



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

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## 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.

### 1.2 Definitions

As used in this plan:

**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.

**Child** – Any person under the age of 18.

**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 usage costs.

**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.

**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.

**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.

**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.

**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**

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.

**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.

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 include a copy of the applicant's government issued identification and the envelope should be attached to the application to show the date the application was mailed to the subgrantee agency.

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.

If the subgrantee will not be using the state issued LIHEAP application, a copy of the application must be sent to THDA for approval.

Applications for regular assistance may be processed by the subgrantee on a year round or quarterly basis. Subgrantees must designate which process they will use in the Operational Plan – Agency Specific Questions provided to THDA.

**2.2 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 processed and customers notified of the status 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 clients and applicants with incomplete application 10 business days to provide the missing information. System forms should be utilized in order to track timeframes and consistency.

Applications for Crisis Assistance must be processed year round. Crisis Assistance must be provided 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 no later than eighteen (18) hours after the household applies and is found eligible.

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.

### **2.3 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, Thomas H. O'Neal Software Solution (THO). In addition, the local agency may elect to record the reviewer's signature and date of the review on the client application.

### **2.4 Client Eligibility**

Households that are within the 150% poverty income guidelines can receive assistance.

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**PY 2017 Federal Poverty Guidelines**

*For All States Except Alaska and Hawaii, and for the District of Columbia*

<b>Size of household</b>	<b>100 Percent of HHS Poverty Guidelines</b>	<b>110 Percent of HHS Poverty Guidelines</b>	<b>150 Percent of HHS Poverty Guidelines</b>
<b>1</b>	\$12,060	\$13,266	\$18,090
<b>2</b>	16,240	17,864	24,360
<b>3</b>	20,420	22,462	30,630
<b>4</b>	24,600	27,060	36,900
<b>5</b>	28,780	31,658	43,170
<b>6</b>	32,960	36,256	49,440
<b>7</b>	37,140	40,854	55,710
<b>8</b>	41,320	45,452	61,980

*\* For families/households with more than 8 persons, 100% of poverty increases \$4,180 for each additional person. For LIHEAP households at 150% of HHS poverty guidelines with more than 8 members add \$6,270 for each additional member.*

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.

#### **2.4.1 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.

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, and other documentation directly from the social security administration. Secondary documentation that has a SSN listed is not allowed.

The fact that an applicant 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.

The state Act specifically requires that except when prohibited by federal law, every state government entity and local health department must verify that each applicant eighteen (18) years

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of age or older who applies for a federal, state, or local public benefit from the entity or local health department is a United States citizen or lawfully present in the United States.

**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:

The Applicant 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);

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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 applicants identifying themselves for **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

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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.**

Please route any questions to the Community Service Office at 615-313-5451.

## 2.5 Income

Definition of Income - Income is cash receipts earned and/or received by the applicant household before taxes. Information regarding allowable exclusions can be found in the next section.

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 for SSA are not excluded. The **gross** 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;

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- 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
- 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

\* **Note:** Income Inclusions and Exclusions Chart is provided in Chapter 8<sup>[SW1]</sup>.

### **2.5.1 Calculation of Income**

Current income is defined as income received within the past eight (8) week period of the LIHEAP application date. 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.

### **2.5.2 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.

### **2.5.3 Acceptable Forms of Verification**

Income verification must show proof of current and representative income. Current income is defined as income received within the past eight (8) week 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 eight (8) weeks' 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 eight (8) weeks' worth of consecutive paycheck stubs from the period beyond eight (8) weeks, as long as the reason is documented, and the period used is reasonably determined to be the most representative of annual income.
- 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.
- 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.
- 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.
- Zero Income self-declaration – If the household claims zero-income, the Head of Household must sign the Self- Declaration of Income Statement. All subgrantees will use the THDA's self-declaration statement. A current separation letter is acceptable when verifying zero income (within 60 days).

After all avenues of documenting zero income are exhausted, a written self-declaration is permissible.

### **2.6 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 energy usage amount. Past due amounts will be **excluded**. Only the costs for **actual usage** for the past 12 months will be taken into consideration.

Cost that are directly related to the client's energy usage must be included in the household's energy burden. See section "Charges and Fees."

**If an applicant's energy cost is included in rent to their landlord, the applicant is still able to receive assistance. Applicants receiving a utility allowance 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 monthly utility allowance must be entered in THO in the box labeled, "Monthly Allowance". Then the client's **total** energy burden should be keyed in THO's Energy Burden Detail. This is the total monthly usage amount for the client's utilities. The LIHEAP landlord/tenant energy assistance agreement must be completed by the landlord and customer. The form is found in Appendix A, which explains the stipulations.

**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 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.

**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. The documentation must reflect current usage of their home energy costs. The data will be used to calculate each applicant's energy burden.**

### **Charges and Fees**

The charges included in a client's monthly energy cost are only those charges that are directly related to the client's energy usage. Many 12 month energy usage print outs includes a Tennessee Valley Authority (TVA) fuel charge. This charge is based on the client's monthly usage and is not considered a flat fee. TVA states, "This [TVA fuel charge] is a direct cost to produce the energy and should be considered part of the energy cost, not a fee."

The TVA fuel charge, called a "service charge" by some vendors, is to be included in the client's monthly energy cost when calculating the energy burden. There are multiple versions of 12 month printouts that show the charge in different ways. Some printouts already have the charge included in the energy consumption total and some break out the charge in a separate column. If the charge is listed separately on the printout it should be added to the energy usage cost when calculating the energy burden.

All other fees or charges that are not directly related to a client's energy usage are not allowed to be included when calculating a client'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.**

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**2.7 Priority Points and Benefit Levels Matrices**

**Income Based on Family Size (35 Point Maximum)**

<b>% of Federal Poverty Guidelines</b>	<b>Points</b>
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)**

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

**Vulnerable Household Members (55 point maximum)**

<b>Household with:</b>	<b>Points</b>
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

**Benefit Levels**

<b>Total Points</b>	<b>Benefit Amount</b>
<b>0-50 points</b>	<b>\$300.00</b> <b>\$150.00</b> if client lives in Public Housing and only pays utility "overage"
<b>55-75 points</b>	<b>\$450.00</b> <b>\$225.00</b> if client lives in Public Housing and only pays utility "overage"
<b>80-110 points</b>	<b>\$600.00</b> <b>\$300.00</b> if client lives in Public Housing and only pays utility "overage"

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.

### **Acceptable forms of verification for Veteran or Active Military**

For Veterans: the Defense Department issues to each veteran a DD-214, 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.

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.

## **2.8 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 15<sup>th</sup> of each program year.**

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 the extent possible.

## **2.9 Depletion of Funding**

When funding is depleted, it is appropriate to deny clients based on lack of funds. The agency will inform the client when the next open application period begins, so the client can check to see if additional funding is available. An applicant served under another program such as CSBG or CSAP within the same program year does not make them ineligible for LIHEAP.

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.

## **2.10 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. 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.

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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. 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:

Blake Worthington  
Housing Program Manager - Energy  
Tennessee Housing and Development Agency  
502 Deaderick Street, 2ndFloor  
Nashville, TN 37243-0900

[BWorthington@thda.org](mailto:BWorthington@thda.org)

**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 FY 2016 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.

**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 copy of the subgrantee's Conflict of Interest Policy/statement, as signed by each employee, 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.

**3.5 Assurance 16 Activities**

Subgrantees must participate in Assurance 16 activities to encourage and enable households to reduce their home energy needs. These activities can attribute to up to 2% of the agency's LIHEAP budget.

Subgrantees must provide with their Operational Plan – Agency Specific Questions a detailed

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description of Assurance 16 Energy Conservation Activities and how these activities are being tracked in their service delivery area. Up to 2% of an agency's allocation can be used for activities to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to THDA concerning 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. Funds should be budgeted on the LIHEAP budget, and recorded on applicable invoices.

**Chapter 4 – Utility Vendors and Vendor Agreement Requirements**

**4.1 Suspension and Debarment**

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 controls to ensure energy providers have not been suspended or debarred in accordance federal regulations.

**4.2 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 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.

**4.3 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.

#### 4.4 Vendor Refunds

Subgrantees are required to enter all refunds from Utility Vendors for the beneficiary into the THO software system.

### Chapter 5 – Fiscal Accountability

#### 5.1 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 total actual expenditures 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.

#### 5.2 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.

#### 5.3 Budget and Budget Amendments

All LIHEAP budgets and budget amendments must be sent to Valeri Allen, [vallen@thda.org](mailto:vallen@thda.org) and Stella Williams, [swilliams@thda.org](mailto:swilliams@thda.org), for review and approval. When submitting a budget amendment, include a written narrative. The first initial budget for a new allocation must accompany the contract and Authorization Signature Form.

##### 5.3.1 Expenditure Caps and Minimums

Administrative Costs:	8% maximum
Program Support:	10% maximum
Crisis to Individuals:	10% minimum
Assurance 16/Energy Conservation:	2% maximum

Administrative Costs are limited to 8% of the subgrantee's allocation. Direct Program Support costs are limited to 10% of the subgrantee's allocation. Administrative and Direct Program

Support costs **cannot** be combined for a total of 18%.

Up to 10% of administrative funds may be requested to cover start-up costs, then 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.

### **5.3.2 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 subgrantee's allocation. 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

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- 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.

### **5.3.3 Allowable Direct Program Support Expenditures**

Direct Program Support costs are capped at 10% of the subgrantee's 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. \*Outreach is defined as those efforts to inform potentially eligible households about the LIHEAP program.

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- 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.

#### **5.3.4 Budget and Revisions**

Budgets must be received and approved prior to any expenditure of funds. Submit budgets and revisions to THDA Community Programs staff. Revisions must be also be submitted and approved by THDA staff. Budget revisions must be accompanied by an explanation for the revision.

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.

#### **5.4 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.

#### **5.5 Equipment Purchases**

Equipment can be charged to LIHEAP in accordance with the LIHEAP Grant Contract. Computer equipment can be charged to LIHEAP if justified. A request to purchase computer equipment, printers and furniture over \$1,000.00, must be submitted prior to purchase and must be reasonable and within budget constraints. 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 Valeri Allen [vallen@thda.org](mailto:vallen@thda.org) and Stella Williams [swilliams@thda.org](mailto:swilliams@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.

## **5.6 Submission of Invoices**

### **5.6.1 Frequency**

All invoices must be submitted using THDA's Electronic File Transfer (EFT) Server. Direct Assistance Invoices can be submitted weekly. Administrative and Direct Program Support Invoice can be submitted no more than monthly.

- 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 by 6 days after submission, please contact THDA staff.**
- e. Name the files according to the following example: AgencyMonthYear.

### **5.6.2 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. 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%

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- 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/or 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/or 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. Direct Assistance to Individuals

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- 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. Refunds

i. Vendor Refunds

When a local agency receives a refund from a vendor, the refund must be returned to the state if it is for a prior year. Refunds received in the program year are tracked during the invoice process and accounted for by the agency. If the refunds are for the current year, they continue to be used in that program year. Any funds received for a prior year will be returned to the state. Refunds will be tracked and accounted on the state annual LIHEAP Carryover and Re-allotment Report.

Agency refunds must be reported to THDA in the form of a refund report produced in the THO system. We will no longer accept a copy of the check from the vendor or a THO listing of client(s)

NOTE: Backup documentation required for Direct Assistance payments are one of the following: THO Payment listing with a copy of the check to the vendor, or the THO Payment Listing with the vendor signature and paid stamp with check number.

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.

## **Chapter 6 – Training and Technical Assistance**

### **6.1 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.

### **6.2 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.

### **6.3 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 to schedule the visit and provide information regarding the monitoring, including expectations, items to be covered, and a sample checklist. Program Monitor will inform LIHEAP staff of any issues, deficiencies, and/or findings.

**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

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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 7 – THO System Requirements and Reporting**

Subgrantees are required to use THO Software to enter all applicant data to process applications. Reporting at the state level will be coordinated with THO directly. THO training will be provided as needed. A copy of the current THO Manual can be found in Chapter 8.

**Chapter 8 – Exhibits**

LIHEAP Application – updated annually

THO Manual

Vendor Agreement

Poverty Guidelines – updated annually

Landlord agreement

Self-declaration