

# **State of New Hampshire Fuel Assistance Program Procedures Manual**



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**NH FUEL ASSISTANCE PROGRAM  
PROCEDURES MANUAL  
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## INTRODUCTION

The Office of Strategic Initiatives (OSI) is responsible for the statewide administration of the Low Income Home Energy Assistance Block Grant (LIHEAP) referred to as the Fuel Assistance Program (FAP). LIHEAP is federally funded through the U.S. Department of Health and Human Services (HHS). OSI in turn contracts with five locally-based Community Action Agencies (CAA) to provide services to eligible households.

The Fuel Assistance Program provides certified income-eligible households with assistance in paying their energy bills during the winter heating season. The FAP prioritizes households where elderly, disabled persons, and/or young children reside. Benefits are calculated taking into account household income, energy costs, number of degree-days within a region, and housing type. This targeting allows those households with the lowest incomes and the highest energy costs to receive the highest benefits.

This manual is designed to provide the framework for the comprehensive administration of the Fuel Assistance Program. It is not intended to cover every conceivable situation that may possibly arise, but rather to be used as a tool for evaluating program decisions on the administrative, direct service, and applicant/client levels when and if a problem arises.

### **Coordination between Fuel Assistance and Weatherization**

The Office of Strategic Initiatives is also responsible for the administration of the Weatherization Assistance Program (WAP), funded through the U.S. Department of Energy (DOE). Therefore, every effort will be made to coordinate services between the Fuel Assistance Program and the Weatherization Assistance Program to provide the best possible benefits to those who require services from both programs.

**The Fuel Assistance/Weatherization Application** (*Attachment A-1*) is the form utilized for the New Hampshire Fuel Assistance Program.

The joint Fuel Assistance/Weatherization application was designed to allow a client who is applying for fuel assistance benefits to apply for weatherization services at the same time. By installing energy efficiency measures, clients may reduce their dependency on the Fuel Assistance Program or may have their fuel assistance benefits extend further into the heating season since clients served by the Weatherization Assistance Program have warmer, less drafty, and more energy-efficient homes.

## GLOSSARY

**Apartment:** An individual dwelling containing a bathroom, kitchen, and separate entrance located within one exterior building that has two or more separate residential units

**Application Date:** The start date for the application process

**APTD:** Aid to the Permanently and Totally Disabled

**Benefit:** The certified dollar amount of assistance that a FAP-certified eligible household is qualified to receive

**Bill:** A printed notice that documents the date of a fuel delivery or the service period covered for regulated utilities, with units of energy, price per unit, and total cost supplied

**CAA:** Community Action Agency

**Certifier:** An appointed CAA staff member familiar with the FAP's qualification requirements who reviews the applications for completeness and accuracy and deems the applications either eligible or ineligible based upon the information gathered from the applicants

**Disabled:** Physical or mental impairments which substantially limit one or more major life activities and is compensated with a disability payment such as SSDI, SSI, APTD, or VA disability for a long-term disability

**Elderly:** Age sixty (60) years or older

**Energy Emergency:** A condition that poses a serious threat to the health and safety of the household due to the lack of home energy

**FANF:** Financial Assistance to Needy Families (formerly TANF)

**Fixed Income:** Income that remains consistent over an extended period of time (ie: SSA, SSDI, SSI, VA Pension, APTD, OAA, and some pensions)

**Foster Care Payments:** A *reimbursement* for the in-home care of the foster person that is not considered income to the household. The foster adult/child is not listed or counted as a household member on the application. Foster care payments must be documented and noted in the comments section of the application.

**Gross Income:** Total income before any deductions including Social Security, federal income tax (FICA), medical insurance, retirement, and/or flexible benefit plans

**Hardship:** An unusual economic circumstance including high energy costs, high housing costs, and emergency household or car repairs that affects an applicant's ability to pay energy costs.

**HHS:** United States Department of Health and Human Services

**Home Energy:** A source of heating or cooling in a residential dwelling

**Household:** Any individual or group of individuals who are living together as one economic unit and whose residential energy is customarily purchased in common or is made as undesignated payments in the form of rent

**Income Determination Period:** The start and end dates used to determine eligibility on a FAP application

**Intake Person:** The appointed CAA staff member who obtains the necessary information to complete a FAP/WAP application

**LIHEAP:** Low Income Home Energy Assistance Program funded by the United States Department of Health and Human Services as outlined in the Low Income Home Energy Assistance Act of 1981 (Public law 97-35 as amended)

**New** (new application): An application for a household that is applying for a FAP benefit for the first time

**OAA:** Old Age Assistance

**Obligate:** Promise of a FAP payment to vendors by the CAA on behalf of certified FAP-eligible clients

**OSI:** The Office of Strategic Initiatives

**Priority Applications** (for vulnerable households): FAP applications for households with at least one household member who is age 60 or over, disabled, or a child under 6 years of age

**PY** (program year): October 1 - September 30 of the following year

**Recert** (recertification application): An application for a household that received a FAP benefit during the previous program year

**Return** (return application): An application for a household that has received a FAP benefit at any time in the past, other than the previous program year

**Rollover:** The closing of the previous FAP program application and payment period and the opening of the new application period

**SEAS** (Senior Energy Assistance Services): A New Hampshire HHS, Bureau of Elderly and Adult Services (BEAS) program that provides some fuel assistance funding for households with elderly members with total household income that exceeds the FAP income guidelines

**SNAP:** Supplemental Nutrition Assistance Program (formerly Food Stamps)

**SSA (Social Security):** Monthly benefits from the Social Security Administration paid to elderly individuals (and their dependents) or the dependent survivors of a deceased individual with an employment history

**SSDI (Social Security):** Monthly benefits from the Social Security Administration paid to disabled individuals (and their dependents) who have an employment history

**SSI (Supplemental Security Income):** Monthly benefits from the Social Security Administration paid to disabled and elderly individuals with little or no employment history

**TDD (Telecommunications Device for the Deaf):** A relay system that assists people with impaired hearing to communicate with hearing people

**Vendor:** The entity providing fuel or utilities to the customer



## ANNUAL PROGRAM SCHEDULE

<b>July</b>	CAAs begin taking and certifying FAP/WAP applications for any household with at least one member who is age 60 or over, disabled, or a child under age 6.
<b>September 1</b>	CAAs begin taking and certifying all FAP/WAP applications for all applicants for the current program year prioritizing households that heat with a deliverable fuel (priority period ends October 15).
<b>October 1</b>	The beginning of the federal fiscal year and current year LIHEAP/FAP funding period.
<b>December 1</b>	The Fuel Assistance Program (FAP) opens after New Hampshire receives notification of the federal LIHEAP grant award. The CAAs begin obligating funds and making vendor payments. Applications for households experiencing an energy emergency will be processed within 18 hours for life-threatening situations and within 48 hours for situations that are not life-threatening.
<b>April 30</b>	The last date for an applicant to apply for the FAP in the current program year. All credits with vendors terminate and unused benefit balances roll back into the program.
<b>June</b>	Deliverable fuel bills, utility bills, and rent vouchers must be received by the CAAs by the second Tuesday in June to be eligible for payment from the FAP in the current program year.
<b>September 30</b>	The last day of the federal fiscal year.

## THE APPLICATION PROCESS

Eligibility for the New Hampshire Fuel Assistance Program (FAP) is based upon the following requirements:

- The household's primary residence is in New Hampshire.
- The household occupies the primary residence at the time of application and during the heating season.
- The household size.
- The household income level.
- The household is responsible for energy costs of \$100 or more.

The New Hampshire definition of "household" is drawn directly from the Federal Low Income Home Energy Assistance Act, as amended. This definition provides two criteria which must be met to establish the presence of a "household":

- Residential energy customarily purchased in common, or undesignated payments for energy in the form of rent.
- An individual or group of individuals living together as one "economic unit".

Categorical eligibility, where a person or household qualifies for one program simply because they are a participant in another program, shall not be utilized for the FAP. Anyone wishing to participate in the program must complete an application and document eligibility based upon *household income and home energy costs*.

The local CAA shall determine eligibility through the application and certification process. The CAA shall ensure that applicants have provided adequate and accurate documentation of gross income for the entire income determination period indicated on the application and attest to the truth of the information submitted. It is the responsibility of the applicant to provide all required documentation to the CAA as part of the application process. All applications must be complete, with all supporting documentation attached. Valid Social Security numbers are required for all household members listed on the FAP/WAP application.

The New Hampshire Fuel Assistance Program procedures are intended to ensure that low-income households have access to services in a timely manner. Applicants must have the opportunity to apply for the FAP within thirty (30) days from the date of contact between the opening of the program each year on December 1 and the ending of the program on April 30.

## Taking the Application

All required information on the **Fuel Assistance/Weatherization Application (Attachment A-1)** and **Recertification Application (Attachment A-2)** must be recorded accurately, including the number of household members, household data, income information, vendor identification, dates, and signatures from both the applicant and a CAA staff member. It is the responsibility of the CAA to verify that this information is complete and correct.

## Calculating Income

At the time of application, household size and income are needed to determine the appropriate income level under the **FAP Income Guidelines (Attachment B)**. Income eligibility is based upon the six levels of the Federal Poverty Income Guidelines (FPG): A-75%, B-100%, C-125%, D-150%, E-175%, and F-200%. Level F may be increased to 60% State Median Income (SMI) if funds are available during the program year. The applicant must provide written documentation of all household income for the time period specified for program eligibility.

The intake process begins by assessing a household's eligibility for a 30 day time period. Income may also be calculated on other time periods, including on an annual or year-to-date (YTD) basis if it would enable otherwise ineligible households to meet income eligibility. The income documentation would then cover a period of not more than the previous 365 days from the date of application.

Households with income from an irregular source such as self-employment, rental property, or commissions, as well as income from contracted educational employees (teachers, administrative staff, etc.) must have that income documented for a 365 day time period for purposes of the application process.

Income is calculated by adding all countable, non-exempt income from every source for each household member and listing it in the income information section of the FAP/WAP application. The income for all household members is then totaled for complete household income for the pre-determined income determination period. The same time period must be used for documenting the income for all household members. Exceptions to this rule include the calculation of self-employment income and contracted educational employee income (teachers, administrative staff, etc.), which must be documented for a 365-day period. The annual income is then pro-rated (divided by 365 days and multiplied by 30 days) to the original income determination period.

## **Documenting Income**

Applicants must provide written documentation for all income reported on the application. Documentation must be provided for the entire income determination period as specified on the application. Written documentation may include payroll stubs, copies of checks, signed statements from the payment source, bank statements for direct deposits and interest, a current eligibility letter, and other documentation as deemed appropriate by the CAA. It is the responsibility of the CAA to ensure that all written income documentation is accurate, legible, and complete.

Applicants with no or very low income must provide written documentation of how the household has met its basic living expenses such as rent, energy costs, and food. Documentation may include a statement from town or city welfare, friends or family, a SNAP (food stamp) notification letter, or other assistance provided during the determination period.

## FAP Income

FAP Income refers to the total cash receipts before taxes within the documentation period from the following sources:

- Adoption subsidies
- Alimony
- Annuity payments
- Assistantships: an appointment awarded on an annual basis to a qualified graduate student providing a stipend and requiring part-time teaching, research, or residence hall duties
- Child support
- Commissions
- Dividends over \$50 a year
- Gambling winnings (taxable)
- Government employee pensions (including Military Retirement Pay)
- Grants (taxable grants used for education purposes)
- Interest over \$50 a year
- Lottery winnings (taxable)
- Military family allotments
- Other *regular* support from an absent member or someone not living in the household
- Pensions
- Periodic receipts from estates
- Periodic receipts from trusts
- Railroad retirement (net after Medicare deductions)
- Regular insurance payments
- Regular worker's compensation payments
- Rental income (net)
- Royalties (net)
- Salaries and money wages before any deductions
- Self-employment (net non-farm)
- Senior Community Service Employment Program (SCSEP)
  - Sponsors: National Able Network; State of NH subcontracts to Belknap-Merrimack Community Action Program
- Social Security (net after Medicare deductions)
- SSI (except for minor disabled children)
- State welfare payments (APTD, ANB, FANF, OAA, RCA)
- Tip income (may be self-declared if no other documentation is available)
- Training stipends
- Unemployment compensation
- Veteran's payments

## **Income Disregard**

Disregarded Income refers to payments made to, or support received by, household members that should not be added when establishing FAP eligibility or benefit levels:

- Aid and Attendance VA benefit for severely disabled veterans
- Assets drawn down as withdrawals from a bank
- Capital gains
- Childcare assistance payments
- Child support (regular) payments paid out during the income period
- Corporation for National Service payments including VISTA, AmeriCorps, Senior Companions, Foster Grandparents
- Dividends: the first fifty dollars (\$50) earned annually
- Electric Assistance Program benefits
- Employee fringe benefits
- Employer-paid or union-paid portion of health insurance
- Earned Income Credit
- Earned income from full-time high school students
- Foster Care reimbursements
- Federal work-study for students
- Fellowships: a scholarship or grant awarded to a graduate student in a college or university
- Gifts
- Goods or housing received in lieu of wages
- Imputed value of rent from owner-occupied non-farm or farm housing  
(Self-employed only is a non-cash tax shelter)
- Interest: the first fifty dollars (\$50) earned annually
- Jury duty stipend
- Loans
- Lump-sum inheritances
- Medicare deductions from Social Security and Railroad Retirement benefits
- Money earned as part of an SSI PASS Plan
- Non-taxable grants
- One-time compensation for injury
- One-time insurance payments
- One-time or irregular payments from a welfare agency to a family or person who is in temporary financial difficulty
- Reimbursement or money paid to an employee to compensate them for money spent as a result of their employment
- Reverse mortgages
- Sale of a car, truck, or tractor (non-business assets in general)
- Sale of a house
- Scholarships or other educational financial assistance funded in whole or in part by  
Federal funds and intended for attendance costs (tuition, fees, materials, supplies, books, transportation, room and board)
- Tax refunds
- Value of food or fuel produced and consumed on farms

## Calculating the Number of Rooms

The total number of rooms in a residential dwelling is necessary to utilize the **Heating Cost Tables (Attachment C-1)** when calculating heating costs. Hallways, bathrooms, and closets are not counted in the total number of rooms.

The Heating Cost Tables are based upon Design Heat Load Calculations (DHLC) and each type of unit assumes a standard room size.

The standard room sizes are as follows:

Single Family House:	144 square feet
Mobile Home:	100 square feet
Apartment:	120 square feet

When a room is larger than the standard room size, the square foot total may be relied upon to calculate the number of rooms for a residential dwelling.

### Examples:

1. The kitchen/living rooms in a mobile home are located in one large room with no dividing wall. The approximate room dimensions (supplied by the applicant) are 14 feet by 10 feet or 140 square feet. This would count as TWO rooms, since it is more than the room size by the DHLC for mobile homes of 100 square feet.
2. The kitchen, living room and bedroom are all located in the one room of a single-family house. The approximate room dimension (supplied by the applicant) is 15 feet by 18 feet or 270 square feet. This would count as TWO rooms, since it is more than the room size used by the DHLC for a single-family house of 144 square feet. However, it is only two rooms, not three, since it is less than twice the DHLC amount of 288 square feet (144 x 2).
3. The dining room/living room combination is located in one room in an apartment. The approximate room dimensions (supplied by the applicant) are 10 feet by 11 feet or 110 square feet. This would count as ONE room, since it is less than the room size used by the DHLC for apartments of 120 square feet.

## Calculating Heating Costs

In addition to income, annual household heating costs are also used to determine eligibility for the FAP. Annual heating costs can be calculated two ways, either by using the household's actual energy usage or by using the **Heating Cost Tables (Attachment C-1)** that have been prepared for each CAA.

Actual heating costs can be documented with receipts, bills, vendor printouts, or statements. The electric energy costs associated with the operation of heating sources must be added to the actual heating costs to determine the total annual energy cost for a household using actual heating costs. This is also true for households heating with wood or coal with a blower attached to the heating source. The supplemental electric cost table from the **Heating Cost Tables (Attachment C-1)** is to be used to calculate the electric costs. For example, in the case of a household heating with oil and having actual annual heating costs equaling \$770.52 for a single-family house with six rooms, the supplemental electrical cost is \$200. The total heating costs for this household is \$970.52.

Actual documentation for heating costs is preferred but the method used should be in the best interest of the applicant.

## Calculating Electric Annual Energy Costs

Electric companies can provide billing histories for CAAs to calculate annual heating costs but because this energy type is also used for hot water heating and cooking, a formula must be used to determine the actual heat costs. The formula to be used, which eliminates non-heating usage of electricity, is to multiply the annual cost by 70%. For example, a household heats with electricity and has an annual bill of \$1,200, which is multiplied by .7 ( $1,200 \times .7$ ) to calculate the annual heating cost of \$840.



## Calculating the Basic Benefit

The household's basic benefit is calculated by matching the income level (A-75%, B-100%, C-125%, D-150%, E-175%, and F-200%; 49 % State Median Income (SMI) or 60% SMI) from the **Income Guidelines (Attachment B)** to the appropriate heating cost level as listed in the following **Annual Heating Cost** chart:

ANNUAL HEATING COST	USAGE CATEGORY
\$1201+	AA
\$901 - \$1200	BB
\$601 - \$900	CC
\$100 - \$600	DD

The income level and annual energy costs are then combined through the use of a **Benefit Matrix (Attachment C-2)**:

EXAMPLE MATRIX (ALL FUELS EXCEPT FOR SELF-PAID NATURAL GAS)	INCOME LEVEL					
	A	B	C	D	E	F
USAGE CATEGORY						
AA	1575	1365	1155	945	735	525
BB	1260	1092	924	756	588	420
CC	945	819	693	567	441	315
DD	630	546	462	378	294	210

EXAMPLE MATRIX FOR SELF-PAID NATURAL GAS	INCOME LEVEL					
	A	B	C	D	E	F
USAGE CATEGORY						
AA	788	683	578	473	368	263
BB	630	546	462	378	294	210
CC	473	410	347	284	221	156
DD	315	273	231	189	147	105

For example, a one-person household with a 30-day income of \$500 who would fall under income level A on the **Income Guidelines (Attachment B)**; and who had actual/adjusted annual energy usage of \$1,000 that would fall under level BB on the **Annual Heating Cost** chart, would receive a basic benefit of \$1,260 using the **Benefit Matrix (Attachment C-2)**. The Benefit Matrix demonstrates how the highest level of assistance is provided to the lowest income households with the highest energy burden.

## Completing the Application

All applications must be submitted for certification or denial within thirty (30) days of the application start date. In the event that an applicant does not provide all the required documentation within thirty (30) days of the application date, the application will be denied for insufficient documentation. Upon completion, the CAA staff person must sign and date the application.

## Certifying the Application

Each application must be certified FAP eligible or denied within thirty (30) days of the application completion date unless there is an energy emergency that requires immediate attention (*see Energy Emergency Guidance, page 27*).

An application can be certified when all the questions on the application that are necessary for determination of eligibility are answered, and complete documentation of all household income for the income determination period is attached.

A Certifier reviews all applications for accuracy and completeness and determines eligibility or ineligibility based upon the information provided. The Certifier will indicate that a household is either eligible or ineligible by enrolling or denying the application. Upon certification, the Certifier must sign and date the application.

Written notification of eligibility or denial must be sent to the applicant within thirty (30) days of certification. When a household is found eligible for a FAP benefit, an **Authorization Letter (Attachment D)** and a **Letter of Credit (Attachment E)** are mailed to the applicant and to the applicant's vendor. When a household is denied a FAP benefit, an **Applicant Denial Letter (Attachment F)** and a Fair Administrative Hearing Notice are mailed to the applicant.

Copies of all correspondence pertaining to eligibility must be maintained and be easily accessible. CAAs are not required to keep hard copies of computerized reports and letters, however a computer backup including reports and letters must be accessible for three years after the final expenditures for the applicable program year has ended.

## ELIGIBILITY OF SPECIAL CASES

The following procedures are to be used to determine eligibility for applicants with the following circumstances:

### Self-employment

Income must be documented on an annual basis for all self-employed individuals. If an individual has not been self-employed for a full year, the total number of days from the start of the self-employment will be used to calculate income. The following guidelines will be used in determining income for a self-employed person.

### Self-employment Income

Self-employed individuals must provide their most current federal tax return (Form 1040) along with all appropriate supporting schedules/forms.

Applicants applying after February 28 of each year must provide copies of their previous year tax return with all attendant schedules to document their income from January 1 through December 31 or document their income back 365 days from the date of application.

For sole proprietorships, Schedule C-EZ or Schedule C is required, with all attendant supporting forms such as *Form 8829-Expenses for Business Use of Your Home* and *Form 4562-Depreciation and Amortization*.

For partnerships, *Form 1065* is required, with all attendant *Schedule K-1* forms and any other supporting forms such as *Form 4562*, and any statements for aggregated other deductions. For corporations, *Form 1120* or *1120S* is required, with all attendant supporting forms and schedules such as *Form 1125A-Cost of Goods Sold*, *Schedule K-1* showing shareholders' percentage of ownership in the corporation, *Form 4562*, *Form 8825-Rental Real Estate Income and Expenses of a Partnership or an S Corporation*, and any statements for aggregated other deductions.

For farm/agricultural businesses, Schedule F is required, with all attendant forms and schedules such as *Form 4562*.

Additional supporting documents may be requested upon review of the above documents to clarify the information represented.

Depreciation and amortization are not allowable expenses and will be added back into the net profit/loss.

If the self-employed applicant has not filed a federal tax return or was not self employed the previous year, a **Self-employment Income Statement (Attachment G)** plus back-up documentation can be used for documentation purposes. The Self-employment Income Statement requires approval from the CAA FAP Director. Supporting documentation for the **Self-employment Income Statement for Landlords (Attachment H)**, including business records and receipts, must be provided by the applicant in an orderly format. The application cannot be processed until the supporting documentation is presented. It is the applicant's responsibility to provide adequate proof of income and expenses. It is the CAA's responsibility to verify that all submitted documentation is accurate and complete.

Negative self-employment income is not to be subtracted from other household income but is to be counted as zero (0).

Income from households that also receive income from other sources, along with self-employment income, will be calculated in the following manner:

All household income, other than self-employment, will be documented for the most recent 30-day period. The annual income derived from self-employment and/or educational contract income will be pro-rated (divided by 365 days and multiplied by 30 days) to a 30 day period. Self-employment income will be added to the other household income to determine eligibility.

## Specific Instructions for Completing the Self-employment Income Statement

The following is a list of specific descriptions for the allowable deductions for self-employment income:

**Fuel:** Fuel costs relating to the purchase of gasoline, diesel, gasohol, etc. used for work-related equipment are deductible (refer to the Car & Truck section below for transportation fuel).

**Travel:** Normal expenses are deductible when traveling for business. Deductible expenses include airplane, bus, and train tickets, operating and maintaining vehicles (refer to the Car & Truck section), meals, lodging, and other ordinary and necessary expenses relating to business travel. Expenses that are lavish, extravagant, or for personal or vacation purposes cannot be deducted. Expenses for travel/commuting between home and office cannot be deducted.

**Taxes:** Taxes relating to the cost of running a business or a profession are deductible, including sales, business profits, licenses, regulatory fees, state unemployment payments, corporate franchise taxes, user fees, and property taxes.

**Repairs:** Minor costs relating to the repair of work-related property or equipment are deductible.

**Insurance:** Payments for work-related insurance premiums are deductible, including premiums for fire, theft, flood, casualty, merchandise, inventory, liability, public liability, malpractice, worker's compensation, state unemployment insurance, use and occupancy, and business interruption. Employees' group insurance is also deductible as long as the strict nondiscrimination rules are complied with.

**Utilities:** Normal costs associated with running an office or business are deductible, such as electricity, heating fuels, and telephone. Note: If a home office is used, only the second phone line or actual long distance business phone calls are deductible.

**Car & Truck:** There are two methods for determining deductions: actual costs and standard mileage rate. If using the actual costs method, deduct gas, oil, tolls, tires, licenses, garage rent, parking fees, lease fees, and rental fees. If a car is used for both business and personal use, multiply the actual costs by the percent of time the car or truck is used for business. For example, a car used 60% of the time for business with \$2,000 annual costs would have a \$1,200 deduction ( $60\% \times \$2,000 = \$1,200$ ). If using the standard mileage rate, multiply the business-related miles by the current IRS rate for mileage to arrive at the allowable deduction. Parking fees, tolls, and state and local personal property taxes may also be deducted. Records must be kept showing daily business mileage and a yearly business mileage figure.

**Interest:** Interest payments on business loans, business credit cards (used to purchase strictly business items), and mortgages are deductible.

**Advertising:** Costs relating to business advertising in newspapers, radio, television, leaflets, brochures, etc. are deductible, with the exception of political ads and foreign advertising.

**Supplies:** The costs of incidental supplies and materials such as office supplies, tools, books, professional instruments, and equipment are deductible as long as they are normally used up within a year.

**Wages:** Wages, salaries, bonuses, and gifts paid to employees, including anyone who is not a member of the household applying for the FAP, are deductible. In the case of household members on a "payroll", be sure that their income is not counted twice.

**Rent:** Costs relating to the use of property that the applicant does not own such as cars, tools, equipment, and property are deductible.

**Cleaning:** The cost of cleaning and janitorial services is deductible.

**Bank Charges:** The costs of maintaining a business bank account such as monthly service charges, check cashing charges, bad check charges, etc. are deductible.

**Other:** Bad business debts are deductible if there has been an actual loss of money or the amount of money to be paid was reported as income. Membership dues and subscriptions to professional, technical, or trade journals that deal with the applicant's business are deductible. Legal and professional fees (i.e., accountants, lawyers, etc.) that are ordinary and necessary expenses of operating a business are deductible. Legal fees paid to acquire a business are not deductible. Penalties and fines resulting from the non-performance of a contract are deductible. However, fines and penalties resulting from criminal or legal action paid to any government agency are not deductible. The costs of medical insurance premiums are deductible at a 25 percent rate (i.e., \$1,000 premium x 25% = \$250 deduction). All deductions under the Other heading should have a schedule attached.

When a business is operated out of an applicant's house or apartment, be it owned or rented, use the following method to calculate the allowable deduction:

Divide the number of rooms used for the business by the total number of rooms in the house/apartment, not including bathrooms and halls, to determine the percentage of the deduction. For example, a four (4) room apartment using one (1) room for the business results in 25 percent (1/4) of the expenses as the allowable deduction. A nine (9) room house with two (2) rooms used for business results in 22 percent (2/9) of the expenses as the allowable deduction; deductible items that this method may apply to include taxes, insurance, electricity, natural gas, or telephone, interest, and rent.

## **Rental Property Income**

Applicant landlords must provide their most current federal tax return (*Form 1040*), along with *Schedule E*, and/or complete a **Self-employment Income Statement for Landlords** (*Attachment H*). Applicants who apply after February 28 must provide copies of their previous year tax return, document income from January 1 through December 31 or document income back 365 days from the date of application.

The annual income derived from Rental Property income will be pro-rated (divided by 365 days and multiplied by 30 days) to a 30 day period. If an individual has not owned the property for a full year, the total number of days from the start of the ownership will be used to calculate income.

Rental business expenses from occupied rental units are deductible. These expenses may include fuel and electric costs, property taxes, repairs, mortgage interest, advertising, and general maintenance costs. The landlord's personal living space expenses cannot be deducted. In a situation where an applicant owns and resides in one apartment of a two-family house and one half (1/2) of the building is rental producing, one half (1/2) of the expenses may be deducted.

## **Subsidized Housing**

For FAP purposes, subsidized housing is defined as a rental unit with a rental amount that changes or is adjusted according to the tenant's household income.

Tenants residing in subsidized housing will be eligible for benefits if they meet all other FAP requirements for eligibility, they are responsible for paying their own heating bill, and they have annual heating costs of at least \$100.00.

Tenants residing in subsidized housing will not be eligible for benefits if their heat is included in the rent and they are not responsible for paying their own heating bill.

## Shared Housing

Shared housing is a situation where two or more individuals reside in the same residence, but as separate households. These households may include individuals who are boarders, custodial caregivers, owners of group homes, or persons receiving foster care payments for qualified individuals. The following descriptions provide guidance to the CAAs for evaluating the eligibility for an applicant in shared housing. **All applications will first be based on the premise that a household consists of all individuals living within a residential unit. All other living situations will be evaluated on a case-by-case basis.**

## Boarder

A boarder is defined for FAP purposes as an individual who lives in an individual unit within a boarding/rooming house and pays a stipulated amount for lodging, which may include kitchen privileges. The boarder must have at least one room for their own private use. A boarder must live independently without supportive services provided by the landlord or by any other member of the boarding/rooming house. A private home cannot be classified as a boarding/rooming house.

A boarder must have a lease or other written agreement with the owner of the boarding/rooming house and documentation of previously paid rent.

A boarder must pay rent directly to the owner of the boarding/rooming house.

Anyone whose name appears on a household energy account cannot be considered a boarder.

## Custodial Care Provider

A custodial care provider is defined for FAP purposes as a caregiver who lives with an elderly (60 and over) or disabled individual(s) solely for the purpose of providing essential health or supportive services to the elderly or disabled individual(s).

The custodial care provider will not be included as a household member on the application and his/her income will not be included in the total household income if either of the following conditions exists:

- He/she has a primary residence somewhere else.
- He/she gave up a primary residence for the sole purpose of giving care to the elderly or disabled individual(s).

The applicant must have a letter from a physician stating the medical need for an in-home provider.

This procedure should only be utilized in cases when it is readily apparent to the CAA FAP Director that the elderly or disabled head of household's ability to remain in his/her home is dependent upon this relationship with the custodial care provider.



## **Group Homes**

When the owner of a group home applies for fuel assistance, the following criteria will be used for determining eligibility:

- In owner-occupied licensed homes, the owner will be considered self-employed.
- Owner-occupied non-licensed homes will be treated as one household and income from all residents will be submitted and documented.

Note: Residents of institutions or community-based facilities that provide ongoing services, care, or treatment are not eligible to receive FAP benefits under either of the following circumstances: a federal, state or local operating grant or subsidy is received by the institution or facility, or residents do not otherwise personally experience an energy vulnerability which can be reduced by the FAP.

## **Foster Care**

Payments received by a home provider for foster care, made by either a state or tax-exempt placement agency, are reimbursements for the care of the foster individual, and are not counted as income in determining FAP income eligibility.

This regulation (IRS code) is specific to households with up to five individuals over age sixteen (16) or up to ten individuals under age sixteen (16). The foster care individuals must reside in the provider's home.

The foster care individual is not included as a household member for FAP purposes.

For FAP purposes, the rooms used exclusively by the foster care individual(s) will not be included when calculating the number of rooms in a residential unit.

The total number of foster care individuals and the documentation of any foster care payments within the documentation period must be submitted with the FAP application.

A copy of the State foster care certification must be submitted with the FAP application.

## **Roommates**

A roommate is defined for FAP purposes as an individual who shares a residential unit with another individual(s), equally sharing energy expenses.

All roommates within a residential unit will be considered to be household members.

The income for all roommates within a household will be calculated to determine FAP eligibility and the amount of the benefit.

## **Students**

Any college or university student eligible for FAP under the regular program guidelines must meet the following requirements:

- They must meet the definition of a household as defined in the FAP Procedures Manual (page 7) and not be a dependent in any other household.
- Any college or university student may be included as a household member on his/her parent/guardian's FAP application if the student is a dependent.
- A student can only be listed as a household member on one FAP application during any one FAP Program Year.

Documentation of a student's dependent status may be required to complete the FAP application. Acceptable documentation may include a copy of the student or parent's IRS tax or federal financial aid forms.

## **Foreign Students**

Foreign students who are in the United States on a non-immigrant student VISA (Immigration and Naturalization Services, certificate I-20A-Visa Type/Class F1 or J1) and any of their dependents (Class F2 or J2) are not eligible for the FAP.

## **Qualified and Non-qualified Aliens**

An individual with Qualified Alien status can be counted as a household member when determining FAP eligibility. Income from a Non-qualified Alien household member must be documented and included as household income. The Non-qualified Alien is not counted as a household member. All information must be documented in notes.

## ENERGY EMERGENCY GUIDANCE

The New Hampshire Fuel Assistance Program procedures are intended to ensure that low-income households have access to services in a timely manner and access to emergency services on an immediate basis to prevent any household from experiencing a life-threatening hardship due to an energy emergency. The FAP definition of a response to an "energy emergency" is drawn directly from the federal Low Income Home Energy Assistance Act, as amended, 42 U.S.C. 2604.

The program shall be administered by public or nonprofit entities which have experience in administering energy crisis programs under the Low-Income Energy Assistance Act of 1980 or experience in assisting low-income individuals in the area to be served, the capacity to undertake a timely and effective energy crisis intervention program, and the ability to carry out the program in local communities. The program shall:

- Not later than 48 hours after a household applies for energy crisis benefits, provide some form of assistance that will resolve the energy crisis if such household is eligible to receive such benefits.
- Not later than 18 hours after a household applies for energy crisis benefits, provide some form of assistance that will resolve the energy crisis if such household is eligible to receive such benefits and is in a life-threatening situation.
- Require each entity that administers such program
  - a) to accept applications for energy crisis benefits at sites that are geographically accessible to all households in the area to be served by such entity; and
  - b) to provide low-income individuals who are physically infirm with the means to submit applications for energy crisis benefits without leaving their residences or traveling to the sites at which such applications are accepted.

An energy emergency requiring a response within 48 hours after application may include applicants with low-heat, utility shut-off, or rental eviction.

A life-threatening energy emergency requiring a response within 18 hours after application will include applicants with no heat and may include applicants who are homeless.

At no time during the application process should a household go from an energy emergency to a life-threatening situation due to a delay in processing an application.

All emergency applications must be documented with the date and time of initial applicant contact, application, certification, and authorization of emergency assistance.

If an applicant is experiencing an energy emergency, the following procedures will be followed:

1. The applicant in an energy emergency will have the opportunity to apply for fuel assistance within the next business day of the initial contact. The applicant in a life-threatening energy emergency will have the opportunity to apply for fuel assistance on the same business day as the initial contact.
2. The application for an energy emergency will be given certification priority. If eligible, notification will be made to the applicant's vendor to authorize an emergency delivery or to guarantee payment in the case of a utility disconnection notice. Vendor confirmation of the notification must be noted.
3. If ineligible, the applicant will be notified and referred to an appropriate resource.
4. All eligible energy emergencies must be documented by dates and times of initial applicant contact, application, certification, and authorization of emergency assistance.

## **ALTERNATIVE PROGRAMS**

### **Assurance 16**

The Federal Low Income Home Energy Assistance Program (LIHEAP) was reauthorized by Congress in the spring of 1994. In the reauthorization, Congress allowed new uses of "program" money up to 5% of the overall grant. The New Hampshire Fuel Assistance Program uses up to 5% of its available grant for Assurance 16 activities, which are specified by federal law to be:

- Counseling to promote self-sufficiency (case management - both fiscal and energy conservation related).
- Needs assessments.
- Intervention on behalf of qualified households with energy suppliers.

The primary goal of Assurance 16 is to work with a small percentage of FAP-eligible households to reduce or eliminate the need for the FAP or other assistance programs. The secondary goal is to target households with members who are elderly, disabled, or with children under the age of six (6) that do not have sufficient means to provide for a healthy home environment and who may have artificially low home energy bills. The final goal is to help low income people develop positive relationships with energy vendors.

The NH FAP Assurance 16 program provides self-sufficiency counseling to households that have required an expedited FAP application due to a home energy emergency (see emergency procedures). These households are encouraged to apply for the FAP and for other assistance in a timely manner to alleviate both special delivery charges and health and safety issues in the household.

Each CAA is required to submit an Assurance 16 proposal that demonstrates how it plans to execute the provisions of Assurance 16. The proposal should be based on a year-round program, operating beyond the normal FAP year. The authority to use program money for this purpose is contingent upon the receipt of the Assurance 16 Plan proposal.

Each CAA will provide a report on an annual basis, as specified by Federal and State requirements, which shows:

- How funds were spent.
- Number of households achieving self-sufficiency.
- Number of households reducing dependency on the FAP.
- Number of households denied benefits.

## **Senior Energy Assistance Services (SEAS)**

The Senior Energy Assistance Services program provides energy assistance in the form of fuel oil, electricity, gas, or wood in an amount up to \$270.38 for households with members who are age 60 or older but who are not eligible for the NH Fuel Assistance Program.

Applicants for a SEAS benefit must complete a FAP/WAP application and be ineligible for benefits by regular program guidelines and by waiver.

The CAAs should determine eligibility by need or hardship, which should be documented in the comments section of the application.

SEAS recipients are not required to have income under the 60% SMI guideline as required by federal regulations for FAP.

### **Supplemental Benefit Program**

When funds are available, New Hampshire's Fuel Assistance Program may include a Supplemental Benefit Program to provide additional assistance to previously certified eligible households. This benefit would be based upon several factors including but not limited to, the availability of funds, the number of applicant households, the increased cost of home energy, and the development of operating procedures specific to this programmatic component.

### **Firm Price or Pre-buy Program**

When funds are available, New Hampshire's Fuel Assistance Program may include a programmatic component that will enable the State to better leverage federal LIHEAP dollars. This program may either be in the form of a firm price program or a pre-buy program for deliverable fuels. The intent is to maximize LIHEAP dollars to enhance the assistance provided to eligible FAP recipients.

OSI's decision to offer this type of program will be based upon the availability of funding and the development of operating procedures specific to this programmatic component.

## APPLICANT RIGHTS AND RESPONSIBILITIES

### Confidentiality

It is of the utmost importance that applicants are guaranteed complete confidentiality regarding information disclosed to all persons involved in the administration of the FAP.

The applicant agrees to a release of information when completing and signing the FAP/WAP application form. This release is specific to the FAP and includes the following only:

- Information necessary to establish eligibility for the FAP.
- Information necessary to determine the amount and type of assistance.
- The sharing of information with the NH Weatherization Program for purposes of eligibility for that program.

All other sharing of information requires an additional specific release signed by the applicant or other household member, or legal subpoena.

### Waivers

This Fuel Assistance Program Procedures Manual is not intended to cover every possible situation that may arise. Therefore, the CAA FAP Directors are encouraged to use the waiver process when they determine that a program policy or procedure, or lack thereof, causes undue hardship for an applicant.

To request a waiver of a program policy or procedure, the CAA FAP Director (or designated staff person) must send an e-mail with a brief description of the waiver request to the OSI FAP Administrator. Supporting documentation may be requested before a waiver is approved or disapproved.

The OSI FAP Administrator will provide a response to the waiver request by e-mail. The documented waiver decision must be retained as part of the CAA FAP applicant's file.

The FAP Manager should also be contacted by telephone if the requested waiver is for a household experiencing an energy emergency. A waiver request may also be granted at a Fair Administrative Hearing.

**No household, by federal law, may receive this waiver if the total gross household income is greater than 60% of the State Median Income Guidelines.**

## **Unusual Emergencies**

A waiver may also be granted in the case of an unusual emergency such as the result of an "act of nature" such as fire, hurricane, or flood that may force relocation or homelessness, in which no other assistance is available from public or private resources or from the community. This provision allows crisis assistance to be provided in the form of:

- Payment towards a security deposit for an income-eligible household that is homeless in order to secure housing (in which heat is included in the rent), thereby gaining access to ongoing FAP benefits.
- Payment towards a security deposit required by a utility company prior to connection of service towards which additional FAP benefits may be paid.



## **Appeal and Fair Administrative Hearing Procedures**

All FAP applicants/clients who have been denied or who question the Fuel Assistance Program (FAP) benefits provided are entitled to appeal the decision, which may include a Fair Administrative Hearing. All FAP applicants/clients will be provided with information regarding the appeal process and the FAP Fair Administrative Hearing Procedures. The CAA must provide written notification of either the denial of benefits or the benefit determination to all FAP applicants/clients.

The written notification to FAP applicants who are denied benefits must include notification consisting of:

- A brief statement of the reason(s) for denial of benefits.
- A brief explanation of the appeal process.
- Their right to a Fair Administrative Hearing.
- A brief explanation of the FAP Fair Administrative Hearing process.

An applicant/client is entitled to appeal the FAP benefit determination for any of the following reasons:

- Their application has been denied.
- Their application was neither denied nor approved within thirty (30) days of the application completion date.
- Their benefit amount is less than what the applicant/client believes it should be.
- Their benefit amount or the duration of the benefit is less than what the written CAA notification originally identified.

A FAP applicant/client may appeal the determination of benefits by contacting the CAA FAP Director and requesting a review of the application. The CAA FAP Director must meet with the applicant/client either over the phone or in-person within ten (10) days of the applicant/client's request for an appeal.

During the exchange between the applicant/client and the CAA FAP Director, the applicant/client will have an opportunity to express his or her concerns, and the CAA FAP Director will have an opportunity to review and attempt to resolve the dispute. The CAA is responsible for documenting the results of the meeting. The documentation must contain information relative to the eligibility requirements or benefit determination.

If the client/applicant is not satisfied with the results of the meeting with the CAA FAP Director, he/she must be referred to the OSI FAP Administrator for an additional review of the application.

If the applicant/client is not satisfied with the determination of FAP benefits after discussing the issue with the CAA FAP Director and the OSI FAP Administrator, he/she may request a Fair Administrative Hearing.

An applicant/client must request a Fair Administrative Hearing with OSI within thirty (30) working days of the exchange with the OSI FAP Administrator.

The OSI Fair Administrative Hearings will meet the following standards:

- All hearings shall be held in a location reasonably convenient to the client/applicant.
- The hearing officer shall be an OSI employee who was not involved in rendering the challenged action or decision.
- The OSI hearing officer shall review the applicant/client CAA file prior to the hearing.
- The CAA file shall include at least the following:
  - a) client application
  - b) supporting household and income documentation
  - c) copy of written notification to the client/applicant of denial or any other contested decision
  - d) notes and/or documentation containing information relied upon by CAA in making the decision to deny benefits or to take the contested action.
- The hearing will be recorded by OSI and the decision will be based on the record and any evidence and information introduced from the applicant's FAP file.

The applicant/client is entitled to:

- Review his/her CAA documents prior to the hearing. OSI will insure that the client/applicant is provided with this option in a timely manner.
- A copy of the FAP Procedures Manual. OSI will provide the copy of the manual if it is requested by the applicant/client.
- Bring a representative to accompany him/her to the hearing, however OSI is not required to provide or to pay for such a representative.
- Present oral testimony, a written statement, and/or other relevant evidence.
- Present witnesses.
- Cross-examine witnesses.
- Request an interpreter to be provided and funded by OSI.

OSI will adhere to the following parameters:

- The applicant/client has thirty (30) days to request a hearing.
- OSI will conduct a hearing within twenty (20) working days of the request.
- OSI will make a written decision within ten (10) working days of the hearing. The written decision will contain a statement of reasons in support of the decision and will refer to the evidence relied upon regarding the decision..
- Strict rules of evidence will not apply to the conduct of the hearing.
- All written correspondence from OSI to the applicant/client shall be sent certified mail via the U.S. Postal Service.

If the applicant/client has requested a Fair Administrative Hearing, the CAA will hold funds equal to the benefit in question in reserve, pending the outcome of the Fair Administrative Hearing.

### **Fraud or Misinformation**

In signing the FAP application, the applicant agrees to the following statement found under **Release and Conditions** on the application:

I understand that if I knowingly give inaccurate or incomplete information pertaining to my eligibility for the program(s), I am breaking the law and I can be prosecuted; conviction may result in imprisonment and/or fine. Furthermore, I may be subject to administrative penalties which may include denial of eligibility and/or repayment of the assistance I received. The information that I have provided for this application process is true and correct.

Misrepresentation(s) may occur during the application process as a result of misunderstandings or ignorance. Third party information to the CAA may also conflict with what the applicant/client has stated on his/her application.

A CAA employee should immediately inform the CAA FAP Director when information on the applicant/client's FAP application conflicts with:

- Third party information.
- Documentation.
- Verbal information provided by the applicant/client.

Since a discrepancy may be the result of unintentional misinformation or due to misunderstandings, CAAs should utilize the following procedures:

A. During the application process, the CAA shall:

1. Contact the applicant, either in writing or over the telephone, requesting his/her assistance and cooperation in providing supplementary support or clarification of information contained in the application.
2. If additional documentation is required, the CAA will request the information from the applicant. The CAA will notify the applicant if OSI is informed of the situation in question.
3. Place the approval process in a pending status while further review takes place. The CAA review process will not exceed 30 days.
4. Obtain further information and clarification regarding the application.
5. If the CAA determines that no further review is necessary or that the information received has been clarified to the satisfaction of the CAA, then the application approval process shall resume.
6. If the CAA determines, based upon the information received and further review, that the application cannot be approved, the applicant will be denied as set forth in Section "C" below.

The CAA will hold funds in the amount of the benefit in question in reserve, pending the outcome of the review process.

B. If a FAP client has already begun to receive benefits and the CAA receives additional information that could alter the client's eligibility for the program or benefit amount, the CAA should initiate the following procedures:

1. Contact the applicant, either in writing or over the telephone, requesting his/her assistance and cooperation in providing supplementary support or clarification of information contained in the application.
2. Prior to the determination as to whether or not to suspend benefits, the OSI Fuel Assistance Program Administrator must be notified. The OSI Fuel Assistance Program Administrator may participate in the review process.

3. If the information provided by the client is not satisfactory, the CAA will send a letter to the client informing them that their eligibility is in question and that fuel assistance benefits may be suspended pending a review. The letter must clearly identify the reason(s) for a suspension of benefits. A copy of the letter will be sent to OSI.
4. The CAA FAP Director will telephone the client's vendor stating that fuel assistance benefits for the client have been suspended until further notification. The CAA is responsible for confirming that information in writing to the vendor. The client will receive a copy of that letter. Unless the vendor has information pertinent to the review, the reason(s) why the client's benefit is suspended is not to be disclosed.
5. The CAA will hold sufficient funds in reserve, pending the outcome of the review process.
6. The CAA FAP Director will review all information with respect to eligibility and/or possible fraud or willful misrepresentation. The review process may include further clarification from the client.

C. Disqualification:

The client may be subject to denial, disqualification, or termination of FAP benefits when:

1. The client fails to respond or cooperate in the reassessment of the application in question.
2. Evidence resulting from the review process confirms either that the client is ineligible, or the existence of fraud or willful misrepresentation. The OSI FAP Administrator must be involved in the decision-making process prior to the final determination.

D. Written Notification:

1. The client shall be provided with a written notification of the denial of the application, disqualification, rescission of approval, or termination of assistance.
2. CAA FAP Director will notify the vendor that the client's benefits have been terminated.
3. The written notification will include notice of the client's right to request a Fair Administrative Hearing and notice of the Fair Administrative Hearing process.

E. Restitution:

1. The CAA shall make every effort to effect a voluntary restitution of those funds (payments) expended on behalf of an ineligible client.
2. The CAA may choose to initiate court action should a client refuse or fail to comply with a request for voluntary restitution.
3. The CAA will not be held liable for payments made on behalf of the ineligible client, provided that all procedures identified in the Fuel Assistance Program Procedures Manual had been properly followed.

A perceived incidence of fraud by a FAP applicant/client must be confirmed by evidence of deliberate and willful intent to defraud. OSI will refer cases where there is evidence of fraud or willful misrepresentation to the Attorney General's Office.

## PROGRAM MANAGEMENT

### Outreach

Coordination with the CAAs to implement a full statewide outreach plan for reaching vulnerable households is important when delivering comprehensive services to the low income population of New Hampshire. This process may include utilization of various media and social service agencies.

Each CAA shall submit to OSI a detailed plan of all activities to be performed for the purposes of outreach prior to the start of each program year on October 1.

The plan may include but is not limited to:

- Generating a mailing list of the previous year's clients for the purpose of disseminating FAP information.
- Using mass media and related outlets such as television, radio, newspapers, internet, social media and community meetings to publicize the program.
- Mailing the **Vendor Agreement (Attachment J)** and program information to vendors prior to opening the program.
- Distributing program information to appropriate community agencies, vendors, and other CAA programs.
- Opening outreach sites and conducting home visits when necessary.

OSI shall provide the following services:

- Contacting agencies that publish newsletters for the purpose of soliciting their help in disseminating FAP information.
- Developing press releases for distribution to major radio and TV stations and newspapers throughout the state.
- Apprising CAAs of any and all pertinent program information prior to its release to the general public.
- Participating in public speaking engagements as requested.

## **Approval to Obligate**

FAP funds are contracted to the CAAs but are available only as the federal funds are awarded to the State. The State gives authorization to the CAA to obligate and expend funds by the issuance of the **Approval to Obligate** (*Attachment K*).

## **Over-obligation**

In the course of the program year, a CAA may reach the maximum level of the original Approval to Obligate and it may become necessary to make a request to OSI for approval to over-obligate program funds.

The CAA must receive prior authorization to over-obligate funds from the OSI FAP Administrator and must follow the following procedures:

1. The CAA will contact the OSI FAP Administrator and receive verbal authorization to over-obligate funds in a specific dollar amount based upon prior program performance.
2. OSI will provide a written decision on the approval to over-obligate which will be sent to the CAA FAP Director.

A CAA that over-obligates funds without prior written approval may be required to use administrative funds to cover the amount of unapproved funds.

## **Reallocation**

OSI may reallocate unobligated program funds when an imbalance in program obligations occurs between CAAs. An imbalance in program obligations occurs when CAA "A" has unobligated funds above the amount needed to fund its scheduled appointments in advance, while CAA "B" has unobligated funds below the amount needed to fund scheduled appointments in advance. This reallocation will be executed by the Approval to Obligate.



## Line of Credit

The applicant is notified by an **Authorization Letter (Attachment D)** that a line of credit, with the amount included, has been established with his/her energy supplier to pay future energy services. (If a phone or email verification to establish a line of credit is necessary to authorize a delivery for an applicant experiencing an energy emergency, this phone or email verification will be made by the CAA vendor contact(s)). The Authorization Letter also informs clients that lines of credit will terminate, regardless of any balance, as of April 30. At this time, the remaining credit balances are rolled back into the program.

The energy supplier is notified of the credit amount by receiving a **Letter of Credit (Attachment E)** within twenty (20) working days from the certification date or the opening of the program on December 1.

The energy supplier must submit a bill before payment will be made. The CAA will make payments within twenty (20) working days of receipt of the bill.

## PAYMENT PROCEDURES

### Arrearage "Back Bill" Payment

An unpaid bill can be submitted at the time of an application. Payment will be made within twenty (20) working days of certification of the application. Vendors can also submit back bills.

### General Payment

Services rendered prior to October 1 of each year by vendors of deliverable fuels are not an allowable payment except in the case of wood deliveries, which may be authorized for delivery prior to October 1.

Services rendered prior to November 1 by utility vendors are not an allowable payment. However, due to the unique billing cycle of regulated utilities, the CAA may make regular or budget payments for bills that include any part of November energy included in it. For example, an applicant submits a bill from a utility company covering energy usage between October 15 and November 12. Since the bill documents November usage, the entire bill is an allowable payment.

The unpaid bill becomes the first payment deducted when a credit is established with the same energy supplier.

Applicants are notified that the bill has been paid by the **Termination of Benefits Letter (Attachment L)** once the full benefit has been exhausted.

The CAA must check all bills against previous payments to guard against duplicate payments and/or overpayments.

The amount of the bill is subtracted from the FAP credit balance. When the bill is larger than the credit balance, pay only the remainder of the credit balance. If a balance remains after the payment, the vendor must be notified of the remaining balance at the time of each payment.

Transfer of credit amounts will be limited to any of the following situations:

- Applicant moves to a new address.
- Applicant changes fuel type used.
- Vendor refuses service to the applicant.

A **Documentation of Wood Delivery** (*Attachment M*) must be signed by both the vendor and the client. This form will be mailed to the vendor with the **Letter of Credit** (*Attachment E*). No payment is made without documentation of delivery from the vendor to the applicant, unless the bill to be paid is a direct payment.

### **Budget Plan Payments**

If the applicant and vendor have a budget plan in place:

- Divide the level of assistance by the agreed-upon budget payment to determine the number of monthly payments that can be made.
- The applicant is notified by means of the **Authorization Letter** (*Attachment D*) that budget plan payments will be made to his/her energy supplier.
- Payment will commence on the first month, due at the time of application or October 1 and occur monthly thereafter. Budget payments may not be made beyond April 30. The sum of the budget payments shall not exceed the benefit.
- Budgets dated prior to October 1 are not eligible for payments.
- Monthly payment towards a budget plan constitutes the service, therefore copies of delivery slips are not necessary. However, a bill should state that payment is for a budget plan.
- Upon final payment, the CAA will inform the vendor that the assistance is exhausted.
- The applicant may choose to have payments made to the vendor for actual consumption in lieu of the budget payments.

## **Rent Vouchers**

For applicants whose heat is included in the rent, a CAA landlord form must document the amount of the rent per month. Authorization for payment will be in the form of a **Rent Voucher and Tenant/Landlord Agreement** (*Attachment N*).

An **Authorization Letter** (*Attachment D*) will inform the applicant of the number of months which the benefit will cover and will include an explanation of the use of the **Rent Voucher and Tenant/Landlord Agreement** (*Attachment N*).

The amount of the voucher will be equal to the rent for one month. (If the last voucher is equal to \$20 or less, this amount may be added to the preceding month's voucher.)

No vouchers may be issued for the period prior to December 1.

No vouchers may be issued for the period after April 30.

The landlord must submit the appropriate month's voucher to the CAA for payment.

The landlord and the FAP-certified eligible tenant must both sign the voucher.

All vouchers must be submitted to the CAA by the second Tuesday in June to receive payment of the current program year benefits.

## **Direct Cash Payments**

Direct cash payments to the client may be made with written approval from OSI. **EXCEPTION:** No waiver is required if the direct payment is going to a FANF household that has its rent paid directly to the landlord.

## **Other Allowable Payments**

Other allowable payments are those incidental to the start-up of service including reasonable connection or re-connection fees, delivery fees, deposits, and other fees related to the start-up of service. Certified eligible homeowner households can choose to have up to \$150 in furnace repair or cleaning costs deducted from the FAP benefit upon submission of a bill from the original vendor.

### **Unexpended Letter of Credit Report**

An unexpended Letter of Credit report for each applicant with outstanding benefit amounts (credits) must be sent to all vendors by April 10 of each year, to provide vendors an opportunity to submit invoices.

### **Termination of Benefits**

All applicants must be notified of the termination of FAP benefits. The **Termination of Benefits Letter (Attachment L)** must be sent to households within fifteen (15) days of exhaustion of benefits.

### **Availability of Supporting Documentation**

Records of delivery slips, bills, or vouchers from vendors and check stubs for payment of such, must be filed and made easily accessible.

### **Transfer and Sale of Benefits**

The FAP benefit may not be sold, released, or otherwise transferred by the recipient or the energy supplier. Only the CAA may authorize a transfer of the benefit from one vendor to another when the transfer is necessary to allow the applicant to use the benefit and the transfer is consistent with all FAP guidelines.

# PROCUREMENT

## General Procurement Goals and Objectives

The CAA must ensure that all procurement of materials, property, or equipment with FAP funds is conducted in a manner to provide open and free competition and to avoid any appearance of impropriety.

No CAA employee, officer, or agent shall solicit or accept gratuities, favors, or anything of monetary value from a contractor or potential contractor.

Proposed procurement actions shall follow procedures to ensure the avoidance of purchasing unnecessary or duplicative items. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical choice.

Some form of price or cost analysis shall be made in connection with every procurement action.

No CAA may use FAP funds for the purchase of land or the purchase, construction, or permanent improvement of any building or other facility (other than low-cost residential weatherization or other energy-related home repairs).

The CAA shall request and obtain written approval from OSI for any agency procurement contract, agreement, or bid proposal prior to its award when:

- The procurement, at least a portion of which is FAP-funded, is expected to exceed \$10,000.
- The proposed procurement is a sole source procurement including when only one bid or proposal is received, in which the aggregated expenditure is expected to exceed \$5,000, of which at least a portion is FAP-funded.
- The CAA fails to comply with its own procurement procedures and with the OMB Circular A-122.

## **MONITORING**

OSI will conduct program and fiscal monitoring of the CAAs for compliance with Federal and State rules and regulations. OSI is available for technical assistance and if further assistance is needed, OSI will confer with the appropriate HHS officials.

On-site monitoring will occur throughout the program year. Each on-site visit will include an entrance and exit interview between the OSI monitor and the CAA FAP Director, CAA Fiscal Director, or CAA Executive Director. OSI will provide the subgrantee with a written report following each monitoring visit. If follow-up or corrective action is required, a time frame for corrective action will be given in this report.

Monitoring of energy suppliers will be done by an OSI monitor on a random basis for compliance with Federal and State rules and regulations. OSI will issue a written report to the CAAs containing all findings following each monitoring visit of a vendor in their territory.

In the case of failure to adhere to the rules and regulations, the CAA will request technical assistance and/or develop a corrective action plan and act upon said plan within an amount of time agreed upon by OSI. Upon review and consideration of the corrective action to bring about a resolution, OSI will notify the CAA of its acceptance or denial and offer further technical assistance.

Failure to correct any questionable matter will result in the following:

- Non-compliance will be brought to the attention of OSI.
- All grant payments to a subgrantee may be withheld until non-compliance is resolved.
- The OSI Director or his/her designee will bring the non-compliance to the immediate attention of the Executive Director of the CAA.

The CAAs are responsible for submitting all required reports to OSI in a timely manner. In addition, all reports are expected to be complete and accurate. OSI will provide technical assistance to any CAA having difficulty in meeting the reporting requirements.

The CAA will retain FAP program funds in a separate account. Interest earned on this account will be reported to OSI on the monthly administrative funds report. The CAA is to spend earned interest on the Fuel Assistance Program.

## Monitoring Report

All monitoring visits conducted by OSI will be followed by a written monitoring report to the CAA. Each report will consist of an evaluation of the monitoring visit including general comments, recommendations, and corrective actions. The following definitions may assist the CAAs in fully addressing the issues in the monitoring report:

**Recommendation:** A suggestion to improve program performance when the function is in compliance with the program procedure, policy, or regulation and with the CAA policy and/or procedure

**Corrective Action:** Required measures to address and correct non-compliance with a program procedure, policy, or regulation

Monitoring by OSI may include but is not limited to:

### **Outreach Site Evaluation Monitoring (*Attachment O-1*)**

- Adequacy of sites – number of staff and hours covered.
- Accessibility of sites and telephone.
- Privacy and waiting accommodations for applicants.
- Compliance with State procedures.

### **Community Outreach and Public Relations**

- Type of outreach completed.
- Type of outreach now engaged in.
- Type of outreach planned.
- Number of home visits done.
- Examples of advertising and publicity.

### **Intake Interview Monitoring (*Attachment O-2*)**

- Information given to applicants.
- Politeness/sensitivity and referrals to other social services/organizations.
- Privacy.

### **Application and Vendor Payment Monitoring (*Attachment O-3*)**

- Length of time from date of application to certification.
- Length of time needed to handle an emergency.
- Review of denied applications, including over-income applications receiving SEAS benefits.
- Review of client eligibility.
- **Fair Administrative Hearing Notice** mailed out with **Applicant Denial Letter (Attachment F)**.
- Examples of letters sent to applicants/clients.

**Spend Down Monitoring (*Attachment O-3*)**

- Timeliness of payments.
- Credit spend-down.
- Process used by CAA to monitor payments.
- Appropriate correspondence sent to vendors and recipients.

**Vendor and Landlord Relations Monitoring (*Attachment O-3*)**

- Signed vendor and landlord agreements.
- Payment procedures.
- Review letters sent to vendors.

**Emergency Procedures Monitoring (*Attachment O-3*)**

- Length of time from initial contact until crisis was alleviated.
- Types of action (e.g., referral, fast-track FAP, emergency application).

**Coordination**

- Coordination with Weatherization Program.
- Coordination with other social services/organizations.
- Coordination within CAA.

**LIHEAP Fiscal Monitoring (*Attachment O-4*)****Fiscal Policies and Procedures**

- Date of most recent fiscal manual.
- Frequency of review and/or updates.
- Allocation of administrative and/or indirect costs.
- Annual financial audit.
- Advance payments.
- Budget.
- Administrative process for paying invoices.
- Reimbursement request.
- Staff time.



## Reporting Requirements

### 1. Financial Reports

FINANCIAL REPORT	DUE DATE
Proposed budget, budget support sheets, salaries, and wages	Prior to Governor and Council approval of original contract
<b>Monthly Expenditure Report/Reimbursement Request (Attachment P).</b> Process payments for Admin and SEAS	The 15 <sup>th</sup> of the following month
<b>Schedule of equipment acquired with Federal funds</b>	Due with final Monthly Expenditure Report/Reimbursement Request
<b>Assurance 16: Expenditure Report/Reimbursement Request (Attachment Q)</b>	The 15 <sup>th</sup> of the following month
<b>Weekly Expenditure Report/Reimbursement Request (Attachment R)</b>	Monday at 10:00AM of the following week

### 2. Statistical Reports

STATISTICAL REPORT	DUE DATE
<b>Energy Expenditure Report (Attachment S)</b>	Computer generated by OSI
<b>CAA Statistical Report (Attachment T)</b>	Computer generated by OSI
<b>FAP Municipal Report</b>	Computer generated by OSI
<b>Assurance 16 Report (Attachment U)</b>	November 1, March 1 and July 1(final).
<b>Senior Energy Assistance Program (SEAS) (Attachment V)</b>	The 15 <sup>th</sup> of the following month, with Administrative Reimbursement Request, as funds are expended. Final Reports due May 15 <sup>th</sup> , reporting through June 30 <sup>th</sup> . Note: Contracts for SEAS may be for multiple fiscal years. When this happens, there may be additional reporting dates TBD.
<b>HHS Required Data Report (Attachment W)</b>	Computer generated by OSI

All payments to subgrantees may be withheld for the following reasons:

- The subgrantee has failed to comply with reporting requirements.
- Discrepancies or inconsistencies in reporting have been revealed through the monitoring of subgrantee records.
- Program operations or expenditures are in non-compliance with provisions of the contract.
- Late and/or inaccurate data in weekly or monthly reporting.