



# **PY15 WAP Policy Training**

Day 2 – Session 1: WAP Fiscal Policy

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# WAP Fiscal Session – Day 2

- Today's schedule:
  - Session 1
    - WAP Fiscal Policies
    - PY15 NFA
    - WAP Fiscal Reporting
  - Session 2
    - Best practices – roundtable
    - Q&A
  - This afternoon
    - Large group session around PY15 program planning

# WAP Fiscal Policies

- Goals
  - Provide an overview of the new manual format
  - Review existing, revised and new fiscal 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
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# 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
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# 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
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# Section 6: Fiscal Policies

- **New:** Spending authority
    - Incorporated contract language
    - Executed contract and NFA required prior to incurring expenses
  - **New:** WAP Funds
    - Defines three main funding sources (DOE, EAPWX, Propane) and their applicable regulations
      - **Existing:** Funds may be combined for individual jobs
      - **Moved:** Special funding guidelines in Appendix F (ex: REEGP)
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# 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)
        - Commerce must “allocate” non-accounting funds in order for agencies to download them for use in WA
  - **Revised:** Work Plan & Budgets
    - Required to be submitted in eHeat
    - Commerce will review/approve
    - Resubmit if funding is increased/decreased/revised
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# Section 6: Fiscal Policies

- **Revised:** Financial Status Reports (FSRs)
    - Commerce uses to report to DOE, LIHEAP, etc.
    - Report expenditures that occurred in the corresponding month
    - Due on the 10<sup>th</sup>, unless falls on a weekend or holiday, then due the following business day
    - Required monthly even when \$0 expenses
    - Documentation of expenses must be made available upon request
    - Commerce may choose to hold funds if FSRs are not submitted by the due date
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# Section 6: Fiscal Policies

- **Revised:** Cash Requests
    - No specific due date
    - 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
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# Section 6: Fiscal Policies

- **Revised:** Cash Request Cont'd
    - Commerce's processes requests on first-in, first out basis
    - Payments will be made to SPs no later than 30 days after receipt
    - If funds are returned, a negative cash request must be submitted
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# Section 6: Fiscal Policies

- **Revised:** Financial Closeout
    - Due 30 days after the end of the program year or end of fund, whichever is 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
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# 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
    - Mail to Commerce, Attn: Alex Larson
    - Audits are reviewed jointly for EAP and WAP

# Section 6: Fiscal Policies

- **New**: Budget Revisions
    - Budget revisions must be requested by emailing the WAP mailbox
    - Request must include the amount to be revised and a justification
    - Commerce will review and if approved:
      - Revision to Fund: A new NFA will be sent, eHeat allocation will be updated by Commerce, eHeat budget will be reopened for SP to revise
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# Section 6: Fiscal Policies

- **New**: Budget Revisions Cont'd
    - Fund Revisions (Admin, TTA, Program)
      - Admin and TTA funds can be moved to Program
      - No limit, within reason
    - Sub-Fund Revisions (H&S, Standalone, Vehicle Purchase, etc.)
      - Sub-funds may deviate within reason
      - Revisions do not need to be submitted in eHeat
      - Major deviation may be questioned by Commerce
      - Deviation should be considered when budgeting for future program years
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# 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
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# Section 6: Fiscal Policies

- **Revised: 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)
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# Section 6: Fiscal Policies

- **Revised: 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, client education, travel, etc.)
        - Direct Service: Directly attributable to individual households. This includes measure-installation costs. Expenses are always entered in WA.
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# Section 6: Fiscal Policies

- Allowable Personnel Expenses (*in general*)
    - Admin Funds: Executive Director, Program Coordinator, Fiscal Director, IT Staff (appropriately allocated)
    - Program Support Funds: Auditors, Inspectors, Warehouse Staff, Crew (when not performing work), Coordinator (when performing P.S. duties)
    - Direct Service: Crews (when WX'ing)
    - TTA: Staff attending a WAP training event
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# Section 6: Fiscal Policies

- Allowable TTA Expenses
    - Important: All activities funded with TTA must have a direct and documented relationship to WAP
    - Primary use: Conference/training registration, training materials, travel, lodging and logistics
    - When funds allow: wages/benefits of staff attending a WAP training, contractor stipends
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# Section 6: Fiscal Policies

- Allowable TTA Expenses Cont'd
    - Note: Contractor Stipends
      - Procurement policy 7.6.1: DOE requires contractors sign retention agreements when paid TTA stipends. Must agree to work in the program for a specific amount of time, to be determined by the agency, and must align with the cost of the TTA provided.
      - Stipends cannot be used to pay for licenses or certificates required by state, federal or local law (ex: EPA Lead Firm fee, mechanical bond)
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# Section 6: Fiscal Policies

- Allowable TTA Expenses Cont'd
    - Out of State Travel: Commerce pre-approval is required. Email form to the WX mailbox and allow at least one week for review.
    - TTA funds typically cannot be used to purchase vehicle or equipment for Service Providers. Must be charged to Program. Exceptions must be pre-approved by Commerce.
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# Section 6: Fiscal Policies

- Allowable Direct Service Expenses
    - Materials installed in eligible dwellings (energy conservation, health & safety, general repair, standalone)
    - Payments made to contractors for installation or repair costs
    - All direct service expenses must be reported in WA
    - Report under the appropriate FSR category
    - PY15 eHeat budget categories will allow easier comparison to/alignment with WA cost centers
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# Section 6: Fiscal Policies

- Fiscal Audit
  - DOE: Can be charged to the Program category, separate budget line in eHeat
  - EAPWX and Propane: Charge to the Admin category

# Section 6: Fiscal Policies

- Allowable Occupancy Expenses
    - Expenses can be charged to Admin or Program, as applicable , generally follows Personnel breakdown
    - Expenses include: Space costs (rent, mortgage, property insurance), Utilities, Connectivity (phone, internet)
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# Section 6: Fiscal Policies

- Allowable Equipment Expenses: DOE Only
    - Defined as items with a usable life of more than one year or as identified in the manual
    - Expenses can be charged to Admin or Program, as applicable
    - Admin: Electronics used for admin functions, office equipment, office furnishings
    - Program Support: Vehicles, electronics, auditor/inspector equipment, office furnishings
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# Section 6: Fiscal Policies

- Vehicle Operations, Maintenance & Insurance
    - Allowable expenses: gas, oil, tabs, scheduled and unscheduled repairs, insurance
    - Charge proportionate share to Admin or Program depending on use
    - Charge to Direct Service for crews traveling to and from job sites
      - Transporting materials is a direct service expense only when taking to a job site. Transporting a bulk purchase from the supplier to the agency warehouse is a program support expense
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# Section 6: Fiscal Policies

- Allowable Insurance Expenses
    - Admin: WAP allocation of property insurance, liability, umbrella, etc.
    - Program: Liability insurance (WAP specific), pollution occurrence if applicable
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# Section 6: Fiscal Policies

- Additional Allowable Expenses
    - Admin
      - Office supplies, postage and printing
      - Consultants and professional services
    - Program
      - Contractor license for crew-based programs
      - EPA Lead Firm certification for crew-based programs
      - License and certifications for auditors/inspectors (training for these should be paid for with TTA)
      - Printing client education materials
      - Health & safety supplies for staff
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Questions?

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# **PY15 WAP Policy Training**

Day 2 – Session 2  
Fiscal Best Practices

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# Best Practices

- Goals
  - Share Commerce observations around fiscal best practices
    - Obligated funds, aligning cost centers in WA/eHeat, cash management
  - Service Providers share best practices
  - Commerce learn from Service Providers about their practices
  - Networking

# Best Practices

- Tracking obligated funds
    - Tracking in accounting systems
      - Programs/software used?
      - Process
    - Tracking outside of accounting system
      - Procedures/systems
      - Sharing obligated fund status between fiscal/program
    - Challenges and suggestions
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# Best Practices

- Aligning cost centers between WA and eHeat
    - Commerce monitoring observations
    - Adapting systems to new budget categories
    - WAP Providers:
      - Procedures/systems
      - Fiscal staff using WA reports?
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# Best Practices

- Cash Management
    - How often are budgets compared to expenses?
    - How are fixed vs. flexible expenses tracked
    - How is Direct Service budget figured? How communicated to prgm staff?
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# Best Practices

Other topics, challenges, questions?

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