MINNESOTA DEPARTMENT OF COMMERCE

Minnesota EAP

Policy Manual

FFY2016

PROGRAM YEAR 2016

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EAP Policy Manual FFY2016

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State & Local Website Links

Office of the Minnesota Attorney General: http://www.ag.state.mn.us/
Minnesota Community Action Partnership: http://www.minncap.org/
Minnesota Department of Administration: http://www.admin.state.mn.us/
Minnesota Department of Commerce, Division of Energy Resources: http://www.energy.mn.gov
Minnesota Department of Human Services: http://www.dhs.state.mn.us/
Minnesota Management & Budget: http://mn.gov/mmb/
Minnesota Office of the Legislative Auditor: http://www.auditor.leg.state.mn.us/
Minnesota Public Utilities Commission: http://mn.gov/puc/
Minnesota Unemployment Insurance Program: http://www.uimn.org/
MN.IT Services: http://mn.gov/oet/
Salvation Army's HeatShare: http://www.thesalarmy.org/serv/heatshare.htm
Stay Warm Minnesota: http://mn.gov/commerce/energy/consumers/resources/Stay-Warm-Minnesota/

Federal Website Links

LIHEAP Clearinghouse: http://liheap.ncat.org/
U.S. Department of Energy: http://www.energy.gov/
U.S. Department of Health & Human Services: http://www.hhs.gov/

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FFY2016 Policy Manual Changes

	Chapter or Appendix	Page	Change
Chapter 2	Overview of Service Provider Responsibilities		
Appendix 2A	*Language Line*		
Appendix 2B	*Statewide Info & Referral Service*		
Chapter 3	Energy Vendors	3	New section **Entering Household Consumption During the Program Year**: this section states that energy vendors must supply consumption throughout the program year and shows how this is done in eHEAT.
		5	**Name on Energy Accounts** is a new section added to the **Assignment of Payments** section. This section describes a process that EAP Service Providers must follow when the name on the household energy vendor account does not match the name of a household member listed on the EAP application. Energy vendors are expected to assist the Service Provider as needed in these cases
		5	There are changes to the policies in the **Refund** section, including the **Ownership of Assistance** section. Also, two new sections were added, **Refunding Current Program Year Benefits** and **Entering Refunds in eHEAT**.

	Chapter or Appendix	Page	Change
		10	Additions to the **Vendor Crisis Post-Delivery Information** screen in eHEAT include: ▪ 'Gauge not accessible' check box. ▪ 'Total' field that is calculated by eHEAT. ▪ 'Notes' field for Service Providers and energy vendors to make notes.
		13	New sections added to **Implement and Maintain eHEAT Security Policies** section: ▪ Off-Boarding Process ▪ eHEAT Access Check
		15	Addition to **Access to Records** section: When selected by the Service Provider for compliance monitoring, the energy vendor will receive a *Monitoring Report Cover Letter* (Appendix 3B) explaining the process. The energy vendor must complete the *Energy Vendor Monitoring Report* (Appendix 3C) and supply requested records. The Service Provider utilizes the Appendix 3D - *Energy Vendor Monitoring Report SP Review Tool* (Appendix 3D) to assess compliance and analyze records.
Appendix 3A	*Agreement Between Energy Vendor and Service Provider*		
Appendix 3B	*Energy Vendor Monitoring Report Cover Letter*		
Appendix 3C	*Energy Vendor Monitoring Report*		
Appendix 3D	*Energy Vendor Monitoring SP Review Tool*		This new appendix is used by Service Providers to assess compliance and analyze records during energy vendor monitoring.
Appendix 3E	*Crisis Fuel Post Delivery Verification*		
Appendix 3F	*Energy Vendor Price List*		
Appendix 3G	*Energy Vendor Registration for EAP Payments*		This form as been added to the list of appendices for Chapter 3.

	Chapter or Appendix	Page	Change
Chapter 4	Applications and Application Processing	8	New section: **Application Processing Timelines**
		10	Addition to **Signature Requirements** section: ▪ The signer must be an adult (18 years of age or older) or an emancipated minor (a person under the age of 18 who is or was married, is on active duty in the uniformed services, or has been declared emancipated by a court). ▪ An applicant's signature on a faxed or scanned application is acceptable. ▪ A signature made with the signer's finger or a stylus on an electronic device, such as an electronic tablet, is also acceptable.
		10	Addition to **Household Energy Vendor Accounts** section: Service Providers must follow a procedure when the name on a household energy vendor account does not match the name of a household member.
Appendix 4A	*Instructions for SAH Participants Completing EAP Application*		
Appendix 4B	*Address Standards*		
Chapter 5	Program Eligibility Requirements	6	There are extensive changes to the **Household Definition** section. The definition of a household has changed. Definitions for economic unit, subdivided residence and institution have been added.
		8	Addition to **Foster Care** section: Adult Foster Care members should be treated in the same manner as foster care family members age 21 and younger.
		8	**Ineligible Non-Citizens** is a new section specifying how to handle applications from housholds that include ineligible non-

	Chapter or Appendix	Page	Change
			citizens.
		10	Changes to the **Income Inclusions and Exclusions** section: ▪ Income from ineligible non-citizen household members is counted. ▪ MFIP housing assistance grants are counted as income and were added to the list of Assistance Payments. ▪ Trade Adjustment Assistance (TAA) Program payments are counted as income.
		14	Addition to the **List of Excluded Income:** Agent Orange Settlement Payments.
		20	Addition to the **Rental Income** section: ▪ Rental receipts, cancelled checks, or rental agreements showing the monthly rental amount can be used to document rental income. ▪ Service Providers should inform the household that by using Appendix 5C - *Self-Employment Income Cash Accounting Method* they can deduct their expenses, which may positively affect their eligibility and benefit amount.
		23	Addition to **Households Reporting Inadequate or No Income** section: Service Providers may obtain verification of non-countable income amounts by phone or in writing.
Appendix 5A	*Income Inclusions and Exclusions*		
Appendix 5B	*Self-Employment Income Worksheet*		
Appendix 5C	*Self-Employment Income Cash Accounting Method*		
Appendix 5D	*Self-Employment Income Farm Cash Accounting Method*		
Appendix 5E	*Verification of Income and Expenses Form*		Slight changes were made to the "Gift/Loan" section of this form.

	Chapter or Appendix	Page	Change
	Forma de Ingresos y Gastos		
Appendix 5F	*Social Security Calculation Worksheet*		
Appendix 5G	*Authorized Alternatives to SSN*		
Appendix 5H	*Online Income Verification*		
Chapter 6	**Primary Heat**	8	Changes to the **Subsidized Housing** section: For EAP purposes subsidized housing is housing for which a household receives one of the governmental subsidies listed below and the amount of rent paid is based on a percent of the household's income, not on the market rate: ▪ Section 8 voucher. ▪ Project-based Section 8. ▪ Public housing. ▪ Tribal subsidized housing.
Appendix 6A	*Cost-Based Matrix*		
Appendix 6B	*Back-Up Matrix*		
Appendix 6C	*Biofuel Worksheet*		
Chapter 7	**Crisis**	3	Addition to **Allowable Expenditures for Crisis** section: To determine allowable expenditures for arrearage and/or current bill for delivered fuels (propane, oil and biofuel), see the **Arrearage Guidelines** section of the **Less than 20%** Crisis Reason and **Less than One Week Biofuel** Crisis Reason sections.
		4	New sections added to the **Amount of Crisis Benefit** section: ▪ Household Requests less than the Standard Delivery Amount ▪ Energy Vendor's Minimum delivery is greater than $500
		5	Addition to the **Distributing Crisis Benefits** section: Crisis payments must be made 'Payable' in eHEAT within 7 calendar days. This includes Primary Heat payments that are made to address emergencies.
		13	Addition to **Post-Delivery Verification Requirements:** All Crisis payments should be made 'Payable' within 7 calendar days

	Chapter or Appendix	Page	Change
			from the date of accepted post-delivery confirmation information in eHEAT or receipt of post-delivery information in other formats.
Appendix 7A	*Crisis Eligibility Decision Chart*		
Chapter 8	**Energy Related Repair**	4	Changes in the **Proof of Ownership** section: ▪ Contracts for Deed and mobile/ manufactured home ownership documentation requirements have changed. ▪ The home ownership documentation list was modified. Most notably, County recorder or assessor confirmation via phone is allowed but written information from the county recorder or assessor must be received prior to ERR payment.
		8	The **ERR Procurement** section was re-written and the following sections were added: ▪ General Procurement Standards ▪ Methods of ERR Procurement ▪ ERR Procurement eHEAT Documentation ▪ Documentation of Service Provider ERR Procurement Policies and Procedures
		10	Addition to **Mechanical Equipment and Work Standards** section: EAP recommends installing the highest efficiency parts and furnaces possible. Electronically Commutated (EC) motors are recommended for motor (e.g., blower motor) repairs and replacement furnaces, when possible.
		12	Addition to **ERR Completion Certificates** section: The household also agrees to allow work to be inspected and may be required to pay for work completed if inspection is not permitted.
		14	Addition to the **ERR File Documentation** section:

	Chapter or Appendix	Page	Change
			The invoice must be itemized if an itemized proposal or bid from the heating contractor is not in the household file. An itemized invoice must include details of costs for labor, parts and new equipment to reflect the work done and ensure program accountability. ▪ **For repairs**: labor (rate x hours) and major parts with quantity and price (e.g. ductwork, thermostat, abatement). ▪ **For replacements**: furnace or boiler make, model and price; labor (rate x hours); and major parts with quantity and price (e.g. ductwork, thermostat, abatement).
Appendix 8A	*ERR Forms: Troubleshooting, Completion Certificate, Furnace Replacement Inspection, Download Template*		The following was added to the **ERR Completion Certificate** in the Homeowner section: I agree to allow work to be inspected. If inspection is not permitted, I may be required to pay for work completed.
Chapter 9	**Assurance 16**	10	Clarified that Proactive ESS Plans may be submitted at any time from the date the plan form is released via *The Energizer* until February 1, 2016.
		14	A new section titled **For Proactive ESS only** was added to the **Activities Chargeable to A16** section. This new section defines allowable costs that contribute to or enable household participation in a Proactive ESS activity.
		15	Clarified Proactive Energy Self-Sufficiency criteria for classes.
		15	New sections added: **Costs for Planning and Preparation** and **Energy Kits.**
Appendix 9A	*Proactive Energy Self-Sufficiency Plan (A16)*		Revisions to terms and report order for clarity. Added sections on the qualifications of program staff and costs covered by non-EAP funds. Clarified that agency Executive Director signature is required for the final submittal only.

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Appendix 9B	Appendix 9B – *Proactive Energy Self-Sufficiency Report (A16)*		
Appendix 9C	*Responsive Energy Self-Sufficiency and Outreach Report (A16)*		
Chapter 10	**Benefit Payments and Refunds**	1 3	Addition to the **Payments to Energy Vendors** section: Crisis payments should be made 'Payable' within 7 calendar days as indicated in the **Distributing Crisis Benefits** section of Chapter 7 – *Crisis.* Addition to the **Crisis Payments to Energy Vendors** section: The Crisis benefit is distributed in one payment within 7 calendar days as indicated in the **Distributing Crisis Benefits** section of Chapter 7 – *Crisis.*
Appendix 10A	*Mail Return Service Requested*		
Appendix 10B	*Letter for Information About Household Move*		
Appendix 10C	*Affidavit of Failure to Receive Minnesota Management & Budget Warrant*		
Appendix 10D	*Energy Vendor Refunds in eHEAT*		
Appendix 10E	*Handling Payments and Refunds in eHEAT When a Household Moves*		
Chapter 11	**Client and Energy Vendor Notification**		
Appendix 11A	*eHEAT Letters Examples*		
Chapter 12	**Incidents and Appeals**		
Appendix 12A	*Incident Report Form*		
Appendix 12B	*Local Level Formal Appeals –Required Tracking Sheet*		
Chapter 13	**Data Practices and Records**	8	New sections added to **Roles and Responsibilities** section: ▪ Managing eHEAT Access ▪ Off-Boarding Process

	Chapter or Appendix	Page	Change
			▪ eHEAT Access Check
Appendix 13A	*Informed Consent for Release of Data Form*		
Appendix 13B	*Debtor's Exemption Claim Notice Example*		
Appendix 13C	*Energy Programs Service Provider eHEAT Administrator Security Agreement*		
Appendix 13D	*Energy Programs Service Provider eHEAT User Security Agreement*		
Appendix 13E	*Template for Garnishment Response Letter*		
Chapter 14	**Communication, Information and Reports**		
Appendix 14A	*EAP Financial Status Report*		This form is found in eHEAT.
Appendix 14B	*Expenditure Detail Report*		
Appendix 14C	*Leveraging Tracking Form*		
Appendix 14D	*SP & Community Partner Leveraging Survey Form*		
Appendix 14E	*Delivered Fuel Vendor Leveraging Survey Form*		
Appendix 14F	*Connected Utility Leveraging Survey Form*		
Chapter 15	**Grant Contracts**		
Appendix 15A	*EAP Contract FFY2016*		
Appendix 15B	*Certifications regarding Lobbying; Debarment; Suspension & Other*		
Appendix 15C	*FFY2016 EAP Local Plan Form*		
Chapter 16	**Program Fiscal Management**		
~~Appendix 16A~~	~~*Notice of Funds Available Form*~~		This is no longer an appendix to the *EAP Policy Manual*.
Appendix 16A	*Request for Additional ERR Funds*		

	Chapter or Appendix	Page	Change
~~Appendix 16C~~	~~eHEAT Cash Request Screen~~		This is no longer an appendix to the *EAP Policy Manual*.
Appendix 16B	*Audit Report Schedule*		
Appendix 16C	*Service Provider Purchase/Disposition Request*		
Appendix 16D	*Service Provider Out of State Travel Request*		
Chapter 17	**Monitoring & Technical Assistance**		
Appendix 17A	*Service Provider EAP Program Audit Disclosure Letter*		

Introduction

Purpose of This Manual

The *EAP Policy Manual* is part of the contract to deliver the Energy Assistance Program (EAP) (see Chapter 15 - *Grant Contracts*). Service Providers with signed contracts agree they are obligated to have the *EAP Policy Manual* in their possession, read and understand it, and comply with it.

The *EAP Policy Manual* translates policy from the State Plan into procedures:

- To restate program policies into procedures.
- To define the principles upon which the policy or procedure are based.
- To promote consistent application of program policies.

The *EAP Policy Manual* is a guide for implementing EAP on Commerce and local levels. It states policies, the principles underlying the policies and procedures, and provides some examples. The policies, procedures and principles provide tools that local Service Providers can use to make decisions about specific situations. It is not meant to provide specific detail in how to deal with all possible circumstances. Use the Values and Core Beliefs listed in the following chapter as guides when interpreting policies found in the *EAP Policy Manual*.

In addition to the *EAP Policy Manual*, the Department of Commerce (Commerce) publishes a weekly newsletter, *The Energizer*, to inform Service Providers of EAP policies and procedures updates. Service Providers have an obligation to read, understand and comply with *The Energizer. The Energizer* serves as an update to the manual only during the Federal Fiscal Year in which it is published.

Occasionally, it is necessary to immediately communicate with Service Providers. Commerce uses *A Spark*, a supplement to *The Energizer*. *A Spark* will also be an official communication from Commerce and hold the weight of policy. Any *A Spark* issues will be fully incorporated into the next *The Energizer*. Additionally, all *The Energizers* will be posted on the web.

Prudent Person Principle

The policies and procedures included in the *EAP Policy Manual* are rules for determining eligibility, delivering benefits and administering the program. It is impossible to foresee and give examples for all situations; therefore staff is encouraged to use reason and apply good judgment in making decisions when addressing the specific needs and requests of a household or an unusual situation. Decision-making by staff based on the best information available, program knowledge, experience and expertise in a particular situation is referred to as the Prudent Person Principle. Prudence may also include seeking Commerce guidance on specific policy interpretation. Document the rationale used to make a decision and any applicable *EAP Policy Manual* references and policy interpretations.

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Chapter 1

Program Control Environment

Chapter Contents

- Program Description
- EAP Mission and Business Strategy Model
- EAP Internal Controls Framework (ICF)

Program Description

The Minnesota Energy Assistance Program (EAP) is funded through a federal block grant, the Low-Income Home Energy Assistance Program (LIHEAP). The block grant legislation (Title XXVI of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, as amended) gives states broad latitude to develop programs that assist low income households to meet their immediate home energy needs. On the federal level, the program is administered in the U.S. Department of Health and Human Services. (See Health and Human Services' web site at http://www.acf.hhs.gov/programs/ocs/liheap/.)

The five categories of EAP activities required by law are:

1. Outreach activities.
2. Assistance with home energy costs.
3. Intervention in energy emergency situations.
4. Provision of low-cost residential weatherization and cost-effective energy-related home repair.
5. Planning, developing, and administering Commerce's program, including leveraging programs.

Federal law also requires Commerce to agree to comply with sixteen assurances included in the State Plan. The assurances provide the principles states must use to develop their policies and procedures.

EAP services include:

- Financial aid to pay a portion of heating costs.
- Crisis intervention for threat of or no heat situations.
- Energy Related Repair for home heating system repair or replacement.
- Referral to Weatherization and other human service providers.

In Minnesota, EAP is administered by the Office of Energy Assistance Programs in Commerce. Commerce provides grants to local Community Action agencies, counties, tribal governments, and private non-profit agencies to deliver the program. Commerce has statewide administrative authority over EAP including:

- Selecting and contracting with local Service Providers.
- Program and policy development.

- Training.
- Disbursing financial resources.
- Monitoring for compliance.
- Data collection.
- Reporting.

Each year Commerce submits a plan to the US Department of Health and Human Services. The State Energy Assistance Plan (referred to as the State Plan) describes how federal LIHEAP funds will be used to help low-income households pay home heating bills and conserve energy. The plan is put before the public for input. Comments from the public hearing and in writing during the comment period are considered in developing the State Plan. The proposed State Plan is available at http://www.energy.mn.gov.

EAP Mission and Business Strategy Model

Background

- LIHEAP statute provides two primary purposes; 1) to meet the immediate home energy needs of low-income households that pay a high portion of household income for home energy and 2) reduce home energy needs, and thus need for energy assistance
- LIHEAP's mission is part of the broader societal response to poverty.
  - Based on the human development, or capabilities approach, supported by the United Nations, poverty can be characterized in this way:
  - Households in poverty lack (in some or various way/s) the capability to positively affect their well-being
  - EAP uses this understanding to define people in poverty as those who lack of income, education and health, thus making individuals susceptible to crisis' that makes them unable to positively affect their well-being.

EAP Mission

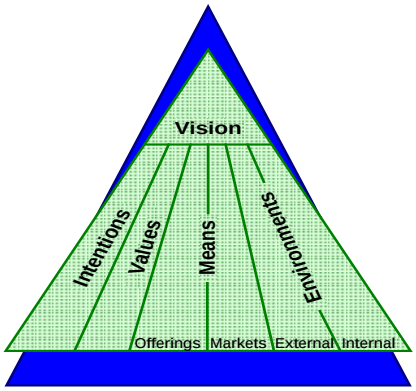
Improve low income Minnesota households' capacity to positively affect their well-being by meeting immediate home energy needs and reduce home energy needs

The Business Strategy Model (BSM)

The Business Strategy Model (BSM) provides a shared vision to assure we are serving the same goals and are all working together. The BSM helps build a high-performing team, provide consistent messages to key stakeholders and guide daily decisions and actions. The PAC and EAP staff's each have a BSM. They share intentions, values and markets and differ in the offerings. In January 2009 EAP BSM replaced the EAP Effort Definition, which was originally created 2004.

Elements of a Complete Vision

The BSM creates a shared vision by defining key elements of the business. The model below illustrates the concept. The combined intentions, values, means and environments come together to create the vision:



Definitions of key elements of the business

Intentions	▪ Why does your unit or organization exist?
Values	▪ What guides the behavior of your organization?
Means	▪ What products or services do we provide? ▪ To whom do we provide them?
Environ-ments	▪ What factors outside our organization must we monitor and adjust to? ▪ How should we organize ourselves to meet our intentions, within our values?

Intentions

Maintain affordable, continuous, and safe home energy for low-income Minnesota households.

Values

- Overall:
  - Affordable, safe, and dependable energy.
  - Advocacy.
  - Good stewardship of resources.
  - Being realistic about limitations.
  - Quality.
  - Partners and Partnerships.
  - Understanding the program in the context of broader public policy and other needs of low-income Minnesotans.
  - Being the compass but not the map.
  - Reward positive, proactive behavior by all energy stakeholders.
- Regarding Households:
  - Dignity and privacy.
  - Participation.
  - Empower people to make informed decisions regarding their energy use and needs.
  - Serving the most in need – balancing total number of participants, makeup of participants, and levels of service.
- Regarding Collaboration:
  - The responsibility to provide a safety net.
  - Working towards the same goals.
  - Stakeholders' personal commitment and accountability.
  - Represent our own personal perspective, the views of our stakeholder group, and the world from multiple perspectives.
  - Actively coordinate across programs and departments.
- Regarding Policy Direction:
  - Creative and flexible approaches.

- Consistency.
- Balance of simplicity and fairness.
- Recommendations based on a sound community analysis.
- More strategic than operational.
- Timely and proactive in order to mitigate emerging problems.

Means

Offerings (Products and Services)

- Energy bill payment.
- Furnace repair or replacement.
- Energy related crisis intervention.
- Outreach.
- Referral and Advocacy.
- Information.
- Education.
- Conservation, coordination and collaboration.
- Demonstrate effectiveness of investment.

Commerce Staff Offerings

- Oversight, monitoring and quality control.
- Compliance with Federal and State requirements.
- Policy.
- Decision making.
- Planning.
- Training and Technical Support.
- Stakeholder involvement and communication.
- Program advocacy and information.

Markets (Customers)

- Households, emphasizing low-income:
  - Families with children under age five.
  - Families with members who are disabled.
  - Seniors.
- EAP Director and Staff.
- Local Service Providers.
- Policy decision makers.
- Funders (e.g., HHS).
- Energy Vendors.
- Mechanical Contractors.
- PAC members.
- Weatherization Assistance Program.
- Partner organizations.
- Community.
- Tax payers.
- Utility rate payers.

Environments

Internal Environmental Considerations

Environmental Consideration	Implications
Unique and necessary role of Households, Energy Vendors, and Government (Coordinated Responsibility Model)	Particular consideration to the definition and communication of all stakeholder roles
Active pursuit of involvement and partnership by using a shared business methodology	Increased likelihood of success Increased commitment of time on the front-end for all combinations of stakeholders Devote scarce staff resources to the way we do business and invest in Commerce staff skills and techniques
Direction: Maximize local knowledge, control and delivery of services	Contract out to local service providers Commerce actively pursued feedback and adjustments
Our leadership and peers are interested in and supportive of our efforts	Understand and align needs and expectations of leadership and peers Keep leadership and peers informed
Our partners and community are interested in and supportive of our efforts	Understand and align needs and expectations of partners and community Keep partners and community informed
We have custom developed technology tools to support our business	We can directly influence what our tools do/not support – constrained to resources Increased consistency of the program – less local control

External Environmental Considerations

Environmental Consideration	Implications
In the Division of Energy Resources	Primary state energy policy agency Not a social service agency – our offerings are unique in this organization
Federal LIHEAP block grant	Constraints and flexibility in how we deliver the program e.g., we determine to offer furnace repair and replacement
There are other related programs (e.g., CWR, DHS, Heat Share and Affordability Programs)	Effects public understanding,
Resource amounts and timing of the resources are out of our control	Effects availability, delivery and types of services offer at program start up and dictates end date and carryover.
Weather	Effects demand during seasonal changes and effects consumption amounts
Economy	Increase demand on program services
Fuel prices	Changes impact of benefits and need for services

EAP Internal Controls Framework (ICF)

EAP uses a management tool named Internal Controls Framework (ICF) to assure integral management of funds and to outline the expectations of a competent organization. EAP uses the framework to:

- Manage Minnesota LIHEAP Grant.
- Develop policies and procedure.
- Implement program designs to assure good stewardship of public resources.
- Determine and select a competent Service Providers.
- Monitor and evaluate the performance of Service Providers.
- Build the competency of the EAP delivery system.

The internal control system is consistent with the **Internal Control - Integrated Framework (ICIF)**, a model the Committee of Sponsoring Organizations (COSO) of the National Commission on Fraudulent Financial Reporting published in 1992. The Office of Legislative Auditor is requiring all agencies to adopt this framework. At the Federal level, the OMB is developing similar requirement.

The Framework is used to assess and advance the organizational internal control maturity. The ICF measures maturity by the organization's leadership, ability to determine and mitigate risks, whether control procedures are documented and assigned, and how performance and procedure effectiveness are monitored. The ICF includes five components designed to react dynamically to changing conditions.

ICF defines internal control as a process, affected by individuals within an organization, designed to provide reasonable assurance regarding the achievement of objectives in three categories:

1. Effectiveness and efficiency of operations,
2. Reliability of financial reporting, and
3. Compliance with applicable laws & regulations.

Other objectives overlap or support the three categories mentioned above include safeguarding assets against loss or unauthorized use, and attaining strategic goals and objectives.

1. Control Environment.
2. Risk Assessment.
3. Control Activities.
4. Information & Communication.
5. Monitoring.

Appendices

None

Chapter 2

Overview of Service Provider Administrative Responsibilities

This chapter describes Service Providers' general administrative responsibilities by outlining at a high level the activities required of the EAP Coordinator and Service Provider leadership. It outlines these responsibilities using the EAP Internal Control Framework (ICF). Chapter 2 summarizes information detailed in the *Policy Manual.* Service Providers must refer to the appropriate chapter within this *Policy Manual* for policy details.

Internal controls are processes, affected by individuals, designed to provide reasonable assurance to the achievement of EAP objectives in the following three categories.

1. Effectiveness and efficiency of operations
2. Reliability of financial reporting, and
3. Compliance with applicable laws & regulations.

EAP Internal Control Framework is comprised of the following five interrelated components focused on safeguarding assets against loss or unauthorized use and attaining strategic objectives:

1. Control Environment.
2. Risk Assessment.
3. Control Activities.
4. Information & Communication.
5. Monitoring.

Chapter Contents

- Control Environment
- Risk Assessment
- Control Activities
- Communication and Information
- Monitoring

Control Environment

Service Providers should establish and maintain an ethical and procedural work environment throughout the organization that sets a positive and supportive attitude toward internal control and conscientious management.

Notification of Changes in Service Provider Information

For contract and operational reasons, Service Providers must keep Commerce informed in a timely manner of key changes in program and Service Provider staffing and operation.

Formal announcement should be supplemented with informal updates to the Program Performance Auditor, eap.mail@state.mn.us or Commerce EAP Director as frequently as needed to keep Commerce apprised of the progress of the situation. Being informed of changes in a timely manner helps to make appropriate decisions and reduce or avoid management uncertainties or unknown situations. See Chapter 14 - *Communication, Information and Reports* for details.

Service Provider EAP Organizational Competence

Service Providers should assure:

- Service Provider human resource materials.
- A reasonable EAP resourcing model.
- EAP staff have functional position description.
- EAP staff have proper Service Provider knowledge.
- EAP staff have proficient eHEAT competencies.
- EAP staff demonstrate knowledge of Service Provider policies and procedures.
- Formal Training and new staff training.
- Support of technical environment necessary to deliver EAP.
- Training for staff to work with diverse populations (people with limited English, hearing or speech impaired persons, developmentally disabled or mentally ill persons, multicultural groups).
- Detailed documentation of program activities, which is essential to program integrity and to reducing risks to the household, the Service Provider and the program. The documentation ensures expenditures are allowable, are accounted for and when issues occur, the information is auditable.

EAP Coordinator Responsibilities

EAP coordinators' responsibilities include but are not limited to:

Program Administration

- Acting as the main point of contact and liaison for Commerce.
- Conveying EAP values and core beliefs to staff.
- Assuring the implementation, coordination and monitoring of the intake process and other direct service activities.
- Assuring Commerce report requirements are met.
- Getting approval for EAP paid out-of-state travel from Commerce.
- Assuring EAP and other appropriate Service Provider staff now EAP policies and procedures and receive program updates.

Information and communication

- Assuring responsive and timely communications with Commerce.
- Assuring formal and informal notifications of changes to Commerce.
- Assuring participants in the program provide informed consent when necessary.
- Assure timely response to household inquiries.
- Assuring staff use proper data and information practices.

Staff Development and Management

- Prioritizing staff activities, providing guidance and support as necessary.

- Promoting exchange of feedback with staff to reduce problems.
- Attending annual start-up training sessions.
- Training staff on annual program changes.
- Providing back-up personnel for time-sensitive activities.
- Training staff on appropriate referrals to community resources.

Fiscal

- Assuring timely distribution of Primary Heat, Crisis, and Energy Related Repairs funds as necessary, including case management notes and forms.
- Assuring timely and accurately reporting, working with fiscal staff as necessary.
- Assuring leveraging activities are reported.

eHEAT

- Serving as the initial contact and reporting eHEAT related issues to Commerce.
- Proficient use of eHEAT and ability to provide technical assistance to staff and energy vendors.
- Assuring staff are trained to enter program information correctly.

Outreach

- Coordinating with other community resources, outreach and public relations.

Risk Assessment

Service Provider management should identifying priority activities within the organization for risk assessment, considering areas materially impacting the financial position and results of operations and program (e.g., assets, liabilities, revenues, expenses or expenditures account balances that are material in dollar amount).

EAP strives to reduce or eliminate fraud and risk activities through program policies, technical support, program software (eHEAT), segregation of duties, quality controls and monitoring of services and financial activities.

Service Provider Business Conflict of Interest

Service Providers are required to notify Commerce if their organization operates or owns a business that could be viewed as a conflict of interest with the delivery of EAP. Notification is also required prior to the initiation of a business that could be viewed as a conflict of interest with the delivery of EAP. This may include but is not limited to Service Providers operating as energy vendors, landlords, etc. Such a business relationship and operation requires assurance to Commerce of internal controls to mitigate conflicts of interest. An internal control requirement for Service Providers with this type of business is to have another Service Provider monitor this portion of their operation annually.

Risk Management

Risk planning is geared toward events that occur when things are different than planned. Service Providers should have procedures in place to deal with unplanned events. Service Providers must have in place processes for handling appeals, complaints, errors and fraud (see Chapter 12 - *Incidents and Appeals*). The goal is assuring the Service Provider's ability

to maintain financial strength, a positive public image, and the overall quality of its products and government services.

Conflict of Interest Policy

All Service Providers are required to have a conflict of interest policy. A conflict of interest policy for local Service Providers is defined as an actual or perceived action that results or has the appearance of resulting in personal, organizational, or professional gain. Local Service Provider personnel and board members are obligated to always act in the best interest of EAP. At all times, local Service Provider personnel and board members are prohibited from using their job title or the organization name or property, for private profit or benefit. Service Providers are required to inform Commerce if they operate or own any business that could be viewed as a conflict of interest with the delivery of the Energy Assistance Program.

Control Activities

Service Provider should design and implement internal control in processing applications, determining eligibility and delivering benefits. These procedures assure program services are timely, accurate, uniform and equally available throughout the state. They address essential EAP required procedures such as:

- Utilizing tools and resources of the program as intended.
- Utilizing an approach to managing program demands ebbs and flows.
- Partnerships through coordination, collaboration and cooperation.
- Maintaining and retaining records
- Securing the privacy of individuals.
- Ensuring sufficient staffing and backup to provide complete and continuous EAP administration.
- Assigning appropriate segregation of duty for program and fiscal procedures
- Ensuring processes are auditable
- Ensuring equal access to EAP services.
- Logging applications upon arrival.
- Having a process for requesting energy vendor consumption to assure timely services.
- Having a method of requesting additional information for incomplete applications.
- Coordinating with energy vendors to ensure timely after-business-hours response to emergencies.

Program Duties and Functions

Service Providers must assure sufficient staffing and backup to provide complete and continuous administration of EAP at the local level in the following areas of program operation.

Eligibility Determination

Service Providers must use the application, eligibility determination and payment processes and timelines as prescribed by Commerce to assure EAP services are uniform and equally available throughout the state.

- Use the current year EAP application form for all applicants.

- Work with energy vendors to ensure heating costs and consumption information is provided for all applicants with a consumption history.
- Log in applications when received.
- Log in incomplete applications and notify households of information needed for completeness.
- Verify income and supporting documents and certify that the application is correct.
- Send completed, but not certified, applications from Service Provider staff or board members to Commerce for certification.

Crisis Assistance and ERR

Service Providers must use Crisis and ERR eligibility requirements, processes and timelines as prescribed by Commerce to assure that program services are uniform and equally available throughout the state.

Service Providers must coordinate with vendors to ensure they will respond with emergency fuel deliveries and/or heating system repairs after regular business hours, including weekends. Service Providers must have staff available to provide Responsive Energy Self-Sufficiency services to households in emergencies (see Chapter 9 – *Assurance 16*).

Staffing

Staffing must be adequate during the heating season to provide the following:

- Program information and application services for heating, emergency and ERR assistance.
- Outreach activities.
- Heating assistance services when funds are available.
- Crisis, including ERR services when funds are available.
- Response to households needing Responsive Energy Self-Sufficiency services.
- Crisis response 24 hours, seven days a week from October 1 through April 15.

In addition, Service Providers must insure adequate staffing throughout the year for:

- Conducting energy vendor monitoring and managing energy vendor relationships.
- Preparing energy vendor relationships activities for the next year.
- Conducting Crisis processing, monitoring, reviewing etc.
- Updating household records for next year (including eHEAT mail update check box).
- Working with other community organizations (developing, strengthening, improving relationships).
- Conducting participant follow up and satisfaction survey.
- Planning for upcoming activities including preparations for the next year.
- Conducting capacity building training for staff.
- Reviewing process with stakeholders including internal stakeholders such as Service Provider fiscal staff, Service Provider director, and other internal programs.
- Maintaining and advancing referral system.

Equal Access to Service

Local Service Providers must ensure equal access to EAP services (information, applications, funds for Primary Heat, Crisis, ERR, voter registration and other collaborative services funds) for people with:

- Little or no English proficiency.

- Hearing, speech or visual impairment.
- Developmental disability or mental illness.
- Multicultural background.
- Physical disability.

In addition, Service Providers must assure that:

- Application sites are available throughout their service area.
- Application sites are accessible to persons with physical disabilities.
- Applicants are able to receive home visits if requested.
- Applications are available and accepted from October 1 through May 31.

Data Privacy

Minn. Stat. §216C.266 provides that data collected, maintained, or created because an individual applies for energy assistance is private data for the purposes of the Minnesota Government Data Practices Act, Minn. Stat. §§13.02 et seq. (MGDPA). The collection, storage, use and release of the information shall be limited to that necessary for the administration and management of the program. The information may not be released except as permitted by the MGDPA.

Records Maintenance

Per Minn. Stat. § 16C.05, subd. 5 the Service Provider must maintain a record management system that retains applications and supporting documents for a period of six years from the date of the final audit. Service Provider's retention policies should not exceed six years to protect the data privacy of applicants.

Record and Data Security

The Service Provider must execute a plan for maintaining the security of private data maintained locally and for access to eHEAT. Refer to Chapter 13 - *Data Practices and Records* for minimal requirements for the protection of locally maintained data.

Control Activities – Fiscal

Service Providers should design and implement appropriate internal Fiscal control policies and activities to processing fiscal transactions, reporting and oversight. Fiscal control activities include:

Fiscal Transactions

Service Providers must use generally accepted fiscal practices including authorized personnel having program specific knowledge. Practices should have:

- Proper segregation of duty.
- Auditable processes.
- Good communication between program and fiscal staff.
- Authorization and utilization of the EAP weekly allocation process.

Communication and Information

Service Provider's should communicate the internal control policies and procedures to all staff and stakeholders so they understand what is expected of them and the scope of their

freedom to act in relation to program participants and partners. Required communication ranges from ensuring proper phone service to outreach and collaboration.

Coordination

Coordination and collaboration with other energy related service providers and community resources is essential to maximizing services and to the vision of a universally recognized and accepted program. Coordination and collaboration must be designed to meet program and local needs, and service providers should have an on-going process for evaluating and improving their approaches to these activities.

Service Providers must maintain system partnerships with:

- Community organizations serving low income persons.
- Community Action Agencies.
- Service Providers providing weatherization services.
- Agencies on aging, housing authorities and special purpose agencies providing services to low income persons.
- Utility programs providing services to low income persons.
- Energy vendors, fuel suppliers and others who have signed energy vendor agreements.
- Outreach such as media partners.
- Fiscal partners.
- Referral network.
- Other EAP Service Providers.

Cooperation between EAP Service Providers

Service Providers are encouraged to share resources to maximize services available to applicants. Shared resources could include:

- Assisting non-English speaking households to access energy programs.
- Sharing outreach materials and resource information among Service Providers in neighboring geographical areas.
- Cost-sharing of 1-800 referral services.
- Sharing cost of program application materials (especially those printed in an alternate format).
- Periodic meetings between neighboring Service Providers to discuss mutual concerns.
- Carpooling to statewide meetings.

Community Coordination

In July 2000, the FCC assigned telephone number 2-1-1 for human services information and referral nationwide. 2-1-1 service is available in Minnesota statewide. In Minnesota, 2-1-1 is answered by First Call for Help Minnesota. This service provides Service Providers an efficient and convenient way to refer households to services. Service Providers must be included on the First Call Minnesota web site as an energy assistance provider for each county in their service area and assure information regarding local services is correct (see Appendix 2B - *Statewide Information and Referral Services*).

The written plan addressing coordination, cooperation and referrals to other community organizations and businesses is included in the Local Plan. This plan should include:

- A list of community organizations to receive application materials.
- A list of community groups that will receive updated information on policy changes and the availability of EAP, EAP Crisis, ERR and any additional emergency or contingency funds that may become available during the program year. This includes the availability of ERR funds during the summer months.
- Methods of coordinating with emergency services and other service organizations to implement a crisis procedure.
- Methods of offering applicants the opportunity to register to vote.

Examples of Interagency Cooperation

- Meeting with agencies before the program begins to plan service integration and implementation.
- Formalizing cooperative agreements in writing.
- Providing partner agencies with current program information including income guidelines and applications.
- Providing partner agencies with regular funding updates.
- Developing methods for referral.
- Identifying a staff person to act as a liaison between your Service Provider and other providers.
- Developing a list of agencies. Include a telephone number and name of contact person. Include at a minimum the following providers:
    - Basic Subsistence – Food, housing, transportation, medical, telephone.
    - Income Maintenance – DWP, General Assistance, Emergency Assistance, Employment Services, SSI, MSA, SS, and VA.
- Establishing follow-up procedures to be used to evaluate successful partnerships.
- Ensuring partner agencies are able to respond effectively to needs.

Updating Community and Partners

Service Providers must ensure that all community groups and other local stakeholders receive updated information on policy changes and on any additional emergency funds or contingency funds that become available during the program year.

Monitoring

Monitoring relates to Service Provider's separate evaluations of internal control, such as control self-assessments or internal procedures and performance. EAP Service Providers have a responsibility to monitor and be monitored for compliance with program requirements. On the local level, Service Providers monitor energy vendors' compliance with program policies and the energy vendor agreement. Commerce staff audit Service Provider compliance with all requirements of federal, state and local laws, the EAP contract and directives in the policy and procedures manual. Commerce and federal staff audit program administration on both the state and local levels. Carrying out these activities and cooperating with them is a required activity at every level.

Energy Vendor Monitoring

EAP energy vendor monitoring is a year round, ongoing, required and critical EAP activity. Service Providers must conduct energy vendor monitoring in addition to establishing internal controls and procedures to ensure energy vendor activities are monitored at the local level on a regular basis. Annually Service Providers must monitor at least 5% of their energy

vendors including a variety of fuel providers. Monitoring must be planned and scheduled so a Service Provider monitors all of their energy vendors on a regular basis over time. Commerce recommends more immediate monitoring of energy vendors who are determined to be problematic.

Once energy vendors are selected for monitoring, the Service Provider should provide the energy vendor an Appendix 3B - *Monitoring Report Cover Letter* and Appendix 3C - *Energy Vendor Monitoring Report* (with designated Service Provider fields completed) explaining the process. The energy vendor must complete Appendix 3C - *Energy Vendor Monitoring Report* and supply requested records. The Service Provider utilizes Appendix 3D - *Energy Vendor Monitoring Report SP Review Tool* to assess compliance and analyze records. See Chapter 3 – *Energy Vendors* for more information and monitoring tools.

Performance Measures and Quality Assurance

Service Providers should have systems in place to assure:

- Monitoring applications for timeliness.
- Rate of Incidence goals.
- Checking applications for accuracy.
- Verification of accuracy and completeness.
- Coordination for after-hours emergencies.
- Accurate and timely reports to Commerce.

EAP provides a continuum of services for income eligible consumers seeking affordable heating energy. Most services are direct, such as payment of part of a heat bill. Outreach, coordination and customer services are also significant services that must be offered to EAP applicants and to the community. These activities maximize public energy efforts that impact community attitudes toward the program and encourage households to apply.

Appendices

2A - *Language Line*
2B - *Statewide Information and Referral Services*

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Chapter 3

Energy Vendors

Energy vendor participation is essential to efficient operation of the Energy Assistance Program (EAP).

Energy vendors roles include providing energy cost information, applying payments, working with Service Providers and EAP households in emergency situations, conducting outreach and referring customers in need to the program. Energy vendors establish agreements with EAP Service Providers, develop communication processes and use the web-based eHEAT system to perform these functions. The rules are guided by the Low Income Household Energy Assistance Program (LIHEAP) law, the *EAP Policy Manual,* and related state regulations.

eHEAT (Electronic Household Energy Automated Technology) is Internet-based software centralizing program activity for Service Providers and energy vendors. eHEAT has information about the household's program eligibility and payments. Energy vendors use eHEAT to supply consumption information, view or download payment information, verify customer's program participation and initiate refunds. With custom programming by the energy vendor, consumption and payment information can be uploaded and downloaded by energy vendor's systems. Energy vendors register for eHEAT through the Service Provider.

Intention

Enable Service Providers and Energy Vendors to work together to exchange information, execute payments and ensure program resources are effective in assisting households in need to reduce health and safety risks, no heat situations and energy costs.

Chapter Contents

- Consumption and Cost Information Requirements
- Payment Requirements
- Energy Assistance Benefits
- Agreement, Internal Controls, Registration & Participation Requirements
- Energy Vendor Monitoring & Reporting Requirements
- Legal Requirements

Consumption and Cost Information Requirements

Energy vendors must provide accurate dwelling consumption information (including date, cost and unit) for each EAP applicant who is their customer. Cost information is used to determine households' grant amounts. By signing the application the households gives consent to fulfill this request.

Energy vendors provide consumption information using eHEAT. At times, the energy vendor may report consumption information directly to the Service Provider when speed is necessary or the energy vendor does not use eHEAT. Consumption is reported "in bulk" during the summer. Referred to as "Annual Consumption," the energy vendor completes dwelling consumption records for the coming program year for households who received EAP the previous winter. During normal program operations energy vendors must provide consumption information for individual households as they apply. Refer to the screen shots below for entering individual households' consumption during the program year.

Consumption Data Specifications

The consumption data includes the date range, cost and units of energy, fuel type and usage for a household's dwelling including:

- Up to 12 consecutive months
- Any 12 consecutive months between June 1, 2014 and September 30, 2015
- Beginning and ending dates for the consecutive consumption data.
- Taxes and fees if typically a part of the heating bill

The consumption data for a household excludes:

- Penalties for late payment
- Interest
- Leak or pressure test fees
- Trip charges not part of a normal delivery
- Short notice deliveries
- Tank rental
- Merchandise, etc.

When 12 consecutive months of consumption data between June 1, 2014 and September 30, 2015 is unavailable, use the following examples to provide the residence's consumption:

- If less than 12 months of consumption data exists for the residence, report the available cost and the actual beginning and ending dates of the available consumption data.
- If no consumption exists for the residence, report as "unavailable."
- For connected utilities: If energy service was disconnected for 30 days or more during the 12 month consumption period, the consumption date range must be changed to indicate less than 12 months of service. For example: A household has been a long term customer and between June 1 and May 30 they were disconnected for the months of December and January. Report a date range of less than 12 months (June 1 to March 30). Report consumption costs for only the 10 months of connected service. It is important that the date range is less than 12 months in this situation.
- For connected utilities: If it is known a household voluntarily has their energy service disconnected for a period of warm weather months, attempt to identify 12 consecutive months of actual usage within the allowed range of June 1, 2014 and September 30, 2015. If 12 consecutive months of actual usage costs do not exist in the allowed 16 months, report a date range of 12 months, and enter the total consumption for those months (even though it includes months of voluntary shut off with no energy usage). Entering a date range of 12 months, even when the household is voluntarily disconnected for a period of time, most accurately represents the household's annual energy costs.

- For delivered fuels: If a household has a customer account for 12 consecutive months, report the entire 12-month period. Do not just show the first and last delivery dates. For example: A household has been a long term customer and received three LP deliveries (9-1, 12-1 and 3-1) between June 1 and May 30. The correct date range is June to May.

Consumption data must be in the typical unit of measure used by the industry:

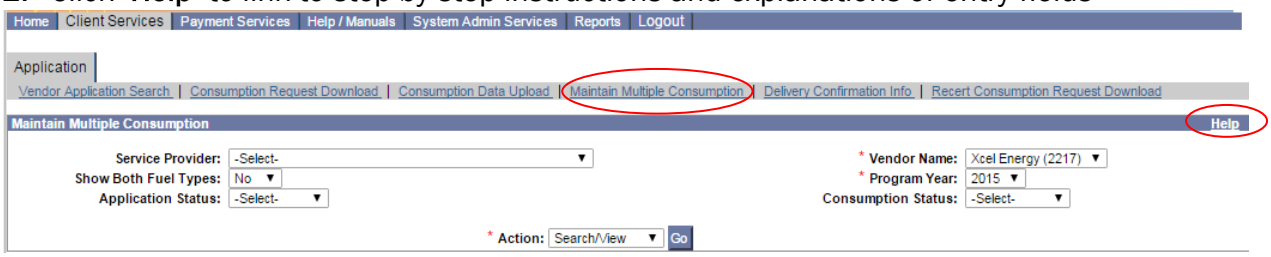
Natural gas:..... ccf
Wood:..... cords
Oil:..... gal
Liquid Propane Gas:....gal
Electricity:..... kWh

Energy vendors must be able to reproduce the cost information they provided on each household for audit purposes, upon request.

Entering Household Consumption During the Program Year

Energy Vendors must supply consumption throughout the program year. To provide household consumption follow these steps (for bulk/annual consumption procedures contact your local Service Provider):

1. Go to '**Client Services**' menu > '**Maintain Multiple Consumption**' tab
2. Click '**Help**' to link to step by step instructions and explanations of entry fields



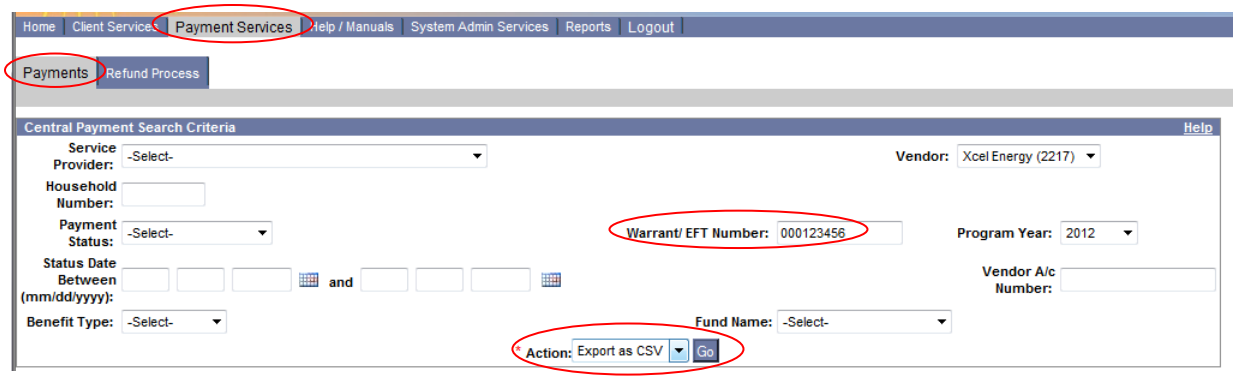
Payment Requirements

Energy vendors receive payments authorized by Service Providers on behalf of eligible households. The two types of benefits can be distributed in up-to four "Primary Heat" payments and up-to four "Crisis" payments. Payments are initiated in eHEAT by Service Providers. The Service Provider will always provide a household's Primary Heat payment(s) before Crisis payments. The payments are processed through the Minnesota Management & Budget department payment services by Electronic Fund Transfer (EFT) to the energy vendor bank account or mailed as a warrant. Energy vendors credit EAP payments to the designated account.

Searching eHEAT for Payments

To search in eHEAT for payments received, follow the steps below:

3. Go to **'Payment Services'** menu > **'Payments'** tab
4. Enter the **'Warrant/EFT Number'** in field (do not fill in any other search criteria) on the 'Centralized Payment Search Criteria' screen
5. In the **'Action'** pull-down, select **'Export as CSV'** then Click **'Go'** button



Payment Questions

Search eHEAT for payments received following the instructions above. The search will specify the individual payments for each household's account.

If the total of all individual payments doesn't match the full payment amount you received from the State of Minnesota, please contact the State of Minnesota SWIFT help desk hotline at 651-201-8100 (when prompted, select option 2). SWIFT handles payments for all State Departments and can assist in identifying the full payment amount.

All other questions regarding payments should be directed to the Service Provider. In some cases if the Service Provider cannot resolve your question, they may refer you to the Department of Commerce.

Assignment of Payments

Energy vendors must apply EAP payments only to the accounts of households designated for payments by EAP. Payments may only be used for the costs of home heating, as required by federal law. EAP payments cannot be used to pay for other items such as service contracts, water, sewer, garbage, cable, internet, telephone, gasoline, machine parts, engine oil, or other merchandise. Energy vendor EAP payment records must match the Service Provider's payment records. Charges against credits must be verifiable. If non-EAP credits exist on an account, the EAP payment must be applied first. If the household account is active, EAP benefits must remain on the household account, unless the household discontinues as a customer or a refund is requested by the Service Provider. In each case, refunds must be made to the Energy Assistance Program. (See **Refunds** section below)

Households may elect through their EAP application to have a portion of their Primary Heat benefit paid to their non-heating electric energy account. This option exists because non-heat electricity is most often crucial to operating a heating unit.

The energy vendor is responsible for applying EAP payments correctly for heat and non-heat electric payments. If the energy vendor provides multiple utility services, including both heating and electric non-heating energy, and their billing system does not allow for separation of the two, they must notify their EAP Service Provider of their method to assure payments are correctly applied. Disconnections should not occur as a result of an energy vendor failing to appropriately apply EAP payments.

Name on Energy Accounts

The name on the household energy vendor account should match the name of a household member listed on the EAP application. If the name on the household energy account is not a household member's name, EAP expects the Service Provider to get assurance the grant is going to intended recipients at the intended address. To get assurance, Service Providers will follow this procedure and energy vendors are expected to assist the Service Provider as needed in these cases:

- Contact household and ask why the account is not in a household members' name.
- Ask the household to get a household name on account. If there are barriers, the Service Provider will assist the household to remove these barriers.
- If unable to get the account in a household member's name, the Service Provider will verify the reason the household names do not match and ensure the account is for the address of the household (e.g., confirm with vendor or landlord).
- If a match of the account address and the household address cannot be verified, the Service Provider will deny the household for insufficient information.
- The Service Provider will make notes in eHEAT.

Ownership of Assistance

EAP funds always belong to the program. The EAP benefit is provided to the household with the intention to purchase energy. At the end of the program year, any unspent EAP benefits must remain on the household account for future energy costs. Households cannot request cash refunds.

If a household discontinues as a customer, the energy vendor should follow refund policies to return any unused EAP funds to the program. Energy vendors should never use unclaimed property procedures for EAP funds.

Note: For delivered fuels, once fuel is delivered to the dwelling it becomes property of the household.

Refunds

Energy Vendors must refund unused EAP payments back to the program if at any point the household discontinues as a customer or at the request of the Service Provider. The refund must be made within 10 days of the energy vendor's termination of the account or the Service Provider request.

Refunding Current Program Year Benefits

Current program year refunds should be entered in eHEAT if an energy vendor is an eHEAT user. eHEAT reconciles the refund by deducting the refund amount from subsequent payments. If the energy vendor does not receive a subsequent payment from EAP, the energy vendor may be required to send a check to reconcile accounts. Call the Commerce fiscal office with questions regarding this process at 651-539-1523.

If an energy vendor does not use eHEAT, they must return EAP funds to Commerce by check.

Refunding Prior Program Year Benefits

All prior program year refund amounts must be returned to Commerce by check. Include with the check:

- The household's name.
- eHEAT household number.
- The amount of refund for the household (if multiple households are in one check).
- Refund reason.

Mail the check to:
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101-2198
ATTN: Alex Larson

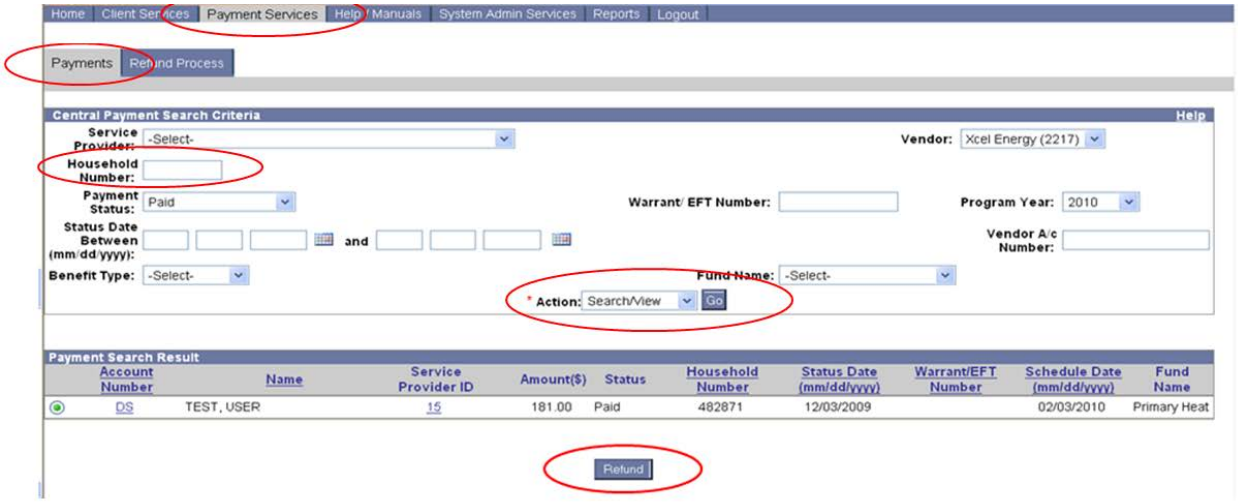
EAP funds always belong to the program; see the **Ownership of Assistance** section above for more detail.

Entering Refunds in eHEAT

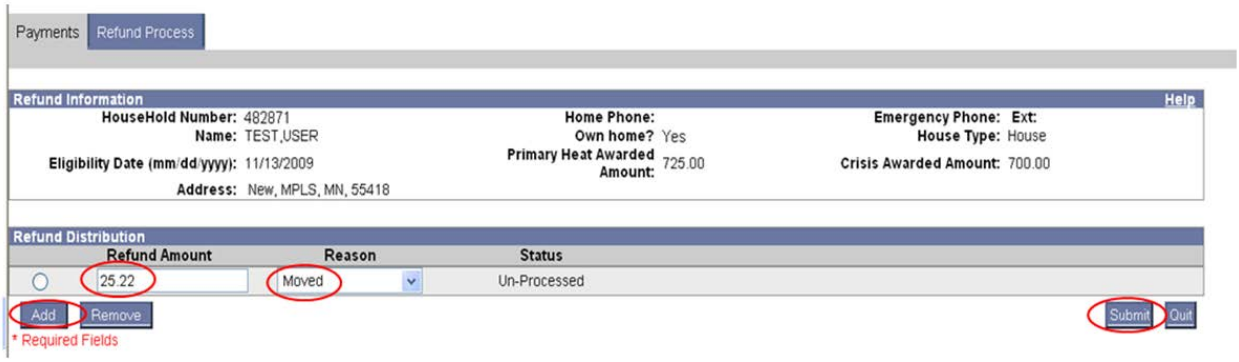
After ensuring a refund meets the guidelines described above, the energy vendor should follow the steps below to enter a refund in eHEAT and contact the Service Provider with any questions:

1. Go to **'Payment Services'** menu > **'Payments'** tab.
2. Enter the household number for the customer receiving the refund. Then click the '**Go**' button at the bottom of the screen.
3. Click the radio button next to the account number for any payments for that household.
4. Click the '**Refund**' button. The '**Refund Information'** screen will appear.
5. Click the '**Add**' button.
6. Enter refund amount in '**Refund Amount**' field and enter refund reason in '**Reason**' field.
7. Click the radio button and then click the '**Submit**' button.
8. A message asks to confirm the refund, click '**ok**' to confirm.
9. A green status message should show '**Refund record saved successfully**'.

Accessing 'Vendor Refund' Screen (steps 1-4)



Adding and Entering a Refund (step 5-10)



Payments Made in Error

An energy vendor suspecting a household received assistance in error must report the issue to the Service Provider. If the Service Provider determines a payment was made in error and determines the action requires the energy vendor to refund the payment, the energy vendor should follow refund instructions to return the funds to EAP.

Energy Assistance Benefits

The energy assistance program provides Primary Heat and Crisis benefits as described in this section as well as Furnace Repair and Replacement services as described in Chapter 8 – *Energy Related Repairs* of the *EAP Policy Manual*. Households, Service Providers and energy vendors each play a unique and important role in ensuring accurate and efficient program services and delivery. The Service Provider ultimately determines benefits and approves fuel deliveries. The program cannot pay for deliveries made at the discretion of the household and energy vendor.

Collaboration and Outreach

The energy vendor must work with Service Providers to:

- Identify potential applicants for EAP.
- Refer potential applicants for EAP Emergency Services including Crisis and Energy Related Repair.
- Avoid charges and fees to maximize public resources whenever possible.

Primary Heat

The Primary Heat benefit addresses low income households' ability to maintain affordable and continuous energy by providing grants to lower their energy burden.

Primary Heat payments can be used for:

- Future fuel costs.
- Arrearages and current bill amounts for electricity and heating fuels.
- Delivered fuel or emergency fuel.
- Fees including pressure tests, leak seek, line bleeding, tank setting, tank rental, membership, after hours delivery costs, reconnection and service deposits.
- Removal of load limiters.
- Previous energy vendor (see Chapter 10 – *Benefit Payments and Refunds*).

The Service Provider will always provide a household's Primary Heat payment(s) before Crisis payments.

Crisis

EAP Crisis benefits are used to prevent shut-off of residential energy, reinstate service of residential energy, and enable delivery of residential fuel. Crisis requests must be addressed immediately to avert life threatening and no heat situations. Households must request Crisis assistance by contacting the Service Provider. Service Providers determine household's eligibility and notify energy vendors to deliver benefits.

Crisis Eligibility Requirements

To receive a Crisis benefit, a household must be occupying the dwelling at the time the Crisis is requested and the benefit is determined and must be in one of the following situations:

- Heat or electric currently shut off.
- Have a current heat or electric disconnection notice.
- Have less than 20% in fuel tank and refusal to deliver.
- Be a senior with a past due or current energy bill.
- Have less than one week biofuel (e.g., corn pellets, wood).
- Be on a load limiter or have received notice of being put on a load limiter

Amount of Crisis Benefit

The amount of the Crisis benefit is:

- For connected utilities: the current balance (including any fees) up to $500.
- For delivered fuels: Up to $500 ("standard delivery amount") minus any amount that would leave a credit on the household's account. The benefit can pay for fuel, the current balance and fees.
- For self-supplied biofuel: $250.

If the amount needed to resolve the emergency is less than the maximum crisis benefit, the payment amount is rounded up to the nearest dollar to ensure resolution of the emergency. For example: if the amount needed to resolve the emergency is $193.56 the correct payment amount is $194.00. The intent is that Crisis payments should not result in a credit on the household's account. However, due to rounding as explained above, Crisis payments to energy vendors may result in a small credit of less than $1.00. If an energy vendor identifies a Crisis payment that creates a credit over $1.00, it should be immediately reported to the local Service Provider.

Crisis Information Requirements

Energy vendors are required to provide household account and crisis situation information upon Service Provider request. The Service Provider uses energy vendor information to verify and document the household's situation to determine Crisis eligibility and benefits.

Connected energy vendors may be asked to provide information such as:

- Energy account past due and current balance owed amounts.
- Fees not included in energy account balance owed, if any.
- Date the heat or electric service was shut off.
- Scheduled disconnection date.

Delivered fuel energy vendors may be asked to provide information such as:

- Price per gallon.
- Past due or credit amount.
- Fees not included in past due amount, if any.
- Last delivery date.
- Amount or gallons of last delivery.
- Tank size.
- Estimated fuel remaining.
- Refusal to deliver status.
- Annual consumption.
- If the tank is currently empty.

Post-Delivery Verification

After every Crisis fuel delivery the delivered fuel energy vendor must provide the Service Provider verified details of the delivery in a timely manner. This information may be provided in multiple ways. Energy vendors may enter delivery information directly in eHEAT (see below for instructions), complete a *Crisis Fuel Post Delivery Verification* form (Appendix 3E), or provide proof of delivery in the form of a delivery ticket, email, phone call or fax. Required post-delivery information includes:

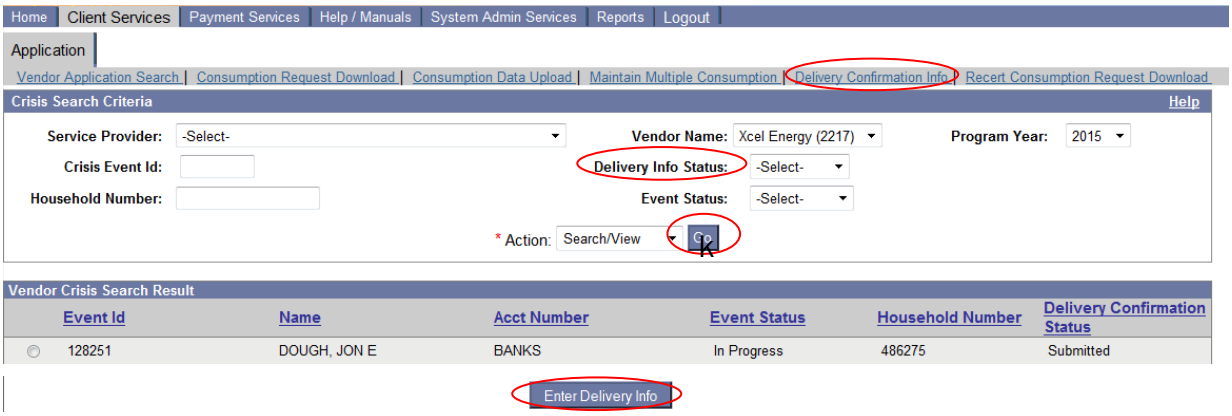
- Percentage of fuel in tank prior to fuel delivery.
- Delivery date.
- Gallons delivered.
- Price per gallon.
- Actual fees and other charges.
- Total cost of delivery.

Entering Post-Delivery Information in eHEAT

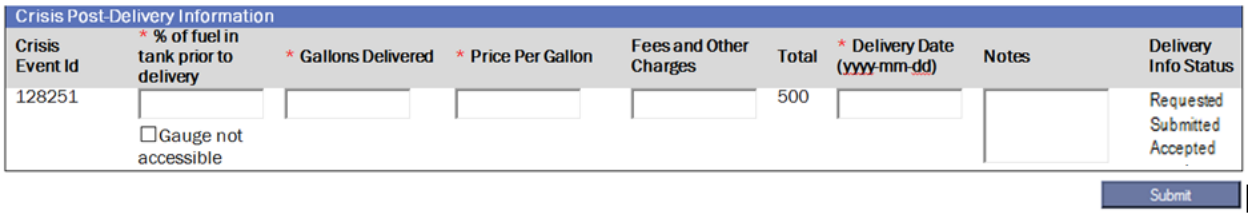
To use eHEAT to submit post-delivery information following these steps:

1. Go to **'Client Services'** menu > **'Delivery Confirmation Info'** tab.
2. Select **'Requested'** in the **'Delivery Info Status'** field.
3. Click the **'Go'** button. All households' events needing post-delivery information will appear.
4. Click the radio button to the left of the specific household event.
5. Click the **'Enter Delivery Info'** button. The **'Crisis Event Information'** screen will appear.
6. Enter actual post-delivery information in each field then click the **'Submit'** button.
7. A green status message above the household's program information should show **'Event saved successfully'.**

Accessing 'Delivery Confirmation Info' Screen (steps 1-5)



Entering Post-Delivery Information (steps 6-8)



Verifying Crisis Payments before applying to household's account

Energy vendors have a role in assuring accurate benefits are applied to household accounts. Before a Crisis payment is applied to a household's account, the energy vendor should ensure the Crisis payment will not generate a credit on the account of more than $1.00.

If an energy vendor questions a household's eligibility for a Crisis payment, report it immediately to the Service Provider or when appropriate to the Department of Commerce.

Process to Reduce Ineligible Crisis Deliveries

The following process is intended to reduce the delivery of Crisis fuel when a household reporting an energy emergency mistakenly has more than 20% fuel in their tank. Although it is often difficult for a household or an energy vendor to determine the amount of fuel in the tank prior to a fill, delivered fuel energy vendors play an important role in assuring proper Crisis benefits are provided.

Within this process, there is leeway for fuel delivery if the delivery truck goes out and the household's tank is between 20% and 30% full.

Process and Energy Vendor's Role

- Household requests Crisis assistance from the Service Provider and makes an effort to obtain an accurate tank reading
- The Service Provider contacts the energy vendor to confirm account information
- The Service Provider and energy vendor work together to determine a reasonableness of delivery need. If determined reasonable, the Service Provider instructs the energy vendor to send a fuel truck out for delivery with the following instructions upon arrival:
    - If the tank is <u>below 30% (3/10 of tank)</u>, provide fuel according to Service Provider instructions.
    - If the tank is <u>over 30%</u>, do <u>not</u> put Crisis fuel in the tank.

    - Notify the Service Provider.
    - Place the trip charge on the household's energy vendor account.
    - The Service Provider pays the energy vendor for the trip charge with household's available Primary Heat funds. If no Primary Heat funds are available, the trip charge is paid with the household's Crisis funds.
    - The Service Provider may request to have the truck driver, while still at the dwelling, provide any remaining Primary heat funds after deducting any trip charges.
- Contact the Service Provider if issues arise when applying this procedure.

Early Notification of Payment and Emergencies

Energy vendors use earlier notification by developing communication methods with the Service Provider. Using a common meaning of eHEAT payment status is an efficient means to achieve early notification because it reduces the need to manage other forms of communication and is in real-time. Energy vendors must supply EAP Service Providers with a 24 hour emergency contact number to address after hours emergencies. This requirement enables Service Providers to comply with LIHEAP Law, Section 2604(c) requiring EAP to provide some form of assistance within 18 hours after an eligible household in a life-threatening situation applies for crisis benefits.

Often a shut-off can be averted or a reconnection initiated if the Service Provider offers "early notification of a payment." Along with averting risk to the household, early notification can save the energy vendor the cost of a disconnection and expenses to the program for reconnection and other fees.

One form of early notification is eHEAT payment status. When addressing household energy emergencies, when possible, energy vendors should accept payment authorization by using the payment status in eHEAT of 'Payable' or by telephone, e-mail or fax. Energy vendors must either check eHEAT regularly to ensure timely service or have alternative systems for timely service to households who are eligible for EAP services.

Authorization can include service deposits, requests for emergency fills of delivered fuels, removal of load limiters and continuation or reconnection of connected utilities.

Deliver remaining EAP benefit

Delivered fuel energy vendors should deliver any EAP benefit remaining on the household's account before September 30, 2016. The delivered fuel energy vendor is responsible for ensuring the EAP household still lives in the dwelling before delivering their benefit. To avoid additional costs, delivery may be made during the delivered fuel energy vendor's regular delivery route. If unable to deliver remaining EAP benefit, encourage households to leave the balance on the account for the upcoming heating season.

Agreement, Internal Controls, Registration & Participation Requirements

The Agreement Between Energy Vendor and Service Provider

The *Agreement Between Energy Vendor and Service Provider* specifies the requirements to receive EAP payments to an energy vendor's customer accounts. Signing the agreement

establishes formal expectations for both parties. The agreement details the roles of the program and energy vendor including applying payments, communication, eHEAT security administration, data practices and agreement to follow the policies outline in the *EAP Policy Manual*. An agreement must be signed by each energy vendor for each Service Provider in order to receive payments on behalf of a household. See *Appendix 3A - Agreement Between Energy Vendor and Service Provider*.

Upon request, energy vendors must provide a written price list for normal and customary services for home energy costs. This information can be provided using the *Appendix 3F - Energy Vendor Price List* form.

Changing the language of the energy vendor agreement is possible if the changes do not alter its essential meaning or intent. If changes altering the meaning or intent are necessary, those changes must be approved in advance by the Department of Commerce (Commerce).

Energy Vendor Internal Controls Responsibility

Service Providers, energy vendors, and households are part of a Coordinated Responsibility Model that explains the responsibility of each party to ensure accuracy, effectiveness, efficiency, and integrity of EAP services. Energy vendors have a role in assuring accurate benefits are provided through consumption reporting, household account and billing status information and benefit delivery. Inaccurate consumption or account balance information can affect the accuracy of a benefit and put the integrity of the program at risk.

In addition, energy vendors should conduct EAP activity control measures to prevent and detect discrepancies, non-compliance, and other issues that may occur:

- Conducting control measures, if possible, before applying a payment to a household's account will provide assurance that an accurate benefit is being provided.
- Conducting post-payment control measures, if possible, will assist to identify any issues not previously detected.

Energy vendors should conduct routine control measures to identify situations and to ensure compliance:

- Account credits: Crisis payments don't create a credit over $1.00 on a household's fuel account.
- Account for an unoccupied dwelling: Payments are applied to only active accounts at occupied dwellings.
- Households that have discontinued as customers: Refunds to EAP are within 10 days of the change.
- Questionable payments: Payments are questioned if they appear abnormal to EAP practices.
- Two EAP households' payments to one account: Only one EAP household's payments are applied to one account.

Contact the Service Provider with questions or if an issue is identified. Energy vendors have a duty to report any known suspected fraud, error or abuse. If a pattern of payments does not appear to comply with EAP policies, please report concerns to the Commerce by email at eap.mail@state.mn.us.

Energy Vendor Registration and Change of Energy Vendor Information

An energy vendor must be registered in eHEAT which includes being registered with Minnesota Management & Budget (MMB) to receive an EAP payment on behalf of an applicant. An energy vendor is established in eHEAT by submitting the Appendix 3G - *Energy Vendor Registration for EAP Payments* form to the Service Provider. The Service Provider must submit energy vendor information to eheat.doc@state.mn.us.
Energy vendor registration information must include:

- Energy vendor legal Business Name (TIN Name).
- Vendor Name Doing Business As (if appropriate).
- Business Location and Mailing Address.
- Business Phone Number.
- Contact Person.
- Service Provider Referral.
- Federal Tax Number.
- Completed IRS Form W-9.
- State Identification Number (nine digit number).
- If the Business is a Corporation, Partnership or Individual SSN.
- Minnesota Management & Budget (MMB) Vendor ID Number (if already an approved MMB Vendor): 11 digit number.

An energy vendor eHEAT payment is executed using an MMB Vendor Registration Number, an eleven digit number assigned by MMB. By registering with eHEAT, Commerce can register the energy vendor with MMB. MMB does not register energy vendors for eHEAT.

To change information the energy vendor must record the information in the same format and submit it to a Service Provider (i.e. change of address, change payment information, mergers, or buyouts). The Service Provider will email updated information to eheat.doc@state.mn.us to inform Commerce.

Implement and Maintain eHEAT Security Policies

Energy vendors are required to have processes in place to manage eHEAT access to ensure only current, authorized users have eHEAT access. Users must only have access to eHEAT functions necessary for their work assignments.

Off-Boarding Process

Energy vendors are required to immediately disable users when needed. If the energy vendor's eHEAT Administrator needs to be disabled, send email to eheat.doc@state.mn.us. Energy vendors should have off-boarding (staff leaving employment) procedures in place, for example an off-boarding check-list, that includes disabling eHEAT access.

eHEAT Access Check

The energy vendor eHEAT Security Administrator should conduct routine eHEAT access check to ensure only the appropriate users are active in eHEAT. There are three user statuses in eHEAT:

- **Active**: user has access to eHEAT.
- **Inactive:** user does not have current access to eHEAT due to inactivity for over 60 days. User needs to be reactivated by an eHEAT Administrator to regain access.

- **Disabled:** user has no access to eHEAT. eHEAT continues to list every user that had eHEAT access.

The energy vendor eHEAT Security Administrator's authorization includes:

- Limiting access to authorized personnel only.
- Ensuring each user is assigned a unique user ID.
- Ensuring email addresses associated with each user ID are current.
- Creating new roles that combine functions in eHEAT for staff positions.
- Editing existing users' roles as new functions are assigned or no longer performed.
- Immediately disabling eHEAT administrators and users:
  - Upon permanently leaving a position requiring eHEAT access.
  - Upon administrative leave or suspension.
  - When no longer employed by the energy vendor.
  - If on other leave, laid off, on an extended vacation, or reassigned to non-EAP duties for 30 days or longer.
- Assuring the private data provided by eHEAT functions to employees is appropriate for their job and responsibilities.

Energy Vendor Sold, Merged or Out of Business

Energy vendors should notify the Service Provider of significant changes to their business. The Service Provider is also responsible for ensuring an energy vendor receiving eHEAT payments is a functioning business. If an energy vendor goes out of business during the EAP program year with EAP funds on accounts, the funds need to be recaptured by the program and forwarded to the household's new energy vendor. The Service Provider must work with the energy vendor to facilitate the return of funds. If the Service Provider is unable to contact the energy vendor or the energy vendor does not respond, the Service Provider must contact the appropriate local municipal or county attorney.

Non-Cooperating Energy Vendors

If an energy vendor does not agree to the terms of the energy vendor agreement, the Service Provider must attempt to solicit the energy vendor's cooperation and explain the implications of refusing to sign or abide by the terms of the agreement. If an energy vendor is non-cooperative they may not receive program payments on behalf of their customers from all EAP Service Providers in the delivery system. The Service Provider may contact Commerce for assistance to solicit the energy vendor's cooperation.

When an energy vendor refuses to sign or abide by the terms of the energy vendor agreement, the Service Provider can request that the energy vendor be designated non-cooperative. The Service Provider **must** notify the Commerce at once by e-mail (eap.mail@state.mn.us), letter or fax. This correspondence must be addressed to the Service Provider's Program Performance Auditor and describe the following:

- Energy vendor name and address.
- Reason(s) the energy vendor is not cooperating.
- Approximate number of households affected.
- How the Service Provider will serve the households.

Commerce reviews the circumstances to validate the request for non-cooperative status and may make attempts to resolve issues directly with the energy vendor. If an energy vendor is

designated as non-cooperative in the eHEAT 'Energy Vendor Profile', payments for households with this energy vendor go directly to the household. Non-cooperative designation is considered to be a serious matter.

Energy Vendor Monitoring & Reporting Requirements

Monitoring energy vendors is essential to ensure program quality and integrity. An EAP energy vendor is bound by the requirements of the LIHEAP Act and the Energy Vendor Agreement. Monitoring can also ensure energy vendors follow these rules. Service Providers are required to monitor energy vendors.

Correct energy costs and consumption are an essential part of determining the appropriate benefit to the household because benefit levels are based partly on the actual heating cost for the previous year. Energy vendors must be able to reproduce the account balance and energy cost information they provided on each household upon request. Monitoring helps ensure cost and consumption information provided by the energy vendor was accurate and true and payments were appropriately applied. Energy vendors must contact the Service Provider if for any reason the consumption amount needs to be changed after original submission.

Access to Records

Energy vendors must allow the Service Provider and Commerce access to their records for compliance monitoring. Monitoring includes verifying transactions between the energy vendor and the Service Provider. This includes but is not limited to cost information, application of payments to household accounts, billing to eligible households, providing equal services to EAP eligible households, and any or all other activities agreed to in the *Energy Vendor Agreement*.

When selected by the Service Provider for compliance monitoring, the energy vendor will receive a *Monitoring Report Cover Letter* (Appendix 3B) explaining the process. The energy vendor must complete the *Energy Vendor Monitoring Report* (Appendix 3C) and supply requested records. The Service Provider utilizes the Appendix 3D - *Energy Vendor Monitoring Report SP Review Tool* (Appendix 3D) to assess compliance and analyze records.

Leveraging

Leveraging requires energy vendors to Identify benefits given to low-income customers. Leveraging information helps Commerce get additional money through the Leveraging Incentive Program. The federal funds received as a result are then available to help pay heating bills for low-income customers.

Only report benefits for which you have back-up documentation. It is best to report a small amount of benefit than none at all. Benefits can only be counted if provided to low income customers exclusively, not to all customers. Benefits may include:

- Waiver of reconnection charge.
- Discount on price of fuel.
- Waiver of deposit.
- Cash donations to a company fuel fund for payment of crisis assistance to low income households.
- Donations of coats, blankets or quilts to be given to low income households.

Do not include EAP payments. Do not include low-income CIP information you have reported to the CIP/Special Projects Division of the Minnesota Department of Commerce.

Legal Requirements

Energy vendor involvement is subject to federal and state statute and regulation. Federal, Commerce or Service Provider officials may audit energy vendor records pertaining to EAP. Audits may occur for program activity up to three years after the program year has closed and until action conducted during this period has ended.

Non-Discrimination

Energy Vendors cannot penalize or discriminate against customers for participating in EAP. The law [P.L 97-35, Sec. 2605(b) (7) (C)] states that an EAP eligible household must not be treated adversely or differently from other households because of receiving EAP assistance and energy vendors will not discriminate in services provided to the eligible household on whose behalf payments are made. Oil and propane dealers are required to comply with the Discrimination Prohibition in Minn. Stat. §325E.027.

Services available to an energy vendor's customers in general cannot be denied to a household solely because of the household's EAP eligibility. These services may include:

- Availability of price and fee list.
- Deferred payments.
- Budget payment plans.
- Conditions of sale, credit, delivery or price.
- Discounts for cash or prompt payment.
- Any service designed to benefit or assist the energy vendor's customer.

In addition, propane dealers are required to comply with the following: Price and Fee Disclosure, Budget Payment Plan, Propane Purchase Contracts, and Terms of Sale in Minn. Stat. §§216B.0992 - 0995.

It is not discrimination under the statute to provide additional benefits for households receiving EAP services. Additional benefits, especially those that increase the buying power of EAP grants, are desirable and encouraged and can be included as leveraging activities.

Data Privacy

Energy vendors are responsible for data privacy. The application and eligibility status of households is classified as private data under the Minnesota Government Data Practice Act (Minn. Stat. 13.01 et seq.). Energy vendors, Service Providers and Commerce must take appropriate steps to ensure the identity of EAP applicants and their household members remain private. Immediately report possible violations to Commerce.

Only use EAP household numbers to identify a household when communicating via email with the Service Provider. Secure email can be used to provide additional household identification information (such as names or address).

Sharing EAP Private Data With Energy Vendors

Applicants sign the EAP application to authorize use of their private data to determine eligibility and provide EAP services. This authorization is documented in the household's file. New uses of the data contained in the EAP application or the household's file require a new authorization from the data subject.

The household data collected by EAP has restricted uses. Generally, an EAP household's consent allows their data only to be used for determining and delivering EAP services. Use of EAP household private data details are in *Your Rights and Responsibilities Privacy Notice* (also known as the *Privacy Notice*) and the "Consent and Signature" Part of the *Minnesota Energy Programs Application* provided to the households.

EAP only requests information necessary to provide services. This is as required by the federal Privacy Act of 1974 and the Minnesota Government Data Practices Act (MGDPA), Minn. Stat. 13. Under the Privacy Acts, energy vendor, Service Provider, and Commerce staff should only be provided the private data necessary to perform their duties for the purposes listed in the *Privacy Notice*. The MGDPA, under Minn. Stat. §13.055, subd.1. (d) states: "Unauthorized person" means any person who accesses government data without a work assignment that reasonably requires access, or regardless of the person's work assignment, for a purpose not described in the procedures required by section 13.05, subdivision 5."

EAP data provided to energy vendors are limited to information necessary to obtain energy vendor account and consumption information and to allow energy vendors to apply EAP benefits to customer accounts. The household data required are available to energy vendors through the energy vendor's access to eHEAT. The information is needed to verify the household's EAP eligibility and the amount to apply to the household's or the household landlord's account.

To illustrate, EAP collects data on household income and household size, but these data are not required to apply EAP payments to customer accounts. Therefore, these data are not be provided to the energy vendor, with the exception that EAP allows energy vendor employees working with affordability programs to request additional EAP private data if the household has agreed to participate in an affordability program.

The energy vendor must obtain an *Informed Consent for Release of Data* signed by the household before requesting EAP household data for any other use or program.

Additional information is available Chapter 13 - *Data Practices and Records* of the *EAP Policy Manual*.

Safe At Home Program

EAP follows the guidelines of the Safe at Home (SAH) program which is offered by the Secretary of State's office in collaboration with local victim service providers and became effective September 1, 2007. SAH helps survivors of domestic violence, sexual assault, stalking, or others who fear for their safety establish a confidential address. SAH allows its participants to go about their lives, interacting with public and private entities without leaving traces of where they live to keep their abuser from locating them.

Participants use an SAH assigned address and their correspondence is forwarded to their actual mailing address by the Secretary of State's office. SAH participants cannot be required to disclose their physical address. The SAH Program may be contacted at 1-866-723-3035 with questions or to confirm a SAH applicant's participation in SAH.

Energy vendors must work with Service Providers to safeguard the identity and address of SAH participants. Additional information about SAH is found in *Chapter 4 - Applications & Application Processing* of the *EAP Policy Manual*.

SAH is governed by Minnesota Statutes Chapter 5B, and Minnesota Rules Chapter 8290.

Appendices

3A – *Agreement Between Energy Vendor and Service Provider*
3B – *Energy Vendor Monitoring Report Cover Letter*
3C – *Energy Vendor Monitoring Report*
3D – *Energy Vendor Monitoring Report SP Review Tool*
3E – *Crisis Fuel Post Delivery Verification*
3F – *Energy Vendor Price List*
3G – *Energy Vendor Registration for EAP Payments*

Chapter 4

Applications & Application Processing

Any Minnesota resident may apply for EAP from October 1 to May 31. A household completes one application form to apply for the EAP and Weatherization Assistance programs. EAP Service Providers must begin processing applications for EAP no later than May 31.

The last date to apply for EAP is May 31. Applications must be received or postmarked by May 31 to be processed for EAP eligibility and benefit payment. Requests for applications may be logged as telephone or incomplete applications. As May 31 approaches, this practice can give households extra time to complete their applications. Households have until June 30 to provide any missing information, documentation or signature required to make their application complete. Primary Heat benefits must be payable by July 15, if applicable.

Households applying after the deadlines listed in the previous paragraphs may still receive Responsive Energy Self-Sufficiency services, as defined in Chapter 9 – *Assurance 16*. Although their applications must be denied because the program has ended, phone calls from these households after May 31 can be logged with the minimum information needed for a telephone application; this will also enable these households to receive an application the following year.

Service Providers must use a variety of techniques for applications, including mail applications, appointments, re-certifications and home visits. Services such as bilingual assistance must be available as needed.

Chapter Contents

- EAP Customer Service and Accessibility Requirements
- EAP Applications and Instructions
- Application Processing
- Applications from Service Provider Employees
- Safe at Home Program

EAP Customer Service and Accessibility Requirements

Customer Service

Quality customer service is a key component of customer satisfaction. While Commerce can suggest or require systems to improve customer service, most components of good customer service are dependent on a Service Provider culture emphasizing respect for individuals and helpful staff attitudes. Commerce encourages Service Providers to hold regular meetings to ensure communication and provide staff support.

Service Providers must:

- Provide 1-800 numbers OR allow for "collect" calls from clients throughout the year.
- Provide safe and convenient access for applicants, including applicants with disabilities to any Service Provider location.
- Accept requests for crisis intervention over the phone.
- Provide a mechanism and review process for complaints and feedback.

Examples of some customer service best practices are:

- Assuring adequate telephone coverage throughout the business day, phones answered or a voice mail message opportunity offered by the third ring, and the opportunity to speak to a live person.
- Responding to all telephone, fax, written or e-mail correspondence requesting routine information within one business day.
- Providing the applicant with all relevant information during the first call or letter and assure all questions are answered using clear and understood language.
- Providing an interim response to all inquiries when a complete response requires extra time to research or if there is a heavy workload which prevents an immediate response.
- Providing applicants with a face to face appointment at the scheduled time for on time arrivals.
- Executing agreements with appropriate organizations for after hour's requests for crisis.
- Accepting energy vendor referrals for crisis and verify by phone with the client.

Note: It is **not acceptable** to require households to apply in person for Primary Heat, Crisis or ERR.

Accessibility

Federal and state laws require EAP services are accessible. At a minimum, the following accessibility services must be provided:

- Intake sites must be physically accessible to disabled applicants.
- Service Providers must have procedures to allow non-English speakers and people with literacy problems to apply for assistance and comply with application requirements (see Appendix 2A - Language Line).
- Service Providers must make provisions to provide services to people with visual impairment. At a minimum, program publications printed must include this statement: "This publication is available in alternative formats upon request." Upon request, these publications must be made available in large print and Braille.
- Service Providers must have procedures to allow hearing or speech impaired applicants to apply for the energy programs. If the Service Provider has TDD/TTY capability, publicize this number while publicizing the Energy Programs. Staff should be trained to operate the equipment.
- The Minnesota Relay Service enables communication between a hearing-impaired and/or speech impaired person's TDD/TTY and the Service Provider. The Service Provider may contact a hearing impaired person with TDD/TTY capability through this service. An operator relays your words to a TDD/TTY user, and translates the hearing impaired person's responses back in spoken form. All calls are confidential. Contact this service at 1-800-627-3529 or 711. However, a majority of relay services are now Internet-based and cannot be accessed by dialing the Minnesota Relay toll-free

number or 711. Minnesota Relay users know how to initiate a relay call, and will automatically do so via their preferred form of relay service. The recommended phrase to notify consumers who are deaf, hard of hearing, or speech disabled about how to contact a Service Provider through relay services is: "Consumers with hearing or speech disabilities may contact us via their preferred "Telecommunications Relay Service."

Note: Accessibility services can be difficult to secure for low-incidence populations. Service Providers are encouraged to collaborate across EAP service areas to make EAP accessible.

Questions and Complaints

EAP applicants and recipients may have questions about how the program works or how their benefits were determined. Others may have complaints about their benefit or how they were treated. EAP customer service requires both be taken seriously and responded to appropriately.

Service Providers are required to have written procedures for responding to questions and complaints. These written procedures must be part of the training process for EAP staff and any other staff who answer the telephones or interact with EAP applicants or recipients. The procedures and training must promote maintaining good customer relations and stress the advantage of keeping the question or complaint at the lowest level, including:

- Designation of staff who can respond to questions and complaints.
- Telephone procedures to give applicants and recipients access to a person who can respond to their questions and complaints.
- Information and training about how to respond to questions on eligibility requirements and how benefits were determined, including examples of letters, if a letter should be needed.
- Information and training about how to follow up with questions when a customer calls and the question or complaint is unclear.
- Training on how to deal with difficult or angry clients.
- The Service Provider procedure for complaints about the quality of service (sometimes called a grievance).
- The procedure for a formal appeal at the local level.

Customer Service Feedback

Service Providers must develop and implement annual customer service feedback procedures. These procedures must include mechanisms to:

- Solicit and collect feedback from denied applicants and EAP recipients.
- Document complaints and their resolution.
- Analyze results.

Among the best practices include sending survey questionnaires to a random sample of approved and denied households where they respond anonymously, so the households do not feel compelled to answer positively. The analysis must include identification of any patterns or results that show strengths and weaknesses in the delivery of the program.

EAP Applications and Instructions

The EAP Application for new applicants and returning EAP households is made up of the instructions, the application form including signature page, and *Privacy Notice and Your Rights and Responsibilities*.

- **The Instructions for Application** is a separate publication aiding in completion of the application.
- **The EAP Application for new applicants** provides the information necessary to determine eligibility, and the applicant's signature verifies the information is true. Use the Request for Application process in eHEAT to respond to regular application requests. For walk-ins, emergencies, and local outreach distribution, use a Service Provider EAP application. The instructions, application form, and *Privacy Notice and Your Rights and Responsibilities* are available to Service Providers on the Commerce website.
- **The Pre-Application** is in the same format as the EAP Application for new applicants with pre-entered household and energy vendor information. Commerce will mail a Pre-Application to households that were determined eligible in the previous program year but not receiving the Recertification application. The application is also sent to households denied due to a lack of program funds or end of program year, if applicable. The Pre-Application will print information from the previous year's application. Instructions and *Privacy Notice and Your Rights and Responsibilities* will be part of the mailing.
- **The Recertification Application** verifies previously provided information of the applicant remains true. Households with fixed incomes are offered Recertification application without requiring proof of income. To qualify for a Recertification application, household income must include one or more of these income types and no others: Social Security, Supplemental Security Income (SSI), and Pension/Annuity. Commerce sends a Recertification application to these households asking for verification of previous information. Instructions and *Privacy Notice and Your Rights and Responsibilities* will be part of the mailing. Households with no change in their income will be recertified when they return the signed application. Households with income changes must provide income documentation for the changes. Every third year households in this category will be asked to complete a non-recertification application and provide proof of income.
- The ***Privacy Notice and Your Rights and Responsibilities*** provides the required privacy notice, which notifies applicants of their rights and obligations under the programs.

Note: Use of Recertification applications and pre-printed application forms for households who have previously applied simplifies the application process for applicants and Service Providers.

If an applicant was previously denied EAP benefits due to an incomplete application, the household may provide the requested documents and information by June 30 to have eligibility and benefit amounts determined. EAP benefit awards will depend on funds available.

Statutorily Required Application Components

Privacy Notice and Your Rights and Responsibilities

The *Privacy Notice and Your Rights and Responsibilities* handout meets the requirements of the Privacy Notice contained in Minnesota Statues §13.04, subd. 2. This information must be included with each application, including telephone applications. To assure that each applicant clearly understands the *Privacy Notice and Your Rights and Responsibilities* handout, Service Providers must be willing to explain it to potential applicants who call and ask to have it explained. *Privacy Notice and Your Rights and Responsibilities* includes the following:

- Eligibility restrictions.
- Notification rights.
- Appeal rights.
- Privacy rights.

Consent to Share Private Data

All EAP household data is protected by the Minnesota Government Data Practices Act (Minn. Stat. §13.01 *et seq.*). Requirements for release of this data are described in this Act.

The Data Practices Act requires that individuals asked to supply private data about themselves are informed of the following:

- The private data that is being requested.
- The purpose and intended uses of the requested data by the collecting Service Provider.
- Any known consequence from supplying or refusing to supply the private data.
- The identity of other persons or entities authorized by state and/or federal law to receive data.

The applicant authorizes release of personal data on the application. The application must be signed by the applicant to be effective. You must have the applicant's explicit permission to share private data with someone who is not specifically described in the statement on the application. Get the applicant's signature on a separate consent form that meets the requirements of the Act.

Types of EAP Applications

Commerce will authorize the following:

- The State application.
- The Recertification application.
- The Pre-printed application.

The full application includes instructions, the application form, and *Privacy Notice and Your Rights and Responsibilities*.

The State Application

The State application is a standardized form providing all information needed from households to determine EAP eligibility. It is designed to allow easy data entry. It includes the instructions, application form and *Privacy Notice and Your Rights and Responsibilities*.

Commerce will mail all Recertification applications and all Pre-printed applications. Applicants not receiving a Recertification Application or Pre-printed application usually receive applications via the "Request for Application" on the eHEAT system. Service Providers may send an application or give an application directly to an applicant in the case of a walk-in or an emergency.

Use of the "For Office Use Only" box is determined locally.

The State application is available on the Commerce web page and may be downloaded by individuals to apply for EAP and by organizations to make the application available to their customers or consumers. The State application includes instructions, application form, and *Privacy Notice and Your Rights and Responsibilities*.

Acceptable Application

The current year's *Minnesota Energy Programs Application* is the **only** allowable application for applying for the Energy Assistance Program. Available applications must include the current year's *Privacy Notice and Your Rights and Responsibilities* and *Instructions*. Only the current application and *Privacy Notice and Your Rights and Responsibilities* grant current permissions and sharing of private data. Households must complete a current year application if an application for a previous year is received.

Available Applications Formats

The EAP application is available as an on-line active application or it can be printed out in English language, Spanish language and Large Print formats. Following are links to the available EAP Application formats:

- Active: http://mn.gov/commerce/energy/images/ffy16-application-fillable.pdf
- English language: http://mn.gov/commerce/energy/images/ffy16-application-english.pdf
- Spanish language: http://mn.gov/commerce/energy/images/ffy16-application-spanish.pdf
- Large Print: http://mn.gov/commerce/energy/images/ffy16-application-large-print.pdf

EAP applications, a list of Service Providers by county and other information can be accessed at http://mn.gov/commerce/energy/consumers/Heating-Assistance/.

Service Providers must accept applications downloaded from the web page and those printed by other Service Providers if the applicant lives in their service area. Applications received from another Service Provider's service area must be forwarded to the appropriate Service Provider within two working days.

Transferring Applications to Another Service Provider:

1. Transfer applications only when there is a paper application.
2. If the application needs to be transferred before the benefit is approved, log it and go to #5.
3. If the application needs to be transferred after the benefit is approved, go to #4.
4. Update household file in eHEAT:

- Update the address and phone number in eHEAT to reflect the new address in the new service area.
- Manage/update payment activity by confirming the balance owed or credit on the household's account with energy vendors currently receiving EAP payments. Then pay balance owed, request a refund of any credit remaining on the account and cancel any remaining payments.
- Document the update and transfer in the note section of the complete screen.

5. Transfer the eHEAT file to the new Service Provider.
6. Provide the paper file to the new Service Provider.
   - Copy everything in the household file.
   - Mail one copy of the file to the new Service Provider within two days of transfer.
   - Keep and store the other copy of the household file.
   - Original application and documentation should be with the Service Provider processing the application as they are responsible for the file in case of an audit.

Best practice: When transferring an application either email or phone the other Service Provider and energy vendor to inform them the application is being transferred.

Appointments, Walk-Ins and Telephone Applications

When a household requests an appointment to give their application information in person, send a letter confirming the appointment date and time. Include a list of the information they will need when they apply.

Individuals who come to the office without an appointment to request an application may prefer or need to give their application in person. If possible, try to arrange for a meeting with an intake person. If a meeting cannot be arranged in a reasonable time, set up an appointment or home visit for the individual. If the individual is willing to complete the application at home, provide him/her an application.

Some individuals call with needs that require an application be taken at that time. Take enough information over the telephone to initiate the application process. Mark the application "Incomplete" and either send an application form to the household using the Request for Application process on eHEAT or refer the household to the website if they have internet access. Follow the timelines for action on applications.

Home Visits

At a minimum, provide home visits when the applicant cannot:

- Physically access your intake site.
- Complete a mail-in application.

Application Processing

Application processing and benefit determination are two key functions of EAP. Both activities are ultimately completed in eHEAT, but appropriate business practices and protocols are necessary to assure households are treated equitably and in accordance with program policies. The application is processed using the information submitted by the household. During application processing Service Providers may need to make changes to the information submitted to correct inaccuracies. Work with the household when changes are necessary. Any changes must be documented.

The primary business practices affecting application processing and benefit determination are related to the application and benefit priorities. It is a policy of EAP that households must be served immediately if they are in urgent need of service to get or keep heat in their homes. This prioritizes the application process.

Application Processing Timelines

Applications must be acted upon in a reasonable time as required by the LIHEAP statute. A reasonable time to process a complete application is within 30 days. Due to the large volume of Recertification applications and Pre-Applications at the beginning of the program year, the application processing timeline does not take effect until January 15. After that date applications must be certified and paid within 30 days of receipt of a complete application.

If Service Providers are unable to meet the reasonable time requirement with their existing staffing pattern, additional staff, including temporary workers, and/or extra hours must be implemented to ensure the 30-day timeline is being met.

Application Processing Protocol

Application processing involves several steps. In its simplest form, it involves entering the application data on the computer and letting eHEAT determine eligibility and benefit amounts. The protocol for prioritizing households and making payments determines when information is ultimately entered into the software.

Prioritizing Applications

Prioritizing applications means sorting out those needing immediate attention and providing that attention. Service Providers should process applications for households experiencing an emergency first. Use Assurance 16 to provide negotiations services to those not experiencing an immediate emergency. Then serve these and all remaining households using first in, first out protocol.

1. Emergencies include households with:
   - No heat.
   - No electric service.
   - Refusal to deliver.
   - Impending no heat, no electric, or refusal to deliver situation that cannot be negotiated and served using the first in, first out protocol before it becomes an emergency.
2. All other households including those with final notices and other impending but not an immediate emergency must be served in the first-in, first-out priority

process, with necessary energy vendor negotiations. An impending but not immediate emergency is one that will not result in a no-heat or no-electric situation before the household is determined eligible or that can be alleviated with energy vendor negotiations.

3. Serve all other households on a first in, first out basis.

Entering Applications

The application form contains all household information needed to determination eligibility for EAP. The application form also includes the client's signature.

How to handle questions that are on the application but are not recorded in eHEAT:

Voter registration	Use your local procedures and software to record answers to this question.
How long have you lived here?	Use this information to decide whether to request consumption information from the household's energy vendors. Use consumption for the dwelling if it gives better data than the back-up matrix.
[local questions]	Use your local procedures and software to record answers to these questions.

Information to have available when entering applications:

Three Months Income:	Use the three complete months before the application was signed. If the documentation is not for the past 3 complete months or is not the same for all members, the application is incomplete.
Income:	Check all sources of income and other assistance received by each household member (except for earned income of students in kindergarten through twelfth grade).

Processing the Application

Logging in Applications Received

All applications must be logged in the order they are received. Service Providers have until September 15 to log all applications received on or before September 15. After September 15, all applications must be logged on the day they are received. Timely logging in of applications is a required activity. The process will build electronic documentation of action on applications. This information will be included on the EAP Production Report in eHEAT.

Address Standards

Service Providers are required to use address standards to reduce the entry of duplicate addresses into eHEAT and prevent potential errors and fraud. Service Providers must follow the standards shown in Appendix 4B – *Address Standards*. If a standard is not listed in Appendix 4G, additional guidance can be found at the U.S. Postal Service website http://pe.usps.gov/cpim/ftp/pubs/Pub28/pub28.pdf

Signature Requirements

Applicants sign the EAP application to authorize use of their private data to provide EAP services (see Chapter 13 - *Data Practices and Records*). The signer must be an adult (18 years of age or older) or an emancipated minor (a person under the age of 18 who is or was married, is on active duty in the uniformed services, or has been declared emancipated by a court) and can be any member of the household named on the application.

The signer is not required to be the Primary Applicant. (See the **Ineligible Non-Citizens** section of Chapter 5 – *Program Eligibility Requirements*). Service Providers must confirm the signer is named on the application and is an adult or emancipated minor, as defined in the paragraph above. The signature date on the application must be within 60 days of the received date. An applicant's signature on a faxed or scanned application is acceptable. A signature made with the signer's finger or a stylus on an electronic device, such as an electronic tablet, is also acceptable. If these requirements are not met the Service Provider should request complete information from the household.

Household Energy Vendor Accounts

Energy Account Numbers

Households in eHEAT must have an energy vendor customer account number for each active energy vendor listed on the application. The customer account number must be unique to that household and that energy vendor. If the energy vendor does not supply a customer account number, the Service Provider should use the household name.

Name on Energy Accounts

The name on the household energy vendor account should match the name of a household member listed on the application. If the name on the household energy account is not a household member's name, the Service Provider must get assurance the grant is going to intended recipients at the intended address. To get assurance follow this procedure

- Contact household and ask why the account is not in a household members' name.
- Ask the household to get a household name on account. If there are barriers, assist the household to remove these barriers.
- If unable to get the account in a household member's name, verify the reason the household names do not match and ensure the account is for the address of the household (e.g., confirm with vendor or landlord).
- If a match of the account address and the household address cannot be verified, deny the household for insufficient information.
- Make notes in eHEAT.

Handling Incomplete Applications

Incomplete applications must be logged in as an application is received. Follow up is required with households whose applications are incomplete. Proactively consider the household's need for a mail application, appointment or home visit. After 30 days, deny incomplete applications in eHEAT so the households will receive a denial letter. Allow households that have received a denial based on an incomplete application to complete their applications by June 30. Reactivate the application when you receive the information.

Handling Previously "Over Income" Applications

If income changes for a household previously denied benefits for being over income, it is not necessary for the household to fill out a completely new application. Service Providers should send the household the signature page of the application for their signature and new date. The newly signed signature page is then added to the original application along with the new household income information. The application is then reactivated in eHEAT.

Applications Received 60 days after the Signature Date

Applications must be received within 60 days of signing. After 60 days the application is void and will be denied. The household may still reapply but a new signed and dated application and income verification will be required.

Applications from Service Provider Employees

Applications from Service Provider employees must be approved by Commerce before they can be paid or denied. "Employee" is defined as:

- For CAA and non-profit deliverers: all employees functionally or structurally related to EAP or WAP service delivery and board members of the delivering Service Provider.
- For County and Tribal deliverers: all employees in the same department as EAP and board members of the delivering Service Provider.

The employee must apply at the local Service Provider, providing all necessary household data and income information. Service Provider employees must mail or deliver their application directly to their local Service Provider; they should not have their employer log and transfer their application to their local Service Provider.

An EAP employee cannot perform any tasks in the processing of their own application or the application of an immediate family member. Service Providers must reduce conflicts of interests for employees by designing local processes to separate program benefit delivery duties. These local processes should:

- Separate application handling for employees,
- Subordinate relationships,
- Family relationships and familial relationships that could be a conflict of interest.
- Additional areas of conflict are a family relationship with vendor or contractor personnel or other partners.
- Any other that may be conflict.

Service Providers may designate a staff person to handle all employee applications. Small Service Providers may need to have another EAP Service Provider process employee applications. Commerce must be informed if this option is chosen. Employee application handling process is monitored by Commerce.

Service Providers must:

1. Enter all application information into eHEAT. The **"Are you or anyone in your household a board member or employee of this service provider?"** box on eHEAT MUST be checked.
2. Make the application complete
3. Click the "Determine Eligibility" button.

The application then goes into an approval screen available to be authorized by Commerce staff. **Mail** copies of eligible and ineligible employee applications (recertification application, pre-printed, and regular applications) and supporting documents to:

CONFIDENTIAL – ENERGY ASSISTANCE APPLICATION
John M. Harvanko, Director
Office of Energy Assistance Programs
Minnesota Department of Commerce
Golden Rule Building, 85 East 7th Place, Suite 500
St. Paul, Minnesota 55101

Commerce approves the employee's eligibility within fourteen working days of receiving the application and all required documentation. As soon as the application is approved the benefit payments are listed on the eHEAT Payments screen as "Certifiable." Check for the application on this screen before calling Commerce to ask the status of the approval process. Commerce mails the application documents, including a signed eligibility worksheet, back to the Service Provider and does not keep a copy. All application activity begins and ends at the local Service Provider. Once the application is on the *Payment Certification* screen, process it like any other application. Timelines must follow Commerce EAP guidelines.

Employee Applications with an Energy Emergency

If an employee-applicant is experiencing an immediate energy emergency:

- Call Kathy Hochreiter at 651-539-1809 or alert another EAP staff person that you have an emergency application that you wish to fax. For security purposes, do not fax until you have talked to a person. Do not leave a voice mail.
- Fax the application, including an eligibility worksheet, to Commerce at 651-539-0109.
- For any other questions during the certification process here at Commerce, include the name and telephone number of the person responsible for the application.
- Check the Payment Certification screen in eHEAT for the status of the application.
- The application will be mailed back to the Service Provider with a signed copy of the eligibility worksheet.

No Heat Emergencies (After Hours, Holidays and Weekends)

If a Service Provider employee who has not yet applied for EAP experiences an after-hours, no heat emergency, the Service Provider must address this emergency using the following procedure: Enter the complete information and indicate that it is an emergency application, and resolve the emergency. Immediately at the start of business, follow the procedure for "Employee Applications in Crisis." If the Employee applicant is requesting Crisis or ERR services after Commerce approval of eligibility and Primary Heat benefits, the Service Provider process normally. The Service Provider must have a separation of duties to ensure the employee does not process or approve these benefits.

Safe at Home Program

The Safe at Home (SAH) program is offered by the Secretary of State's office in collaboration with local victim service providers and became effective September 1, 2007. SAH helps survivors of domestic violence, sexual assault, stalking, or others who fear for their safety establish a confidential address. SAH allows its participants to go about their lives,

interacting with public and private entities without leaving traces of where they live to keep their abuser from locating them. They do this by using a government-assigned P.O. Box address in place of their physical address. Their correspondence goes to their assigned P.O. Box address and is forwarded to their real physical address by the Secretary of State's office. By law, SAH participants cannot be required to disclose their physical address to any other party other than the SAH office and a SAH program participant cannot be required to answer any questions about the circumstances of her or his participation in the program. The SAH office may be contacted at 1-866-723-3035 with questions or to confirm a SAH applicant's participation in SAH.

SAH is governed by Minnesota Statutes Chapter 5B, and Minnesota Rules Chapter 8290.

Intentions:

- Maintain the confidentiality of SAH participants who apply for EAP.
- Assure equal access to EAP regardless of SAH status.

Focus:

Maintaining privacy and confidentiality while serving SAH households with their

- Application.
- Consumption gathering.
- Payment.
- eHEAT/record keeping.
- Referral to SAH.

Values:

- Safety.
- Cooperation.

How SAH Works

SAH Participant Address

Participants in SAH share a common P.O. Box but are assigned a unique Lot number. The P.O. Box and Lot number must be accepted by all private and public entities as the participant's actual address of residence and employment.

A SAH participant's mail is sent to the P.O. Box and Lot #, which is managed by the Secretary of State. Participant mail is repackaged and mailed to the participant's real residential address. Only First Class mail sent through the U.S. Postal Service will be forwarded. Packages will not be forwarded unless they are recognizable pharmaceuticals or are clearly labeled that they are from a state or county government entity.

The address provided by SAH participants is:
Participant's Name
Lot # XXXXXX
P.O. Box 17370
Saint Paul, MN 55117-0370

SAH participants cannot be required to disclose their real physical address. Service Providers **must** accept a SAH participant's assigned PO Box address, without requiring the participant to also provide any address that could be used to physically locate them,

including their actual home, work or school address, either as a substitute or in addition to their assigned SAH address, or as a condition of receiving a service or benefit, unless the service or benefit would be impossible to provide without knowledge of the SAH participant's physical location. (*Minnesota Statutes*, section 5B.05(a)).

SAH Participant Data

SAH participant data is classified and maintained the same as other customer data, unless the participant has submitted to a SAH form entitled *Notice to Government Entities* to the Service Provider. If a SAH household **has not** submitted this *Notice* to their Service Provider, the SAH participant's signature on the on the EAP application is considered consent for EAP Service Providers to share SAH participant identity information as necessary (e.g., to aid in the transfer of the household's EAP application if the SAH household moves from one EAP service area to another).

If a participant **has** submitted a Notice to Government Entities, there are strict legal prohibitions about what data the Service Provider can share about the SAH participant and under what circumstances. If a Notice has been submitted, it is illegal to share most data about the SAH participant unless the SAH participant has given written consent. If a Service Provider receives this Notice from a SAH household, the Service Provider cannot transfer the household's application to another EAP Service Provider or provide household information to an ERR contractor without written consent from the SAH household. A submission of this Notice will be very rare. Although the Notice does describe legal prohibitions and legal obligations, if the Service Provider receives a Notice to Government Entities it should contact the Safe at Home office at 1-866-723-3035 for guidance. (*Minnesota Statutes*, section 13.045, subdivision 3, See *Laws of Minnesota* 2014, Chapter 173, Section 2.)

(*Minnesota Statutes*, section 13.045, subdivision 3, See *Laws of Minnesota* 2014, Chapter 173, Section 2.)

A SAH program participant cannot be required to answer any questions about the circumstances of her or his participation in the program.

SAH Participation Card

SAH participants are issued a SAH participation card. The SAH participation card cannot take the place of official identification forms such as a driver's license or State ID card. Presentation of the SAH card creates a rebuttable presumption that enrollment is valid. In other words: If someone shows the card, it proves they are a participant. But if you have some evidence to the contrary, you may fight their claim. SAH can be contacted to confirm program participation if you give them the potential participant's name and Lot #. The SAH participation card example is shown at right.

Office of the Minnesota Secretary of State

Safe at Home

Address Confidentiality Program

By law all entities public and private must use this address for all records related to the program participant named below.

All correspondence must include the name and complete address as shown below.

Signature: _____

Pursuant to M.S. 5B.05, "When a program participant presents the address designated by the secretary of state to any person, that address must be accepted as the address of the program participant."

You may not question the program participant about any circumstances of her or his participation in the program.

If you have questions or need more information regarding Safe at Home contact:

651-201-1399
1-866-723-3035 (toll free)
safe.athome@state.mn.us
www.sos.state.mn.us
TTY: 1-800-627-3529 or 711

Guidance for EAP Service Providers

Application Information

The regular EAP application is used for SAH participants, but SAH participants do not supply their home address.

Some SAH participants may have received a roll-over application and applied; in that case, the Service Provider should "retrofit" the record. SAH participants should be provided with Appendix 4A - *Instructions for SAH Participants Completing EAP Application*, which guides the SAH participant in completing the EAP application.

Entering Safe-at-Home Address Information in eHEAT

For consistency and ease of identifying SAH households in eHEAT all SAH addresses should be entered in the 'Household Address' section as shown below. The "Lot" number is the only part of the address that will vary between SAH households. The "Lot" number is assigned to the household by SAH and provided to the Service Provider by the SAH applicant.

Service Provider tool to help SAH participants complete application*

Application Section:	What the EAP application instructions ask for:	Information Service Providers should gather from Safe at Home participants*:
Social Security Number	Provide your Social Security Number	Do not ask for the SAH participant's Social Security Number (SSN). Instead, use a bogus SSN in the format: SAH-XX-XXXX. If the computer indicates that the bogus SSN is already in the system, change the number but always use "SAH" for the first three digits. Example: SAH-01-2011.
Name	Fill in your Name	The SAH participant's actual name should be used on the application and in eHEAT.
Home Address	Fill in your Home Address	List the SAH participant's Lot Number. Their actual home address should **not** be listed on the application or in eHEAT. Do **not** ask or allow the SAH participant to provide his/her home address.
Mailing Address	Fill in your Mailing Address	Use the SAH, Lot #, P.O. Box 17370, St. Paul MN 55117-0370 address on the application and in eHEAT.

Application Section:	What the EAP application instructions ask for:	Information Service Providers should gather from Safe at Home participants*:
Social Security Number	Part 2 of the application asks you to list Household Members and their Social Security Numbers.	The SAH participant should **not** provide any SSNs for their household members.
Proof of Income	Send Proof of Gross Income for the Past 3 Complete Months for all household members (or tax forms for the self-employed).	The SAH participant should remove or black out the workplace address, SSN and actual home address from any copies of proof of income sent to meet this requirement. The SAH participant's address for employment is the Lot #, P.O. Box 17370 address.
Part 4. Heat Sources		
Copy of heating bill, electric bill or fuel receipt	Send a copy of your heating bill, electric bill or fuel receipt with this application.	The SAH participant should remove or black out the actual home address from any copies of heating or electric bills sent to meet this requirement. The SAH participant's address for utility billing is the Lot #, P.O. Box 17370 address.

*If a Service Provider accidentally receives sensitive SAH EAP participant information (e.g., SSN, real home address), the Service Provider should immediately remove that information and destroy it. For example, if the SAH participant submits a utility bill that shows their actual home address, the Service Provider should cut that address off and shred it.

Furnace Repair / Replacement

If a SAH participant chooses to get help with furnace repair or replacement, care should be taken by the Service Provider to keep their name and address separate. For example, if a work ticket needs to be made for repair work to be done, use just the SAH participant's EAP Household Number on the ticket rather than their name. The idea is to reduce the paper trail as much as possible and never to have the SAH participant's name and address linked. Note: If a SAH participant has submitted a SAH *Notice to Government Entities*, the Service Provider must get written consent from the SAH participant before providing any household information (e.g., name and phone number) to an ERR contractor.

Transfer of SAH Application Between Service Providers

Before transferring the SAH application, the transferring Service Provider must contact the Service Provider to whom the application is being transferred and notify the staff person in charge of handling SAH applications about the transfer. Note: If a SAH participant has submitted a SAH *Notice to Government Entities*, the Service Provider must get written consent from the SAH participant before transferring the application to another Service Provider.

Paper SAH Participant Files

It is advisable that Service Providers keep SAH files locked up, with access limited to the EAP Coordinator. This is particularly important in cases where a SAH participant has furnace work done resulting in a work ticket with their actual address.

Determining Consumption

The SAH participant's name and utility account number should be sufficient for utilities to provide EAP with consumption data. However, when manually requesting consumption data, energy vendors should be instructed to **not** return address information for SAH participants.

Appendices

4A - *Instructions for SAH Participants Completing EAP Application*
4B - *Address Standards*

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Chapter 5

Program Eligibility Requirements

Eligibility Effort Definition

A major function of local EAP Service Providers is determining eligibility for EAP. The LIHEAP Block Grant has left to states the task of resolving the large number of details entailed in the eligibility determination process. In Minnesota, the basis of the task (called the "Effort Definition") includes written values, intentions, focus and context, which are tools for policy and procedure development and interpretation. This chapter details the eligibility determination process.

Chapter Contents

- Eligibility Policies and Procedures
- Income Definition and Determination
- Income Verification

Focus: What we do

- Collect and process applications.
- Use information provided on and supplied with the (complete) application to determine eligibility.
  - Minnesota residency.
  - Vulnerability to rising heat costs.
  - Household size.
  - Income sources and amounts.
  - Application date.
- Identify and document income based on program policies.
- Determine eligibility based on program policies and available information.
  - (Corollary) Do the best we can with what we have.
- Communicate with applicants about applications and eligibility.
- Use eHEAT as the eligibility tool.

Intentions: What we want to accomplish; our outcomes

Summary: Simple and Fair

- Advocacy (eligibility determination outcomes)
  - Policies are equitable for applicants statewide.
  - Procedures include flexibility to respond to changing situations.
  - Policies require only the information needed to administer the program.
- Administrative (policy development outcomes)
  - Procedures are simple to do.
  - Policies and procedures are easy to understand and explain.
  - Policies and procedures promote good stewardship of public funds.

Values: What we believe or think is important.

- Consistent interpretation and implementation of policies and procedures statewide.
- Focusing or targeting eligibility criteria to households with the lowest income and highest energy burdens and households with vulnerable members.
- Being good stewards of public funds.
- Households' rights to make decisions about their money and about applying for EAP.
  - (Corollary) We expect people to target themselves.
  - (Corollary) Service Providers and social service agencies are obligated to tell people about EAP.

Context:

- Eligibility determination is not an exact science.
- Sometimes applicants' decisions will affect their eligibility.
- Service Provider staff must find the balance between advocacy and caretaking.

Eligibility Policies and Procedures

The Application

One application is used for determining eligibility for all components of EAP. Households eligible for EAP may also be eligible for Crisis, Energy Related Repair (ERR) and the Low-Income Weatherization Assistance Program (WAP). Crisis, ERR and WAP are special programs that have additional eligibility requirements.

A household is eligible for one Primary Heat grant during the program year. Once determined eligible, a household is eligible until September 30, the end of the program year.

Households that move can transfer their eligibility to the new location. Their benefit will not change.

Application Date Requirements

The EAP year is from October 1 of one year through September 30 of the next. Households must apply by May 31 to be eligible for EAP.

Minnesota Residence

Anyone applying for Primary Heat or requesting Crisis or ERR must be living in Minnesota. Receipt of a LIHEAP grant in another state does not disqualify a household from receiving a grant from Minnesota LIHEAP and will not affect the household's grant.

Vulnerability to rising energy costs

Households must be vulnerable to increased energy costs to be eligible for EAP. Vulnerability means an increase in energy costs results in additional shelter costs for the household.

Households vulnerable because their energy bills will rise and fall with the market include:

- One that pays an energy vendor for home heating energy.
- One that pays the actual heat bill to the landlord.
- One that lives in Section 8 housing and pays for heat or electricity based on usage.

Households vulnerable because their rent may increase with an increase in energy costs include:

- One that pays for heat as part of the rent.
- One that lives in HUD 236 or FHA 515 and pays the greater of 30 percent of their income or the base rent of the unit.

Social Security Numbers (SSN)

EAP uses Social Security Numbers (SSN) in program administration and to assure that eligible applicants and household members receive only allowable benefits. Federal law allows states to require applicants to disclose their SSN to prevent, detect, and correct fraud and abuse. U.S. HHS Information Memorandum (IM) LIHEAP-IM-2010-6 strongly encourages states to require SSNs in determining eligibility for LIHEAP. The IM also states: "HHS has determined that Section 205(c)(2)(C)(i) of the Social Security Act, 42 U.S.C. § 405(c)(2)(C)(i), grants States the discretion to require that individuals disclose their SSNs for "the administration of any law, general public assistance, driver's license, or motor vehicle registration law within its jurisdiction." HHS has further concluded LIHEAP is a "general public assistance" program administered by States, and as such, Section 205(c)(2)(C)(i) of the Social Security Act authorizes States to require SSNs as a condition of eligibility for use in verifying the identity of individual applicants and their household members."

Minnesota EAP requires the primary household applicant to provide a verifiable SSN for the household to be eligible for the program. The applicant is responsible for verifying the primary applicant's SSN if the program is unable to verify the SSN. The application cannot be processed if the SSN for the primary applicant cannot be verified. The SSN for other persons in the household remain requested but optional.

Service Providers must **neither require nor request** the SSN for Safe At Home (SAH) participants. For more information on the SAH program, see the SAH section of Chapter 4 – *Applications & Application Processing*. Commerce has identified numbers that are authorized alternatives to the SSN, as detailed in the Authorized Alternative Documentation (AAD) section below.

Verifiable SSN

A verifiable SSN must:

- Have 9 digits.
- Appear to be a plausible SSN (Not 000-00-0000 for example).
- Not conflict with another SSN in eHEAT.
- Not be impossible. Impossible SSN are those not yet assigned by the Social Security Administration.
- Be divided as follows:
  - Area number = first 3 digits.
  - Group number = 4 and 5 digits.
  - Serial number = last 4 digits.

SSA provides the following guidance to determine if an SSN is invalid or impossible:

- No SSNs with a 000 area number have been assigned.
- No SSNs with an area number of 666 have been or will be assigned.
- No SSNs with an area number between 900 and 999 have been assigned.

- No SSN's with a 00 group number have been assigned.
- No SSN's with a 0000 serial numbers have been assigned.

Invalid or impossible Social Security Numbers

	Area number **first 3 digits**	Group number **4 and 5 digits**	Serial number **last 4 digits**
1	000		
2	666		
3	900 to 999		
4		00	
5			0000

Missing Primary Applicant SSN

When there is no primary applicant SSN on an application:

- Applications with no SSN, or if eHEAT determines the SSN is invalid when logging, use "bogus" SSN to log the application.
- Send a *Request for Additional Information Letter* or resolve the issue by other means. Include language requesting the SSN or an acceptable SSN alternative (see "Acceptable Alternatives to SSN" below).
- If there is no response to the requested SSN the application is denied for "Invalid SSN."
- If the household refuses to submit a SSN the application is denied with denial reason "Invalid SSN."
- A household member with a valid SSN or an acceptable alternative can be the primary applicant.

Authorized Alternative Documentation (AAD)

There are cases where an application can be completed without a primary applicant SSN. The table below lists the authorized alternatives to a SSN. If a household offers an alternative not included in this list, the Service Provider must submit the candidate exception to eap.mail for approval or denial. The SSN or AAD for the primary applicant must be entered into the SSN field in eHEAT using the format below. AADs for non-primary household members must be entered into the 'In Absence of SSN' field.

Authorized Alternative to SSN	How to enter the primary applicant's SSN into eHEAT
Safe-At-Home (SAH) participants	Use a bogus SSN in the format: SAH-XX-XXXX. If the computer indicates the bogus SSN is already in the system, change the number but use "SAH" for the first 3 digits (e.g., SAH-01-2011)
Religious objectors	REL-ID-000X (REL=Religious, 'ID'= SP EAP ID Number, and 'X' is a variable kept sequential by SP in order of use)
I-94 Arrival / Departure Record or Form CBP	Enter first nine characters of the person's document number (e.g., I94-8B-XXXX)

Authorized Alternative to SSN	How to enter the primary applicant's SSN into eHEAT
I-179 ID Card for Use of Resident Citizen in US	Enter first nine characters of the person's document number (e.g., I17-9X-XXXX)
I-197 US Citizen ID Card	Enter first nine characters of the person's document number (e.g., I197)
I-551 Resident Alien Card	Enter first nine characters of the person's document number (e.g., I55-1X-XXXX)
I-551 Permanent Resident Card	Enter first nine characters of the person's document number (e.g., I55-1X-XXXX)
I-688B Employment Authorization Document	Enter first nine characters of the person's document number (e.g., I68-8B-XXXX)
I-766 Employment Authorization Card	Enter first nine characters of the person's document number (e.g., I76-6X-XXXX)
ITIN Individual Taxpayer ID Number	Enter as 'TIN' followed by the last six digits of the number (e.g., TIN-26-2345)
Q or V Indicates Qualified or Vacant WAP units	WAP uses Q or V as the leading digit in the SSN field for Qualified or Vacant units they weatherize. See WAP instructions for details on completing this field.

Denied Alternative Documentation

The Commerce determined the following is an unacceptable alternative for an applicant's SSN:

High Security Consular Registration Certificate (MCAS for its initials in Spanish)	ID card issued by Mexican Government for protection and access to consular services for Mexicans living in the U.S.

Entering Non-Primary Household Member's SSN in eHEAT

- For non-primary household members without a SSN in the 'Household Member' data entry area under 'In Absence of SSN' enter "None" in the 'Id' field and select none from the 'Id Type' pull-down.
- **Do not** use "bogus" SSN for household members without SSN. Only use 'Id' fields.

Date of Birth

The primary applicant's correct date of birth (DOB) is required for the household's application to be completed. If the DOB is not given for non-primary household members, Service Providers should contact the household and ask for missing birthdates when contacting the household for other information. The DOB is collected because:

- DOB is needed to verify the primary applicant's Social Security Number.
- DOB is a unique identifier for an individual and helps distinguish people with the same name.
- DOB is used to collect and report demographic information. For federal reports and program eligibility the DOB identifies children under six, seniors and minor children with earned income.

Household Size

Household size means the number of people who reside in the household on the date a household member signs the application. Some people may be members of more than one household.

Any household members activated to the military and deployed are household members. Only include the income that is made available to the household. College students living away from home during the school year are household members if the household dwelling is their legal residence. Minor children of parents or guardians living separately may be claimed as members of both households. Proof of joint custody is not required. Any unearned income payments, such as Social Security Income, for the minor children of parents or guardians living separately are counted only by the household receiving the income.

Household Definition

A **household** includes all individuals who:

- Are one economic unit;
- Occupy a residence, which has not been subdivided;
- Are provided residential energy in common or who make undesignated energy payments in rent; and
- Do not live in an institution.

An **economic unit** is a group of related or nonrelated individuals who:

- Usually are living together (although not necessarily at the time of application, e.g., active duty military, students); and
- Whose income and/or consumption of goods and services are related.

Example:

- Individuals who share a lease and pay one rent are one economic unit because their consumption of housing is related.

A **subdivided residence** includes any building where:

- The occupants do not live with any other persons in the structure and where each unit has direct access:
  - From the outside only; or
  - Through a common hall, lobby, or vestibule that is used or intended for use by the occupants of another unit or by the general public. This means that the hall, lobby, or vestibule is not part of any unit, and must be clearly separate from all units in the structure.

and

- Individual units are either directly billed by an energy vendor for their home energy costs; or
- Heat and electricity are included in rent

Examples:

- Subdivided: Rental of basement or upper level of home with direct outside access only for the renter's use, and no access to the rest of the house.
- Not subdivided: Rental of a bedroom and attached bathroom, where the renter must pass through the homeowner's living space to reach the rented bedroom.

An **institution** is:
An institution is defined as a place where an organization takes care of people for an extended period of time. (e.g., prison, nursing home)

Examples:

- Persons living in a board and lodging with special services facility do not live in an institution. A room and board facility is licensed only by the MN Department of Health. Examples are transitional housing, shelters, memory care facility, and some group homes (e.g., chemical dependency treatment centers or homes).
- Persons living in long-term care facilities such as nursing homes and boarding care homes live in an institution. Both the Department of Health and the Department of Human Services license nursing homes and a board and care facilities. Service Providers are responsible for knowing the nursing homes and board and care facilities in their service area.

A person who rents a room, does not share living area (i.e., neither kitchen, bathroom, nor living room), and does not share other dwelling or household costs is not a member of the landlord household. This renter may apply as a separate household even if they do not otherwise meet the strict definition of a subdivided unit above. Examples of other dwelling or household costs are food, shelter, heat and utilities.

An applicant who rents out a room to a renter must count the rental income and may deduct rental expenses. Service Providers must check the box in eHEAT that asks if the household operates a business in their home.

Changes to Household's Situation

Refer to Chapter 10 - *Benefit Payments & Refunds* for assistance with handling changes to the household's situation during the program year. Examples of household situation changes include the household moving, adding or losing members, or combining with another household.

Attendants for Elderly and/or Disabled People

Live-in attendants such as personal care attendants for elderly or disabled people are not household members. Do not include the attendant as a household member or their income. The attendant's service must be:

- Provided through a service company to assist the household member

and / or

- Required by a doctor for adequate medical care at home.
- Medically necessary care that is provided daily.
- The primary reason the attendant resides with the household member.

Documentation from a health care provider is required.

Example:
In order to receive adequate medical care to live at home, _____ requires daily medical care services. The recommended frequency or amount of medical care required is _____ (number of hours, level of care, etc).

Foster Care

Households may choose to include foster family members, including those in the Extended Foster Care to Age 21 program and those in Adult Foster Care, as household members or not, whichever is the most beneficial:

- Count foster care payments in household income and include the person(s) in foster care as household members.
- Exclude foster care payments from household income and exclude the person(s) in foster care as household members.

Relative Custody Assistance

- The child is counted as a household member.
- Do not count income received from the RCA program.
- Include any other unearned income the household may receive from other sources in support of the child, such as; MFIP, Supplemental Security Income, Veteran's Benefits and Social Security.

Ineligible Non-Citizens

EAP strives to ensure that all LIHEAP-eligible non-citizens and citizens, including children residing with ineligible non-citizens, are not discouraged, delayed or denied enrollment or faced with additional access barriers by EAP procedures. If an ineligible non-citizen is a household member on an EAP application, their income is counted but they are not counted as a household member. (See U.S. HHS Information Memorandum (IM) LIHEAP-IM-2014-07).

If, without any prompting or investigating, a Service Provider learns a household includes ineligible non-citizens, the Service Provider should follow the outlined procedures. Service Providers should not assume a person's program eligibility status. Some ways this unsolicited information may become known are if the household verbally or in writing indicates so and must not be ignored. Clarifications and procedures are outlined to assist in the processing of households that include ineligible non-citizens.

Examples of households that include ineligible non-citizens and the respective procedures are described below:

At least one adult is an eligible person in a household with other eligible or ineligible non-citizens

- If, without any prompting or investigating, it is determined ineligible non-citizens are part of the household make-up, ensure the primary applicant is an eligible person.
- Ineligible non-citizen household members should be marked as "inactive" in eHEAT so they are not counted in the household member size.
- The 3-month income is calculated from all sources (both eligible and ineligible non-citizens) and recorded in eHEAT in the 'Total Household Income.'
- Notations in eHEAT should be made of the ineligible non-citizen status.

All adults are ineligible non-citizens that reside with one or more eligible children

- If, without any prompting or investigating, it is determined all adults are ineligible non-citizens, the application should be signed by an adult applicant on behalf of the eligible child(ren).
- Ineligible non-citizen household members should be marked as "inactive" in eHEAT so they are not counted in the household member size.
- The 3-month income is calculated from all sources (both eligible and ineligible non-citizens) and recorded in eHEAT in the 'Total Household Income.'
- Notations in eHEAT should be made of the ineligible non-citizen status.

A household that is only comprised of ineligible non-citizens

- If, without any prompting or investigating, it is determined no household members are eligible, the application is denied.
- Use the "Insufficient Information" eHEAT denial reason.
- Use the "Insufficient Information" letter. This may prompt the household to contact the Service Provider, providing an opportunity for additional clarity on the denial basis.

Income Definition and Determination

Income is defined according to the U.S. Department of Health and Human Services *Update of the Estimated State Median Income for Four Person Families*. Income means a household's gross cash receipts, before taxes. Certain kinds of money the household receives are not, by their nature, income. Both income inclusions and income exclusions are described below.

Households must provide verification of all members' incomes for the eligibility period. Commerce-developed forms must be used for follow up with no income and inadequate income households.

The standard used to determine maximum eligible income for most household sizes is state median income guidelines, issued annually by the federal Department of Health and Human Services. The income guidelines equal 50 percent of the Minnesota state median income. 110% of the federal poverty guideline becomes the standard when it is greater than 50 percent of the state median income for a particular household size.

Eligibility is based on household income using the following criteria:

- Gross payments for the 3 complete calendar months prior to signing the application for most earned and unearned income.
- The previous year's profit divided by 4 for self-employment and certain regular annual payments.

NOTE: A household may be over-income for EAP based on "3-month Max. Guidelines" even though the household's yearly income is less than the "Annual Income".

2016 Maximum Energy Assistance Program Income Guidelines

Based on 50% SMI or 110%* of federal poverty guidelines, whichever is greater

Household Size	Annual Income	3 month Max. Guidelines		Household Size	Annual Income	3 month Max. Guidelines
1	$23,949	$5,987		11	$67,702	$16,925
2	$31,318	$7,829		12	$69,083	$17,270
3	$38,687	$9,671		13	$70,465	$17,616
4	$46,056	$11,514		14*	$72,435	$18,108
5	$53,424	$13,356		15*	$77,011	$19,252
6	$60,793	$15,198		16*	$81,587	$20,396
7	$62,175	$15,543		17*	$86,163	$21,540
8	$63,557	$15,889		18*	$90,739	$22,684
9	$64,938	$16,234		19*	$95,315	$23,828
10	$66,320	$16,580		20*	$99,891	$24,972

Income Inclusions and Exclusions

Income type	Definition	Count as income?
Adoption Assistance		No
Assistance Payments	DWP, General Assistance, RSDI, SSI, MFIP and MFIP housing assistance grants	Yes
Basic Allowance for Subsistence	Non-taxable, cash payments to defray a portion of food costs for military service members	No
Business Income	Income from a business less business expenses	Yes
Capital Gains or Losses		No
Child Support	Payments received by household	No
Consumer Support Grant (CSG) Program	CSG is not income. The entire grant amount is earmarked to purchase specific services. (Payments to those who provide services are income).	No
Contract for Deed	Count annual interest payment divided by 4.	Yes
Dividends, Interest and Royalties	If over $50 per quarter or $200 a year. If payments are made annual or regularly but not monthly, use the 12-month total divided by four. If monthly, use the last three months.	Yes
Disability, Short- and Long-Term	Count only reimbursement for wages and not reimbursement for out of pocket medical costs.	Yes
Draw-down on assets	Includes reverse mortgages	No

Income type	Definition	Count as income?
Earned Income including wages, salaries, commissions, bonuses, garnished wages, profit sharing, tips, vacation pay; severance pay; sick leave; royalties and honoraria which result from the client's work or service.	Count all gross earned income received in 3 months	Yes
Earned income for minors or K-12 students		No
Earned Income Credit	This is never counted. Sometimes an EIC Advance will be on a payroll check. It should not be added into the gross, but sometimes it is. Deduct it from the gross when determining eligible income.	No
Employer paid fringe benefits, including the employer portion of cafeteria benefits		No
Family Support (if undesignated between Child and Spousal Support)	When payment does not designate between spousal support and child support, divide the entire amount equally between the spouse and their minor children. For example, if the household includes one parent and two minor children divide the payment amount by three. Only the spouse portion of family support (1/3 of total in this example) is counted as income.	Yes
Food or rent received instead of wages		No
Gambling or wagers		No
Gifts (cash)	Provides support for the household. Accept the self-reported amount with no additional required documentation.	Yes
Indian per capita judgment payments		No
Income from an ineligible non-citizen household member		Yes
In-kind income		No
Interest on Pre-Paid Burial Accounts	Interest earned on pre-paid burial accounts is not income for the Energy Assistance Program.	No
Irregular Income	Resulting from occasional work such as income from lawn mowing or snow shoveling. Accept the self-reported amount with no additional required documentation.	Yes

Income type	Definition	Count as income?
Job-related expenses for non-self-employed	Deduct job-related expenses from gross income for employed individual who pays business expenses comparable to self-employment, such as a sales person, truck driver, or cab driver.	No
Jury duty pay		Yes
Loans	Includes cash draw-downs on credit cards.	No
Lump sum payments -- Regular	Consider the annual payment divided by four.	Yes
Lump sum payments -- Non-recurring	Only count the amount of the payment that pertains to months in the household's three-month EAP eligibility period (including RSDI, SSI, SSDI lump sum payments).	Yes
Minnesota Supplemental Aid (MSA)	MSA and MSA Special Needs Payments	No
Military or Ministerial Housing Allowance		No
Military pay	When a household member is deployed, that person remains a household member. Only the income that is made available to the household should be counted as income. Housing allowance is **not** considered income.	Yes
Military Combat Zone pay		No
Overpayments	Income received in error during any of the previous three months, which the household member is responsible to repay.	No
Payments on behalf of the household	Must provide regular support for the family.	Yes
Program Participation income	Title V of the Older Americans Act: Experience Works, Senior Health Aides, Senior Companions. Domestic Volunteer Service Act: VISTA, AmeriCorps, UYA, Urban Crime Prevention Program, RSVP, Foster Grandparent Program, Senior Health Aides, Senior Companions, ACE.	No
Refunds and Reimbursements	For example: repayment for job related expenses such as mileage or uniforms; for medical expenses; income tax refunds or rebates.	No
Relative Custody Assistance Payments	Do not count income received from the RCA program.	No
Rental Income	Consider rental to be a business. See the **Self-Employment Calculation** section of Chapter 5 for guidance on calculating this income.	Yes

Income type	Definition	Count as income?
Retirement Income: Including 401s, 403Bs, Annuities, IRAs, Pensions And Other Retirement Plans And Accounts	Count "retirement payments" generally received at age 59½ or older. Do not count early withdrawals. If payments are not received monthly or quarterly, determine the 3-month average income.	Yes
Section 8 Mortgage Payments	These payments may be cash payments to the household or regular payments on behalf of the household.	No
Social Security Benefits	Net amount of the check (gross amount minus amount deducted for Medicare and Medicare Part D). Count for all household members (even minors and students). Include recurring RSDI, SSI and SSDI payments.	Yes
Social Security Death Benefit payment		No
Spousal support or alimony	Payments received by the household	Yes
Strike Benefits		Yes
Student Income (Grants)		No
Student Income (Loans)		No
Student Income (Work Study)		No
Trade Adjustment Act payments		Yes
Training allowances	From federal and state employment programs, only the portion that pays or reimburses for living expenses unless excluded by law.	Yes
Tribal per capita payments from casinos	If annual or regular lump sum payments, total for the past 12 months then divided by four. If monthly, use the last three months.	Yes
Tribal Fishery Income		Yes
Tribal Judgment Funds above $2,000	Only annual payments above $2,000. This income is rare in Minnesota and is related to land acquisitions.	Yes
Trust Disbursements	If payments are made annual or regularly but not monthly, use the 12-month total divided by four. If monthly, use the last three months.	Yes

Income type	Definition	Count as income?
Trust Disbursements for Special Needs (also known as Special Needs Trusts)	If payments are made regularly but not monthly, use the 12-month total divided by four. If made monthly, use the last three months. Count payments and distributions for regular support and income. Exclude payments and distributions for special needs/medical expenses from income.	Yes
Unemployment Insurance	See the **Unemployment Insurance Income Documentation** section later in this chapter for details on documenting Unemployment Insurance income.	Yes
Veteran's Benefits		Yes
Veteran's non-recurring lump sum		No
Veterans Work Programs: Compensated Work Therapy (CWT), Incentive Therapy (IT)		No
Work Benefit Program	This is $25 monthly for up to 24 consecutive months after family finishes MFIP or DWP.	Yes
Worker's Compensation		Yes

List of Excluded Income

By law, the following cannot be considered income:

- Agent Orange Settlement Payments. Payments made from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.).
- Agriculture Nutrition Act of 1949 Section 416: Value of federally donated food acquired through price support operations for school lunch or other distribution to needy people.
- Child Nutrition Act of 1966. The value of assistance to children under this Act.
- Conveyance of Submarginal Lands to Indians: The value of land taken from and later added back to Indian reservations must not be considered income.
- Domestic Volunteer Service Act of 1973 (P.L.93113): Income paid to participants. Title 1: Volunteers in Service to America (VISTA), Americorps, University Year for Action (UYA), Urban Crime Prevention Program. Title II: Retired Senior Volunteer Program (RSVP), Foster Grandparent Program, Older Americans Community Service Program (Senior Health Aides, Senior Companions). Title III: Service Corps of Retired Executives (ACE).
- Food Stamp Act of 1964: The value of the coupon allotment provided to any eligible household in excess of the amount charged to that household.
- Indian per capita judgment payments made to any tribe or group whose trust relationship with the federal government has been terminated and for which legislation in effect before October 12, 1973 authorized the disposition of its judgment funds.
- Job Related Expenses for Non Self-Employed Applicants should not be counted as income.

- National School Lunch Act: The value of assistance to children under this Act.
- Non-cash federal or state benefits.
- Older Americans Volunteer Act of 1965 (P.L. 96-478): Income paid to participants in programs carried out under the Community Service Employment Program (Title V of the Older Americans Act), including Experience Works, Senior Health Aides, Senior Companions.
- Medicare/Medicaid: The value of medical expenses paid directly to a health care provider on behalf of the household.
- Medicare deductions from Social Security.
- Plan for Achieving Self Support (PASS) payments (funded through Social Security.)
- Payments from youth incentive entitlement, community conservation and improvement projects.
- Payments made under the Radiation Exposure Compensation Act (Public Law 101-426).
- Payments made by federal Service Providers under a presidential declaration of disaster including, but not limited to, individual family grants from the Federal Emergency Management Agency (FEMA).
- Post-Secondary Child Care Grant lump sum payments paid directly to client.
- Reparation payments to Aleut people and people of Japanese ancestry under Public Law 100-383.
- Reimbursements from the 1970 Uniform Relocation Assistance & Real Property Acquisition Policy Act.
- Student grants to any undergraduate student made or insured through programs administered by the Commissioner of Education under Title V, Sec. 507 of the Higher Education Amendments of 1968. (Public Law 90-575, 883 Statute 1063)
- Subsidized Housing: The value of any assistance paid with respect to a dwelling under the U.S. Housing Act of 1937, the National Housing Act, Section 101 of the Housing and Urban Development Act of 1965, or Title V of the Housing Act of 1949.
- Title I of the Workforce Investment Act of 1998 (WIA): Supportive services to participants. Supportive services include assistance that enables people to participate in the program, e.g., transportation, health care, child care, handicapped assistance, meals, temporary shelter, counseling, and other reasonable expenses or participation in the program. Exclude all WIA-supported income received by dependent household members who are 18 years old or younger or attending school K-12.
- Tribal Judgment Funds less than $2,000. Per Sect. 8 of Indian Tribal Judgment Funds Use or Distribution Act, 25 U.S.C. §1408, the individual interests earned from Tribal "trust or restricted lands shall not be considered a resource, and up to $2,000 per year of income received by individual Indians that is derived from such interests shall not be considered income, in determining eligibility for assistance under the Social Security Act [42 U.S.C. 301 et seq.] or any other Federal or federally assisted program."
- Veteran's Benefits: Benefits for the children of female Vietnam veterans who suffer from certain birth defects must not be considered as income or resources in determining eligibility or benefits. Children receiving a benefit from the Veteran's Administration because of a birth defect are likely receiving this benefit (P.L. 106-419).
- Veteran's educational allowance.
- WIC Benefits: benefits from Women, Infant and Children (WIC) nutrition program, Child Nutrition Act.

Income Verification

Qualified Eligibility

Households with any of the following sources of income and no other income are eligible at the lowest level of income under the state median income guidelines. These households must submit one month of income detail as proof of participation in one of the programs below. They are not required to complete a *Verification of Income and Expenses Form.*

- Diversionary Work Program (DWP).
- General Assistance.
- MFIP (Minnesota Family Investment Program).
- SSI (Supplemental Security Income).

Payments for the other two months are the same as the documented month when determining eligibility.

Exceptions:

Document MFIP benefits for the past three months:

- If the household has both MFIP and wages.
- If an MFIP benefit is less than the full amount expected for the household size.

Earned Income Documentation

The following are acceptable forms of documentation of household employment income:

- Consecutively dated pay stubs for the three months prior to the date the application is signed. Use the pay dates if provided. If documentation includes only pay period end dates, they may be used.
- The first and last pay stubs for the three months prior to the date the application is signed when year-to-date wages are included on the pay stub.
- A signed and dated letter from the employer on letterhead stating the employee's gross wages for the three months prior to the date the application is signed.
- Affidavits or statements documenting eligibility, when the above are not obtainable.

Self-Employment Income including Business, Farm and Rental Income

The intention of income verification for EAP eligibility is to get as accurate information as possible regarding the household's income. For self-employment income this means collecting as many months as are available, up to one full year's worth of self-employment income and expenses.

To calculate self-employment income, business expenses are subtracted from business income for the entire previous year and then divided by 4 to get the three months of income used to determine EAP eligibility.

Documentation of Self Employment Income

On the EAP application the household is asked when they started their business; month and year. If the household has been in business for less than 24 months, they are directed on the EAP application and instructions to contact their SP for the appropriate form.

Documentation of self-employment income for EAP is the most recent Federal Tax Form 1040 the household has completed, provided it includes 12 months of self-employment income; if it does not, the household needs to complete and sign the Appendix 5C - *Self-Employment Income Cash Accounting Method* or if their business is a farm, the Appendix 5D - *Self-Employment Income Farm Cash Accounting Method*.

When contacted by the household, SP staff should determine if the household's most recent tax return includes an entire 12 months of self-employment income.

- If it does, the first two pages of the 1040 is the appropriate documentation for the household to provide to verify their income.
- If the household's most recent tax form does not include 12 full months of self-employment income, the 1040 should not be used. The household should be provided with the Appendix 5C - *Self-Employment Income Cash Accounting Method* or the Appendix 5D - *Self-Employment Income Farm Cash Accounting Method* if their business is a farm. Households must complete and sign the form to verify their income.

If the household was self-employed for the entire previous tax (calendar) year and filed a 1040:

Use Federal Tax Form 1040 and the Appendix 5B - *Self-Employment Income Worksheet* to figure the household's self-employment income.

If the household was self-employed for the entire previous tax (calendar) year but did not file a 1040:

The household must complete and sign the Appendix 5C - *Self-Employment Income Cash Accounting Method* or the Appendix 5D - *Self-Employment Income Farm Cash Accounting Method* if their business is a farm.

If the household was not self-employed for the entire previous tax (calendar) year (due to the opening or closing of the business) the household's most recent tax form will not include 12 full months of self-employment income, so their 1040 should not be used. Instead the household must complete and sign the Appendix 5C - *Self-Employment Income Cash Accounting Method* or if their business is a farm, the Appendix 5D - *Self-Employment Income Farm Cash Accounting Method* to verify their income for EAP eligibility. In this instance EAP can get the most accurate information regarding the household's income by having the household use the cash accounting method worksheet.

Business opening example:

A household applies for EAP in March. They started their business in July of last year. The Federal Tax Form 1040 reports their business income or loss, but only for the six month period of July until December of the previous year. In this case the household should complete the Appendix 5C - *Self-Employment Income Cash Accounting Method* or the Appendix 5D - *Self-Employment Income Farm Cash Accounting Method* if their business is a farm, for as many months as the business has been operating (up to twelve). In this example, using the worksheet the household will provide eight months (July through February) of income information rather than the six months reported on the tax form.

Business closing example:

A household applies for EAP in March. They closed their business in January, during the EAP eligibility period. The Federal Tax Form 1040 reports their business income or loss, but it does not include the no income period from January and February. In this instance the household should be completing an Appendix 5C - *Self-Employment Income Cash Accounting Method* or the Appendix 5D - *Self-Employment Income Farm Cash Accounting Method* if their business is a farm.

The household should start with the first month prior to application as the last month on the form and document backwards for twelve months. In this example, using the worksheet the household will provide twelve months of information and include the two months of no income; January and February. The income reported on the worksheet should be figured as instructed below.

Self-Employment Calculation

Calculate and record self-employment income as follows:

To calculate self-employment income, business expenses are subtracted from business income for the entire previous year and then divided by 4 to get the three months of income used to determine EAP eligibility.

If the household was in business for the entire previous year and filed their taxes for that year

Use Federal Tax Form 1040 and the Appendix 5B - *Self-Employment Income Worksheet*:

- Follow the instructions on the worksheet by recording the income from the *Federal Tax Form 1040*, lines 12, 14, 17, and 18 on the Appendix 5B - *Self-Employment Income Worksheet.*
- Total the four lines to determine the total annual self-employment income for the household. Divide the total annual self-employment income by 4 to arrive at the three month income amount to be used to determine EAP eligibility.
- If the total of the four lines on the Appendix 5B - *Self-Employment Income Worksheet* is negative, enter the total for self-employment income as 0. (A business loss cannot offset gains from other EAP countable income.)

If the household was not in business for the entire previous year or did not file their taxes for the previous year:

Have the household complete and sign the Appendix 5C - *Self-Employment Income Cash Accounting Method* or the Appendix if their business is a farm.

If the household provides twelve months of self-employment income and expenses information. Follow the instructions on the Appendix 5C - *Self-Employment Income Cash Accounting Method* to compute the household's self-employment income.

- Total each month's income and expenses.
- Then subtract the total expenses for each month from the gross income for each month to arrive at the net income for each month.
- Perform these same calculations for each row to validate the column totals.
- This will give you the household's total annual self-employment income.

- This amount should be divided by four to arrive at the three month income amount to be used to determine EAP eligibility.

If the household provides fewer than twelve months of self-employment income and expenses information:

Follow the instructions on the Appendix 5C - *Self-Employment Income Cash Accounting Method* to compute the household's self-employment income; figure the total income and expenses for each month in the same way as when there are twelve months reported.

- Total each month's income and expenses.
- Then subtract the total expenses for each month from the total gross income for each month to arrive at the net income for each month.
- Add the net income for each month together into one sum.
- Divide that total by the number of months reported on the worksheet. (This will provide you with their average monthly self-employment income.)
- Multiply the average monthly self-employment income by three to arrive at the three month income amount to be used to determine EAP eligibility.

If the household started a business during the three-month eligibility period, they may only have self-employment income and expenses information for just one or two months:

- Total each month's income and expenses.
- Then subtract the total expenses from the total gross income to arrive **at the self-employment income**.

Additional Considerations to Note Regarding Self-Employment Income: Business Closes during EAP eligibility period

If the household had a business that closed prior to the EAP eligibility period, they are no longer considered self-employed for EAP purposes and the self-employment income should not be used.

If the business closed during the EAP three month eligibility period, the tax return should not be used. Instead the household should complete and sign the Appendix 5C - *Self-Employment Income Cash Accounting Method* or if their business is a farm, the Appendix 5D - *Self-Employment Income Farm Cash Accounting Method* to verify their income for EAP eligibility.

If eligibility has not been determined, the household can withdraw their application and reapply when the date the business closed is not within the 3-month eligibility period.

Multiple 1040s for the same Household

If a household has multiple *Form 1040*s that include self-employment income use a separate Appendix 5B - *Self-Employment Income Worksheet* for each *Form 1040* submitted and total the results from each of the forms. (A loss from one *Form 1040* is not subtracted from another *Form 1040*.)

Farm Income

Farm income includes but not limited to:

- Proceeds from sale of crops, livestock or products.

- Soil conservation payments and other subsidies.
- Proceeds from machine rental, including wages to the farmer/operator.
- Proceeds from land rental.

Rental Income

Consider rental income to be self-employment income. Rental income documentation can include:

- IRS Form 1040 or should be given a
- Appendix 5C - *Self-Employment Income Cash Accounting Method*
- Rental receipts, cancelled checks, or rental agreements showing the monthly rental amount.

Service Providers should inform the household that by using Appendix 5C - *Self-Employment Income Cash Accounting Method* they can deduct their expenses, which may positively affect their eligibility and benefit amount.

Service Providers must check the box in eHEAT that asks if the household operates a business in their home. eHEAT will use the Backup Matrix for the Primary Heat benefit.

Business Use of Home

- Use what is stated on the application to determine a household's business use of home.
- Only *Federal Income Tax Form 1040* is required from the applicant.
- Ask for *IRS Form 8829* or other appropriate documentation if what is provided seems incomplete or unreasonable.
- Do not adjust consumption.
- For households operating a business in the home that affects home energy usage, eHEAT will use either the Back-Up Matrix or actual consumption, whichever provides the lower benefit. (See Chapter 6 – Primary Heat, Business or Rental Use of Household Heat section)

Fully Employed Household Members with Seasonal Income

Household members who work on a twelve month contract but will be paid over a period of less than twelve months must report one fourth of their annual gross income for the contract year that coincides with their application. School district employees may be the most common example of this situation. For example, some teachers get paid for nine months but have a twelve month contract. Service Providers should document their annual income and divide by four to get their income for three months.

Unearned Income Documentation

Households must provide verification of all members' unearned incomes for the eligibility period. Examples of acceptable documentation of various forms of unearned income are detailed below.

Unearned income such as pensions, annuities, Social Security and other public benefits are usually paid on a monthly basis. There are occasions where the monthly benefit is not received in the month for which it is intended. An example would be a check for January being received at the end of December. In these instances, the income is counted for the month

intended. If there have been continuous benefits, during an EAP 3-month eligibility period there should be three benefit payments.

Pensions Railroad Retirement, Annuities and other Retirement Plans such as 401s, 403Bs, IRAs and accounts when paid as a retirement benefit or disbursal of retirement funds.

- Bank statement showing direct deposit.
- Check stubs or copies of benefit check.
- Benefit award notice or letter.
- Railroad Retirement award letter.
- Record of pension or benefit fund.
- Note: Early withdrawal (prior to retirement) is drawdown of an asset and therefore is not counted as income.

Public Employees Retirement Association (PERA)

- Bank statement showing direct deposit.
- Check stubs or copies of benefit check.
- Award letters showing PERA income.
- Record of pension or benefit fund.

Note: Some former public employees who receive PERA may not pay receive Social Security as well. However, they are able to receive the Medicare benefit if they pay for it out of pocket.

Just as the amount taken out of a social security check for the Medicare benefit is not included in a household's gross income for the purposes of the energy assistance, neither is the amount paid out of a household's PERA. For example, if a person gets PERA of $1,000 and must pay $43 for Medicare, their gross income for the purposes of the energy assistance program is $957.

Social Security (SS) / Supplemental Security Income (SSI) / Retirement, Survivors & Disability Insurance (RSDI) / Social Security Disability Income (SSDI)

- Award letters showing income received from the Social Security Administration (SSA). Appendix 5H - *Online Income Verification* details how households can obtain SSA income documentation online or via the SSA toll free number.
- Copy of benefit check.
- Bank statement showing direct deposit.
- Verified proof of income that was provided by the household to another government program, e.g., SNAP, MFIP, etc.
- Computation of current benefit amount based on the previous year's benefit amount.
    - It is acceptable for Service Providers to verbally confirm the applicant's current benefit amounts and compare with verified benefit information from the prior program year to ensure the benefit amounts claimed seem reasonable.
    - Service Providers must document this in the household file.
- Statements reflecting electronic deposit of unearned income.
    - Additional electronic options, such as debit cards, are available to deliver unearned income benefits to households.

- Transaction statements showing the benefit deposit transaction generally lack personally identifiable information such as names or Social Security Numbers. Households may provide such statements as proof of unearned income. The Service Provider should verify with the household which member the income is for and accept as provided.

Normally, annual cost of living increases take effect on January 1 each year for both Social Security and SSI recipients. If the applicant's current benefit amount (January 1 through December 31 of this year) is known and the amount of the cost of living increase is known, the Service Provider can compute the previous year's monthly benefit amount. In addition, if the applicant's previous benefit amount (January 1 through December 31 of prior year) is known, the Service Provider can use the cost of living increase or the *Appendix 5F - Social Security Calculation Worksheet* to compute the current year's monthly benefit amount.

Unemployment Insurance (UI) Benefits

Documentation of UI income is only available online. Appendix 5H - *Online Income Verification* details how households can obtain online UI income documentation.

Union Benefits

- Union benefit award notice.
- Union records.

Veterans Benefits

- Bank statements showing direct deposit.
- Benefit payment checks.
- Veteran's Administration award notice.
- Records of County Veteran's Service Office.
- VA records.

Workers' Compensation, Short Term Disability and Long Term Disability

When determining worker's compensation, short- and long- term disability income, care should be taken to only count wage reimbursement and not reimbursement for out of pocket medical costs, as they are not income.

- Benefit award notice.
- Copies of workers' compensation or disability checks.
- Workers' Compensation records.
- Attorney's records.

Households Reporting Inadequate or No Income

Households claiming inadequate income or no income must provide additional information regarding source(s) of support. Inadequate income means the household's reported income is less than the household's reported mortgage or rent payment. The household must complete the *Verification of Income and Expenses Form* and provide documentation when required. Households do not need to provide proof of income that is not counted for determining EAP eligibility. Household gifts or irregular income reported on this form do not require follow-up with the household or the gift-giver. Service Providers must determine eligibility based on documentation sent with the worksheet or verified during any needed follow-up. Service

Providers may obtain verification of non-countable income amounts by phone or in writing. Failure to complete or return the worksheet is cause to deny the application as "Incomplete."

If a household has inadequate or no reported income on their tax return when they are self-employed, the tax return is sufficient to document zero income.

When a household reports inadequate income, the Service Provider should provide Responsive Energy Self-Sufficiency services.

Appendices

5A - *Income Inclusions and Exclusions*
5B - *Self-Employment Income Worksheet*
5C - *Self-Employment Income Cash Accounting Method*
5D - *Self-Employment Income Farm Cash Accounting Method*
5E - *Verification of Income and Expenses Form*
5E - *Verification of Income and Expenses Form* [Spanish Language]
5F - *Social Security Calculation Worksheet*
5G - *Authorized Alternatives to SSN*
5H - *Online Income Verification*

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Chapter 6

Primary Heat

The Primary Heat benefit addresses low income households' ability to maintain affordable and continuous energy by providing grants to lower their energy burden. The Primary Heat benefit is paid to a household's energy vendor on behalf the household. This chapter provides guidance on determining a household's Primary Heat benefit using a matrix of income, household size and the previous year's heating cost.

Chapter Contents

- Primary Heat Benefit Requirements
- Benefit Determination
- Cost-Based Matrix
- Backup Matrix
- Heating Cost Determination

Primary Heat Benefit Requirements

Primary Heat benefit intention is to apply Primary Heat payments to the current winter's heat costs to the degree possible. Service Providers authorize energy vendors to receive payments by on behalf of eligible households. Direct payments to households are allowed in limited circumstances (see Chapter 10 - *Benefit Payments and Refunds*). The payments are processed through the Minnesota Management & Budget department payment services by Electronic Fund Transfer (EFT) to the energy vendor bank account or mailed as a warrant. Energy vendors credit EAP payments to the designated account.

EAP payments must apply only to the accounts of households designated for payments by EAP. Payments may only be used for the costs of home heating, as required by federal law. Primary Heat benefits for connected/metered utilities are distributed in equal monthly payments. EAP payments cannot be used to pay for other items such as service contracts, water, sewer, garbage, cable, internet, telephone, gasoline, machine parts, engine oil or other merchandise.

To determine the best course of action to address a household's needs it is essential to work with the household to consider the household's particular situation and preferences. The Service Provider's role is to apply the program rules based on the household's situation.

Primary Heat can be used for:

- Future fuel costs.
- Arrearages and current bill amounts for electricity and heating fuels.
- Delivered fuel or emergency fuel.
- Fees including pressure tests, leak seek, line bleeding, tank setting, tank rental, membership, after- hours delivery costs, reconnection and service deposits.

- Removal of load limiters.
- Previous energy vendor (see Chapter 10 - *Benefit Payments and Refunds*).

The EAP benefit must remain on the household account unless the household discontinues as a customer of the energy vendor or a refund is requested by the Service Provider. In each case, refunds must be made to the energy assistance program. (See the **Refunds of EAP Benefits** section of Chapter 10 - *Payments and Refunds*.)

Applying Primary Heat in Non-Emergencies

Primary Heat can pay electric bills when the household requests thirty percent (30%) of the Primary Heat payment is paid to the household's electric non-heating account (see Chapter 10 - *Benefit Payments and Refunds*). When working together the Service Provider and household may decide it is beneficial to adjust or cancel the 30% designation to address the household's particular situation.

Applying Primary Heat in Emergencies

Primary Heat benefits are applied first to address energy emergencies if there are Primary Heat payments designated on the application and available to the emergency vendor. Available Primary Heat benefit payments to the non-emergency vendor may be used as needed if the energy emergency is not resolved with Crisis funds (see Chapter 7 - *Crisis*).

Benefit Determination

EAP determines benefit levels for Primary Heat using a matrix of income, household size and heating cost for the previous year. For households that pay directly for heat, their actual costs for the previous year are the preferred method for establishing their benefit amounts. For the Primary Heat Benefit the minimum amount is $100 and the maximum is $1,400.

When there is more than one heating fuel, the primary fuel for the benefit calculation is the heating fuel with the highest total cost. eHEAT totals the heating costs from primary and secondary heat sources and applies the fuel percentage for the primary fuel. Where electricity is a heating fuel but not the primary heating fuel, eHEAT will divide the total electric cost by two when calculating the primary heat benefit.

When electricity is the primary heating fuel and the household also has oil or other biofuel heat, the calculated primary heat benefit may be lower than if only the oil or biofuel heating fuel costs are computed without the electric cost. Do not include electric heating costs if the result is a lower Primary Heat benefit.

If partial costs for the previous year are available, the software applies the highest benefit from the Cost-Based Matrix or Back-up Matrix. If no actual costs for the previous year are available, benefit levels are determined using the Back-up Matrix based on average costs to heat different housing types with different fuels. Benefits for households that pay heat costs indirectly with their rent payment are based on the Back-up Matrix. Using these matrices, the highest benefits go to households with the lowest incomes and the highest energy costs in relation to income, taking into account family size.

Benefit Determination Errors

In the event of a benefit determination error, a benefit fix is required if the correct benefit amount changes from the incorrectly determined benefit by $10 or more. This applies to both underpayments and overpayments of $10 or more. If the household was underpaid, provide the additional benefit. If the error resulted in an overpayment to the household, follow instructions in the **Overpayments Resulting from Error** section of Chapter 12 - *Incidents and Appeals*.

Inactive Energy Vendor and Consumption

If a household record has an energy vendor marked 'inactive', the consumption information for that vendor is still used to determine the Primary Heat benefit. A consumption record needs to be made 'invalid' for it to be ignored by eHEAT when calculating the household's benefit. For example a household would need consumption information to be made 'invalid' if it is a delivered fuel household that changed fuel types from one year to the next. The former vendor may be marked 'inactive' but that vendor's consumption information also needs to be marked 'invalid' so eHEAT does not use that information to calculate the benefit. If a household changes delivered fuel energy vendors from one year to the next (without changing fuel type) the former energy vendor's consumption does not need to be made 'invalid' because it still accurately reflects that household's consumption.

Description of the Benefits Tables

Income and Household Size in the Cost-Based and Backup Matrices

The Cost Based and Backup Matrices are based on income and household size. The first column on the left side of the matrix is the household size. The next five columns are developed based on the state median income (SMI) and are the maximum income the household can have to be placed in that column. From the right, the maximum income equals 25 percent SMI, 30 percent, 35 percent, 40 percent and 50 percent, as show below:

Household size	50 percent SMI	40 percent SMI	35 percent SMI	30 percent SMI	25 percent SMI
1					

Cost-Based Matrix

The Eligibility Guideline Table for Cost-Based Matrix is preferred for determining benefits for households paying directly for heating, including biofuel heat. The Cost-Based Matrix looks at the household's size, income, fuel type, and heating costs (not fuel costs) for the previous year. Using the Cost-Based Matrix, all households with incomes at the same percent of the SMI receive benefits at the same percent of their heating costs for the previous year.

Fuel Types in the Cost-Based Matrix

The Cost-Based Matrix assigns each household and income category (see the chart above) a benefit based on a percent of heating cost. To use the matrix, find the fuel type percent in the column for household's size and income (see chart below). Multiply this percent by the household's consumption.

Benefit levels in the Cost-Based Matrix are broken down by fuel type. Because fuels have different non-heating uses, the percent of total fuel cost used for heat also varies. Fuel types such as oil, wood, coal and other biomass fuels that usually do not have non-heating uses are the base line for the Cost-Based Matrix, meaning the benefit levels for these fuels indicate what percent of heating costs households in each income category will receive as benefits.

Other heating fuels, such as propane, natural gas, electricity, and St. Paul District Energy, have non-heating uses. Each of these fuels has a line on the Cost-Based Matrix, with benefit percentages that take into account the average use of each fuel for heat. The percent of fuel costs used to calculate benefits is lower for each of these fuels than it is for oil.

Example Using the Cost-Based Matrix

In this example from a prior year, consider a household of one with an income of $3,500 with natural gas heat costing $800 last year.

Household size	50 percent SMI	40 percent SMI	35 percent SMI	30 percent SMI	25 percent SMI
1	$5,596	$4,477	$3,917	$3,357	$2,798
Natural gas	25.3%	30.4%	35.5%	40.7%	45.8%

To determine the assistance amount:

1. Find the row with the household's size.
2. Find the first column starting from the left that exceeds or is equal to the household's income.
3. Move up or down that column to the row with the household's fuel type.
4. Multiply the fuel type percentage (35.5%) by $800, the household's costs for last year.

The household's benefit amount is $284.

Using the Cost-Based Matrix with More Than One Heating Fuel

When a household uses more than one heating fuel the total costs from all heating fuels is the consumption amount. The fuel type is the one with the highest total cost from the previous year.

When a household has electric and oil heating fuels and the cost of electric heat is higher than the oil cost, the resulting benefit may be lower than if only oil costs are computed. Do not include electric heating costs with oil to determine consumption if the result is a lower Primary Heat benefit.

Backup Matrix

The Eligibility Guideline Table for the Backup Benefit Matrix is used when a household's costs for the previous year are not available for households paying heat costs indirectly with their rent payment and for households with shared meters. For households operating a business in the home that affects home energy usage, eHEAT will use either the Back-Up Matrix or actual consumption, whichever provides the lower benefit. Benefits from the Backup Benefit Matrix are based on average heating costs of participant households during

the previous heating season. The Backup Benefit Matrix determines benefits using the same fuel types as the Cost-Based Matrix. In addition, the Backup Benefit Matrix considers housing types to better target the heating cost averages.

The format of the Backup Benefit Matrix is similar to the Cost-Based Matrix, but it contains actual benefit amounts, not percentages, in the fuel type, housing type rows.

Choosing a Matrix When Consumption Is Available but Incomplete

Benefits for households with only some costs available for the previous year are determined by whichever matrix provides the higher benefit.

Heating Cost Determination

As one of the three elements of the eligibility determination formula, establishing applicant households' heating costs for the previous season is a key program activity. Consumption is entered and stored in the eHEAT system. Energy vendor eHEAT users enter consumption directly into eHEAT. Service Providers continue to request and enter consumption for energy vendors that do not use the system. Service Providers must establish procedures with energy vendors for notifying energy vendors of the need for consumption in emergency situations.

Collecting Consumption Data from Energy Vendors

To determine heating costs, collect actual primary and secondary consumption data for the household's primary dwelling using the specifications below. Review consumption data to confirm it accurately reflects the household's situation before the benefit is determined.

Consumption Data Specifications

The consumption data includes the date range, cost and units of energy, fuel type and usage for a household's dwelling including:

- Up to 12 consecutive months.
- Any 12 consecutive months between June 1, 2014 and September 30, 2015.
- Beginning and ending dates for the consecutive consumption data.
- Taxes and fees if typically a part of the heating bill.

The consumption data for a household excludes:

- Penalties for late payment.
- Interest.
- Leak or pressure test fees.
- Trip charges not part of a normal delivery.
- Short notice deliveries.
- Tank rental.
- Merchandise, etc.

When 12 consecutive months of consumption data between June 1, 2014 and September 30, 2015 is unavailable, use the following examples to provide the residence's consumption:

- If less than 12 months of consumption data exists for the residence, report the available cost and the actual beginning and ending dates of the available consumption data.
- If no consumption exists for the residence, report as "unavailable."
- For connected utilities: If energy service was disconnected for 30 days or more during the 12 month consumption period, the consumption date range must be changed to indicate less than 12 months of service. For example: A household has been a long term customer and between June 1 and May 31 they were disconnected for the months of December and January. Report a date range of less than 12 months (June 1 to March 30). Report consumption costs for only the 10 months of connected service. It is important that the date range is less than 12 months in this situation.
- For connected utilities: If it is known a household voluntarily has their energy service disconnected for a period of warm weather months, attempt to identify 12 consecutive months of actual usage within the allowed range of June 1, 2014 and September 30, 2015. If 12 consecutive months of actual usage costs do not exist in the allowed 16 months, report a date range of 12 months, and enter the total consumption for those months (even though it includes months of voluntary shut off with no energy usage). Entering a date range of 12 months, even when the household is voluntarily disconnected for a period of time, most accurately represents the household's annual energy costs.
- For delivered fuels: If a household has a customer account for 12 consecutive months, report the entire 12-month period. Do not just show the first and last delivery dates. For example: A household has been a long term customer and received three LP deliveries (9-1, 12-1 and 3-1) between June 1 and May 31. The correct date range is June to May.

Energy vendors must contact the Service Provider if for any reason the consumption amount needs to be changed after eligibility has been determined. eHEAT will not allow the energy vendor to change the consumption after eligibility has been determined.

Note: Heating costs from the current heating season cannot be included in heating consumption costs for the current program year. In addition, the costs of penalties for late payment, short notice deliveries and tank rental cannot be included in heating consumption. These are considered a reimbursable cost, but cannot be included in the total consumption for the household.

Consumption Costs for Safe at Home (SAH) Participants

The SAH participant's name and utility account number should be sufficient for utilities to provide EAP with consumption data. However, when manually requesting consumption data, energy vendors should be instructed to **not** return address information for SAH participants. See Chapter 4 – *Applications & Application Processing* for an explanation of the SAH program.

Consumption Adjustments and Clarifications

Commercial/Residential Accounts

EAP does not serve households having only a commercial account except under the following circumstances:

- Farms or commercial operations with a single meter for business and residential must use the Back-up Matrix.

Low Actual Consumption Due to Extended Absence

Actual annual heating fuel consumption for the previous year may be extremely low due to a household being out of the dwelling for extended periods of time. Absence from the dwelling may be due to going south during the winter or due to a temporary stay in a nursing home or other institution. In these situations actual consumption costs are used to determine the Primary Heat Benefit.

If the household does not have any heating fuel consumption for the previous year due to their absence, enter 1 for the consumption and $1 for the heating cost and select actual consumption. eHEAT calculates a $100 minimum Primary Heat Benefit for the household.

Households with Heating Fuel Type Changes

Primary Heat benefits are determined using heating fuel type and heating costs from the previous heating season. Actual consumption and heating fuel costs by fuel type are the best known factors for determining current Primary Heat benefits. If a household changed heating fuels during or since the previous heating season the consumption is no longer relevant and is not to be used.

If a Service Provider is aware of a household's change in heating fuels before eligibility is determined:

- Make all prior year heating costs invalid.
- Indicate the current heating fuel types in eHEAT.

The Back-up Matrix for the current primary fuel type will determine the Primary Heat benefit. An example is a household switching from an oil furnace to natural gas. In this case the oil costs are invalid and the Back-up Matrix for natural gas is used.

Business or Rental Use of Household Heat

A business operated out of a home may affect household energy usage. If the business use of home affects home energy consumption, check the 'Business Use of Home' checkbox in eHEAT. eHEAT uses either the Back-Up Matrix or actual consumption, whichever provides the lower benefit.

Use the known facts about the household to make prudent decisions as to whether the business affects the energy usage. Truckers, drywall workers and house cleaners are examples of self-employed household members that work out of their home but may perform little or no work at their residence. These types of households would not be considered business use of home and the 'Business Use of Home' checkbox would not be checked. If the type of business affects energy consumption, for example a potter or caterer, consider it business use of home and check the 'Business Use of Home' checkbox.

Electric Heat with a Separate Meter

The electric category on the benefit tables assumes that part of the electric consumption is for household use other than home heating and makes the appropriate calculation and payment. When a household heats with electricity and has more than one electric meter, all residential electric costs must be combined and entered in the software as the heating cost to determine the grant amount.

Heating Cost Information Not Available

When an applicant or energy vendor cannot provide heating cost information (no service provided to the household for part of the previous heating season or previous energy vendor unknown), eHEAT will recognize that consumption is not available and determine assistance from the "Backup Benefit Table" (commonly called the Backup Matrix).

Rental Households with Unknown Heating Costs

Rental households with unknown (e.g., shared meter, undesignated) heating costs or heat included in rent are eligible for a grant using the Backup Matrix. If a household is not required to pay for rent, heat and electricity, the household is not vulnerable to rising energy costs, does not have an energy burden and is not eligible for EAP.

Subsidized Housing

For EAP purposes subsidized housing is housing for which a household receives one of the governmental subsidies listed below and the amount of rent paid is based on a percent of the household's income, not on the market rate:

- Section 8 voucher.
- Project-based Section 8.
- Public housing.
- Tribal subsidized housing.

Service to households in subsidized housing is based on how their energy costs are paid, as follows:

- Households responsible for their heating costs are eligible for grants based on their consumption.
- Households responsible for only non-heat electric costs are eligible for a flat grant of $100 that is paid directly to their electric energy vendor.
- Households who pay neither heat nor electric costs to an energy vendor are not eligible to receive an EAP benefit.

Electricity as a Secondary Heating Fuel

The EAP Application provides an area for households to rank the fuel(s) used to heat their dwelling. This policy is for instances where secondary electric is indicated by the household when the energy vendor does not indicate the fuel use as "heating" or when the reverse is indicated. The application heating information and the energy vendor consumption information must match. Experience has shown that many households do not have the secondary electric heat they indicated. The electricity is needed to run the furnace, lights and other appliances. In other instances, households use electric space heaters, electric baseboard or other electric heating to provide heat for the dwelling. Adding consumption for

electric heat usually increases a household's Primary Heat benefit. Do not include electric heating costs if the result is a lower Primary Heat benefit.

Include electric costs as heat if the household uses electricity to provide most or all of the heat to one or more eligible rooms (excluding any of the ineligible room types listed below). Make the appropriate changes in eHEAT based on the information provided by the household. Enter notes in eHEAT sufficient to describe how the household uses electricity as a heating source.

Use of Electricity Reported on the Application

When a household reports the use of electricity as a heat source on the application,-review consumption data to ensure the grant is based on information accurately reflecting the household's present situation. Use the following process to determine whether to include electricity as a heating source:

Service Providers must review responses to the "Do you use electricity to heat your home" question on the application as follows:

- Include electricity as a heat source for determining the Primary Heat benefit if the application lists space heaters or other electric heat as the only source of heat to one or more eligible rooms.
- Do not include electricity as a heat source for determining the Primary Heat benefit if the household checks "Furnace fan/blower only", and/or "Space heaters used as needed" and does not indicate the space heaters are the only source of heat to one or more eligible rooms.
- Contact the household as needed to find out how electricity is used for residential heating if it is not clear from the household's responses on the application.

Rooms Ineligible for Secondary Heat

Bathrooms, entryways, hallways, laundry rooms, porches and closets are ineligible for inclusion in determining whether a household used secondary heat.

It can be helpful if an energy vendor is willing and able to clarify the use of electricity, but the energy vendor's understanding should not be the primary source for reconciling conflicting energy usage information because energy vendors have different criteria for determining if electricity is used for heating.

Biofuel as a Primary or Secondary Heating Fuel

When a household declares biofuel such as wood, corn, pellets as the primary heating fuel and the actual cost of that fuel is not obtainable, use the following criteria to determine assistance.

Determine how many bedrooms are in the dwelling

- "Efficiency" is counted as one bedroom.
- Bedrooms in the basement, attic, etc. also count.
- Other main living spaces (living room, dining room) used as sleeping spaces **do not** count as bedrooms.

Identify Biofuel Consumption

Use the table below to identify the fuel needed to heat the house if no other heating source is used.

No. of bedrooms	Wood Cords	Corn Bushels Delivered	Corn Tons Delivered	Pellets Bags Delivered	Pellets Tons Delivered
1	6.5	240	6.86	256.38	5.13
2	7	258	7.39	276.11	5.52
3	7.5	277	7.92	295.83	5.92
4	8	295	8.45	315.55	6.31
5	8.5	314	8.98	335.27	6.71
6	9	332	9.51	354.99	7.10

Use Appendix 6C – *Biofuel Worksheet* to calculate estimated fuel cost to enter into eHEAT.

Software identifies biofuel as a supplemental heating source if the biofuel portion of heating costs does not exceed 50 percent of total heat costs.

If biofuel is the household's primary fuel and there is no consumption information for the secondary fuel source, calculate the biofuel consumption at 100% usage on the *Biofuel Worksheet*.

Avoid Primary Heat Payments for Self-Supplied Biofuel

Primary Heat payments for biofuel must go to a biofuel vendor whenever possible. Service Providers must maintain knowledge of the biofuel vendors in their service area and should make direct payments for self-supplied biofuel only when no vendor is available. The Service Provider must document there is no biofuel vendor available in the eHEAT 'Crisis' or 'Completion' screen notes.

Managing Business Use of Home with Biofuel

If biofuel has the highest annual cost (primary heating fuel) or is the only heating fuel:
Do not check the 'Business Use of Home' box in eHEAT because there is no Back-Up Matrix for biofuel. The annual biofuel cost will either be the actual heating cost for the biofuel or the calculated annual heating cost from the *Biofuel Worksheet*.

If Biofuel is not the heating fuel with the highest annual cost (secondary heating fuel):
Indicate the heating fuel with the highest annual cost as primary in eHEAT. Check the 'Business Use of Home' box in eHEAT. (See the **Electricity as a Secondary Heating Fuel** section, if applicable.) If the annual primary heating fuel cost is unavailable or invalid, do not enter an annual heating cost for biofuel. If a biofuel cost is entered, make it invalid. The Back-Up Matrix will be used to determine the benefit amount.

Steam as a Heating Fuel

There are two kinds of steam heat: one uses a boiler in a residential building that is fueled with oil, LP or natural gas and the other has a steam energy vendor, where steam is generated at a central location and piped to residential buildings. Indicate steam heat **only** when the energy vendor directly provides steam. Only households that live in certain areas

of the following cities can claim steam heat: Virginia, downtown Duluth, Willmar and New Ulm. Service Providers in these areas must contact their steam energy vendor for a comprehensive description of their service area and attempt to accurately record applicants with this heat source by marking "Municipal Steam" as the source of fuel.

Residents of Lowertown and Mount Airy in St. Paul who are on District Energy have a unique heat source. The Service Provider must contact St. Paul District Energy for a complete description of their service area and accurately record applicants with this heat source by marking "District Energy" as the source of fuel.

Appendices

6A – *Cost Based Benefit Matrix*
6B – *Back- Up Benefit Matrix*
6C – *Biofuel Worksheet*

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Chapter 7

Crisis

EAP Crisis benefits are used to prevent shut-off of residential energy sources, to reinstate service of residential energy sources, and to enable delivery of residential fuel. Crisis requests must be addressed immediately to avert life threatening and no heat situations. This chapter details Crisis policies and procedures. Federal LIHEAP statute requires EAP to undertake a timely and effective energy emergency intervention program (LIHEAP Act 1981 as amended Section 2604 (C)).

The LIHEAP crisis benefits include emergency bill payment and emergency furnace repairs or replacements. The term "Crisis" refers to emergency bill payments, reflecting common EAP usage. The emergency furnace repair and replacement portion of the LIHEAP requirement is referred to as the Energy Related Repair Program (ERR). ERR policies and procedures are found in Chapter 8.

Detailed documentation of Crisis activities is essential to program integrity and to reducing risks to the household, the Service Provider and the program. The documentation ensures funds are accounted for and are auditable.

Chapter Contents

- Crisis Intentions
- Crisis Eligibility Requirements
- Crisis Benefit Determination and Distribution
- Crisis Implementation
- Processing Events by Crisis Reason

Crisis Intentions

- To prevent life-threatening and no-heat situations in a timely manner.

by

- Preventing shut-off of residential energy sources.
- Reinstating service of residential energy sources.
- Enabling delivery of residential fuel.
- Managing Crisis funds to make crisis services available for the heating season when possible.
- Encouraging households to make payments.

Crisis is payment on behalf of eligible households for continuation or reconnection of utilities to reduce or eliminate an energy crisis. An energy crisis is when a:

- Household is currently shut off.
- Household has a current heat or electric disconnection notice.
- Delivered fuel household has an empty oil or propane tank or is out of biofuel.

- Delivered fuel household has less than 20 percent of fuel remaining, is on a cash-only basis and declare they are unable to pay for a delivery.

Crisis Eligibility Requirements

To receive a Crisis benefit, a household must:

- Request assistance with an energy emergency by either:
  - Submitting a bill, disconnect notice or disconnection document verifying the energy emergency.

  OR
  - Notifying the Service Provider of an energy emergency.
- Be EAP eligible.
- Have received a Primary Heat benefit that did not resolve the emergency.
- Have the emergency situation verified and documented by the Service Provider with the energy vendor at the time the Crisis benefit is determined.
- Be occupying the dwelling at the time Crisis is requested and the benefit is determined.
- Not have a redundant heating system that has fuel. An exception is that households with a redundant heating system are eligible for Crisis if the heating system that is out of fuel is needed to allow continuous heat to the dwelling (e.g., if the electric portion of the redundant heating system is on an off-peak discount program that interrupts electric heat to the dwelling.)
- Not have a Crisis payment that results in a credit on an account.
- Have one of the following Crisis reasons:
  - Heat Related Shut Off.
  - Heat Related Disconnection Notice.
  - Less than 20% in Fuel Tank and Refusal to Deliver (RTD).
  - Less than One Week Biofuel.
  - Non-Heat Electric Shut Off.
  - Non-Heat Electric Disconnection Notice.
  - Senior Past Due or Current Energy Bill.

Crisis Ineligibility Due to Unresolved Overpayment

Households with unresolved overpayments during the current program year are not eligible to receive Crisis benefits. Service Providers must maintain a single log to track households with unresolved overpayments to ensure all recovery steps are conducted. Crisis benefits must not be provided until the recovery process is complete according to policies outlined in Chapter 12 - *Incidents and Appeals*, **Overpayments and Recovery of EAP Funds** section.

Valid Disconnection Notice

The disconnection notice must have a scheduled disconnection date. The Service Provider must validate with the energy vendor the disconnection notice is still active. If an energy vendor issues disconnection notices and the notice has not been cancelled, it is considered a valid disconnection notice.

There is a variation between the disconnection date rules for heat and non-heat related disconnections:

- Non-heat disconnection notices: must be scheduled for disconnection within 30 days.

- Heat-related disconnection notices: a date anytime in the past or future is valid.

Load Limiters

A household with an existing load limiter is considered shut off and a household with a pending load limiter is considered to have a pending disconnection (Minnesota Statutes §216B.096, Subd. 2 (d) and §216B.097, Subd. 4.) Throughout this chapter when energy shut off or notice of disconnection is discussed, it includes load limiters.

Off-Peak or Dual Fuel Discount Programs

Electric discount programs require the household to use another heating fuel type when electric heat is switched off. A dual fuel system with an off-peak electric discount program may not provide continuous heat to the dwelling when the electric heat is intermittently switched off and the other heat source is not available. Because these systems may not provide continuous heat they are not considered redundant. If a household enrolled in one of these programs has a valid energy emergency for either of these heating sources, the emergency should be addressed.

Redundant Heating

The term redundant heating refers to two interchangeable heating systems where either heating system can heat essentially the same space. If either heating system is currently operational the household is not in a no-heat situation and is not eligible for a Crisis benefit. This is regardless of which is the primary or secondary heating system (as defined in Chapter 6 – *Primary Heat*).

Examples of redundant heating systems are:

- Whole-house electric forced-air heat and a natural gas, propane or oil furnace.
- Propane, oil or natural gas furnace and a ducted wood furnace.
- Whole-house electric baseboard heat and a propane, natural gas or oil furnace.

Assurance 16 and Crisis

Households eligible for Crisis benefits may also be in need of additional help. In such cases, Assurance 16 services should be considered to help stabilize the underlying situation contributing to the household's energy emergency. If a household is not eligible for Crisis benefits, or has already received the maximum Crisis benefit amount, A16 services should be used to help resolve the energy emergency (e.g., via referral, advocating on behalf of the household for CWR protection, etc.).

Crisis Benefit Determination and Distribution

Allowable Expenditures for Crisis

Crisis-eligible households can receive Crisis benefits to pay for:

- Arrearage and/or current bill (see Crisis reasons below for propane, oil, and biofuel arrearage guidelines).
- Delivered fuels or emergency fuel.
- Energy-related fees such as pressure tests, leak seek, line bleeding, tank setting, tank rental, unlocking tank, membership, after-hours delivery costs, reconnection and service deposits.

- Removal of load limiters.

Amount of Crisis Benefit

The amount of the Crisis benefit is:

- For connected utilities: the current balance (including any fees) up to $500.
- For delivered fuels: Up to $500 ("standard delivery amount") minus any amount that would leave a credit on the household's account. The benefit can pay for fuel, the current balance and fees.
- For self-supplied biofuel: $250.

If the amount needed to resolve the emergency is less than the maximum crisis benefit, the current amount owed should be rounded up to the nearest dollar to ensure the emergency is resolved. For example, if the amount needed to resolve the emergency is $193.56 the correct current owed amount entered is $194.00. While Crisis payments should not result in a credit on the household account, due to rounding as explained above, Crisis payments to connected fuel energy vendors may result in a small credit of less than $1.00.

Additional details on calculating correct Crisis benefit amounts are detailed in each individual Crisis reason section (found in the **Processing Events by Crisis Reason** section below). Primary Heat funds must be applied first to address the household energy emergency before calculating the Crisis benefit amount. If the energy emergency is not resolved after the available Primary Heat benefit is applied, the household is eligible for a Crisis benefit.

Household Requests less than the Standard Delivery Amount

There are situations where households do not want the full $500 Crisis Benefit for one emergency. Often this is because households want to have Crisis funds remaining for assistance with another emergency.

Working with the household to pay a lesser amount is an allowable option and should be documented. Households need to know there may not be Crisis funds available at a later date.

Energy Vendor's Minimum delivery is greater than $500

Service Providers may increase the default $500 'Standard Delivery Amount' only if the energy vendor's required minimum delivery is over $500 and the Primary Heat benefit is being used as part of the Crisis benefit calculation.

In conjunction with the Primary Heat benefit amount, the resulting Crisis Benefit calculation will be equal to the amount needed to get a delivery. The Service Provider should ensure that the calculation would not create a credit on the household's energy vendor account.

For example:

- If a household's Primary Heat benefit is $450.
- The energy vendor's minimum delivery is $650.
- The household would need a Crisis benefit in the amount of $200.
- 'Standard Delivery Amount' is changed to $650.
- Calculated Crisis benefit is $200.
- Primary Heat plus Crisis is $650, enough for a delivery

Benefit Determination Errors

In the event of a benefit determination error, a benefit fix is required if the correct benefit amount changes from the incorrectly determined benefit by $10 or more. This applies to both underpayments and overpayments of $10 or more. If the household was underpaid, provide the additional benefit. If the error resulted in an overpayment to the household, follow instructions in the **Overpayments Resulting from Error** section of Chapter 12 - *Incidents and Appeals*.

Distributing Crisis Benefits

The following are requirements for the distribution of the Crisis benefits.

- Prior to approving the Crisis benefit the Service Provider must verify and document the Crisis eligibility requirements.
- Primary Heat payments must be in 'Payable' status to be utilized to calculate the Crisis benefit.
- Collapse scheduled Primary Heat payments as needed and change the scheduled date of the payment so it is issued immediately to address the emergency.
- Each Crisis benefit is distributed to one vendor in one payment.
- A household can have a maximum of four Crisis events per program year.
- When determining the Crisis benefit, the entered account balance must not be older than 7 days.
- Crisis payments must be made 'payable' in eHEAT within 7 calendar days. While favorable business relationships, verbal agreements and local level practices may be utilized to ensure emergencies are addressed timely and household risks are avoided (e.g., additional fees assigned to the household or shut off), the program must have auditable standards to assure timely response. Completion of the payment process is the sole, consistent and objective method to obtain this.
    - For connected fuels: payment must be made payable within 7 calendar days from the date of verification of Crisis information.
    - For delivered fuels with pre-delivery payment: payments must be made payable within 7 calendar days from verification of Crisis information.
    - For delivered fuels with post-delivery payment: payments must be made payable within 7 calendar days from the date of accepted post-delivery confirmation information in eHEAT or receipt of post-delivery information in other formats (i.e., *Crisis Fuel Post Delivery Verification* form (Appendix 3E) or required delivery information in the form of a delivery ticket, email, phone call or fax).
- Direct payment to the household for self-supplied biofuel can occur only if the Service Provider confirms there is no biofuel vendor available. This confirmation must be documented in the eHEAT 'Crisis' screen notes.
- Crisis funds are used to reduce the balance due on the household's energy vendor account even if the payment does not resolve the emergency.
- If the household has heat and non-heat vendor emergencies at the same time, the priority is to maintain or restore heat. However, if the Service Provider while working with the household determines the household needs are better addressed by resolving the non-heat vendor emergency first, payments can be directed as needed and this action must be documented.

- Crisis timelines must be followed even when Primary Heat is used to address the emergency; this includes making payments to address emergencies within 7 calendar days as indicated above.

eHEAT uses the information on the Crisis event screen and available Primary Heat payments to determine the Crisis benefit amount. Because a Crisis event is associated with one energy vendor, payments may need to be redirected to resolve the emergency.

At times available ('Certifiable' or 'Payable') Primary Heat payments need to be adjusted to address the emergency, including moving:

- Primary Heat electric vendor payments to the heating vendor.
- Primary Heat heating vendor payments to the electric vendor.

Moving payments is allowable even if the household has designated 30% of Primary Heat to the electric vendor. Move available payments from one vendor to another only after Crisis funds are applied. Work with the household when moving Primary Heat payments. Also notify the household if a payment change affects what was listed in their Notification Letter. Changes must be documented in eHEAT.

A household's Primary Heat and Crisis benefits are utilized, including collapsing scheduled payments, to address an emergency as follows:

1. Pending Primary Heat payments for the energy vendor with whom the household is experiencing an emergency, known as the "emergency energy vendor," are used to address the emergency.
2. If the emergency energy vendor's Primary Heat payments are insufficient to resolve the emergency, Crisis funds are used in addition. In this case both Primary Heat and Crisis funds are utilized.
3. If the emergency energy vendor's Primary Heat and available Crisis are insufficient to resolve the emergency, remaining energy vendors' Primary Heat payments may be redirected to the emergency up to the amount necessary to address the emergency.
4. After utilizing pending Primary Heat payments to address the emergency, if a substantial amount of the Primary Heat benefit remains it can be rescheduled.

Service Providers must pay attention to the status of the Primary Heat payments when determining Crisis benefits. If a Crisis benefit is being determined close to the time a household's Primary Heat payments are being 'Paid' there can be a timing issue that could potentially cause an overpayment. This occurs when Primary Heat payments have recently been made but have not yet been applied to the energy vendor account balance. In this situation, when entering emergency details into eHEAT adjust the information to reflect the current household account information and make notes.

Primary Heat may resolve the energy emergency without use of Crisis funds. This is known as a 'resolved' emergency. This is a final event status and cannot be changed. Events with a 'Resolved' status are not counted as one of the four allowable Crisis events because no Crisis funds were used.

Scenario One: Household in emergency, Primary Heat used up

If there are no remaining Primary Heat payments available for the emergency energy vendor when the household requests emergency assistance, Crisis funds are used.

Scenario Two: Household in emergency when applying

First the application must be processed. Then the Primary Heat benefit is determined and 'Certifiable' Primary Heat payments are generated. The Primary Heat payments must be made 'Payable' before the Crisis benefit can be determined. The 'Payable' emergency energy vendor's Primary Heat payments are used to address the emergency. Collapse scheduled payments as needed. If the available Primary Heat payments for the emergency energy vendor are insufficient to resolve the emergency, the difference is paid using a Crisis benefit. If this is insufficient to resolve the emergency, the household's non-emergency energy vendors' payments may also be redirected to the emergency energy vendor.

Scenario Three: Household in emergency, some Primary Heat available

If the household already received some Primary Heat payments and is now returning with a request for emergency assistance, use remaining Primary Heat payments toward the emergency. Collapse scheduled payments as needed.

If the available Primary Heat payments for the emergency energy vendor are insufficient to resolve the emergency, the difference is paid using a Crisis benefit. If this is insufficient to resolve the emergency, the household's non-emergency energy vendors' payments may also be redirected to the emergency energy vendor.

Crisis Implementation

Crisis Response Timelines and Prioritization

Crisis has four categories, depending on the level of customer service required:

1. **Life-threatening situation:** A household in a life-threatening situation must receive the highest service level. Not later than 18 hours after the household applies for emergency benefits, the Service Providers must provide some form of assistance that will resolve the emergency. (LIHEAP Act 1981 as amended Section 2604 (C) (2)). Life threatening situations include:
    - No heat in the house.
    - No heat distribution.
2. **Not immediately life threatening**: The second level of service is for households with no heat or no heat distribution with the following conditions:
    - Household has an alternate or temporary heat source.
    - Weather conditions or inside air temperature are at a safe level.

    Not later than 48 hours after the household applies for emergency benefits, the Service Providers must provide some form of assistance that will resolve the emergency. (LIHEAP Act 1981, Sec 2604 (C) (1)).

3. **Crisis Prevention:** The third level of service is for households experiencing energy emergencies that are not immediately life threatening, and additional time is available to prevent a loss of heat. For example, a household is scheduled for a shut-off in the current billing cycle or has less than 20% of the tank fuel capacity remaining. If no Crisis applications from categories one or two are pending, Crisis applications from households in this category should be prioritized and reasonable efforts made to avert or avoid the impending emergency within a time appropriate for the reported situation. When the

household has adequate fuel remaining and to avoid additional fees for crisis delivery, the energy vendor can be notified to provide the crisis fill during the regular route.

4. Households with a senior or households with a shutoff notice but not at risk of being shut off: The fourth level of service is for households that have at least one member age 60 or older and are unable to pay their past due and/or current energy bill (delivered or connected). This fourth level is also for households with active disconnect notices that are not at risk of disconnect. These households are not subject to the 18/48 timeline and can be served in the normal log date order.

When a household provides partial or complete emergency information on the application, it is considered a request for assistance with an emergency. These requests for assistance must be addressed according to the required timelines noted above, and in accordance with the relevant policies depending on funds availability (see below).

Process for Handling Applications with Emergencies

Service Providers need to process applications with identified energy emergencies before applications without identified energy emergencies. For applications with identified energy emergencies, Service Providers must triage, or prioritize, applications based on the condition or threat of no heat to the household. When triaging, the Service Provider addresses emergencies in a logical priority where households with the greatest threat are addressed first. For example, households with shut-offs are addressed before those with disconnection notices. The following procedure should be considered as a best practice for processing the back-log.

1. Sort applications by log date and process those with identified emergencies first.
2. Triage, or prioritize, those with emergencies using known information about the household situation (emergency type, vendor shut-off practices, etc.), and in the order in the table below.
3. Process applications in the triage order.

In general, requests for Crisis assistance should be triaged in the following order:

Triage Level	Crisis Request Type	Relevant Timelines
1	**Shut off or empty tank**, life threatening	18 Hours
2	**Shut off or empty tank**, not life threatening	48 Hours
3	**Less than 20%**	Appropriate for situation (after categories #1 & #2)
	Disconnect notice (eligible for disconnect)	
	Non-heat electric disconnect notice (eligible for disconnect)	
N/A*	**Disconnect notice – including non-heat electric** (utility current practice is to <u>not</u> shut off prior to 4/15)	Log date order (until April 15)
N/A*	Senior	Log date order

* These households may be prioritized after categories 1-3 depending on the Service Provider's process, as long as households within a given category are treated consistently.

The following table guides Service Provider response to emergency requests before and after Crisis funds are available. The requirements apply to applications logged in the three time periods described below.

Pre-money Cannot determine eligibility (Pre-benefit matrix)	Pre-money Can determine eligibility (Post-benefit matrix)	Post-money Can distribute benefits
Service Provider must either: ▪ Make referrals and do advocacy if the application indicates an emergency. OR ▪ Enter the emergency information into eHEAT to address when money arrives. ▪ Making referrals and advocacy: ▪ Document the referral/advocacy activities (note in eHEAT or in file that household was spoken to or was sent a letter and check 'Referred' box in eHEAT). Referral must include communication to household to return after Oct 1 if still in emergency. ▪ Can return to normal log order (optional) ▪ Can prioritize and triage (optional) ▪ Tracking & addressing emergencies ▪ Enter information emergency application question in eHEAT ▪ When Benefit Matrix is in eHEAT, complete application, determine eligibility ▪ This process is optional if referral and advocacy done	Once eligibility can be determined, if a household calls with an emergency or an application is received indicating an emergency, Service Provider will: Triage. Use answers to emergency information on application and enter into eHEAT. Complete application, determine eligibility. Make referrals.	Use answers to emergency information on application, enter in eHEAT and process emergencies. 18/48 hour rules take effect for applications with emergencies logged on/after the money arrival date. Triage as needed.

Process for Addressing Emergencies Using eHEAT Emergency Functionality

If a household reports an energy emergency and the Service Provider has not yet determined the household's eligibility, the Service Provider may utilize energy emergency functionality in eHEAT. The process is:

1. Household reports an energy emergency.
   - The information reported by the household on the application is acceptable to process the emergency using the emergency application functionality. If a household only completes partial emergency information, follow up with the household or energy vendor to obtain missing information. If the household leaves the Amount Owed information blank on the application for 'Less than 20% in fuel tank' emergencies, it

is assumed the household owes no past due amount. The Service Provider must enter a zero into the 'Amount Owed' field in this case. When the Service Provider follows up with the household or energy vendor to obtain missing information and discovers there is no longer an energy emergency, the application is processed by the application log date order. Then the Service Provider must:
    - Leave blank the eHEAT emergency information question fields
    - Make a note in the 'General Notes' field
- If the household or vendor does not respond to the request for missing emergency information within a reasonable time, the application should be processed by the application log date order to ensure the Primary Heat benefit is not delayed. Service Providers make a note in the 'General Notes' field.

2. Enter the household Emergency Information on the 'Housing and Heat Screen' in eHEAT, complete the application and determine eligibility.
    - If Primary Heat payments for the emergency energy vendor are sufficient to cover the emergency amount, eHEAT creates a 'Resolved' Crisis event. If Primary Heat payments for the emergency energy vendor are insufficient to resolve the emergency, eHEAT creates an 'In progress' Crisis event.

3. When Crisis funds are available, review 'In progress' Crisis events and verify the energy emergency with the energy vendor. If there is an energy emergency, process the Crisis event. If there is not an energy emergency, cancel the Crisis event.

The Emergency Information section of the 'Housing and Heat Screen' does not accommodate One Week Biofuel and Senior energy emergencies. For those energy emergencies, Service Providers create a Crisis event on the 'Crisis Benefit' tab.

24/7 Accessibility

Households must be able to access Crisis assistance 24 hours a day, seven days a week from October 1 through April 15. Service Providers must have a 24-hour emergency number. Service Provider staff must be available to address a life-threatening situation within 18 hours. Acceptable 24-hour response capacity includes (but is not limited to):

- Rotate assigned staff to access answering machines or voice mail. An answering machine message asks clients to leave a message that will be responded to within a certain period of time. Assigned staff check for messages on a schedule, for example, every four hours.
- Use a cell phone or beeper. The number is given on the answering machine or called by the referral service. Clients or referral agencies call the number and assigned staff respond.
- Call forwarding to on-call staff cell phone.

Verification and Documentation

Households requesting Crisis must have a Crisis event entered into eHEAT. Each Crisis event makes a payment to one vendor. Households needing Crisis assistance with two energy vendors will require two Crisis events. Households are allowed four Crisis events per program year.

Service Providers must document in eHEAT the verification of the Crisis reason and emergency details with the energy vendor. In addition, Crisis-related documentation should be saved in the household file if not saved in eHEAT. Documentation includes:

- Copy of bill, disconnect notice or disconnection document.
- Energy vendor Crisis verification documents, such as:
  - Copy of email.
  - Printout from portal.
  - Copy of fax.
  - Delivery ticket.

Processing Events by Crisis Reason

Heat Related Shut Off

This Crisis reason requires that the household's heat related energy is shut off. This includes heat-related electric shut offs and locked tanks. Because this is a life-threatening no-heat situation, the law requires that the threat to life be removed within 18 hours of the household requesting crisis assistance, when funds are available.

Verification Requirements

The following must be verified with the **energy vendor** and entered into eHEAT:

- Current balance owed.
- Fees not included in the current balance owed (if any).
- Date disconnected.

Also document in eHEAT:

- Date of verification with energy vendor.
- Name of the verifying energy vendor employee, if applicable.
- Method of verification with the energy vendor.

Heat Related Disconnection Notice

This Crisis reason requires that the household's heat related energy is scheduled for disconnection. This includes heat-related electric disconnection notices. For heat-related disconnection notices a date anytime in the past or future is valid.

Verification Requirements

The following must be verified with the **energy vendor** and entered into eHEAT:

- Current balance owed.
- Fees not included in the current balance owed (if any).
- Scheduled disconnection date.

Also document in eHEAT:

- Date of verification with energy vendor.
- Name of the verifying energy vendor employee, if applicable.
- Method of verification with the energy vendor.

Less than 20% in Fuel Tank and Refusal to Deliver (RTD)

For this Crisis reason, the household must have insufficient Primary Heat funds for a delivery, have less than 20 percent of fuel tank capacity remaining in their tank and be on a cash basis with the energy vendor. If the fuel tank is empty, it is a life-threatening no-heat situation and requires the threat to life be removed within 18 hours of the household requesting emergency assistance.

The benefit is calculated using a "standard delivery amount" of $500 minus any available Primary Heat. The benefit can pay for fuel, the current balance and fees. Crisis benefits cannot leave a credit on the household's account. Any amount that cannot be put into the tank must be subtracted from the "standard delivery amount' or refunded.

Arrearage Guidelines

Crisis funds can pay an arrearage. If after paying an arrearage the remaining Crisis benefit is not enough for a delivery, it cannot be provided unless combined with the household's or other resources to result in a delivery. When these resources have been obtained, the Crisis payment can be made.

Process to Reduce Ineligible Crisis Delivery

The following process is intended to reduce the delivery of fuel when a household reporting an energy emergency mistakenly has more than 20% fuel in their tank. Within this process, there is leeway for fuel delivery if the delivery truck goes out and the household's tank is between 20% and 30% full.

When receiving a call from a delivered fuel household reporting less than 20% fuel, Service Providers must:

- Notify the household they must make every effort to get an accurate tank reading. Suggest that a friend or neighbor could read the gauge if the household is unable to do so themselves.
- If possible, confirm with the energy vendor the household's tank size, the date and amount of the household's last fuel deliver to get an idea of the reasonableness of delivery need.
- Notify both the household and the energy vendor that if a fuel truck goes out for delivery and the household's tank is over 30% (3/10 of tank) full:
  - No Crisis fuel is put into the tank.
  - The trip charge is put on the household account.
  - The Service Provider pays the trip charge with the household's available Primary Heat funds. If no Primary Heat funds are available, the household's Crisis funds are used.
  - The Service Provider may request to have the truck driver, while still at the dwelling, provide any remaining Primary Heat funds after deducting any trip charges.

If delivery occurs for a household whose tank was over 30%, the funds recovery process will occur.

Pre-Delivery Verification Requirements

The following must be verified with the **household** and entered into eHEAT in the 'Notes' field on the 'Less than 20% in fuel tank and RTD' screen:

- Percentage of fuel remaining in tank.

The following must be verified with the **energy vendor** and entered into eHEAT to determine the Crisis benefit:

- Price per gallon.
- Past due or credit.
- Fees not included in the past due amount (if any).
- Refusal to deliver.

Also document in eHEAT:

- Date of verification with energy vendor.
- Name of the verifying energy vendor employee, if applicable.
- Method of verification with the energy vendor.

The following **reasonability check** is recommended to be verified with the **energy vendor** and entered into eHEAT to help ensure the Crisis delivery is needed:

- Last delivery date.
- Gallons delivered.
- Tank size.

Post-Delivery Verification Requirements

After every Crisis fuel delivery the Service Provider must obtain from the energy vendor verified details of the delivery. This verification can occur before or after payment is made. This information may be provided in multiple ways. Energy vendors may enter delivery information directly in eHEAT, complete Appendix 3E - *Crisis Fuel Post-Delivery Verification* or provide proof of delivery in the form of a delivery ticket, email, phone call or fax. If the energy vendor does not enter the information in eHEAT, the Service Provider must enter the information. All Crisis payments should be made 'Payable' within 7 calendar days from the date of accepted post-delivery confirmation information in eHEAT or receipt of post-delivery information in other formats.

This information is used to ensure the Crisis delivery was completed and met the 20% eligibility rule. The Service Provider must review and approve the post-delivery information by confirming the delivery and charges were appropriate. The following is the post-delivery verification information:

- Percentage of fuel in tank prior to delivery.
- Delivery date.
- Gallons delivered.
- Price per gallon.
- Actual fees and other charges.

Less than One Week Biofuel

This Crisis reason is based on the Service Provider and household's reasonable estimate of less than one week of biofuel remaining.

Arrearage Guidelines

Crisis funds can pay an arrearage. If after paying an arrearage the remaining Crisis benefit is not enough for a delivery, it cannot be provided unless combined with the household's or

other resources to result in a delivery. When these resources have been obtained, the Crisis payment can be made.

Avoid Crisis Payments for Self-Supplied Biofuel

Crisis payments for biofuel must go to a biofuel vendor when possible. Service Providers must maintain knowledge of the biofuel vendors in their service area and should make direct payments for self-supplied biofuel only when no vendor is available. The Service Provider must document there is no biofuel vendor available in the eHEAT 'Crisis' or 'Completion' screen notes. The self-supplied biofuel direct payment amount is $250.

Pre-Delivery Verification Requirements

The following must be verified with the **household** and entered into eHEAT in the 'Notes' field on the 'Less than One Week Biofuel' screen:
Number of days of biofuel remaining.
The following must be verified with the **biofuel vendor** or household and entered into eHEAT:

- Type of biofuel (list this in the 'Notes' field).
- No redundant heat source.
- Minimum delivery.
- Fees and other (if any).
- Refusal to deliver.

Also document in eHEAT:

- Date of verification with energy vendor.
- Name of the verifying biofuel vendor employee, if applicable.
- Method of verification with the biofuel vendor.

The following **reasonability check** is recommended to be verified with the **energy vendor** and entered into eHEAT to help ensure the Crisis delivery is needed:

- Last delivery date.
- Annual consumption.
- Amount delivered.

Post-Delivery Verification Requirements

After every Crisis biofuel delivery the Service Provider must obtain verified details of the delivery from the energy vendor or households with direct payments. This verification can occur before or after payment is made. The following must be confirmed and entered into eHEAT:

- Actual percent.
- Received date.
- Amount filled.

For energy vendors, proof of delivery can be in the form of a delivery ticket, email, phone call or fax. Households with direct payments must send a copy of their receipt.

Non-Heat Electric Shut Off

Non-heat electric means the household still has heat if the electricity is shut off. This Crisis reason requires a household's non-heat related electricity to be currently shut off. The Crisis benefit is the amount required to resume energy service.

Verification Requirements

The following must be verified with the **energy vendor** and entered into eHEAT:

- Current balance owed.
- Fees not included in the current balance owed (if any).
- Type of non-heat electric
- Date disconnected.

Also document in eHEAT:

- Date of verification with energy vendor.
- Name of the verifying energy vendor employee, if applicable.
- Method of verification with the energy vendor.

Types of Non-Heat Electric

The following are the four household situations where there is still heat if the electricity is shut off:

- HIR: heat in rent.
- Condo: heat is provided through a housing association.
- Wood No Blower: electricity is not needed to operate or distribute heat.
- Muni Steam: steam heat operating without electricity.

Non-Heat Electric Disconnection Notice

Non-heat electric means the household still has heat if the electricity is shut off. This Crisis reason requires a notice of non-heat related electric disconnection within the current billing cycle and must be within 30 days. The Crisis benefit is the current balance plus any fees not included in the current balance.

Verification Requirements

The following must be verified with the **energy vendor** and entered into eHEAT:

- Current balance owed.
- Fees not included in the current balance owed (if any).
- Type of non-heat electric.
- Scheduled disconnection date (must be within 30 days).

Also document in eHEAT:

- Date of verification with energy vendor.
- Name of the verifying energy vendor employee, if applicable.
- Method of verification with the energy vendor.

Types of non-heat electric

The following are the four household situations where there is still heat if the electricity is shut off:

- HIR: heat in rent.
- Condo: heat is provided through a housing association.
- Wood No Blower: electricity is not needed to operate or distribute heat.
- Muni Steam: steam heat operating without electricity.

Senior Past Due or Current Energy Bill

To be eligible for this Crisis reason, there must be at least one household member age 60 or older. The household must have a past-due and/or current bill and declare they are unable to pay. The Crisis benefit amount is the amount of the current bill plus the past-due amount (if any).

Verification Requirements

The following must be verified with the **energy vendor** and entered into eHEAT:

- Current due.
- Past due (if any).

Also document in eHEAT:

- Date of verification with energy vendor.
- Name of the verifying energy vendor employee, if applicable.
- Method of verification with the energy vendor.

Appendices

7A - *Crisis Eligibility Decision Chart*

Chapter 8

Energy Related Repair

Energy Related Repair Effort Definition

The Energy Related Repair (ERR) benefit is a crisis benefit addressing hazardous and life threatening situations or cases where a home has no heat due to malfunctioning or nonfunctioning heating systems. As a crisis program, response to ERR requests must be within required timelines. This chapter details ERR policies and procedures.

Chapter Contents

- ERR Policies and Procedures
- Time Frames for ERR Service
- Fuel Type Changes
- Assistance Limit
- Procurement
- Mechanical Equipment and Work Standards
- Verification, Completion Certificates and Payments
- ERR File Documentation
- Walk Away Policy

Intention:

- Assure safe adequate heat for eligible households.
- Resolve health and safety crisis situations.

by

- Addressing hazardous and life threatening situations or cases where a home has no heat due to malfunctioning or nonfunctioning essential non-redundant heating systems .

Values:

- Immediately addressing life threatening cases where a home has no heat.
- Using energy efficient solutions whenever possible.
- Responsible management of resources.
- Balancing available resources for serving many households with future energy savings to one household. When it is necessary to choose, EAP prefers to assure more households have adequate heat restored.

Focus (Business areas included in doing ERR service):

- ERR Eligibility .
- Assessment of ERR situation.
- Repairing and replacing mechanical systems.

- ERR event management (includes, but not limited to coordinating activities, proper documentation in eHEAT and accounting).
- Energy vendor/Contractor Management.
- Managing assistance costs.

Context:

- For simplicity purposes, all heating units are referred to as furnaces.
- Service Provider's response to ERR calls must be immediate, in compliance with federal law.
- Qualified installers make mechanical and safety repairs and installations.
- 50% of installation work is inspected.
- ERR expenditures must average $2,500 or less per ERR household.
- Each Service Provider is guaranteed an ERR allocation of at least $8,000.
- ERR needs are greater than ERR resources and the resources are unpredictable.
- If ERR is administered by a different program or service provider than EAP, the administering manager must be given a copy of this chapter.

ERR Policies and Procedures

Referrals for ERR

Service Providers can solicit qualifying referrals for ERR from Weatherization agencies and other social service organizations. When a household initiates a contact because they have no heat or they have a problem furnace, use the *ERR Troubleshooting Tool* to determine the household's need.

Eligibility

The EAP income eligibility process serves as the ERR income eligibility determination process. ERR funds may serve a household that:

- Is currently eligible for EAP assistance, and
- Is a homeowner, and
- Is occupying the dwelling at the time the ERR benefit is determined, and
- Occupies a qualified dwelling, and
- Has a hazardous and life threatening situation, has no heat, or has a malfunctioning heating system.

EAP and ERR eligibility must be determined before heating system repair or replacement can be authorized. Expenditures to provide temporary heat for up to 48 hours temporary shelter may be authorized if the household agrees to repay costs if the household is later determined not eligible for ERR services.

Examples of ERR ineligibility:

- Proof of ownership was inadequate or could not be provided by the household.
- The owner was not residing in the dwelling when ERR was requested.
- There was an operable redundant heating system.

Furnace Terms and Definitions

EAP ERR benefits focus on essential non-redundant furnaces. In assessing an ERR event, the Service Provider should consider the specifics of the dwelling's furnace and deliver services to restore the primary or essential non-redundant furnace. Common terms used include (but are not limited to):

- **Furnace:** Any heating unit/system.
- **Primary:** The main furnace for the dwelling.
- **Secondary:** An additional furnace that heats the same area or another part of a dwelling.
- **Redundant:** Two interchangeable heating systems that heat essentially the same area. Dual furnace systems are redundant, e.g., LP furnace with an electric plenum furnace using the same blower and ductwork. Propane is not needed to provide heat.
- **Dual System Furnace:** A general HVAC or heating term used to describe a furnace that uses more than one fuel source to provide heat in a dwelling unit.
- **Non-Traditional**: Furnaces not in general use.
- **Off-Peak or Dual Fuel Discount Programs**: Electric discount programs requiring the household to use another heating fuel type when electric heat is switched off. This is not considered a redundant heating system because it does not provide continuous heat.

ERR Assessment

ERR is allowable for primary furnaces if there is no redundant heating system. The intention of ERR is to restore heat where there was once heat. In determining the appropriate ERR activity, the Service Provider should assess the structure of the dwelling, how the furnace functions to heat the house and the heating provided by any secondary heating system. This assessment allows the Service Provider to determine the validity of the ERR event using the intentions and definitions. Examples include:

- ERR focuses on the primary furnace and not secondary or back up furnaces unless the secondary furnace resolves a situation where there is no heat or/and is a cost effective solution.
- A household may have a secondary furnace that could be used as a primary furnace if the secondary furnace is both a legitimate option to restore heat and is a cost effective alternative. A secondary system can only be replaced as an ERR cost control measure.
- Non-traditional furnace may not be replaced with ERR funds if it is redundant or a less expensive traditional furnace is possible. Examples include: heat pumps, outdoor biomass furnaces/boilers, radiant floor, and fireplace inserts.
- Non-electric heating systems may be repaired or replaced when households utilize off-peak or dual fuel discount programs because they may not have continuous heat.
- ERR electrical repairs outside of the furnace are limited to the wiring (dedicated circuit) that connects from the furnace to the service panel or from the furnace to the thermostat. A dwelling must have adequate electrical service to operate the heating system to be repaired or replaced.
- ERR cannot be used for tank setting for changing fuel types or energy vendors when the household elects to change fuel or energy vendor and does not meet the requirement for medical or fuel change allowable under ERR.

ERR may not be used for:

- Non-emergency repairs or replacements.
- Repairs or a replacement not initiated by the EAP Service Provider.
- Unoccupied dwellings. Example: The household purchased a house and cannot move in until the furnace is repaired or replaced.
- A dwelling that currently does not have an installed furnace.
- Rental units.
- Structures not meeting the definition of a "Dwelling Unit" (see "Dwelling Unit Definition" below).
- Setting fuel tanks (See below "Elective Fuel Type Changes" and "Medically Necessary Fuel Type Changes" sections below for exception).
- A secondary or primary heating system that is redundant. (Dual heating systems utilized for an 'Off-peak' electric discount program are not redundant.)
- Portable heaters being used to provide heat.
- Repair or replacement of central air-conditioning components including A-coils.

Dwelling Unit Definition

"Dwelling Unit" means a residential housing structure, including, without limitation, a mobile home and a modular home when permanently connected to the required utilities (including plumbing, heating and electrical systems contained therein) and designed to be used as a permanent residence. Examples of ineligible dwelling units include mobile shelters, and structures or other shelters not designed for use for year-round human habitation. Mobile shelters include, but are not limited to, recreational vehicles (RVs), tents, campers, boats, railroad cars and vehicles.

Proof of Ownership

ERR replacements and repairs over $1,000 require proof that at least one household member is an owner of the dwelling. Service Providers should require contractors to notify them if the repair will cost over $1,000 before the contractor begins the repair work. Service Providers must then obtain ownership verification before the repair work occurs.

Purchasing a home by mortgage and other payment arrangements is considered ownership. Ownership also includes arrangements such as Contract for Deed, Life Estate, and Quit Claim Deeds, which must have ownership documents recorded with the county.

Mobile/manufactured homes may either be personal or real property. If the mobile home is titled through Driver and Vehicle Services it is considered personal property and Driver and Vehicle Services can issue a certificate of title that serves as proof of home ownership. If the mobile home title was surrendered to the county then the home is considered real property and documentation of ownership would be the same as for other non-mobile homes.

If the Service Provider has doubts about proof provided to document ownership or there are extenuating circumstances, submit to Commerce for review before services are authorized.

The home ownership requirement is a means of holding landlords responsible for repairs, as required by law (see Minn. Stat. Ch. 504B). It is not meant to deny households resources for furnace repairs or replacement. Documentation that a household member is the owner can also include:

- Property tax statement.

- Statement of mortgage or mortgage payments.
- Payment coupon from a lending institution.
- On-line or written information from the county recorder or assessor. Confirmation over the phone is allowed but written information from the county recorder or assessor must be received prior to ERR payment.
- Official county receipt for transfer of title.

Exceptions

There are two cases where alternative documentation may be needed to validate an applicant as the homeowner:

Tribal Land

On tribal land with no property tax or ownership records, the Service Provider should first attempt to confirm ownership with the tribal government. If it is not possible for the tribal government to validate the ownership, other validation options include:

- A signed statement from the household member who owns the home.
- A short questionnaire asking these questions: "Who is responsible for repairs on your house?" "Are you the property tax payer?" "Can you sell your house and if sold, who would get the money?"

Housing Authority Ownership Program

In some areas, applicants may lease a home owned by a Housing Authority under a home ownership program. Proof of participation in a home ownership program is proof of ownership.

Time Frames for ERR Service

ERR is a crisis program and timelines for service must comply with the federal crisis requirements.

1. 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 (LIHEAP Act of 1981, Section 2604(c)(1)&(2)).
2. Not later than 18 hours after a household applies for 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. (LIHEAP Act of 1981, Section 2604(c)(1)&(2).)

Local deliverers must implement a process to assure the safety of the client.

- Secure energy vendors with the capacity and commitment to supply the client with adequate temporary heat if heat cannot be restored within 18 hours in a life-threatening emergency and 48 hours when not life-threatening. Check with your Service Provider attorney regarding liability for providing temporary heat.
- The household is responsible to protect their dwelling:
    - Service Providers and contractor must educate clients on preventing water system freezing.
    - The Service Provider must utilize community resources to secure housing for the client.

- If temporary living quarters cannot be secured through community resources, the Service Provider can request a waiver from their Program Performance Auditor to expend ERR funds for up to 48 hours of temporary housing.

No Heat and Life Threatening Conditions

A no heat situation is when a furnace or distribution system is inoperable. A life threatening condition is an immediate, unsafe condition directly related to the heating system that threatens life. Examples include:

- Non-working or red tagged furnaces include furnaces malfunctioning due to inadequate maintenance that can be made operable with cleaning and tuning or repair.
- Gas leaks.
- Dangerous combustion gases leaking out of the furnace, vent or flue system into the dwelling.

Red-Tagged Heating Equipment

A red tag means heating equipment is unsafe to operate in its current condition. If the heating unit is red-tagged, a heating contractor may need to repair the problem or completely replace the heating unit. The reason for the red tag is usually stated on the tag itself.

It is not allowable to automatically request bids and replace red-tagged heating equipment without documenting that the problem is non-repairable. The problem must be identified and the conditions must be documented to justify the repair or replacement. Adequate documentation in eHEAT is required.

Health and Safety and Operational Hazards

A health and safety hazard is an unsafe condition directly related to the mechanical system. Service Providers must arrange corrective action for health and safety hazards within 48 hours. Examples include, but are not limited to:

- Yellow tagged furnace.
- Improper drafting.
- Carbon monoxide levels in the flue measured at between 200 and 400 parts per million.
- Insufficient clearance between combustible materials (such as walls or ceilings) and combustion appliances.
- Electrical wiring problems directly related to the furnaces safe operation.
- Distribution system (e.g., ductwork or radiators) repairs or additions needed because of insufficient heat in the dwelling (but not unheated rooms) or because it is affecting the draft of the furnace or other combustion appliances.
- Control system repairs or replacements e.g., thermostats, zone control valves where existing equipment is inoperable.
- Required regulators and pressure tests on LP equipment when tank has run out of fuel.
- Damaged fuel storage tank/vessel
- Venting repairs/replacements such as:
    - Clearing of blocked chimneys or flues.
    - Repair of damaged chimneys, flues or collars.

    - Correction of inadequate clearance between flues and combustibles.
    - Chimney replacements and chimney liner installations.
    - Domestic water heater venting if the heater was vented into the same vent as the old furnace.
- Elimination of fuel leaks within the dwelling and between the fuel storage vessel and the furnace for delivered fuel systems. This includes leaks not repaired free of charge by gas utilities.
- Pressure testing and bleeding lines when required by an energy vendor delivering fuel or required as part of a repair or furnace installation.
- In wood burning heating systems, the following additional repairs are allowed:
    - Installation of protective screening where occupants face danger from burns or injury.
    - Installation of smoke detectors.

Note: Water heater replacements are allowed only if more cost effective measures are not available to insure proper venting of the water heater after the installation of a furnace with ERR funds.

When ERR Funding Is Unavailable

ERR funding may be unavailable to assist a household. Examples include:

- Commerce has not received an initial federal EAP Grant Award.
- Commerce has no ERR funds remaining.
- EAP has insufficient program funds to serve additional households - Run Out of Money log date.
- ERR requests after June 30.

Referring ERR Emergencies to WAP

EAP Service Providers will refer households with emergency **no-heat and life-threatening situations** to WAP under the following conditions:

- ERR funds are not available; and
- EAPWX funds are available

The WAP Service Provider must follow EAP Crisis timelines and prioritize EAPWX funds to address the EAP referral if the WAP Service Provider has available EAPWX funds. In life-threatening conditions some form of assistance that will resolve the situation must be provided within 18 hours. If an allowable heating system repair or replacement is not life-threatening some form of assistance to resolve the situation must be provided within 48 hours. (LIHEAP Act of 1981, Section 2604(c)(1)&(2)).

EAP Coordinators are to contact their EAP Program Performance Auditor and eap.mail@state.mn.us if problems are encountered.

Fuel Type Changes

Elective Fuel Type Changes

Upon request of the homeowner, ERR funds may be used to change fuel types during a replacement provided the following conditions are met:

- The cost of a new heating system with a new fuel type does not exceed the cost of a new existing fuel type heating system by more than 5%. Cost consideration may include tank setting, chimney and other repair.
- Program funds must not be used to bring the new fuel line or pipe to the dwelling. The household may pay to bring the fuel line to the dwelling.

Medically Necessary Fuel Type Changes

ERR funds may be used to change fuel types in medically necessary situations provided the household supplies a written doctor's letter stating the need or disability. Medically necessary excludes short-term disabilities. Examples of medically necessary fuel type changes include but are not limited to elderly or disabled clients who heat with wood and are no longer able to supply wood to their furnace. All related costs including gas line installation, fuel tanks and ductwork may be charged to ERR when the fuel type change is medically necessary.

Assistance Limit

The ERR expenditures for the program year must average $2,500 or less per ERR household. The average is the total amount spent on program activity including inspection costs charged to program divided by the number of households receiving ERR benefits. The data to determine averages comes from eHEAT. Current ERR average is a key performance indicator on the eHEAT Dashboard.

The Service Provider is responsible for managing the average ERR benefit. The Department of Commerce actively monitors average ERR expenditures. The initial auditing visit includes a discussion of the local plan/process to end the program year with ERR expenditures at or below the average. Program Performance Auditors also use EAP Production Reports to track ERR averages and follow up on concerns.

There are no specific dollar limits per household in ERR, however, Program Performance Auditors will select client ERR files over $5,000 for review during their auditing visits to Service Providers.

When a household's furnace needs replacing due to an event (e.g., flooding, sump pump failure, sewer backup, etc.) evaluate the probability of the event reoccurring. Service Providers must assess the situation to determine if conditions warrant additional measures to prevent similar event damage to the new furnace.

Contractor recommendations may include raising the furnace off the floor or relocating the furnace to a better location. If the household refuses to allow ERR measures recommended by the heating contractor and authorized by the Service Provider to safeguard the new furnace from potential event damage, implement the *Walk Away Policy* if there is no viable alternative.

ERR Procurement

The Service Provider is required to obtain ERR services for the household. The Service Provider must follow the policies noted in this chapter for ERR procurement, which are guided by the procurement sections of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* located at 2 CFR 200.318-323. It is

important to ensure compliance by fully understanding the Uniform Administrative Requirements. All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section.

General Procurement Standards

The Service Provider must ensure the following standards are met:

- Service Provider's documented policies and procedures reflect applicable State and local laws and regulations.
- Service Provider procedures conform to applicable Federal law and the standards and/or policies noted in this chapter.
- Price or rate quotes are obtained from an adequate number of qualified sources.
- All necessary affirmative steps are taken to assure that minority and women's businesses are used when possible.
- Any or all bids may be rejected if there is a sound documented reason.
- For ERR jobs where the aggregate dollar amount does not exceed $1,000, no competitive proposals are required if it is determined the price is reasonable.

Methods of ERR Procurement

Local Service Providers must document their methods of procurement. Local Service Providers may use one or a combination of the two methods listed below:

1. Procurement by Competitive Quotes

ERR tasks must be awarded to the ERR contractor whose quote is most advantageous to the program, with price and other factors considered. The Service Provider must have a documented system in place to indicate how contractors are selected for each task. Each ERR task awarded must be justified and documented.

2. Procurement by Noncompetitive Proposals (i.e. sole source or life-threatening situations)

The Service Provider may use noncompetitive procurement only when one or more of the following circumstances apply:

- The emergency does not allow for any delay that could result from competitive proposals. If temporary heat can be provided or conditions allow for the Service Provider's normal procurement method, Service Providers may not deviate from their normal procurement method.
- After solicitation of quotes from multiple sources, competition is determined inadequate.
- The item is available only from a single source.
- Commerce EAP expressly authorizes noncompetitive proposals in response to a written request from the Service Provider.

Each ERR task awarded must be justified and documented.

ERR Procurement eHEAT Documentation

The Service Provider must use eHEAT to initiate ERR events and to obligate funds prior to authorizing and paying for ERR jobs. The rationale for the procurement method used for each ERR task awarded must be documented in the eHEAT 'Task' screens.

Documentation of Service Provider ERR Procurement Policies and Procedures

The Service Provider must provide Commerce with its procurement policies and procedures prior to the beginning of each program year. This is a required attachment with the Service Provider Local Plan. If the Service Provider's general procurement standards and/or methods of procurement for ERR change during the program year, the Service Provider must submit this change to Commerce.

The Service Provider's ERR Procurement Policies and Procedures must describe the general procurement standards and methods for procurement of ERR tasks. The Service Provider must also describe the process for eHEAT documentation of ERR tasks.

ERR Entry into eHEAT

All ERR events must be entered in eHEAT when they are initiated and prior to ERR activity to ensure funds are available and obligated. ERR payments must be entered into eHEAT when paid to ensure monthly FSR ERR expenditures match eHEAT ERR data.

Mechanical Equipment and Work Standards

All furnace repairs and replacements must be performed by a bonded heating contractor who can conduct pressure tests when required and meet the following mechanical equipment and work standard. EAP recommends installing the highest efficiency parts and furnaces possible. Electronically Commutated (EC) motors are recommended for motor (e.g. blower motor) repairs and replacement furnaces, when possible.

Repairs

- If a proposed repair is not cost-effective given the age or condition of the furnace, replace the heating system. This standard does not include routine maintenance, such as a nozzle replacement.
- Repairs must meet code and be completed in a professional manner.

Replacements

Furnace models for all fuel types must meet the Energy Assistance Program specifications for energy efficiency. Furnaces must meet performance, reliability, and cost-effectiveness standards. This means that furnace replacements must:

- Have a minimum efficiency level of 90% AFUE (Annual Fuel Utilization Efficiency) or 80% for oil.
- Have a manufacturer's limited warranty.
- Be installed by a reputable dealer.

Exceptions: Where a physical condition exists that prevent the installation of a high efficiency furnace or wood burning furnaces or heating unit of a type that cannot be designed to be 90+ AFUE. Boilers for all fuel types: **Standard, 80% is recommended**.

In mobile homes, the replacement must:

- Be certified for use in a mobile home and installed to manufacturers' specifications.

- Be installed as one complete unit from the base of the furnace to the top of the vent on the roof.
- Be approved by the MN Department of Labor and Industry if it is an alteration to the mobile home.
- Use the same method for supplying combustion air and venting as the original equipment, unless it is a pre-code mobile home.
- Furnace systems that have package air or blend air systems must have the ducts connected to the furnace cabinet when a furnace is replaced.
- Furnace and Water Heater compartments must meet the HUD code for sheet rocking of the compartments.

If the domestic hot water heater was vented into the same flue as the old furnace then it must be vented in such a way as to assure proper drafting after the new furnace is installed.

All mechanical repairs and heating system replacements must conform to the standards set forth in the following:

- International Mechanical Code (IMC).
- International Fuel Gas Code (IFGC).
- National Electrical Code (NEC).
- State Fire Code with (currently 2006 IFC with amendments).
- Local codes and ordinances.
- 2000 Minnesota Energy Code, Chapter 7672.0900, sub. 8, par. 9.
- Manufacturers' specifications and installation instructions.

Structural repairs necessary to repair or replace mechanical systems must be in compliance with manufacturer's specifications.

The unit must be properly sized and installed to assure maximum comfort and efficiency using industry accepted sizing protocols.

Ductwork must be designed and installed properly, and leaks minimized through the use of permanent leak reduction technologies; duct tape is insufficient. MN Mechanical Code 1023 (Section 603.9) specifies that ductwork must be sealed with fiberglass tape and mastic or with spray polyurethane foam.

Thermostats or controls installed with the equipment must be designed for use with such equipment.

New, extended, additional or altered wiring to the unit must be performed by a licensed electrician employed by a licensed, bonded and insured electrical contractor. This includes low voltage wiring, such as the wiring for a thermostat. The licensed electrician can also do any electrical work inside the furnace or to a device attached to a furnace.

The heating contractor (without an electrical license) has to have a certificate of completion from a heating, ventilating, air conditioning or refrigeration apprenticeship program approved by the state of Minnesota to do any electrical work inside or physically attached to a furnace. Without the certificate, they cannot reconnect the household's electric circuit to a new furnace.

Contractors must:

- Submit to Service Providers a completed *W-9 Request for Taxpayer Identification Number and Certification Form*, which can be downloaded from the U.S. Internal Revenue Service website.
- Be licensed and surety bonded as required by pertinent laws, ordinances, regulations or codes.
- Be well trained in the proper furnace installation.
- Be able to perform pressure checks when required.
- Warranty work and materials in each household where service is provided. The warranty must be in writing, with the original provided to the household and a copy to the Service Provider.
- Follow state law concerning the disposal of controls containing mercury.
- Meet the following minimum insurance coverage requirements:
  - Property damage: $50,000.
  - Bodily injury and liability: $100,000/$200,000.
  - Basic workers compensation where required.

Verification, Completion Certificates and Payments

On Site Inspections

On site post inspections by the Service Provider are required for 50 percent of completed furnace replacements and oil retrofits, with a minimum of one inspection per contractor. Inspections must be completed prior to paying for the work. It is a best practice to get inspections done within 30 days of invoice receipt. On site post inspections are part of the installation process and costs may be included in the cost of the ERR event. The allowable charge to ERR funds is limited to the Service Provider mileage rate, employee travel time at the employee's cost and one-half hour inspection charge at the employee cost or contractor's invoiced amount. Additional costs must be charged to EAP administrative funds. Any alternative methods of paying for ERR inspection costs must be reported to Commerce prior to payment. Inspection costs are documented on the *ERR Furnace Replacement Inspection Tool*.

Inspections must verify:

- Replaced units and or retrofits are those authorized/approved by the Service Provider and/or contracted for in the bid.
- Billed material and work was installed and completed.

ERR Furnace Replacement Inspection Tool

The Service Provider must use the *ERR Furnace Replacement Inspection Tool* (Appendix 8A) to document all on-site heating-unit replacement inspections for ERR. In addition, Service Providers must also enter and complete an 'Inspection Task' on the 'Maintain Post ERR Inspection' screen in eHEAT.

ERR Completion Certificates

All replacements and repair work over $1,000 completed with ERR funds must have a *Completion Certificate* (part of Appendix 8A - *ERR Forms*) signed by the contractor and household stating that the specified work has been completed and the client is satisfied with the work. The household also agrees to allow work to be inspected and may be required to pay for work completed if inspection is not permitted. The *Completion Certificate* must be

signed and dated by the homeowner and the heating contractor. The *Completion Certificate* must include the model and serial numbers of replacements and test date and results of the contractor gas pressure tests. For furnace installations or oil retrofits, the Service Provider's inspector must also sign, if inspected.

Rebates

Rebates must benefit EAP if ERR funds paid for a furnace that was eligible for a rebate. A best practice is to have the contractor receive the rebate and list the rebate as a deduction on the itemized bill. Service Providers should use the following procedures:

- Validate the furnace to be installed is eligible for a rebate.
- Consider the rebate in determining the lowest responsible bid, if applicable.
- Submit the necessary forms to the energy vendor offering the rebate.
- Credit the rebate to ERR as program income.
- Retain documentation of the rebate process in the client file.

Payments

Payments for services must be made to contractors or energy vendors in a timely manner (within 60 days of completion of event). The Energy Assistance Program Office does not allow direct ERR payments to households. No payments for furnace installations can be made until the Service Provider has a signed *Completion Certificate* and inspection tool, if inspected. Document in eHEAT and in the household file any instance where the household will not return a signed *Completion Certificate*. Documentation must clearly indicate the efforts made to obtain the completion certificate as well as the reason(s) the household signature was not obtained. Unless the household refused to sign and return the *Completion Certificate* due to their dissatisfaction with the work completed, once reasonable efforts to obtain the household signature are documented the contractor may be paid. If the household refused to sign the *Completion Certificate* due to dissatisfaction, do the following:

1. Attempt to resolve the household's dissatisfaction.
2. Document the steps taken, including resolution, if applicable.
3. If the household is still dissatisfied, gather sufficient information to describe the perspectives of both the household and the contractor and contact Commerce for guidance before paying the contractor.

Recovery of Overpaid or Disallowed ERR Expenditures

Disallowed ERR expenditures may be the result of error, fraud, waste or abuse. If disallowed ERR expenditures result in the improper use of ERR funds, the misspent funds will be categorized as an overpayment. Commerce will review and determine actions that may include:

- EAP households subject to repaying ERR costs incurred when the household provides false information and receives ERR services as a result.
- Service Providers subject to repayment with non-federal funds.
- Contractors subject to repayment and unable to receive future EAP payments or additional work through EAP.
- Service Providers reporting suspected fraud to local authorities.
- Commerce reserves the right to take additional steps.

ERR File Documentation

eHEAT Documentation

- All applicable information must be recorded in eHEAT when ERR service is requested
- ERR Notes must state:
  - ERR services were initiated and authorized by the Service Provider.
  - Whether the household has temporary or secondary heat.
  - Whether secondary heat is redundant.
  - If the heating contractor was required to provide temporary heat to the dwelling.
  - The contractor's analysis of the heating system problem.
  - The contractor's proposed repair or replacement and justification for replacement, if applicable.

All ERR household files must include the following documentation:

- Proof of ownership, if applicable.
- Commerce EAP approval of ownership proof, if applicable.
- Copies of any proposals, bids, purchase orders or other work orders.
- Invoices for work completed. The invoice must be itemized if an itemized proposal or bid from the heating contractor is not in the household file. An itemized invoice must include details of costs for labor, parts and new equipment to reflect the work done and ensure program accountability.
  - **For repairs**: labor (rate x hours) and major parts with quantity and price (e.g. ductwork, thermostat, abatement).
  - **For replacements**: furnace or boiler make, model and price; labor (rate x hours); and major parts with quantity and price (e.g. ductwork, thermostat, abatement).
- A completed and signed *ERR Completion Certificate* for each contractor or service, if applicable.
- A completed and signed *ERR Furnace Replacement Inspection Tool*, if inspected.
- Manual J or other approved documentation verifying the replacement heating unit is properly sized (See **Manual J Requirement** below).

Manual J Requirement

MN Energy Code requires HVAC equipment to be sized according to the 2005 ASHRAE Handbook of Fundamentals, ACCA Manual J, or an equivalent method approved by the building official to assure maximum comfort and efficiency. A Manual J calculation or an approved equivalent method for sizing:

- Must be performed by the selected contractor before installing the heating unit.
- Is not required to submit a bid or proposal.
- If the selected contractor requests a change order to increase the replacement cost due to the results of a Manual J calculation, all proposals/bids must be reevaluated, as the selected contractor may no longer have the most cost-effective, suitable proposal/bid.

If a Manual J is not required by code due to the dwelling type, e.g., mobile home, then a photo of the mobile home data plate or a copy of other available documentation is needed. If no documentation exists for a mobile home, replace with the same size furnace unless the contractor recommends a different size. The contractor must explain in writing how the

furnace was properly sized for a dwelling if required documentation does not exist or cannot be provided.

Walk Away Policy

When Not To Provide a Home Visit or ERR Services

Circumstances may arise preventing a Service Provider or contractor from visiting a home or providing ERR services. Information leading to the denial or termination of a home visit or denial of ERR services may become evident:

- During a home visit to assist with application completion.
- During the ERR eligibility process.
- During an ERR contractor service call or bid preparation.
- After ERR work has started.

The Service Provider must:

1. Document the circumstances preventing EAP activities from proceeding and submit an *Incident Report Form* to Commerce.
2. Inform the client of the problem in writing of how the problem relates to the decision not to continue work. A copy of the letter and any other notes or communication related to the circumstances of the case must be kept in the household's file. The letter must contain any or all of the following, as appropriate:
    - Corrective actions required before assistance at the dwelling can continue, if any.
    - A time frame for all corrective actions.
    - Notification of the right to appeal the decision.
3. Attempt to refer household to services appropriate to address the issues or report accordingly.

The Service Provider or ERR contractor must not provide service or remain at the dwelling if the dwelling:

- Is vacant.
- Is condemned.
- Has serious structural problems or potentially hazardous health and safety conditions making ERR activities impossible, unsafe, or impractical.
- Is improperly connected to required utilities or there is insufficient access to the heating system.
- Owner or an occupant refuses to allow required work, diagnostic measures or safety tests.

A Service Provider or ERR contractor **may choose not to** provide service or remain in a dwelling unit if:

- There are vermin, unsanitary conditions or other health and safety problems exist on the property presenting hazards to workers or contractors.
- A household member or occupant is physically or verbally abusive.
- A household member refuses to allow proposed measure(s).
- There are corrective actions the Service Provider or contractor considers necessary before providing eligible services.
- The household has a documented history of causing or creating inappropriate no heat situations requiring on-site service calls or mechanical services.

Appendices

8A - ERR Forms *(Troubleshooting, Completion Certificate, Furnace Replacement Inspection Tool)*

Chapter 9

Assurance 16

Chapter Contents

- Assurance 16 (A16) Effort Definition
- A16 Description
- A16 Funding
- Eligible Activities
  - Energy Self-Sufficiency
  - Outreach
- Allowable A16 Expenses
- Ineligible Activities
- Documenting and Reporting on A16 Activities

A16 Effort Definition

Defines what we are trying to accomplish, why we are doing it, and how.

Intentions:

- Encourage and enable households to reduce their home energy needs and, as a result, the need for energy assistance, including:
  - Enabling, helping, or assisting households to be more self-sufficient in their energy use.
  - Helping to develop household resilience, or flexibility, in the face of energy-related and other unexpected hardships.

Values (what we care about):

- Household energy security, including:
  - Affordable energy bills.
  - Heat and electricity are basic and essential needs.
  - Targeting households most vulnerable to energy cost fluctuations.
  - A household's entire situation affects energy security (e.g., socioeconomic realities).
  - Households know their needs, barriers, and constraints best.
- Sustainable, transformative household impact.
- Balancing effectiveness, efficiency, and compliance with fairness and simplicity:
  - Ease of administration, clarity, consistency, and flexibility.
  - Accountability and continuous improvement.
- Partners and partnerships.
  - Collaboration between all stakeholders (households, service providers, advocacy organizations, community agencies, energy vendors and government).
  - Program evaluation – measurement.

Focus (what we do to make A16 work)**:**

- Services and activities that:
  - Enable and encourage a household's optimal, or most desirable, energy usage.
  - Increase the affordability of energy.
  - Enable household access to services and opportunities that increase or improve income and/or assets.
  - Encourage increased household housing/energy provider options.
- A16 planning.
  - Policy.
  - Local Plan/Contract.
  - Proactive Energy Self-Sufficiency Plans.
  - A16 funding and allocation.
- A16 oversight.
  - Monitoring.
  - Reporting.
  - Evaluation.

Exclusions (things not included, or not allowed, as part of A16)**:**

- Administering other parts of EAP (e.g., processing EAP applications, administering Primary Heat, Crisis, or ERR benefits).
- Direct payments to households.
- Payment of household energy bills.

A16 Communication

Commerce identifies an A16 Coordinator from the State office as the single point of contact regarding A16 issues. The A16 Coordinator is announced through communications like *The Energizer*. Service Providers should direct A16-related questions, concerns and requests for consideration or exception to the A16 Coordinator.

Assurance 16 Description

The LIHEAP statute requires states to agree to 16 different requirements or assurances (as they are called by the federal Department of Health & Human Services). Assurance 16 (A16) allows states to spend up to five percent (5%) of their LIHEAP Block Grant funds on "services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance." A16 also requires states to report to the Department of Health and Human Services the impact of such activities.

The State of Minnesota budgets five percent (5%) of total LIHEAP funds for A16 activities. All A16 funds are allocated to local Service Providers. The overall A16 allocation amounts are based on the formula for administrative funds (see Chapter 16 - *Fiscal Program Management*). As indicated in the chart below, A16 allocations are divided into two activity categories and four activity sub-categories.

A16 Activity Categories

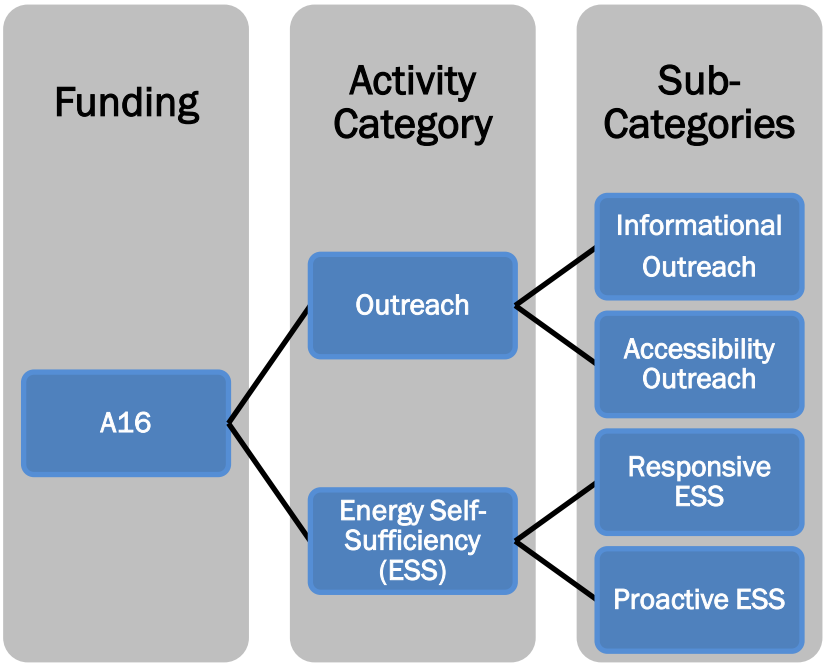
A16 is the name for the funding. A16 funds are used on two specific activity categories and four sub-categories:

Outreach
1. Informational
2. Accessibility

Energy Self-Sufficiency
1. Responsive
2. Proactive

The Outreach and Energy Self-Sufficiency activity categories are more specifically defined below in the Eligible Activities section.

A16 Funding, Activity Categories, and Sub-Categories Chart



Outreach

Informational Outreach

Informational Outreach includes activities Service Providers perform to promote awareness of the Energy Assistance Program, with the related goal of increased program participation. It specifically includes activities aimed to increase participation of eligible target group households.

Accessibility Outreach

Accessibility Outreach includes activities specifically aimed at helping households to apply for EAP benefits, when they would otherwise be unable to successfully do so without such assistance.

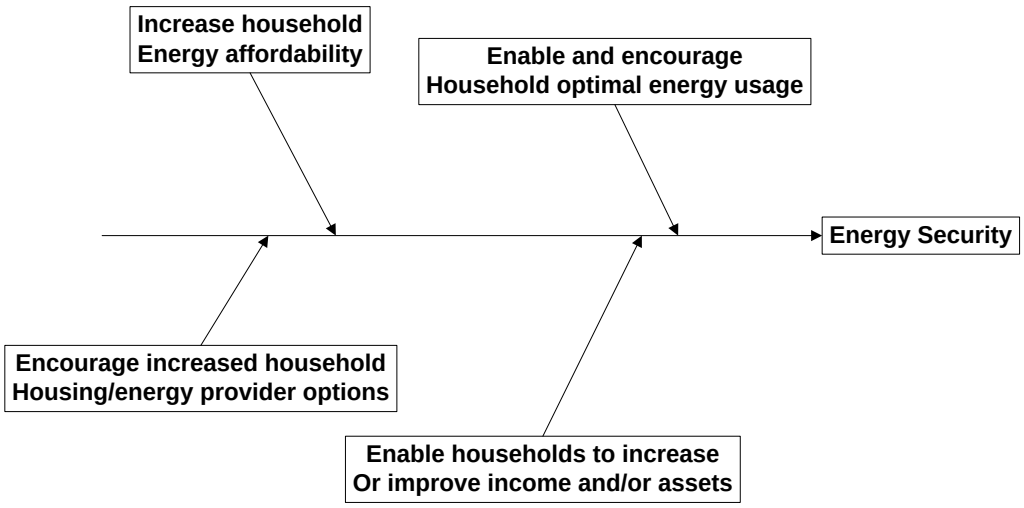
Energy Self-Sufficiency (ESS)

Energy Self-Sufficiency includes activities that help reduce household energy need and enable energy security by affecting one or more of the following areas:[1]

- Enabling and encouraging a household's optimal, or most desirable, energy usage (e.g., more efficient, reduced usage).
- Increasing the affordability of energy.
- Enabling household access to services and opportunities that increase or improve income and/or assets.
- Encouraging increased household housing/energy provider options.

Energy Self-Sufficiency Impact Cause-Effect Diagram

This diagram shows how the four Energy Self-Sufficiency strategies noted above impact a household's energy security.



There are two Energy Self-Sufficiency (ESS) activity categories, Responsive ESS and Proactive ESS. Both aim to reduce household energy need, but differ in their approach to working with households.

Responsive Energy Self-Sufficiency

Responsive Energy Self-Sufficiency activities reduce household energy need using an approach that is reactive, reflexive, spontaneous, occasional, short-term, and/or not intensive. These activities:

- Are performed with or on behalf of households in response to an immediate need.
- Are more likely to be carried out for just a short period of time.
- Do not include extensive follow up.
- May include providing information, educational resources or basic short-term advice or guidance. For Responsive ESS activities, generally:

[1] These four energy need reduction strategies, or approaches, were identified by the EAP Policy Advisory Committee and representative Service Provider EAP Coordinators as part of a previous program year planning process.

    - Households may need to go through or utilize the information, or access the resource at their own initiative or in their own timeframe (e.g., providing a pamphlet with energy saving tips, or a list of referral agencies).
    - A Service Provider will likely not know whether the household uses the information or accesses the resource.
- Are generally performed with households that are not specifically selected for ESS services.

Proactive Energy Self-Sufficiency

Proactive Energy Self-Sufficiency activities reduce household energy need using an approach that is planned, comprehensive, intentional, deliberate, focused, long-term, and/or intensive. These activities:

- Seek to help households substantially improve their energy security in the long-term.
- Are performed with a limited number of households in an intensive, or thorough, manner.
- Are more likely to be performed over a longer period of time (e.g., weeks to months).
- May include extensive follow up, case management, and assessment of how the services affected the household.
- May include education in a classroom or an intensive counselling format; households selected for these activities participate actively in a longer-term learning process.
- Are often done with households identified through a needs assessment process (specified by the Service Provider) or other method to select participants.

A16 Funding

A16 funding is managed in a way that limits the portion of a Service Provider's A16 allocation that may be spent on certain activity categories. Specifically, Service Providers can spend *no more than* 50% of their A16 funding on Outreach activities. This reserves *at least* 50% of A16 funding for Energy Self-Sufficiency activities. If a Service Provider chooses to spend less than 50% of their A16 funding on Outreach, they may spend the difference on Energy Self-Sufficiency activities. The A16 funding limits are meant to ensure A16 activities are focused more directly on energy need reduction; they also act as a control on allowable A16 activities, which enables a substantial reduction in reporting.

Outreach Funding

Service Providers are required to do both Informational and Accessibility Outreach activities, but must determine what portion of their total Outreach allocation (within reason) should be committed to activities in either sub-category, based on local needs. That is, if a Service Provider identifies Informational Outreach as a greater need for a given year, they may plan to use more of their Outreach funds to conduct Informational Outreach activities than to conduct Accessibility Outreach activities, and vice versa. As indicated in the paragraph above, however, the total A16 funds spent on Informational and Accessibility Outreach activities combined may not exceed 50% of a Service Provider's total annual A16 allocation.

Energy Self-Sufficiency Funding

50% of A16 funds, at minimum, are available for Energy Self-Sufficiency activities. With these funds, Service Providers must provide Responsive and/or Proactive services to the best of their ability. At least 25% of total A16 funds must be reserved for Proactive Energy Self-Sufficiency activities. A Service Provider may choose to use more than 25% on Proactive services. However, even if a Service Provider determines they are unable to provide Proactive services for the program year, the 25% for Proactive services may not be used for other A16 activities. See the Proactive Energy Self-Sufficiency Plan section below for guidance on how unspent Proactive services funds will be handled.

A16 Funding Structure

Outreach
(up to 50% of total A16 funding)

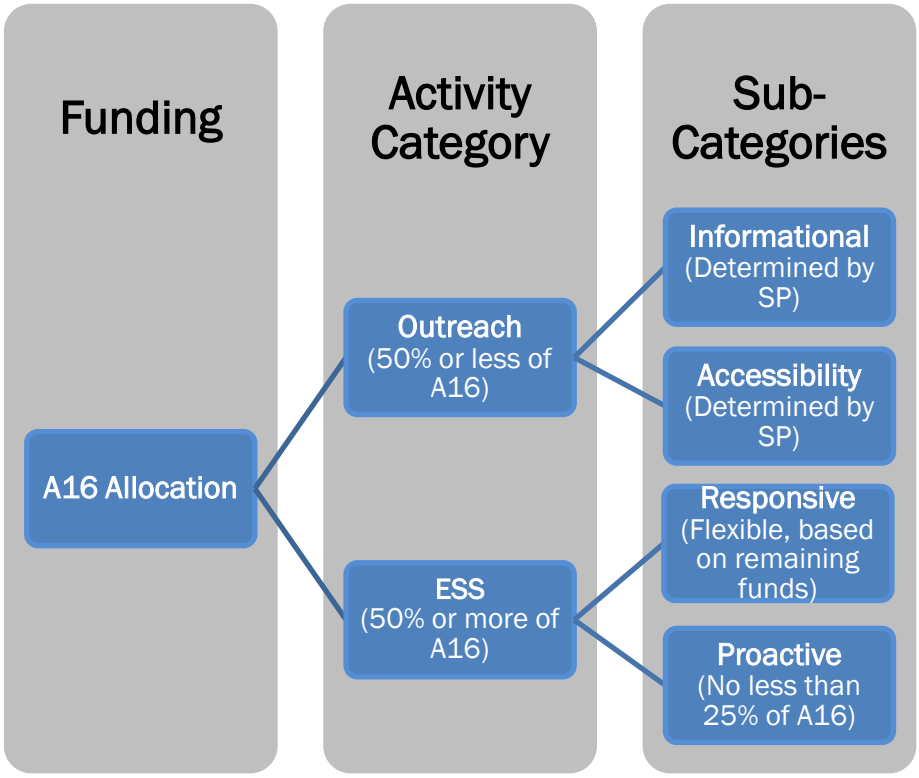
Activity Sub-Category	
Informational	Accessibility
SPs may determine, within reason, what portion of the 50% (max) they use for each category, depending on local needs.	

Energy Self-Sufficiency (ESS)
(at least 50% of total A16 funding)

Activity Sub-Category	
Responsive	Proactive
▪ Generally, 0-25% ▪ Potentially more than 25%, if less than 50% expended on Outreach	25% or more

A16 Funding: – Relationship between Funding & Activity Categories

This chart introduces the percentages of funding for each of the A16 activity categories and sub-categories.



Eligible Activities

Along with the EAP Annual Training and the LIHEAP Statute, the *EAP Policy Manual* provides basic guidance regarding the expenses and activities that may be charged to A16. The sections below outline the Energy Self-Sufficiency and Outreach activities that Service Providers may perform using A16 funds.

All Service Providers are required to perform Informational and Accessibility Outreach activities. In addition, Service Providers must conduct Energy Self-Sufficiency activities to the best of their ability. Service Providers should, at minimum, make efforts to conduct the Referral and Advocacy activities outlined in the *Responsive Energy Self-Sufficiency Activities* section below. Service Providers should contact the Commerce's A16 Coordinator to discuss exceptions to this guidance.

Energy Self-Sufficiency Activities

Energy Self-Sufficiency Activities must contribute in some way to reducing household energy need and enabling energy security (refer to the four energy need reduction strategies noted above). Similar activities, however, might fall under either Responsive or Proactive Activity sub-categories. Service Providers may conduct Responsive activities without submitting a plan to Commerce. A plan must be submitted to and approved by Commerce, however, prior to incurring costs for Proactive activities (see the *Proactive Energy Self-Sufficiency Plans* section below for more information). Service Providers should contact the A16 Coordinator with questions and/or requests for clarification regarding whether activities are Responsive or Proactive.

In general, Service Providers should consider the activities Responsive Energy Self-Sufficiency activities whenever they are conducted with an approach that is reactive, reflexive, spontaneous, occasional, short-term, and/or not intensive (see above for an explanation of the difference between Responsive vs. Proactive Energy Self-Sufficiency approaches). The specific activities included under the Responsive Energy Self-Sufficiency activity sub-category are listed below.

Responsive Energy Self-Sufficiency Activities

Referral and Advocacy Activities

Referral involves collaborating or coordinating services with appropriate community programs or other resources (including energy vendors) to strengthen or improve household energy security, build self-sufficiency skills, or stabilize a household's situation. Service Provider staff performing referrals should be knowledgeable about available community resources and advocate on behalf of the client for appropriate services. The Service Provider staff responsible for Referral and Advocacy activities should maintain collaborative contacts with social work or other related professionals, make appropriate referrals, and advocate as needed. When carrying out Referral and Advocacy activities, Service Provider staff must comply with the data privacy requirements outlined in Chapter 2 of the *EAP Policy Manual*.

The following are the basic referral and advocacy activities Service Providers may perform without a Proactive Energy Self-Sufficiency Plan when they are done in a Responsive manner and contribute toward reducing household energy:

- **Providing client with specific referrals**. This activity includes providing specific referrals to households based on a responsive, and generally minimal, needs assessment. It includes advocating for the household to make sure services can be accessed. This task may also include:

Needs assessment. This task includes time spent interviewing the client to understand their situation and identify immediate needs and appropriate, specific referrals.
Accessing services: This involves helping the household to access services the household cannot access alone. Activities might include making calls on the household's behalf, helping the household complete an application for non-EAP services or resources, helping the household manage a series of actions needed to access services, etc.
Stabilizing household situation: This activity includes helping the household manage a series of crises that have the potential to spin out of control. This is a case management activity for households in crisis. The crisis must have an energy component to qualify for A16 funding. It does not include administering Primary Heat, Crisis or ERR benefits.
Resolving energy emergency: This activity includes working with the energy vendor and the household to get fuel delivered, service reconnected, or repairing or replacing non-functioning mechanical heating systems when Primary Heat, Crisis or ERR funds have already been exhausted. It does not include administering Primary Heat, Crisis or ERR benefits.

- **Providing applicants with a list of referral agencies**. This activity includes the time and cost for developing and distributing a list of resources that could help a household reduce their energy need.

Referral and Advocacy Preparation Activities

- **Building network of local resources**. This activity involves developing knowledge of locally-available resources for referral of EAP applicants, including identifying and organizing a list or database of such resources (It does not include the costs for any database software). It also includes occasional time spent building relationships with the staff of organizations that provide identified resources (e.g., networking).
- **Familiarizing staff with local and government resources**. This activity involves organized events, meetings, or other formal means for familiarizing staff with local and government resources, including distributing information and training staff on how to most effectively make referrals to specific referral resources.
- **Training staff to elicit client needs**. This task includes planned, formal activities to train staff on eliciting, or identifying with the client, immediate client needs (e.g., via a needs assessment), including research, preparation, presentation and follow-up.

Self-Sufficiency Skills Building Activities

- **Informal coaching and/or counselling**. These activities involve working with clients to help them identify what they want to achieve regarding energy self-sufficiency, and eliciting solutions (possibly client-generated) and strategies to help achieve their goals. If done as part of a comprehensive needs assessment that includes longer

term follow-up with the client, this activity would be considered a Proactive Energy Self-Sufficiency activity and require a Proactive ESS Plan.

- **Providing energy self-sufficiency information.** This activity involves developing, producing and distributing energy self-sufficiency information. This could include information about reducing energy use (e.g., through low cost weatherization, by changing energy usage behaviors, etc.) or financial literacy education and/or resources. Classes (unless limited to a single occasion for a given client, or group of clients) would be considered a Proactive Energy Self-Sufficiency activity and require a Proactive ESS Plan.

Referral and Advocacy Reporting Activities

This includes time spent documenting, analyzing, evaluating and reporting on referral and outreach activities, including documenting client case notes.

Other Activities

If Service Providers believe an activity not listed here should be eligible for Responsive Energy Self-Sufficiency, contact the Commerce A16 Coordinator. If it is determined the activity should be considered eligible, Commerce will provide authorization and may include it in future versions of the *EAP Policy Manual*.

Proactive Energy Self-Sufficiency Plans

Because Commerce is reserving at least 25% of A16 funding for Proactive activities, plans must be submitted and approved before Commerce will make Proactive A16 funds available. Note that Service Providers are not required to conduct Proactive services; any unspent funds will be re-allocated for statewide use as outlined below.

Proactive Energy Self-Sufficiency activities are distinguished from Responsive activities more by the manner in which they are planned, implemented, and evaluated than by the specific activities conducted (see the description of Responsive and Proactive Energy Self-Sufficiency). In fact, some of the specific activities conducted as part of a Proactive Plan may be similar to activities conducted for Responsive Energy Self-Sufficiency. For example, a Proactive Plan may include intensive, long-term case management with selected households along with an energy efficiency education curriculum that households participate in over a period of months. While participating households may receive referrals and energy efficiency education materials (activities that may also be conducted in a Responsive manner), the difference between the Proactive and Responsive activities is that the households participating in the Proactive program:

- Are limited in number and were selected for participation (often using specific criteria).
- Participate in the program over a period of time, with follow up and evaluation.
- Receive services that are integrated and intentionally planned with the goal of achieving a long-term, sustainable change in one or more aspects of a household's situation.

Service Providers are encouraged to try new approaches, think creatively, and potentially "pilot test" activities on a small scale first, then expand. These activities should be conducted with a group of intentionally selected households, based on characteristics chosen in order to maximize the likely impact of the activity. They should be conducted over

a period of time, and not merely be conducted in response to an immediate need. They should aim to transform, or change, some aspect (or many aspects) of a household's situation in a sustainable way. They should also attempt to include clearly identifiable (and possibly measurable) goals and objectives.

To ensure compliance with the LIHEAP Statute and EAP policy, Service Providers must submit a plan explaining the following:

- What activities are planned and the timeline for completing them.
- How the activities will help reduce household energy need and enable energy security.
- How many households will participate and how they will be selected (selected households must be LIHEAP eligible).
- The basis for any household selection criteria.
- How the effect or impact of the activities will be measured or determined.
- A breakdown of the activity budget.

Pans must be approved by Commerce prior to implementing any associated activities, and may be submitted at any time from the date the plan form is released via *The Energizer* until February 1, 2016 (expenditures may not be incurred prior to October 1, 2015, or the date the proposal is approved, whichever is later). Any Proactive ESS funds not allocated for an approved plan by February 15, 2016, may be re-allocated to be used for statewide Primary Heat, Crisis and ERR benefits. Note the Service Provider's annual A16 funds allocation will provide the basis for funding the proposed activities (i.e., no additional A16 funds will be provided at this time). Reasonable costs for planning necessary to implement Proactive ESS activities may be funded with a Service Provider's allocated Proactive ESS funds if included as part of an approved plan (see the Ineligible Costs section below for guidance on the type of planning that may be funded with A16).

Plans must, at minimum, include the information required on Appendix 9A – *Proactive Energy Self-Sufficiency Plan*, but may also include additional supporting information or documentation. Proposals may be incorporated into the Service Provider's *Local Plan*, or may be submitted as an attachment sent to eap.mail@state.mn.us.

Funding Proactive ESS Program Design and Development

Service Providers may propose to use Proactive ESS funds specifically for program design and development. Program design and development includes activities related to:

- Identifying issues or problems to be solved, and/or defining the purpose of a future Proactive ESS activity or program.
- Conducting analysis to determine what will be done, and designing how it will be accomplished.
- Developing methods and processes to evaluate success and/or impact of the activity or program.

There is no standard plan form for funding Proactive ESS program design and development activities. Service Providers must contact the A16 Coordinator to discuss funding for such activities.

Outreach

Outreach to eligible populations is a required EAP activity. The 2001 LIHEAP Clearinghouse document, *Outreach and Enrollment Strategies for LIHEAP* defines outreach as, "the various activities LIHEAP providers engage in to promote and increase program awareness with an attendant goal of increased program enrollment. Outreach may also include outreach activities designed to reach and enroll certain populations." A variety of outreach activities is necessary to target households with members most vulnerable to the effects of cold: young children, seniors, people with disabilities, veterans and the lowest income households with the highest energy burdens. Outreach activities are conducted at both the state and local levels. Effective outreach requires state leadership to develop a consistent message in conjunction with Service Providers, other low income-focused programs and energy vendors.

State Outreach Activities

State outreach activities include:

- Preparing and distributing a statewide application form for EAP.
- Putting the EAP application on the Commerce Web site.
- Maintaining a toll-free referral telephone line at 1-800-657-3710.
- Coordinating with fuel funds including Heat Share.
- Providing Service Providers with census data for locating specific populations within their service delivery area.
- Providing Language Line Services to Service Providers through the Minnesota Department of Administration, MN.IT Services (see Appendix 2A - *Language Line*).

Service Provider Outreach Activities

Service Provider Outreach Activities are divided into two categories:

1. **Informational Outreach**. This includes activities to make applications available and increase awareness of the Energy Assistance Program within Service Provider communities. It does not include making applications available within a Service Provider's agency offices.
2. **Accessibility Outreach**. This includes activities that help households to apply for EAP benefits (i.e., Primary Heat, Crisis, and ERR) when they would otherwise be unable to successfully do so without such assistance.

Service Providers are not required to distinguish between these two categories of outreach activities for funding purposes. The distinction is made in the *EAP Policy Manual* to help clarify the intended functions of outreach, and increase understanding of the difference between outreach and administrative activities.

Generally Required Outreach Activities

Service Providers must do local outreach to applicants and potential applicants and make EAP services accessible and responsive. The following are the basic local outreach activities Service Providers should conduct, as needed, to meet this requirement.

Informational Outreach Activities:

- **Make Applications Available.** This activity includes time to plan, prepare and distribute EAP applications in locations where EAP-eligible people are likely to gather or visit.

- **Outreach Events**. This activity includes time to plan, prepare and staff EAP outreach exhibits or booths at community events; and/or conduct EAP outreach workshops or other events.
- **EAP Advertisement**. This activity includes time to plan, prepare, produce and/or distribute advertisements for the Energy Assistance Program on radio, television, print or electronic media.
- **Program Access Activities**. This includes time spent publicizing the availability of the required accessibility services (as outlined in Chapter 2, under "Equal Access to Service"). It also includes encouraging households to apply through activities like reminding households with pre-logged applications to apply.
- **Provide Informational Materials**. This activity includes time to plan, prepare, customize, and distribute EAP informational materials. It also includes the actual costs for the material production of the EAP-related portion of informational materials. (Note: time and materials must be pro-rated for the EAP-related content of materials that also include non-EAP information.)
- **Cross Train in Service Provider Agency**. This activity includes time to prepare and conduct training of non-EAP local Service Provider agency staff (e.g., an EAP Service Provider agency's Head Start staff) to enable them to effectively distribute EAP information and refer clients to EAP.
- **Cross Train outside Service Provider Agency**. This activity includes time preparing for and conducting training of any outside individual, group, agency or organization (including energy vendors) to enable them to effectively distribute EAP information and refer clients to EAP.
- **Public Official Education**. This includes activities related to educating public officials about EAP.

Accessibility Outreach Activities:

- **Customer Service Training**. This activity includes time to prepare, conduct or attend formal trainings about customer service and problem solving. It may include the costs for contracting with training providers.
- **Cultural and Diversity Training**. This activity includes time to prepare, conduct or attend formal cultural and diversity trainings. It may include the costs to contract with training providers.
- **Application Assistance** (to meet a household's special need). This includes time spent working with households to complete an application or completing it on their behalf. This activity is intended only for households with a special need that prevents them from completing the application on their own without unreasonable hardship.[2]
- **Assistance Obtaining Application Verification Documents** (when a household can't themselves). This includes time spent to enable a household to obtain application verification documents (e.g., income and home ownership documentation) they would otherwise be unable to obtain on their own without unreasonable hardship. It does not include the time spent verifying already submitted information or the time

[2] Time spent processing completed applications, determining eligibility, entering information into eHEAT, etc. is always an administrative cost, regardless of household need. Time spent helping households who are able to complete their application without unreasonable hardship is an administrative cost.

spent verifying a household energy emergency (which are both administrative activities).[3]

Outreach reporting Activities

This includes time spent documenting, analyzing, evaluating and reporting on outreach activities.

Outreach to Targeted Populations and Collaboration

The LIHEAP statute requires outreach activities that ensure households with the highest home energy burdens or needs, including households with children under six, seniors (individuals 60 and over) or people with disabilities, are made aware of potential EAP benefits. Additionally, the State of Minnesota includes military veterans as a target population. Although all outreach does not need to focus on target populations, Service Providers must plan and conduct outreach activities designed specifically to target these households to meet this requirement.

Allowable A16 Expenses

A16 funds may be used to conduct, with or on behalf of EAP households, activities as described in this chapter that contribute towards reducing household energy need and enabling energy security. The costs for the actual time spent preparing, performing, recording and reporting on allowable A16 activities may be charged to A16, including the related portion of fringe benefits earned. The costs associated with providing A16 services, such as the costs for supplies, rental of office space, and other costs for direct program services, may be charged to A16 funds. Such costs will most often be pro-rated, or shared with other Service Provider programs or EAP administrative functions. Any indirect costs may not be charged to A16 funds; instead, they must be charged to administrative funds.

Activities Chargeable to A16 (examples):

- EAP staff time for:
  - Performing any of the activities listed in the Energy Self-Sufficiency or Outreach activities sections above, or for activities in an approved Proactive Energy Self-Sufficiency Plan.
  - Planning, preparing, documenting, or reporting on any eligible A16 activities. Note that the allowable costs for planning and preparing for an eligible A16 activity may only include implementation costs. Implementation costs are for time planning and preparing for a given session or event, not for the development or planning of an activity or Proactive ESS Plan more generally.
- Non-administrative costs of direct program services:
  - Supplies.
  - Equipment.
  - Travel.
  - Printing and postage.
  - Utilities and office space rental necessary for A16 staff performing direct program services.

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[3] See footnote #2.

For Proactive ESS only

Certain costs for items that contribute to or enable household participation in a Proactive ESS activity may be allowable. For purposes of this section, EAP defines three cost categories:

1. Items related to or that enable achieving an activity goal (e.g., a credit report provided as part of a financial literacy class; a furnace filter and/or energy kit provided for use as part of an energy conservation education activity).
2. Items that reduce a barrier to participation (e.g., daycare, food, transit).
3. Payments to households or similar items (e.g., food or gas cards, savings bonds, cash).

While all costs submitted with Proactive ESS Plans will be reviewed on a case-by-case basis for eligibility and reasonableness, **items in categories one and two may be allowable, while those in category three are not allowable**.

Expectations for Documenting Expenses

Recognizing that the goals of A16 activities – and the processes of performing them – are qualitatively different than administering benefit payments, EAP contends that tracking A16 payroll by individually logged activities and time is both overly cumbersome, and potentially counterproductive. Consequently, Commerce does not expect Service Providers to log each individual activity in eHEAT, or to maintain records linking individually identifiable A16 activities directly to employee time sheets.

Service Providers do, however, need to account for their A16 expenses by A16 Activity Category and, for Energy Self-Sufficiency only, the corresponding A16 Activity Sub-Categories. That is, Service Providers need to be able to accurately break down their A16 expenses by the following categories:

- Outreach.
- Responsive Energy Self-Sufficiency.
- Proactive Energy Self-Sufficiency.

To track employee time worked on A16 activities, for example, it is acceptable for Service Providers to use their usual payroll accounting methods, so long as employees track and attest to their time with sufficient detail to distinguish between the three A16 categories noted in the paragraph above. For example, an employee tracking their time for a day could sign a timesheet that looked like this:

Department: Energy Assistance			Pay End Date: 7/15/15	
Employee Name: Jane Doe			Energy Assistance Specialist	
Earning Code	**Monday**	**Tuesday**	**Wednesday**	**Thursday**
Admin	5.0	4.0	3.0	0.0
Outreach	1.0	2.0	1.0	1.0
Responsive ESS	2.0	1.0	3.0	0.0
Proactive ESS	0.0	1.0	1.0	7.0

For the costs for materials or other costs not based on employee time, Service Providers need to track the portion of the costs attributed to each of the three A16 fund categories. The Service Provider would report A16 expenditures by category on the Monthly Financial Status Report (FSR).

Ineligible Activities

General Guidance

A16 funds may only be used to conduct eligible A16 activities. In general, Service Providers must ensure the following:

- Informational Outreach is only for informing about or enabling access to EAP. Outreach funds may not be used to inform or enable access to non-EAP programs.
- Accessibility Outreach is only for enabling potentially eligible households to apply for EAP. Outreach funds may not be used to enable households to access non-EAP programs.
- Responsive Energy Self-Sufficiency funds may only be used for activities conducted with, or on behalf of, households who have already applied for EAP benefits. If during a time when households cannot apply for EAP benefits (e.g., after applications are no longer accepted), funds may only be used for households who indicate a need for energy assistance. Households who are determined ineligible for EAP benefits may receive services to meet their immediate needs.
- Proactive Energy Self-Sufficiency funds may only be used for activities conducted with, or on behalf of, households who have applied and have been determined eligible for EAP benefits in the current program year. For classes, Service Providers are not required to verify all participants have been determined EAP eligible if the majority of the class participants are likely to be EAP eligible based on their participation in other low-income programs run by the Service Provider or County (e.g., TANF, SNAP, HeadStart). Proactive ESS Plans must indicate why the Service Provider believes a majority will likely be EAP eligible.

Costs for Planning and Preparation

Costs for planning and preparation are allowable in some cases and unallowable in other cases. EAP distinguishes between development and implementation costs. Generally, development costs are not allowable, while implementation costs are allowable.

Development costs are those for developing, planning, or preparing an activity more generally. For example, completing the A16 section of the EAP Local Plan would be a development cost and the time for this activity would be administrative, and could not be paid for with A16 funds. Similarly, costs for preparing a Proactive ESS Plan would generally be considered an administrative cost and could not be paid for with A16 funds.

Conversely, implementation costs are for time planning and preparing for a given session or event. For example, the time to specifically plan for and/or prepare the activities for a specific session on energy conservation would be an implementation cost. As such, these costs would be allowable.

Energy Kits

The reasonable costs for energy kits may be allowable under specific circumstances. That is, the costs for energy kits included as part of a Proactive ESS Plan may be allowable if the kits are utilized as part of an educational activity. For example, energy kits are provided to households participating in an energy conservation education program. Participants are taught how the items in the kits are used and the associated benefits. As an assignment, participants are tasked with installing a number of the items and reporting back at the next

class. Participants are given tools to track how the items impact their energy usage and costs, and provided assistance if they experience challenges installing the items.

Other than for use as part of an approved Proactive ESS Plan, Energy kits are specifically not allowable. Examples of when the costs for energy kits are not allowable include:

- Energy kits provided to households as a reward for participating in an activity.
- Energy kits provided to households as an outreach tool
- Energy kits provided as part of a Responsive ESS activity
- General distribution of energy kits outside of any A16 activity

Examples of Expenditures Not Chargeable to A16

Following are examples of expenditures that may not be charged to A16:

- Primary Heat or Crisis payments.
- ERR activities.
- Costs for activities associated with administering other EAP services (e.g., processing EAP applications, administering Primary Heat, Crisis, or ERR benefits).
- The time for another program's employee (e.g., a Head Start employee) who determines a household needs EAP benefits and refers the household to EAP (this would be the other program's referral activity and cost, not EAP A16).
- Staff time for answering the Service Provider agency main phone line when a caller inquires about programs available to assist their family. It is not an A16 activity to determine that one of the programs the household should apply for is EAP. The activity is a shared administrative cost with other programs.
- The full time for an executive director or other Service Provider staff to speak to a community group about all programs the Service Provider offers (the portion related to EAP could be considered outreach, while the non-EAP portion must be supported by other programs; it could also be considered part of an agency's shared administrative costs).
- Postage and time used to mail or hand out an EAP, Head Start or other application to an individual household in response to their request (this is an administrative activity).
- Residential weatherization and other cost-effective energy-related home repair.
- Leveraging activities.

Documenting and Reporting on A16 Activities

Agencies must ensure A16 activities comply with EAP policy and the LIHEAP Statute. Commerce will accept that an activity fits the A16 requirements unless the Service Provider is clearly erroneous in their interpretation of the allowable activities.

Documentation of Energy Self-Sufficiency and Outreach Activities

Service Providers must maintain reasonably detailed records of their Responsive Referral/Advocacy and Outreach activities. As indicated in the paragraph above regarding *Expectations for Documenting Expenses*, however, each activity does not need to be directly linked to an employee's actual time conducting or participating in the activity. Only the activities specifically identified in this chapter need to be documented in eHEAT, as detailed below. Other activities may be documented offline in a manner Service Providers determine

best meets their needs, while providing some assurance that the activities actually took place. Commerce Program Performance Auditors will work with Service Providers to determine if the offline documentation is sufficient, and will first work with the Service Provider to identify reasonable documentation alternatives if it is deemed insufficient. If a Service Provider fails to demonstrably improve within a specified timeframe, Commerce will develop a corrective action plan, with noncompliance leading to potential Program Audit findings and/or recommendations. Failure to document activities as required by this chapter, or documenting clearly ineligible activities and/or costs, may result in disallowed costs.

Required eHEAT Documentation

Only the following activities must be documented using the eHEAT A16 logging function:

- Providing client with specific referrals (Responsive only).
- Providing applicants with a list of referral agencies (Responsive only).
- Provide energy self-sufficiency information (Responsive only).
- Make applications available (Outreach).
- Outreach events (Outreach).
- Informational materials (Outreach).

These activities do not need to be individually logged, unless doing so is easier for the Service Provider. In general, Service Providers must develop their own methods to collect the basic required information as the activities occur, then input the data into eHEAT daily or weekly in bulk. The documentation used as the basis for daily/weekly data input must be made available to the EAP Program Performance Auditor during the Service Provider's audit visits. Examples of acceptable documentation methods will be posted on EAP's Tools on the Web page.

Additionally, Service Providers must document when they have completed the following Accessibility Outreach activities:

- Application assistance (to meet a household's special need).
- Assistance obtaining application verification documents (when household can't themselves).

Service Providers must indicate when they have conducted one or both of these activities with a household by checking the box entitled, "Required Assistance," located just below the "Application Complete" drop-down menu on the Application Complete Screen in eHEAT. Measuring how frequently these activities occur will help Commerce and Service Providers determine varying program accessibility needs throughout the state and within the respective service areas.

Reporting on Responsive Energy Self-Sufficiency and Outreach Activities

Service Providers are required to report on their Responsive Referral/Advocacy and Outreach activities. To do so, Service Providers must use the information they logged in eHEAT to complete and submit Appendix 9C – *Responsive Energy Self Sufficiency and Outreach Activities Report (A16)* by **October 14, 2016**.

Documenting and Reporting Proactive Energy Self-Sufficiency Activities

Activities for all approved FFY16 Proactive Energy Self-Sufficiency Plans must be documented. Documentation must be sufficient to report on the following:

- The activities actually conducted and the timeline for completing them.
- Any changes to approved plans.
- The number of households that participated.
- How the activities contributed to reducing household energy need and enabling energy security.
- How the effect or impact of the activities was measured or determined.
- A breakdown of actual expenditures for approved activities (that can be reconciled to the approved budget).

Documentation of the activities actually conducted may vary widely, depending on the proposed activities. Examples of acceptable documentation may include participant logs (including household numbers, dates, and basic description of activities), photos, etc. Questions regarding documentation should be directed to Commerce's A16 Coordinator.

Reporting for proposed activities must, at minimum, include the information required on Appendix 9B – *Proactive Energy Self-Sufficiency Report (A16)*. Service Providers may choose to provide additional information. Reports for approved FFY16 Service Provider A16 plans are due by **October 14, 2016,** but may be submitted earlier at a time mutually agreed upon between the Service Provider and A16 Coordinator.

Appendices

9A – *Proactive Energy Self-Sufficiency Plan (A16)*
9B – *Proactive Energy Self-Sufficiency Report (A16)*
9C – *Responsive Energy Self-Sufficiency and Outreach Report (A16)*

Chapter 10

Benefit Payments and Refunds

Federal law and the State Energy Assistance Plan mandate time lines for making assistance payments. This chapter describes the procedures for authorizing payments based on household circumstances.

The policies for scheduled payments are also described in the chapter. "Scheduled payments" is an initiative originally introduced into the Minnesota EAP in FFY07. The policy responds to an identified need for EAP recipients to use the Primary Heat benefit to establish an affordable budget payment plan. Scheduling payments provides the EAP benefit in smaller, periodic payments. The result is the bill from the energy vendor states the household's obligation to pay after EAP payments and the amount is more likely to be within the household's ability to pay.

From the moment a payment is made, a refund becomes a possibility. Like payments, the refund process is dependent upon household circumstances. This chapter describes how to manage refunds, depending upon the situation.

Chapter Contents

- Payments to Energy Vendors
- Payments to Applicants
- Household Situation Changes After Eligibility Has Been Determined
- Ownership of Assistance
- Refunding of EAP Benefits

Payments to Energy Vendors

Payments for most EAP benefits are made to the customer's account with utility and fuel vendors. Payment activities occur at the local and state levels: Service Providers authorize Primary Heat and Crisis payments using eHEAT, and the Minnesota Management & Budget (MMB) makes the payments using electronic fund transfers (EFT) or warrants.

Service Providers authorize payment in eHEAT using local procedures and best practices to ensure payment information is correct. Crisis payments should be processed or made 'Payable' within 7 calendar days as indicated in the **Distributing Crisis Benefits** section of Chapter 7 - *Crisis* to ensure Crisis benefits are applied timely to reduce additional household risks (e.g., additional fees assigned to the household or shutoff). Once the payment is authorized, the payment status in eHEAT is "payable." Payment information can be edited when the payment status is "payable."

eHEAT sends payment information to MMB using a batch process run at night. During batch processing, the payment status becomes “in progress.” Edits cannot be made when the payment status is “in progress.”

MMB takes one day to process EFTs. The next night (one day after the batch file), eHEAT and MMB run a batch file to:

- Send EFTs to energy vendors’ banks.
- Produce warrant checks to energy vendors unable to receive EFTs.
- Produce warrant checks to households receiving direct payment.
- Provide payment information to eHEAT, e.g., date, activity number, and warrant number.
- Change the household’s payment status (in eHEAT) to “paid.”

‘Cancel’ versus ‘Void’ for Payments

Service Providers ‘Cancel’ a payment when it will be redirected to a different energy vendor. ‘Cancel’ is on the ‘Payment Certification/Process’ tab in eHEAT.

Service Providers ‘Void Payment’ if the benefit needs to be recalculated to a lower amount or if the benefit should not be paid at all (e.g., it is a household of one and that person died). ‘Void Payment’ is on the ‘Payments’ tab in eHEAT.

Designation of Energy Vendors

Households must designate their heating and electric vendors on their applications. All energy vendors designated by a household have access in eHEAT to the household’s eligibility and payment status. This designation also makes it possible to authorize a Primary Heat or Crisis payment to that energy vendor on behalf of that household.

Primary Heat Payments to Energy Vendors

Authorize Primary Heat payments to the household’s account with primary or secondary heating vendors or directly to the household. Thirty percent (30%) of the Primary Heat payment can be paid to the household’s electric account, when designated by the household. Primary Heat benefits can also be paid to an electric vendor to avoid direct household payments. Primary Heat benefits are designated to the heating vendor with the highest consumption costs.

Scheduled Primary Heat Payments

Scheduled payments are Primary Heat benefits divided into smaller, equal payments. Only Primary Heat payments for connected utilities are scheduled. Direct payments and benefits for delivered fuels are distributed in one payment.

The number of payments is usually four. A payment schedule is normally four monthly payments. eHEAT reduces the number of scheduled monthly payments by increments of one beginning in January, to ensure all payments are distributed by the end of the program year.

eHEAT establishes the number, amount and dates of payments. Scheduled payments may be changed when the household and Service Provider work together to address the household’s particular situation.

Intentions

- To promote bill payment by making payments more affordable for the household
- To reduce the number of refunds.
- To avoid large credits on bills.

Values

- Energy bills should be affordable.
- EAP should encourage bill payment among participants.

Focus

- Scheduling four monthly payments for all connected fuels.
- Integrates with Crisis.

Excludes: Payments for delivered fuels, Crisis payments and direct payments.

Context

- Some of these may be seniors and may be averse to asking for Crisis.
- Delivered fuel payments are not scheduled because many of these vendors are cash on delivery.
- Crisis payments are not scheduled because addressing emergencies requires a single payment.

Managing Scheduled Payments

Changes to the number, amount and dates of scheduled payments are made when using Primary Heat first to address emergencies. Changes to scheduled payments are also made by the Service Provider when working with a household to address non-emergency issues with an energy vendor if appropriate. Service Providers must document the reasons for these changes in eHEAT.

The trigger for changing scheduled payments is often the amount of past-due energy bills. Coordinate scheduled payments with the Crisis benefit. Use the Crisis benefit after Primary Heat has been applied. (See Chapter 7 - *Crisis* for using scheduled payments in energy emergencies.)

Crisis Payments to Energy Vendors

Crisis payments are made to the household's account for heat and non-heat related energy services. Crisis payments are used to prevent shut-offs, reinstate service and enable delivery of fuel. The Crisis benefit is distributed in one payment within 7 calendar days as indicated in the **Distributing Crisis Benefits** section of Chapter 7 – *Crisis.*

Payment to a Previous Energy Vendor

If a household has changed energy vendors since applying for EAP or wants to return to a previous energy vendor and still owes a balance to that energy vendor, the household may request a portion of the benefit be sent to the previous energy vendor. You may not pay any portion of a household's grant to a previous energy vendor unless the applicant requests you do so. To receive payment, the energy vendor must be included in the household's energy vendor list on eHEAT.

Make the initial payments to the previous energy vendor and make energy vendor changes as needed. Target these households for payment plans.

Payments to Applicants

Direct Payments

Households may receive direct payments under limited circumstances. Direct payments will be distributed in one payment and not scheduled. Make direct payments to:

- Households with biofuel if a biofuel vendor is not available. Biofuel payments must go to a biofuel vendor whenever possible. Service Providers must maintain knowledge of the biofuel vendors in their service area and should make direct payments for self-supplied biofuel only when no vendor is available. The Service Provider must document there is no biofuel vendor available in the eHEAT 'Crisis' or 'Completion' screen notes.
- Households with all energy utilities, electric and heat included in the rent.
- Households with heat included in rent, and only the amount that exceeds their electric costs for the previous year.
- Households whose energy vendors refused to sign the energy vendor agreement.
- Households unable to secure an energy vendor.

Note: Reimbursements to applicants for payments made to energy vendors are not allowed.

Payments to Households with Account in Landlord's Name

If the household's energy account is in the landlord's name, it can be addressed as follows:

- Payments are made to the account on behalf of the household to the energy vendor.
- The landlord can become an EAP energy vendor. All agreement, registration and participation requirements are the same for landlords as energy vendors (see Chapter 3 - *Energy Vendors*).

Disconnection of Household Service Due to Landlord Not Paying the Utility Bill (not shared meter)

If service is in the landlord's name and the landlord is subject to disconnection of service the utility may not disconnect service until the following actions have been taken according to Minnesota Rules (7820.1400 LANDLORD-TENANT RULE):

- The utility shall offer the occupant the opportunity to subscribe for service in the occupant's own name. (If the occupant then declines to subscribe, the utility may disconnect service).
- A utility shall not attempt to recover from a tenant the payment of any outstanding bills or other charges due upon the outstanding account of the landlord.

Household Situation Changes after Eligibility Has Been Determined

Household Member Moves

If any, but not all members move to a new dwelling:

- The EAP grant stays with the remaining household members.
- Household members that leave the household must be changed to "inactive."

- The members that moved may apply for an EAP grant at their new residence; unless they join a current EAP household.

EAP Household Adds One or More New EAP or non-EAP Member(s)

If an EAP household is joined by EAP or non-EAP members or moves and joins EAP or non-EAP members during the EAP program year:

- The benefit amount is not reassessed.
- Record the new household member information into the household file.
- This may change the household's eligibility for EAP services for the current program year. For example, the household may now be owner-occupied and may now be eligible for ERR related services.

Two or More EAP Households Combine

- The benefit amount is not reassessed.
- Disburse any remaining PH benefits from EAP households to current address' accounts.
- Choosing which HH to close:
  - Close the household application(s) with the least remaining Crisis benefit (this may be the occupied dwelling.)
  - If neither HH received a Crisis benefit; close the application from the vacated dwelling.

For the application that remains open update the information as appropriate:

- Household member information (add new member information and deactivate those who are no longer in the household.)
- Address.
- Housing type.
- Fuel type.
- Energy vendors information including:
  - Energy vendor name.
  - Account number.
  - Consumption – all consumption should be invalidated except the one for the current dwelling.
- Document in the notes section in eHEAT, including previous household number, date of change and staff person who made the change.
- Payment and refund information (see Appendix 10E – *Handling Payments and Refunds in eHEAT When a Household Moves.*)

EAP Household Moves/Combines/Separates Multiple Times During the Program Year

If an EAP household (all program-year original members) moves and combines with other members, then separates from the other members by moving again, the original EAP household will retain its original EAP Household Number.

Example:

- EAP Household 123 is a household with one member (James).

- James moves in with his brother (Tim).
- Tim is added as a household member to EAP Household 123 at the new location.
- After a couple months James decides to move to live with his sister (Nora).
- When James moves, EAP Household 123 does not remain with household member Tim, who is remaining in the dwelling and who was added to EAP Household 123.
- James moves as EAP Household 123 to Nora's house. Tim is removed as a household member and Nora is added as a household member to EAP Household 123.
- Tim is eligible to apply for EAP.

Household Members Die

If a household member dies before application certification, the remaining household members may withdraw the application and reapply.

If a household member dies after the application is certified, the remaining household members continue to be served according to their most recent notification letter.

If all members of a household die and the death is discovered after a payment has been made, request a refund of remaining funds from the energy vendor and de-obligate the refunded amount.

Household Moves within the Service Area

When a household moves within the service area and has a new energy vendor, request a refund from the original energy vendor and authorize the remaining benefit amount to the new energy vendor. When the household maintains the original energy vendor, the energy vendor changes the account number on the household account.

Household Moves to a New Service Area

When a household notifies a Service Provider the household is moving, proceed as follows:

- Encourage the household to make immediate contact with the new Service Provider. Provide the household with contact information.
- Using eHEAT, transfer the household account to the new Service Provider.
- Request the household's energy vendors immediately refund any EAP funds remaining on the household's account unless the household will be a customer of the same energy vendor at the new residence. In the latter case, the energy vendor changes the household account number in eHEAT.

When a currently certified household notifies a Service Provider the household has moved into the Service Provider's service area:

- Request information needed to update the application:
  - Address.
  - Phone.
  - Energy vendor names and addresses.
  - Energy vendor account numbers.
  - Service Provider that originally provided the benefit.
- Contact the household's previous Service Provider to request an application transfer.
- Authorize payment of the remaining grant balances to the household's new Primary Heat vendor.

Household Moves to a Nursing Home or Other Institution, Including Jail or Prison

If a household moves permanently to a nursing home or other institution, the new residence does not qualify for EAP benefits. If only one member of a household moves permanently to the institution, the remaining household member(s) continue to be served according to their most recent notification letter.

A person is temporarily in a nursing home or other institution as long as there is an expectation he or she will be moving back home within the current program year. If there is no such expectation, consider the move to be permanent. If a household member is permanently living in a nursing home or other institution at the time of application, exclude this person as a household member and exclude this person's income.

When a household moves permanently to a nursing home or other institution, request a refund of remaining funds from the energy vendor and deobligate the refunded amount. Contact the household and tell them their current residence does not qualify for EAP assistance and their remaining benefit has been refunded to their Service Provider.

Household Moves Out Of State

If a household moves out of state, advise them to apply in their new state. Request a refund of remaining funds from the energy vendor and deobligate the refunded amount.

Household with Deobligated Grant Reappears

If a household moved out of state then back to Minnesota and requests their remaining benefit, look in eHEAT, Client Services, EAP Benefit to determine the household's available benefit. Assign the benefit to an energy vendor and make payments if funds are available or deny due to lack of funds.

Household Moves from another State

If a household received an EAP benefit from another state during the same program year, take an application and provide a Minnesota benefit based on program requirements.

Household Moves and Cannot Be Located

This section describes what the Service Provider should do when an energy vendor refunds a benefit during the same program year in which the benefit was originally provided because the household is no longer a customer. The household may already have notified the Service Provider of the change in their energy vendor or address. If not, the Service Provider must make an effort to find the household and document it.

The specific procedure for contacting the household is:

1. Call the household using any and all phone numbers available on the application.
    - If the phone is answered, request the information.
    - If the person cannot provide the information, send a letter using the instructions below.
    - If there is no response by phone, send a letter using the instructions below.
2. Send a letter to the household:
    - Use the text for "Letter Requesting Information about a Household Move".

    - Send it to the last address that you know for the household.
    - Send it "Return Service Requested" by registered mail.
3. If you receive a response from the household within 30 days, follow the procedure for serving a household that has moved.
4. If you receive no response from the household within 30 days after the letter is mailed, deobligate the refund.

Ownership of Assistance

EAP funds always belong to the program. The EAP benefit is provided to the household with the intention to purchase energy. At the end of the program year, any unspent EAP benefit must remain on the household account for future energy costs. Households cannot request cash refunds.

If a household discontinues as a customer or at the request of a Service Provider, the energy vendor should follow refund policies to return any unused EAP funds to the program. The refund must be made within 10 days of the energy vendor's termination of the account or the Service Provider request. Energy vendors should never use unclaimed property procedures for EAP funds.

Note: For delivered fuels, once fuel is delivered to the dwelling it becomes property of the EAP household.

Property purchased with EAP funds becomes the property of the applicant or their estate. Examples of property purchased with EAP funds are:

- Delivered fuel.
- Dividends that a co-op pays (even if part of the dividend was earned with energy program funds.)
- Mechanical equipment.

Refunding of EAP Benefits

Refunds from the Service Provider Perspective

There are different procedures for handling refunds depending on when they are received. Policy and procedures below will describe how Service Providers should handle refunds:

Received during the program year

- Make efforts to reassign refunded payments to a household's new energy account; or
- De-obligating the funds when new account information cannot be located.

Received after the program year has ended

- Managing refunds until December 15
- Submitting refund checks to Commerce after December 15

Refunding EAP Benefits Received During Current Federal Fiscal Year

Refunds occurring during the program year have different guidelines then those occurring after the program year. Energy vendors and Service Provides both have roles in the refund process. It may help to think in terms of two independent processes. During the program year, energy vendors enter refunds into eHEAT. Refunds are then automatically deducted

from future EAP payments to the energy vendor. If an energy vendor is not an eHEAT user or if otherwise directed by the Service Provider or Commerce, they must send a refund check to Commerce. Service Providers determine if the returned funds are distributed or de-obligated (refer to the following Refund Process Flowchart). After the program year ends, funds must still be returned, but the handling process is different.

Refunds Received by Commerce after September 30 thru December 15

Refunds received after the program year has ended, through December 15:

- Service Providers should forward any refund checks received to Commerce Fiscal.
- Commerce enters refunds received into eHEAT. This amount is still an obligated benefit for the household.
- Once in eHEAT, Service Providers must attempt to locate a household's new energy vendor account information.
- If new information is known, the Service Provider redistributes the benefit to the household's new energy vendor account. This may take assistance by Commerce.
- The last day to redistribute benefits from the prior program year is December 15. After this date, the household can no longer receive these benefits.
- When a household's new energy vendor account information cannot be located, the benefit is de-obligated. This may take assistance by Commerce.
- All benefits not re-distributed in eHEAT, will be de-obligated after December 15 by Commerce.
- Commerce will revise the carryover report accordingly (not to exceed the allowed 10%).

Refunds Received by Commerce after December 15

Refunds for benefits from any prior program year received after December 15:

- Service Providers should forward any refund checks received to Commerce Fiscal.
- Commerce will return all prior year program benefit refunds to the US Department of Health and Human Services (HHS).

Refunds from the Energy Vendor Perspective

Refunding Current Program Year Benefits

Current program year refunds should be entered in eHEAT, if an energy vendor is an eHEAT user. eHEAT reconciles the refund by deducting the refund amount from subsequent payments. If the energy vendor does not receive a subsequent payment from EAP, the energy vendor may be required to send a check to reconcile accounts. Call the Commerce fiscal office with questions regarding this process at 651-539-1523.

If an energy vendor does not use eHEAT, they must return EAP funds to Commerce by check.

Refunding Prior Program Year Benefits

All prior program year refund amounts must be returned to Commerce by check. Include with the check:

- The household's name
- eHEAT household number
- The amount of refund for the household (if multiple households are in one check)
- Refund reason

Mail the check to:
ATTN: Alex Larson
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

EAP funds always belong to the program; see the **Ownership of Assistance** section above for more detail.

Accurate accounting of refunds requires Service Providers and energy vendors to coordinate carefully. An energy vendor cannot withhold fuel or discontinue energy service if a household's benefit is delayed due to an energy vendor failure to pay refunds.

Recovery of EAP Benefit Overpayment Due to Error or Fraud

Error or fraud may result in the overpayment of EAP benefits to or on behalf of a household. The Service Provider must attempt to recover overpayments of $10 or greater. Any overpayment not recovered by adjusting scheduled payments or recalling EAP credit on the household's energy vendor account must be recovered from the household. All procedures and efforts to recover funds must be documented for audit purposes. See Chapter 12 - *Incidents and Appeals,* Errors & Fraud section for additional guidance.

Refunds for Direct Payments to an Applicant

An applicant eligible to receive a direct payment by state warrant but has not received their warrant after a normally expected period of time should contact their local Service Provider. The Service Provider should confirm the applicant's current mailing address and cross reference that address against the address as shown in eHEAT. A Minnesota Management and Budget (MMB) warrant can only be delivered to the address on the warrant. A warrant cannot be forwarded. A Service Provider should contact Alex Larson at 651-539-1523 or alex.larson@state.mn.us to determine the status of the warrant.

A warrant returned to the MMB will remain there until Commerce is contacted about a missing warrant. Service Providers should contact Alex Larson at 651-539-1523 or alex.larson@state.mn.us to determine the status of the warrant. If the applicant has a new mailing address since applying for EAP or the mailing address is unacceptable by the U.S. Post Office for delivery, then the applicant will need to submit a signed and notarized *Failure to Receive Minnesota Management & Budget Warrant.*

Uncashed warrants are periodically cancelled by MMB and returned to Commerce's account. These are entered as refunds into eHEAT on the date of cancellation. At that point, they are handled via normal refund policies as described in this chapter.

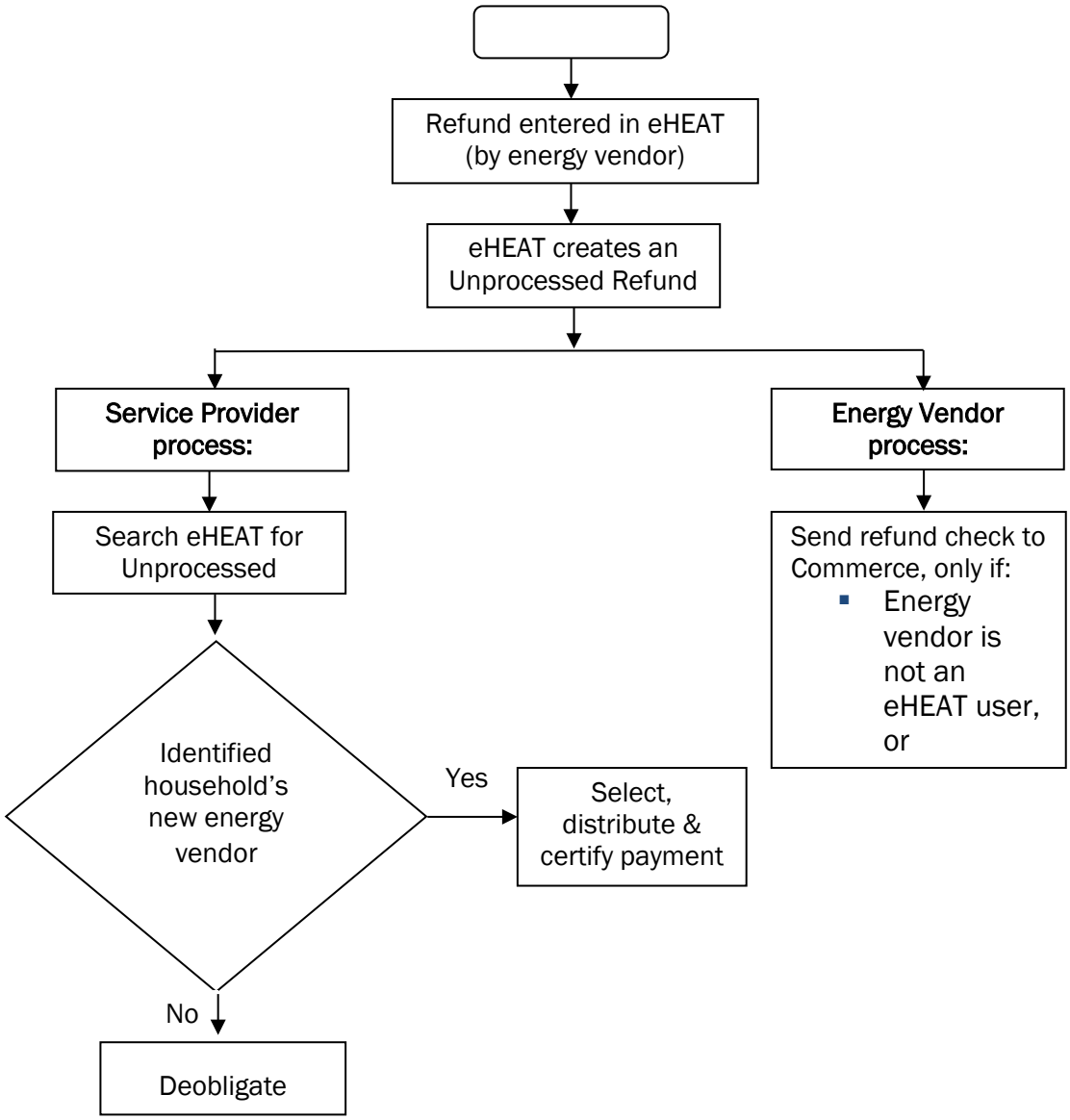
Household Changes Energy Vendor

If a household needs an energy vendor change after eligibility certification and energy vendor payment, contact the original energy vendor to find out how much of the assistance remains on the account and request a refund of the unused funds.

Refund Process for EAP Funds Received During the Current Federal Fiscal Year

Refunds occurring during the program year have different guidelines then those occurring after the program year (see above). Energy vendors and Service Provides both have roles in the refund process. It may help to think in terms of two independent processes. During the program year, energy vendors enter refunds into eHEAT. Refunds are then automatically deducted from future EAP payments to the energy vendor. If an energy vendor is not an eHEAT user or if otherwise directed by the Service Provider or Commerce, they must send a refund check to Commerce. Service Providers determine if the returned funds are distributed or deobligated (refer to the following **Refund Process Flowchart**). After the program year ends, funds must still be returned but the process is different than what is shown on this flowchart.

Refund Process Flowchart



Processing Refunds in eHEAT

To process refunds, go to the "Refund Process" tab and search for unprocessed refunds. One-by-one, determine how to handle the refund.

1. Select the "Deobligate" button if a payment will not be made to the household's new energy vendor account. Clicking "Deobligate" will process the refund and deobligate the money.
2. Select the "Payment" button if a payment will be made. Clicking "Payment" will create a payment. Continue to the 'Payment Certification / Process' screen to select a vendor and process the payment.

Appendices

10A – *Mail Return Service Requested*
10B – *Letter for Information About Household Move*
10C – *Affidavit of Failure to Receive Minnesota Management & Budget Warrant*
10D – *Energy Vendor Refunds in eHEAT*
10E – *Handling Payments and Refunds in eHEAT When a Household Moves*

Chapter 11

Client and Energy Vendor Notification

The LIHEAP Act requires households and energy vendors be notified of assistance amounts. Clients receive letters informing them about the results of their applications, requests for Crisis, and requests for Energy Related Repair (ERR) services. Most household notifications require a letter produced by eHEAT, although the letter requesting additional information can be produced locally. Energy vendors are notified about their customers who receive an EAP benefit for Primary Heat or Crisis. The form of energy vendor notification varies for those that use eHEAT and those that do not.

Chapter Contents

- Client Notification
- Energy Vendor Notification
- Providing Private Data to Energy Vendors

Notification Letters Purpose Definition

Intentions:

- Enable HHD to check benefit was properly determined (using proper income, household size and consumption information).
- Enable HHD to confirm payment information is accurate – for the correct energy vendor (fiscal control).
- Inform HHD to expect benefit.
- Provide information on other benefits available to HHD.
- Reduce confusion and unnecessary calls to SPs.

By

- Giving HHD necessary information.

Values:

- Clarity and brevity.
- Openness.
- People's right to know.
- Privacy.

Focus:

Notification Letters to HHDs receiving EAP benefits:

- Three eHEAT generated letters:
  - Primary Heat only.
  - Crisis only.
  - Primary Heat and Crisis.

- The information on the letters necessary to receive accurate program benefit (too much info can create confusion.)

Constraints:

- Policies and rules.
- Third grade reading level.
- CP&D technology (affects cost and immediacy.)

Client Notification

eHEAT generated letters include the Service Provider name, address; phone number and logo (see this chapter's appendices). There is a different letter for each of these situations:

- Request for Information Letter.
- Notification Letter – Primary Heat.
- Notification Letter – Crisis.
- Notification Letter – Primary Heat & Crisis.
- Notification Letter – ERR.
- Denial Letters with the following reasons:
  - Over Income.
  - Already Received Benefits this Program Year.
  - Incomplete Application.
  - No Primary Applicant SSN.
  - Program Out of Funds.
  - Ineligible Housing Type.
  - Subsidized Housing with Heat & Electric Included in Rent.
  - End of Program Year.
  - Application Withdrawn by Household.

Energy Vendor Notification

eHEAT produces a list of benefits by household, address, and account number in conjunction with payments. Energy vendors that use eHEAT access their notifications on eHEAT. Energy vendors that do not use eHEAT receive a letter of notification and a printed spreadsheet containing the same benefit information, generated by eHEAT and mailed by Commerce.

Providing Private Data to Energy Vendors

Energy vendors can use eHEAT to see all the information they need to run EAP. eHEAT makes available the only information EAP provides to Affordability Programs without a signed release from the household.

Appendices

11A - *eHEAT Letters Examples* (N*otification, Request for Information, Denial)*

Chapter 12

Incidents and Appeals

This chapter details how Service Providers should identify, analyze, manage and report incidents. It also details the appeals process, policies and procedures for applicants, Service Providers and the State EAP Office at various levels of an appeal.

Chapter Contents

- Incidents
- Overpayments and Recovery of EAP Funds
- Disasters and Emergencies
- Appeals

Incidents

Service Providers are required to report incidents to Commerce and must follow EAP policies and procedures when managing each stage of an event. These efforts assist in reducing risk to funds and negative impact to program operations and households. This chapter details how Service Providers identify, analyze, manage and report incidents.

Types of Incidents

Incidents are program events occurring outside of normal business activities and operations, such as:

- Event Notifications:
  - Events including use of the Walk Away policy, subpoena or other court order requests, or an event that the Service Provider believes rises to the level of an incident and believes the State Office should be made aware.
- Data Security and Breaches.
- Errors:
  - Unintentional misuse of program funds or unintentional mistakes in the handling and processing of application information.
  - An event that can result in accidental over or under payment to energy vendors or households.
- Waste:
  - Waste occurs as the result of resources being consumed by inefficient or non-essential activities, including systematic errors or misapplication of policy.
- Abuse:
  - Abuse occurs as the result of purposeful departure of policies and procedures where resources are improperly used.
- Suspected Fraud:
  - Events including suspected or intentional deception, omission, or concealment made for personal gain, to assist or harm others and/or misuse of program funds.

- Disasters and Emergencies.

Incident Reporting

Incident reporting is a critical EAP control intended to manage and mitigate risks that could affect the integrity of the program and its stakeholders. Service Providers are required to report all incidents described in this chapter to Commerce by completing the *Incident Report Form* within one working day of the event or the beginning of an investigation. Reports must be submitted to eap.mail@state.mn.us. Service Providers must provide updates to Commerce as they occur.

Errors

Errors are unintentional misuse of program funds or unintentional mistakes in the handling and processing of application information. An error is considered isolated and affects one or just a few households. If an unintentional mistake affects more households follow the waste procedures below. Errors can result in accidental over or under payment to energy vendors or households. Errors may occur due to the failure of a household, Service Provider or energy vendor to:

- Report or utilize complete and accurate information.
- Understand or follow instructions.
- Enter or process household information and data correctly.
- Follow policies and procedures.

Any of these occurrences can result in incorrectly determining eligibility, benefits or services and incorrect payment to energy vendors, households and contractors. Commerce must be notified when the Service Provider believes the error(s) rises to the level of an incident that Commerce should be made aware.

Waste

Waste occurs as the result of resources being consumed by inefficient or non-essential activities. Systematic errors or misapplication of policy can cause waste of valuable resources and puts the integrity of EAP funds at risk. Service Provider or energy vendor waste can cause harm to households.

Service Providers can assist in the prevention of waste by ensuring energy vendors and Service Provider employees have been trained and understand EAP policies and procedures. Internal controls also help identify errors before they become systematic waste. Waste of program funds by the Service Provider or energy vendor must be reported to Commerce.

Abuse

Abuse is the purposeful departure from policies and procedures where resources are improperly used. Abuse of resources does not necessarily indicate fraud, unless it meets the definition listed below. Abuse of program funds by the Service Provider or energy vendor must be reported to Commerce.

Suspected Fraud

Fraud is an event of suspected intentional deception, omission, or concealment made for business or personal gain, to assist or harm others and/or to misuse program funds.

Service Providers must have internal controls and take reasonable steps to prevent fraud by households, employees, contractors and energy vendors. When EAP funds are misspent because of fraud, the Service Provider must report the incident to the Commerce and take steps to recover those funds.

Preventing and Detecting Errors or Fraud

Service Providers must utilize procedures by establishing internal controls and self-monitoring activities to reduce, find and correct errors that may occur during intake, verification, certification and bookkeeping activities. Where feasible, divide responsibility for application intake, data entry, verification, certification and payments. This separation between duties, verifying accuracy and other internal controls can reduce situations that would allow for potential errors and fraud to occur.

Investigation of Suspected Fraud

Service Providers must take action in the case of credible fraud allegations or other discoveries of potential fraud. A complaint is likely to be credible when the complainant identifies him/herself and describes a situation that would violate some aspect of EAP's policy. Reasons to investigate may include:

- A complaint of misuse of EAP resources.
- A credible complaint that contradicts application information affecting eligibility or benefits.
- Knowledge that a household has applied in more than one location. The Service Provider where the household applied last is in charge of the investigation.
- Public information from law enforcement activities or the news media.

When undertaking the investigation the Service Provider must:

- Report the situation by completing and submitting an *Incident Report Form* to Commerce and assigned EAP Program Performance Auditor via eap.mail@state.mn.us. Coordinate actions with Commerce.
- Ensure due process and protect the privacy rights of the household. If legal action commences, the privacy rights may change.
- Contact agency's fraud investigator, management and/or corporate attorney to determine next steps.
- Stop payments to the energy vendor or household and request a refund or freeze of EAP credit on the household's energy vendor account.
- Collect and verify facts and information to determine if an error or potential fraud occurred.
- Conduct follow-up interviews to obtain additional information, if necessary.
- Report the suspected fraud to the local authority handling fraud cases (district attorney, sheriff, etc.).
- Take appropriate action to safeguard public resources such as requesting repayment of EAP funds from the household.
- Track fraud cases until completion. If funds were overpaid, follow the funds recovery process. Consider a case complete when all information has been submitted to local authorities. If case updates are later received from local authorizes, notify Commerce.
- Document a household's suspected fraud in the eHEAT "notes" field

- When an investigation indicates an energy vendor or contractor error or suspected fraud the Service Provider must assure that the household has access to heat.

Overpayments and Recovery of EAP Funds

Overpayment recovery is required when an EAP benefit is overpaid by $10 or greater. Until an overpayment process is complete, the household is not eligible to receive Crisis benefits. Service Providers must track and maintain a single log of households with overpayments, to ensure all recovery steps are conducted and Crisis is not provided until the recovery process is complete. Follow the overpayment recovery procedures for an error, waste, abuse, or suspected fraud below:

Overpayments Resulting from Error

If **error** results in overpayment of EAP funds the Service Provider must attempt to recover funds in the following order:

1. If identified immediately, work with the energy vendor to determine if the incorrect payment can be easily refunded.
2. Adjust scheduled payments, if possible.
3. Recover credit on energy vendor account, if possible.
4. Write to the client by certified mail to:
   - Notify them of the situation.
   - Request repayment of overpaid EAP funds not recovered.
   - Clarify the household's rights and responsibilities, hardship option, and appeals process.
   - Offer to meet with them.
   - Set up a repayment schedule including installment payments as needed ensuring that full repayment is made by September 30 of the current program year.
5. If repayment poses a hardship for the household:
   - Obtain a signed and dated declaration from the household describing the hardship.
   - Retain the declaration in the household's file.
   - Terminate recovery of EAP funds.
6. If the household does not respond to Service Provider's certified letter within 30 days of the letter's date:
   - Call the household regarding overpayment recovery information in #4 above.
   - If unable to reach the household by phone, mail a certified "overpayment second notice" letter, including all information from #4 above.
   - If the household does not respond within 30 days of the "overpayment second notice" letter's date:
     - Document attempts made by the Service Provider to recover overpaid funds
     - Terminate the recovery effort.
7. If the household does not maintain planned repayment schedule:
   - Call the household regarding missed payment and other information in #4 above.
   - If unable to reach the household by phone, mail a certified "payment plan reminder" letter, including all information from #4 above.

- If the household does not respond within 30 days of the "payment plan reminder" letter's date:
  - Document attempts made by the Service Provider to recover overpaid funds
  - Terminate the recovery effort.

Overpayment recovery efforts must be tracked by Service Providers to ensure timelines are met. The household is eligible to request Crisis assistance when one of the following occurs:

- Overpayment is recovered or repaid in full
- Household submits a signed declaration of hardship regarding the overpayment

The household is not eligible for a Crisis benefit if they have been non-responsive to Service Provider communication regarding attempts to recover an overpayment.

Overpayments Resulting from Waste and Abuse

If **waste** or **abuse** results in overpayment, Commerce will review and determine actions.

- Service Providers could be subject to repayment with non-federal funds.
- Energy vendors could be subject to repayment and determined non-cooperative (See Chapter 3 - *Energy Vendors*, **Non-Cooperating Energy Vendors** section).
- Contractors could be subject to repayment and unable to receive future EAP payments.
- Commerce reserves the right to take additional steps.

Overpayments Resulting from Suspected Fraud

All cases of **suspected fraud** must be reported to proper authorities. See Investigation procedures above. The following rules guide overpayment recovery of EAP funds for instances of suspected fraud:

Households suspected of fraud must repay funds. Recover funds in the following order:

1. If identified immediately, work with the energy vendor to determine if incorrect payment can be easily refunded.
2. Recover credit on energy vendor account, if possible.
3. Write to the client by certified mail to:
   - Notify them of the situation.
   - Request repayment of overpaid EAP funds not recovered.
   - Clarify the household's rights and responsibilities and appeals process.
   - Offer to meet with them.
   - Set up a repayment schedule including installment payments as needed ensuring full repayment is made by September 30 of the current program year.
4. If the household does not respond to Service Provider's certified letter within 30 days of the letter's date:
   - Call the household regarding overpayment recovery information in #3 above.
   - If unable to reach the household by phone, mail a certified "overpayment second notice" letter, including all information from #3 above.
   - If the household does not respond within 30 days of the "overpayment second notice" letter's date:

        - Document attempts made by the Service Provider to recover overpaid funds
        - Terminate the recovery effort notify Commerce with an updated Incident Report.
5. If the household does not maintain planned repayment schedule:
    - Call the household regarding missed payment and other information in #3 above.
    - If unable to reach the household by phone, mail a certified "payment plan reminder" letter, including all information from #3 above.
    - If the household does not respond within 30 days of the "payment plan reminder" letter's date:
        - Document attempts made by the Service Provider to recover overpaid funds
        - Terminate the recovery effort and notify Commerce with an updated Incident Report.
6. Commerce reserves the right to deny a household suspected of fraud for the current program year and require all EAP benefits be repaid. The household will be denied by Commerce with the "Application Denied by Commerce " reason.
7. Commerce reserves the right to take additional steps.

Service Providers suspected of fraud are reviewed by Commerce.

- Commerce determines actions including repayment with non-federal funds.
- Commerce reserves the right to take additional steps

Energy vendors or contractors suspected of fraud are reviewed by Commerce.

- Commerce determines actions that could include repayment and the energy vendor being determined uncooperative.
- Commerce reserves the right to take additional steps.

Overpayment Documentation

Service Providers must document overpayments when recovering EAP funds paid to a household, energy vendor or contractor. The documentation must include:

- List of households for which an overpayment was made.
- Date the household, Service Provider, energy vendor or contractor was notified of the overpayment.
- Description of the incident and when it occurred.
- How and when the incident was discovered.
- The disposition made, e.g., amount to recover.
- Date and/or amount of any recovery or the amount of un-collectible funds.
- Corrective action to prevent similar occurrences.

All overpayments must be refunded to Commerce and should be made payable to Department of Commerce. An attached note should include:

- Household number.
- Reason for the overpayment.
- Indicate primary heat, crisis or ERR benefit.
- Service Provider ID.
- Service Provider Name.

If the recipient chooses to pay in monthly installments, the Service Provider must send the payments to Commerce as they are received. If the repayment requires a repayment plan in excess of one year, full payment is expected to be made as soon as possible.

Costs and Responsibility

Except in the case of Service Provider fraud, Service Provider recovery costs (legal action, fees, investigations, etc.) are allowable administrative expenses.

Disasters and Emergencies

Disasters and emergencies can affect the delivery of the EAP program. At both the state and local levels, the program must be able to adjust and respond to disastrous conditions. Planning before a disaster or emergency occurs is essential to address the needs of households and local agencies. The state directs Service Provider use of EAP resources in the event of a disaster or emergency.

The EAP Director defines the scope of a statewide, regional or localized disaster or emergency and uses his or her discretion to:

- Declare an EAP major disaster, local disaster or emergency.
- Declare geographic limits of the disaster or emergency.
- Determine temporary alternative EAP service delivery strategies.
- Implement long-term solutions for continued EAP service delivery.

In most cases the Director will follow state and federal disaster declarations, including the designation of geographic areas of disasters.

Service Providers must implement all directives from the State, including coordination with other agencies providing disaster relief or emergency assistance.

Definitions

- **Major Disaster:** A major disaster is a catastrophic event in any part of Minnesota the EAP Director determines has caused damage of sufficient magnitude to require a waiver of EAP policies. Examples include: tornados, storms, earthquakes, landslides, snowstorms, fire, or flood.
- **Local Disaster:** A major disaster experienced in a local area. For example, a local disaster might include a fire or tornado that destroys the EAP Service Provider's offices or results in the loss of local computer data.
- **Emergency:** An event limiting the ability of the State or Service Provider to fully perform EAP services. Emergencies may include: dramatic fuel price increases, loss of key personnel, fraud, abuse or administrative malfeasance resulting in the Service Provider's inability to provide program services.

State LIHEAP Disaster or Emergency Waiver

The EAP Director may temporarily modify or waive any state EAP procedures to alleviate potential hardship or suffering, save lives and protect property and health and safety in the event of any disaster or emergency. The Director shall modify the Minnesota State Plan for Energy Assistance and notify the U.S. Department of Health and Human Services, if needed.

Service Provider Disaster and Emergency Plans

Service Providers must develop local plan strategies for major and local disasters or emergencies.

Service Providers will:

- Identify their county's Emergency Management Office.
- Have access to or a have a copy of their county's disaster plans.
- In the event of a disaster that affects EAP, contact their local Emergency Management Offices and use appropriate available resources.

Service Provider Disaster and Recovery Plan

Service Providers must develop a local disaster/emergency plan to continue program services in case of loss of local building facilities. The plan must provide for:

- Weekly backups of critical data such as client files, financial records, computer files, etc.
- An alternative site for administrative services and computer processing.
- Regular (at least weekly) storage for critical data in an off-site storage facility such as a bank vault.
- Disaster and emergency planning efforts by EAP Service Providers are reviewed by Program Performance Auditors during their initial auditing visit.

Disaster and Emergency Notification Requirements

Service Providers must inform the EAP Director of any disaster or emergency in their local area that interferes with the Service Provider's ability to operate the program. This notification must occur within 12 hours of the disaster or emergency's onset. In addition to EAP Director notification, the Service Provider must complete and submit a formal incident report regarding the disaster.

Appeals

The appeals process is designed to assure EAP applicants receive fair consideration and appropriate assistance. The appeals process is intended to resolve disputes reasonably and has four stages:

- Stage 1: Local Level Informal Complaint.
- Stage 2: Local Level Formal Appeal.
- Stage 3: Commerce State Office Appeal.
- Stage 4: Office of Administrative Hearings.

This Chapter outlines the stages of an appeal and the policies, procedures, and timelines required and associated with each stage.

General Appeal Procedures

Applicants have 30 calendar days from the day they receive their notification letter to appeal decisions made regarding their energy assistance application. Applicants are informed of this right when they receive their application and again in their notification letter.

Applicants may initiate an appeal if:

- The application was denied, or

- The application received no action in the appropriate timeframe, or
- Incorrect facts or improper procedures were used to determine eligibility, assistance amounts, or services, or
- The Energy Related Repair services at the time of completion or final inspection were not adequate or were inappropriate.
- The remedies available at one of the appeals process must be exhausted before an appeal can be made to the next stage. An applicant may withdraw an appeal at any time during the process with written notice.

Appeal Timelines

- Applicants have 30 calendar days from the time they receive their notification letter to submit a local level formal appeal in writing to their local Service Provider.
- Service Providers have 14 business days to respond to a written local level formal appeal.
- Applicants have 14 business days to submit a written appeal to the Commerce State Office to appeal the Service Provider's local level formal appeal decision.
- Commerce has 14 business days to respond to a continued appeal at the Commerce State Office stage. The 14 business days begins when all applicant file and appeal information is received by Commerce from the Service Provider.
- Applicants have 14 business days to appeal the Commerce State Office appeal decision.
- Commerce has 14 business days from receipt of the applicant's appeal of the Commerce State Office appeal decision to refer the appeal to the Office of Administrative Hearings.

Service Provider Procedures (Stages 1 and 2)

The Service Provider is responsible for the first two stages of the appeal process.

- Stage one is a local level informal complaint to which the Service Provider may respond verbally.
- Stage two is a written local level formal appeal.

The Service Provider must have a local written procedure for handling and responding to complaints and appeals including:

- Informing applicants how to file informal complaints and formal appeals.
- Informing applicants how the Service Provider will assist them in preparing their appeal.
- Designating an Appeals Officer who will receive and respond to appeals.
- A description of the internal Service Provider informal complaint and formal appeal review process.
- Informing applicants about the Service Provider formal appeal process and notifying the applicant that the process may take 14 business days.

Stage 1: Local Level Informal Complaint

Applicants may initiate informal complaints verbally by phone, in person or in writing by letter or e-mail. Complaints may address any aspect of the EAP program or local EAP Service Provider. Service Providers must discern or otherwise verify whether written correspondence is a question, complaint or a formal appeal. The first response to a complaint may be verbal, if this satisfies the applicant. In most instances an applicant is requesting an

explanation regarding income, eligibility or benefit determination. Some complaints may not be appropriate for the EAP appeals process and may be addressed by the Service Provider's local procedures.

Stage 2: Local Level Formal Appeal

Local level formal appeals may be initiated in writing or by telephone, but it must be in writing before the Service Provider takes action. Service Providers must assist the applicant in advancing a verbal appeal to a written appeal if needed. Applicants have 30 calendar days once they receive their notification letter to file a written local level formal appeal.

When a local level formal appeal is received, Service Providers must

- Maintain documentation of events relating to the appeal, including records of telephone calls, e-mails, correspondence, envelopes for postmark and received stamps, etc.
- Assure the records are complete and all documents are present.
- Review the issue and assess the facts in relation to EAP policies.
- Respond in writing within 14 business days of receipt of a local level formal appeal.
  - Cite the State policies relevant to the appeal decision.
  - State the appeal decision and how the issue will be resolved, if applicable.
  - Include information on how to appeal to the next stage and provide the address of the Commerce /Energy Assistance Program, and the name and telephone number of the EAP Coordinator.
  - Send the response using certified mail "Return Receipt Requested."
- Implement the decision as needed.

Local Level Formal Appeal Tracking

Service Providers are required to maintain information on local level appeals using the Appendix 12B - *Local Level Formal Appeals – Required Tracking Sheet*. This spreadsheet must be used to track all local level formal appeals and updates as they occur. Commerce may request this information at any time.

Stage 3: Commerce State Office Appeal Procedures

An appeal to the Commerce State Office is the third stage in the appeals process. If the applicant is not satisfied with the Service Provider's determination, they may submit a written appeal to the Commerce State Office. The applicant's appeal must be submitted within 14 business days of receiving the Service Provider's local level formal appeal decision.

When the Commerce State Office receives an appeal Commerce will:

- Notify the Service Provider and the Service Provider's Commerce Program Performance Auditor that an appeal has been received.
- Ask the Service Provider to forward copies of all applicable documents, either by **hand delivery or mailing to Commerce**, including, but not limited to:
  - Copy of EAP Application.
  - Copies of income and eligibility documentation
  - Mechanical system audit, if applicable.
  - Energy audit, if applicable.

- Copies of all pertinent appeal correspondence between the applicant and Service Provider
- Documentation of the Service Provider's investigative process.
- A copy of the Service Provider's appeal decision.

After receipt of the requested documents from the Service Provider, Commerce will:

- Review the details relevant to the appeal.
- Check compliance with the state energy assistance program plan, policies, procedures and statutes.
- Respond in writing to the applicant within 14 business days of receipt of all appeal documents.
  - A summary of local level Service Provider actions.
  - Cite the State policies relevant to the appeal.
  - State the appeal decision and how the issue will be resolved, if applicable.
  - Include information on how to request the next stage of the appeal process.
  - Send the response using certified mail "Return Receipt Requested."

Stage 4: Office of Administrative Hearings

If the applicant is not satisfied with the Commerce State Office appeal decision, they may write to the Director of Energy Assistance Programs to request an appeal to the Office of Administrative Hearings (OAH). This is the fourth stage in the EAP appeals process.

Once the Commerce State Office receives a request for an OAH appeal, Commerce will:

- Arrange a hearing date that allows the applicant enough time to receive notice of the hearing.
- Prepare Commerce's testimony.
- Send a copy of the application file to the applicant.

OAH Hearing Procedures

The Office of Administrative Hearings conducts hearings when a state or local law provides the right to challenge a government action through an administrative hearing. The services provided by the OAH are an important part of the state's guarantee of "due process of law."

Information regarding the Office of Administrative Hearings procedures and the Administrative Procedures Act can be found at: http://mn.gov/oah/administrative-law/

The Administrative Law Judge issues a recommendation to the Commerce Commissioner after the hearing is completed. The Commerce Commissioner considers the recommendation and issues a final decision. This action concludes the final stage in the EAP appeals process. The Commissioner's final decision may be challenged according to the Administrative Procedures Act in Minnesota Statutes.

Restitution to the Complainant

If in the course of investigation of an appeal Commerce learns a Service Provider did not follow established procedures, the Service Provider may be required to provide restitution to the complainant from nonfederal funds.

Appendices

12A - *Incident Report Form*
12B - *Local Level Formal Appeals – Required Tracking Sheet*

Chapter 13

Data Practices and Records

Chapter Contents

- Collection, Maintenance and Dissemination of Private Data
- Application Documentation
- Sharing EAP Private Data

Data Practices Effort Definition

Identity theft has heightened awareness of the dangers of providing personal information. Yet to receive EAP benefits, applicants must submit private information. In recognition of its need for private information about citizens, government has responded with laws like the Minnesota Government Data Practices Act (MGDPA), under Minn. Stat. §13. The MGDPA regulates the collection, creation, storage, maintenance, dissemination, and access to data submitted to and maintained by a state agency or political subdivision.

Third parties under contract with a government agency must also follow the MGDPA. Government entities may contract with private parties to fulfill government functions (Minn. Stat §13.05, subd. 11). In that capacity, a private party will likely create, collect, receive, store, use, maintain or disseminate government data. If a government entity contracts with a private contractor, all of the government data are subject to the classifications in the MGDPA and other state and federal laws.

Federal and state data practices requirements include several regarding the use, storage and retention of records. The MGDPA restricts unnecessary access to household information supplied in the application process. It requires program records be secure and maintained in an accessible form, but limiting access to information in household files to members of the household and to Service Provider, state and federal staffs who may need to review them as part of their job duties. It also requires holders of the data to assist applicants when they seek information about their household file.

Values: We value –

- Protecting vulnerable citizens.
- Protecting individuals' right to privacy and dignity.
- Providing the best possible service to participants.

Intentions: To –

- Follow laws regulating the use of private data about applicants.
- Be extremely protective with private data.
- Deliver the program efficiently.
- Provide the same levels of protections for all types of data requests.
- Gather only the information we need to efficiently and effectively deliver the program.

- Balance the needs to share data to better serve participants and to protect the privacy and dignity of the individual.
- Be clear about Commerce practices for sharing information.

Focus:

- Limit staff access to private data to those who need it to do their jobs.
- Train staff with access to private data about their responsibilities under MGDPA.
- Prescribe and maintain practices to keep private data secure.
- Develop and disseminate clear information about data sharing practices.
- Maintain accessibility to data, as required by MGDPA, Office of Management and Budget (OMB) and other relevant state and federal laws, rules and regulations.
- Strictly follow MGDPA requirements for providing private data to the data subject and third parties.
- Retain records as required by EAP and OMB Circulars.

Context

- Data practices are strictly regulated by state and federal laws, rules and regulations, including the Minnesota Government Data Practices Act (MGDPA), Minn. Stat. Ch. 13.
- The Information Policy Analysis Division (IPAD) of the Minnesota Department of Administration is responsible for interpreting data practices statutes and regulations and issuing opinions about data practices issues.
- For EAP, consent to release private data expires on the last day (September 30) of the federal fiscal year in which consent was given.

Collection, Maintenance and Dissemination of Private Data

Collection, storage, use and release of the information must be limited to what is necessary for the administration and management of the program. The information may not be released except as permitted by the MGDPA.

Minnesota Statues (Minn. Stat.) §216C.266 says, "Data on individuals collected, maintained, or created because an individual applies for benefits or services provided by the Energy Assistance and Weatherization programs is private data on individuals and must not be disseminated except pursuant to section 13.05, subdivisions 3 and 4." Information about a data subject may only be released to a third party if the data subject consents to the release or disclosure of the information by submitting a signed Appendix 13A - *Informed Consent to Release Private Data*.

E-Mail Data Privacy

To maintain data privacy on e-mails:
Use only household numbers for identification when possible, including any reference in the subject line or attachments.

- Use secure e-mail practices when private household data is included.
- Use secure e-mail practices to send new energy vendor information containing Tax IDs or Social Security Numbers.
- Remind energy vendors to use only household numbers when communicating via e-mail about a customer. Contact Commerce for help if an energy vendor does not

cooperate with data privacy requirements, as required by the energy vendor agreement.

Social Security Number for LIHEAP and WAP Applications

Social Security Numbers (SSNs) are used in the administration of EAP and WAP and to assure that only eligible applicants and their household members receive allowable benefits. Federal law allows states to require applicants to disclose their SSN to prevent, detect, and correct fraud and abuse. (See Chapter 5 - *Program Eligibility Requirements* for details on the U.S. HHS Information Memorandum (IM) Transmittal No. LIHEAP-IM-2010-6 documenting this change.)

SSNs are classified as private data under Minn. Stat. §13.355 and must not be disclosed to anyone other than the person to whom the SSN applies, unless the person consents to its release or disclosure.

Note: Minn. Stat. §13.355 prohibits a government entity from mailing or delivering an item that displays the SSN on the outside of the item or in any manner where the SSN is visible without opening the item.

Safe at Home (SAH) Participant SSN

Participants in the state's Safe at Home (SAH) program are the only exception to the policy requiring primary household applicants to provide a verifiable SSN for the household to be eligible for EAP. Service Providers should **neither require nor request** the SSN for SAH participants. Service Providers should use a bogus SSN in the format: SAH-XX-XXXX for SAH participants. If the computer indicates that the bogus SSN is already in the system, change the number but always use "SAH" for the first three digits. See Chapter 4 – *Applications & Application Processing* for an explanation of the SAH program.

Responsibility for Data Privacy

Individuals with access to private data must be aware of their responsibilities under the MGDPA. A best practice is to document regular training on data practices to each staff with access to applications or household information.

The website http://www.ipad.state.mn.us/ is designed to help understand the MGDPA. Included are explanations, summaries or specific guidance about:

- Who must comply with this law and what they must do
- How the law controls the collection, use and release of data by government offices and contractors
- How data are classified and what the classifications mean
- What rights you have to see and have copies of public government data
- What fees government offices may charge for providing copies of data they keep
- What rights you have if a government office keeps data about you
- How to challenge the accuracy and completeness of government data about you

Application Documentation

Collecting, creating and maintaining data about individuals and households is a necessary outcome of the Energy Programs' processes for application, eligibility determination and benefit and services provision. Information can be collected, created, and maintained using

manual or electronic means. Whatever method is used, information must be accessible for the purposes of program administration, evaluation research and as requested by the data subject.

eHEAT is one source of electronic files. eHEAT software is an on-line database incorporating most of the business practices needed to operate EAP, especially collecting, creating and maintaining data about individuals and households and providing eligibility and household information for WAP and CIP.

Electronic files include but are not limited to:

- eHEAT files accessible using the household number, a unique identification number assigned by eHEAT to each applicant household.
- Scanned electronic copies of hard (paper) documents.
- Electronic documents created using entered or downloaded private information about an applicant or household and maintained in a Service Provider network, computer directories or electronic storage media (e.g., flash drive, CD).
- E-mail messages.

Documents that must be in the household's hard copy (paper) file or easily identified and accessed electronic file include:

- A copy of any correspondence with or regarding the applicant not documented by eHEAT.
- Documentation of research and responses to a question, complaint or appeal.
- A signed signature page from the application (or, rarely, a copy).
- The application.
- Documentation of income.
- Income calculations not completed in eHEAT.
- Case notes if they are not kept on eHEAT.
- Pertinent program forms, such as ERR documentation.

eHEAT will document the following for each household by household identification number:

- Application information, including income calculations.
- Completed household application summary.
- Home heating energy information collected from energy vendors.
- Case notes.
- Payments.

All EAP records about an individual or household are private data. Hard and electronic copies of the application and the application summary on eHEAT are private data.

Security of Records

As a recipient and custodian of applicants' private data, Service Providers must develop local procedures that keep household records secure. Many of these procedures are required in the *Local Plan*. Service Providers' procedures must:

- Only allow access to private data to those who are authorized by law or by written permission from the applicant (see "Informed Consent for Release of Information" below).
- Ensure eHEAT administrator transitions are handled in a timely manner according to the procedures outlined in Chapter 14 - *Communication, Information and Reports*.

- Use strong passwords to gain access to all electronic documents containing private data.
- Ensure that e-mails do not contain private information, or, if they must, have an acceptable process for encrypting them. Note: Household numbers are not private information. Names and addresses and other identifying information are private.
- Implement policies establishing security and business need requirements for the transportation of private data on laptops, electronic storage media, paper, etc. For example, require encryption of electronic data on laptops, mobile devices, and flash drives; require strong passwords on laptops and mobile devices.
- Wireless networks must be secure and require strong passwords.
- Ensure that duplicate, secure records back up electronic records maintained by the Service Provider. Duplicate eHEAT records are maintained by the state of Minnesota.
- Ensure that duplicate, secure records back up financial data records.
- Ensure that statistical reports, annual reports, or other data compiled, produced or published by the Service Provider or any representative of the Service Provider do not reveal or connect any applicant's private data to any public information.

Records Accessibility

Retain records in an accessible form, as described below. Records retained on electronic media must remain accessible after any changes in computer hardware or software:

- A household must be able to access and use information in their file as allowed by the MGDPA (see "Requesting Release of Information to the Data Subject" later in this chapter).
- The Service Provider must be able to access and use records for reporting requirements.
- State or federal staff must be able to access and use records for monitoring or audits.

Record Retention Requirements

Energy Programs records must be maintained for at least six years after the program has been closed out and audited, per Minn. Stat. § 16C.05, subd. 5. Upon written notice from the state or federal agency, retain records for the period of time stated in the written notice. Should a Service Provider be required to keep these records for a longer period of time, Commerce will send written notice to do so.

Requirements allow flexibility in the way Service Providers retain these records. Retain records related to:

- Contracts.
- The complete household files.
- Administrative action on an application such as records of complaints or administrative hearings, and/or Service Provider actions to resolve issues.
- Procurement records detailing the history of procurement with all energy program funds.
- Auditing letters and resolution documents.
- Audit records, work reports, financial records, supporting documents and all other records pertinent to the Service Provider's agreement with the state energy programs.

- A dispute, complaint, investigation or litigation for six years after the action is resolved.

Destruction of Records

When disposing of records containing private data, the records must be destroyed in a way that prevents their contents from being determined, under Minn. Stat. §138.17.

Providing information Allowed by the Privacy Notice

The Privacy Notice in the *Privacy Notice and Your Rights and Responsibilities* document attached to the application describes who may use private data about individuals collected, created or maintained from the EAP application and program processes for EAP administration, research and evaluation.

Service Provider and energy vendor staffs have access to private EAP data they need to carry out job responsibilities for EAP administration, research and evaluation. eHEAT and its security administrators manage distribution and control of private data to the following authorized persons:

- Service Provider staff and auditors.
- Commerce EAP and WAP staff.
- Energy vendor staff providing heating fuel or electricity to at least one EAP applicant.
- Staff of agents who act on the behalf of energy vendors to provide call center or direct shut off/reconnection services to EAP households for energy vendors.
- Energy vendor staff operating MN Public Utilities Commission approved affordability programs.

Staff of the following organizations may also have access to private EAP data application if: (i) they need access to the application information to do their jobs in connection with the Energy Programs (EAP, WAP, and CIP), or (ii) they are otherwise authorized by federal or state law to receive it:

- Program auditors as required or permitted by OMB circulars.
- Minnesota Departments of Administration, Commerce, Employment and Economic Development, Human Services, Revenue and MN.IT Services (formerly the MN Office of Enterprise Technology).
- United States Departments of Health and Human Services and Energy.
- Minnesota Public Utilities Commission.
- Minnesota Legislative Auditor.
- Persons so authorized pursuant to court order or subpoena.
- Minnesota Community Action Partnership.
- United States Social Security Administration.
- Other agencies or entities as allowed by federal or state law.

Private data on an individual or household may be released to federal and state law enforcement agencies pursuant to a court order (Minn. Stat. §13.462). Please submit an *Incident Report* to your Commerce Program Performance Auditor upon receipt of a court order to provide private data.

Sharing EAP Private Data

Protecting private data is a primary EAP responsibility. It is important that all users of private data from eHEAT (such as energy vendors, WAP program staff and contractors hired to provide ERR and WAP services) have access only to the data necessary to provide their services to EAP households.

Sharing Private Data with Energy Vendors

EAP data provided to energy vendors are limited to information necessary to obtain energy vendor account and consumption information and to allow energy vendors to apply EAP benefits to customer accounts. The household data required are available to energy vendors through the energy vendor's access to eHEAT. The information is needed to verify the household's EAP eligibility and the amount to apply to the household's or the household landlord's account.

To illustrate, EAP collects data on household income and household size, but these data are not required to apply EAP payments to customer accounts. Therefore, these data are not to be provided to the energy vendor, with the exception that EAP allows energy vendor employees working with affordability programs to request additional EAP private data if the household has agreed to participate in an affordability program.

The energy vendor must obtain an *Informed Consent for Release of Data* signed by the household before requesting EAP household data for any other use or program.

Additional information is available in Chapter 4 - *Application and Application Processing*.

Sharing Private Data for Delivery of ERR Services

Understanding data practices requires knowledge of the roles and responsibilities of managing access to data to ensure compliance with legal requirements. Sharing private data with WAP staff and contractors providing ERR services for EAP households requires both EAP and WAP programs to be responsible for protecting private data. Although EAP and WAP are separate programs, the linkage of those programs creates common data security challenges. The following provide context for understanding data privacy:

- The MGDPA states that private data includes "the data collected, created, received, maintained or disseminated by any government entity."
- ERR participants (auditors, inspectors, heating contractors, etc.) must be informed of data privacy requirements and provided with only the household data needed to deliver services and do their jobs
- Both EAP and WAP eHEAT users may export household data from eHEAT only for specific business uses.
- eHEAT system security is designed for the local eHEAT Administrator(s) to assign authorized users to perform only the tasks and processes necessary to deliver services and perform assigned duties.

Roles and Responsibilities

Service Providers must ensure electronic and physical records of private data can only be accessed by staff assigned to use the data. Limiting staff access to only data necessary for their job assignments is accomplished partly by limiting their eHEAT functions. Service

Provider must have any staff member using eHEAT complete and sign the Appendix 13D - *Energy Programs Service Provider eHEAT User Security Agreement* to ensure their understanding of data practices. The Service Provider Security Administrator is responsible to manage Service Provider users and must sign an Appendix 13C - *Energy Programs Service Provider eHEAT Administrator Security Agreement* annually as part of the Service Provider's *Local Plan*.

Managing eHEAT Access

Service Providers are required to have processes in place to manage eHEAT access to ensure only current, authorized users have eHEAT access. Users must only have access to eHEAT functions necessary for their work assignments.

Off-Boarding Process

Service Providers are required to immediately disable eHEAT administrators and users when needed. Service Providers must have off-boarding (staff leaving employment) procedures in place, for example an off-boarding check-list. Ensure the off-boarding process includes disabling eHEAT access along with access to other data systems containing private EAP data.

eHEAT Access Check

The Service Provider eHEAT Security Administrator should conduct routine eHEAT access check to ensure only the appropriate users are active in eHEAT. There are three user statuses in eHEAT:

- **Active**: user has access to eHEAT.
- **Inactive:** user does not have current access to eHEAT due to inactivity for over 60 days. User needs to be reactivated by an eHEAT Administrator to regain access.
- **Disabled:** user has no access to eHEAT. eHEAT continues to list every user that had eHEAT access.

The Service Provider eHEAT Security Administrator's authorization includes:

- Creating new users for the Service Provider
- Editing existing users as duties change
- Resetting password for the users as needed
- Immediately disabling eHEAT administrators and users:
    - Upon permanently leaving a position requiring eHEAT access.
    - Upon administrative leave or suspension.
    - When no longer employed by the Service Provider or program.
    - If on other leave, laid off, on an extended vacation, or reassigned to non-EAP duties for 30 days or longer.
- Re-enabling users when they return to work.
- Creating new roles that combine functions in eHEAT for staff positions.
- Assuring the private data provided by eHEAT functions to workers is appropriate for their job and responsibilities.
- Editing existing roles as new functions are assigned or no longer performed.
- Deleting existing roles.

The MGDPA requires access to household private data be limited to those who need the data to do their jobs. The MGDPA, under Minn. Stat. §13.055, subd.1. (d) states: "Unauthorized person" means any person who accesses government data without a work

assignment that reasonably requires access, or regardless of the person's work assignment, for a purpose not described in the procedures required by section 13.05, subdivision 5." To ensure compliance with the MGDPA, restrictions on accessing private household data for EAP must include, but are not limited to:

- Limiting electronic access to data on Service Provider networks and computers.
- Protecting private data sent via email by using encryption or secure email.
- Securing household files to prevent:
  - Access by the public.
  - Employees, contractors and volunteers from accessing data they do not need to do their jobs.
  - Cleaning and janitorial worker's access.
- Removing summary data that can identify a household.
- Preventing conversations with households and staff from being overheard by others.

These restrictions not only protect the households, but protect the Service Provider, the program, and the worker from the liability assigned by the law. Be vigilant to avoid any breach in security or inadvertent disclosure of private data. If a breach in security or inadvertent disclosure of private data is discovered, the Service Provider must notify Commerce immediately.

Penalty for Violations of the MGDPA

Government entities and their contractors may be subject to penalties when violations of the MGDPA occur. Minn. Stat. §13.08 states: "a responsible authority or government entity which violates any provision of this chapter is liable to a person or representative of a decedent who suffers any damage as a result of the violation, and the person damaged or a representative in the case of private data on decedents…may bring an action against the responsible authority or government entity to cover any damages sustained, plus costs and reasonable attorney fees. In the case of a willful violation, the government entity shall, in addition, be liable to exemplary damages of not less than $1,000, nor more than $15,000 for each violation."

"Application Consent" to request information

A signed application gives consent to Service Provider staff to request and receive the following information for the purposes stated:

- Data about the household's energy account and energy use from the household's energy vendors for determining eligibility for benefits and benefit amounts.
- Data concerning public benefits received by household members within the last year from the Minnesota Department of Human Services and its agencies for determining eligibility for benefits.
- Data concerning public benefits received by household members within the last year from the Social Security Administration for determining eligibility for benefits.
- Verification of income from household members' employers for determining eligibility for benefits.
- Confirmation of household residency and heat source from the household's landlord for determining eligibility for benefits and benefit amounts

If the applicant names an Authorized Representative, the signed application also gives consent for Commerce and Service Provider program staff to provide and receive information from the Authorized Representative on behalf of the applicant.

Services Providers must have procedures in place to ensure requests for information allowed by the application consent are well-documented and handled in a consistent manner. Best practice is for the local procedures to include a form for requesting information by letter or e-mail and a format for documenting a request by telephone. Security procedures for e-mails containing private information must be in place.

Requesting Release of Information to the Data Subject

Original application information is maintained by the Service Provider. A data subject may ask and be told whether a Service Provider has stored data about him or her, what data is stored and whether it is classified as public, private or confidential. EAP data on individuals is always private, see Minn. Stat. §216C.266. Requests by the data subject to view or obtain a copy of his/her private data or a list of private data maintained about him/her should be directed to the local Service Provider.

The data subject may request information about the status of the application over the telephone. The data subject may see or obtain a copy of accurate, current and complete data without any charge and, if desired, be informed of the meaning of the data. Viewing the data should happen during regular office hours. Viewing should occur immediately, if possible, but must happen within 10 business days of the request.

The data subject need not provide a reason for requesting the data. The Service Provider may ask the reason in order to clarify the data the requestor wishes to see or obtain.

Service Providers must take great care to ensure data is released only to the subject of the data. Efforts should include:

- Confirming the identity of the data requester.
- Mailing copies of data by certified and restricted delivery mail to the data subject at his/her address.

Service Providers must also maintain documentation of all private data releases:

- For phone requests, maintain a log or put a note in the file.
- Get the viewer's signature on a list of data viewed or picked up.
- Maintain a list of data mailed and copies of the certified mail receipt, record of delivery and signature confirmation.

The section "Handling Data Requests," at the end of this chapter, contains specific, step-by-step procedures for releasing data to the data subject.

A copy of the data must be provided within 10 business days of the request. The copy must be provided using the format (electronic or paper copy) requested, if the data is available in the requested format. For example, if the data subject requests a paper copy of data stored electronically, the data can easily be printed. If the data subject requests an electronic copy of data available only on paper, it cannot easily be transferred and may be made available on paper.

Informed Consent for Release of Information

Applicants sign the EAP application to authorize use of their private data to provide EAP services. New uses of the data require a new authorization from the data subject.

Informed consent is necessary when data will be released to a "third party." A third party is an individual or organization not included in the Privacy Notice in the *Privacy Notice and Your Rights and Responsibilities* document or in the Application Consent of the *Energy Programs Application*, Part 1, Authorized Representative, and Part 6, Consent and Signature. Informed consent is also necessary before the organization or Service Provider that collected or created the private data can use it for a purpose not included in the Privacy Notice or Application Consent.

"Informed consent" means the data subject knows and understands the new uses of the data and the consequences of allowing the data requester to use the data in the new way(s). This requires the data subject to possess and exercise sufficient mental capacity to make an informed decision.

Requesting Release of Information to a Third Party

A data subject may request the release of private data about him or her to a third party using the Appendix 13A - *Informed Consent to Release Private Data* form (*Informed Consent*). The *Informed Consent* form is a written agreement signed by the data subject authorizing the holder of the data to release that data about him or her to a designated non-EAP entity. *Informed Consent* is needed so Commerce and Service Providers can verify what specific private data to release and what private data to protect. Commerce and Service Providers will release private data only as the signed *Informed Consent* authorizes.

Generally, completed and signed *Informed Consent* forms should be submitted to the local Service Provider. Please contact your Commerce Program Performance Auditor if you receive a large number of *Informed Consent* forms with information released to the same third party.

Content of Informed Consent Request Form

An *Informed Consent* form must include all of the following characteristics to meet the requirements of Minn. Stat. §13.05, subd. 4:

- Be written in plain language.
- Be dated.
- Designate the particular agencies or person who will get the information.
- Specify the information to be released.
- Indicate the specific agencies or person who will release the information.
- Specify how the information will be used immediately and in the future.
- Contain a reasonable expiration date of no more than one year.

Commerce requests this additional information to identify the requestor:

- The printed or typed name, social security number (if provided on the Energy Programs application) and birth date of the data subject so the information provided is the requestor's private data.
- Notarized signature of the data subject or picture identification presented at the time of request to verify the data requestor's identity.

- Entities should assume both parents have access rights to data about a minor child and authority to sign consents for the minor, even if the parents are divorced or separated, unless the Service Provider is provided with court documents specifying otherwise. If parental rights are terminated, access and consent rights are also terminated.

Commerce will accept requests only on the Appendix 13A - *Informed Consent to Release Private Data* form. Service Providers may develop variations on the prescribed form and may, at their discretion, accept requests in other forms as long as the request meets the requirements of Minn. Stat. §13.05, subd. 4.

Appendix 13B - *Debtor's Exemption Claim Notice Example* is a type of Informed Consent form. Minn. Stat. §13.05, subd. 4 prescribing the content of the form and is consistent with the required content of the Appendix 13A - *Informed Consent to Release Private Data* form, as long as it is on the letterhead or otherwise names the third party recipient of the information.

When a Signed Consent Form Is Not Required

- To disseminate information for purposes previously communicated to the individual on the Privacy Notice or the Application Consent.
- When federal or state laws permit data dissemination after the Privacy Notice has been given.
- When the Commissioner of Administration, upon application, approves a new use or dissemination of the data.

Revocation of Release Form

The individual may revoke the consent to release private data at any time by writing to the local Service Provider or Commerce, whichever received the original *Informed Consent*. The revocation goes into effect on the date it is received by the local Service Provider or Commerce. It will not affect information released prior to receipt of the revocation.

Handling Data Requests

Local Service Providers must take special care to appropriately respond to requests for information and *Informed Consent* forms.

Requests for Information by Data Subjects

Following are the steps to respond appropriately to a request for information from a data subject.

1. The first step in responding to a request for information is to:
    - Document date of request.
    - Verify the request is for private data.
    - Confirm availability of data.
2. Next, confirm the request is for release of data to the data subject.
    - Verify identity of data subject/requestor. Acceptable confirmations of identity include:
        - Birth date and last four digits of the requestor's social security number (for phone requests).
        - A notarized signature.

        - Picture identification presented at the time of the request.
3. Respond appropriately to the request by:
    - Preparing and redacting data, as necessary. Only private data about the requestor may be released to the requestor. The application itself may need to be redacted if it contains private data about others. In this case, to redact means to remove or black-out private data to ensure release of only data consented to by the data subject.
    - Fulfilling the request within 10 business days.
    - Making data available for viewing by data subject at the office during office hours immediately, if possible, but no later than 10 business days after the request.
    - Sending a copy of the data to the data subject by certified and restricted delivery mail; e-mailing the encrypted data to the data subject's e-mail address, or arranging for the data subject to pick it up.
4. Throughout the process, document the release of data.
    - For phone requests, maintain a log or put a note in the household file.
    - Prepare a dated list of data the requester sees or receives.
    - Get viewer's signature on a dated list of data the requester sees or picks up.
    - Collect copies of the certified mail receipt, record of delivery and signature confirmation and file with the dated list of mailed data.
    - Maintain file of e-mail and included data.

Informed Consent Release Requests for Information to a Third Party

Following are the steps to respond appropriately upon receipt of a signed Appendix 13A - *Informed Consent to Release Private Data*.

1. The first step in responding to a request for information is to:
    - Document date of request.
    - Verify the request is for private data.
    - Confirm availability of data.
2. Confirm the request is for release of private data to a third party.
3. Confirm the Appendix 13A - *Informed Consent to Release Private Data* is complete and signed by the data subject.
4. Verify the identity of data subject/requestor. Acceptable confirmations of identify include:
    - A notarized signature.
    - Picture identification presented at the time of the request.
5. Respond appropriately to the request by:
    - Preparing and redacting data, as necessary. Only private data about the requestor may be released to the third party. The application itself may need to be redacted if it contains private data about others. In this case, to redact means to remove or black-out private data to ensure release of only data consented to by the data subject.
    - Fulfilling the request immediately, if possible, but no later than 10 business days by certified mail, pickup or e-mail.
    - Verifying the identity of the third party data recipient using picture identification presented when the information is picked up, mailing the information by certified mail to the third party's address, with restricted delivery mail if the data is released to an individual; or e-mailing the encrypted data to the third party's official e-mail address.

6. Throughout the process, document the release of data:
    - Prepare a dated list of data the third party receives.
    - Get third party's signature on dated list, if picked up.
    - Collect copies of the certified mail receipt, record of delivery and signature confirmation and file with the dated list of mailed data.
    - Maintain file of e-mail and included data.
    - Maintain all signed Appendix 13A - *Informed Consent to Release Private Data* forms.

Appendices

13A – *Informed Consent to Release Private Data*
13B – *Debtor's Exemption Claim Notice Example*
13C – *Energy Programs Service Provider eHEAT Administrator Security Agreement*
13D – *Energy Programs Service Provider eHEAT User Security Agreement*
13E – *Template for Garnishment Response Letter*

Chapter 14

Communication, Information & Reports

This chapter details the communication tools and requirements of Commerce and Service Providers, as well as Information and Reporting requirements including the Federal Leveraging Incentive Fund reporting.

Chapter Contents

- Information and Reporting
- Federal Leveraging Incentive Fund
- Commerce Communication Tools
- Service Provider Communication Requirements

Information and Reporting

Reports of local EAP activity provide Commerce with information necessary for the statewide program administer and to meet federal reporting requirements. Reports also provide information to energy vendors for program delivery as required by state law or contracts. Accurate and timely entry of data into eHEAT and accurate and timely submission of reports are essential to the efficient operation of energy programs.

The following reports are essential to EAP operations:

- EAP *Local Plan* (see Chapter 15 - *Grant Contracts*).
- Financial Status Reports (FSR).
- Response to Audit Findings (see Chapter 17 - *Auditing and Technical Assistance*).
- Incident Reports (see Chapter 12 - *Incidents and Appeals*).
- Closeout documents.
- The Report of Service Provider's Independent Audit (see Chapter 16 - *Fiscal Program Management*).
- Leveraging Survey (see Chapter 14 - *Communication, Information and Reports*).

To complete these reports, Service Providers must:

- Submit accurate information.
- Submit reports on or before the close-of-business on the due date.
- Use the state report software for reporting data and state report forms for fiscal activity (see Chapter 16 - *Fiscal Program Management*).

Timeliness and Accuracy of Reports

Providing accurate data is a mandatory function of the Service Provider and is specified in the grant agreement. Timely and accurate information improves the program's services,

decision-making and accountability and builds public confidence. Late or incorrect information is costly to the management of the program and the households it serves. To this end, Service Providers are required to enter accurate data into eHEAT and submit complete and correct reports on time, and in the proper format.

Backup for Data Entry and Reporting

Service Providers must designate backup staff for data entry and reporting for activities. The data entry activities include daily logging of applications received, accurate and timely entry of application data. Reporting activities include, but are not limited to, entry of Crisis and ERR requests as they happen and documentation of certain Assurance 16 activities, as outlined in Chapter 9 – *Assurance 16*. The reports included in this standard are the *EAP Local Plan*, *FSR*, responses to audit findings, request for corrective action, closeout package, *Leveraging Report*, and Service Provider audit.

Late or inaccurate information or reports are resolved in a three-stage process:

1. The first late or incorrect report results in a notice to the EAP Coordinator indicating a report date was missed or information is late, incorrect or incomplete, resulting in a violation of a mandatory program activity.
2. The second instance of late or incorrect data entry or reporting results in a notice to the Service Provider's Executive Director of the information and reporting rules of the program violated a second time. A response to a Commerce Request for Corrective Action must be submitted within 15 working days from date of the notice.
3. The third instance of late or incorrect data entry or reporting results in a notice to the Service Provider's Governing Board and a visit from the Program Performance Auditor to meet with the Executive Director and Coordinator to assist in a corrective action plan. The notice informs the Board that program information and reporting has been late or incorrect three times. It states future violations of the information and reporting requirements will result in an administrative fine of $500. The notice informs the Board that Commerce has the authority to consider program violations of this type when determining if a program deliverer should be changed for subsequent program years.

Violations reaching the penalty stage may put the Service Providers at risk of being eliminated from future selection as a program Service Providers.

Excused Late Reports

Late data entry or reports are only excused for the following reasons:

- Internet or computer failure.
- Reasonably unforeseeable Service Provider emergency that prevents staff from reporting to work.

To request an excuse for late reporting contact by the due date the following:

- Alex Larson for FSRs, Closeouts and Audits.
- Program Performance Auditor for all other essential information and reports.

Financial Status Reports (FSR)

Service Providers are required to submit monthly and final *FSR*s by scheduled due dates and matching the Service Provider's accounting records and documents. Service Providers use the *FSR* forms on eHEAT. The *FSR* provides uniform reporting of expenditures. Commerce uses the *FSR* to monitor, review, and report Service Provider expenditures on an ongoing basis.

The FSR details information for one month and is month end data. *FSR* requirements are:

- Financial information used on the *FSR* must be submitted using eHEAT. To complete an *FSR form* on eHEAT, refer to the *eHEAT User Manual UC16*.
- All *FSR* must be entered and submitted on eHEAT by the 15th of each month or the first business day after if the 15th falls on a holiday or weekend.
- An *FSR* is required regardless of the amount (or lack) of fiscal activity in the previous month.
- Documentation of expenditures accrued for the report month submitted, upon request.
- Energy Related Repair (ERR) cumulative expenditures on each *FSR* must equal the total "Paid" ERR Events/Tasks in eHEAT on the last day of the reported month.
- Final paper *FSR*s with original signatures are required at the end of the program year and must be mailed with the *Closeout Package*. *FSR* forms may be exported from eHEAT into an Excel format.
- *FSR*s are subject to the timeliness requirements referred to at the beginning of this chapter.

Closeout

EAP Serviced Providers must close out the program and submit final documents, called the *Closeout Package*, to Commerce at the end of the program year. The *Final Closeout Package* is due on November 1 annually for the program year ending the previous September 30.

The *Final Closeout Package* for EAP must include:

- A *Final FSR*, showing cumulative expenditures of program funds for the program year, marked Yes under *Final* and submitted through eHEAT.
- A printed *Final FSR* must be signed by the Service Provider authorized representative and mailed to Commerce. A signature on a printed copy of the eHEAT final is acceptable.
- The *Final FSR's* reported expenditures, column D, Total, must report only the expenditure of Commerce funds as made available on the Service Providers last EAP NFA. The "Total" should not include the expenditure of local funds, interest received or program income.
- A check for the all unspent and unobligated funds drawn down by Service Provider. Make checks payable to: "Minnesota Department of Commerce." The check record must contain the Fund ID # and program name.
- A list of any continuing liabilities on the grant, or a statement declaring there are no liabilities. A liability is any grant obligation outstanding at the time of the report. This statement is typed into the "Service Provider Note" box on the *FSR*.
- A list of the inventory of EAP-related equipment over $5,000 and sensitive equipment (as defined in Chapter 16 – *Program Fiscal Management*) purchased during the

program year. If no inventory was purchased, type that statement into the "Service Provider Note" box on the *FSR*.
- An *Expenditure Detail Report*.

The Service Provider must be able to produce a reconciliation of cash draws and expenditures if requested by Commerce. The reconciliation must identify each cash payment received, dates received, and the corresponding monthly total of *FSR* expenditures reported for the grant.

Call your Program Performance Auditor with questions about the closeout process. Submit the final *Closeout Packages* for the FFY10 EAP contract to:
Minnesota Department of Commerce, Energy Division
Attn: EAP Closeout Package
85 7th Place East, Suite 600
St. Paul, MN 55101-2198

Federal Leveraging Incentive Fund

Since 1991 state Service Providers of the federal LIHEAP program have had the opportunity to participate in the Leveraging Incentive Program. States are rewarded with supplemental funds for acquiring non-federal energy resources for low-income households. Leveraging Incentive funds are awarded to Service Providers using their own or other non-federal resources to supplement or leverage federal LIHEAP dollars.

Each year, the State of Minnesota submits a report to the Department of Health and Human Services (HHS) quantifying the amount of leveraged resources. HHS awards leveraging incentive funds to states on a formula basis using the report.

Determining Leveraged Resources

Each year Commerce mails *Leveraging Surveys* to EAP Service Providers and numerous energy vendors, non-profits, social services and governmental agencies asking for information on nonfederal funds that assisted LIHEAP eligible households. The *Leveraging Surveys* asks for a description of the allowable leveraging activity, fund amounts and number of households served. There are three types of leveraging surveys: *EAP Service Provider & Community Partner Leveraging Survey Form, Delivered Fuel Vendor Leveraging Survey Form, and Connected Utility Leveraging Survey Form*. The report covers the previous Federal Fiscal Year.

Three categories of resources and benefits can count as leveraged funds:
- Cash.
- The value of home energy discounts and waivers.
- The value of third party in-kind contributions.

These resources must result in measurable home energy benefits to federally eligible households. Federally eligible households need not be EAP recipients. Leveraged resources must be coordinated and integrated with LIHEAP.

Service Provider Responsibilities

EAP Service Providers must submit a leveraging report to Commerce. If the Service Provider had no leveraging activity during the program year, they must report zero activity.

Service Providers must coordinate with their energy vendors to ensure leveraging activities are reported by only one entity. For example, if a Service Provider contracts with an energy vendor for CIP activities, determine whether the energy vendor or the Service Provider will be reporting the amount.

To maximize the leveraged resources in Minnesota, local EAP delivery Service Providers should identify programs within their communities related to LIHEAP. For example:

- Coordinating with a homeless prevention program, a rental assistance program or a foreclosure prevention program may count as leveraging, if the eviction or foreclosure was caused by unaffordable energy bills and the household received heating assistance as part of an overall assistance package.
- Programs within the communities providing energy assistance, such as the Urban League, community churches, local service clubs, and non-profit organizations.
- State or local housing rehab programs that may include weatherization or conservation improvements.

Examples of Leveraged Resources

The majority of resources leveraged by state Service Providers come from state or local government funds and energy vendor low income financial assistance and weatherization programs. Other resources include landlords, weatherization suppliers, churches, charities and community groups, including fuel funds. Examples of funds eligible for leveraging include, but are not limited to:

- In-kind contributions of energy related materials, fans, blankets, etc.
- Local non-profit assistance, through churches, small community groups.
- Energy vendor discounts on heating fuels.
- Energy vendor discounts on weatherization materials.
- In-kind services, such as furnace clean and tunes.
- Cash contributions to Service Provider fuel funds.
- Non-cash contributions such as goods and prizes for raffles, printing fundraising materials, labor.
- Contractor discount or rebate on furnace installations if given to LIHEAP eligible households only.
- State Supplements to LIHEAP.
- Fuel Funds.
- Emergency assistance and energy vendor payments made by the MN Dept. of Human Services.
- Salvation Army Heat Share utility payments.
- Conservation Improvement Program (CIP) activities.

Commerce Communication Tools

Commerce utilizes a variety of tools to communicate with Service Providers and EAP customers.

Communication with Service Providers

Electronic News

The Energizer is a weekly newsletter published by Commerce to inform Service Providers of EAP policies and procedures updates and communicate pertinent information. Service Providers are required to understand and comply with directives in *The Energizer*. When it is necessary to immediately communicate with Service Providers, Commerce distributes an email called *A Spark.* All *A Spark*'s issued are incorporated into the next *The Energizer* and are official communications holding the weight of policy. *The Energizers* are posted on the web.

The eHEAT System

The Electronic Household Energy Automated Technology (eHEAT) system is the software and hardware supporting the administration of EAP. eHEAT is located at the Minnesota Department of Administration, MN.IT Services (formerly the Minnesota Office of Enterprise Technology.) Authorized eHEAT users, including Service Provider staff and energy vendors, access the system through the Internet. eHEAT has a messaging function used to communicate with and between users. eHEAT also has reporting and data export functions enabling access to program information.

Tools on the Web

Program information and forms are available to Service Providers on Commerce's EAP Tools Summary found at http:/mn.gov/commerce/energy/service-providers/For-EAP-Providers/Energy-Assist-Program-Tools.jsp

Communication with EAP Customers & General Public

Commerce Website

EAP information can be found on the Commerce website http://www.energy.mn.gov/, which links to the *Division of Energy Resources* site. Then click on the "Financial Assistance" icon. The link to Energy Assistance Program is found on the "Financial Assistance" page. The direct link to the Energy Assistance Program page is: http://mn.gov/commerce/energy/consumers/Heating-Assistance/index.jsp

Commerce Toll-Free Number

Commerce supports the Toll Free number **800-657-3710** to assist households seeking help connect to the appropriate Service Provider. Callers are automatically referred to their local EAP Service Provider. The telephone system works this way:

- Callers enter "1" in an automated menu to select Energy Assistance.
- After selecting Energy Assistance, they are asked to enter their zip code. The system provides the caller with the local Service Provider's phone number and then dials the Service Provider.

Service Provider Communication Requirements

Commerce expects Service Providers to utilize a variety of tools to communicate with EAP customers and to maintain timely communication with Commerce.

Communication with EAP Customers

Phone Service

Service Providers must establish and publicize a phone system including:

- An EAP phone number accessible and resourced 24 hour a day during the heating season (October 1 through April 15).
- Accessibility for speech or hearing impaired applicants.
- Accessibility for non-English speaking applicants.

Deployment of the Commerce Toll-Free Number

When zip codes straddle agencies, the Toll-Free system is programmed to forward calls to the Service Provider with the most applications from the entered zip code.

To facilitate successful deployment of the system, Coordinators are asked to:

- Enter application requests into eHEAT.
- Forward calls to the appropriate Service Provider. A best practice is to keep the caller on the line until the connection is made and the call is transferred.
- Handle the concerns of callers locally. Do not refer back to Commerce.
- Notify Commerce if you receive calls that do not meet the above specification.
- Use the toll-free number 800-657-3710 on program materials.

Service Provider Website

Service Providers must maintain up-to-date EAP information on local websites. Periodically reviewing EAP information is recommended to ensure information is correct, downloads are functional and links to other sources are intact.

Service Provider websites must meet the following standards:

- Contain local Service Provider address and phone number.
- Have basic EAP information including income and eligibility guidelines and how to apply.
- Make available the current Federal Fiscal Year *Energy Programs Application* (including the *Instructions* and *Privacy Notice and Your Rights and Responsibilities*) with local provider name/address/phone or a connection to the Commerce web application with clear instructions to mail the completed application to the local Service Provider.
- Contain a link to the correct Commerce website address: www.energy.mn.gov.

Communication with Commerce

In the occurrences of changes at the Service Provider or unusual events, Service Providers are required to inform and update Commerce. This communication is commonly a risk mitigation activity and helps to assure the Service Provider is acting diligently and with appropriate oversight and support. The Service Provider is expected to use prudence to determine timing and reasonableness of these interactions. Service Provider staff members who provide back-up during a coordinator's absence must know under what circumstances it is necessary to contact their Program Performance Auditor, eap.mail@state.mn.us or eheat.doc@state.mn.us.

Changes to Service Provider Operations or Structure

Service Providers must keep Commerce informed of key changes in Service Provider staffing and operations. Notification must be transmitted in a timely and reasonably manner to Commerce. Specified contract related provisions need formal written notification on Service Provider letterhead and mailed to the Commerce EAP Director. For some changes, informal notification by phone or e-mail is reasonable. Direct phone numbers and e-mail addresses for all Service Provider energy staff must be included in the *EAP Local Plan*.

Service Providers should supplement formal announcements with informal updates to the Program Performance Auditor, eap.mail@state.mn.us or the State EAP Director as needed to keep Commerce apprised of the progress of the situation. Timely information on changes helps to make appropriate decisions and reduce or avoid management uncertainties or unknown situations. Service Providers should notify the Commerce EAP Director as soon as changes are known. Commerce will request specific information if needed.

Key changes include (but are not limited to):

- Any change that affects the ability of Commerce to contact or make referrals to the Service Provider, the EAP office, the Executive Director or the EAP Coordinator.
- Changes that affect the delivery of EAP services at the local level.
- Change in EAP office address, location of satellite office or business hours.
- Emergency changes (e.g., office will be unexpectedly closed).
- Change in employment status, telephone or e-mail for:
  - Coordinator.
  - Executive Director.
  - Service Provider's Authorized Representative.
  - eHEAT Administrator.
  - Fiscal contact, including person authorized to draw down cash.

Service Provider's Other Reportable Conditions

Reportable conditions involve matters coming to the Service Providers attention relating to deficiencies in the design or operation of the internal control structure that, in an outside judgment, could adversely affect the organization. These are conditions disclosed to the Service Provider that may include waste, fraud, and/or abuse by clients, energy vendors and/or staff within the organization. These conditions may impact the organization's ability to record, process, summarize, and report programmatic and financial data consistent with the assertions of management in its programmatic and financial statements. If a Service Provider becomes aware of the existence (or apparent existence) of fraud, waste, or abuse related to the organization's activities, grants or use of grant funds including non- Commerce grants, it must report this information to Commerce.

Changes in EAP Coordinator Status

Service Providers must maintain EAP service through staffing disruptions. Staffing must always include a coordinator, either in a permanent or interim position. Changes to the coordinator's employment status must be reported to Commerce as soon as they are known.

Key changes to the Coordinator's employment status include:

- Extended absence.
- Change from full to part time.
- Leave of absence.
- Resignation, layoff, or termination.

Who reports: Service Provider's Executive Director.

What to report:

- Timing of change:
  - Coordinator's last date of employment OR
  - First date of Coordinators extended absence OR
  - Last date (if known) of Coordinator's extended absence OR
  - Effective start date of part time employment.
- New Coordinator's Information:
  - Name.
  - Phone number.
  - E-mail address.
  - Address if different from previous coordinator.
  - Start date.
  - EAP Coordinator status (interim or permanent).
- Hiring transition information: If more than a week exists between the last effective date of the coordinator's employment (or first date of coordinator's extended absence) and the start time for the new or interim coordinator, how will EAP service be maintained until the new coordinator is active?
- How does the Service Provider plan to assure the new or interim coordinator is knowledgeable and skillful in EAP delivery?

Change in Executive Director

The new Executive Director may also be the Service Provider's Authorized Representative. An example for informing Commerce of a change in Executive Director could read, "[name], [title] is the new Authorized Representative and new Executive Director for [name of Service Provider] effective [date]." Include a copy of approved Board minutes appointing the Executive Director.

If the new Executive Director is not the authorized representative, the formal notification of his/her appointment should come from the Authorized Representative as soon as possible after the appointment is made. Include a copy of approved Board minutes appointing the Executive Director. This process must also be used to inform Commerce if an interim Executive Directors is appointed.

Change in Service Provider's Authorized Representative

The EAP contract contains the name and title of the Service Provider's Authorized Representative, who is the official contact for high level, legal affairs pertaining to the contract. Service Providers must maintain an identified Authorized Representative throughput the period of the contract. The *EAP Contract* also states: "If the Service Provider's Authorized Representative changes at any time during this grant contract, the Service Provider must immediately notify the State."

Notification must include a statement such as, "[name], [title] is the new Authorized Representative for [name of Service Provider] effective [date]." The notification must come from the Executive Director or Board Chair.

Formal notification of a change in the Authorized Representative should be sent as soon as the change is known. Commerce should receive notification of interim Authorized Representatives in the same way.

Appendices

14A – *EAP Financial Status Report* (this form is found in eHEAT)
14B – *Expenditure Detail Report*
14C – *Leveraging Tracking Form*
14D – *Service Provider & Community Partner Leveraging Survey Form*
14E – *Delivered Fuel Vendor Leveraging Survey Form*
14F – *Connected Utility Leveraging Survey Form*

Chapter 15

Grant Contracts

Chapter Contents

- Definitions
- Contract Components
- Budget, Manual and Work Plans
- Procedure for Completing Grant Contract
- Changing Program Providers

The *Low Income Home Energy Assistance Program Grant Contract* (also referred to as the *EAP Contract*) serves as the written agreement between Commerce and all Service Providers who deliver EAP. The contract contains no dollar amounts. Funds for grant activities allowed in the contract are provided on a *Notice of Funds Available (NFA)*, which are incorporated as part of the contract.

Definitions

Definitions of the following terms may be helpful in understanding contracts, grant agreements and circulars (some funding sources may use different terms or use these differently):

Contract: A written document that contains an offer, an acceptance, and a consideration to which the state is a party. Grant contracts are a class of contracts.

Department: Also "State," "Department of Commerce," and "Commerce." The agency within the state of Minnesota that has a contract with a Service Provider.

EAP: Energy Assistance Program. This is the state's name for the federal Low-Income Home Energy Assistance Program (LIHEAP).

***Financial Status Report* (*FSR*):** A standardized form a Service Provider submits to Commerce reporting grant expenditures by cost category covering a specific time period.

Grant: Specific program funds Commerce pays to its Service Providers for provision of program services.

***Grant Agreement*:** A contract between Commerce and a Service Provider identifying program requirements for the use and /or disbursement of grant funds.

Service Provider: Local government, private non-profit organization, or tribal government that receives a grant (contract) from Commerce.

Grantor: The agency that provides a grant (contract) to another entity.

HHS: U.S. Department of Health and Human Services. The agency providing federal funding for LIHEAP.

LIHEAP: Low Income Home Energy Assistance Program. A block grant funded by the U.S. Department of Health and Human Services.

NFA: Notice of Funds Available. A contractual document providing funds for individual grants or programs and denoting the funding effective dates and expiration dates.

OMB: U.S. Office of Management and Budget. This is the federal agency that maintains financial management policies for the Federal Government and works cooperatively with federal grant making agencies. It leads the development of government wide policies to assure that grants are managed properly and that Federal dollars are spent in accordance with applicable laws and regulations.

Recipient: The direct recipient of federal funds. This term is used in federal OMB circulars. (**Note**: "Grantee" may be used instead of "recipient" in the circulars).

Subgrant: A grant Commerce awards to another entity. That second entity is the Commerce's subgrantee.

Subgrantee: The legal entity that receives a grant from Commerce. The subgrantee is accountable to the grantee for the use of provided funds, including all additional tiers of subgrantee.

Subrecipient: Commerce grantees and sub grantee. This term is used in federal OMB circulars.

Weatherization (or WAP): The short name given to the Department of Energy's Low-Income Weatherization Assistance Program.

Contract Components

Contract Numbering

All EAP contracts use a standardized numbering system preceded with the letter A. This contract number can be found on the signature page and is used at the Commerce level to track the contract and is not for financial reporting.

Contract Language

The contract addresses three general areas:

- Grant administration.
- Fiscal management.
- Program performance requirements.

The grant contract language incorporates all the requirements contained in the standard Minnesota State Contract, Admin, 1051. It also addresses the three general areas listed above by referring to applicable federal or state laws, regulations, policies and procedures, which bind the grantee. Federal references include OMB Circulars 2 CFR 200, A87, A122,

A110, Common Rule, A128, A133, A22 and Treasury Circular 1075. Some program specific requirements are referenced in the contract as well. Service Providers must be familiar with and fully comply with all OMG guidance and contract requirements.

Budget, Manual and Work Plans

Commerce will budget the state's program funds and allocate them to Service Providers using program rules. Service Providers will:

- Know the amounts of their allocations.
- Request cash, as needed (the three-day-cash-on-hand rule applies).
- Report their expenditures.

Commerce will reconcile reported expenditures with cash requests. Commerce will also mail *NFA*s for those fund categories that Service Providers will pay directly: administration, Assurance 16, and ERR.

The EAP contract includes Service Provider obligational authority in the form of *NFA*s**,** the *Minnesota State Plan for EAP* (i.e., the *State Plan*), the *EAP Policy Manual*, the *Service Provider Local Plan* and the *Service Provider Internal Controls Document (ICD)*. This connection is described in the contract in Section 2, Grantee's Duties, and Section 4.1 *Consideration*. The *EAP Policy Manual*, *EAP State Plan*, *Service Provider Local Plan* and *Service Provider ICD* describe what activities will happen, while the Service Provider's obligational authority (*NFA*s) allocate funds by program activity. Service Providers may be called upon to justify duties performed and expenditures to their boards of directors, federal officials, auditors, Commerce, or others. Specific and concise text or other documentation should substantiate budget line items so anyone can evaluate each item.

Work Plans

The *EAP State Plan* and the *EAP Policy Manual* are the standardized, umbrella work plan covering all Service Providers. The program also requires Service Providers to develop *Local Plans* and ICDs. These are local work plans and internal control processes describing local program delivery. Work plans are part of the contract review process and require Commerce approval before the contract can be encumbered. Commerce encumbrance is required before cash may be requested for those activities under the program.

Service Provider Local Plans and Internal Controls Document

Each Service Provider's *Local Plan* will describe how that Service Provider operates within the *EAP State Plan*, the *EAP Policy Manual*, and the *EAP Contract*. The Service Provider ICD will document and describe how the Service Provider maintains effective internal control systems and appropriate management of public funds organized in accordance with the United States Government Accountability Office's "Standards for Internal Control in Federal Government" or "Green Book" (GAO-14-704G). The *Local Plan* and *ICD* will be the local components of the contract work plan and must be approved by Commerce before the contract is considered complete and before EAP funds can be released to the Service Provider. To be approved, every field in the Service Provider's *Local Plan* and *ICD* must be completed clearly, in compliance with program policies and procedures, and approved by Commerce.

Procedure for Completing Grant Contract

Contract Processing

- Return all copies of the contract along with original signatures.
- Return to the address indicated.

The components of the contract that must be completed are:

- **Signature page of the contract** with original signature of the President of the Board of Directors or the authorized signatory.
- The approved Service Provider *Local Plan*
- The Service Provider Board Chair and Executive Director approved ICD
- **Signature authority for the contract**. This is a document that must be signed and must accompany the grant contract **only if** that person signing the grant contract is not the President of the Board of Directors. It gives signature authority from the Service Providers Board of Directors to the person signing the contract.
- **Certifications**. Service Providers must sign and return the:
  - Appendix 15B - *Certifications Regarding Lobbying; Debarment, Suspension and Other Responsibility Matters; and Drug-Free Workplace Requirements.*
  - Appendix 13C - *Energy Programs Service Provider eHEAT Administrator Security Agreement*.

Timeline for Contract Approval

Specific timelines for contract approval are included with the cover letter sent with grant contracts. Grant contract packages, along with the Service Provider's approved *Local Plan and ICD* are sent to Service Providers in September. The contract cannot be authorized unless the *Local Plan* and *ICD* are approved by Commerce, as it is part of the contract. Carefully check the contents of the contract package for necessary signatures and forms. Incomplete contract packages cannot be processed.

Subcontracting the Energy Assistance Program

Service Providers must get written permission from Commerce to subcontract or assign any or all of a program.

Changing Program Providers

Occasionally a Service Provider becomes unable or unwilling to deliver EAP. The decision to change providers for a service area is a serious one from program and contract perspectives. The decision itself must be made formally by those empowered by their Service Provider to make it, usually a Service Provider board of directors. A decision by the Office of Energy Assistance to withdraw a contract will strictly follow contract requirements. Whether the Service Provider's resignation is voluntary or involuntary, Commerce must then select a new Service Provider or Service Providers for the service area being vacated.

Resignation from EAP Delivery

Resignation from EAP delivery can be a voluntary or involuntary process. The Service Provider may decide delivering EAP is no longer in its best interests, which is a voluntary resignation. An involuntary resignation happens when the Office of Energy Assistance determines that a Service Provider can no longer provide the necessary level of service and

withdraws a contract. In either situation, the resigning Service Provider must complete all contractual obligations to finalize the resignation.

Voluntary Resignation

To resign from EAP delivery, Service Providers must submit a letter. This letter must state the Service Provider's intent to resign and contain attached documentation of a formal board resolution, both signed and dated by the chair of the governing board or the chair's designee. The letter must indicate whether the resignation will discontinue program operations while the contract is in effect or declare intent not to renew program operations for the next program year.

Involuntary Resignation

When Commerce determines a Service Provider can no longer provide EAP services as required by the contract, the Service Provider will receive a letter stating the decision and describing remaining obligations for both parties.

Selecting Successor Service Providers

Upon learning an existing Service Provider will resign or has resigned as an EAP provider, Commerce will:

1. Solicit a letter of intent with attached documentation of a formal board resolution, both signed and dated by the chair of the governing board or the chair's designee, from Service Providers in the categories described in 1 and 2 in "Identification of a Successor Service Provider," below.
2. Issue a request for proposals to Service Providers in the categories described in category 3 in "Identification of a Successor Service Provider," below.
3. Issue a general request for proposals.

The successor Service Provider will be the one most closely matching these criteria:

- Is in the highest priority category as listed in number one of "Identification of a Successor Service Provider," below.
- Has demonstrated quality administration of programs, as shown by audits, reports to grantor Service Providers, and customer satisfaction.
- Has a strong history of successful program level advocacy.
- Has identified staff capable of operating the program.

Identification of a Successor Service Provider

The recommendation of the community and the resigning Service Provider will hold considerable weight when choosing a successor Service Provider. Current Service Providers in good standing and other private not-for-profit organizations will be considered for the successor Service Provider. The priority order for consideration of the successor Service Provider will be:

1. A current Service Provider serving the same service territory as the resigning Service Provider.
2. A current Service Provider serving a territory surrounding the resigning Service Provider's service territory.
3. A current Service Provider serving a territory contiguous to the resigning Service Provider's service territory.

4. A current Service Provider serving a non-contiguous territory for EAP, but providing Service Provider services in the resigning Service Provider's full service territory; and a private not-for-profit organization that provides services similar to EAP services in the resigning Service Provider's full service territory.
5. A current Service Provider serving a non-contiguous territory for EAP but providing Service Provider services in a significant portion of the resigning Service Provider's service territory; and a private not-for-profit organization that provides services similar to EAP services in a significant portion of the resigning Service Provider's service territory. A private not-for-profit organization that provides services similar to EAP services that demonstrates ability to provide EAP services in the resigning Service Provider's service territory.

Transferring Program Activity

Upon identifying the successor Service Provider, Commerce will require:

- The resigning Service Provider to provide to both Commerce and the successor Service Provider a list of supplies, equipment, files, and other items to be transferred to the successor Service Provider. The list must comply with federal OMB requirements relating to ownership of property purchased with program money and be sufficient to promote a seamless transition of EAP services to clients.
- The successor Service Provider to negotiate timelines for transfer of property and other items to guarantee a seamless transition of program services, and to provide the timeline to Commerce.
- The successor Service Provider to consult as needed with their assigned EAP Program Performance Auditor for information and training as necessary to assure a seamless transition of program services.

Commerce sends a contract for the period beginning on the date of program acquisition to the end of the program year to the successor Service Provider. No contract following the transition date will be offered to the resigning Service Provider.

Appendices

15A - *EAP Contract FFY2016*
15B - *Certifications Regarding Lobbying; Debarment, Suspension and Other*
15C - *FFY2016 EAP Local Plan Form*

Chapter 16

Program Fiscal Management

This chapter covers the financial policies and procedures governing usage of funds, how funds are budgeted and distributed, and how funds are obligated and cash is distributed. The *EAP Contract* grants Service Providers' authority to obligate funds and receive cash.

Chapter Contents

- Use of Funds
- Obligation Authority
- Allocations
- Requesting Additional Funds
- Property Management
- Purchase Requests
- Out of State Travel
- Expenditure Documentation
- Cash Management
- Electronic Funds Transfer (EFT)
- Energy Vendor Payment Information
- Audits

Use of Funds

Administrative Funds may be used for the cost of EAP staff and associated costs including:

- Program planning and preparation.
- Taking an application and verifying information.
- Entering data into eHEAT.
- Advocacy services not paid with Assurance 16 funds.
- Out-of-State travel.

Primary Heat Funds pay for energy costs for eligible households in residential dwellings.

Emergency Funds are used, in addition to Primary Heat funds, for eligible households experiencing a heating fuel emergency.

ERR Funds are used to respond to no heat situations and hazardous energy related problems for eligible homeowners.

A16 Funds may be used to fund the cost of staff salaries and fringe benefits for time spent on allowable activities, including some additional costs required for performing direct program services. Service Providers must track, document, record and report the use of Assurance 16 funds. A16 fund usage details are in Chapter 9 - *Assurance 16*.

Energy Assistance When Funds Are Limited. When program funding is too scarce to allow full operation, Commerce will issue a directive describing its limited funds operation requirements. These Running Out of Money (ROOM) operations will vary depending on available funding and if additional federal funding is expected.

Additional Federal Funding Is Expected. The EAP program year begins October 1. Federal funds are usually not available until after that date. When federal funds do become available, the program often operates under a continuing resolution that releases only small amounts of funding at a time. As a result, Commerce expects to start each year using the method of operation described in this section. Inadequate funding may cause this procedure to be implemented at any time during the year.

Service Providers will enter applications and eHEAT will identify that no funds are available. Applicants will not receive an "out of funds" letter. When funding is entered into eHEAT, the system will run a batch process and obligate funds. Service Providers then authorize payment to the household.

No Additional Federal Funding Is Expected. Service Providers enters applications and eHEAT identifies that no funds are available. Applicants receive an "out of funds" letter. Most activities remain the same, with emphasis on continuing to provide services and ensuring reported activities and obligations are correct:
Continue encouraging, accepting and processing applications using the usual methods for Primary Heat, Crisis and ERR.
Continue reducing the number of applications pending.

Fiscal Budgeting, Allocation and Reporting

Service Providers must provide timely and accurate reports and requests to Commerce including:

- EAP fiscal reports (Includes FSR).
- Budget, Allocation & Cash Requests.
- NFA and cash requests.
- Annual Budget Allocation.
- Local Audit Report.
- Leveraging Report.
- Closeout Reports.
- Fraud Reports.
- Incident Reports.

Obligation Authority

Service Providers may obligate funds by line item up to the maximum amount allocated on the eHEAT system for Primary Heat and Crisis and on the *NFA* for Administration, Assurance 16, and ERR. These obligations must be for services performed and described in State of Minnesota Grant Contract, Section 2, Service Provider's Duties under Exhibits A and B. EAP provides cash to the Service Provider for obligations up to, but not to exceed, the amount certified on the *NFA*. Cash payments will be allowed if the Service Provider demonstrates the ability to maintain procedures to promptly disburse funds. Commerce grants obligational authority using the *Notice of Funds Available* (*NFA*). The Minnesota Management & Budget (MMB) makes cash payments using a warrant check or electronic funds transfer. Both processes are highly regulated and require attention to detail to maintain compliance.

Another allocation process uses eHEAT. Each Service Provider's allocations for Primary Heat and Crisis are entered into eHEAT. Because payments for Primary Heat and Crisis are made centrally, Service Providers do not need more formal obligational authority to expend funds in those two categories

Commerce budgets the state's program funds from the Department of Health and Human Services and other sources and allocates them to Service Providers using program rules. Service Providers will:

- Know the amounts of their allocations.
- Request cash, as needed (the three-day-cash-on-hand rule applies).
- Report their expenditures.

Commerce will reconcile reported expenditures with cash requests.

Allocations

Commerce allocates funds to each Service Provider for Primary Heat, Crisis, Administration, Assurance 16, and Energy Related Repairs (ERR). All of these allocations are entered into the Service Provider allocation page on eHEAT (Grant Services > Allocate Fund). The eHEAT allocation page and the Dashboard tracking of spending contain the amounts of Primary Heat and Crisis allocations. Allocation amounts for the Administration, Assurance 16, and ERR categories are also located on the eHEAT allocation page and require an *NFA*.

No allocations for a fiscal year can be made in eHEAT after the fiscal year has ended. Fiscal activities needed to complete unfinished business for that fiscal year must be coordinated with the EAP Director and Commerce Fiscal staff on a case-by-case basis. In no case will fiscal activities for a fiscal year occur after December 15 of the next fiscal year.

Weekly Allocation Process

The EAP weekly allocation process relates to the Primary Heat, Crisis and ERR budget categories. Since EAP distributes funds on a "first-come, first serve" basis statewide, funds are allocated as they are used and Primary Heat, Crisis and ERR services are managed so the program ends on the same day statewide.

To accomplish this, Commerce monitors the allocations weekly for Primary Heat and Crisis. Service Providers make requests for ERR funds based on their projected needs.

ERR Allocations

ERR is initially allocated for Service Providers using a formula based on their five year average of ERR activity. Service Providers must request additional ERR funds as they run low on funds. To request funds the Service Provider must submit the rationale and the amount needed to sustain their ERR services for four weeks. The request is submitted using Appendix 16A - *Request For Additional ERR Funds*. Additional ERR funds are requested during the weekly allocation process, via eap.mail@state.mn.us by noon on Wednesday.

Commerce reviews the ERR request rationale. Service Providers may be contacted if the request is unclear. Notices of Funds Available (NFA) are typically distributed to Service Providers by Friday.

ERR funds are entered into eHEAT after NFAs are signed. As available statewide ERR funds are depleted, funds requested may be adjusted to provide less than four weeks of local ERR funding.

Primary Heat and Crisis Allocations

Because Primary Heat and Crisis are part of the eHEAT central payment process, Commerce monitors and allocates these funds. Initially, budgeted funds for these categories are allocated to Service Providers as a percentage of the prior year's expenditures. As local allocations begin to deplete, Commerce reviews the Primary Heat and Crisis expenditure weekly and increases these allocations based on pending applications and weekly expenditures.

Service Providers with a greater need for funds than Commerce has determined can propose changes via eap.mail@state.mn.us by Wednesday at noon. Service Providers should list the amount of funds needed and describe the circumstances requiring a change to their normal expenditure pattern.

Allocation Process Internal Controls

Allocation requests are typically managed by the EAP Coordinator. Because these are fiscal transactions, it is expected the Service Provider has local internal controls for these requests such as an internal approval process or monitoring.

Notice of Funds Available (NFA)

The *NFA* is an official part of the EAP Contract (see Chapter 15 - *Grant Contracts*). It is the only document that designates the contractual obligational authority for energy assistance programs.

The *NFA* lists the maximum dollar amounts the Service Provider may expend for certain budget categories, such as administration, Assurance 16, and ERR. Changes in spending authority in these categories must be approved through a newly issued *NFA* or a written waiver from Commerce. *NFA* obligational authority is effective the day the *NFA* is signed by Commerce. Commerce faxes the *NFA* with original signature and date to the Service Provider. The Service Provider must file the *NFA* with the EAP Contract.

Contractual Allocations

The *NFA* grants authority to obligate funds in three categories: administration, Assurance 16, and ERR.

Allocation Determination

Allocations for each funding category are established using a predetermined process.

- Aggregate allocations for administration assign eight percent (8%) of the regular federal allocation for local delivery. These allocations are divided proportionally to Service Providers based on the number of households provided these services during the two previous program years: Primary Heat, Crisis, ERR and denied due to over income, incomplete applications, or lack of program funds. If additional federal money increases Minnesota's EAP program allocation, local administrative allocations may increase proportionate to increased workloads.

- EAP assigns 5 percent (5%) of the initial federal LIHEAP allocation to Service Providers for Assurance 16 activities. These funds are divided proportionately to Service Providers using the same formula as used for administration.
- Service Providers receive initial allocations of ERR funds in amounts dependent upon federal funding and Service Provider spending history. The formula uses the average expenditure for the last five years, dropping the high and low expenditure.

NFA Format

Funding is listed by budget categories for each program and provides a Total Funding by Program. The *NFA* includes the following information:

- An *NFA* number to the right of the document title ***Notice of Funds Available***. *NFA*s are numbered sequentially. **NFA# 15-01** is an example of the numbering format. It reads, "*NFA*, federal fiscal year 2016, first *NFA* for the year." **NFA# 15-02** is the second *NFA* issued for FFY 2016 and so on.
- Service Provider and Grantor's names, Grant Contract name and Grant Agreement Contract Number (this is the number of the grant agreement that authorizes the *NFA*).
- **Title**: The title of each program is listed in a column down the right under this heading.
- **Fund ID #**: An identification number for use in the DOC accounting system.
- **Program Period**: Beginning and ending dates of program/grant operation. Expenditures for each program are authorized only during the program period.
- **Prior Level**: The previous *NFA* funding amount.
- **Change**: Funding actions occurring with this *NFA.* The increase or decrease from the prior level.
- **New Level**: Total funding now available, which is the sum of the Prior Level and Change amounts.
- **CFDA #**: The number assigned to the program by the Code of Federal Regulations (if appropriate).

Energy Assistance Program Use of the NFA

EAP uses the *NFA* to:

- Provide program funding for line items paid through Service Provider fiscal processes.
- Change program funding for a Service Provider as a result of a change in statewide funding.
- Change funding due to available funding, local funding issues, changing circumstances, EAP's spend down determinations; or fund specific projects, based on mutual agreement between Commerce and the Service Provider.

With questions about the *NFA*, contact eap.mail@state.mn.us or Alex Larson at 651-539-1523.

Requesting Additional Funds

Service Providers must maintain adequate obligational authority for EAP programs throughout the program year, as long as Commerce says funds are available. Commerce proactively increases allocations for EAP Primary Heat and Crisis, as needed. Generally, the Service Provider should request additional energy related repair funding when the "New

Level" on the *NFA* will not allow the Service Provider to maintain funding needs through the next two weeks. As funding becomes scarce, the Service Provider may be instructed to use a shorter time period for determining funding needs.

Service Providers must use the Commerce form to request additional funding for ERR. E-mail the request to eap.mail@state.mn.us by noon on Wednesday. Emergency requests can be e-mailed or faxed on any day, but must include "Emergency NFA Request" in the subject.

Property Management

Equipment

Service Providers must follow the standards found in OMB Circulars A-110 Attachment N. Property Management Standards and Attachment O. Procurement Standards; A-102 Common Rule Section .31 Real Property, .32 Equipment and .36 Procurement as applicable. In addition, the following policies regarding sensitive equipment apply.

For purposes of accountability:
Sensitive Equipment means tangible, nonexpendable, personal property having a useful life of more than one year that is generally for individual use; could easily be sold or subject to pilferage or misuse; or could be used to store sensitive information covered under MGDPA (see Chapter 13). Examples include:

Examples of Sensitive Equipment

- Personal computers (PCs - both desktop and portable models).
- Network servers.
- Cellular phones.
- Personal digital assistants (PDAs).
- Printers.
- Other PC accessories that are detachable from the PC (flash drives, modems, external disk drives, tape backup systems, scanners).
- Wireless technology.
- Televisions and other video equipment.
- Projectors.
- Cameras.
- Tape recorders.
- Facsimile machines.
- Pager.
- Wireless technology.

Title and Use

Title to sensitive equipment acquired using EAP funds will vest upon acquisition in the Service Provider, and shall be used by the Service Provider for EAP-related activities as long as needed.

When acquiring replacement sensitive equipment, the Service Provider may use the sensitive equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to State approval.

Property Management Requirements

Procedures for managing equipment over $5,000 and all sensitive equipment, whether acquired in whole or in part with EAP funds, until disposition takes place will, as a minimum, meet the following requirements:

- Property records must be maintained that include the following information:

    - Description of the property.
    - Serial number or other identification number.
    - The funding source of the property, including the award number.
    - Title holder.
    - Purchase date.
    - Purchase price.
    - Percentage of EAP participation in the cost of the property.
    - Location.
    - Use and condition.
    - Any ultimate disposition data including the date of disposal and sale price of the property.
- A physical inventory of the property must be taken and the results reconciled with the property records at least once every year.
- A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated. This control system must include a specific plan for handling *sensitive equipment*, based on the requirements in this chapter.
- Adequate maintenance procedures must be developed to keep the property in good condition.
- If the Service Provider is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.
- EAP-funded sensitive equipment must remain recorded in the Service Provider's inventory records while retained in the Service Provider's possession for the reasonable estimated life of the item. See the table below for the estimated useful life of possible EAP-related sensitive equipment.

Reporting Requirements

A copy of the EAP-related equipment inventory (including equipment covered by the relevant Federal Circulars noted above) must be provided upon request. Access to retained equipment for inventory reconciliation must also be provided upon request.

Disposition

When original or replacement sensitive equipment acquired under a grant is no longer needed for EAP-related activities, disposition of the sensitive equipment will be made as follows:

- Sensitive equipment may be retained or sold, but any information stored in the equipment that is subject to data practices requirements must be completely removed prior to disposition. Removal must be done by overwriting. Overwriting, also called sanitizing or scrubbing, is the accepted method for preventing the recovery of data from computer hard drives. Overwriting of data means replacing previously stored data on a drive or disk with a predetermined pattern of meaningless information. Overwriting software must have the ability to purge all data or information from the physical or virtual drives, thereby making it impossible to recover any meaningful data by keyboard or laboratory attack. Equipment capable of holding sensitive data must be overwritten at least six times before their disposal or transfer will be approved.
- Approval must be obtained for disposition of sensitive equipment as defined in this section.

- In cases where a Service Provider fails to take appropriate disposition actions, Commerce may direct the Service Provider to take excess and disposition actions.

Right to Transfer Title

Commerce reserves the right to transfer title of sensitive equipment to Commerce or a third party named by Commerce. Such transfers shall be subject to the following standards:

- The property shall include sensitive equipment as defined in this chapter or be identified in the grant contract or otherwise made known to the Service Provider in writing.
- Commerce shall issue disposition instructions within 120 calendar days after the end of the Service Provider's EAP-related activities.
- When title to sensitive equipment is transferred, the Service Provider shall be paid an amount calculated by applying the percentage of participation in the purchase to the current fair market value of the property.

Useful Life

The following table is used to determine when inventory records for an item are no longer required, when an item is "no longer needed" and/or when an item can be sold/retained/etc. without further obligation.

Type of Equipment	Estimated Useful Life (Years)
Audio/Visual Equipment	5
Computer	5
Computer Peripheral	8
Copy Machine	5
Electronic Equipment	10
Office Machine	5
Photography Equipment	8
Printing/Laminating Equipment	10
Telecommunications Equipment	10

Purchase Requests

Personal Property, State Property and Exceptions (Contract 14.1)

Service Providers must obtain purchase or disposition approval for equipment that is nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost over $5,000. Service Providers using EAP funds must seek approval for all vehicle purchases.

The Appendix 16C - *Service Provider Purchase/Disposition Request Form* is the mechanism to obtain Commerce approval for purchase or disposition of non-expendable personal property. Service Provider's must follow the standards found in OMB Circulars A-110 Attachment N. Property Management Standards and Attachment O. Procurement Standards; A-102 Common Rule Section .31 Real Property, .32 Equipment and .36 Procurement as applicable.

Closing Date for Purchase Requests

The Appendix 16C - *Service Provider Purchase/Disposition Request Form* must be received by September 15 to be considered for current federal fiscal year purchases. Requests received after September 15 will not be approved.

PART 1 – Request to Purchase Form
Complete the form by filling in the Service Provider name, address, phone number, and contact person. Indicate the proposed unit acquisition price of the property you wish to purchase. Indicate by check mark the type of property you are requesting to purchase. Fill in the block titled "Funding Source" with the name(s) of the grant(s) to which you intend to charge the purchase. Provide the grant number(s). Complete the next three blocks of Part 1 as accurately as possible.

PART 2 – Property Purchase Record
After receiving approval for the purchase from Commerce and after purchasing the property, complete Part 2.

PART 3 – Disposal or Transfer
Approval must be obtained for disposal of equipment that has a fair market value in excess of $5,000 and sensitive equipment of any cost. In Part 1, indicate the unit acquisition price and funding source(s) and grant number(s). To transfer the property to another not-for-profit entity, provide that entity's name and address in Part 3. If the property is transferred in a trade-in agreement, provide the business name and address. Complete the remaining blocks in Part 3.

All correspondence or inquiries should be directed to:

Minnesota Department of Commerce
Office of Energy Assistance Programs
85 7th Place East
Suite 500
St. Paul, MN 55101-2198

The Appendix 16C - *Service Provider Purchase/Disposition Request Form* can be found on the Commerce website.

Out of State Travel Requests

Submitting an Out of State Travel Request

Prior approval by Commerce is required for out-of-state travel using EAP funds.

Requests must be submitted to eap.mail@state.mn.us at least one month prior to travel using the Appendix 16D - *Service Provider Out of State Travel Request Form.* The Service Provider must specify how much of the total travel cost will be paid for with EAP funds. If non-EAP funds will be used identify the other fund sources and the amounts.

Expenditure Documentation

Service Providers are required to maintain expenditure documentation including request forms, receipts, etc. for equipment purchases and out-of-state travel using EAP funds. Commerce will review and verify expenditure records.

Cash Management

Under federal regulations, Commerce must monitor cash drawdowns by Service Providers to assure that Service Providers conform substantially to the same standards of timing and amount that apply to the department. To comply, Commerce has implemented policy agreement language for administering, monitoring, and reporting departmental Service Provider cash activity. The *EAP Contract (Section 4: Consideration, Payment, Federal Funds, Repayment and Program Income)* identifies the federal requirements for use of funds and cash management. Service Providers must follow federal regulations regarding cash management. These requirements must also be included in any grant agreements between the Service Providers and all tiers of sub grantees. Service Provider staff involved in financial activity must become familiar with the procedures and necessary forms.

Developing Cash Management Systems

Service Providers must have a cash management system with procedures minimizing time between cash received from Commerce through eHEAT cash requests and disbursement by the Service Provider. Service Providers may be paid in advance if they demonstrate the willingness and ability to maintain such procedures. Although it appears the grant may be financed by advance payments, the intent is for the Service Provider to draw funds as needed. Service Providers may request cash as frequently as needed. Service Providers are required to conform to the same standards of timing and amounts that govern Commerce federal requirements under the existing federal fiscal year agreement between the State of Minnesota and the U.S. Secretary of Treasury pertaining to the Cash Management Improvement Act of 1990. Service Providers may be required to report the amount of cash in excess of three days need and provide a short explanation of actions taken to reduce the excess balance.

Instructions for Requesting Cash

A Service Provider must use the *Cash Request Form* for EAP and the Weatherization Program found in the eHEAT system. The instructions for completion of the information needed on the screen are found in the eHEAT Manual under *"UC15-Maintain Cash Request Use Case Specification*."(In eHEAT: Manuals > eHEAT User Manual > Manage Grants > Maintain Cash Request)

Cash requests must be submitted electronically through the eHEAT system and must be from a person with an eHEAT ID authorized to request cash. Cash requests have no specific due dates or times. Requests will be reviewed for reasonableness and processed on a first-in, first-out basis along with other processing demands on Commerce fiscal staff. EAP submitted cash requests must distinguish the amount requested by one of these three categories: payroll, ERR or other. Service Providers should identify these categories in the Service Provider's Box. If the cash request form Reasonableness indicates a "No," then indicate in the "Service Providers Note Box" any extraordinary expenditure for this time

period. Every effort will be made to process cash requests on the day they are received. A grantee may submit cash requests as frequently as necessary to effectively manage cash.

eHEAT cash requests that include the month of June must end on the last day of June. In other words, the "To Date" must be no later than June 30 to be consistent with the state fiscal year, which ends June 30.

Commerce reserves the right to offset overpayments and disallowances by reducing cash payments on any grant with the Service Provider.

Service Providers may direct questions about cash requests to either Chris Johnson or Alex Larson:

MN Department of Commerce
Fiscal Management
Attn: Chris Johnson
85 7th Place East, Suite 500
St. Paul, MN 55101-2198
651-539-1519
chris.r.johnson@state.mn.us

Alex Larson
651-539-1523
alex.larson@state.mn.us

Electronic Funds Transfer (EFT)

The state of Minnesota Management & Budget makes payments for EAP. Payments are made either through Electronic Funds Transfer (EFT) or warrants (checks). Service Providers and energy vendors are encouraged to sign up for EFT by completing a *Direct Deposit Authorization Form*. The form can be found at http://www.mmb.state.mn.us/doc/maps/eft/eft.pdf on the Minnesota Management & Budget website:

1. Click on the "Energy Vendor Payment Information", found along the right hand margin under State Finance Information.
2. Then click on the "EFT Information" at the bottom of the menu.
3. On the MAPS-EFT Information page, click on the Direct Deposit Authorization Form. Follow the instructions.

To change bank account information, Service Providers and energy vendors should follow the above steps, but in Step 3 click on Change Bank Information.

Energy Vendor Payment Information

To receive EAP payments an energy vendor must have a signed *Agreement Between Energy Vendor and Service Provider* with each EAP Service Provider in their service territory and be registered for eHEAT.

To register, the energy vendor must submit an *Energy Vendor Registration for EAP Payments* form and a *W-9 Request for Taxpayer Identification Number and Certification* form (which can be downloaded from the U.S. Internal Revenue Service website) to their local Service Provider. Following review the Service Provider must submit them to eheat.doc@state.mn.us. If the address on the submitted W-9 is a post office box number, the energy vendor must also supply their business location address. Energy vendor

registrations will only be accepted when submitted via the Service Provider or if the Service Provider informs Commerce an energy vendor is submitting a registration form.

Registration questions should be directed to:

Alex Larson
MN Department of Commerce
Fiscal Management
85 7th Place East, Suite 500
St. Paul, MN 55101-2198
Phone: 651-539-1523
FAX: 651-539-1552
alex.larson@state.mn.us

Service Providers may access the Minnesota Management & Budget (MMB) Vendor Payment Information website to review their payments for the last three months. Service Providers need to contact MMB for a PIN and TIN to access the payment history.

Audits

EAP records are subject to regular audits and special examinations. Audits must be conducted or performed by the Office of the State Auditor or by independent certified public accountants. EAP staff review audit recommendations and develop corrective action plans to audit findings (see Single Audit Act Amendments of 1996).

In addition to the regular audit, Service Providers must maintain books, financial records, programmatic records, documents and accounting procedures and practices relating to EAP for possible state or federal special examinations (see Chapter 13 - *Data Practices & Records*, *OMB Circular A-133* and Minn. Stat. §16C.05, subd. 5).

Type of Audit Required

EAP Service Providers must comply with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These documents define when a Service Provider must be audited, and the type of audit to be completed. The type of audit depends on the total amount of federal money the Service Provider receives from all sources. The instructions below are verbatim from *OMB Circular A-133*:

(a) Audit required. Non-federal entities that expend $300,000 or more a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part. Guidance on determining Federal awards expended is provided in §___.205.

(b) Single audit. Nonfederal entities that expend $300,000 or more a year in Federal awards shall have a single audit conducted in accordance with §___.500 except when they elect to have a program-specific audit conducted in accordance with paragraph (c) of this section.

(c) Exemption when Federal awards expended is less than $300,000. Nonfederal entities that expend less than $300,000 a year in Federal awards are exempt from Federal audit requirements for that year, except as noted in §___.215 (a).

Commerce requires that federally funded performance-based contracts are included in the definition of federal assistance.

Minnesota Audit Requirements

Service Providers who expend $100,000 or more in state funds are required to have an annual financial statement audit per generally accepted auditing standards.

EAP Service Providers and all tiers of subgrantees must use the federal *OMB Circulars A-21, A-87, A-110, A-122, Common Rule* and others as applicable (including modifications) in the administration of EAP grants. General modifications in the circulars:

- The state of Minnesota stands in the place of the federal agency in the language of the circulars.
- Service Providers may use their own rules and procedures if they meet the above standards or are more restrictive.
- Where choices are available, the grant agreement must clearly indicate the required choice (i.e., program income treatment).
- Service Providers' ethics codes must include real, apparent, or potential conflicts of interest regarding procurement.
- Service Providers must have a written cost allocation plan that clearly explains how joint costs are to be charged to each program the organization operates, or a federally approved indirect cost rate.

EAP Specific Audit Requirements

The *Low Income Home Energy Assistance Program Contract* under the audit section requires service providers to conduct a program specific audit upon request from Commerce. To comply with this contract section, the Service Provider's auditors should follow the *Department of Health and Human Services Low-Income Home Energy Assistance, CFDA 93.568, A-133 Compliance Supplement.*

Access to Records

Commerce and the Comptroller General of the United States, or any of their authorized representatives, shall have the right to access any pertinent books, documents, papers, or other program records of the Service Provider or its sub grantees that are pertinent to the grant, in order to make audits, examinations, excerpts, and transcriptions. Unless otherwise noted, program records must be retained for six years (Minn. Stat. § 16C.05, subd.) The six year count starts on the day the final program and expenditure reports are due or when the Service Provider submits its final program and expenditure reports, whichever is later. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the six year period, the records must be retained until completion of the action and the resolution of all issues which arise from it, or until the end of the regular six year period, whichever is later.

The following groups or their designated representatives must have access to pertinent information:

- U.S. Department of Health and Human Services.
- U.S. Department of Energy.
- Comptroller General of the United States.
- Minnesota Department of Commerce.

- Legislative Auditor.
- State Auditor.

Required Audit Contents

Commerce requires that the audit report contain in the notes to the financial statements:

- A brief summary of the methods used to allocate joint costs or a statement that the Service Provider has a federally approved indirect cost rate.
- A list of all organizations to which the Service Provider subgranted $25,000 or more in EAP state or federal funds or a note that no EAP funds are subgranted.
- Cash management reviews for both state and federal EAP grants. Federal cash management guidelines also apply to state funds. Violations must be disclosed in the audit report.
- Disclosure of all material related party transactions. This includes separate corporations if they have been set up by a staff or board member of the Service Provider, if a staff or board member of the Service Provider is on the board of the corporation, or if a staff or board member of the Service Provider is actively involved in the day to day operations of the corporation. For example, related party ownership of buildings, equipment, services, etc.
- Review of sub grantee audit reports.

Submitting Audit Reports

Auditors must immediately report allegations of fraud and abuse, and investigations initiated and completed by the Service Provider and its subgrantees, and send a written report to the EAP Director.

EAP requires a copy of the audit to be submitted by the auditor or Service Provider within nine (9) months after the end of the audit period. In addition, when requested by EAP, Service Providers must provide copies of all audits conducted even though the audits were not required. Send audits to:

Minnesota Department of Commerce
Office of Energy Assistance Programs
Attn: EAP Audits
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

In lieu of submitting a hard copy of the audit report, a Service Provider may send notice to EAP with the website of their completed audit. Appendix 16B - *Audit Report Schedule* lists audit report due dates.

Financial Audits

For Financial Statement Audits Only (A-133 audit not required), auditors must send two copies of the financial statement audits and management letter (with responses).

Service Providers must submit with their audit any management letter issued by their CPA firm and a written response to the items addressed in the letter.

Single Audits

For A-133 Audits (including financial statement audits accompanying the A-133 audits), auditors must send:

- Two copies of the single audit reporting package, as defined in A-133 section 320 (c), financial statement audits and management letter (with responses).
- One copy of the reporting package to the Office of the State Auditor Single Audit Division, 555 Park Street, St. Paul, Minnesota 55103, within nine (9) months from fiscal year end.
- One copy of the reporting package within 30 days after issuance to: Federal Audit Clearinghouse, Bureau of the Census, 1201 East 10th St, Jeffersonville, IN 47132.

Service Providers must submit comments on the findings and recommendations in the single audit report and management letter, including corrective action taken or planned, and comments on the status of corrective action taken on prior findings.

Repayment of Disallowed Costs

Commerce will review the audits, management letters and Service Provider responses. If costs are disallowed, Service Providers must repay costs disallowed by EAP in cash from non-EAP sources (state or federal) or as stated in the grant agreement.

Appendices

16A - *Request for Additional ERR Funds*
16B - *Audit Report Schedule*
16C - *Service Provider Purchase/Disposition Request Form*
16D - *Service Provider Out of State Travel Request Form*

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Chapter 17

Monitoring and Technical Assistance

Compliance with the *EAP Contract*, the *EAP State Plan* and the *EAP Policy Manual* is required. The efficient operation of the program depends on adherence to these requirements. Compliance monitoring activities provide a crucial link between Commerce and the Service Provider. Information gathered through these activities assures the regulations are being complied with uniformly and helps Commerce focus technical assistance on those Service Providers that need the most attention. In addition, aggregate information can be used to make program improvements.

There are several categories of compliance monitoring activities, including on-site inspections, record reviews and targeted information gathering.

Chapter Contents

- Program Performance Auditors
- Compliance Monitoring
- Technical Assistance

Program Performance Auditors

Program Performance Auditors are designated Commerce staff assigned to provide monitoring and technical assistance to Service Providers. Program Performance Auditors serve as the chief liaison between Service Providers and Commerce. Specific individuals are assigned to each Service Provider, but any Program Performance Auditor can provide information or technical assistance to any Service Provider.

The designated Program Performance Auditor is the primary contact for the Service Provider with Commerce. Service Providers are expected to direct any and all questions about program policies and procedures to their designated Program Performance Auditor.

Note: Reports and official requests, such as requests for *NFA* changes or cash, should not be submitted to the Program Performance Auditor. They should be sent to the appropriate Commerce staff, as described elsewhere in this *Policy Manual*.

Compliance Auditing

Commerce is required by *OMB Common Rule, subp.(c) 40* to monitor the grants it administers. By signing the *EAP contract*, Service Providers agree to allow certain federal and state agencies or their designees' access to the business site and all program records (see appendix to Chapter 15 - *Grant Contracts*, for state of Minnesota LIHEAP Grant Contract).

Desk Reviews and Targeted Information Gathering

Commerce has authority to request any information regarding the operation of the program. In addition, Commerce regularly analyzes eHEAT and other data for patterns and information. This information may lead to questions about a Service Provider's program delivery. When questions arise, the Program Performance Auditor or other designated staff may follow up with the Service Provider.

On Site Monitoring

Commerce will perform routine, on site compliance monitoring at each Service Provider's business location twice a year. The Program Performance Auditor will make an effort to accommodate the Service Providers' schedules. Service Providers must make the compliance visit a scheduling priority.

Initial Visit

General procedures: On site monitoring will be a program review with the EAP Coordinator and Program Performance Auditor to discuss the Service Provider's EAP Local Plan, staffing and start up activities using the EAP Initial Program Assessment Tool (iPAT). To complete the monitoring, the Program Performance Auditor has authority to interview the EAP Coordinator, the fiscal director and any other staff whose work is integral to the program.

Full Visit

On site compliance monitoring will include these activities:

- Entrance interview: This interview must include the Program Performance Auditor and the Service Provider EAP Coordinator. It may include other staff upon request of the Program Performance Auditor or at the discretion of the Service Provider. The entrance interview will describe the auditing activities that will take place, review the monitoring tool and schedule interviews with other Service Provider staff, as requested by the Program Performance Auditor.
- General procedures: On site compliance monitoring will be a program review using the EAP Full Program Auditing Tool (fPAT), with follow up questions appropriate to the local situation. Program Performance Auditors may have the EAP Coordinator complete and submit the Tool prior to the compliance visit. In order to complete the compliance monitoring, the Program Performance Auditor has authority to interview the EAP Coordinator, the fiscal director, the processing coordinator, the outreach coordinator, and any other staff whose work is integral to the program, as well as applicants.
- Exit interview: This interview includes the Program Performance Auditor and the EAP Coordinator. Other staff may be included at the request of the Program Performance Auditor or at the discretion of the Service Provider. In the event of compliance issues, the Program Performance Auditor will request that the Executive Director attend. The purpose of the exit interview is to review positive and questioned findings, resolve misunderstandings, and agree to a timeline for corrective action.
- An Appendix 17A - *Service Provider EAP Program Audit Disclosure Letter*, signed by the Service Provider EAP Coordinator and Executive Director, is due within one week of the conclusion of the Commerce onsite full monitoring visit.

Compliance Visit

The third late or incorrect report will result in a notice to the Service Provider's Governing Board and a visit from the Program Performance Auditor to meet with the Executive Director and EAP Coordinator to assist in a corrective action plan.

Program Performance Auditors may conduct additional on-site compliance monitoring when routine monitoring or other compliance activities, e.g., record review, identify findings that require attention.

Record Reviews and Targeted Information Gathering

Commerce has authority to request any information regarding the operation of the program. In addition, Commerce continually analyzes e-HEAT and other data for patterns and information. This information may lead to questions about a Service Provider's program delivery. When questions arise, the Program Performance Auditor or other designated staff may follow up with the Service Provider.

Reports

The Executive Directors of EAP Service Providers will receive reports of routine and special compliance monitoring within 45 calendar days of the visit or other contact. Compliance reports are a letter summarizing program operation, compliance findings and instruction and timelines for corrective action. A copy of the completed monitoring tool is available on request.

Corrective Action

Monitoring reports may require the Service Provider to send a report of the status of corrective actions by a specific date. This report is required and must be submitted by the due date. Failure to meet any due date will count as one late report (see Appendix to Chapter 14 – *Communication, Information and Reports*).

Technical Assistance

While the Service Provider is ultimately responsible for complying with EAP policies and procedures, Commerce provides many opportunities for technical assistance, from general meetings to individual training. Commerce needs assessment process for technical assistance includes analyzing monitoring findings, Service Provider questions and program shortcomings.

Minnesota Community Action Association (MCAA) and Energy Assistance Coordinator's Association (EACA)

Commerce attends and presents program information at meetings called by the MCAA and EACA associations. Commerce is also available for questions at both meetings.

State Initiated Meetings

Commerce may initiate program policy and procedure meetings, as needed. Attendance may be required or optional, as the situation warrants.

Commerce sponsors an EAP Annual Training to train Service Providers on new or changed policies, procedures, tools and areas identified as needing advancement of understanding. The EAP Annual Training is intended to identify and address program changes, promote compliance with Commerce standards and program consistency, build Service Provider skills and understanding, and enable EAP coordinators to train their staff.

EAP Updates

Commerce issues a newsletter called *The Energizer. The Energizer* is published and distributed to EAP Coordinators. Additionally, Commerce may offer EAP information needing immediate attention through *Sparks*. These communication devices may clarify information, provide new information, or include reminders about program procedures. They are e-mailed to EAP Coordinators. Policy updates contained in *The Energizer* and *A Spark* are considered policy from the time of publication. For this reason, EAP Coordinators are required to know the content and distribute it to other stakeholders. All communications for the current program year will be available on the EAP Web site.

Web Page

The EAP Web page contains all basic EAP documents, including State Plans, the manual, application forms, Service Provider referrals and links, and eligibility information. eHEAT data reports will be posted weekly. EAP Updates will be posted as they are released.

Questions

Questions about policies and procedures must come from the EAP Coordinator and be directed to the Program Performance Auditor.

Individual Service Provider Technical Assistance

Program Performance Auditors or other qualified designees may provide training to individual Service Providers or groups of Service Providers as the need is identified through compliance auditing or upon Service Provider request.

Appendices

17A – *Service Provider EAP Program Audit Disclosure Letter*

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Policy Manual