

**LIHEAP Policies and Procedures for Asset and Information Preservation**  
**Ute Indian Tribe, LIHEAP**  
**August 2013**

**Program Integrity Assessment and Plan**

Recent Audit Findings

The most recent audit report of the Ute Indian Tribe's grants that include the Low Income Home Energy Assistance Program (LIHEAP) was performed for the fiscal year 2011. Since the tribe spends less than \$300,000 directly toward the program, the tribe's LIHEAP is not considered a major fund as defined by federal law. The A-133 single audit report does not state any findings nor has any miss-appropriations of funds brought to our attention directly related to LIHEAP for fiscal year 2011.

For 2013, the maintenance of files and the establishment of a clear audit trail are maintained in accordance with LIHEAP regulations (45 CFR 96.30) which clearly states that fiscal control and funding accounting procedures must be sufficient to "permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the statute authorizing the block grant". The tribe ensures that the funds are appropriately used by imposing the necessary controls. Before awarding LIHEAP funds, a search of duplicate applicants occurs in the tribe's database. After awarding funds, the tribe only issues a check directly to a vendor who provides the energy resources crediting the applicant's account. For example, a check is cut to Moon Lake Electric Association on behalf of the awarded applicant thereby crediting his/her account directly for the total amount paid. Therefore, each disbursement of LIHEAP funds comply with the tribe's current procurement policy and budget, and the risk of an applicant misusing funds are avoided because the applicant never receives the funds directly. Each transaction can be traced from the customer's vendor account back to the amount awarded to the applicant. The tribe's monitoring system has been sufficient to the audits and findings that fall under the OMB A-133 Single Audit Act for the last completed audit year and the controls will continue into fiscal 2014.

Compliance Monitoring

The LIHEAP statute and regulations require tribes to have systems in place to monitor the use of program funds and detect and correct problems. Section 2605(b)(10)(assurance 10) of the LIHEAP statute requires that grantees monitor programmatic and financial operations. Section 96.87 of the regulations requires grantees to establish appropriate systems and procedures to prevent, detect and correct waste, fraud and abuse in LIHEAP. The systems and procedures should address possible waste, fraud and abuse by clients, vendors and administering agencies. Additionally tribes must have an audit that includes LIHEAP.

The law requires HHS to conduct reviews of the use of funds to evaluate compliance with the assurances described in the law. In the past, the emphasis of these reviews has been on the tribe's system for monitoring its own program. The federal government may also conduct other investigations and reviews as outlined on page C-16 under assurance 11.

It is currently the Ute Indian Tribe's policy to assign a Grants Monitor to adhere to LIHEAP Compliance Monitoring. The Grants Monitor works in assisting the LIHEAP Coordinator to administer LIHEAP funds under any/all state and federal policies and procedures provided in conjunction with the state and local administering agencies.

For the fiscal year 2014, we will be utilizing the updated qualifying matrix which is being supported by the 2013 Utah State Median Income (SMI) to award qualified applicants the highest level of assistance with the lowest incomes and highest energy costs, taking into account family size.

#### Fraud Reporting Mechanisms

The tribe has an anonymous manner to report fraudulent use of funds. There is both a fraud hotline (1-888-289-8442) and e-mail address posted at the LIHEAP and Tribal Administration offices. Applicants/participants are verbally notified and there are flyers circulated in the tribal communities. Both are also advertised over the tribe's weekly radio broadcast every Tuesday morning. If people have concerns they can call or go to the LIHEAP Office and speak with the program director. Notification is also provided in the application process so that every participant is provided with the information.

#### Verification-Applicant Identification, Social Security Number Requests and Income

Social Security card(s) for all household members, birth certificate(s) for children 17 yrs and under and a state or tribal identification card(s) or both must be presented and copies attached to the application. If there is any question about an applicant the Ute Tribe Vital Statistics office is available for additional verification. For individuals that claim they lost their Social Security card, forms are available in the LIHEAP office and Social Security representatives visit the area monthly. The LIHEAP Coordinator can also call the Social Security office for confirmation while the applicants are in the office.

If anyone in the applicant's household is/are employed, copies of their check stubs or bank statements are attached to the application. If more information is required, the Ute Tribe Personnel Department or the Ute Tribe Payroll Clerk is contacted for additional verification. If their employment is off the Uintah and Ouray Reservation, contact is made for confirmation of employment status and income. Contact is documented and what information was verified and by whom. Applications are not processed until all documentation is attached and a thorough verification is completed before eligibility is determined.

#### Cross Checking Social Security Numbers against Government Systems/Databases

The tribe does not have access to federal systems and databases to verify social security information to ensure proper identity and existence of information required. However, the tribe does verify social security information with the tribe's Vital Statistics Department by comparing FB numbers with social security information in their files. Applicants are required to provide both social security as well as tribal FB identification information. This information is then captured in a database prior to the completion of the application and any LIHEAP funds are disbursed.

### Applicant Privacy/Protection and Confidentiality

Each applicant's file is gathered and stored in a locked filing cabinet in the LIHEAP office. It is strictly the tribe's policy to maintain social security numbers, FB numbers, dates of birth and other personal information confidential to prevent distribution of this information to outside individuals in order to minimize liability to the tribe. Application for LIHEAP funds is required to be completed electronically. Access to the database is password protected and only qualified program directors and employees have access to an applicant's personal information in both paper and electronic formats.

### LIHEAP Benefits Policy

Eligibility is determined by the applicant's household gross income. The net earned income is finalized after the subtraction of 20% from all of the household's earned income. The Tribal LIHEAP utilizes an updated matrix determined by the 2013 State of Utah Median Income (SMI) Guidelines to determine eligibility benefits. The Matrix shows:

1. Applicant's Gross Earned Income (listing all names in the household), before taxes or deductions.
2. Subtracts the Federal Earned Income Credit-20% of Income
3. Net Earned Income
4. Award Amount, showing which Poverty Level Guidelines Applicant is eligible under, and what amount is paid directly to the Vendor (under Gas, Electric or Propane)
5. Target Groups (that may be eligible for further assistance according to the contract agreement)

LIHEAP benefits are disbursed directly to the vendors providing energy products. The tribe's grant monitors specifically review payments to prevent duplication or fraudulent payments. Each month before a payment is processed, the vendor cross references account numbers to verify that the recipient's account is correct and valid. Only after confirmation is received is the check approved for processing.

### Procedures for Verifying Authenticity of and Payments to Unregulated Energy Vendors

The tribe uses only a few different vendors to provide energy assistance. Moon Lake Electric, Questar Gas and Western Petroleum as a provider of LP gas. The program director reviews the latest invoice paid to check for accuracy and to ensure the credits are applied to the appropriate applicant accounts.

### Training and Technical Assistance

LIHEAP has a coordinator who receives the applications, verifies the applicant's data, approves the awards based on the poverty level criteria and submits approval for payments. The coordinator receives continual training throughout her employment. The eligibility and denial process is demonstrated and the matrix is utilized. The coordinator's work is reviewed by the

grant monitor and/or the Assistant Controller to ensure LIHEAP documentation and awards are properly administered.

Audits of Local Administering Agencies

N/A