

# Energy Assistance Program Policy Manual FFY22



PROGRAM YEAR 2022



**COMMERCE  
DEPARTMENT**

ENERGY ASSISTANCE PROGRAM



# Manual Contents

## [FFY22 Policy Manual Changes](#)

### Chapter 1: [Overview of Service Provider Responsibilities](#)

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

### Chapter 2: [Applications and Application Processing](#)

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

### Chapter 3: [Program Eligibility Requirements](#)

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

### Chapter 4: [Primary Heat](#)

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

### Chapter 5: [Crisis](#)

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

## Chapter 6: [Energy Related Repair](#)

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

## Chapter 7: [Assurance 16](#)

- 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

## Chapter 8: [Benefit Payments and Refunds](#)

- Payments to Energy Vendors
- Payments to Applicants
- Household Situation Changes after Eligibility Has Been Determined
- Ownership of Assistance
- Refunding of EAP Benefits

## Chapter 9: [Client, Contractor, and Energy Vendor Notification](#)

- Client Notification
- Contractor and Energy Vendor Notification
- Providing Private Data to Contractors and Energy Vendors

## Chapter 10: [Incidents and Appeals](#)

- Incidents
- Overpayments and Recovery of EAP Funds
- Disasters and Emergencies
- Appeals

## Chapter 11: [Data Practices and Records](#)

- Collection and Maintenance of Private Data
- Application Documentation
- Sharing EAP Private Data

## Chapter 12: [Communication, Information and Reports](#)

- Information and Reporting
- Federal Leveraging Incentive Fund
- Commerce Communication Tools
- Service Provider Communication Requirements

### Chapter 13: [Grant Contracts](#)

- Definitions
- Contract Components
- Budget, Manual and Work Plans
- Procedure for Completing Grant Contract
- Changing Program Providers

### Chapter 14: [Program Fiscal Management](#)

- 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

### Chapter 15: [Monitoring and Technical Assistance](#)

- Program Performance Auditors
- Compliance Monitoring
- Technical Assistance

### Chapter 16: [Energy Vendors](#)

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

### Chapter 17: [Mechanical Contractors](#)

- Requirements for ERR Service
- Registration, Agreement, and Contractor Requirements
- Mechanical Equipment and Work Standards
- Required Documentation
- Payments
- eHEAT
- Additional Requirements

### Chapter 18: [Water Vendors](#)

- Payment Requirements
- LIHWAP Benefits
- Agreement, Internal Controls, Registration & Participation Requirements
- Water Vendor Monitoring & Reporting Requirements
- Legal Requirements

# 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: <https://mn.gov/admin/>

Minnesota Department of Commerce, Consumer Assistance:  
<http://mn.gov/commerce/consumers/consumer-assistance/>

Minnesota Department of Human Services: <http://mn.gov/dhs/>

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://salvationarmynorth.org/programs-that-help/basic-needs/heatshare/>

# Federal Website Links

LIHEAP Clearinghouse: <https://liheapch.acf.hhs.gov/>

U.S. Department of Energy: <http://www.energy.gov/>

U.S. Department of Health & Human Services: <http://www.hhs.gov/>

# Policy Manual Changes

	Chapter or Appendix	Page	Change
	<a href="#">Introduction</a>		
<b>Chapter 1</b>	<a href="#">Overview of Service Provider Responsibilities</a>		
Appendix 1A	<a href="#">Language Line</a>		
Appendix 1B	<a href="#">Statewide Info &amp; Referral Service</a>		
<b>Chapter 2</b>	<a href="#">Applications and Application Processing</a>	3	Detailed information in the <b>Accessibility</b> section about assisting clients who are deaf, deafblind, or hard of hearing or who have speech disabilities was moved to a new tool, <i>Accessibility for People with Hearing and Speech Disabilities</i> , which is on the EAP Toolkit. The tool also includes additional resources and guidance from the Minnesota DHS Deaf and Hard of Hearing Services Division.
		11	New <b>Application Submission and Signature Alternatives</b> section.
		16	Clarified in the <b>Applications from Service Provider Employees</b> section

	Chapter or Appendix	Page	Change
			<p>that employee applications must be in the “Benefit Determined” status before Service Providers submit the application for Commerce review. This information was also added:</p> <p>Commerce will notify the Service Provider when an employee application is approved. Service Providers may check the application status history to confirm Commerce approval. After Commerce approves the application, the Service Provider may make payments payable.</p>
		19	The Safe at Home program has a new participation card.
Appendix 2A	<a href="#"><u>Instructions for SAH Participants Completing EAP Application</u></a>		
Appendix 2B	<a href="#"><u>Address Standards</u></a>		
<b>Chapter 3</b>	<a href="#"><u>Program Eligibility Requirements</u></a>	11	The <b>Dwellings Eligible for Primary Heat</b> section is new and includes tables of eligible, ineligible, and potentially eligible dwelling types.
		12	Change in the <b>Northstar Care for Children &amp; Foster Care</b> section: Minnesota Department of Human Services had changed how they count the income of children in Northstar Care. To accommodate this change, RSDI, Veteran’s Benefits, Railroad Retirement Benefits, and Black Lung Benefits received by children served by Northstar Care for Children are <b>now counted</b> by EAP as income. Do <b>not</b>

	Chapter or Appendix	Page	Change
			count Northstar Care for Children or foster care income.
		13	Changes in the <b>Tribal Per Cap Payments</b> section clarify that some payments are not counted.
		16, 21, 22	<p>Changes to the <b>Income Inclusions and Exclusions</b> table:</p> <ul style="list-style-type: none"> <li>▪ New income type <b>COVID-19 related aid</b> is not counted as EAP income.</li> <li>▪ Changes in the <b>Tribal Judgement Funds above \$2,000</b> income type clarify that some Tribal Judgement Funds are distributed as per capita payments.</li> <li>▪ Under the <b>Unemployment Insurance</b> income type it is noted that UI benefits extended due to COVID-19 are also counted as EAP income.</li> </ul>
Appendix 3A	<a href="#"><u>Income Inclusions and Exclusions</u></a>		
Appendix 3B	<a href="#"><u>Self-Employment Income (1040 – Schedule 1) Worksheet</u></a>		
Appendix 3C	<a href="#"><u>Self-Employment Income Cash Accounting Worksheet</u></a>		
Appendix 3D	<a href="#"><u>Verification of Income and Expenses Form</u></a>		

	Chapter or Appendix	Page	Change
	<a href="#"><u>Forma de Ingresos y Gastos</u></a>		
Appendix 3E	<a href="#"><u>Social Security Calculation Worksheet</u></a>		
Appendix 3F	<a href="#"><u>SSN Exceptions &amp; Alternatives</u></a>		
Appendix 3G	<a href="#"><u>Online Income Verification</u></a>		The date range when requesting online Unemployment Insurance documentation is the prior 12 months.
Appendix 3H	<a href="#"><u>Documentation to Determine Eligible Non-Citizen Status</u></a>		
<b>Chapter 4</b>	<b><a href="#"><u>Primary Heat</u></a></b>		This chapter is updated to reflect use of total energy costs in benefit calculations, rather than heating costs alone.
		6	New <b>Does the household subscribe to a solar garden?</b> section.
Appendix 4A	<a href="#"><u>Cost-Based Matrix</u></a>		
Appendix 4B	<a href="#"><u>Backup Matrix</u></a>		
Appendix 4C	<a href="#"><u>Biofuel Worksheet</u></a>		
<b>Chapter 5</b>	<b><a href="#"><u>Crisis</u></a></b>	2	“Past Due Energy Payment” and “Less than 10 Days Pre-pay Energy” are added to the list of Crisis reasons.

	Chapter or Appendix	Page	Change
		4	<p>Amount of Crisis Benefit section changes:</p> <ul style="list-style-type: none"> <li>▪ The maximum Crisis benefit amount is \$1,200.</li> <li>▪ The Crisis benefit amount for households on pre-pay programs is \$300.</li> </ul>
		10	<p>The <b>Crisis Triage Timelines</b> table now includes the Crisis request types:</p> <ul style="list-style-type: none"> <li>▪ Water currently shut off.</li> <li>▪ Less than 10 days biofuel or pre-pay energy (not shut off).</li> <li>▪ Past due energy or water bill.</li> </ul>
		16, 17	<p>The <b>Processing Events by Crisis Reason</b> section now includes the “Past Due Energy Payment” and “Less than 10 Days Pre-pay Energy” Crisis reasons.</p>
Appendix 5A	<a href="#"><u>Crisis Eligibility Decision Chart</u></a>		
<b>Chapter 6</b>	<a href="#"><u>Energy Related Repair</u></a>	8	<p>Addition to the <b>Elective Fuel Type Changes</b> section, regarding the percentage by which a new fuel type system may exceed the cost of replacement with the same fuel type system:</p> <p>If a household is switching from oil, wood, or biofuel to propane or natural gas, the difference can be as high as 20% without Commerce approval. Commerce must approve in advance any cost difference larger than 20%.</p>

	Chapter or Appendix	Page	Change
		10	<p>The <b>Targeted Vendors</b> section includes links to two new targeted vendor lists:</p> <ul style="list-style-type: none"> <li>▪ Metropolitan Council’s Targeted Vendor List: Minnesota Unified Certification Program.</li> <li>▪ Small Business Certification Program through Hennepin County, Ramsey County, and City of St. Paul: Central Certification Program.</li> </ul>
		11, 12	<p>The threshold for two competitive bids is increased to \$2,000 (from \$1,100). The threshold for home ownership documentation and a completed <i>Completion Certificate</i> remains at \$1,100.</p>
		11	<p>Addition to the Procurement by Competitive Bids section:</p> <p>For ERR jobs \$10,000 and over, the Service Provider must solicit three (3) bids and must receive back at least two (2) bids unless it’s a sole source or an emergency that prohibits waiting for additional bids. Only one (1) bid is required if the job is awarded to a targeted vendor.</p>
		16	<p><b>ERR Rebates</b> section changes clarify the ERR rebate accounting process as ERR payments are now centralized in eHEAT. The additions include instructions to send the rebate to Commerce and guidance on how mechanical contractors must handle rebates.</p>

	Chapter or Appendix	Page	Change
Appendix 6A	<a href="#">ERR Forms:</a> Troubleshooting, Completion Certificate, Furnace Replacement Inspection, Download Template		
Appendix 6B	<a href="#">Affidavit Declaring Home Ownership</a>		
<b>Chapter 7</b>	<b><a href="#">Assurance 16</a></b>		
Appendix 7A	<a href="#">Proactive Energy Self- Sufficiency Plan (A16)</a>		
Appendix 7B	<a href="#">Proactive Energy Self- Sufficiency Report (A16)</a>		
Appendix 7C	<a href="#">Responsive Energy Self- Sufficiency and Outreach Report (A16)</a>		
<b>Chapter 8</b>	<b><a href="#">Benefit Payments and Refunds</a></b>	2	The <b>Primary Heat Payments to Energy Vendors</b> section is updated to reflect that Primary Heat payments are now automatically split between main heating and electric vendors and no longer scheduled by default for connected utilities.
		5	The <b>Household Situation Changes after Application is Approved</b> section is updated to reflect eHEAT Next Generation functionality.
		11	The standard <i>Affidavit of Failure to Receive Minnesota Management &amp;</i>

	Chapter or Appendix	Page	Change
			<i>Budget Warrant</i> previously provided is no longer used by MMB. If an EAP direct payee does not receive their warrant due to a new address or an address that is unacceptable to the U.S. Post Office, request an affidavit from MMB at <a href="mailto:syscomp.MMB@state.mn.us">syscomp.MMB@state.mn.us</a> .
Appendix 8A	<a href="#"><u>Mail Return Service Requested</u></a>		
Appendix 8B	<a href="#"><u>Address Change/Refund Letter Examples</u></a>		
Appendix 8C	Affidavit of Failure to Receive Minnesota Management & Budget Warrant		This form is no longer used by MMB. If needed, request an affidavit at <a href="mailto:syscomp.MMB@state.mn.us">syscomp.MMB@state.mn.us</a> .
Appendix 8C	<a href="#"><u>Energy Vendor Refunds in eHEAT</u></a>		
Appendix 8D	<a href="#"><u>Handling Payments and Refunds in eHEAT When a Household Moves</u></a>		This appendix was updated for eHEAT Next Generation.
<b>Chapter 9</b>	<a href="#"><u>Client, Contractor, and Energy Vendor Notification</u></a>		
Appendix 9A	<a href="#"><u>eHEAT Letters Examples</u></a>		
<b>Chapter 10</b>	<a href="#"><u>Incidents and Appeals</u></a>	3	New information in the <b>Investigation of Suspected Fraud</b> section explains that Service Providers must use Appendix 10C – <i>Suspected Fraud Referral Cover Letter</i> to ask their local authorities to

	Chapter or Appendix	Page	Change
			investigate cases of suspected fraud for EAP benefits.
		11	The Service Provider and Commerce State Office timelines in the <b>Appeals Timelines</b> section were changed from 14 business days to 20 calendar days.
Appendix 10A	<a href="#"><u>Incident Report Form</u></a>		
Appendix 10B	<a href="#"><u>Local Level Formal Appeals –Required Tracking Sheet</u></a>		
Appendix 10C	Suspected Fraud Referral Cover Letter		This is a new Appendix.
<b>Chapter 11</b>	<a href="#"><u>Data Practices and Records</u></a>	7	In the <b>Providing Information Allowed by the Privacy Notice</b> section, removed “persons so authorized pursuant to subpoena” from the list of those allowed access to private EAP data.
Appendix 11A	<a href="#"><u>Informed Consent for Release of Data Form</u></a>		
Appendix 11B	<a href="#"><u>Debtor’s Exemption Claim Notice Example</u></a>		
Appendix 11C	<a href="#"><u>eHEAT Administrator Security Agreement</u></a>		
Appendix 11D	<a href="#"><u>eHEAT User Security Agreement</u></a>		
Appendix 11E	<a href="#"><u>Template for Garnishment Response Letter</u></a>		

	Chapter or Appendix	Page	Change
<b>Chapter 12</b>	<b><u><a href="#">Communication, Information and Reports</a></u></b>		
Appendix 12A	EAP Financial Status Report		This form is found in eHEAT.
Appendix 12B	<u><a href="#">Expenditure Detail Report</a></u>		
Appendix 12C	<u><a href="#">Leveraging Tracking Form</a></u>		
Appendix 12D	SP & Community Partner Leveraging Survey Form		
Appendix 12E	Delivered Fuel Vendor Leveraging Survey Form		
Appendix 12F	Connected Utility Leveraging Survey Form		
<b>Chapter 13</b>	<b><u><a href="#">Grant Contracts</a></u></b>		
Appendix 13A	EAP Contract FFY22		
Appendix 13B	Certifications regarding Lobbying; Debarment; Suspension & Other		
Appendix 13C	FFY22 EAP Local Plan Form		
<b>Chapter 14</b>	<b><u><a href="#">Program Fiscal Management</a></u></b>	6	A new section, <b>Restriction on Use of Other Federal Funds for EAP Administrative Costs</b> , explains that the LIHEAP statute requires that no more than 10% of the LIHEAP award be

	Chapter or Appendix	Page	Change
			earmarked for administrative costs, inclusive of funds from other federal programs.
		16	<p>Addition to the <b>Required Audit Contents</b> section:</p> <ul style="list-style-type: none"> <li>▪ Evaluation of adherence with the <b>Restriction on Use of Other Federal Funds for EAP Administrative Costs</b> section of this chapter.</li> </ul>
		17	<p>New <b>Contracting and Bidding Requirements</b> section details requirements for non-ERR contracting and bidding. Includes Targeted Vendors, Conflict of Interest, Documentation of the Purchasing and/or Bidding Process, and Prevailing Wage subsections.</p>
Appendix 14A	<a href="#"><u>Request for Additional ERR Funds</u></a>		
Appendix 14B	<a href="#"><u>Audit Report Schedule</u></a>		
Appendix 14C	<a href="#"><u>Service Provider Purchase/Disposition Request</u></a>		
Appendix 14D	<a href="#"><u>Service Provider Out of State Travel Request</u></a>		
<b>Chapter 15</b>	<a href="#"><b><u>Monitoring and Technical Assistance</u></b></a>		

	Chapter or Appendix	Page	Change
Appendix 15A	<a href="#"><u>Service Provider EAP Program Audit Disclosure Letter</u></a>		
<b>Chapter 16</b>	<a href="#"><u>Energy Vendors</u></a>	10	<p>The <b>Crisis Eligibility Requirements</b> section includes two new household situations eligible for a Crisis benefit. Households may be eligible if they:</p> <ul style="list-style-type: none"> <li>▪ Have a past due energy payment.</li> <li>▪ Have less than 10 days pre-pay energy.</li> </ul>
		10	<p>Changes to the <b>Amount of Crisis Benefit</b> section:</p> <ul style="list-style-type: none"> <li>▪ The maximum Crisis benefit amount is \$1,200</li> <li>▪ The Crisis benefit amount for households on pre-pay (or PayGo) programs is \$300.</li> </ul>
Appendix 16A	<a href="#"><u>Agreement Between Energy Vendor and Service Provider</u></a>		
Appendix 16B	<a href="#"><u>Energy Vendor Monitoring Report Cover Letter</u></a>		
Appendix 16C	<a href="#"><u>Energy Vendor Monitoring Report</u></a>		
Appendix 16D	<a href="#"><u>Energy Vendor Monitoring SP Review Tool</u></a>		

	Chapter or Appendix	Page	Change
Appendix 16E	<a href="#"><u>Crisis Fuel Post Delivery Verification</u></a>		
Appendix 16F	<a href="#"><u>Energy Vendor Price List</u></a>		
Appendix 16G	<a href="#"><u>Energy Vendor Registration for EAP Payments</u></a>		
<b>Chapter 17</b>	<b><a href="#"><u>Mechanical Contractors</u></a></b>	5	Commerce requires a bid for repairs or replacements over \$2,000 (up from \$1,100). The threshold for home ownership documentation and a completed <i>Completion Certificate</i> remains at \$1,100.
Appendix 17A	<a href="#"><u>Agreement Between Mechanical Contractor and Service Provider</u></a>		
Appendix 17B	<a href="#"><u>Mechanical Contractor Registration for Energy Assistance Program (EAP) Payments</u></a>		
<b>Chapter 18</b>	<b><a href="#"><u>Water Vendors</u></a></b>		This new chapter details the temporary Low Income Home Water Assistance Program (LIHWAP, or Water Assistance), which is provided by EAP in Minnesota.
Appendix 18A	<a href="#"><u>Agreement Between Water Vendor and Service Provider</u></a>		

	Chapter or Appendix	Page	Change
Appendix 18B	<a href="#">Vendor Registration for Water Assistance Program Payments</a>		

# Introduction

## Purpose of this Manual

The *EAP Policy Manual* is part of the contract to deliver the Energy Assistance Program (EAP) (see [Chapter 13 - Grant Contracts](#)). Service Providers 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 policy and procedure updates. Service Providers must 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.

# 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 1 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.

## Code of Conduct

As grantees performing business on Commerce's behalf, Service Providers must comply with state's Code of Ethics for Employees in the Executive Branch found in Minn. Stat. § [43A.38](#). The policy is designed to help employees avoid conduct or behavior that is, or gives the appearance of:

- A conflict of interest with staff members' EAP employment
- Using a position for private or personal gain
- Showing favoritism to any organization or person
- Interfering with objectivity
- Diminishing or betraying the public's confidence in Commerce's integrity or that of a Service Provider staff member

## 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](mailto: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 12 - Communication, Information and Reports](#) for details.

## Service Provider EAP Organizational Competence

Service Providers should ensure:

- 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.
- Ensuring the implementation, coordination and monitoring of the intake process and other direct service activities.
- Ensuring Commerce report requirements are met.
- Getting approval for EAP paid out-of-state travel from Commerce.
- Ensuring EAP and other appropriate Service Provider staff know EAP policies and procedures and receive program updates.

### **Information and Communication**

- Ensuring responsive and timely communications with Commerce.
- Ensuring formal and informal notifications of changes to Commerce.
- Ensuring participants in the program provide informed consent when necessary.
- Ensure timely response to household inquiries.
- Ensuring 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 backup personnel for time-sensitive activities.
- Training staff on appropriate referrals to community resources.

### **Fiscal**

- Ensuring timely distribution of Primary Heat, Crisis, and Energy Related Repairs funds as necessary, including case management notes and forms.
- Ensuring timely and accurately reporting, working with fiscal staff as necessary.
- Ensuring 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.
- Ensuring staff are trained to enter program information correctly.

## **Outreach**

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

# **Risk Assessment**

Service Provider management should identify 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.

## **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.

# 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 10 - Incidents and Appeals](#)). The goal is ensuring the Service Provider's ability to maintain financial strength, a positive public image, and the overall quality of its products and government services.

# Control Activities

Service Provider should design and implement internal control in processing applications, determining eligibility and delivering benefits. These procedures ensure 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 ensure 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 ensure 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 ensure 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 ensure 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 7 – 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.
- Response to emergencies within the required Crisis timelines.

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 ensure 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 June 1.

## Data Privacy

Minn. Stat. § 216C.266 provides that data on individuals collected, maintained, or created because an individual applies for energy assistance are private data for the purposes of the Minnesota Government Data Practices Act (MGDPA), Minn. Stat. § 13. 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

EAP records must be maintained for at least six years after the program year has ended, per [Minn. Stat. § 16C.05, subd. 5](#). Service Provider's retention policies should not exceed six years after the program year has ended to protect the data privacy of applicants. Should Commerce or HHS require a Service Provider keep records for a longer period of time, written notice will be sent to the Service Provider stating the time period.

# 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 11 - 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 ensure information regarding local services is correct (see [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 [Monitoring Report Cover Letter](#) and [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 [Energy Vendor Monitoring Report SP Review Tool](#) to assess compliance and analyze records. See [Chapter 16 – Energy Vendors](#) for more information and monitoring tools.

## Performance Measures and Quality Assurance

Service Providers should have systems in place to ensure:

- 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

1A - [Language Line](#)

1B - [Statewide Information and Referral Services](#)

# Applications & Application Processing

Any Minnesota resident may apply for EAP beginning October 1. 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 October 1.

The application must be postmarked or received within 60 days of the date signed. Requests for applications may be logged as telephone or incomplete applications. As the application deadline approaches, this practice can give households extra time to complete their applications..

Households applying after the application deadline may still receive Responsive Energy Self-Sufficiency services, as defined in [Chapter 7 – Assurance 16](#). Although their applications must be denied because the program has ended, phone calls from these households after the application deadline 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

# 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:

- Ensuring 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 ensure 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 to be 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 [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 applicants who are deaf, deafblind or hard of hearing or who have a speech disability to apply for EAP. If the Service Provider has TTY capability, publicize this number while publicizing EAP. Staff should be trained to operate the equipment. More information about assisting these applicants is available on the [Accessibility for People with Hearing and Speech Disabilities](#) tool on the Commerce website.

**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 payments. 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 [Minn. Stat. § 13.04, subd. 2](#). This information must be included with each application, including telephone applications. To ensure 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 are protected by the MGDPA. Requirements for release of these data are described in this Act.

The MGDPA 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 can be printed out in English language, Spanish language and Large Print formats. Following are links to the available EAP Application formats:

- English language: <https://mn.gov/commerce-stat/pdfs/application-english.pdf>
- Spanish language: <https://mn.gov/commerce-stat/pdfs/application-spanish.pdf>
- Large Print: <https://mn.gov/commerce-stat/pdfs/application-large-print.pdf>

EAP applications, a list of Service Providers by county and other information can be accessed at <http://mn.gov/commerce/consumers/consumer-assistance/energy-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 you need to transfer the application before the benefit is approved, log it and go to #5.
3. If you need to transfer the application 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 transfer details in the 'Application Notes' field.
  - Use Transfer Application found on the **Manage Application** dropdown list.
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. 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 ensure 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 determine eligibility for EAP. The application form also includes the client's signature.

## How to handle some of the application questions:

Voter registration	This is not recorded in eHEAT. 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 backup matrix.
If your furnace/heating system is currently NOT working, check this box:	Service Providers are not required to respond to a household checking the box on this question unless the household contacts the Service Provider. Service Providers may decide to use the response to conduct outreach.
[local questions]	These are not recorded in eHEAT. 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

## Application Submission and Signature Alternatives

Applicants can submit an EAP application to their local Service Provider in several ways, including:

- In person, at the EAP office or in an EAP drop box.
- By U.S. mail.
- By email.
- By fax.

Allowable application signatures include:

- **Handwritten signature on a mailed or delivered paper application.**
- **Handwritten signature on faxed or scanned documents.** For example, an EAP household may take a picture of their completed, signed and dated paper application and email it to the Service Provider. The pictures must be legible.
- **A picture of the text and handwritten signature below**, electronically submitted along with a completed fillable PDF application.  
*I, [printed name] intend for my signature below to be used only in conjunction with the attached ENERGY PROGRAMS APPLICATION. By signing below, I agree to all elements of the attached application.*  
[Signature]  
[Date]
- **Signatures using third-party signature technology**, such as DocuSign, Eversign, Adobe Sign, AssureSign, or similar.
- **An image of a signature that is placed on a document** by digitally copying and pasting the signature onto the document.

The email address that sends an electronic or scanned application or handwritten text detailed above must match the email address provided on the application. If the application does not include an email address, accept the application but do not add that email to the household's eHEAT information. Service Providers must keep the email, including the attachments, in the same manner they currently maintain applications.

The following are not allowed:

- A name typed at the end of an email message by the sender.
- A signature created by using a script or calligraphy font for the typed name of the person "signing."
- A typed name that appears following /s/.

## 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 [Address Standards](#). If a standard is not listed in Appendix 5G, 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 11 - Data Practices and Records](#)). The signer must be named on the application and be one of the following:

- An adult (18 years of age or older).
- An emancipated minor, who can be any member of the household. An emancipated minor is (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.
- The head of household under the age of 18, if no one in the household is 18 or older or an emancipated minor.
- A non-household member signing the application must be a court appointed guardian or conservator or have a power of attorney (POA) to act on behalf of a household member and must submit supporting documentation with the EAP application. (See the **Court-appointed Guardian or Conservator** and **Power of Attorney** section below.)

The signer is not required to be the Primary Applicant. (See the **Ineligible Non-Citizens** section of [Chapter 3 – Program Eligibility Requirements](#)). 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.

## Court-appointed Guardian or Conservator

A court-appointed guardian or conservator may have rights and powers to sign the EAP application and other documents on behalf of an individual. A guardian or conservator is appointed by the court when an individual is incapable of exercising their own rights and powers. The court appointment of a guardian or conservator:

- Allows people to receive services they otherwise would be unable to access.
- Fulfills data privacy and security requirements.

The court order appointing a guardian or conservator must be dated and signed by a judge. A copy of a court’s “letter of guardianship” or a “letter of conservatorship” or a copy of the court order must be provided to the Service Provider. The letter from the court or court order allows rights, powers and duties for a variety of purposes. One of the following powers and duties must be indicated or selected for the form to apply to EAP:

- Exercise all of the rights and powers for the household member.
- Apply on behalf of the individual for any assistance, services, or benefits available to the Ward through any unit of government.

Service Providers should consult with their legal counsel or with Commerce via [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us) with any questions. Examples of court forms for establishing guardianship/conservatorship are found on the Minnesota Judicial Branch website at <http://www.mncourts.gov/forms>.

## Power of Attorney

The purpose of a power of attorney (POA) is to appoint someone (the “attorney in fact”) to make decisions, sign documents and carry out important acts for the person granting that power (the “principal”) when the principal is unable to do so themselves.

The POA must be dated and signed by the principal in front of a notary public. A photocopy of the notarized original is acceptable for EAP. Service Providers will most commonly see POA forms conforming to the statutory short form detailed in Minn. Stat. § 523, however a POA in another format (common law POA) may also be valid. A copy of the statutory short form POA is found on the Minnesota Attorney General’s website at <https://www.revisor.leg.state.mn.us/statutes/?id=523.23>

The POA allows power to be granted to the attorney in fact for a variety of purposes. One of the following powers on the statutory short form POA must be checked (or x-ed) for the form to apply to EAP:

- (K) family maintenance, or
- (N) all of the powers listed in (A) through (M) above, etc.

Service Providers should consult with their legal counsel or with Commerce via [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us) with any questions.

## 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. Energy bills are not required to process an application. Use the household's energy account information in eHEAT if they are at the same address. You may ask the household for account information, but do not deny them for not sending a copy of their bill(s). Instead, verify account details with the energy vendor via portal, phone call, etc.

### **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

1. Contact household and ask why the account is not in a household members' name.
2. Ask the household to get a household name on account. If there are barriers, assist the household to remove these barriers.
3. 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).
4. If a match of the account address and the household address cannot be verified, deny the household for insufficient information.
5. 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 for "Insufficient Information" 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.

### **Household Membership Changes Pre-Eligibility Determination**

If household membership changes before eligibility is determined, the household may provide all member and income information based on the original application. If the household is unable to provide that information, they need to withdraw the application and reapply with information for their household's current membership.

### **Handling "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.

While working with the household, before eligibility is determined, if the household is found to be over income for their original eligibility period and the household wishes to resubmit for a later eligibility period, it is not necessary for the Service Provider to deny and reactivate the application in eHEAT unless that is the Service Provider's preferred method. A new signed and dated signature page and notes on the situation are sufficient documentation.

### **Applications Received 60 days after the Signature Date**

Applications must be postmarked or received within 60 days of signing, or the application is void and will be denied. The household may reapply but a new signed and dated application and income verification is required. All applications must be postmarked or received by EAP on or before the application deadline.

## **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 “**Board member or employee?**” box on the Application Information accordion in eHEAT **MUST** be checked.
2. Make the application complete
3. Click the “Determine Eligibility” button.
4. Once the employee application is in the “Benefit Determined” status, Service Providers must submit the application for Commerce review and authorization.

Copies of eligible and ineligible employee applications (recertification application, pre-printed, and regular applications), and supporting documents may be sent by **secure email to [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us)**.

Commerce approves the employee’s eligibility within fourteen working days of receiving the application and all required documentation. Commerce will notify the Service Provider when an employee application is approved. Service Providers may check the application status history to confirm Commerce approval. After Commerce approves the application, the Service Provider may make payments payable. Commerce documents all employee applications submitted but does not keep a copy. All application activity begins and ends at the local Service Provider. Timelines must follow Commerce EAP guidelines.

## Employee Applications with an Energy Emergency

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

- Call Nicole Westling 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 Office of the Minnesota Secretary of State. Effective September 1, 2007, SAH helps survivors of domestic violence, sexual assault, stalking, or others who fear for their safety by assigning a substitute address that must be accepted and used by all private and public entities in lieu of a program participant's real address. The use of the substitute address (a P.O. Box) allows program participants to go about their lives, interacting with others without disclosing where they live so the person they fear cannot locate them. Their correspondence goes to their assigned P.O. Box address and is forwarded to their real physical address by the SAH office. By law, SAH participants cannot be required to disclose their physical address to any 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 [Minn. Stat. § 5B](#), and [Minn. Rules § 8290](#).

Intentions:

- Maintain the confidentiality of SAH participants who apply for EAP.
- Ensure 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 # XXXX

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 ([Minn. Stat., § 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 Entity* 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 Entity*, there are strict legal prohibitions about what data the Service Provider can share about the SAH participant and under what circumstances because all data about the participant becomes private data. If a *Notice* has been submitted, it is illegal to share data about the participant without signed 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 signed consent from the adult SAH participant. 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 Entity* it should contact the Safe at Home office at 1-866-723-3035 for guidance ([Minn. Stat. § 13.045, subd. 3](#)).

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 # or name and date of birth.



## Guidance for EAP Service Providers

### Application Information

SAH participants use the regular EAP application, but do not supply their home address.

SAH participants may have receive a roll-over application and apply; in that case, the Service Provider should “retrofit” the record. SAH participants should be provided with [Instructions for SAH Participants Completing EAP Application](#), to guide the SAH participant in completing the EAP application.

### Safe-at-Home Address Information in eHEAT

The SAH household's real home address should not be provided, thus is not entered into eHEAT. The mailing address for SAH participants is Lot #XXXX, P.O. Box 17370, St. Paul MN 55117-0370. 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\*

When the application asks for personal information:	
Social Security Number	Applicant should not provide a Social Security Number (for themselves or any household members).
Name	Applicant uses their real name on the application.
Home Address	Under "Home Address" applicant should list their Safe at Home Lot Number. Applicant should not fill in their actual home address.
Mailing Address	Applicant should use their assigned Safe at Home address on the application (Lot #, P.O. Box 17370, St. Paul MN 55117-0370) Applicant should not fill in their actual home address.
When the application asks for income information:	
Proof of Income	Applicant should remove or black out their workplace address, Social Security Number and actual home address from any copies of proof of income sent to meet this requirement.
When the application asks for utility information:	
Copy of heating bill, electric bill or fuel receipt	Applicant should remove or black out actual home address from any copies of their heating or electric bills sent to meet this requirement.
When the application asks for landlord information:	
Landlord	Applicant should provide their landlord's name, address and telephone number. If their landlord is not a Safe at Home participant, the applicant cannot use a Safe at Home address for their landlord. There is no assumption that the applicant lives at the same location as their landlord.

\*If a Service Provider accidentally receives sensitive SAH EAP participant information (e.g., SSN, real home address), the Service Provider must immediately remove that information and

destroy it. For example, if the SAH participant submits a utility bill showing their actual home address, the Service Provider must remove the address and destroy it.

## **Furnace Repair / Replacement**

If a SAH participant chooses to get help with furnace repair or replacement, Service Providers must keep the SAH participant name and home address separate. For example, if a work ticket must 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 Entity, the Service Provider must get signed 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 Entity, the Service Provider must get signed consent from the SAH participant before transferring the application to another Service Provider.

## **Paper SAH Participant Files**

Service Providers are advised to keep SAH files locked up, with access limited to the EAP Coordinator. This is particularly important in cases where a SAH participant had 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**

2A - [Instructions for SAH Participants Completing EAP Application](#)

2B - [Address Standards](#)



# Program Eligibility Requirements

## Chapter Contents

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

## 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. The application deadline is typically May 31, but is sometimes extended beyond that date. Households must apply by the application deadline 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) to ensure 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."

SSNs are required for all applicants unless they are:

- Applying as an eligible non-citizen, e.g., a permanent resident, asylee, refugee, etc.
- Children under one year old
- Foster care/Northstar care participants with unknown SSNs
- Non-custodial children whose parent/guardian cannot access their SSN

- Religious objectors without an SSN
- Safe at Home program participants
- SSN applicants

The individuals listed above may apply without an SSN. Eligible non-citizens must provide documentation of their immigration status. The eligible non-citizen status and associated valid documentation types are outlined in the **Documentation to Determine Eligible Non-Citizen Status** section below. Applications from households with a mix of eligible (i.e., citizens or eligible non-citizens) and non-eligible members may be processed, but Service Providers must follow the procedures outlined in the **Ineligible Non-Citizens** section below.

The **SSN Exceptions and Alternatives** section below details acceptable documentation and entry of document numbers into eHEAT for individuals applying without an SSN.

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 2 – Applications & Application Processing](#).

## 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 this 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
000	00	0000
666		
900 to 999		

## **Documentation to Determine Eligible Non-Citizen Status**

Below are US-issued documents acceptable for proving eligible non-citizen status for EAP:

### **Alien Lawfully Admitted for Permanent Residence:**

- USCIS Form I-551 (Alien Registration Receipt Card, commonly known as a “green card”)
- Unexpired Temporary I-551 stamp in foreign passport or on USCIS Form I-94

### **Asylee:**

- USCIS Form I-94 annotated with stamp showing admission under §208 of the INA
- USCIS Form I-766 (Employment Authorization Document) annotated “A5”
- Grant letter from the asylum office of USCIS
- Order of an immigration judge granting asylum

### **Refugee:**

- USCIS Form I-94 annotated with stamp showing admission under §207 of the INA
- USCIS Form I-766 (Employment Authorization Document) annotated “A3”

### **Alien Paroled Into the U.S. for at Least One Year:**

- USCIS Form I-94 with stamp showing admission for at least one year under §212(d) (5) of the INA

### **Alien Whose Deportation or Removal Was Withheld:**

- USCIS Form I-766 (Employment Authorization Document) annotated “A10”
- Order from an immigration judge showing deportation withheld under §241 (b) (3) of the INA

### **Alien Granted Conditional Entry:**

- USCIS Form I-94 with stamp showing admission under §203 (a) (7) of the INA
- USCIS Form I-766 (Employment Authorization Document) annotated “A3”

### **Cuban/Haitian Entrant:**

- USCIS Form I-551 (Alien Registration Receipt Card, commonly known as a “green card”) with the code CU6, CU7, or CH6
- Unexpired temporary I-551 stamp in foreign passport or on USCIS Form I-94 with code CU6 or CU7
- USCIS Form I-94 with stamp showing parole as “Cuba/Haitian Entrant” under §212(d) (5) of the INA

## Alien Who Has Been Battered or Subjected to Extreme Cruelty:

- USCIS petition and appropriate supporting documentation

## SSN Exceptions and Alternatives

Some EAP-eligible individuals are exempt from providing an SSN. The sections below detail acceptable documentation and eHEAT entry for SSN exceptions and alternatives. These tables, along with images of both acceptable and unacceptable documents types, are listed on [SSN Exceptions and Alternatives](#) (Appendix 6F).

### SSN Exceptions

Why no SSN	eHEAT entry	Description and documentation needed for household file.
<b>Child under age 1</b>	Found under 'None' on the ID Type dropdown	Exempt from providing an SSN. <ul style="list-style-type: none"> <li>▪ eHEAT requires supervisor certification.</li> </ul>
<b>Child, non-custodial</b>	Found under 'None' on the ID Type dropdown	For situations where the parent is unable to access their non-custodial child's SSN. <ul style="list-style-type: none"> <li>▪ Make notes in eHEAT regarding the situation.</li> <li>▪ eHEAT requires supervisor certification.</li> </ul>
<b>Foster Care/ Northstar Care</b>	Found under 'None' on the ID Type dropdown	Includes non-profit and private organization-funded foster care and Northstar Care (Foster Care, Kinship Assistance, & Adoption Assistance). For situations where caregivers do not have access to foster care participants' SSN. <ul style="list-style-type: none"> <li>▪ Household must provide a copy of their county-, tribe-, or other organization-issued documentation of foster care or Northstar Care participation.</li> <li>▪ eHEAT requires supervisor certification.</li> </ul>
<b>Religious objector</b>	Found under 'None' on the ID Type dropdown	Exempt from providing an SSN. <ul style="list-style-type: none"> <li>▪ Household must provide the IRS-4029 document marked "approved." The IRS-4029 form is found here: <a href="https://www.irs.gov/forms-pubs/about-form-4029">https://www.irs.gov/forms-pubs/about-form-4029</a></li> <li>▪ eHEAT requires supervisor certification.</li> </ul>
<b>Safe at Home</b>	Use alternative eHEAT entry method	Minnesota's Safe at Home (SAH) program participants are exempt from providing an SSN. See the SAH section of <a href="#">Chapter 2 – Applications &amp; Application Processing</a>

<b>SSN applicant</b>	Found under 'None' on the ID Type dropdown	Service Providers identifying SSN-eligible household members without an SSN should help them apply for an SSN: <a href="https://www.ssa.gov/forms/ss-5.pdf">https://www.ssa.gov/forms/ss-5.pdf</a> <ul style="list-style-type: none"> <li>Household must provide a copy of their completed SSN application or application receipt letter from the SSA.</li> <li>This exemption is valid only for one program year.</li> <li>eHEAT requires supervisor certification.</li> </ul>
<b>SSN refusal</b>	Found under 'None' on the ID Type dropdown	For ineligible non-citizen household members or a household member who refuses to provide their SSN to EAP.  When this option is selected: <ul style="list-style-type: none"> <li>eHEAT does not expect SSN or ID entry for this member.</li> <li>The member's income <b>can</b> be entered.</li> <li>eHEAT does <b>not</b> count the member in the household count.</li> <li>eHEAT requires supervisor certification.</li> </ul> <p>Make notes in eHEAT.</p>

## SSN Alternatives

Eligible non-citizens and some WAP-only households will not have an SSN entered into eHEAT. This table details acceptable documentation and what to enter into eHEAT:

<b>Document</b>	<b>eHEAT entry</b>	<b>Description and documentation needed for household file.</b>
<b>I-551</b>	On ID Type dropdown  8 or 9 digits	Permanent Resident or "green card". <ul style="list-style-type: none"> <li>Can be a Permanent Residence card, or an unexpired temporary I-551 stamp in foreign passport or on USCIS Form I-94. <a href="https://www.uscis.gov/i-9-central/acceptable-documents/list-documents/form-i-9-acceptable-documents">https://www.uscis.gov/i-9-central/acceptable-documents/list-documents/form-i-9-acceptable-documents</a>.</li> <li>Must be re-verified each year.</li> </ul>
<b>I-94</b>	On ID Type dropdown  11 characters	Can be for an asylee, refugee, alien paroled into US for at least one year, alien granted conditional entry, Cuban/Haitian entrant. <ul style="list-style-type: none"> <li>Usually attached to their foreign passport, which must be presented along with it as identification.</li> <li>Most I-94 numbers are 11 digits long and comprised of only numbers. The newer I-94 format has 11 characters: 9 digits, a letter in the 10th position, and a digit in the 11th position, totaling 11 characters. <a href="https://www.uscis.gov/i-94information">https://www.uscis.gov/i-94information</a>.</li> <li>Must be re-verified each year.</li> </ul>

<b>I-766</b>	On <b>ID Type</b> dropdown  13 characters	Employment Authorization Document. <ul style="list-style-type: none"> <li>Can be for an asylee, refugee, an alien whose deportation or removal was withheld, or an alien granted conditional entry.</li> <li>Card number is 13 characters: first 3 are alphabetic, last 10 are numeric. <a href="https://www.uscis.gov/i-9-central/acceptable-documents/list-documents/form-i-9-acceptable-documents">https://www.uscis.gov/i-9-central/acceptable-documents/list-documents/form-i-9-acceptable-documents</a>.</li> <li>Must be re-verified each year.</li> </ul>
<b>I-179</b>	On <b>ID Type</b> dropdown  6 digits	ID Card for Use of Resident Citizen. <ul style="list-style-type: none"> <li>No longer issued, but is valid indefinitely.</li> <li><a href="https://www.uscis.gov/i-9-central/133-list-c-documents-establish-employment-authorization">https://www.uscis.gov/i-9-central/133-list-c-documents-establish-employment-authorization</a>.</li> <li>Must be re-verified each year.</li> </ul>
<b>I-197</b>	On <b>ID Type</b> dropdown  6 digits	US Citizen ID Card. <ul style="list-style-type: none"> <li>No longer issued, but is valid indefinitely.</li> <li><a href="https://www.uscis.gov/i-9-central/133-list-c-documents-establish-employment-authorization">https://www.uscis.gov/i-9-central/133-list-c-documents-establish-employment-authorization</a>.</li> <li>Must be re-verified each year.</li> </ul>
<b>New asylee</b>	On <b>ID Type</b> dropdown  Enter document info	<b>Contact Commerce for guidance.</b> <ul style="list-style-type: none"> <li>Examples: Grant letter from USCIS asylum office, Immigration judge order granting asylum, etc.</li> <li><a href="https://www.govinfo.gov/content/pkg/FR-1997-11-17/pdf/97-29851.pdf">https://www.govinfo.gov/content/pkg/FR-1997-11-17/pdf/97-29851.pdf</a> (pg. 61364 Attachment 5, “Proof of eligibility for federal benefits”).</li> <li>Enter description, for example: <i>Grant letter from USCIS asylum office – Commerce approved 10/2/20</i></li> <li>Must be re-verified each year.</li> </ul>

## Denied SSN Alternative Documents

The Commerce determined the following are unacceptable alternatives for an applicant’s SSN:

<b>ID Type</b>	<b>ID Info</b>
<b>F-1 visa, I-20</b> (SEVIS Form)	For F-1 nonimmigrant students. This document alone is not proof of identification or eligibility. The household must provide one of the documents from the SSN Alternatives list to prove eligibility, for example a Form I-94 or Form I-94A.
<b>J-1, J-2 visa</b> (DS-2019 form)	A J-1 visa is a non-immigrant visa individuals approved for work-and study-based exchange visitor programs. A J-2 visa is a non-immigrant visa issued for spouses and dependents of J-1 exchange visitors. These non-immigrants (temporary residents) are in the U.S. on time-limited visas and <a href="#">they do not qualify to receive Federal Public Benefits</a> , including LIHEAP. Follow EAP policy for ineligible non-citizens by counting their income, but not the household member.

<b>High Security Consular Registration Certificate</b>	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.
<b>I-571</b>	Refugee Travel Document. This document alone is not proof eligibility; they must provide a document on the SSN Exceptions & Alternatives list.
<b>I-688, I-688A, I-688B</b>	Employment Authorization Card. Can be for an asylee, refugee, alien whose deportation or removal was withheld, or an alien granted conditional entry. No longer valid to verify eligibility as of October 2009. If presented with an expired I-688 ask the household to submit other proof of eligibility. An unexpired I-688 is a sign of fraud. <a href="https://secure.ssa.gov/poms.nsf/lnx/0110210810">https://secure.ssa.gov/poms.nsf/lnx/0110210810</a>

## 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](#)).

Service Providers follow the procedures outlined below to process household applications that include ineligible non-citizens:

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

- Ensure the primary applicant is an eligible person.
- For ineligible non-citizen household members: In the eHEAT Household Member section, on the **ID Type** dropdown list, select '**None**' and then '**SSN refusal**'.
- Calculate the 3-month income from all sources (both eligible and ineligible non-citizens) and record in eHEAT in the 'Total Household Income.'
- Make eHEAT notes about the ineligible non-citizen status.

### **All adults are ineligible non-citizens residing with one or more eligible children**

- The application should be signed by an adult applicant on behalf of the eligible child(ren).
- For ineligible non-citizen household members: In the eHEAT Household Member section, on the **ID Type** dropdown list, select '**None**' and then '**SSN refusal**'.
- Calculate the 3-month income from all sources (both eligible and ineligible non-citizens) and record in eHEAT in the 'Total Household Income.'
- Make eHEAT notes about the ineligible non-citizen status.

### **If no household member can document citizenship or eligible non-citizen status**

- Deny the application using the “Insufficient Information” eHEAT denial reason.
- The “Insufficient Information” denial may prompt the household to contact the Service Provider, providing an opportunity for additional clarity on the denial basis.

## **Date of Birth**

The date of birth (DOB) is required for all household members for the application to be completed. The DOB is collected because DOB is:

- Needed to verify Social Security Numbers.
- An identifier that helps distinguish people with the same name.
- Used to collect and report demographic information. For required LIHEAP and other 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.
- Individual units' home heating costs are either directly billed by an energy; 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.

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.

## **Institutions**

An institution is defined as a place where an organization takes 7-day, 24-hour care of people for an extended period of time; where residents are primarily ineligible, unable, or unlikely to care for themselves. Residents of institutions are not eligible for EAP. Service Providers may need to verify the type of services provided and the household's living arrangements to determine if an applicant's housing is institutional or non-institutional. Examples of institutions and what may

appear to be institutions but are not considered institutions for EAP, are listed in the **Dwellings Eligible for Primary Heat** section below.

## Dwellings Eligible for Primary Heat

A “dwelling” is a single unit providing complete, independent, living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation. To be eligible for Primary Heat benefits, a dwelling unit must be used as a primary residence and be designed for year-round human habitation.

The tables below provide examples of eligible, ineligible, and potentially eligible dwelling types.

Eligible Dwellings	Ineligible Dwellings
<ul style="list-style-type: none"> <li>▪ Single family house</li> <li>▪ Multi-unit building (e.g., duplex, condo, apartment, townhouse)</li> <li>▪ Mobile home</li> <li>▪ Assisted living facilities (e.g., board and lodging with special services, board, and care) without 7-day, 24-hour care</li> <li>▪ Group homes</li> <li>▪ Military quarters</li> <li>▪ Residential treatment centers</li> <li>▪ Subsidized housing (all dwelling types above), if household pays for heat and/or electric</li> <li>▪ Student housing</li> <li>▪ Transitional housing and shelters</li> <li>▪ Worker’s group living quarters (e.g., vocational training facilities, farm/construction-worker camps)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Federal, State, or local correctional facilities</li> <li>▪ Hospitals, psychiatric hospitals, in-patient hospice facilities</li> <li>▪ Non-traditional dwellings (e.g., deer stand, tent)</li> <li>▪ Nursing facilities/skilled-nursing facilities (aka nursing homes)</li> <li>▪ Passenger vehicles (cars, trucks, vans)</li> <li>▪ Residential schools for people with disabilities</li> <li>▪ Secondary home (e.g., vacation home, seasonal home)</li> <li>▪ Subsidized housing with heat &amp; electric included</li> </ul>

Potentially Eligible Dwellings	Eligibility
Rooming house	See EAP Policy Manual, Household Definition section, Ch. 6, p. 10
Boat	Contact Commerce for guidance
Hotel, motel	Contact Commerce for guidance
Ice houses	Contact Commerce for guidance
Recreational Vehicle (RV)	Contact Commerce for guidance

## Changes to Household's Situation

Refer to [Chapter 8 - 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. A live-in attendant who is an owner of the residence is counted as a household member. The attendant's service must be:

- Provided through a service company to assist the household member
- and / or
- Required by a licensed medical doctor, licensed physician assistant, or nurse practitioner 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 licensed medical doctor, licensed physician assistant, or nurse practitioner 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).

## Northstar Care for Children & Foster Care

Northstar Care for Children includes Foster Care, Kinship Assistance (formerly known as Relative Custody Assistance), and Adoption Assistance payments. Other foster care programs serving children include programs by non-profit or private organizations. For EAP:

- Count the child as a household member.
- Do not count Northstar Care for Children or foster care income.
- Count RSDI, Veteran's Benefits, Railroad Retirement Benefits, Black Lung Benefits, and any other countable income the child receives.

## Adult Foster Care

Households may choose to include individuals in adult foster care as household members or not, whichever is the most beneficial:

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

## Tribal Per Capita Payments

Per the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. §§ 1401 - 1408), up to \$2,000 of a tribal distribution or per capita income shall not be considered income if it is the result of interests of individual Indians in trust or restricted lands, tribal judgements or agreements. This applies to per capita payments to members of the Bois Forte and Grand Portage tribes. The first \$2,000 of income is not counted for EAP eligibility.

For regular payments that are counted, determine the three month income based on frequency of payments during the past 12 months.

- Monthly and Quarterly: count the payments received in the three month eligibility period.
- Biannual: divide the most recent payment by two.
- Annual: divide the payment by four.

Any additional bonus payment, regardless of the frequency, is counted in the month it is received.

## 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 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.”

## 2022 Maximum EAP Income Guidelines

Based on 60% SMI

Household Size	Annual Income	3 Month Max. Guidelines	Household Size	Annual Income	3 Month Max. Guidelines
1	\$35,237	\$8,809	11	\$99,614	\$24,903
2	\$46,080	\$11,520	12	\$101,647	\$25,411
3	\$56,922	\$14,230	13	\$103,680	\$25,920
4	\$67,765	\$16,941	14	\$105,713	\$26,428
5	\$78,607	\$19,651	15	\$107,746	\$26,936
6	\$89,450	\$22,362	16	\$109,779	\$27,444
7	\$91,483	\$22,870	17	\$111,812	\$27,953
8	\$93,515	\$23,378	18	\$113,845	\$28,461
9	\$95,548	\$23,887	19	\$115,878	\$28,969
10	\$97,581	\$24,395	20	\$117,911	\$29,477

## Income Inclusions and Exclusions

Income type	Definition	Count as income?
4 My Baby	Monthly payments received for participation in the Baby’s First Years child brain development study. The debit card is labeled “4 My Baby.”	No
Adoption Assistance – Northstar Care for Children		No

Income type	Definition	Count as income?
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
Census	Income of temporary 2020 Census employees received directly from the Census Bureau.	No
Child Support	Payments received by household	No
Consumer Support Grant (CSG) Program	CSG payments are to purchase goods and services to care for family members with disabilities in their home.	No
Consumer Directed Community Supports (CDCS) wages	All CDCS wages, including to parents, to care for their child with disabilities.	Yes
Contract for deed interest	See "Dividends, Interest and Royalties"	Yes

Income type	Definition	Count as income?
COVID-19 related aid	<p>COVID-19 related aid includes, but is not limited to:</p> <ul style="list-style-type: none"> <li>▪ Central Minnesota Emergency Relief and Recovery Fund</li> <li>▪ Federal stimulus direct payments to lower income households</li> <li>▪ Federal stimulus supplemental Unemployment Insurance (UI) payments</li> <li>▪ Lost Wages Assistance Program</li> <li>▪ St. Paul Bridge Fund</li> <li>▪ St. Paul People’s Prosperity Pilot Program</li> <li>▪ Some tribal per capita payments (should be clearly labeled on pay statements)</li> </ul>	No
Dividends, Interest and Royalties (including contract for deed interest)	If over \$50 per quarter or \$200 a year. If payments are made annually 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
Earned Income including wages, salaries, commissions, bonuses, garnished wages, profit sharing, tips, vacation pay; severance pay; sick leave; royalties and honoraria that result from the client’s work or service.	Count all gross earned income received in 3 months	Yes

Income type	Definition	Count as income?
Earned income of a person age 19 and below enrolled in K-12 or in a high school diploma-granting or equivalency program.	Examples of high school diploma-granting or equivalency programs include alternative learning centers, home schooling, online schooling, and GED programs.	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
Emergency assistance	Examples include but are not limited to emergency assistance from a government program, HeatShare, and local Reach Out for Warmth.	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
Foster care payments	This includes foster care payments from the Northstar Care for Children program, and non-profit and private organizations.	No
Gambling - hobby		No

Income type	Definition	Count as income?
Gambling – self employment	Count only when the household indicates it as self-employment income.	Yes
Gifts (cash)	Provides support for the household. Accept the self-reported amount with no additional required documentation.	Yes
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
Inheritance income	Counted in the month it is received.	Yes
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
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
Kinship Assistance - Northstar Care for Children (formerly known as Relative Custody Assistance)		No

Income type	Definition	Count as income?
Life insurance payments	Non-recurring lump sums and regular payments are not counted as income.	No
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, and 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 <b>not</b> 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

Income type	Definition	Count as income?
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
Rental Income	Consider rental to be a business. See the <b>Self-Employment Income Including Rental and Farm Income</b> section of Chapter 5 for guidance on calculating this income.	Yes
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

Income type	Definition	Count as income?
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	See the <b>Tribal Per Capita Payments</b> section of this chapter. Also see <b>Tribal Judgement Funds</b> below in this table.	Yes
Tribal Fishery Income		Yes
Tribal Judgment Funds above \$2,000	Only payments over \$2,000 in a year. This income is rare in Minnesota and is related to land rights. However, some tribes distribute these funds as per capita payments, including Bois Forte and Grand Portage. See the <b>Tribal Per Capita Payments</b> section of this chapter.	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, including benefits extended due to COVID-19	See the <b>Unemployment Insurance (UI) Benefits</b> 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
Worker's Compensation		Yes

## List of Excluded Income

- By law, the following cannot be considered income:
- Agent Orange Settlement Payments (P.L. 101-201). Agent Orange settlement payments excluded from countable income and resources under federal means-tested programs.
- Agriculture Nutrition Act of 1949 (7 U.S.C. 1431). Value of federally donated food acquired through price support operations for school lunch or other distribution to needy people.
- Child Nutrition Act of 1966 (42 U.S.C. 1780). The value of assistance to children under this Act.
- Conveyance of Submarginal Lands to Indians (25 U.S.C. 5506). The value of land taken from and later added back to Indian reservations must not be considered income.
- Domestic Volunteer Service Act of 1973 (42 U.S.C. 5044). Income paid to participants. Title I: 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.

- Food Stamp Act of 1977 (7 U.S.C 2017). The value of benefits that may be provided under this Act, whether through coupons, access devices, or otherwise shall not be considered income or resources for any purpose under any Federal, State, or local laws.
- Indian Judgment Funds Distribution Act (P.L. 93-134). Effective October 19, 1973, per capita distribution payments to members of Indian tribes who are due judgment funds, according to a plan of the Secretary of the Interior (or legislation, when a plan cannot be prepared or is not approved by the Congress) are excluded from income and resources. This does not include payments of funds distributed or held in trust (i.e., in the possession or care of a trustee) according to public laws enacted before October 19, 1973.
- Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. §§ 1401 - 1408). Interests of individual Indians in 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 any Federal or federally assisted program.
- Job Related Expenses for Non Self-Employed Applicants should not be counted as income.
- National School Lunch Act (42 U.S.C. 1760). The value of assistance to children under this Act.
- Non-cash federal or state benefits.
- Older Americans Volunteer Act of 1965 (P.L. 89-73). 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.
- Radiation Exposure Compensation Act (P.L. 101-426). Payments made under this law.
- 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.
- Aleut Restitution Act of 1988 (P.L. 100-383). Reparation payments to Aleut people and people of Japanese ancestry.
- 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 (P.L. 90-575).
- 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.

- Workforce Investment Act (WIA) of 1998 (P.L. 105-220). 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.
- Veteran's educational allowance.
- WIC Benefits (P.L. 94-105). Benefits from Women, Infant and Children (WIC) nutrition program, Child Nutrition Act.
- Women Vietnam Veterans' Children with Certain Birth Defects (P.L. 106-419). 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.

## 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 in the following priority order: pay stubs/wage printouts, employer letter, or signed statement. If a

household member’s signed statement is used to document earned income, detail in eHEAT why the employer’s records/letter are not obtainable.

- Consecutively dated pay stubs for the three months prior to the date the application is signed.
- 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. (The Pay Period / Pay Date Scenarios may apply.)
- 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.
- A signed statement documenting income. The household member whose income is unattainable from the employer must sign the statement.

## Pay Period / Pay Date Scenarios

### General guidance

1. If there are checks for each of the pay dates in the three month period, use the pay date.
2. If there are not checks for each of the pay dates in the three month period, determine if there are pay period end dates for each check within the three month period. If there are, use the pay period end date.
3. If neither of the two scenarios above is applicable, request additional checks with the applicable pay date(s).

### Using pay dates

- Application signed in March
- Three-month eligibility period is December, January and February.
- All needed pay stubs by pay date are provided.

Bi-weekly payroll	Pay period end	Pay date	What to include/exclude
Check 1	11/29	12/9	Include this check stub
Check 2	12/13	12/23	Include this check stub
Check 3	12/27	1/6	Include this check stub
Check 4	1/10	1/20	Include this check stub
Check 5	1/24	2/3	Include this check stub
Check 6	2/7	2/17	Include this check stub
Check 7	2/21	3/3	<b>Exclude</b> this check stub

### Using pay period end date, counting 6 pay stubs

- Application signed in March.
- Three-month eligibility period is December, January and February.
- Use pay period end dates. Because the first pay stub by pay date is missing, do not use the pay date.

Bi-weekly payroll	Pay period end	Pay date	What to include/exclude
Check 1 - missing	11/29	12/9	<b>Exclude</b> this check stub
Check 2	12/13	12/23	Include this check stub
Check 3	12/27	1/6	Include this check stub
Check 4	1/10	1/20	Include this check stub
Check 5	1/24	2/3	Include this check stub
Check 6	2/7	2/17	Include this check stub
Check 7	2/21	3/3	Include this check stub

### Using pay period end date, counting 7 pay stubs

- In some cases, using the pay period end date may result in using more check stubs than using the pay date, and vice versa.
- Application signed in June.
- Three-month eligibility period is March, April, May.
- Use pay period end dates. Because the first pay stub by pay date is missing, do not use the pay date.

Bi-weekly payroll	Pay period end	Pay date	What to include/exclude
Check 1 - missing	2/23	<del>3/04</del>	<b>Exclude</b> this check stub
Check 2	3/08	<del>3/18</del>	Include this check stub
Check 3	3/22	<del>4/01</del>	Include this check stub
Check 4	4/05	<del>4/15</del>	Include this check stub
Check 5	4/19	<del>4/29</del>	Include this check stub
Check 6	5/03	<del>5/13</del>	Include this check stub
Check 7	5/17	<del>5/27</del>	Include this check stub
Check 8	5/31	<del>6/10</del>	Include this check stub

## Self-Employment Income Including Rental and Farm Income

When EAP applicants indicate they have self-employment income, EAP collects up to one full year of self-employment income information. On the EAP application, the household is asked when they started their business (i.e., month and year). If the household has been in business for less than 24 months, the EAP application and instructions direct them to contact their local EAP Service Provider for the appropriate form and information requirements.

The following are example scenarios for using different self-employment income verification methods.

## Household self-employed the prior year and filed one *IRS Form 1040 and Schedule 1* form

Use the 'Self Employment Tax Worksheet' functionality in the 'Household Income Info' section of eHEAT:

- Enter the income from lines 3, 4, 5, and 6 of the *IRS Form 1040 – Schedule 1* in the corresponding fields in eHEAT.
- Enter the number of months of self-employment income, based on the information provided in the application or by the applicant directly, in the 'Months of self-employment income' field. The default for this field is 12.
  - When information indicates there are multiple businesses reported on one *IRS Form 1040 – Schedule 1*, enter the default 12 months of self-employment.
- eHEAT will automatically calculate the 3-month income equivalent.

## Household has multiple *IRS Form 1040 and Schedule 1* forms

If a household has multiple *IRS Form 1040 and Schedule 1* forms that include self-employment income, use a separate [Self-Employment Income \(1040 – Schedule 1\) Worksheet](#) for each *IRS Form 1040 – Schedule 1* submitted and total the results from all of the forms. (A loss from one *IRS Form 1040 – Schedule 1* is not subtracted from another *IRS Form 1040 – Schedule 1*.)

## Household did not file an *IRS Form 1040* for the year, the self-employment income or loss was not reported on the *IRS Form 1040*, or the household's *IRS Form 1040* is not available

Use the [Self-Employment Income Cash Accounting Worksheet](#):

- When using this method, rather than itemizing and deducting expenses, EAP counts fifty percent of the household gross self-employment income for all applicants.
- This form is sent to the household for completion.
- The household enters the self-employment income received for each applicable month and the worksheet calculates the total under 'Total Gross Income.'
- The Service Provider calculates the 3-month income equivalent using the following calculation:  $\text{Total Gross Income} \div \text{number of months self-employed} * 3 \div 2$
- Enter the resulting three-month equivalent income into the Self Employment Cash Accounting field on the eHEAT 'Household Income Info' section.
- Either the Primary Applicant or the self-employed household member may sign the Self-Employment Income Cash Accounting Worksheet.

## Household self-employment began during the 3-month eligibility period

In this case, the household has self-employment income for less than three months. Use the [Self-Employment Income Cash Accounting Worksheet](#) to calculate the household's countable three-month income:

- Add the self-employment income for the three months to determine the Total Gross Income.
- Divide the Total Gross Income by 2 to determine the countable income.
- Enter the countable income into the Self Employment Cash Accounting field in the eHEAT 'Household Income Info' section.
- Either the Primary Applicant or the self-employed household member may sign the Self-Employment Income Cash Accounting Worksheet.

### Household self-employment ended before 3-month eligibility period

If the household's self-employment ended 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.

### Rental Income

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

- IRS Form 1040 and Schedule 1.
- IRS Form 1099-MISC.
- [Self-Employment Income Cash Accounting Worksheet](#), signed by either the Primary Applicant or the self-employed household member.
- Rental receipts, cancelled checks, or rental agreements showing the monthly rental amount.

Service Providers should inform the household that by using the *IRS Form 1040 and Schedule 1* they could deduct their actual expenses, which may positively affect their EAP eligibility and/or benefit amount.

If the household rents part of their own home and the renter shares the household's meter or fuel tank, the 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 or actual consumption, whichever provides the lower Primary Heat benefit.

### Business Use of Home

- Use what is stated on the application to determine a household's business use of home.
- Only the *IRS Form 1040 and Schedule 1* 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 Backup Matrix or actual consumption, whichever provides the lower benefit. (See [Chapter 4 – 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, and Social Security 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 cases, count the income for the month intended. If there have been continuous benefits, in an EAP 3-month eligibility period there should be three benefit payments.

### **Pensions, Railroad Retirement, Annuities and other Retirement Plans such as PERA, 401s, 403Bs, IRAs and accounts when paid as a retirement benefit or disbursement 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.
- The prior year *IRS Form 1099*. Determine the number of months benefits were received to calculate the 3-month income.

Pension and retirement income that is a fixed amount and provided on a recurring basis requires only one month of income documentation within the 3-month eligibility period or in the month the application was signed.

Note: Retirement payments can begin at age 59½ or older. Count early retirement benefits received by those under age 59½ only if they are not penalized. Early withdrawal (prior to retirement) is penalized, thus is the drawdown of an asset and is not counted as income.

Note: Some PERA (Public Employees Retirement Association) recipients may not receive Social Security. 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 EAP purposes, 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 EAP purposes is \$957.

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

**These types of Social Security income require only one month of income documentation. Listed below are some examples of acceptable income documentation.**

- An award letter showing income received from the Social Security Administration (SSA). [Online Income Verification](#) details how households can obtain SSA income documentation online or via the SSA toll free number.
- Copy of benefit check received within the 3-month eligibility period or in the month the application was signed.
- Bank statement showing direct deposit made during the 3-month eligibility period or in the month the application was signed.
- 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.
  - Service Providers may verbally confirm current benefit amounts and compare with verified prior program year benefit information to ensure the benefit amounts claimed seem reasonable.
  - Service Providers must document this in the household file.
- Statement reflecting electronic deposit of unearned income received within the 3-month eligibility period.
  - Additional electronic options, such as debit cards, are available to deliver unearned income benefits to households.
  - Transaction statement 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.
- The prior year *Form SSA-1099*. Determine the number of months benefits were received to calculate the 3-month income.
- Telephone verification of unearned income using the Direct Express automated system is allowable when other methods of income verification are unavailable and when this method can identify the individual household member's income.
  - Service Providers must record in the household file the individuals' unearned income amount, date of deposit, and Service Provider staff initials.
  - A different verification method must be used if multiple household members receive income on the same card and the income by recipient is not distinguished by the automated Direct Express system.

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. Social Security benefits received in 2021 cannot be calculated from the 2020 monthly benefit because of the inconsistent Medicare Part B premiums and Medicare prescription costs to enrollees.

## **Cost of Living Adjustments (COLA) and Recertification Applications**

When processing Recertification applications use the prior year's reported income even if there is a COLA increase. If there are other changes to income besides the COLA, re-calculate the household's income using all of the new income documentation including the new COLA.

## **Unemployment Insurance (UI) Benefits**

Documentation of UI income is only available online. [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.

Veterans benefits that are a fixed amount and provided on a recurring basis (e.g. disability benefits) require only one month of income documentation within the 3-month eligibility period or in the month the application was signed.

## **Workers' Compensation, Short Term Disability, and Long Term Disability**

When determining worker's compensation, short- and long- term disability income, take care to count only 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.

Workers' compensation documentation also includes the following.

- Bank statements.
- EFT printouts.

Please note bank statements and EFT printout amounts may include out of pocket medical cost reimbursement. Service Providers are responsible to advise the household that if they choose to provide this type of documentation, the full amount listed is counted as income.

## 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 with the "Insufficient Information" reason.

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

- 3A - [Income Inclusions and Exclusions](#)
- 3B - [Self-Employment Income \(1040 – Schedule 1\) Worksheet](#)
- 3C - [Self-Employment Income Cash Accounting Worksheet](#)
- 3D - [Verification of Income and Expenses Form](#)
- 3D - [Verification of Income and Expenses Form](#) [Spanish Language]
- 3E - [Social Security Calculation Worksheet](#)
- 3F – [SSN Exceptions and Alternatives](#)
- 3G - [Online Income Verification](#)
- 3H - [Documentation to Determine Eligible Non-Citizen Status](#)

# Primary Heat

Primary Heat benefits (“Primary Heat”) help low-income households maintain affordable and continuous home heat by subsidizing their energy costs. This chapter provides guidance on how to determine Primary Heat grant amounts and deliver benefits.

## Chapter Contents

- What is Primary Heat?
- Measuring Energy Costs
- Measuring Financial Need
- Determining Primary Heat Benefits
- Primary Heat Payments

## What is Primary Heat?

Primary Heat is the main benefit provided through EAP. When a household is approved for EAP, they are awarded a grant to help pay their energy costs. The size of a household’s grant is based on their energy costs and financial need. This grant is called “Primary Heat” because Minnesota’s LIHEAP funds have historically been used for heating assistance. However, benefits awarded in Federal Fiscal Year 2022 will be based on all household energy costs, including non-heat electric costs.

In most cases, Primary Heat benefits are paid directly to a household’s energy vendor on their behalf. Primary Heat benefits can pay for:

- Current and future energy costs.
- Past due bills and arrearages.
- Delivered fuel or emergency fuel.
- Fees for services related to home energy, such as pressure tests, leak seek, line bleeding, tank setting, tank rental, membership, after-hours delivery, utility reconnection and service deposits.
- Removal of load limiters.
- Payments to previous energy vendors

Federal law requires that Primary Heat payments be used for home heating energy costs. Payments cannot be used for non-heating energy expenses like service contracts, water, sewer, garbage, cable, internet, telephone, gasoline, machine parts, engine oil, or other items unrelated to home heating energy.

## Measuring Energy Costs

In most cases, EAP determines a household's energy costs by requesting fuel consumption data from their energy vendors. When consumption data is not available, the household's fuel costs are estimated using a table of average energy costs from the previous year (known as the "backup matrix").

## What Does Consumption Data Look Like?

To calculate a meaningful Primary Heat benefit, EAP uses consumption data from the previous year to estimate a household's annual energy costs. Consumption data must describe a household's energy usage over a period of up to 12 consecutive months. This 12-month period must fit inside of a 16-month window ending just before the start of the current program year. For FFY22, this window is June 1, 2020 to September 30, 2021. Energy usage from the current program year cannot be included in consumption data.

Consumption data describes each of the fuels a household uses. Consumption data for each fuel must include:

- The time period from which the data was collected.
- The quantity of fuel used.
- The total cost of the fuel, including taxes and recurring fees.
- Whether the fuel was used for heating.

Fuel costs should never include any of the following:

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

# Collecting Consumption Data from Energy Vendors

Consumption data is managed using eHEAT. When a household applies for EAP, Service Providers request consumption information from the household's energy vendors. Vendors then enter information about the household's energy consumption into eHEAT. If a vendor does not use eHEAT, Service Providers are responsible for obtaining consumption data and entering it into the system.

Consumption data from 12 consecutive months is not always available. The following scenarios describe common exceptions.

## **Less than 12 months of consumption**

If consumption data for a household does not span 12 months, enter the costs and time period for the available consumption data.

## **No consumption**

If consumption data is not available for a household, report the consumption as "unavailable" in eHEAT. The system will use the backup matrix to determine their benefit.

## **Consumption with disconnection**

If a household's energy service was disconnected for 30 days or more during the 12-month consumption period, reduce the end date of the consumption by the number of months the household was disconnected.

## **Consumption with voluntary disconnection**

If a household voluntarily has their energy service disconnected during warm weather months, attempt to identify 12 consecutive months of actual usage within the allowed 16-month range. If such a period does not exist, report consumption for any 12-month period in this window. Even though the household was voluntarily disconnected during this period, reporting the consumption as complete will most accurately represent the household's energy costs.

## **Consumption for delivered fuels**

If a household has had an account with a delivered fuel vendor for 12 consecutive months, report the entire 12-month period. Do not use the first and last delivery dates as the consumption time period. For example, if a household has been a long term customer and received propane deliveries in September 2020, December 2020, and March 2021, the consumption date range is June 2020 to May 2021.

## Low consumption due to extended absence

Some households may have very low consumption because they spend much of the year elsewhere (e.g. traveling south for the winter). Actual consumption should be used for these households if possible. When actual consumption is not available, Service Providers should enter “1” for the household’s fuel consumption, enter \$1 for their fuel cost, and indicate that the consumption is actual. This tells eHEAT to award the minimum Primary Heat benefit.

## Biofuel heat

Consumption data for households heating with biofuel is frequently unavailable. In this cases, consumption can be estimated using EAP’s biofuel worksheet. The worksheet requires the following information:

- **Number of bedrooms** should be indicated on the household’s application. Efficiency apartments are counted as having one bedroom. Bedrooms in basements and attics can be counted, but other main living spaces (e.g. living room, dining room) used as sleeping spaces cannot be counted.
- **Percentage of heat from biofuel** is also declared by the household. If biofuel is the primary heat source and consumption data from other heat sources is unavailable, this should be 100%.
- The **type of biofuel** used by the household (e.g. wood, corn, or pellets).
- The **estimated local cost** of the household’s biofuel. Service providers must research biofuel prices in their area to estimate per-unit fuel costs.

The fuel consumption and fuel cost produced by the worksheet should be entered into eHEAT.

## Validating Household Energy Consumption

Before determining a Primary Heat benefit, Service Providers must review a household’s consumption data to ensure it accurately reflects their situation. At a minimum, Service Providers should verify the following.

### Does the household have commercial energy costs?

Commercial energy costs can only be included in consumption data if the household operates a farm or other business with a single meter for commercial and residential energy use. If this is the case, the “Business Use of Home / Shared Meter” option must be checked in eHEAT.

### Has the household changed heating fuels in the past year?

If a household has changed their heating fuels since the previous heating season, any consumption data will no longer reflect their actual energy costs. Before eligibility is determined, Service Providers should mark all consumption data from the previous year “invalid” and indicate the current heating fuels in eHEAT. The system will use the backup matrix to determine a benefit for the new fuel type.

## **Is consumption from inactive vendors counted towards energy costs?**

Yes, unless the household has changed heating fuels. When households change energy vendors, they will often have consumption from the previous vendor (marked as “inactive” in eHEAT) and no consumption from the new vendor. If the new vendor provides the same type of fuel, the consumption still reflects the household’s energy costs.

## **Does the household’s consumption data match the heating fuels on their application?**

The EAP application allows households to rank the fuels used to heat their home. Service Providers must ensure these rankings match the household’s consumption data.

## **Does the household have a separate meter for electric heat?**

EAP assumes that the majority of electric costs are used for non-heating purposes. If a household has electric heat with its own meter, reporting only the heating consumption will result in smaller benefit. For these households, all residential electric costs should be combined and entered into eHEAT as the heating cost.

## **Does the household heat with municipal steam or district energy?**

Some households have a steam energy vendor. This is different from steam heat generated by a boiler that uses natural gas, oil, or propane. Vendor-supplied steam heat is not common, and is only available in a few parts of Minnesota. EAP recognizes two steam fuel types:

- **Municipal Steam** is available in downtown Duluth, Hibbing, New Ulm, and Virginia.
- **District Energy** is available in the Lowertown and Mount Airy neighborhoods of St. Paul through St. Paul District Energy.

To document these fuel types accurately, Service Providers in these locations must obtain comprehensive descriptions of service areas from local steam energy vendors.

## **Does the household heat with biofuel and use their home for business or have a shared meter?**

For households in this situation, do not check the ‘Shared meter/Business Use of Home’ box in eHEAT if wood or biofuel is their highest cost fuel. The backup matrix does not include biofuels.

If biofuel is not the household’s highest cost fuel, the ‘Shared meter/Business Use of Home’ box must be checked. Additionally, if consumption data for the household’s primary heating fuel is not available, biofuel consumption should not be entered. If biofuel consumption has already been entered, make it invalid. The backup matrix will be used in place of actual consumption.

## Does the household subscribe to a solar garden?

For households with a solar garden subscription:

- In eHEAT, add the solar garden in the **Energy Providers** section with the fuel type “Solar Electricity.”
- If the solar garden is not already in eHEAT, they will have to complete vendor registration.
- For consumption, enter the total annual solar garden subscription cost.
- If unable to get the solar garden subscription cost, invalidate the electricity provider’s consumption. This provides the most complete picture of the household’s energy costs and results in eHEAT using the electricity back-up matrix to determine the household’s benefit amount.
- Solar electricity cannot have a Crisis event because there is no risk of shut-off.

## Common Consumption Questions

### How is consumption collected in emergencies?

Service Providers must establish procedures with energy vendors for obtaining consumption data in emergency situations.

### Can consumption data be changed?

Once a household has been determined eligible for EAP, eHEAT will not allow energy vendors to change their consumption data. Vendors must contact the household’s Service Provider if consumption information needs to be changed after eligibility has been determined.

### How is consumption data collected for Safe at Home (SAH) participants?

The SAH participant’s name and utility account number should be enough for utilities to provide EAP with consumption data. However, when manually requesting consumption data for SAH participants, Service Providers should instruct energy vendors not to return address information. See [Chapter 2 – Applications & Application Processing](#) for more on the SAH program.

## Measuring Financial Need

A household’s financial need determines the proportion of their energy costs EAP will pay. To measure financial need, EAP divides a household’s income by the maximum amount allowed for their household size. The result is the household’s income percentile. EAP pays a larger percentage of energy costs for households in the lowest income percentiles. As household income percentile increases, the percentage of their energy costs paid by EAP decreases. The

actual percentages of costs paid are not determined until regular LIHEAP funds are awarded, which typically occurs in October or November.

## Determining Primary Heat Benefits

EAP has two methods of calculating a household's Primary Heat benefit amount. The preferred method uses the household's actual energy costs. When actual energy costs are not available, a backup matrix of average energy costs from the previous year can be used to determine a benefit. In either case, the minimum Primary Heat benefit is \$300 and the maximum is \$1,600.

### Calculating a Benefit Using Actual Energy Costs

To calculate a benefit using actual energy costs:

- Determine the household's total heating costs using the method described earlier in this chapter.
- Determine the percentage of energy costs EAP will pay based on the household's financial need. Multiply the household's total energy costs by this percentage. The result is the household's Primary Heat benefit.

For example:

An EAP household heats with propane and electricity. Their annual propane cost is \$1,000 and their annual electric cost is \$1,500, resulting in a total energy cost of \$2,500.

The household has two members and zero income. Because their income percentile is zero, EAP will pay the highest possible share of their heating costs. For the sake of example, say that this maximum percentage is 50% of energy costs.

The household's benefit is computed by multiplying this percentage by their total energy cost and rounding the result:  $\$2,500 \times 50\% = \$1,250$ .

### Calculating a Benefit Using the Backup Matrix

The backup matrix is a table of fuel costs that can be used when actual energy costs are not available. Each row in the matrix contains the average energy cost (based on data from the previous program year) for a different combination of fuel type and housing type. To calculate a household's benefit with the backup matrix:

- Determine the household's housing type and primary fuel type
- Use the backup matrix to find the average energy cost for households with the same housing type and primary fuel

- Compute the Primary Heat benefit as though the backup matrix energy cost were the household's actual consumption

For example:

An EAP household lives in a mobile home and their energy costs are unknown. Their application says propane is their primary fuel. According to the backup matrix, mobile home dwellers using propane typically pay \$1,900 per year in energy costs.

The household has two members and zero income. Because their income percentile is zero, EAP will pay the highest possible share of their heating costs. For the sake of example, say that this maximum percentage is 50% of energy costs.

The household's benefit is computed by multiplying this percentage by their total energy cost and rounding the result:  $\$1,900 \times 50\% = \$950$ .

## Knowing Which Method to Use

In most cases, the backup matrix is only used if a household's actual energy costs are not available. However, there are several exceptions to this rule.

### **Does the household have partial energy cost data from the previous year?**

If a household has less than 12 months of energy cost data from the previous year, eHEAT calculates the household's benefit amount using both their actual consumption and the backup matrix. The system awards the larger amount.

### **Are the household's energy costs included in their rent?**

If a household's energy costs are included in their rent, they can still receive a grant using the backup matrix. However, if the household is not required to pay for rent, heat, and electricity costs, they are not vulnerable to rising energy costs and are ineligible for EAP.

### **Does the household have subsidized housing?**

If a household lives in Section 8 housing (project based or voucher), public housing, or tribal subsidized housing, this may affect their Primary Heat benefit.

- Households who pay their own energy costs are eligible for Primary Heat benefit based on their actual costs.
- Households who pay electric costs but have energy costs included in rent are eligible for a flat grant of \$300 (paid to their electric vendor).
- Households who pay neither heat nor electric costs to a vendor are not eligible for EAP.

## **Does a household use their home for business purposes?**

If a household runs a business from their home, it may affect their energy usage. For example, if a household operates a catering business or garment repair service from their home, this would affect the amount of energy they use. Telecommuting for an employer also affects energy use. In these cases, Service Providers must check the 'Shared meter/Business Use of Home' box in eHEAT. The system will use either actual consumption or the backup matrix, whichever provides the lower benefit.

Not all self-employment counts as business use of home. For example, truckers, drywall workers and house cleaners are all workers who technically work out of their home but perform little to no work at their residence. Service providers must use available information about each household to determine whether business use of home affects energy use.

## **Does a household rent out part of their home?**

If a household rents out part of their home, Service Providers must check the 'Shared meter/Business Use of Home' box in eHEAT. The system will use actual consumption or the backup matrix, whichever provides the lower benefit.

## **Does a household heat outbuildings from the same meter or tank they heat their home with?**

EAP does not include heat for a garage or other outbuildings in home energy costs. For households in this situation, Service Providers must check the 'Shared meter/Business Use of Home' box in eHEAT. The system will use actual consumption or the backup matrix, whichever provides the lower benefit.

# **Primary Heat Payments**

Primary Heat benefits are paid to energy vendors on behalf of households. When a household is approved for Primary Heat, EAP service provider authorize payments to their energy vendor. Payments are processed by Minnesota Management & Budget and transferred to vendors via Electronic Fund Transfer (EFT) or mail. When payments are received, energy vendors credit them to the household's account.

Energy vendors must apply Primary Heat payments only to their corresponding household accounts. When payments create a credit on a household's account, it must remain on the account as long as the household is a customer. Credits must be refunded to EAP if the household ceases to be customer or if requested by an EAP service provider.

Direct payments to households are allowed in limited circumstances. For more on refunds and direct payments, see [Chapter 8 - Benefit Payments and Refunds](#).

## Benefit Determination Errors

When a benefit determination error occurs, 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 household was overpaid, follow instructions in the **Overpayments Resulting from Error** section of [Chapter 10 - Incidents and Appeals](#).

## Using Primary Heat in Emergencies

When households apply for EAP with an energy emergency, Primary Heat benefits are used before any other funds, if possible. If the household has Primary Heat payments designated for the emergency vendor, these payments are used before any Crisis funds. Payments designated for non-emergency vendors may be used as needed if Crisis funds do not resolve the emergency. For more, see [Chapter 5 - Crisis](#).

## Primary Heat Payments for Electric Vendors

A portion of a household's benefit will automatically be used to pay their electric vendor. If households have specific preferences about how their different energy vendors are paid, they can request such arrangements on their application or by contacting their service provider. For more information on energy vendor payments, see [Chapter 8 - Benefit Payments and Refunds](#).

## Primary Heat Payments for Biofuel

Primary Heat payments for biofuel must go to a biofuel vendor when possible. Service Providers must maintain knowledge of their service area's biofuel vendors and should make direct payments for biofuel when no vendor is available or the vendor does not have usable biofuel (e.g. seasoned wood). Service Providers must document there is no biofuel vendor or usable biofuel available in eHEAT 'Crisis' or 'Completion' screen notes. Work with the household on:

- Direct payment to the household for biofuel.
- Payment to the electric vendor, if applicable.
- Payment to the non-biofuel energy vendor, if applicable.

## Appendices

4A – [Cost Based Benefit Matrix](#)

4B – [Back-Up Benefit Matrix](#)

4C – [Biofuel Worksheet](#)

## Chapter 5

---

# 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 (Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. § 8623(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 6.

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

## 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.
- 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 10 Days Pre-pay Energy
  - Less than 10 Days Biofuel.
  - Non-Heat Electric Shut Off.
  - Non-Heat Electric Disconnection Notice.
  - Past Due Energy Payment.
  - 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 10 - 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 4 – Primary Heat](#)).

An example of a redundant heating system is whole-house electric heat and a natural gas, oil, or propane furnace.

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, for example:

- If the electric portion of the redundant heating system is on an off-peak discount program that interrupts electric heat to the dwelling.
- If the operational heating system uses biofuel.

## Shared Meters

Crisis funds may be used to assist households sharing a meter with another household.

## 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 \$1,200.
- For delivered fuels: Up to \$1,200 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: \$300.
- For households on pre-pay energy programs: \$300

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 \$1,200 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 \$600**

Service Providers may increase the default \$600 'Standard Delivery Amount' only if the energy vendor's required minimum delivery is over \$600 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 10 - 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. For delivered fuel Crisis events paying only a household's arrearage, use a "reasonability check" to estimate the household has less than 20% in their fuel tank or less than ten days of biofuel.
- 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 an unlimited number of 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 ensure 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 or usable biofuel (e.g. seasoned wood) 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:

- 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.
- 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.
- 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.
- 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 ten 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 (Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. § 8623(c))). 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 (Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. § 8623(c))) .

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.

## Crisis Triage Timelines

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

Triage Level	Crisis Request Type	Relevant Timelines
1	<b>Shut off or empty tank</b> , life threatening	18 Hours
	<b>Less than 10 days biofuel or pre-pay energy</b> (shut off, life threatening)	
	<b>Water currently shut off</b>	
2	<b>Shut off or empty tank</b> , not life threatening	48 Hours
	<b>Less than 10 days biofuel or pre-pay energy</b> (shut off, not life threatening)	
3	<b>Less than 20%; Less than 10 days biofuel or pre-pay energy</b> (not shut off)	Appropriate for situation (after categories #1 & #2)
	<b>Disconnect notice for energy or water</b> (eligible for disconnect)	
	<b>Non-heat electric disconnect notice</b> (eligible for disconnect)	
N/A*	<b>Disconnect notice – including non-heat electric</b> (utility current practice is to <u>not</u> shut off prior to 4/30)	Log date order (until April 30)
N/A*	<b>Past due energy or water bill</b>	Log date order
N/A*	<b>Senior</b>	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.

## Crisis Response Before/After Funds Are Available

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 benefit (Pre-benefit matrix)	Pre-money Can determine benefit (Post-benefit matrix)	Post-money Can distribute benefits
<p>Service Provider must either:</p> <ul style="list-style-type: none"> <li>Make referrals and do advocacy if the application indicates an emergency.</li> </ul> <p style="text-align: center;"><b>OR</b></p> <ul style="list-style-type: none"> <li>Enter the emergency information into eHEAT to address when money arrives.</li> </ul> <p>Making referrals and advocacy:</p> <ul style="list-style-type: none"> <li>Document the referral/advocacy activities (note in eHEAT or in file that</li> </ul>	<p>Once benefit can be determined, if a household calls with an emergency or an application is received indicating an emergency, Service Provider will:</p> <ul style="list-style-type: none"> <li>Triage.</li> <li>Use answers to emergency information on</li> </ul>	<ul style="list-style-type: none"> <li>Use answers to emergency information on application, enter in eHEAT and process emergencies.</li> <li>18/48 hour rules take effect for applications with emergencies logged on/after</li> </ul>

<p>household was spoken to or was sent a letter). Referral must include communication to household to return after Oct 1 if still in emergency.</p> <ul style="list-style-type: none"> <li>▪ Can return to normal log order (optional).</li> <li>▪ Can prioritize and triage (optional).</li> </ul> <p>Tracking &amp; addressing emergencies</p> <ul style="list-style-type: none"> <li>▪ Enter information emergency application question in eHEAT.</li> <li>▪ When Benefit Matrix is in eHEAT, complete application, determine benefit.</li> <li>▪ This process is optional if referral and advocacy done.</li> </ul>	<p>application and enter into eHEAT.</p> <ul style="list-style-type: none"> <li>▪ Complete application, determine benefit.</li> <li>▪ Make referrals.</li> </ul>	<p>the money arrival date.</p> <ul style="list-style-type: none"> <li>▪ Triage as needed.</li> </ul>
---	--	--

## Process for Addressing Emergencies Before Eligibility Determination

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

1. Household reports an energy emergency.
  - The information the household reported on the application is acceptable to add a Crisis request to the household's application in eHEAT. 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, assume the household owes no past due amount. The Service Provider must enter a zero into the 'Past Due Amt (+) or Credit (-)' eHEAT 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 make a note in the 'Application 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 'Application Notes' field.
2. Enter the household emergency information on the eHEAT Crisis tab, 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 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 required Crisis response timelines.
- Use a cell phone or beeper. The number is given on the answering machine or called by the referral service. Households 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 ten 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

Verify with the **energy vendor** and enter the following into eHEAT:

- Current balance owed.
- Fees and other.
- Fees waived.

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

Verify with the **energy vendor** and enter the following into eHEAT:

- Current balance owed.
- Disconnect 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 \$600 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

When a household has a delivered fuel emergency, a Service Provider may use Crisis benefits to pay an arrearage on the household’s energy vendor account.

When Crisis funds are used to pay an arrearage, the remaining Crisis benefit may not be enough to provide a fuel delivery. In that case, use Crisis benefits to reduce the arrearage and use a “reasonability check” to estimate the household has less than 20% in their fuel tank. If the remaining Crisis benefit, combined with other resources (household or other), is enough to provide a fuel delivery, a Service Provider may authorize and pay the remaining Crisis benefit.

Example 1: A household with a confirmed emergency is \$800 in arrears with its delivered fuel vendor. A Service Provider may use \$600 in Crisis funds to reduce the arrearage.

Example 2: A household with a confirmed emergency is \$420 in arrears with its delivered fuel vendor. A Service Provider may use Crisis to pay the full arrearage, leaving \$180 Crisis available. The energy vendor’s minimum delivery is \$300. This leaves the household \$120 short. Work with the household to find \$120. The \$120 may come from household resources, other program resources, or a combination. Once the \$120 is confirmed, a Service Provider may authorize and pay the remaining \$180 Crisis benefit.

### 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 'Detailed Notes' field on the 'Less than 20% in fuel tank and RTD' screen:

- Percentage of fuel remaining in tank.

Verify with the **energy vendor** and enter the following into eHEAT to determine the Crisis benefit:

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

A **reasonability check** is recommended. Verify with the energy vendor and enter the following 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 the [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. 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.
- If gauge is not accessible.
- Delivery date.
- Gallons delivered.
- Price per gallon.
- Fee other.

## Past Due Energy Payment

For this Crisis reason, the household must have an unpaid past due balance with their connected or delivered fuel energy vendor. Past due is any previously unpaid balance beyond the current month's charges. Please note that households with Cold Weather Rule payment plans or participating in affordability programs like PowerOn or GAP are eligible for Crisis if they have a past due balance.

The Crisis benefit may not exceed the total of the past due plus current bill, and therefore may not result in a credit on a household's account.

Verify with the **energy vendor** and enter the following into eHEAT to determine the Crisis benefit:

- Current balance owed.

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 10 Days Pre-pay Energy

This Crisis reason is for households on pay-as-you-go programs. Households in these programs pay for their connected energy, usually electricity, in advance. The household is eligible for Crisis when they are shut off or have a pre-pay account balance at or below \$50, or the energy vendor's account minimum, whichever is greater.

The Crisis benefit amount is \$300.

Verify with the **energy vendor** and document in eHEAT that:

- The household's a pre-pay account balance at or below \$50, or the energy vendor's account minimum, whichever is greater, or
- The household's energy is shut off. If so, check the "Shut off" checkbox.

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 10 Days Biofuel

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

### Arrearage Guidelines

When a household has a delivered fuel emergency, a Service Provider may use Crisis benefits to pay an arrearage on the household's energy vendor account.

When Crisis funds are used to pay an arrearage, the remaining Crisis benefit may not be enough to provide a fuel delivery. In that case, use Crisis benefits to reduce the arrearage and use a "reasonability check" to estimate the household has less than ten days of biofuel. If the remaining Crisis benefit, combined with other resources (household or other), is enough to provide a fuel delivery, a Service Provider may authorize and pay the remaining Crisis benefit.

Example 1: A household with a confirmed emergency is \$800 in arrears with its delivered fuel vendor. A Service Provider may use \$600 in Crisis funds to reduce the arrearage.

Example 2: A household with a confirmed emergency is \$420 in arrears with its delivered fuel vendor. A Service Provider may use Crisis to pay the full arrearage, leaving \$180 Crisis available. The energy vendor's minimum delivery is \$300. This leaves the household \$120 short. Work with the household to find \$120. The \$120 may come from household resources, other program resources, or a combination. Once the \$120 is confirmed, a Service Provider may authorize and pay the remaining \$180 Crisis benefit.

## 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 \$300.

## Pre-Delivery Verification Requirements

Verify with the **household** and enter the following into eHEAT in the 'Detailed Notes' field on the 'Less than 10 Days Biofuel' screen:

- Number of days of biofuel remaining.

Verify with the **biofuel vendor** or household and enter the following into eHEAT:

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

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.

A **reasonability check** is recommended. Verify with the **energy vendor** and enter the following 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:

- Percent of fuel prior to delivery.
- 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

Verify with the **energy vendor** and enter the following into eHEAT:

- Current balance owed.
- Disconnected date.
- Shut off type.

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 shut off

These 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

Verify with the **energy vendor** and enter the following into eHEAT:

- Current balance owed.
- Disconnect date (must be within 30 days).
- Shut off type.

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 shut off

These 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). This Crisis reason applies to both connected and delivered fuels.

### Verification Requirements

Verify with the **energy vendor** and enter the following into eHEAT:

- Current balance owed.
- Fees and other.
- Fees waived.

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

5A - [Crisis Eligibility Decision Chart](#)

# Energy Related Repair

## Energy Related Repair Effort Definition

Energy Related Repair (ERR) is an emergency program addressing hazardous and life threatening situations or cases where a home has no heat due to malfunctioning or nonfunctioning heating systems. As an emergency 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
- ERR Procurement
- Mechanical Equipment and Work Standards
- Verification, Completion Certificates and Payments
- ERR File Documentation
- Walk Away Policy

## 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.
- ERR funds may serve a household that has an ineligible non-citizen homeowner living in the home with EAP-eligible household members.

EAP and ERR eligibility must be determined before a heating system repair or replacement can be authorized. Expenditures to provide temporary heat for up to 48 hours of 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 is unobtainable and the household did not provide an *Affidavit Declaring Home Ownership*.
- The owner is not residing in the dwelling when requesting ERR.
- There is an operable redundant heating system to maintain or restore heat.

## 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. Only electricity is needed to provide heat in this example. Because a biofuel heating system needs frequent resupplying of fuel, it is not considered redundant.
- **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

The intention of ERR is to restore heat where there was once heat provided by the existing heating system. ERR is allowed for primary furnaces if there is no redundant heating system to provide heat to the same area of the dwelling. In determining the appropriate ERR activity, the Service Provider should assess the structure of the dwelling, how the furnace provides heat to the house and the heat 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.

- ERR focuses on the primary furnace and not secondary or back up furnaces.
- A household may have a secondary heating system 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. It may be cost effective to repair or replace the secondary heating system rather than the primary furnace.
- A non-traditional heating system may not be replaced or repaired with ERR funds if it is redundant or if a less expensive traditional furnace or system is possible. Examples of non-traditional furnaces/systems 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 heat may not be continuous.
- A dwelling must have adequate electrical service to operate the heating system for the furnace to be repaired or replaced. 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.

### 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 on an ‘Off-peak’ electric discount program are not redundant.
- Biofuel heating systems are not redundant.
- Portable heaters being used to provide heat to otherwise unheated rooms.
- Repair or replacement of central air-conditioning components including A-coils.

- ERR cannot be used to repair or replace the service panel or electrical system to the dwelling.

## 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

At least one household member must be an owner of the dwelling for the household to be eligible for ERR. However, only ERR replacements and repairs over \$1,100 require ownership proof. Service Providers should require contractors to notify them if the repair will cost over \$1,100 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. § 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.

## Alternative Proof of Ownership

There are situations where alternative documentation may be needed to validate home ownership:

### 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 the tribal government cannot validate 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.

### Ownership Documentation is Unavailable

If no documentation is available, or the county or state will not record an ownership change until the transaction is paid in full, the household must complete an [Affidavit Declaring Home Ownership](#) form to receive ERR services (over \$1,100). The household member who owns the home must complete, sign and have the form notarized when:

- The county will not record ownership or Minnesota Driver and Vehicle Services will not transfer title; and
- Ownership documentation does not exist or cannot be obtained; and
- The Service Provider has documented attempts to obtain proof of ownership.

Please contact your EAP Program Performance Auditor and [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us) if you have questions regarding this alternative method to verify home ownership.

## Time Frames for ERR Service

ERR is an emergency program and timelines for service must comply with the federal crisis requirements (Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. § 8623(c))):

- 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.

- 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.

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

- Secure contractors 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 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 200 to 400 parts per million.
- Insufficient clearance between combustible materials (such as walls or ceilings) and combustion appliances.
- Electrical wiring problems from the service panel to the furnace.
- 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 when LP 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 that are the customer's responsibility, such as:
  - Leaks on the "customer side" of the meter for connected utilities.
  - Leaks within the dwelling for delivered fuels.
  - Leaks between the fuel storage vessel and the furnace for delivered fuel systems.
  - 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. (Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. § 8623(c)))

EAP Coordinators are to contact their EAP Program Performance Auditor and [eap.mail@state.mn.us](mailto: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 as follows:

- 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%. The costs included in this analysis must include tank setting, LP fuel line burying, chimney repair, and other repairs, when applicable. If a household is switching from oil, wood, or biofuel to propane or natural gas, the difference can be as high as 20% without Commerce approval. Commerce must approve in advance any cost difference larger than 20%.
- The household may not pay toward the additional cost of a replacement for the furnace they prefer over the furnace EAP would install.

## Medically Necessary Fuel Type Changes

ERR funds may be used to change fuel types in medically necessary situations when the household provides a letter signed by a licensed medical doctor, a licensed physician assistant, or a nurse practitioner stating the need or disability. Medically necessary excludes short-term disabilities. In some cases, more than one household member must provide the signed medical statement for a fuel type change to be allowable. Examples include:

- If the fuel change is requested because the current heating fuel type negatively affects a household member with an issue such as asthma or chronic obstructive pulmonary disease, only one medical letter is required.
- If the fuel change is requested because a household member is physically unable to carry wood to the furnace, multiple household members may need a medical letter. If other household members can supply the wood, a fuel change is not medically necessary. Service Providers must address situations on a case-by-case basis. For example, a very young household member is not expected to supply the wood to the furnace, even if she/he is physically able to do so.

All related costs including gas line installation, fuel tanks, fuel line burying, and ductwork may be charged to ERR when the fuel type change is medically necessary.

## Non-elective / Other Fuel Type Changes

Other circumstances can arise that require a change in fuel type. For example, a heating fuel source is no longer available. Service Providers should consult with Commerce EAP staff when these cases arise. Contact [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us) and copy your Program Performance Auditor.

# Assistance Limit

There are no specific dollar limits per household for ERR, however Service Provider ERR procurement processes are expected to ensure fair market value for ERR activities. Program Performance Auditors will select client ERR files over \$5,000 for review during their auditing visits to Service Providers. Additionally, Commerce EAP staff must approve in eHEAT any invoiced payment exceeding \$10,000 before the Service Provider can make the payment 'Payable'.

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 OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. pt. 200) and the Minnesota Office of Grants Management. 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.
- Bids are solicited from an adequate number of qualified sources.
- All necessary affirmative steps are taken to ensure that targeted vendors 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 \$2,000, no competitive bids are required if it is determined the price is reasonable.
- The household may not contribute toward the cost of the ERR replacement or repair.

## Targeted Vendors

Service Providers must take all necessary affirmative steps to assure that targeted vendors from businesses with active certifications through these entities are used when possible:

- [State Department of Administration's Certified Targeted Group, Economically Disadvantaged and Veteran-Owned Vendor List](#)
- [Metropolitan Council's Targeted Vendor List: Minnesota Unified Certification Program](#)
- Small Business Certification Program through Hennepin County, Ramsey County, and City of St. Paul: Central Certification Program

# Methods of ERR Procurement

Local Service Providers must document their methods of procurement.

## Procurement by Noncompetitive Bids

Use this method in sole source or life-threatening situations. The Service Provider may use noncompetitive procurement only when one or more of the following circumstances apply and they determine the price is reasonable:

- The emergency does not allow for any delay that could result from competitive bids. 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 bids from multiple sources, competition is determined inadequate.
- The item is available only from a single source.
- Commerce EAP expressly authorizes noncompetitive bids in response to a written request from the Service Provider.
- For ERR jobs where the aggregate dollar amount does not exceed \$2,000.

## Procurement by Competitive Bids

Use this method in non-life-threatening situations. ERR tasks must be awarded to the ERR contractor whose bid 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.

## Bid per job

Service Providers develop a list of acceptable contractors to solicit bids from when competitive bids are required.

## Annual bid

Bids are solicited for a number of standard jobs before the start of the program year. When an ERR event occurs, contractor is selected based on the annual bidding information.

## Expense thresholds (These thresholds are minimum standards.)

- For ERR jobs \$10,000 and over, the Service Provider must solicit three (3) bids and must receive back at least two (2) bids unless it's a sole source or an emergency that prohibits waiting for additional bids. Only one (1) bid is required if the job is awarded to a targeted vendor.
- ERR jobs \$5,000-\$9,999 must be competitively based on solicitation of a minimum of three (3) written bids

- Three solicitations are required but only those that respond within the requested response time need to be considered. If they do not all respond in time, make a selection and document.
- If the type of work requires a special contractor (e.g. boiler/oil) and 3 are not available, solicit bids from the ones available and document the situation.
- ERR jobs \$1,101-\$4,999 must have a minimum of two (2) solicitations for bids.
- For ERR jobs where the aggregate dollar amount does not exceed \$2,000, no competitive bids are required if it is determined the price is reasonable.

Procurement plans where the price per job is determined on an annual basis have already met the requirement for solicitations and a contractor can be selected for the job without seeking multiple bids at that time. Jobs completed using the annual bidding method must still satisfy the requirements of the **ERR File Documentation** section of this chapter.

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 for approval. Send updated procurement policy to your Program Performance Auditor and copy [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us).

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. If the invoiced amount exceeds \$10,000, the Service Provider cannot make the the payment 'Payable' until Commerce EAP staff approve the payment in eHEAT. Before Commerce approval, the eHEAT 'Approval Indc' field will say "No".

After Commerce approves the payment, the 'Approval Indc' is "Yes" and the Service Provider can make the payment 'Payable'.

## Mechanical Equipment and Work Standards

All heating system repairs and replacements must be performed by a bonded heating contractor who can conduct pressure tests when required and meet the following ERR mechanical equipment and work standards.

ERR mechanical work must be done in accordance with applicable state and local building codes and manufacturer's specification and be completed in a professional manner. Mechanical repairs and heating system replacements must conform to the applicable 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.
- 2015 Minnesota Energy Code.
- Manufacturers' specifications and installation instructions.

When replacing a motor, install an electronically commutated (EC) motor, if possible. If a proposed repair is not cost-effective given the age or condition of the heating system, replace the heating system.

## Replacements

The replacement furnace must meet or exceed the following criteria:

- Annual Fuel Utilization Efficiency (AFUE) of at least 93%.
- For fuel oil units the AFUE must be at least 80%.
- Sealed combustion two-pipe system except when prevented by a dwelling's physical conditions. Clearly document in the household file the conditions preventing a two-pipe system .
- Burner with a minimum of two (2) stages.
- Electronically commutated (EC) motor.

For replacement boilers the AFUE must be at least 80% or higher, when possible.

**Exceptions** to installing a high efficiency furnace include situations where physical conditions exist that prevent installation. Biofuel burning furnaces are also exempt. Exceptions must be documented in the household's file.

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.
- Use the same method for supplying combustion air and venting as the original equipment, unless it is a pre-code mobile home.
  - Be approved by the MN Department of Labor and Industry if it is an alteration to the mobile home.
  - Alterations to the heating system are allowed in pre-code manufactured homes constructed on or before July 1, 1972.
- Have the ducts connected to the furnace cabinet when a furnace with a package air or blend air system is replaced.
- Meet the HUD code for drywalling of the furnace and water heater compartments.

### **Additional Criteria**

- The unit must be properly sized and installed to ensure maximum comfort and efficiency using industry accepted sizing protocols.
- Required structural repairs to repair or replace mechanical systems must be in compliance with manufacturer's specifications.
- 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.
- If the hot water heater was vented into the same flue as the old furnace then it must be vented in a way to ensure proper drafting after the new furnace is installed.
- A 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 heating system.

Contractors must:

- Be registered with Commerce and Minnesota Management & Budget (MMB). Mechanical contractors register by submitting the completed [Mechanical Contractor](#)

[Registration for EAP Payments](#) form to the Service Provider, which is then provided to Commerce to complete registration. See the [Mechanical Contractor Registration](#) section of Chapter 17 – *Mechanical Contractors* for the complete list of required registration information.

- Be bonded, licensed, and insured as required by pertinent laws, ordinances, regulations, or codes.
- Not be excluded/debarred from receiving Federal funds.
- 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](#), part of *ERR Forms* (Appendix 6A) .

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 6A) 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 \$1,100 completed with ERR funds must have a [Completion Certificate](#) (part of *ERR Forms* – Appendix 6A) 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 be completely filled out before payment is made. For furnace installations or oil retrofits, the Service Provider's inspector must also sign, if inspected. A copy of the completed, signed *Completion Certificate* must be provided to the household for their records.

## ERR Rebates

With ERR payments centralized in eHEAT, the process for ERR rebate accounting has changed. Service Providers send the rebate check to Minnesota Department of Commerce, Office of Energy Assistance Program, 85 7th Place E, Suite 280, St. Paul, MN 55101-2198. Commerce fiscal enters the rebate into eHEAT, which adds the funds to the EAP program budget.

Remember, when possible, ERR rebates should benefit EAP. Mechanical contractors must:

- Provide utility rebate information to Service Providers for completion and submittal.
- Deduct manufacturer rebates from the invoice, if possible.
- Have all rebate documents completed and signed by the homeowner, if required, before providing them to the Service Provider.

## Payments

Payments for services must be made to contractors or energy vendors within 45 days of receipt of all required paperwork for the task, as described in the **ERR File Documentation** section. The Energy Assistance Program Office does not allow direct ERR payments to households. No payments for heating systems 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

2015 Minnesota 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 ensure 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 – for example, a mobile home – 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

Service Providers may terminate an ERR job if circumstances prevent them or contractors from visiting a home or providing ERR services. This “walk away policy” may be applied at any point during the ERR process prior to completion of work. 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:

- Document the circumstances preventing EAP activities from proceeding and submit an [Incident Report Form](#) to Commerce.
- 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.
- 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 utilities required for the job.
- Does not allow sufficient 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.
- 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

6A - [ERR Forms \(Troubleshooting, Completion Certificate, Furnace Replacement Inspection Tool\)](#)

6B - [Affidavit Declaring Home Ownership](#)

# Assurance 16

## Chapter Contents

- A16 Description
- A16 Funding
- Eligible Activities: Energy Self-Sufficiency, Outreach
- Allowable A16 Expenses
- Ineligible Activities
- Documenting and Reporting on A16 Activities

## 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 14 - 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

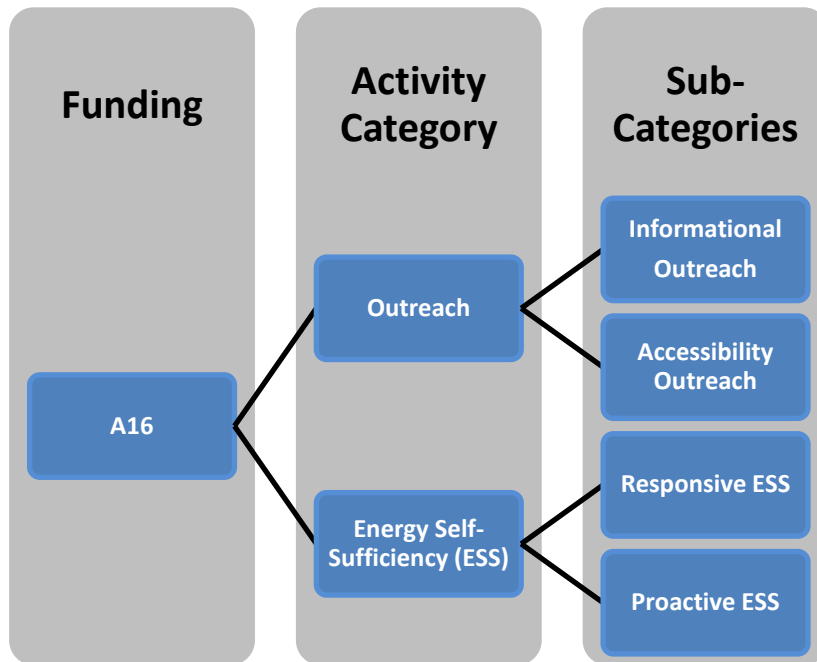
A16 is the name for the funding. A16 funds are used on two specific activity categories and four sub-categories:

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.

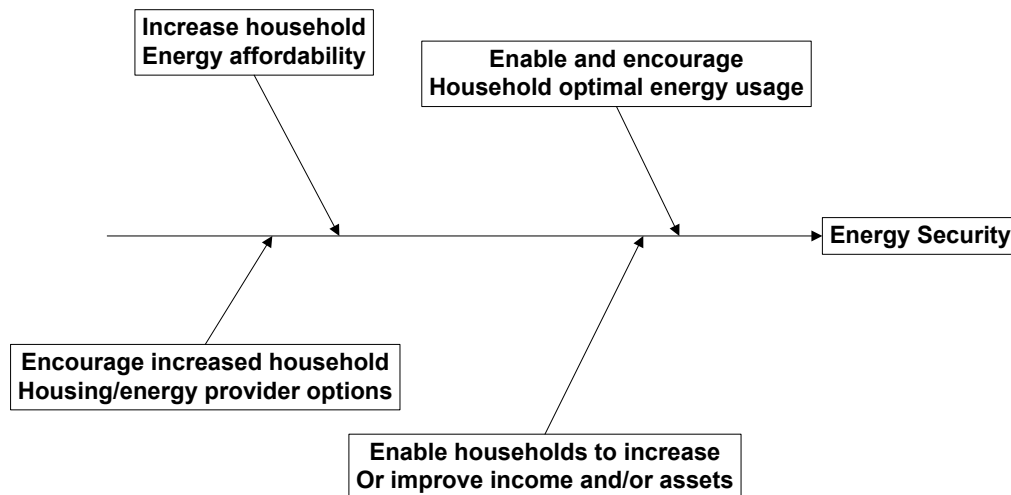
# Energy Self-Sufficiency (ESS)

Energy Self-Sufficiency includes activities that help reduce household energy need and enable energy security by affecting one or more of the following areas:<sup>1</sup>

- 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.

---

<sup>1</sup> 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.

## 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:
  - 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 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.<sup>2</sup> This reserves *at least 50%* of A16

---

<sup>2</sup> Per guidance from the U.S. Department of Health and Human Services, Outreach is technically a program expense and not an A16 expense. Because Minnesota has historically funded Outreach through A16 funding, the

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 ESS activities. With these funds, Service Providers must provide Responsive and/or Proactive services to the best of their ability. At least 10% of total A16 funds must be reserved for Proactive ESS activities. A Service Provider may choose to use more than 10% on Proactive services. However, even if a Service Provider determines they are unable to provide Proactive services for the program year, the 10% 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 funds will be handled.

### A16 Funding Structure

Outreach (up to 50% of total A16 funding)		Energy Self-Sufficiency (ESS) (at least 50% of total A16 funding)	
Activity Sub-Category		Activity Sub-Category	
Informational	Accessibility	Responsive	Proactive
SPs may determine, within reason, what portion of the 50% (max) they use for each category, depending on local needs.		<ul style="list-style-type: none"> <li>▪ 0-40%</li> <li>▪ Potentially more than 40%, if less than 50% expended on Outreach</li> </ul>	10% or more

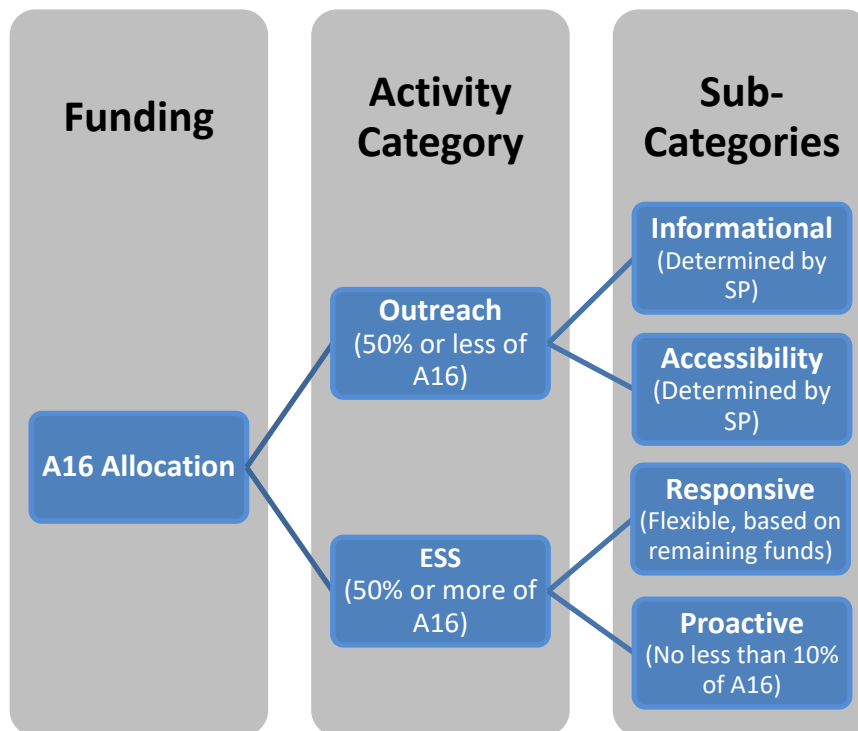
*EAP Policy Manual* describes Outreach as an A16 activity. From a federal reporting perspective, however, Outreach expenses are tracked separately and reported as a program expense.

## A16 Funding: – Relationship between Funding & Activity Categories

This chart shows the funding percentages for each A16 activity category and sub-category.

# 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). 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 1 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 10% 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. The 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 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.

Plans 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, 2022 (expenditures may not be incurred prior to October 1, 2021, or the date the proposal is approved, whichever is later). Any Proactive ESS funds not allocated for an approved plan by February 15, 2022, 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 [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](mailto: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 [Language Line](#).

## Service Provider Outreach Activities

Service Provider Outreach Activities are divided into two categories:

- **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.
- **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 1, 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.<sup>3</sup>

- **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 spent verifying a household energy emergency (which are both administrative activities).<sup>4</sup>

## 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.

---

<sup>3</sup> 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.

<sup>4</sup> See footnote #2.

## 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.

### 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:

- 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).
- Items that reduce a barrier to participation (e.g., daycare, food, transit).
- 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: 4/12/22		
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

## **Outreach to Households Denied for Insufficient Information**

Service Providers may conduct outreach to encourage households who were previously denied during the program year to apply again. This outreach is only chargeable to A16 if it occurs 30 days after the denial or within 30 days of the scheduled end of the program year.

## **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 feature:

- 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 regularly in bulk. The documentation used as the basis for regular data input must be made available to the EAP Program Performance Auditor during the Service Provider's audit visits.

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 titled, "Required Assistance," located just below the "Application Complete" drop-down menu on the eHEAT Application Complete Screen. Measuring the frequency of these activities helps Commerce and Service Providers determine varying program accessibility needs throughout the state and within each service area.

# 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 a [Responsive Energy Self-Sufficiency and Outreach Activities Report \(A16\)](#) by **October 17, 2022** to [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us).

## Documenting and Reporting Proactive Energy Self-Sufficiency Activities

Activities for all approved 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 the [Proactive Energy Self-Sufficiency Report \(A16\)](#). Service Providers may choose to provide additional information. Reports for approved FFY21 Service Provider A16 plans are due by **October 15, 2021**, but may be submitted earlier at a time mutually agreed upon between the Service Provider and A16 Coordinator. Reports are mailed to [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us).

## Appendices

7A – [Proactive Energy Self-Sufficiency Plan \(A16\)](#)

7B – [Proactive Energy Self-Sufficiency Report \(A16\)](#)

7C – [Responsive Energy Self-Sufficiency and Outreach Report \(A16\)](#)



# 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 Households
- Household Situation Changes After Eligibility Has Been Determined
- Ownership of Assistance
- Refunding of EAP Benefits

## Payments to Energy Vendors & Mechanical Contractors

Most EAP benefit payments are made to the customer’s utility or fuel account. ERR benefit payments are always made directly to the mechanical contractor. Payment activities occur at the local and state levels: Service Providers authorize Primary Heat, Crisis, and ERR 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 5 - *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."

## Voiding Payments

Service Providers use 'Make Void' to void a payment when a household's 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). 'Make Void' is on the 'Payment Services' 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

By default, eHEAT will divide a household's Primary Heat benefit between their main heating vendor and their electric vendor. If households have specific preferences about how their Primary Heat benefit is divided among their energy vendors, they can request such arrangements on their application or by contacting their Service Provider.

## Scheduled Primary Heat Payments

If a household requests it, Primary Heat benefits can be sent to energy vendors in a series of smaller monthly payments instead of one larger payment. Payment schedules can only be created for connected utilities. Direct payments and benefits for delivered fuels can only be distributed in one payment.

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 heating season.

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.

## 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 5 - 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 5 – 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 Households

## Direct Payments

Households may receive direct payments under limited circumstances. First determine any Primary Heat benefits to the household's electric or other heating energy vendors based on the household's needs. Make direct payments to households in the following circumstances:

- All energy utilities, electric and heat are included in the rent.
- Certain situations where heat is in rent (HIR) and the household pays an electric vendor. (See **Heat in Rent; Household Pays an Electric Vendor** below.)
- A biofuel vendor or usable biofuel (e.g., seasoned wood) 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. The Service Provider must document there is no biofuel vendor or usable biofuel available in the eHEAT Crisis screen notes.
- The household's energy vendor(s) refused to sign the energy vendor agreement.
- The household is unable to secure an energy vendor.

**Note:** Reimbursements to applicants for payments made to energy vendors are not allowed.

## Heat in Rent; Household Pays an Electric Vendor

Primary Heat benefits are first distributed to the household's electric vendor. eHEAT automatically calculates payments for distribution to the household's electric vendor equal to the household's annual electric cost or \$400, whichever is greater. Any remaining amount is distributed as a direct payment to the household. If the Primary Heat benefit is less than \$400, the entire benefit is distributed to the household's electric vendor.

Example 1: Primary Heat benefit is \$300. Annual electric cost is \$500.

- The Primary Heat benefit is less than \$400.
- The entire Primary Heat benefit goes to the electric vendor.

Example 2: Primary Heat benefit is \$900. Annual electric cost is \$600.

- The \$600 annual electric cost is greater than \$400.
- \$600 is distributed to the electric vendor.
- The household receives a \$300 direct payment.

Example 3: Primary Heat benefit is \$900. Annual electric cost is \$325.

- The \$325 annual electric cost is less than \$400.
- \$400 is distributed to the electric vendor.
- The household receives a \$500 direct payment.

## 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 16 - 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 Minn. 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 Application is Approved

### 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 removed.
- Add notes in eHEAT.

- 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.
- Add the new household member in eHEAT.
- Add notes in eHEAT.
- 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 Primary Heat benefits from EAP households to current address' accounts.
- Close the household application(s) with the least remaining Crisis benefit (this may be the occupied dwelling.) If neither household 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 remove those who are no longer in the household.)
- Address.
- Housing type.
- Fuel type.
- Energy vendor name(s), account number(s), consumption. All consumption should be invalidated except for the the current dwelling.
- Add notes in eHEAT, including previous household number and date of change.
- For payment and refund information, see [Handling Payments and Refunds in eHEAT When a Household Moves](#).

## Household Members Die

If a household member dies before the application is approved, the remaining household members may withdraw the application and reapply.

If a household member dies after the application is approved, the remaining household members continue to be served according to their most recent notification letter.

If all members of a household die, request a refund of remaining funds from the energy vendor and close the application.

## **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 pay 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 application 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.

## **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. 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. Close the application.

## 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. Close the application.

## Household with Closed Application Returns

If a household moved out of state then back to Minnesota and requests their remaining benefit, reactivate the application. If funds are available, verify or update the energy vendor information and make payments.

## 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 at all phone numbers available on the application. If the phone is answered, request the information.
2. If unable to obtain the information by phone, send a letter to the household's last known address using the eHEAT refund letter or your own letter. See *Address Change/Refund Letter Examples* (Appendix 8B) for sample text.
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, close the application.

## 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

#### Received after the program year has ended

- Make efforts to reassign refunded payments to a household's new energy account until December 1
- Submit refund checks received by the Service Provider to Commerce after December 1

### Refunding EAP Benefits Received During Current Federal Fiscal Year

Refunds occurring during the program year have different guidelines than those occurring after the program year. Energy vendors and Service Providers 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 work to pay out refunded benefits to the household's new energy vendor before the December 1 deadline (refer to the following **Managing remaining benefits from refunds in eHEAT flowchart**). After the program year ends, funds must still be returned, but the handling process is different.

## Refunds Received by Commerce after September 30 through December 1

Refunds received after the program year has ended, through December 1:

- 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 1. After this date, the household can no longer receive these benefits.
- Commerce will revise the carryover report accordingly (not to exceed the allowed 10%).

## Refunds Received by Commerce after December 1

Service Providers should forward refunds for benefits from any prior program year received after December 1 to Commerce Fiscal.

## Credits from EAP-paid Deposits

EAP funds used to pay a service deposit or a deposit for a fuel tank may result in a credit on the household's energy vendor account. Service Providers and energy vendors are to apply the following procedures to EAP-paid deposits that become credits:

### Same Program Year:

If EAP funds for a deposit become a credit during the same program year, the Energy Vendor returns the credit to EAP and the Service Provider redistributes or obligates the funds following the Refund Policy until December 1 of the subsequent program year.

### Prior Program Year:

If EAP funds were used in a prior program year to pay a deposit and a credit is received after December 1, then the Refund Policy no longer applies and the Energy Vendor gives the credit to the household.

## Refunds from the Energy Vendor Perspective

### Refunding Current Program Year Benefits

Current program year refunds should be entered in eHEAT. 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 651-539-1524.

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: Finance/Accounting (EAP)  
Minnesota Department of Commerce  
85 7th Place East, Suite 280  
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 10 - 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 Donna Leonard at 651-539-1521 or [donna.Leonard@state.mn.us](mailto:donna.Leonard@state.mn.us) to determine the status of the warrant.

A warrant returned to MMB will remain there until Commerce is contacted about a missing warrant. Service Providers should contact Donna Leonard at 651-539-1521 or [donna.Leonard@state.mn.us](mailto:donna.Leonard@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 needs to submit a request to MMB at [syscomp.MMB@state.mn.us](mailto:syscomp.MMB@state.mn.us) and they will generate an affidavit for the applicant to complete.

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.

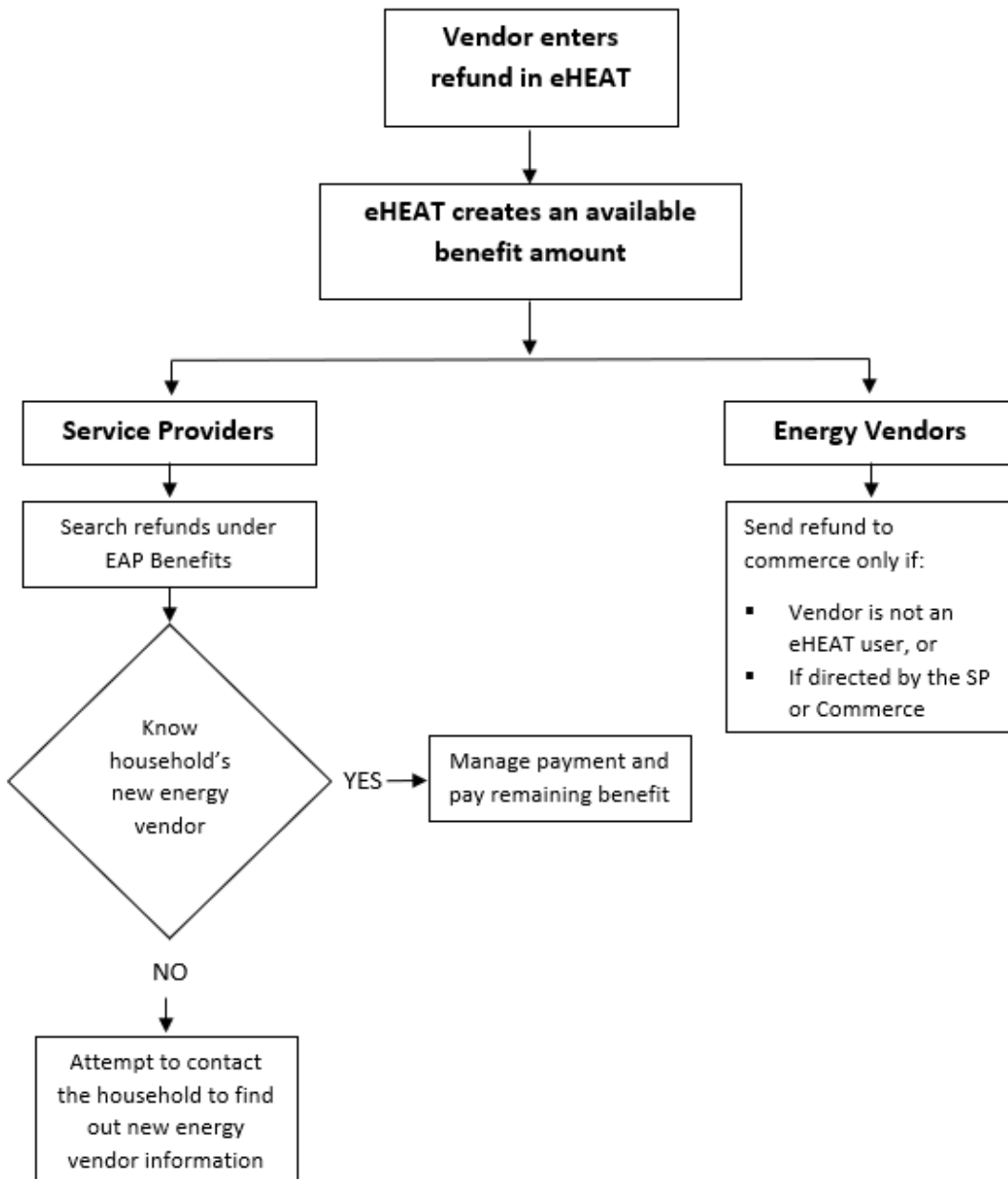
## Household Changes Energy Vendor

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 than those occurring after the program year (above). Energy vendors and Service Providers both have roles in the refund process, with 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. After the program year ends, funds are returned but the process differs from the flowchart.

## Managing remaining benefits from refunds in eHEAT flowchart



# Appendices

8A – [Mail Return Service Requested](#)

8B – [Address Change/Refund Letter Examples](#)

8C – [Energy Vendor Refunds in eHEAT](#)

8D – [Handling Payments and Refunds in eHEAT When a Household Moves](#)

# Client, Contractor, 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. Mechanical contractors receive notification of payments for ERR services they performed.

## Chapter Contents

- Client Notification
- Contractor and Energy Vendor Notification
- Providing Private Data to Contractors and Energy Vendors

## 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.
- Program Participation Letter.
- Refund letter/form.
- Denial Letters with the following reasons:
  - Over Income.
  - Already Served this Program Year.

- Insufficient Information.
- Program Out of Funds.
- Ineligible Housing Type.
- End of Program Year.
- Withdrawal of Application by Household.

## Contractor and Energy Vendor Notification

eHEAT produces a list of benefits by household, address, and account number in conjunction with payments. Energy vendor and contractor notifications are in 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 Contractors and Energy Vendors

Energy vendors and contractors use eHEAT to see only the information they need to run EAP. eHEAT shows the only information EAP provides to Affordability Programs without a signed release from the household.

## Appendices

9A - [eHEAT Letters Examples](#)

# 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:
  - The improper release of household data to another household or third party.
  - Cyberattacks of the Service Provider network that may compromise data files.
  - Service Provider IT shutdown in response to cyberattacks.
  - Unauthorized access to EAP private data.

- Errors:
  - Unintentional misuse of program funds or unintentional mistakes in the handling and processing of application information.
  - Event resulting in accidental over or under payment to 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](mailto: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](mailto: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 your 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.
- Contact the local authority that handles suspected fraud in the applicable area (the local police department or county sheriff's office, or the county attorney's office). Minn. Stat. § 13.462 affords Commerce and, by contract authority the Service Provider, the authority to provide the private data to law enforcement if there is suspected fraud by an applicant for benefits under a Commerce-administered program:
  1. When contacting local authorities, you should state that there appears to be an incident of suspected fraud to obtain federal public assistance benefits.
  2. Explain that due to Minnesota law, specifically the Minnesota Government Data Practices Act, EAP data is classified as private data on individuals and generally cannot be released without a court order. A subpoena is not acceptable. See Minn. Stat. §§ 13.05, 13.462.
  3. Explain the incident. Provide the EAP household number and the applicant(s)' name and address.
  4. Provide the local authority the completed *Suspected Fraud Referral Cover Letter* (Appendix 10C). This cover letter refers the matter to local law enforcement authority and expressly reminds them the included information is considered private data. The cover letter must contain no private data.
  5. Ask the local authority to serve a court order to obtain additional household and application data needed to complete the report for an investigation.
  6. If you or the local authority have questions about releasing EAP data or if EAP receives a court order for EAP data, contact Commerce.
- 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 “Application Notes” field.
- When an investigation indicates an energy vendor or contractor error or suspected fraud the Service Provider must ensure 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 the attempts made by the Service Provider to recover overpaid funds, then 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 the attempts made by the Service Provider to recover overpaid funds, then 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 16 - 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 Service Provider attempts to recover overpaid funds, then terminate the recovery effort and send Commerce 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 Service Provider attempts to recover overpaid funds, then terminate the recovery effort and send Commerce 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 a disaster or emergency in their local area that interferes with their 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 about the disaster.

# **Appeals**

The appeals process is designed to ensure 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 20 calendar days to respond to a written local level formal appeal.
- Applicants have 20 calendar days to submit a written appeal to the Commerce State Office to appeal the Service Provider's local level formal appeal decision.
- Commerce has 20 calendar days to respond to a continued appeal at the Commerce State Office stage. The 20 calendar days begins when all applicant file and appeal information is received by Commerce from the Service Provider.
- Applicants have 20 calendar days to appeal the Commerce State Office appeal decision.
- Commerce has 20 calendar 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 must be initiated in writing before the Service Provider takes action. Service Providers must assist the applicant in advancing 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.
- Ensure 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 [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 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 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: <https://mn.gov/oah/self-help/administrative-law-overview/>

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 (Minn. Stat. § 14).

## **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**

10A - [\*Incident Report Form\*](#)

10B - [\*Local Level Formal Appeals – Required Tracking Sheet\*](#)

10C - [\*Suspected Fraud Referral Cover Letter\*](#)

# 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 Federal Guidance.

### **Context**

- Data practices are strictly regulated by state and federal laws, rules and regulations, including the MGDPA.
- The Data Practices Offices 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.

Minn. Stat. § 216C.266 states, “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 [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 ensure 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 3 - 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 an 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. See [Chapter 2 – 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).
- Email messages.

Documents that must be in the household's hard copy (paper) file or easily identified and accessed electronic file include:

- A copy of 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 12 - 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

EAP records must be maintained for at least six years after the program year has ended, per [Minn. Stat. § 16C.05, subd. 5](#). Service Provider’s retention policies should not exceed six years after the program year has ended to protect the data privacy of applicants. Should Commerce or HHS require a Service Provider keep records for a longer period of time, written notice will be sent to the Service Provider stating the time period.

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, or (iii) they use the information for reports, to measure outcomes, and for referrals and eligibility purposes:

- Local Energy Programs Service Providers under contract with Commerce.
- Community Services Block Grant and Minnesota Community Action Grant Service Providers under contract with Commerce.
- Program auditors as required or permitted by Federal Guidance.
- 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.
- Energy companies for affordability and Energy Programs.
- Minnesota Community Action Partnership.
- United States Social Security Administration.
- Other agencies or entities as allowed by federal or state law.

Minn. Stat. § 13.462 states, “benefit data are private data on individuals, and shall not be disclosed except pursuant to court order or to an agent of the government entity, including appropriate law enforcement personnel, who are acting in an investigation or prosecution of a

criminal or civil proceeding.” 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 2 - 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 features. Service Provider must have any staff member using eHEAT complete and sign the [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 [eHEAT Administrator Security Agreement](#) annually as part of the Grant Contract process. If a new Service Provider Security Administrator is assigned mid-year, their signed [eHEAT Administrator Security Agreement](#) is emailed to Commerce at [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us).

### 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 features necessary for their work assignments.

### Off-Boarding Process

Service Providers are required to immediately deactivate 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 deactivating 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 checks to ensure only the appropriate users are active in eHEAT. There are two user statuses in eHEAT:

- **Active:** user has access to eHEAT.
- **Deactivated:** user does not have current eHEAT access due to inactivity for over 60 days or because they were deactivated by an eHEAT Administrator. User needs to be reactivated by an eHEAT Administrator to regain access. 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 deactivating 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 user groups that combine functions in eHEAT for staff positions.
- Ensuring the private data provided by eHEAT features to workers is appropriate for their job and responsibilities.
- Editing existing user groups as new features are assigned or no longer performed.
- Deleting existing user groups.

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 encrypted or secure email, for example by using a security protocol known as Transport Layer Security (TLS).
- 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. This includes cyberattacks that may have compromised a Service Provider’s IT network.

## 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.

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 [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. 4a:

- 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 [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. 4a.

[Debtor's Exemption Claim Notice Example](#) is a type of Informed Consent form. Minn. Stat. § 13.05, subd. 4a prescribing the content of the form and is consistent with the required content of the [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.

### **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 [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 [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 [Informed Consent to Release Private Data](#) forms.

## Appendices

11A – [Informed Consent to Release Private Data](#)

11B – [Debtor's Exemption Claim Notice Example](#)

11C – [eHEAT Administrator Security Agreement](#)

11D – [eHEAT User Security Agreement](#)

11E – [Template for Garnishment Response Letter](#)

# 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 and activities are essential to EAP operations:

- EAP *Local Plan* (see [Chapter 13 - Grant Contracts](#)).
- Financial Status Reports (FSR).
- Response to Audit Findings (see [Chapter 15 - Monitoring and Technical Assistance](#)).
- Incident Reports (see [Chapter 10 - Incidents and Appeals](#)).
- Closeout documents.
- The Report of Service Provider's Independent Audit (see [Chapter 14 - Fiscal Program Management](#)).
- Leveraging Survey (see [Chapter 12 - 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 14 - 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 program management 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.

Reporting activities include, but are not limited to, entry of Crisis and ERR requests as they happen, documentation of some Assurance 16 activities as outlined in Chapter 7 – *Assurance 16*, the *EAP Local Plan*, *FSR*, responses to audit findings, request for corrective action, closeout package, and Service Provider audit.

## Excused Late Reports

Late reports and essential activities are excused by exception only. To request a reporting extension, contact by the due date the following:

- Commerce Fiscal and [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us) for FSRs, Closeouts and Audits.
- Program Performance Auditor and [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us) for all other reports and essential activities.

## Financial Status Reports (FSR)

Service Providers are required to submit monthly and final *FSRs* by scheduled due dates and matching the Service Provider's accounting records and documents. Service Providers use the *FSR* forms in 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.
- *FSRs* 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. However, the September *FSR* is the Final *FSR* of the program year and must be entered and submitted in eHEAT by November 1.

- An *FSR* is required regardless of the amount (or lack) of fiscal activity in the prior 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.
- *FSRs* are subject to the timeliness requirements referred to earlier in this chapter.
- The EAP Coordinator and the EAP Fiscal Manager/staff person must review the *FSR* prior to submission.

## 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 EAP *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 final cash request submitted through eHEAT. This must balance to the penny – do not round. Cash requests are not accepted after the due date.
- 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.
- Make checks payable to: “Minnesota Department of Commerce.” The check record must contain the Fund ID # and program name. Only send a check if your cash payments exceed your expenditures on the final *FSR*.
- A list of any continuing liabilities on the grant. A liability is any grant obligation outstanding at the time of the report. If there are no liabilities, type “There are no outstanding liabilities” into the ‘Service Provider Note’ box on the final *FSR*.
- A list of EAP-related equipment over \$5,000 and sensitive equipment (as defined in [Chapter 14 – 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 upon Commerce’s request. The reconciliation must identify each cash payment received, dates received, and the corresponding monthly total of *FSR* expenditures reported for the grant.

Call your PPA with questions about the closeout process. Submit the *Final Closeout Package* via email to [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us) or via U.S. Mail to:

Minnesota Department of Commerce, Energy Division  
Attn: EAP Closeout Package

## Federal Leveraging Incentive Fund

Since 1991 states have occasionally had the opportunity to participate in the federal LIHEAP's Leveraging Incentive Program, which rewards states with supplemental funds for acquiring non-federal energy resources for low-income households. Leveraging Incentive funds are awarded to states using their own or other non-federal resources to supplement or leverage federal LIHEAP dollars.

Leveraging funds are not available from the Department of Health and Human Services (HHS) every program year. However, when Leveraging funds are available, Commerce submits a report quantifying the amount of resources leveraged by EAP Service Providers, energy vendors, and community partners in the State of Minnesota. HHS awards leveraging incentive funds to states on a formula basis using the report.

### Determining Leveraged Resources

If HHS notifies Commerce that Leveraging funds are available, Commerce will mail *Leveraging Surveys* to EAP Service Providers, energy vendors, non-profits, social services, and governmental agencies asking for information on nonfederal funds that were used to assist LIHEAP eligible households. The *Leveraging Surveys* includes 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 includes activities conducted in 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

When requested, 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. The [Leveraging Tracking Form](#) (Appendix 15C) is an option for Service Providers to track their leveraging activities.

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, e.g. raffle goods/prizes, 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. Service Providers must 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*. Most *Spark*'s are added to the next *The Energizer* and are official communications holding the weight of policy. *The Energizers* are posted on the Commerce website.

### The eHEAT System

The Electronic Household Energy Automated Technology (eHEAT) system is the software and hardware supporting EAP administration. eHEAT is located at the Minnesota Department of Administration, MN.IT Services. Authorized eHEAT users, including Service Provider staff, energy vendors and mechanical contractors, access the system online. eHEAT uses a messaging feature to communicate with and between users. eHEAT also has reporting and data export features enabling access to program information.

### Toolkit on the Web

Program information and forms are available to Service Providers on Commerce's EAP Service Provider Toolkit found at <http://mn.gov/commerce/industries/energy/service-providers/eap/toolkit.jsp>

## Communication with EAP Customers & General Public

### Commerce Website

EAP information for consumers is found on the Commerce website <http://mn.gov/commerce/>. Click on the "Consumers" tab at the top of the page. Then click "Consumer Assistance", then "Energy Assistance". The direct link to the Energy Assistance Program consumer page is <http://mn.gov/commerce/consumers/consumer-assistance/energy-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.

# 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 hours 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, EAP 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. Commerce recommends periodic review of EAP information 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 EAP website address:  
<https://mn.gov/commerce/consumers/consumer-assistance/energy-assistance/>

## Communication with Commerce

When changes or unusual events occur, Service Providers are required to inform and update Commerce. This communication is commonly a risk mitigation activity and helps to ensure 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 backup during an EAP Coordinator's absence must know under what circumstances it is necessary to contact their Program Performance Auditor, [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us) or [ehat.doc@state.mn.us](mailto:ehat.doc@state.mn.us).

### Changes to Service Provider Operations or Structure

Service Providers must inform Commerce of key changes in Service Provider staffing and operations. Notification must be transmitted in a timely and reasonable manner to Commerce. Specified contract related provisions need written, signed notification on Service Provider letterhead sent 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 EAP 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](mailto:eap.mail@state.mn.us), or the Commerce EAP Director as needed to keep Commerce apprised of the situation's progress. Timely information on changes helps to make appropriate decisions and to reduce or avoid management uncertainties or unknown situations. Service Providers should notify Commerce as soon as changes are known. Commerce will request additional 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:
  - EAP Coordinator.
  - Fiscal Director and fiscal contact, including person authorized to draw down cash.
  - Executive Director.
  - Service Provider's Board Chair or Authorized Representative.
  - eHEAT Administrator.

### **Key changes requiring written, signed notification include:**

- Change in Executive Director.
- Change in Board Chair or Authorized Representative.

### **Key changes for which email notification is allowable include:**

- Change in EAP Coordinator status.
- Change in Fiscal Director or fiscal contact status.

### **Service Provider's Other Reportable Conditions**

Reportable conditions involve matters coming to the Service Provider's 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.

### **Change in EAP Coordinator, Fiscal Director, or Fiscal Contact Status**

Service Providers must maintain EAP service through staffing disruptions. Staffing must always include an EAP Coordinator, a Fiscal Director, and a fiscal contact, either in a permanent or interim position. Changes to the EAP Coordinator's, Fiscal Director's, or fiscal contact's employment status must be reported to Commerce as soon as changes are known.

Key changes to the EAP Coordinator's, Fiscal Director's, or fiscal contact'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.

How to report: Email sent to the Commerce EAP Director, the Program Performance Auditor, and eap.mail@state.mn.us.

What to report about the EAP Coordinator’s, Fiscal Director’s, or fiscal contact’s status change:

1. Timing of the change:
  - Last date of employment OR
  - First date of extended absence OR
  - Last date (if known) of extended absence OR
  - Effective start date of part time employment.
  
2. New staff person’s information:
  - Name.
  - Phone number and extension.
  - E-mail address.
  - Address, if different.
  - Start date.
  - Status (interim or permanent).
  
3. Hiring transition information: If more than a week exists between the last effective date of the former staffer’s employment (or first date of an extended absence) and the start time for the new staffer, how will EAP service be maintained until the new staffer is active?
  
4. How will the Service Provider ensure the new or interim staffer 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 Authorized Representative should notify Commerce of his/her appointment as soon as possible after the appointment is made. Include a copy of approved Board minutes appointing the Executive Director. This applies to both permanent and interim appointments.

Key changes to the Executive Director's employment status include:

- Extended absence.
- Leave of absence.
- Resignation, layoff, or termination.

Who reports: Service Provider's Board Chair or Authorized Representative.

How to report: Written, signed notification on Service Provider letterhead with a copy of Board minutes appointing the Executive Director sent to the Commerce EAP Director, supplemented with informal email notice to the Program Performance Auditor and [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us).

What to report:

1. Timing of change:
  - Executive Director's last date of employment OR
  - First date of Executive Director's extended absence OR
  - Last date (if known) of Executive Director's extended absence.
2. New Executive Director's Information:
  - Name.
  - Phone number and extension.
  - E-mail address.
  - Address if different from previous Executive Director.
  - Start date.
  - Executive Director status (interim or permanent).

## **Change in Board Chair or Authorized Representative**

The EAP contract contains the name and title of the Service Provider's Board Chair or Authorized Representative, who is the official contact for high level, legal affairs pertaining to the contract. Service Providers must maintain an identified Board Chair or Authorized Representative throughout the contract period. 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 Board Chair/ Authorized Representative for [name of Service Provider] effective [date]." The notification must come from the Executive Director or Board Chair.

The Service Provider should notify Commerce of a Board Chair or Authorized Representative change as soon as the change is known. This applies to both permanent and interim changes.

Who reports: Service Provider's Board Chair or Executive Director.

How to report: Written, signed notification on Service Provider letterhead with a copy of Board minutes appointing the Board Chair or Authorized Representative sent to the Commerce EAP Director.

## Appendices

12A – *EAP Financial Status Report* (this form is found in eHEAT)

12B – [Expenditure Detail Report](#)

12C – [Leveraging Tracking Form](#)

12D – Service Provider & Community Partner Leveraging Survey Form

12E – Delivered Fuel Vendor Leveraging Survey Form

12F – Connected Utility Leveraging Survey Form

# 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 federal guidance (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.

**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 ensure 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 guidance. (**Note:** “Grantee” may be used instead of “recipient” in the federal guidance).

**Service Provider:** Local government, private non-profit organization, or tribal government that receives a grant (contract) from Commerce.

**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 guidance.

**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 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. pt. 200) 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 OMB 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 *NFAs* 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 *NFAs*, 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 (NFAs) 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. Completed *Local Plan* and *ICD* documents are submitted to [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us).

## Procedure for Completing Grant Contract

### Letter of Intent

Before the contract process begins, Commerce sends Service Providers a request to submit a *Letter of Intent*. The *Letter of Intent* indicates a Service Provider will continue providing EAP services for the coming program year. The signed *Letter of Intent* must be emailed to Commerce at [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us).

# Contract Processing

The contract components listed below and all copies of the contract, with original signatures, are mailed in the envelope provided by Commerce to:

Minnesota Department of Commerce  
Office of Energy Assistance Programs  
85 7th Place East, Suite 280  
St. Paul, MN 55101-2198

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 Certifications Regarding Lobbying; Debarment, Suspension and Other Responsibility Matters; and Drug-Free Workplace Requirements.

## 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

As part of the annual State Plan application required by LIHEAP statute, the chief executive officer of each State shall certify the State's agreement to meet the conditions of sixteen

assurances. As part of assurances six and fifteen, Commerce developed a network of local administering agencies to serve as local EAP Service Providers. Commerce continues to contract with these agencies, whenever possible, to operate LIHEAP.

In the event of an EAP Service Provider acquisition or merger, EAP Service Provider resignation, or Commerce contract termination or non-renewal, Commerce must select a successor EAP Service Provider.

## **Acquisition or Merger**

When a current EAP Service Provider acquires another current EAP Service Provider or when two or more current EAP Service Providers merge, the EAP Service Providers must submit written, signed notification on Service Provider letterhead to the Commerce EAP Director. The written notice must include the following: a statement clearly describing the acquisition or merger plan; the effective acquisition or merger date; and documentation of a formal board resolution, signed and dated by each organization's governing board chair or designee.

## **Service Provider Resignation**

To resign from EAP delivery, an EAP Service Provider must submit written, signed notification on Service Provider letterhead to the Commerce EAP Director. The resignation notice must include the following: a statement clearly indicating the Service Provider's intent to resign; the effective resignation date; and documentation of a formal board resolution, signed and dated by the governing board chair or designee. A minimum notice of 60 days is required to voluntarily terminate a current grant contract.

The resigning EAP Service Provider must complete all contractual obligations to finalize the resignation.

## **Commerce Contract Termination or Non-Renewal**

Commerce may terminate or decline to renew an EAP Service Provider's *LIHEAP Grant Contract*. Commerce will strictly follow contract requirements if terminating a contract. Commerce will provide the EAP Service Provider with written notice identifying the effective date and the remaining obligations for both parties.

## **Successor Selection**

If the EAP Service Provider change is due to an acquisition or merger, the successor EAP Service Provider is the new or surviving entity.

If the EAP Service Provider change is due to an EAP Service Provider resignation or Commerce contract termination or non-renewal, Commerce takes the following steps to select a successor EAP Service Provider:

1. Commerce solicits a letter of interest from current EAP Service Providers.
2. If no current EAP Service Provider expresses interest in serving the vacated EAP service area, Commerce follows agency procurement policy to select a successor EAP Service Provider.

Commerce evaluates and selects each successor EAP Service Provider on a case-by-case basis. Evaluation criteria may include the following:

- Resigning EAP Service Provider's recommendation.
- Vacated EAP service area community recommendation.
- For current EAP Service Providers, recent program performance as reflected in Program Audit Reports and other evaluations.
- Geographic proximity to vacated EAP service area. Current EAP Service Providers serving an EAP service territory overlapping or adjacent to the vacated EAP service area may receive preference.
- Current EAP Service Providers providing similar services in vacated EAP service area (e.g., Weatherization Assistance Program, Head Start) may receive preference.

Note: Pursuant to LIHEAP statute, Community Action Agencies receive preference.

**Commerce may:**

- Subdivide the vacated EAP service area.
- Execute a short term contract with an existing EAP Service Provider on an interim or emergency basis during the succession process.

## Transferring Program Activity

Upon identifying the successor EAP Service Provider, Commerce directs the transition with the exiting and successor EAP Service Providers to facilitate the transition.

## Appendices

13A - EAP Contract FFY21

13B - Certifications Regarding Lobbying; Debarment, Suspension and Other

13C – FFY22 EAP Local Plan Form



# 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

- Fiscal Staff Training
- Use of Funds
- Obligation Authority
- Allocations
- Property Management
- Purchase Requests
- Out of State Travel
- Expenditure Documentation
- Cash Management
- Electronic Funds Transfer (EFT)
- Energy Vendor Payment Information
- Mechanical Contractor Payment Information
- SWIFT Payment Information
- Audits
- Contracting and Bidding Requirements

## Fiscal Staff Training

Any new EAP fiscal staff must attend initial OMB Uniform Guidance training within one year. EAP fiscal staff must take refresher courses within one year of LIHEAP-applicable OMB Uniform Guidance changes.

# 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.

**Restriction on Use of Other Federal Funds for EAP Administrative Costs.** See the Restriction on Use of Other Federal Funds for EAP Administrative Costs section of this chapter for more detail.

**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 7 - 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. Running Out of Money (ROOM) operations 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 received and entered into eHEAT, the system runs a batch process and obligates funds. Service Providers then authorize payment to the household.

**No Additional Federal Funding Is Expected.** Service Providers enter 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 *NFA* for Administration and Assurance 16. 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.

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 Administration and Assurance 16. These allocations are entered into the Service Provider allocation page on eHEAT (Grant Services > Allocate Fund) 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 1 of the next fiscal year.

## Notice of Funds Available (NFA)

The *NFA* is an official part of the EAP Contract (see [Chapter 13 - 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 administration and Assurance 16 budget categories. 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 Commerce signs the *NFA*. Commerce signs the *NFA* in eHEAT, and eHEAT notifies the Service Provider a new *NFA* is encumbered.

The screenshot shows the eHEAT Next Generation interface. At the top, there is a navigation bar with the Commerce Department logo and various menu items like Home, Client Services, Payment Services, Grant Services, Admin Services, System Admin Services, Contractor Services, and Reports. A Notification Center (18) is visible in the top right. Below the navigation bar, there is a breadcrumb trail: Allocate Fund > Cash Request > FSR > Notice Of Funds Available (NFA) > Grant Agreement > A16 Budget. The main content area is titled "Grant Services > Notice Of Funds Available (NFA)". It features a search form with "Service Provider:" set to "Arrowhead Economic Opportunity Agency" and "Program Year:" set to "2020". A "Go" button is present. Below the search form is an "NFA Search" table with the following data:

Service Provider ^	NFA # ^	Created Date ^	Total Prior Level ^	Total Change ^	Total New Level ^	Status ^	View
Arrowhead Economic Opportunity Agency	1	11-15-2019 8:02 AM	\$0.00	\$48,730.00	\$48,730.00	Completed	<a href="#">View</a>
Arrowhead Economic Opportunity Agency	2	11-15-2019 8:40 AM	\$48,730.00	\$43,500.00	\$92,230.00	Completed	<a href="#">View</a>
Arrowhead Economic Opportunity Agency	3	04-13-2020 4:08 PM	\$56,186.00	\$12,938.00	\$69,124.00	Completed	<a href="#">View</a>
Arrowhead Economic Opportunity Agency	4	04-29-2020 8:19 AM	\$69,124.00	\$55,000.00	\$124,124.00	Completed	<a href="#">View</a>
Arrowhead Economic Opportunity Agency	5	06-09-2020 11:57 AM	\$124,124.00	\$15,000.00	\$139,124.00	Completed	<a href="#">View</a>
Arrowhead Economic Opportunity Agency	6	07-09-2020 8:34 AM	\$139,124.00	\$82,500.00	\$221,624.00	Encumbered	<a href="#">View</a>

Click **View** to see the Encumbered NFA:

**Notice of Funds Available** ✕

<p><b>GRANTEE:</b> Arrowhead Economic Opportunity Agency          THIRD AVENUE SOUTH          P.O.Box 200          Virginia MN 55792</p> <p><b>DUNS#:</b>  <b>Indirect Rate:</b>  <b>CFDA#:</b> 93.568  <b>SWIFT No:</b>  <b>Vendor No:</b>  <b>Fund Id:</b> 1563  <b>Program Period:</b> 10/1/19 to 9/30/20</p>	<p><b>GRANTOR:</b> MN Dept of Commerce          85 7th Place East, Suite 280          St Paul, MN 55101-2198</p> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 10px;">New NFA</div> <p><b>Notes:</b></p>
--	--

NFA Details			
Program Title	Prior Level	Change	New Level
Admin	\$101,549.00	75,000.00	\$176,549.00
A16 Proactive ESS	\$16,700.00	0.00	\$16,700.00
Outreach and Responsive	\$20,875.00	7,500.00	\$28,375.00

Complete
Show Pdf

Click **Complete** to acknowledge. Changes to Complete status.

**COMMERCE DEPARTMENT eHEAT Next Generation**

Home Client Services Payment Services Grant Services Admin Services System Admin Services Contractor Services Reports

Allocate Fund Cash Request FSR Notice Of Funds Available (NFA) Grant Agreement A16 Budget

Grant Services ▸ Notice Of Funds Available (NFA)

**Service Provider:** Arrowhead Economic Opportunity / **Program Year:** 2020

Go

NFA Search							
Service Provider ^	NFA# ^	Created Date ^	Total Prior Level ^	Total Change ^	Total New Level ^	Status ^	View
Arrowhead Economic Opportunity Agency	1	11-15-2019 8:02 AM	\$0.00	\$48,730.00	\$48,730.00	Completed	<a href="#">View</a>
Arrowhead Economic Opportunity Agency	2	11-15-2019 8:40 AM	\$48,730.00	\$43,500.00	\$92,230.00	Completed	<a href="#">View</a>
Arrowhead Economic Opportunity Agency	3	04-13-2020 4:08 PM	\$56,186.00	\$12,938.00	\$69,124.00	Completed	<a href="#">View</a>
Arrowhead Economic Opportunity Agency	4	04-29-2020 8:19 AM	\$69,124.00	\$55,000.00	\$124,124.00	Completed	<a href="#">View</a>
Arrowhead Economic Opportunity Agency	5	06-09-2020 11:57 AM	\$124,124.00	\$15,000.00	\$139,124.00	Completed	<a href="#">View</a>
Arrowhead Economic Opportunity Agency	6	07-09-2020 8:34 AM	\$139,124.00	\$82,500.00	\$221,624.00	Completed	<a href="#">View</a>

eheat NextGen Build #a29786f

## Contractual Allocations

The *NFA* grants authority to obligate funds in two categories: administration and Assurance 16.

### Allocation Determination

Commerce establishes allocations for each funding category 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 in the two previous program years served

with Primary Heat, Crisis, and ERR. In addition, the allocation formula accounts for the number of households denied due to being over income, providing insufficient information, or lack of program funds. If additional federal money increases Minnesota's EAP 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.

## **Restriction on Use of Other Federal Funds for EAP Administrative Costs**

The LIHEAP statute requires that no more than ten percent (10%) of the LIHEAP award be earmarked for administrative costs, inclusive of funds from other federal programs (section 2605(b)(9) of the Low-Income Home Energy Assistance Act (42 U.S.C. § 8624 (b)(9))). In order to comply with this requirement, a Service Provider must not supplement their LIHEAP administrative funds with other federal funds, such as CSBG funds, unless these supplemental funds are utilized for administering Assurance 16 activities, as allowed by U.S. HHS Information Memorandum (IM) LIHEAP IM-2000-12. Any costs in excess of the EAP admin allocation must be paid from non-federal funds. Service Provider's independent fiscal audits must evaluate adherence with this requirement. Service Providers must also report on the use of other, non-LIHEAP, federal funds for administration of LIHEAP as part of the annual grant closeout process in the *Expenditure Detail Report* (Appendix 12B) (Column C, "Other Federal Funds").

## **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 Service Provider program funding 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.

Contact [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us) or Commerce Fiscal with *NFA* questions.

# **Property Management**

## **Equipment**

Service Providers must follow the standards found in the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. pt. 200, Subpart D: Property Standards).

## **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. Examples include:

- Computers, printers, and PC accessories
- Cell phones, pagers, and other wireless devices
- Cameras and recording devices
- TVs and video equipment
- Fax machines
- Network servers.

## **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 Requirements 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.

<b>Type of Equipment</b>	<b>Estimated Useful Life (Years)</b>
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

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 [Service Provider Purchase/Disposition Request](#) form is the mechanism to obtain Commerce approval for purchase or disposition of non-expendable personal property. Service Providers must follow the standards in the [OMB](#) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. pt. 200, Subpart D: Property Standards).

#### Closing Date for Purchase Requests.

The [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.

Send completed *Service Provider Purchase/Disposition* forms or questions to [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us) or via U.S. mail to:

Minnesota Department of Commerce

Office of Energy Assistance Programs

85 7th Place East, Suite 280

St. Paul, MN 55101-2198

The [Service Provider Purchase/Disposition Request Form](#) is found on the Commerce website.

# Out of State Travel Requests

## Submitting an Out of State Travel Request

Commerce’s prior approval is required for out-of-state travel using EAP funds.

Requests must be submitted to [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us) at least one month prior to travel using the [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 ensure 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 and 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 payments received from Commerce and Service Provider expenditures. 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

Service Providers must use the *Cash Request Form* found in the eHEAT system. This is the eHEAT **Cash Request** screen:

Home Client Services Payment Services **Grant Services** Admin Services System Admin Services Contractor Services Reports

Allocate Fund **Cash Request** FSR Notice Of Funds Available (NFA) Grant Agreement A16 Budget

Search Cash Request

Grant Services ▸ Cash Request

**Cash Request**

Service Provider: ARROWHEAD ECONOMIC OPPORTUNITY AGENCY

Status:

Program Year: \*

From Date: \*

To Date: \*

Cash Request Number:

**Notes**

State Fiscal Notes:

Service Provider Notes:

**Cash Request Information**

Fund Name	Cash Request Amount(\$)	Current Cash Amount(\$)	Total Fund Budget	Total Approved CR	Remaining Budget	Approved FSR
Admin	<input type="text"/>	<input type="text"/>	\$176,549.00	\$27,200.00	\$149,349.00	\$22,254.00
A16 Proactive ESS	<input type="text"/>	<input type="text"/>	\$16,700.00	\$3,454.00	\$13,246.00	\$3,225.00
Outreach and Responsive	<input type="text"/>	<input type="text"/>	\$28,375.00	\$6,658.00	\$21,717.00	\$6,600.00
<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$221,624.00</b>	<b>\$37,312.00</b>	<b>\$184,312.00</b>	<b>\$32,079.00</b>

Cash requests must be submitted through eHEAT and must be from a person with an eHEAT ID authorized to request cash. 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 two categories: payroll or other. Service Providers should identify these categories in the Service Provider Notes box. Commerce makes every effort to process cash requests three times a week, typically Monday, Wednesday, and Friday. 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 cash requests questions to Donna Leonard or Jessica Perron:

MN Department of Commerce  
 Finance/Accounting  
 Attn: Donna Leonard  
 85 7th Place East, Suite 280  
 St. Paul, MN 55101-2198  
 651-539-1521  
[donna.leonard@state.mn.us](mailto:donna.leonard@state.mn.us)

Jessica Perron  
 651-539-1524  
[jessica.perron@state.mn.us](mailto:jessica.perron@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). Commerce encourages Service Providers, mechanical contractors, and energy vendors to sign up for EFT by completing a *Direct Deposit Authorization Form*. The form is found at [https://mn.gov/mmb/assets/eft\\_tcm1059-127281.pdf](https://mn.gov/mmb/assets/eft_tcm1059-127281.pdf) on the Minnesota Management & Budget website.

To change bank account information, Service Providers, mechanical contractors, 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 energy vendors must complete and submit the following documents:

- Agreement Between Energy Vendor and Service Provider: signed in eHEAT.
- [Energy Vendor Registration for EAP Payments](#) form: submitted to Service Provider or to [eheat.doc@state.mn.us](mailto:eheat.doc@state.mn.us).
- W-9 Request for Taxpayer Identification Number and Certification form <https://www.irs.gov/pub/irs-pdf/fw9.pdf>: submitted to Service Provider or to [eheat.doc@state.mn.us](mailto:eheat.doc@state.mn.us).

Following review, the Service Provider must submit the registration and W-9 to [eheat.doc@state.mn.us](mailto: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.

Direct registration questions to [eheat.doc@state.mn.us](mailto:eheat.doc@state.mn.us).

## Mechanical Contractor Payment Information

To receive EAP payments mechanical contractors must complete and submit the following documents:

- Agreement Between Mechanical Contractor and Service Provider: signed in eHEAT.
- Mechanical Contractor Registration for EAP Payments form: submitted to Service Provider or to [eheat.doc@state.mn.us](mailto:eheat.doc@state.mn.us).
- W-9 Request for Taxpayer Identification Number and Certification form <https://www.irs.gov/pub/irs-pdf/fw9.pdf>: submitted to Service Provider or to [eheat.doc@state.mn.us](mailto:eheat.doc@state.mn.us).

Following review, the Service Provider must submit the registration and W-9 to [eheat.doc@state.mn.us](mailto:eheat.doc@state.mn.us). If the address on the submitted W-9 is a post office box number, the

mechanical contractor must also supply their business location address. Mechanical contractor registrations will only be accepted when submitted via the Service Provider or if the Service Provider informs Commerce a mechanical contractor is submitting a registration form.

Direct registration questions to [ehat.doc@state.mn.us](mailto:ehat.doc@state.mn.us).

## SWIFT Payment Information

Service Providers may access payment information at the SWIFT vendor portal at [https://supplier.systems.state.mn.us/psc/fmssupap/SUPPLIER/ERP/c/NUI\\_FRAMEWORK.PT\\_LANDINGPAGE.GBL?&](https://supplier.systems.state.mn.us/psc/fmssupap/SUPPLIER/ERP/c/NUI_FRAMEWORK.PT_LANDINGPAGE.GBL?&) . This site also has answers to several Frequently Asked Questions and phone numbers Service Providers may need. Service Providers need to contact Minnesota Management and Budget 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 and 2 C.F.R. pt., 200).

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 14 - Data Practices & Records](#), OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. pt., 200), 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 the audit provisions of OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. pt, 200). 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 (see [2 CFR 200.501 - Audit Requirements, Page 1](#)).

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 standards outlined in OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. pt., 200), and others as applicable (including modifications) in the administration of EAP grants. General modifications in 2 C.F.R. pt. 200:

- The state of Minnesota stands in the place of the federal agency in the language of the guidance.
- 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. 5](#)) 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 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 is actively involved in the day-to-day corporation's operations; e.g., related party ownership of buildings, equipment, services, etc.
- Review of sub grantee audit reports.
- Evaluation of adherence with the **Restriction on Use of Other Federal Funds for EAP Administrative Costs** section of this chapter.

## 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 months after the end of the audit period (to comply with 2 C.F.R. §200.512. Report Submission). In addition, when requested by EAP, Service Providers must provide copies of all audits conducted even if the audits were not required. Audits are submitted electronically to Donna Leonard at [donna.leonard@state.mn.us](mailto:donna.leonard@state.mn.us) or in written form to:

Minnesota Department of Commerce  
Finance/Accounting  
Attn: EAP Audits  
85 7th Place East, Suite 280  
St. Paul, MN 55101-2198

In lieu of submitting a hard copy of the audit report, Service Providers may send notice to EAP with the website of their completed audit. The [Audit Report Schedule](#) lists audit report due dates.

## Financial Audits

For Financial Statement Audits Only ( i.e., Single Audit to comply with 2 C.F.R. pt. 200 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 Single Audits intended to comply with 2 C.F.R. pt. 200, (including financial statement audits accompanying the Single Audits), auditors must send:

- Two copies of the single audit reporting package, as defined in OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. pt., 200), financial statement audits and management letter (with responses).
- One copy of the reporting package to the Office of the State Auditor Single Audit Division, 525 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.

## 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-federal sources or as stated in the grant agreement.

## Contracting and Bidding Requirements

In addition to procurement standards set forth in the OMB Uniform Guidance, the Service Provider must comply with the following contracting and bidding requirements, as guided by the Minnesota Department of Administration's Office of Grants Management:

- Any services and/or materials that are expected to cost \$100,000 or more must undergo a formal notice and bidding process.
- Services and/or materials that are expected to cost between \$25,000 and \$99,999 must be competitively awarded based on a minimum of three (3) verbal quotes or bids.

- Services and/or materials that are expected to cost between \$10,000 and \$24,999 must be competitively awarded based on a minimum of two (2) verbal quotes or bids or awarded to a targeted vendor.

However, Commerce may waive bidding process requirements when:

- Vendors included in response to competitive grant request for proposal process were approved and incorporated as an approved work plan for the grant.
- It is determined there is only one legitimate or practical source for such materials or services and that Service Provider has established a fair and reasonable price.

The Service Provider must not contract with vendors who are suspended or debarred in MN: <http://www.mmd.admin.state.mn.us/debarredreport.asp>.

For procurement standards for ERR services, see the **ERR Procurement** section of Chapter 6 – *Energy Related Repair*.

## Targeted Vendors

Service Providers must take all necessary affirmative steps to assure that targeted vendors from businesses with active certifications through these entities are used when possible:

- [State Department of Administration's Certified Targeted Group, Economically Disadvantaged and Veteran-Owned Vendor List](#)
- [Metropolitan Council's Targeted Vendor List: Minnesota Unified Certification Program](#)
- Small Business Certification Program through Hennepin County, Ramsey County, and City of St. Paul: Central Certification Program

## Conflicts of Interest

Service Providers must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.

## Documentation of the Purchasing and/or Bidding Process

The Service Provider must maintain support documentation of the purchasing and/or bidding process utilized to contract services in their financial records, including support documentation justifying a single/sole source bid, if applicable.

## Prevailing Wage

For projects that include construction work of \$25,000 or more, prevailing wage rules apply per Minn. Stat. § 177.41 through 177.44; consequently, the bid request must state the project is subject to prevailing wage. These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community. A prevailing wage form should accompany these bid submittals.

## Appendices

14A - [Audit Report Schedule](#)

14B - [Service Provider Purchase/Disposition Request Form](#)



# 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 ensures 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 Monitoring

Commerce is required by 2 C.F.R. 200.331 to monitor all federal 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 13 - 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.
- A [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. The signed letter is emailed to [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us).

## Financial Reconciliation

The Minnesota Department of Administration's Office of Grants Management Policy 08-10 requires Commerce to conduct a financial reconciliation of grantees' expenditures on grants of over \$50,000. Commerce must complete the financial reconciliation at least once during the grant period or before final payment is made. A financial reconciliation verifies that expenditures reported on Financial Status Reports (FSRs) match financial reports generated by Service Providers' accounting systems, and are supported by a complete set of source documents, such as purchase orders, receipts, payroll records, invoices, time sheets, etc., which Commerce will request from Service Providers as part of this process.

## Other Oversight

When circumstances require it, Commerce may conduct further oversight activities.

## Record Reviews and Targeted Information Gathering

Commerce has authority to request any information regarding program operation. In addition, Commerce continually 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, Commerce staff may request additional information from the Service Provider. The Service Provider must respond with timely and accurate information.

## Program Audit Reports

Within 45 calendar days of a Program Audit visit, Commerce sends a Program Audit Report to the Service Provider's Executive Director. The report summarizes program operation, compliance findings and instruction, and timelines for corrective action. If the report includes findings or recommendations, Commerce sends a draft report to the Service Provider's Executive Director and EAP Coordinator before issuing the final report. The Service Provider has five business days to review the draft and provide clarification for Commerce consideration in the final report. After the five day review period expires, Commerce issues the final report to the Service Provider.

## 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 12 – 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 Partnership (MinnCAP) and Energy Assistance Coordinator's Association (EACA)

Commerce attends and presents program information at meetings called by MinnCAP and EACA. 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 *A Spark*. 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**

15A – Service Provider EAP Program Audit Disclosure Letter



# 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 or directly with the Department of Commerce.

## 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 cannot access 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, 2020 and September 30, 2021
- 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, 2020 and September 30, 2021 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, 2020 and September 30, 2021. 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 ‘Vendor Services’ menu > ‘Maintain Multiple Consumption’ tab

- Hit 'Go' to search all households or use the drop downs to limit the search by Service Provider, Year, Consumption Status, or Application Status. NOTE: Select consumption status 'Requested' to view only households that still need consumption information entered.

COMMERCE DEPARTMENT eHEAT Next Generation

Notification Center (0)

Home Payment Services Vendor Services System Admin Services Reports Logout

Application Consumption Data Upload **Maintain Multiple Consumption** File Download

Vendor Services > Maintain Multiple Consumption

Consumption Search

Service Provider: Please select Vendor Name: Program Year: 2020 Consumption Status: Please select

Application Status: Please select

Go Clear

## Payment Requirements

Service Providers authorize payments for energy vendors on behalf of eligible households. There are two types of benefits, “Primary Heat” and “Crisis.” Primary Heat payments can be distributed over multiple 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 Minnesota Management & Budget (MMB) by Electronic Fund Transfer (EFT) to the energy vendor bank account or mailed as a warrant (check). Energy vendors credit EAP payments to the designated account.

## Payment Notification

When payments are issued, both MMB and eHEAT send notifications.

MMB notification includes:

- Warrant or EFT number.
- Date of payment.
- What agency and program the payment is made on behalf of.
- The total payment amount.

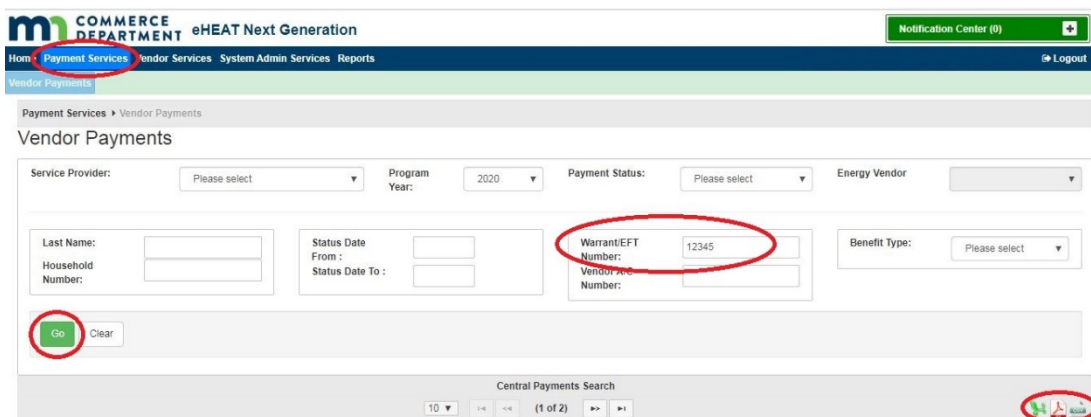
eHEAT email notification includes:

- Warrant or EFT number.
- Date of payment.

# Finding Payment Information

Energy vendors use eHEAT to get payment details. To search in eHEAT for payments received, follow the steps below:

1. Go to 'Payment Services' menu > 'Vendor Payments' tab
2. Enter the 'Warrant/EFT Number' in that search field (do not fill in any other search criteria) and click "Go"
3. Results will display below and can be exported by clicking on file type icons in the upper right corner of the results



## 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 does not match the full payment amount you received from the State of Minnesota, please contact the State of Minnesota SWIFT help desk hotline at 651-201-8106 or [efthelpline.mmb@state.mn.us](mailto:efthelpline.mmb@state.mn.us). SWIFT handles payments for all State departments and can assist in identifying the full payment amount.

Direct all other questions regarding payments to the Service Provider. 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 household accounts 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 the Service Provider requests a refund. 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 ensure 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 must assist the Service Provider as needed:

- 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 assists the household to remove these barriers.
- If unable to get the account in a household member's name, the Service Provider verifies the reason the household names do not match and ensures 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 makes notes in eHEAT.

### **Ownership of Assistance**

EAP funds always belong to the program. The EAP benefit is provided to the household 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 is the household's property.

# 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 the Service Provider's request. 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. Contact Commerce with questions regarding this process at 651-539-1869 or [eheat.doc@state.mn.us](mailto:eheat.doc@state.mn.us).

## Refunding Prior Program Year Benefits

All prior program year refunds, with the exception of deposits, which should be given to the household, 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:

Financial Accounting (EAP)

Minnesota Department of Commerce

85 7th Place East, Suite 280

St. Paul, MN 55101-2198

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 > 'Vendor Payments' tab.
2. Enter the household number for the customer receiving the refund and the 'Payment Status' 'Paid' and click 'Go'.

3. Click the radio button next to the household number for any payments for that household.
4. Click the 'Add Refund' button. The 'Payment Refund' screen will appear.
5. Enter refund amount in 'Refund Amt' field and select the reason from 'Refund Reason' list.
6. Add any notes for the Service Provider in the 'Notes' field.
7. After all refund information is entered then select the 'Submit' button.
8. A message asks to confirm the refund, click 'Yes' to confirm.
9. A status message will show in the upper right corner 'Refunded Successfully'.

### Finding a payment to refund (steps 1-4)

### Adding and Entering a Refund (step 5-9)

### 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 that the action requires the energy vendor to refund the payment, the energy vendor must 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 6 – 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 8 – 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 occupy 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 a past due energy payment.
- Have less than 10 days pre-pay energy.
- 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 ten days 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 \$1,200.
- For delivered fuels: Up to \$1,200 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: \$300.
- For households on pre-pay (or PayGo) programs: \$300

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. Crisis payments must 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, they should immediately report it to the local Service Provider.

## Crisis Information Requirements

Energy vendors must 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 'Vendor 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 'Delivery Confirmation Info' screen will appear.
6. Enter actual post-delivery information in each field then click the 'Submit' button.

## Accessing 'Delivery Confirmation Info' screen (steps 1-5)

COMMERCE DEPARTMENT eHEAT Next Generation

Home Payment Services **Vendor Services** System Admin Services Reports

Application **Delivery Confirmation Info** Consumption Data Upload Maintain Multiple Consumption File Download

Vendor Services > Delivery Confirmation Info

Delivery Confirmation Info Search

Vendor Name:  Service Provider: Please select Program Year: 2020 HH Number:

Crisis Event ID:  Event Status: In Progress **Delivery Info Status: Requested**

**Go** Clear

Delivery Confirmation Info Search

Request ID	Name	Account Number	Event Status	HH Number	Delivery Info Status	Status Date
128996	SOPHIE WILD	2345345324	In Progress	487518	Requested	01-07-2020 3:19 PM
129062	TONY SOPRANO	CS345	In Progress	487628	Requested	04-10-2020 2:58 PM
129104	JAKE HAYNE	j43	In Progress	487631	Requested	05-14-2020 3:41 PM
129123	ELISSA VALAREZ	VÆLI	In Progress	487752	Requested	05-20-2020 9:09 AM

**View / Enter Delivery Info**

## Entering Post-Delivery Information (step 6)

Delivery Confirmation Info

Request ID: 128996 Fee and Other Charges:

Delivery Info Status: Requested Total: 0.00

Gauge Not Accessible:  Delivery Date: \*

Gallons Delivered: \*  Notes:

Price per Gallon: \*

% of fuel in tank prior to delivery:

**Submit Delivery Info**

## Verifying Crisis Payments before applying to household's account

Energy vendors have a role in ensuring 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 ensuring 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 below 30% (3/10 of tank), provide fuel according to Service Provider instructions.
  - If the tank is over 30%, do not 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 the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. § 8623(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, 2022. 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, the balance on the account is used 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 outlined in the *EAP Policy Manual*. Every energy vendor must sign an agreement in order to receive payments on behalf of a household. See the *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 [Energy Vendor Price List](#) form.

## **Energy Vendor Internal Controls Responsibility**

Service Providers, energy vendors, and households are part of a Coordinated Responsibility Model that explains each parties responsibility to ensure accuracy, effectiveness, efficiency, and integrity of EAP services. Energy vendors have a role in ensuring accurate benefits by provided household account and billing status information. Inaccurate consumption or account 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 before applying a payment to a household's account will provide assurance that an accurate benefit is being provided.
- Conducting post-payment control measures 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 Commerce at [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us).

## Energy Vendor Registration and Change of Energy Vendor Information

To receive payments on behalf of an applicant, an energy vendor must be registered with Commerce and Minnesota Management & Budget (MMB). Energy vendors register by submitting the completed [Energy Vendor Registration for EAP Payments](#) form to their local Service Provider, which is then provided to Commerce to complete registration. Registration information must include:

- Full Legal Business Name (TIN Name).
- Common Name (DBA), if any.
- Business location address and mailing address.
- Business Phone Number.
- Contact name, phone number, and email address.
- Service Providers working with.
- Federal Tax Number.
- Completed and signed 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.

To receive payment, energy vendors must have an MMB Vendor Registration Number (also referred to as a Vendor ID Number or a SWIFT ID Number). Commerce will register new energy vendors with MMB as part of the eHEAT registration process.

Energy vendors can submit any changes in their registration information (e.g., change of business name, contact information, change in payment information, mergers or buyouts, etc.) to their local EAP Service Provider. The Service Provider will inform Commerce by emailing updated information to [eheat.doc@state.mn.us](mailto:eheat.doc@state.mn.us). To change banking information, energy vendors must contact MMB.

## 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 features necessary for their work assignments.

### Off-Boarding Process

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

### eHEAT Access Check

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

- **Active:** user has eHEAT access.
- **Deactivated:** user does not have current eHEAT access due to inactivity for over 60 days or because they were deactivated by an eHEAT Administrator. User needs to be reactivated by an eHEAT Administrator to regain access. 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 user groups that combine features in eHEAT for staff positions.
- Editing existing users' user groups as new features are assigned or no longer performed.
- Immediately deactivating 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.
- Ensuring the private data provided by eHEAT features 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 Commerce at once by e-mail at [eap.mail@state.mn.us](mailto: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 Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. § 8623(c)) 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 an [Energy Vendor Monitoring Report Cover Letter](#) explaining the process. The energy vendor must complete the [Energy Vendor Monitoring Report](#) and supply requested records. The Service Provider utilizes the [Energy Vendor Monitoring Report SP Review Tool](#) to assess compliance and analyze records.

## Energy Vendor Audit

The Energy Vendor Audit is one of the monitoring activities EAP conducts to ensure internal controls are in place and that energy vendor activities are conducted properly. This is a desk monitoring activity with follow up by the PPAs as needed.

Commerce emails Service Providers instructions, a questionnaire, and a spreadsheet listing energy vendors active during the program year. Service Providers complete the questionnaire and indicate if they have a valid [Agreement Between Energy Vendor and Service Provider](#) for each energy vendor listed on the spreadsheet.

Service Providers must send the completed questionnaire to Commerce at [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us) by November 2, 2021. The documents may be returned when

completed, but should not be returned until all energy vendor monitoring activities are finished.

After receipt of the completed questionnaire, Commerce will request a random sample of energy vendor agreements and energy vendor monitoring reports. The Energy Vendor Manager will work with Service Providers on any follow up resulting from the audit. Once the review is complete, the information is summarized and provided to the PPAs.

## 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 backup 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 Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. § 8624(b)) 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. This includes making available the cash price or other applicable discount programs to EAP households.

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 protecting personally identifiable information (PII). EAP information, including application and eligibility status of households, is classified as private data under the Minnesota Government Data Practices Act (MGDPA), Minn. Stat. § 13. Immediately report possible violations to Commerce.

When communicating with Service Providers about EAP participants, energy vendors should use EAP household numbers instead of names, addresses or other PII. For example, use "HH 123456" instead of "John Doe." If it is necessary to use PII like names or addresses, energy vendors must use a secure form of communication such as encrypted email.

## 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. 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 use of their data only 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 Privacy Act of 1974, 5 U.S.C. § 552a and the MGDPA. Under the Privacy Acts, energy vendor, Service Provider, and Commerce staff must 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.

See additional information in [Chapter 11 - 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 helps survivors of domestic violence, sexual assault, stalking, or others who fear for their safety to establish a confidential address. SAH allows its participants to go about their lives 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 if the address is known. Additional information about SAH is found in [Chapter 2 - Applications & Application Processing](#) of the *EAP Policy Manual*.

SAH is governed by Minn. Stat. § 5B and Minn. Rules § 8290.

# Appendices

16A – [Agreement Between Energy Vendor and Service Provider](#)

16B – [Energy Vendor Monitoring Report Cover Letter](#)

16C – [Energy Vendor Monitoring Report](#)

16D – [Energy Vendor Monitoring Report SP Review Tool](#)

16E – [Crisis Fuel Post Delivery Verification](#)

16F – [Energy Vendor Price List](#)

16G – [Energy Vendor Registration for EAP Payments](#)

# Mechanical Contractors

## Chapter Definitions and Terms

- eHEAT (Electronic Household Energy Automated Technology)
- Electronic Funds Transfer (EFT)
- Energy Assistance Program (EAP)
- Energy Related Repair (ERR)
- Heating System is a permanent source of interior home heat, such as furnaces, boilers, and wood stoves
- Minnesota Management & Budget (MMB)

## Chapter Contents

- [Requirements for ERR Service](#)
- [Registration, Agreement, and Contractor Requirements](#)
- [Mechanical Equipment and Work Standards](#)
- [Required Documentation](#)
- [Payments](#)
- [eHEAT](#)
- [Additional Requirements](#)

The Energy Assistance Program (EAP) is a health and safety program which helps low-income households keep their homes heated. An essential part of this program is ensuring households have a functioning heating system. The Energy Related Repair (ERR) program is an emergency benefit for households facing no-heat or life-threatening situations resulting from a malfunctioning or nonfunctioning heating system. As a crisis program, ERR requests must be addressed within required timelines.

Mechanical contractor participation is critical in providing the ERR benefit to EAP-eligible households. Mechanical contractors support the delivery of ERR benefits by repairing or replacing homeowners' heating systems.

# Requirements for Energy Related Repair (ERR)

## ERR Eligibility

Households receiving ERR services must be eligible for the Energy Assistance Program (EAP), own their home, and be in a no-heat or life-threatening situation.

## Response Time

ERR is an emergency program, therefore a quick response is critical. An ERR program response includes a mechanical contractor's visit to the home to evaluate the heating system issue and either repair the system or provide temporary heat to allow time for the unit's repair or replacement. In accordance with in the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. § 8623(c)), services must be provided:

1. Within 18 hours if a life-threatening situation.
2. Within 48 hours if a non-life threatening situation.

# Registration, Agreement, and Contractor Requirements

## Mechanical Contractor Registration

Mechanical contractors must register with Commerce and Minnesota Management & Budget (MMB) to receive payments from EAP for services performed. Mechanical contractors register by submitting the [Mechanical Contractor Registration for EAP Payments](#) form to their local EAP Service Provider, which is then provided to Commerce to complete registration. Registration information must include:

- Full legal business name.
- Assumed name or Doing Business As (DBA), if any.
- Mailing address.
- Contact name.
- Phone number.
- Fax number.
- E-mail address.

- If the mechanical contractor is an individual or sole proprietor, the owner’s full legal name and social security number.
- If the mechanical contractor is a corporation, Federal Employer Tax Identification Number (TIN).
- EAP Service Provider(s) that a mechanical contractor is working with.
- Special services performed (boiler, electric, inspections, mobile home, oil, and/or wood or biofuel stove).
- Counties served.
- Completed and signed IRS Form W-9.

To receive payment, mechanical contractors must have an MMB Vendor Registration Number (also referred to as a Vendor ID Number or a SWIFT ID Number). Commerce registers new mechanical contractors with MMB as part of the eHEAT registration process.

Mechanical contractors submit any changes in their registration information (e.g., change of business name, contact information, etc.) to their local EAP Service Provider. The Service Provider informs Commerce by emailing updated information to [eheat.doc@state.mn.us](mailto:eheat.doc@state.mn.us). To change banking information, mechanical contractors must contact MMB.

## Mechanical Contractor and Service Provider Agreement

The [Agreement Between Mechanical Contractor and Service Provider](#) (Appendix 17A) specifies the requirements to participate in the EAP’s ERR program. Signing the agreement establishes formal expectations for both parties. The agreement details the program and mechanical contractors’ roles, including requirements for conducting work, communication, eHEAT security administration, and data practices. Mechanical contractors must sign the agreement in eHEAT to receive EAP payments.

## Mechanical Contractor Requirements

### Contractors must:

- Be bonded, licensed, and insured, as required by pertinent laws, ordinances, regulations, or codes.
- 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.
- A mechanical contractor must not be excluded/debarred from receiving Federal funds.
- Submit all required documentation (see Required Documentation section below)
- Submit an itemized invoice to Service Provider within 60 days upon satisfactory completion of work. Invoices submitted after September 15 will not be paid.

# Mechanical Equipment and Work Standards

All heating system repairs and replacements must be performed by a bonded heating contractor who conducts pressure tests when required and must conform to the applicable 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.
- 2015 Minnesota Energy Code.
- Manufacturers' specifications and installation instructions.

## Repairs

Install an electronically commutated (EC) motor when replacing a motor, if possible. If a proposed repair is not cost-effective given the age or condition of the heating system, consult with the local Service Provider.

## Replacements

The replacement furnace must meet or exceed the following criteria:

- Annual Fuel Utilization Efficiency (AFUE) of at least 93%.
- For fuel oil units the AFUE must be at least 80%.
- Sealed combustion two-pipe system except when prevented by a dwelling's physical conditions.
- Burner with a minimum of two (2) stages.
- Electronically commutated (EC) motor.

For replacement boilers the AFUE must be at least 80% or higher, when possible.

**Exceptions** to installing a high efficiency heating system include:

- Physical conditions exist that prevent installation.
- Biofuel burning heating units.

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.
- Use the same method for supplying combustion air and venting as the original equipment, unless it is a pre-code mobile home.
  - Be approved by the MN Department of Labor and Industry if it is an alteration to the mobile home.
  - Alterations to the heating system are allowed in pre-code manufactured homes constructed on or before July 1, 1972.
- Have the ducts connected to the furnace cabinet when a furnace with a package air or blend air system is replaced.
- Meet the HUD code for drywalling of the furnace and water heater compartments.

## Electrical Work

New, extended, additional, or altered wiring to the unit must be performed by a licensed electrician or a heating contractor with a certificate of completion to do electrical work inside or physically attached to a heating system. This includes low voltage wiring, such as the wiring for a thermostat.

# Required Documentation

## Bids

Minnesota Department of Commerce requires a bid for repairs or replacements over \$2,000. Service Providers may have additional requirements.

## Itemized Invoice

Heating contractors must submit an itemized invoice for work completed unless an itemized proposal or bid was previously provided. The itemized invoice must include details of costs for labor, major 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).
  - An [ERR Completion Certificate](#) signed by the contractor.
  - Manual J (see the requirements below).
  - Rebates, if applicable.

Contractors must submit itemized invoices for work completed to the Service Provider within 60 days of satisfactory work completion. Commerce will not pay invoices submitted after September 15.

## Rebates

ERR rebates should benefit EAP when possible.

- For utility rebates, contractors must provide the rebate information to the EAP Service Provider for completion and submittal.
- Contractors should deduct manufacturer rebates from the invoice, if possible.
- Homeowners must complete and sign all rebate documents, if required, before the contractor provides them to the Service Provider.

## Manual J Requirement

2015 Minnesota Energy Code requires a Manual J or an approved equivalent method when installing a heating system. The calculation is not required to submit a bid or proposal, but must be performed before installing the heating unit.

If a Manual J is not required by code due to the dwelling type – for example, a mobile home – 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.

## Completion Certificates

All replacements and repair work over \$1,100 must have a *Completion Certificate* signed by the contractor and household stating the specified work was completed and the client is satisfied with the work. The homeowner and mechanical contractor must sign and date the *Completion Certificate*. The *Completion Certificate* must be completely filled out before payment is made.

## Payments

Service Providers authorize payments for mechanical contractors for work completed on behalf of eligible households. Payments are made directly to the contractor and not to the households. The household may not contribute toward the cost of the ERR payments.

Service Providers initiate payments in eHEAT after all required documents, including itemized invoices, are received. Minnesota Management & Budget (MMB) processes payments by

Electronic Fund Transfer (EFT) to the mechanical contractor bank account or mailed as a warrant (check).

## Payment Requirements

Contractors must submit all required paperwork before payments are made. Service Providers certify payments after receipt of the signed *Completion Certificate* and inspection tool, if inspected. Service Providers conduct a minimum of one annual on-site inspection for contractors performing replacements, in addition to any locally-required inspections.

## Payment Notification

Both MMB and eHEAT send notification when payments are issued. MMB notification includes the following:

- Warrant or EFT number.
- Date of payment.
- What agency and program the payment is made on behalf of.
- The total payment amount.

eHEAT email notification includes the following information:

- Invoice number being paid.
- Payment amount.
- Household number.

## Finding Payment Information

Follow the steps below to search in eHEAT for details on payments received. Search results will show individual payments for each household.

1. Log in to eHEAT.
2. Go to 'Contractor Services' menu > 'Contractor Payments' tab
3. Enter the '**Warrant/EFT Number**' in that search field (do not fill in any other search criteria) and click "Go"
4. Results will display below and can be exported by clicking on file type icons in the upper right corner of the results

The screenshot shows the eHEAT web interface for Contractor Payments. The navigation menu includes 'Home', 'System Admin Services', 'Contractor Services', and 'Reports'. The 'Contractor Services' menu is expanded, showing 'Contractor Payments' and 'Manage Invoice'. The search criteria section includes fields for Service Provider, Program Year (set to 2020), Payment Status, and Contractor (set to ADVANCED HEATIN). The search fields for Invoice Number, Invoice Status, Status Date (From/To), and Warrant/EFT Number are present. The 'Warrant/EFT Number' field is highlighted with a red circle. A 'Go' button is also circled in red. In the top right corner, there are icons for a green speech bubble, a red PDF icon, and a green CSV icon.

## Payment Questions

Mechanical contractors with questions about EFTs received from the State of Minnesota can contact MMB's SWIFT help desk at 651-201-8106 or [efthelpline.mmb@state.mn.us](mailto:efthelpline.mmb@state.mn.us). SWIFT handles payments for all state agencies and can assist in identifying the full payment amount.

Direct all other payment questions to local EAP Service Providers. Service Providers refer questions they cannot resolve to Commerce.

## eHEAT

eHEAT (Electronic Household Energy Automated Technology) is web-based software that centralizes application intake, processing, and payment generation. Mechanical contractors use eHEAT to sign their annual agreement with Commerce and view payments. Mechanical contractors register for eHEAT through their local EAP Service Provider.

## eHEAT Security Policies

Mechanical contractors must ensure only authorized users have access to eHEAT. Additionally, users should only have access to eHEAT functions needed for their work assignments.

### Managing eHEAT Users

Mechanical contractors may have multiple eHEAT users. One user is designated as the eHEAT Security Administrator and manages access for other users. The eHEAT Security Administrator's responsibilities include:

- Limiting access to authorized personnel.
- Ensuring each user is assigned a unique user ID.
- Ensuring email addresses associated with each user ID are current.
- Creating new user groups that combine features in eHEAT for staff positions.
- Editing existing user groups as new features are assigned or no longer performed.
- Immediately deactivating eHEAT users:
  - Upon permanently leaving a position requiring eHEAT access.
  - Upon administrative leave or suspension.
  - When no longer employed by the mechanical contractor.
  - If on other leave, laid off, on an extended vacation, or reassigned to non-EAP duties for 30 days or longer.

If the mechanical contractor's eHEAT Security Administrator needs to be deactivated, email [eheat.doc@state.mn.us](mailto:eheat.doc@state.mn.us).

## Managing eHEAT Access

The mechanical contractor eHEAT Security Administrator must conduct routine eHEAT access checks to ensure only the appropriate users are active in eHEAT. There are two user statuses in eHEAT:

- **Active:** user has access to eHEAT.
- **Deactivated:** user does not have current eHEAT access due to inactivity for over 60 days or because they were deactivated by an eHEAT Administrator. User needs to be reactivated by an eHEAT Administrator to regain access. eHEAT continues to list every user that had eHEAT access.

# Additional Requirements

## Walk Away Policy

Service Providers may terminate an ERR job if circumstances prevent them or contractors from visiting a home or providing ERR services. This “walk away policy” may be applied at any point during the ERR process prior to completion of work.

A mechanical contractor **must** contact the Service Provider if they discover 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 utilities required for the job.
- Does not allow sufficient access to the heating system.
- Owner or an occupant refuses to allow required work, diagnostic measures, or safety tests.

When the contractor reports a potential walk away situation, the Service Provider contacts the household to correct or address the concerns within a specified timeframe. The Service Provider will work with the contractor to determine whether work may continue. If the concerns are addressed, the Service Provider notifies the contractor the work may continue.

A mechanical contractor **may** contact the Service Provider 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.
- 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.

## Data Privacy

Mechanical contractors must protect personally identifiable information (PII). EAP information, including household application and eligibility status, is classified as private data under the Minnesota Government Data Practices Act (MGDPA), Minn. Stat. § 13. Immediately report possible violations to Commerce.

When communicating with Service Providers about EAP participants, mechanical contractors should use EAP household numbers instead of names, addresses or other PII. For example, use “HH 123456” instead of “John Doe.” If the use of PII is necessary, mechanical contractors must use a secure form of communication. For example, use encryption when emailing invoices, completion certificates, inspection forms, or other documents containing names or addresses.

## Non-Discrimination

Mechanical contractors cannot penalize or discriminate against customers for participating in EAP. The Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. § 8624(b)) states that an EAP eligible household must not be treated adversely or differently from other households because of receiving EAP assistance.

## Safe at Home Program

EAP follows the guidelines of the Safe at Home (SAH) program, which helps survivors of domestic violence, sexual assault, stalking, or others who fear for their safety to establish a confidential address. SAH allows its participants to go about their lives without leaving traces of where they live to keep their abuser from locating them.

Participants use a SAH assigned address and the Secretary of State’s office forwards their correspondence to their actual mailing address. 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.

Mechanical contractors must work with Service Providers to safeguard SAH participants’ identity and address. Mechanical contractors must keep the SAH participants’ names separate from their home address. For example, if a work ticket, invoice, or other documentation is generated, use the SAH participant’s EAP household number not their name. This is to reduce the paper trail as much as possible and never link the SAH participant’s name and address.

Additional information about SAH is found in [Chapter 2 - Applications & Application Processing](#) of the *EAP Policy Manual*.

SAH is governed by Minn. Stat. § 5B and Minn. Rules § 8290.

# Appendices

17A – [Agreement Between Mechanical Contractor and Service Provider](#)

17B – [Mechanical Contractor Registration for EAP Payments](#)



# Water Vendors

Water vendor participation is essential to efficient operation of the Low-Income Household Water Assistance Program (LIHWAP). LIHWAP is the water assistance component of the Energy Assistance Program (EAP).

Water vendors' roles include providing water and wastewater cost and billing information, applying payments, working with Service Providers and LIHWAP households in emergency situations, conducting outreach, and referring customers in need to the program. Water vendors establish agreements with LIHWAP Service Providers, develop communication processes, and use the web-based eHEAT system to perform these functions. The rules are guided by the LIHWAP regulations, the *EAP Policy Manual*, and related state regulations.

eHEAT (Electronic Household Energy Automated Technology) is web-based software centralizing program activity for Service Providers and water vendors. eHEAT has information about the household's program eligibility and payments. Water vendors use eHEAT to view or download payment information, verify customer's program participation, and initiate refunds. Water vendors register for eHEAT through the Service Provider or directly with the Department of Commerce.

## Intention

Enable Service Providers and water vendors to work together to exchange information, make payments and ensure program resources are effectively reducing households' health and safety risks by preventing no water situations or restoring water service.

## Chapter Contents

- [Payment Requirements](#)
- [LIHWAP Benefits](#)
- [Agreement, Internal Controls, Registration & Participation Requirements](#)
- [Water Vendor Monitoring & Reporting Requirements](#)
- [Legal Requirements](#)

# Payment Requirements

Service Providers authorize payments for water vendors on behalf of eligible households. Service Providers initiate payments in eHEAT. The payments are processed through Minnesota Management & Budget (MMB) by Electronic Fund Transfer (EFT) to the water vendor bank account or mailed as a warrant (check). Water vendors credit LIHWAP payments to the designated account.

## Payment Notification

When payments are issued, both MMB and eHEAT send notifications to the water vendor.

MMB notification includes:


- Warrant or EFT number.
- Payment date.
- What agency and program the payment is made on behalf of.
- The total payment amount.

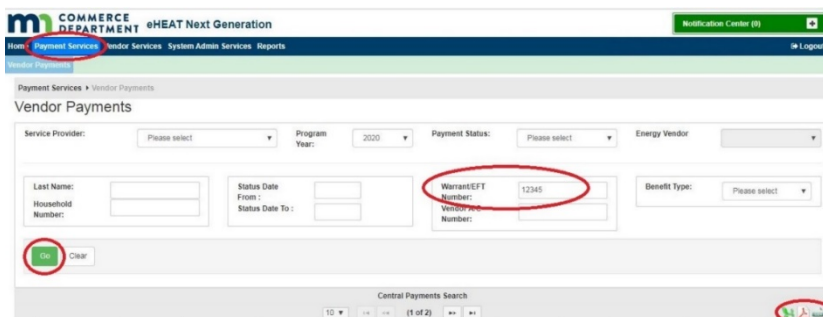
eHEAT notification includes:

- Warrant or EFT number.
- Payment date.

## Finding Payment Information

Water vendors use eHEAT to get payment details. To search in eHEAT for payments received, follow the steps below:

1. Go to **'Payment Services'** menu > **'Vendor Payments'** tab
2. Enter the **'Warrant/EFT Number'** in that search field (do not fill in any other search criteria) and click "Go"
3. Results will display below and can be exported by clicking on file type icons  in the upper right corner of the results



## 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 does not match the full payment amount you received from the State of Minnesota, please contact the State of Minnesota SWIFT help desk hotline at 651-201-8106 or [efthelpline.mmb@state.mn.us](mailto:efthelpline.mmb@state.mn.us). SWIFT handles payments for all State departments and can assist in identifying the full payment amount.

Direct all other questions regarding payments to the Service Provider. If the Service Provider cannot resolve your question, they may refer you to the Department of Commerce.

## Assignment of Payments

Water vendors must apply LIHWAP payments only to the household accounts designated for payments by EAP/LIHWAP. Payments may only be used for the costs of home water and wastewater services, as required by federal law. EAP/LIHWAP payments cannot be used to pay for other items such as service contracts, electric, natural gas, garbage, cable, internet, telephone, or other merchandise. Water vendor EAP/LIHWAP payment records must match the Service Provider's payment records. Charges against credits must be verifiable. If non-EAP/LIHWAP credits exist on an account, the EAP/LIHWAP payment must be applied first. If the household account is active, EAP/LIHWAP benefits must remain on the household account, unless the household discontinues as a customer or the Service Provider requests a refund. In each case, refunds must be made to EAP/LIHWAP. (See **Refunds** section below)

## Name on Energy Accounts

The name on the household water vendor account should match the name of a household member listed on the EAP/LIHWAP application. If the name on the household water account is not a household member's name, EAP/LIHWAP 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 water vendors must assist the Service Provider as needed:

- Contact household and ask why the account is not in a household member's name.
- Ask the household to get a household name on the account. If there are barriers, the Service Provider assists the household to remove these barriers.
- If unable to get the account in a household member's name, the Service Provider verifies the reason the household names do not match and ensures the account is for the household's address (e.g., confirm with vendor or landlord).
- If the Service Provider cannot verify a match of the account address and the household address, the household may not receive EAP/LIHWAP benefits.
- The Service Provider makes notes in eHEAT.

## Ownership of Assistance

EAP/LIHWAP funds always belong to the program. The EAP/LIHWAP benefit is provided to the household to purchase water or wastewater services. At the end of the program year, any unspent EAP/LIHWAP benefits must remain on the household account for future water or wastewater costs. Households cannot request cash refunds.

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

## Refunds

Water Vendors must refund unused EAP/LIHWAP payments back to the program if at any point the household discontinues as a customer or at the Service Provider's request. The refund must be made within 10 days of the water 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 a water vendor is an eHEAT user. eHEAT reconciles the refund by deducting the refund amount from subsequent payments. If the water vendor does not receive a subsequent payment from EAP/LIHWAP, the water vendor may be required to send a check to reconcile accounts. Contact Commerce with questions regarding this process at 651-539-1869 or [eheat.doc@state.mn.us](mailto:eheat.doc@state.mn.us).

### Entering Refunds in eHEAT

After ensuring a refund meets the guidelines described above, the water 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 > 'Vendor Payments' tab.
2. Enter the household number for the customer receiving the refund and the 'Payment Status' 'Paid' and click 'Go'.
3. Click the radio button next to the household number for any payments for that household.
4. Click the 'Add Refund' button. The 'Payment Refund' screen will appear.
5. Enter refund amount in 'Refund Amt' field and select the reason from 'Refund Reason' list.
6. Add any notes for the Service Provider in the 'Notes' field.
7. After all refund information is entered then select the 'Submit' button.
8. A message asks to confirm the refund, click 'Yes' to confirm.
9. A status message will show in the upper right corner 'Refunded Successfully'.

## Finding a payment to refund (steps 1-4)

COMMERCE DEPARTMENT eHEAT Next Generation

Home | **Payment Services** | Vendor Services | System Admin | Services | Reports

Vendor Payments

Payment Services > Vendor Payments

Vendor Payments

Service Provider: Please select | Program Year: 2020 | **Payment Status: Paid** | Energy Vendor

Last Name: | Status Date From: | Warrant/EFT Number: | Benefit Type: Please select

**Household Number: 487174** | Status Date To: | Vendor A/C Number:

Go Clear

Central Payments Search (1 of 1)

Household Number	Account Number	Name	Service Provider	Amount	Payment Status	Benefit Type	Status Date	Warrant/EFT Number	Schedule Date	Fund Name	Direct Pay
487174	2132321	DALEY DAVENPORT	Anoka County Community Action Program	\$135.00	Paid	PRIMARY HEAT	11/08/2019	12345	12/06/2019	Program	No
487174	2132321	DALEY DAVENPORT	Anoka County Community Action Program	\$135.00	Paid	PRIMARY HEAT	11/08/2019	12345	02/06/2020	Program	No
487174	2132321	DALEY DAVENPORT	Anoka County Community Action Program	\$138.00	Paid	PRIMARY HEAT	11/08/2019	12345	05/09/2020	Program	No

**Add Refund**

## Adding and entering a refund (step 5-9)

Payment Refund

Refundable Amt: \$396.00

Refund Amt: \* **100.00**

Refund Reason: **Account Closed**

Notes:

**Submit** Cancel

Payment Refund

Refundable Amt: \$396.00

Refund Amt: \* 100.00

Confirmation

Are you sure to Refund the Amount? Once Submitted cannot be modified.

**Yes** No

## Payments Made in Error

A water 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 that the action requires the water vendor to refund the payment, the water vendor must follow refund instructions to return the funds to EAP/LIHWAP.

# LIHWAP Benefits

## Eligibility Requirements

To receive an EAP/LIHWAP benefit, a household occupy the dwelling at the time the EAP/LIHWAP assistance is requested and the benefit is determined and must be in one of the following situations:

- Have water or wastewater service currently shut off.
- Have a current water or wastewater disconnection notice.
- Have a past due water or wastewater bill.

## **Amount of EAP/LIHWAP Benefit**

The amount of the EAP/LIHWAP benefit is the current balance, including any fees, up to \$1,200.

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. EAP/LIHWAP payments must not result in a credit on the household's account. However, due to rounding as explained above, payments to water vendors may result in a small credit of less than \$1.00. If a water vendor identifies an EAP/LIHWAP payment that creates a credit over \$1.00, they should immediately report it to the local Service Provider.

## **EAP/LIHWAP Information Requirements**

Water vendors must provide household account information upon Service Provider request. The Service Provider uses water vendor information to verify and document the household's situation to determine EAP/LIHWAP eligibility and benefits.

**Water vendors** may be asked to provide information such as:

- Water and wastewater account past due and current balance owed amounts.
- Fees not included in water and wastewater account balance owed, if any.
- Date the water or wastewater service was shut off.
- Scheduled disconnection date.
- Annual water and wastewater bill amounts.

## **Verifying EAP/LIHWAP Payments before applying to household's account**

Water vendors help ensure accurate benefits are applied to household accounts. Before applying an EAP/LIHWAP payment to a household's account, the water vendor must ensure the Crisis payment will not generate a credit on the account of more than \$1.00.

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

# **Agreement, Internal Controls, Registration & Participation Requirements**

## **Agreement Between Water Vendor and Service Provider**

The *Agreement Between Water Vendor and Service Provider* specifies the requirements to receive EAP/LIHWAP payments to a water vendor's customer accounts. Signing the agreement

establishes formal expectations for both parties. The agreement details the roles of the program and water vendor including applying payments, communication, eHEAT security administration, data practices, and agreement to follow the policies outlined in the *EAP Policy Manual*. Every water vendor must sign an agreement to receive payments on behalf of a household. See the *Agreement Between Water Vendor and Service Provider*.

## Water Vendor Internal Controls Responsibility

Service Providers, water vendors, and households are part of a Coordinated Responsibility Model where each party is responsible to ensure accuracy, effectiveness, efficiency, and integrity of EAP/LIHWAP services. Water vendors help ensure accurate benefits by providing household account and billing status information. Inaccurate account information can affect benefit accuracy and put program integrity at risk.

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

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

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

- Account credits: Payments don't create a credit over \$1.00 on a household's water or wastewater 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/LIHWAP are within 10 days of the change.
- Questionable payments: Payments are questioned if they appear abnormal to EAP/LIHWAP practices.
- Two EAP/LIHWAP households' payments to one account: Only one EAP/LIHWAP household's payments are applied to one account.

Contact the Service Provider with questions or issues. Water vendors must report any known suspected fraud, error, or abuse. If a pattern of payments does not appear to comply with EAP/LIHWAP policies, please report concerns to Commerce at [eap.mail@state.mn.us](mailto:eap.mail@state.mn.us).

# Water Vendor Registration and Change of Vendor Information

To receive payments on behalf of a household, a water vendor must be registered with Commerce and Minnesota Management & Budget (MMB). Water vendors register by submitting the completed *Vendor Registration for EAP Payments* form to their local Service Provider, which is then provided to Commerce to complete the registration process. Registration information must include:

- Full Legal Business Name (TIN Name).
- Common Name (DBA), if any.
- Business location address and mailing address.
- Business Phone Number.
- Contact name, phone number, and email address.
- Service Providers working with.
- Federal Tax Number.
- Completed and signed 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.

To receive payment, water vendors must have an MMB Vendor Registration Number (also referred to as a Vendor ID Number or a SWIFT ID Number). Commerce will register new water vendors with MMB as part of the eHEAT registration process.

Water vendors can submit changes in their registration information (e.g., change of business name, contact information, change in payment information, etc.) to their local EAP/LIHWAP Service Provider. The Service Provider will inform Commerce by emailing updated information to [ehat.doc@state.mn.us](mailto:ehat.doc@state.mn.us). To change banking information, water vendors must contact MMB.

## Implement and Maintain eHEAT Security Policies

Water vendors must have processes in place to manage eHEAT access to ensure only current, authorized users have eHEAT access. Users must only have access to eHEAT features necessary for their work assignments.

### Off-Boarding Process

Water vendors are required to immediately deactivate users when needed. If the water vendor's eHEAT Administrator needs to be deactivated, email [ehat.doc@state.mn.us](mailto:ehat.doc@state.mn.us). Water vendors must have off-boarding (staff leaving employment) procedures in place, for example an off-boarding checklist, that includes deactivating eHEAT access.

## eHEAT Access Check

The water vendor eHEAT Security Administrator must conduct routine eHEAT access checks to ensure only the appropriate users are active in eHEAT. There are two user statuses in eHEAT:

- **Active:** user has eHEAT access.
- **Deactivated:** user does not have current eHEAT access due to inactivity for over 60 days or because they were deactivated by an eHEAT Administrator. User needs to be reactivated by an eHEAT Administrator to regain access. eHEAT continues to list every user that had eHEAT access.

The water 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 user groups that combine features in eHEAT for staff positions.
- Editing existing users' user groups as new features are assigned or no longer performed.
- Immediately deactivating eHEAT users:
  - Upon permanently leaving a position requiring eHEAT access.
  - Upon administrative leave or suspension.
  - When no longer employed by the water vendor.
  - If on other leave, laid off, on an extended vacation, or reassigned to non-EAP/LIHWAP duties for 30 days or longer.
- Ensuring the private data provided by eHEAT features to employees is appropriate for their job and responsibilities.

# Water Vendor Monitoring & Reporting Requirements

Monitoring water vendors is essential to ensure program quality and integrity. An EAP/LIHWAP water vendor is bound by the requirements of the Low-Income Household Water Assistance Program and the *Agreement Between Water Vendor and Service Provider*. Monitoring can also ensure water vendors follow these rules. Service Providers are required to monitor water vendors.

Water vendors must be able to reproduce the account balance information they provided for each household upon request. Monitoring helps ensure account information provided by the water vendor was accurate and true and payments were appropriately applied.

## Access to Records

Water vendors must allow the Service Provider and Commerce access to their records for compliance monitoring. Monitoring includes verifying transactions between the water 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/LIHWAP eligible households, and any or all other activities agreed to in the *Water Vendor Agreement*.

## Legal Requirements

Water vendor participation is subject to federal and state statute and regulation. Federal, Commerce or Service Provider officials may audit water vendor records pertaining to EAP/LIHWAP. 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

Water Vendors cannot penalize or discriminate against customers for participating in EAP/LIHWAP. The United States Department of Health & Human Services states that a LIHWAP-eligible household must not be treated adversely or differently from other households because of receiving water assistance and water vendors will not discriminate in services provided to the eligible household on whose behalf payments are made.

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

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

It is not discrimination under the statute to provide additional benefits for households receiving EAP/LIHWAP services. Additional benefits, especially those that increase the buying power of EAP/LIHWAP grants, are desirable and encouraged.

## Data Privacy

Water vendors must protect personally identifiable information (PII). EAP/LIHWAP information, including application and eligibility status of households, is classified as private data under the

Minnesota Government Data Practices Act (MGDPA), Minn. Stat. Ch. 13. Immediately report possible violations to Commerce.

When communicating with Service Providers about EAP/LIHWAP participants, water vendors should use EAP/LIHWAP household numbers instead of names, addresses or other PII. For example, use “HH 123456” instead of “John Doe.” If it is necessary to use PII like names or addresses, water vendors must use a secure form of communication such as encrypted email.

## Sharing EAP/LIHWAP Private Data with Water Vendors

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

The household data collected by EAP/LIHWAP has restricted uses. Generally, an EAP/LIHWAP household's consent allows their data only to be used for determining and delivering EAP/LIHWAP services. Use of EAP/LIHWAP 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/LIHWAP only requests information necessary to provide services. This is as required by the Privacy Act of 1974, 5 U.S.C. § 552a and the MGDPA. Under the Privacy Acts, water vendor, Service Provider, and Commerce staff must 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/LIHWAP data provided to water vendors are limited to information necessary to obtain water vendor account information and to allow water vendors to apply EAP/LIHWAP benefits to customer accounts. The household data required are available to water vendors through the water vendor's access to eHEAT. The information is needed to verify the household's EAP/LIHWAP eligibility and the amount to apply to the household's account.

To illustrate, EAP/LIHWAP collects data on household income and household size, but these data are not required to apply EAP/LIHWAP payments to customer accounts. Therefore, these data are not provided to the water vendor.

The water vendor must obtain an [Informed Consent for Release of Data](#) signed by the household before requesting EAP/LIHWAP household data for any other use or program.

Additional information is available [Chapter 11 - Data Practices and Records](#) of the *EAP Policy Manual*.

# Safe at Home Program

EAP/LIHWAP follows the guidelines of the Safe at Home (SAH) program, which helps survivors of domestic violence, sexual assault, stalking, or others who fear for their safety to establish a confidential address. SAH allows its participants to go about their lives without leaving traces of where they live to keep their abuser from locating them.

Participants use a SAH assigned address and the Secretary of State's office forwards their correspondence to their actual mailing address. 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.

Water vendors must work with Service Providers to safeguard the identity and address of SAH participants if the address is known. Additional information about SAH is found in [Chapter 2 - Applications & Application Processing](#) of the *EAP Policy Manual*.

SAH is governed by Minn. Stat. § 5B and Minn. Rules § 8290.

## Appendices

18A – [Agreement Between Water Vendor and Service Provider](#)

18B – [Vendor Registration for Water Assistance Program Payments](#)





**COMMERCE  
DEPARTMENT**

ENERGY ASSISTANCE PROGRAM