements

6.1 Suspension and Debarment

SAM Registration

The System of Award Management is the main database for 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 energy 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 System Award Management (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**.

6.2 Vendor Agreements

Subgrantees must enter into Vendor Agreements with utility providers in order to process LIHEAP 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. This should be documented and a receipt of fuel delivery must be provided. The Vendor Agreement is provided in Chapter 8.

6.3 Performance Measurement

Subgrantees are required to gather household annual energy 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.

6.4 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.

6.5 Credits to Pay

Each subgrantee must detail how they handle LIHEAP 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 7 – Fiscal Accountability

7.1 Allocation Levels

THDA allows local agencies up to eight percent (8%) of their LIHEAP formula allocation levels for administration and THDA will retain two percent (2%) of the State's LIHEAP allotment for administration. THDA will not reimburse any local agency for more than eight percent (8%) of its total actual expenditures for administration or ten percent (10%) of the allocated for direct program support over the course of the contract period. All subgrantees are subject to spending within the caps in accordance to the amount drawn.

7.2 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.

7.3 Budget and Budget Amendments

All LIHEAP budgets and budget amendments must be sent to LIHEAPInvoices@thda.org for review and approval. When submitting a budget amendment, include in the email what the budget is for. 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 LIHEAP Budgets/Amendments and Invoices should only include signatures from the Authorized Signature Form. An updated Authorized Signature form must be submitted if the person authorized leaves the agency or is no longer authorized to sign the Invoices or Budgets (i.e. someone taking on the role of Interim Executive Director, will not be able to sign invoices).

7.3.1 Expenditure Caps and Minimums

Administrative Costs:	8% maximum cap of the total awarded allocation
Program Support:	10% maximum cap of the total awarded allocation
Crisis to Individuals:	10% minimum or more of the total awarded allocation
Energy Conservation:	2% maximum cap of the total allocation
Outreach:	2% maximum cap of the total allocation

Administrative Costs are limited to 8% of the total amount the subgrantee has drawn down.

Direct Program Support costs are limited to 10% of the subgrantee's total allocation.

Administrative and Direct Program Support costs **cannot** be combined for a total of 18%.

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.

It is acceptable, even preferable, to spend more than 10% in crisis benefits. Each agency must determine what is needed in crisis, and adjust accordingly to ensure crisis funds are available through March 15 of each year.

Agency boards should be consulted and informed regarding crisis benefit amounts. Board approval must be sought if a county allocation is moved to another area within an agency. This information must be provided to THDA Community Programs staff as soon as this becomes available.

7.3.2 Allowable Administrative Expenditures

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

Allowable Administrative Charges are capped at 8% of the total amount the subgrantee's has drawn down. Examples include:

- Salaries for those not providing direct services (example: Executive Director)
- 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 Energy Conservation Education should be charged to Direct Program Support, not to administration. Personnel typically identified as administrative may relate, at times, more directly to Direct Program Support and Energy Conservation Education activities than to administration. Sometimes management staff may be properly allocated to Direct Program Support, but only if supported by a cost allocation plan.

*Indirect costs must be supported by the subgrantee's approved Cost Allocation Plan. Subgrantees must submit the approved Cost Allocation Plan with the Operational Plan at the beginning of each contract year. Supporting documentation demonstrating compliance with the cost allocation plan must be submitted with each invoice requesting reimbursement for indirect costs.

7.3.3 Allowable Direct Program Support Expenditures

Direct Program Support 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, other crisis services, 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.

7.3.4 Allowable Outreach Expenditures (Assurance 3)

Outreach expenditures can only be charged under Direct Program Support costs and is capped 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 local and county social services offices, offices of aging, Social Security office, VA, etc.
- Phone charges for outreach activities
- Publish articles in local newspapers or broadcast media announcements
- Include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance
- Mass mailings to past recipients of LIHEAP
- Informing Lower-income and elderly applicants of the availability of LIHEAP assistance or other low-income programs
- Execute 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.

7.3.5 Allowable Energy Conservation Expenditures (Assurance 16)

Assurance 16 is capped at 2% of the total amount the subgrantee has drawn down. Examples of allowable Energy Conservation includes:

- Energy conservation education classes
- Informational videos
- Handouts/flyers
- Energy conservation kits
- Review and education of household's energy usage and costs
- Budget counseling

Assurance 16 activities must be approved by THDA in the annual Operational Plan. Please refer back to Chapter 5 for additional information.

7.4 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 reimbursable, 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 2CFR200.

7.5 Equipment Purchases

Equipment can be charged to LIHEAP in accordance with the LIHEAP Grant Contract. Computer equipment can be charged to LIHEAP 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 LIHEAP. 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 liheapinvoices@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 LIHEAP funds.

7.6 Submission of Invoices/Pay Request

I. Admin/DPS Invoice

- 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.
- 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 the pay requests.
- The 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.
- 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 LIHEAP 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)

Note: THDA will does not reimburse for late fees.

7.6.1 Frequency

All invoices must be submitted using THDA's Electronic File Transfer (EFT) Server. One Direct Assistance Invoice can be submitted weekly. One Administrative and Direct Program Support Invoice can be submitted no more than once a month. If an additional Administrative and Direct Program Support invoice 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 days. THDA staff will notify the agency that the documentation has been received. If no notification is received by the subgrantee 4 days after submission, please contact THDA staff.**
- e. Name the files according to the following: Agency's name, Month of costs, Funding Year. BCCAA.December.2021

7.6.2 Documentation

The required documentation for direct program support and administrative costs are the same, except you must provide the cost allocation plan to support the administrative costs. 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 days of payment from the subgrantee. Supporting documentation older than 60 days will need a letter of request as stated in the contract at section C.5.b.(4). 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) 815-2030.

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 8%

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. Direct Program Support—Capped at 10%

- a. Time breakdown that ties to general ledger (paystub, etc.)
- b. Receipts, proof of payment, and invoices to support all line items.
- c. Travel expense—purpose and documentation to support invoice
 - i. Proof of reimbursement for mileage and travel related expenses
 - 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

IV. Outreach – Capped at 2%

- a. Time breakdown that ties to general ledger for Salaries and fringe benefits of those promoting LIHEAP 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 LIHEAP 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

- 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. Energy Provider
 - iv. Total amount invoiced per client by energy provider
- b. Proof of request to provider for payment
- c. Type of assistance provided
 - i. Heating or Cooling—the month in which the assistance is provided will determine whether the assistance is heating or cooling. The assistance is heating if the payment on behalf of the client was made during the months of October through May. The assistance is cooling if the payment is made during June through September.

- ii. Crisis or Regular—this is included on the THO Payment listing. If other documentation is provided, it must specify crisis or regular assistance.
- 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 energy 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 1st – September 30th). 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.
- b. **Prior Year Refunds** – Refunds from any payments issued before the current Federal Fiscal Year (any payments before October 1st of the new fiscal year), that could not be reissued to the same client (please refer to the bullet point below on Reissues). Since Prior year refunds fall outside of the current fiscal year, those funds will need to be returned to THDA and should not be included with invoices for payment. All Prior Year Refund Reports will need to be mailed to THDA along with checks, so the funds can be returned to HHS.

2. REISSUE - Funds returned to the agency due to an error or client circumstance which can still be applied to the same client’s active energy account with corrected errors or new account information. The agency will have until September 30, 2021 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.

V. Assurance 16 / Energy Conservation – capped at 2%

- a. Receipts, proof of payment, and/or invoices to support the request. i.e. printing
- b. Time sheets that show who worked on Assurance 16 activities and what activities took place.

7.6.3 Closeout and Reconciliation Reports

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

The documentation submitted for closeout must include:

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

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

Chapter 8 – Monitoring and Technical Assistance

8.1 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.

8.2 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.

8.3 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. Program Monitor will inform LIHEAP 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. They have the option to respond to the concerns and observations in the report, but are not required. 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 the Community Programs division of Tennessee Housing Development Agency (THDA). A Corrective Action Plan (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 are 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 calculate client priority points correctly;

- Did not maintain support for clients' and household members social security numbers;
- Did not ensure client files contained adequate documentation of Crisis Assistance Payments;
- Did not provide Crisis Assistance within 48 hours in accordance with the federal law;
- Paid energy providers incorrect amounts; and,
- Did not have internal controls to ensure energy providers were not suspended or debarred.

Fiscal Monitoring is performed by THDA's Internal Audit Division. This division is independent of Community Programs. The Fiscal Monitor will schedule the visit and notify Community Programs staff of any findings.

Each LIHEAP 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, etc. 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.

Chapter 9 – THO System Requirements and Reporting

Subgrantees are required to enter all LIHEAP 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

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.

Tennessee Housing Development Agency
LIHEAP Operational Manual for Regular and Crisis Assistance

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: LIHEAP 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: Assurance 16 Usage and Tracking Spreadsheet
- LI-08: LIHEAP Disbursement Reconciliation Report
- LI-09: LIHEAP Closeout Report
- LI-10: LIHEAP Budget/Amendment Form
- LI-11: LIHEAP Invoice Forms
- LI-12: LIHEAP Section 8 HCV Flowchart
- LI-13: LIHEAP PHA Flowchart

Resources

US Department of HHS/ACF/OCS/LIHEAP Website: <https://www.acf.hhs.gov/ocs/programs/liheap>

The LIHEAP Clearinghouse: <https://liheapch.acf.hhs.gov/>

LIHEAP Assurances: <https://liheapch.acf.hhs.gov/Tribes/assurances.htm>

LIHEAP Virtual Library: <https://liheappm.acf.hhs.gov/assessment/#nbb>