Minnesota Department of Commerce

PY15 WAP Policy Training

Day 1 – Sessions 1 & 2: WAP Admin Policy

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PY15 Policy Manual

- Goals
  - Provide an overview of the new manual format
  - Review existing, revised and new admin policies

PY15 Policy Manual

- Single PDF posted on the Commerce website
- Eight sections
  1. Program Management
  2. Household Eligibility
  3. Dwelling Eligibility
  4. Audit Event
  5. Standalone Event
  6. Fiscal Policy
  7. Procurement
  8. Service Provider Monitoring

PY15 Policy Manual

- Appendices (separate links)
  - Appendix A
    - DOE State Plan, EAPWX State Plans
  - Appendix B
    - SWS Field Guide, Zone Pressure Diagnostics
  - Appendix C
    - WA Manual, Allowable Measures Chart, eHeat to WA File Transfer instructions, EC Motor

PY15 Policy Manual

- Appendices (separate links)
  - Appendix D
    - Audit Event: Audit Diagnostics Tests, QCI Diagnostic Tests
    - Standalone Event: Site Visit Diagnostic Tests, QCI Diagnostic Tests
  - Appendix E
    - Client Appeals Process
  - Appendix F
    - REEGP guidelines, other special funding guidance as needed

PY15 Forms

- Forms will remain on a separate page within the Commerce website
- Changes will be reviewed during Session 2 of the technical track tomorrow

PY15 Policy Training

- Day 1, Sessions 1 & 2
  1. Program Management
  2. Household Eligibility
  3. Dwelling Eligibility
  4. Audit Event
  5. Standalone Event
  6. Fiscal Policy
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WAP Policy Manual

Section 1: Program Management

Section 1: Program Management

- **New:** Notification of staff changes
  - Service Providers are required to notify Commerce of changes in leadership or key WAP staff
- **Revised:** Reporting Requirements
  - Contract language about required reports incorporated into one place
  - WA uploads, quarterly training reports, monthly and final FSRs, and financial audits

Section 1: Program Management

- **New:** Service Provider Production
  - Unit average: definition, DOE vs EAPWX
  - Production Planning
    1. Meet minimum unit goals
    2. Meet quarterly unit goals
    3. Review production quarterly, adjust internal plan
    4. Notify Commerce if production/spending goals cannot be met

Section 1: Program Management

- Service Provider Production Cont'd
  - Unit Completions: complete all activities within one program year. Exceptions:
    - Existing: if mechanical work can be completed but no other work, change event to a Standalone
    - **New:** Limited carryover of EAPWX-only jobs, must notify Commerce, inherent risk

Section 1: Program Management

- Service Provider Production Cont'd
  - **Revised:** Timely Service – means to meeting production goals and providing the best customer service possible
    1. Adapt production plan as needed
    2. Minimize the time elapsing between energy audits, entering the audit in WA, bidding jobs, etc.
    3. Give deadlines to contractors, hold them to
    4. Use the "delay" status to explain major delays
    5. Rerun combustion analysis tests if no work performed after 90 days of audit/site visit

Section 1: Program Management

- No change: Record Retention
- No change: Data Privacy
- **Revised:** Client Appeals
  - Procedures moved to Appendix E
  - Distinction between complaint and appeal
  - Appeals for work performed must be submitted within one year
  - Deferrals cannot be appealed to Level 3
  - Additional response time
    - 15 business days (vs. 14 calendar days)
    - SPs and Commerce can have additional time so long as justified client is notified within the 15 day period

Section 1: Program Management

- No change: Code of Conduct
- **New:** Repayment
  - Incorporated contract language
  - Commerce's right to disallow costs
- No change: SP Liability Insurance
- **New:** Assignment Agreements
  - Incorporated contract language

WAP Policy Manual

Section 2: Household Eligibility

Section 2 – Household Eligibility

- No change: General Eligibility Requirements
  - Must have a current and approved application in eHeat
  - Must be audited by October 31 if using the prior year's EAP application
- No change: Income Doc. for Public Housing

Section 2 – Household Eligibility

- **Revised:** Priority for Providing WAP Services
  - Priority list must be applied:
    - Equally to renter and owner occupied dwelling and
    - **New:** Equitably to all areas of the service territory
  - **New:** Application approval date may be applied when positioning applicants
  - **Revised:** SPs must have written procedures in place to ensure HHs served according to priority
  - Priority process exceptions
    - Emergency referral, disaster plan, opportunity to complete in conjunction with other rehab program

WAP Policy Manual

Section 3: Dwelling Eligibility

Section 2: Dwelling Eligibility

- **New:** Proof of Ownership
  - Follow EAP policy
  - Must be included in HH file
- No change: Rental Dwelling Eligibility
  - DOE/non-EAPWX funding can be used to WX common spaces and non-eligible units when 66% of dwelling is eligible (50% duplexes/fourplexes)
  - EAPWX funds can only be used to weatherize units occupied by eligible households

Section 2: Dwelling Eligibility

- **New:** Landlord Requirements
  - Landlord Agreements (10 CFR 440.22)
    - CFR Agreement language incorporated in policy (minimum req.)
    - Tenants have a right to complain to SP/Commerce if terms violated
  - **New:** Landlord Contributions
    - Contributions cannot be required if the landlord qualifies for EAP/WAP
    - 5+ units: contribution required
    - 1-4 units: SPs can choose whether or not to require
    - Contribution amount decided by individual SPs, can be used to buy down an SIR

Section 2: Dwelling Eligibility

- No change: Mixed-Use Buildings
- No change: Group Homes
- **Removed:** Habitat for Humanity/MURL
  - Clarification: Vacant units can only be weatherized if they meet the rental requirements in policy 3.2.2

Section 2: Dwelling Eligibility

- No change: Previously WX'ed dwellings
  - Cannot re-weatherize with DOE funds if WX'ed on or after September 30, 1994
    - Non-DOE funds can be used so long as cost-effective measures remain
    - Reweatherization constitutes the lowest priority for WAP services
  - Disaster Plan: reweatherization may be allowed in the case of a disaster declaration

Section 2: Dwelling Eligibility

- State Historic Preservation Office Review
  - Clarified: SHPO status must be verified even for dwelling built after 1965 and mobile homes (reported to DOE)
  - Must be verified prior to issuing work orders for audit events
  - **Revised:** SHPO review not required for Standalone Events

Section 2: Dwelling Eligibility

- **Revised:** Deferrals
  - List updated to align with State Plan
  - Reason for deferral may be identified during the eligibility process, during the audit, or after work has begun
  - Work may proceed if issue is addressed, so long as the EAP application is current/approved
  - SPs required to track deferrals, including reason

Section 2: Dwelling Eligibility

- Deferrals Cont'd
  - Service Providers MUST NOT weatherize if:
    - Dwelling was WX'ed after September 30, 1994 (see re-WX policy for exception)
    - Demolition is scheduled in the next 12 months
  - Service Providers MAY defer if:
    - Cost effective measures are refused
    - Structure/systems are in a state of disrepair
    - Sewage/sanitary issues that would danger client, contractors, or harm the work to be performed

Section 2: Dwelling Eligibility

- Deferrals Cont'd
  - Service Providers MAY defer if:
    - Red-tagged equipment, cannot be resolved with WAP
    - Severe mold/moisture problems
    - High Carbon Monoxide levels, cannot be resolved by WAP
    - Extent of lead-paint so severe that it may cause further harm
    - Other health & safety issues that may endanger contractor/crews

Section 2: Dwelling Eligibility

- Deferrals Cont'd
  - Service Providers MAY defer if:
    - Client has known health conditions that prohibit work
    - Cost is determined too high that it would negatively impact the statewide per unit average (ex: 2x the state average)
  - Service Providers may also defer if clients are abusive, threatening, uncooperative or using controlled substances in the presence of staff/contractors
    - Some form of written notice to client is required

WAP Policy Manual

Section 6: Fiscal Policies

Section 6: Fiscal Policies

- **New:** Spending authority
  - Incorporated contract language
    - Executed contract and NFA required in order to incur expenses
- **New:** WAP Funds
  - Defines three main funding sources: DOE, EAPWX, Propane
  - Funds may be combined for individual jobs
  - Special funding guidelines in Appendix F (ex: REEGP)

Section 6: Fiscal Policies

- **New:** eHeat Funding Terms
  - Definition of Accounting and Non-Accounting funds
    - Accounting: WAP funds made available on an NFA
    - Non-Accounting: Required to be reported in WA when used in conjunction with WAP funds (CIP, CDBG, Donated Funds)
- **Revised:** Work Plan & Budgets
  - Required to be submitted in eHeat
  - Commerce will review/approve
  - Resubmit if funding increases/decreases

Section 6: Fiscal Policies

- **Revised:** Financial Status Reports (FSRs)
  - Required monthly even when $0 expenses
  - Documentation of expenses must be made available upon request
- **Revised:** Cash Requests
  - Submit as frequently as needed but no more than once a week
  - Submit monthly if expenditures occur
  - Advance payments – minimize the time elapsing between disbursement and expense occurrence

Section 6: Fiscal Policies

- **Revised:** Financial Closeout
  - Due 30 days after the end of the program year or end of fund, whichever first
  - No longer required to mail in a hard copy FSR
  - Note to Commerce for any equipment purchased or continued liabilities
  - Commerce cannot honor cash requests submitted after the closeout period

Section 6: Fiscal Policies

- New: Financial Audits
  - Incorporates requirement from 2 CFR 200 (formerly A-133)
  - One copy of the agency audit must be submitted within six months of the end of the audit period

Section 6: Fiscal Policies

- **New:** Budget Revisions
  - Budget revisions must be requested by emailing the WAP mailbox
  - Include a justification and amount to revise
    - Fund Revisions (Admin, TTA, Program)
      - Admin and TTA funds can be moved to Program
      - New NFA will be sent if approved, eHeat budget must be revises
    - Sub-Fund Revisions (H&S, Standalone, Vehicle Purchase, etc)
      - Must be formally revised if sub categories deviate by more than 10%
      - SPs required to review quarterly

Section 6: Fiscal Policies

- **Revised:** Allowable Expenditures
  - Identifies allowable expenditures and appropriate fund/sub-fund categories
  - Not all-inclusive, contact Commerce with questions about expenses not included in policy

Section 6: Fiscal Policies

- Allowable Expenditures Cont'd
  - Fund Categories
    - Administration: Allowable costs for WAP include planning, oversight, reporting and accountability for WAP funds and services. Generally governed by 2 CFR 200 and 10 CFR 600.
    - TTA: Allowed activities are intended to maintain or increase the efficiency, quality, and effectiveness of WAP at all levels (DOE only)

Section 6: Fiscal Policies

- Allowable Expenditures Cont'd
  - Fund Categories
    - Program: Funds to implement non-admin activities to deliver WAP services and meet program goals.
      - Program Support: Directly associated with WAP, not directly associated with a dwelling. Expenses are not entered in WA (audit/inspection costs, household file setup, client education, travel, etc.)
      - Direct Service: Directly attributable to individual households. This includes measure-installation costs. Expenses are always entered in WA.

Section 6: Fiscal Policies

- Other highlights:
  - TTA Funds:
    - Wages and benefits can be paid for SP staff who attend a WAP training event
    - Out-of-state travel: Commerce pre-approval required
    - Typically cannot be used to buy vehicles/equipment, exceptions must be pre-approved by Commerce
    - Contractor stipends cannot be used to pay for licenses/certifications required by federal, state or local law

Section 6: Fiscal Policies

- Other Highlights
  - Fiscal Audits:
    - DOE: Allowed as a Program expense
    - EAPWX/Propane: Admin expense
  - Vehicle costs
    - Policy identifies when vehicle operations, maintenance and insurance costs should be charged to Admin, Program Support or Direct Service

Section 6: Fiscal Policies

- Other Highlights:
  - Additional Allowed Program Support costs:
    - Residential building contractor license for crew-based programs
    - EPA Lead Firm certificate for crew-based programs
    - License and certification fees for auditors and inspectors
    - Printing of client education materials
    - Health & safety supplies for staff

WAP Policy Manual

Section 7: Procurement

Section 7: Procurement

- No change: Competition
- No change: Cost and Price Analysis
- **Revised:** Solicitation
  - SPs are required to publicize their need to purchase goods, equipment or services
  - Solicitation must be documented
  - **New:** Advertisements for contractors, contractor RFP and/or recruitment process must take place at least every three years

Section 7: Procurement

- **New:** Affirmative Action (Contractors)
  - Incorporated language from 2 CFR 200/10 CR 600
  - SPs must make positive efforts to recruit and contract with minority, women owned, and disadvantaged businesses
  - SPs must comply with MN Statute 181.59 which prohibits discrimination
  - "Labor surplus area firms" fall under MN's certification of Economically Disadvantaged businesses

Section 7: Procurement

- No change: Contractor Eligibility
  - Contractors must:
    - Be licensed, bonded, insured, EPA certified as necessary
    - Not be excluded from receiving federal funds/debarred
    - Pass a criminal background check
    - Warranty work and materials, obtain permits, provide lien waivers
    - Have the capacity and equipment needed to perform work, understand all necessary program requirements
    - Treat clients with respect and dignity

Section 7: Procurement

- **Revised:** Contract Requirements (Contractors)
  - Written agreement must include consequences for non-compliance or underperformance
  - Contractors must confirm receipt of technical requirements
  - Retention agreements are required if a contractor stipend is paid with TTA funds for training required by SP

Section 7: Procurement

- **Revised:** Contractor Performance
  - Incorporated reference to 2 CFR 200
  - Performance must be evaluated fairly and objectively, results must be documented
- **New:** Set Price Lists
  - SPs must have procedures for how and how often price lists are negotiated
  - Contractor rotation system must be documented, uneven distribution must be justified and documented

Section 7: Procurement

- **New:** Procurement for Emergency Services
  - Ensure fair competition while allowing for prompt services when a household is in imminent danger
  - Emergency procurement may deviate from normal policy so long as the procedures are documented
  - SPs may choose to have shorter bid deadlines when bidding standalone events vs audit events
  - If temporary heat can be provided or conditions allow, normal procurement procedures should be follow

Section 7: Procurement

- **Revised:** Property Standards
  - Aligned with 2 CFR 200 and pre-existing language for inventory tracking
    - VIN Number, who holds title, percentage of federal participation
- **Revised:** Vehicle & Equipment Purchases
  - Aligned with WPN 13-7
  - **New:** Bid analysis required (samples can be provided upon request)

Section 7: Procurement

- **Revised:** Disposal of Property Acquired with WAP funds
  - Aligned with WPN 13-4
  - Three different procedures for:
    - Property purchased for and still valued under $5k (no approval required)
    - Property purchased for $5k or more, valued for less (Commerce approval required)
    - Property valued $5k or more
      - Included links to applicable federal disposition forms

WAP Policy Manual

Section 8: Service Provider Monitoring

Section 8: Service Provider Monitoring

- **Revised:** Monitoring Description
  - Included description and defined purpose
  - Aligned list of monitoring components with State Plan
    - Field monitoring examples: File review, audits, verification of QCI inspection, lead-safe work, monitoring follow up
    - Admin monitoring examples: File review, renter/owner services, distribution between counties, reporting, procurement, internal controls, invoicing

Section 8: Service Provider Monitoring

- **Revised:** SP Monitoring Requirements
  - Service Providers must ensure the following, prior to, during or after a visit:
    - Upload files to the appropriate field monitor by a due date specified
    - Arrange HH visit in advance, provide client with expectations
    - Access to books, records, files, etc.
    - Access to SP staff for questions
    - Respond to monitoring reports by a due date specified

Section 8: Service Provider Monitoring

- **Revised:** High Risk Subgrantee Designation
  - Commerce may deem a Service Provider high risk if the agency:
    - Has a history of unsatisfactory performance
    - Is not financially stable
    - Has financial or program management systems that do not meet federal requirements
    - Lacks the organization capability to carry out its responsibilities
    - Has not met terms of the WAP contract
    - Is otherwise not responsible

Section 8: Service Provider Monitoring

- **Revised:** Corrective Action Plan
  - Clarified that Corrective Action Plans can be in response to a single issue of non-compliance of larger programmatic/administrative issues
  - Corrective Action Plans include
    - Reason for the Plan and nature of requirements
    - Corrective actions needed
    - Deadline for meeting terms

Section 8: Service Provider Monitoring

- **Revised:** Non-Compliance Sanctions
  - With or without a Corrective Action Plan in place, Commerce may choose to impose sanctions
    - New, aligned with 10 CFR 600:
      - Conduct additional monitoring visits
      - Require additional training/technical assistance
      - Require addition or more detailed financial reports
      - Make payments on a reimbursement basis only
    - No change:
      - Withhold cash payments
      - Disallow costs
      - Suspend the current contract, withhold further contracts

Section 8: Service Provider Monitoring

- **New:** Contract Termination
  - Incorporated WAP contract language
    - Commerce may terminate a contract with or without cause
    - Service Providers may choose to terminate a contract
    - If terminated, Service Providers must cooperate with Commerce in transferring program information, records and equipment
    - Refer to section 19 of your contract for more information