

**DELAWARE ENERGY  
ASSISTANCE PROGRAM  
OPERATIONS MANUAL**



**LOW-INCOME HOME  
ENERGY ASSISTANCE  
PROGRAM (LIHEAP)**

**LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)  
DELAWARE ENERGY ASSISTANCE PROGRAM (DEAP)  
POLICIES AND PROCEDURES MANUAL**

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<b>DIVISION OF STATE SERVICE CENTERS</b>  <b>OFFICE OF COMMUNITY SERVICES</b>	<b>NUMBER: FOREWARD</b>  <b>Program: LIHEAP</b>
<b>STANDARD OPERATING PROCEDURE:</b>  <b>LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) FORWARD</b>	<b>Approved:</b>  <b>Date:</b> _____  <b>Director:</b> _____

## **FORWARD**

This Policies and Procedures Manual provides guidelines, policies and procedures which must be adhered to in the operation of the Delaware Energy Assistance Program (DEAP) as it relates to the federally funded Low-Income Home Energy Assistance Program (LIHEAP). The LIHEAP administered by the Delaware Department of Health and Social Services, Division of State Services (DHSS/DSSC through its Office of Community Services (OCS) is an on-going manual that will be up-dated by OCS as needed, to reflect changes in federal or state legislation, guidelines, policies, and/or procedures which affect these programs.

Operating procedures as outlined in this manual must be followed in the daily operation of DEAP and cannot be varied or altered without the written approval of the State Office of Community Services (OCS).

Contractor agencies are required to maintain a complete and up-dated DEAP Operations Manual which must be available to its staff for reference purposes and for review by DSSC program and fiscal monitors during scheduled visits.

### **A. UPDATING**

All forthcoming operating procedures will be issued with a cover letter which briefly describes the content and gives specific posting instructions; for example, "remove Section 5.1 and 5.2, June 1, 2011" and replace with revised Section 5.1 and 5.2, June 10, 2011. These cover letters are called Manual Transmittal Letters (MTL's) and are numbered consecutive by calendar year. For example, the first number of an MTL in this series will read MTL-11-1, the next MTL in the series will be numbered at MTL-11-2 with each new program year beginning October 1, the numbering system will begin again as MTL-12-1, MTL-12-2, etc. A posting sheet (Manual Transmittal Checklist) is located in front of the Manual to

record the receipt and posting of new MTL's; consecutive number of MTL's aids the user in keeping track of their receipt.

After the instructions in an MTL have been carried out, the MTL (cover letter) does not need to be retained.

- B. All obsolete material removed from the DEAP Operations Manual must be retained for at least three (3) years for audit and historical purposes. DO NOT keep this obsolete material in the DEAP Operations Manual; place it in a separate binder.

## **POLICY**

This section includes the current LIHEAP State Plan and Legislation for the Low-Income Home Energy Assistance Program (LIHEAP).

## **PURPOSE**

The purpose of this section is to provide the federal and state documents governing the administration of the (DEAP) Delaware Energy Assistance Program (DEAP).

The Delaware Energy Assistance Program (DEAP) is funded by the U.S. Department of Health and Human Services (DHSS), with funds appropriated by the U.S. Congress. Funds are then allocated to the State of Delaware based on a formula. Delaware may receive funds from other sources such as the State of Delaware, private fuel funds, etc.

The program provides energy assistance services designed to help low-income families meet the rising cost of home energy. Procedures for this manual are governed by the Low-Income Home Energy Assistance Program (LIHEAP) State Plan and federal legislation, both of which are included in this section.

## **Regulatory Framework**

The Low-Income Home Energy Assistance Program (LIHEAP) was created in 1981 as a block grant to the states to work under broad federal guidelines to create statewide programs to assist the low-income with their energy costs. The LIHEAP statute, Public Law 97-35, is codified in the United States Code at: 42 U.S.C. Section 8621-8630. Additional federal program regulations are found in Title 45 (Public Welfare) of the Code of Federal Regulations, Part 96 (Block Grants) Subpart H (LIHEAP), cited as 45 C.F.R. Section 96. Subparts A-F of the HHS block grant regulations also pertain to LIHEAP.

The LIHEAP Statute form most often cited is Public Law 97-35 which is the basis for the program. A key section in that law is Section 2605(b) which contains the 16 Assurances which must be met by any state program design. See the LIHEAP State Plan, included in this section.

Information on the federal LIHEAP rules as well as information on all state programs is also available at the Administration for Family and Children (DHHS) website at: [www.acf.hhs.gov/programs/liheap](http://www.acf.hhs.gov/programs/liheap).

Federal fiscal administrative rules also apply and may differ depending on the nature of the Sub grantee's organization. See Office of Management and Budget ("OMB") Circular A-110, the "Common Rule"; OMB Circular A-122, "Cost Principles for Non-Profit Organizations"; OMB Circular A-133, entitled "Audits of States, Local Governments, and Non-Profit Organizations"; and, Part 230 of the American Recovery and Reinvestment Act of 2009 (ARRA).

Grantees and sub grantees are responsible for obtaining audits in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of State, Local Governments, and Non-Profit Organizations." The audits shall be made by an independent auditor in accordance with generally accepted Government auditing standards covering financial audits.

## **I. State Plan**

The Low-Income Home Energy Assistance Program (LIHEAP) State Plan, funded by the U.S. Department of Health and Human Services (DHSS) governs the administration of DEAP.

(Current copy of LIHEAP State Plan on file)

## **II. LEGISLATION**

Title XXVI of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, as amended, is the legislative document (attached) which governs the LIHEAP.

<b>DIVISION OF STATE SERVICE CENTERS</b>	<b>NUMBER: 100</b>
<b>OFFICE OF COMMUNITY SERVICES</b>	<b>Program: LIHEAP</b>
<b>STANDARD OPERATING PROCEDURE:</b>	<b>Issue Date: 06/01/2011</b>
<b>LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)</b>	<b>Current Revision: 7/01/2014</b>
	<b>Approved:</b>
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	<b>Director: _____</b>

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**SECTION 100      PROGRAM ADMINISTRATION**

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**101. PROGRAMS AND SERVICES**

The Delaware Energy Assistance Program (DEAP) primarily provides financial assistance to eligible low-income households to reduce their energy burden by subsidizing the cost of their home energy bills.

The following are the programs and services provided to eligible households under the DEAP:

**A. The Fuel Assistance Program (FAP)**

The Fuel Assistance Program (FAP) provides home heating assistance for low-income families that need help paying their energy bills, including electricity, gas, oil, kerosene, wood and coal. Eligible households receive one benefit amount which is designed to assist the household. The Program is not designed to pay for all heating costs.

**B. The Energy Crisis Intervention Program (ECIP)**

Also included is a component entitled the Energy Crisis Intervention Program (ECIP), which provides assistance to eligible households in a crisis situation. This supplemental benefit can be in addition to the regular fuel assistance benefit. Crisis is defined in detail in Section 300.

**C. The Summer Cooling Assistance Program (SCAP)**

The Summer Cooling Assistance Program (SCAP) provides for cooling assistance to eligible households. Assistance is provided in the form of paying a portion of summer electric bills and/or the purchase, delivery and installation of room-sized air conditioners.

**D. Assurance 16 Activities**

Activities under Assurance 16 may be provided to DEAP eligible households. These activities focus on energy education for recipients to help them reduce energy consumption, therefore, saving money.

## **E. Weatherization**

The LIHEAP Statute allows for the use of funds up to 15% for weatherization activities. A waiver process is available which increases the limit to 25%. DSSC/OCS chooses to budget 10% of the total grant for the purpose of residential weatherization as stated in The Memorandum of Understanding (MOU) between DHSS/DSSC/OCS and the Department of Natural Resources and Environmental Control (DNREC), which administers the Weatherization Assistance Program (WAP) under rules of the U.S. Department of Energy (DOE).

The Delaware Health & Social Services (DHSS) is the state recipient for the federal Low-Income Home Energy Assistance Program (LIHEAP) grant. The Delaware Energy Assistance Program (DEAP) is administered, within DHSS, by the Office of Community Services (OCS), a section of the Division of State Service Centers (DSSC). DSSC is the division which also administers resources to assist families with emergency assistance and receives Community Services Block Grant (CSBG) funds to assist families toward self-sufficiency. DEAP services complement the division's other services in serving low-income recipients in the state.

A primary responsibility of the state OCS is to design and maintain the Delaware LIHEAP State Plan, annually outlining the use of LIHEAP funds. Since the LIHEAP block grant regulations are less comprehensive than other grants, it is incumbent on the state to devise its own detailed Plan that is effective, consistent and accountable. While the Plan must be structured to meet the sixteen (16) federal assurances, the manner in which the state complies with these assurances is largely up to Delaware.

A State Plan is submitted to the federal office each year, highlighting any changes and updates in the way the program is to be administered. Every three (3) years a "detailed" Plan is submitted which is more comprehensive description of the program.

See Reference Document -- DELAWARE LIHEAP STATE PLAN

## **102. ASSURANCES**

This program manual details the manner in which the Delaware Energy Assistance Program will administer benefits within the sixteen (16) federal assurances, equitably delivering benefits on behalf of eligible households in an accessible and timely process that is accountable and effective. In summary, the state assures it will:

1. use the funds to assist households with services, including: regular fuel assistance, energy crisis intervention, outreach, weatherization and leveraging resources;
2. make energy benefit payments on behalf of financially eligible households;
3. make eligible households aware of the energy assistance benefits, and related assistance through outreach;
4. coordinate its activities with similar and related programs;
5. provide, in a timely manner, the highest level of assistance to those households which have the lowest incomes and the highest energy costs (energy burden);

6. designate local administering agencies to carry out the program;
7. assure equitable treatment of the DEAP household by the home energy provider through vendor agreements;
8. not exclude any eligible households within the program income standards and treat owners and renters equitably;
9. limit total administrative costs to ten percent of the program budget with the remainder going to benefits, except up to 5% of the grant award may be used for activities under Assurance 16;
10. provide fiscal controls to assure the proper disbursement of and accounting for funds, including procedures for monitoring benefits;
11. permit and cooperate with any Federal investigations;
12. provide for timely and meaningful public participation in the development of the Plan;
13. provide an opportunity for a fair administrative hearing process to individuals who are denied, or whose application is not acted upon with reasonable promptness;
14. cooperate with respect to data collecting and reporting as required by DHHS;
15. give preference in awarding contracts to community based organizations; and
16. use up to 5 percent of such funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling and assistance with energy vendors, and submit reports concerning the impact of such activities.

### **103. SCHEDULE**

October – Program year officially begins  
 December – Yearend financial FSR Report due to DHHS  
 January – Winter Crisis Program begins (if applicable)  
 March 31 – Close Crisis and Fuel Assistance programs  
 April – Program and fiscal monitoring  
 May - Spring/Summer Crisis Program begins (if applicable)  
 June – Monitoring Reports completed  
 June - Cooling Program begins  
 July – Mail out applications and prepare application re-certifications  
 July – Update benefit matrix factors for coming year, poverty guidelines  
 August – Carryover and Re-allotment Report due to DHSS  
 August – Prepare State Plan, MTLs  
 August – Monitor Cooling Program  
 August – Submit Monitoring Reports for Cooling Program  
 September – Meet with sub-grantee, training, review plan for upcoming year  
 September – Submit LIHEAP State Plan/LIHEAP Household Report due  
 September – Begin scheduling appointments

**Above dates may vary.**

## **104. ALLOCATION OF FUNDS**

A major part of the state planning process by OCS is the projection of funds available for the various program components. The primary source of funding for program activities comes from a federal block grant. Several state and private sources may supplement the federal funds.

LIHEAP is a block grant that is allocated to the states each year to provide energy assistance. The actual amount of the annual appropriation passed by Congress can change significantly from year to year and frequently comes after the program is well underway. In some years a tentative appropriation is passed in a Continuing Resolution (CR) which awards a lower amount to the State than the ultimate appropriation which passes later in the fiscal year.

In addition, Congress frequently designates a part of the appropriation as “emergency” or “contingency” funds to be made available later. The Energy Emergency Contingency Fund (EECF) Grant usually comes with a weather-related emergency or significant rise in fuel costs, and frequently, late in the year. The initial budget should not count on these set aside funds.

Based on the annual appropriation the OCS prepares a functional budget in the State Plan which indicates the percentages allocated for each program funding component. A more detailed budget is presented at the annual public hearing on the Plan. This budget is presented in the form of the Single Point of Contact (SPOC) form. (See Section 1700, Appendices, Forms).

(See the current State Plan for projected percentages budgeted for each major category).

## **105. OTHER FUNDS**

### **105.1 Regional Greenhouse Gas Initiative (RGGI)**

The State of Delaware participates along with nine (9) other Northeastern and Mid-Atlantic states in the first mandatory, market-based effort in the United States to reduce greenhouse gas emissions. By capping greenhouse emissions, these will reduce CO2 emissions from the power sector 10%, by 2018. States sell nearly all emission allowances through auctions and invest proceeds in consumer benefits: energy efficiency, renewable energy, and other clean energy technologies. A portion of the revenue to Delaware is dedicated to providing energy assistance services to the low-income. RGGI money under the low income umbrella is designated for LIHEAP and Weatherization. These funds are split between LIHEAP and Weatherization programs.

## 105.2 Leveraged Funds

Delaware often leverages LIHEAP funds with non federal funds such as private fuel funds. These leveraged funds enable Delaware to report to DHHS on type of funds leveraged, how they are leveraged, who was helped and how these clients were helped. In most years Delaware submits a report detailing the dollars leveraged. As a reward, DHHS provides a financial grant for leveraging these funds. For more details on leveraging, please see Section 1200 Leveraging Incentive Program.

## 105.3 State Funds

The State of Delaware may provide funds to LIHEAP to assist income eligible households with home energy costs. A portion of this program may be administered by the sub grantee (contractor) and a portion of the funds may be administered by the DSSC Family Support Unit.

## 105.4 Private Funds

Private funds may be made available to the state to administer in conjunction with, or as a supplement to LIHEAP. Some examples of private funds include, but are not limited to Sunoco Oil and Citizens Energy Fund.

## 106. STATE PERSONNEL

Personnel staffed to administer this program will include the following positions and F.T.E. percentages:

### 106.1

<b>BP#</b>	<b>POSITION</b>	<b>F.T.E.</b>
9246	Management Analyst III	1.00
9267	Telecom Network Tech II	.25
9243	Admin. Specialist II	.50
5685	Social Service Sr. Admin.	.27
69651	Internal Auditor	.25
56821	Fiscal Management Analyst	.25
	<b>Total F.T.E.'s</b>	<b>2.52</b>
39029	Seasonal Admin Specialist I	

### 106.2

The Management Analyst for technology related functions for LIHEAP.

### 106.3

*(Intentionally left blank)*

## **106.4**

The Administrative Specialist II will provide support services to the Management Analyst, as well as the Social Service Senior Administrator in administering LIHEAP services, functions and activities.

## **106.5**

The Social Services Senior Administrator provides guidance to the Management Analyst by way of assisting in policy decisions for LIHEAP and procedures for operational activities, as well as contract management.

## **106.6**

The Internal Auditor assists the Management Analyst, and takes direction from the Management Analyst with fiscal functions. Primarily but not limited to processing invoices for payment; tracking the LIHEAP budget; tracking payments under contract; tracking overall expenditures and reports when necessary.

## **106.7**

The Fiscal Management Analyst is housed in the Fiscal Office and takes direction from the Fiscal Administrative Officer. This position assists Management Analyst with all fiscal functions performed under DSSC.

## **107. BUDGET**

### **107.1 State Administration**

The total administrative budget for DEAP, from any federal source, may not exceed ten percent (10%) of the total federal funds in the program. Any administrative costs exceeding this limit may only be paid from non-federal sources. DSSC/OCS budgeting for administrative costs must include:

1. OCS administrative costs
2. Sub grantee Administrative Costs

Administrative costs are defined as: “those dollars to be expended for operating the Delaware Energy Assistance Program (DEAP) that are not part of client service dollars (i.e., heating, crisis, furnace repair and replacements, cooling, weatherization or activities under Assurance 16). Examples of administrative expenditures include, but are not limited to: salaries, pensions, health benefits, printing, contractual, telephone, supplies, and travel.

Other administrative costs may include state indirect or allocated costs for management functions and overhead costs. Additional amounts may be budgeted for state level special projects, equipment purchases, training, or other planned state activities for the year. Sub grantee administrative costs are added to the overall budget.

Costs for Assurance 16 activities, including personnel costs, are not administrative and are not considered under the limits on administration.

## **107.2 Carryover**

States are allowed to set aside an amount up to 10% of the total allotment for carryover to the next year. Funds carried over from one federal fiscal year to the next retain characteristics from year to year. For example, if Delaware received an allocation of \$10,000,000 and carried over the maximum amount allowed (10%) or \$1,000,000, the amounts used for administration and services do not have to be refigured. If \$1,000,000 is carried into the next year and of that \$1,000,000, \$300,000 was in administrative costs from the previous budget year, and \$700,000 was for services, then when carrying the funds into the next fiscal year, \$300,000 could be used for administration. If funds did not retain characteristics from year to year, then only \$100,000 (or 10%) of the carryover amount could be used for administration in the next fiscal year.

## **108. SUBGRANTEE / CONTRACT AGENCIES**

The bulk of the DEAP is administered by subgrantee or contractor agencies. These agencies are selected based on an RFP process (see Section 200, RFP/Contracts) for more details on this process. Contracts are signed with non-profit agencies to provide, intake, certification, and vendor payments for most services under DEAP. Services administered within the state, whether in DHSS or other departments are generally done through a Memorandum of Understanding (MOU). Services provided inside DSSC do not require an MOU.

### **108.1 Subgrantee/Contractor Budget**

The Subgrantee receives an allocation of LIHEAP funds from the OCS based on their submission of an annual budget. The allocation will include:

Administration (the amount available after state level administrative funds are deducted).

Program, including Client Services (the total amount of benefits paid to eligible households). These funds may, but not always, be broken down by client service and/or County.

## **108.2 Subgrantee/Contractor Administration**

The Subgrantee's Administrative costs do not include program expenses that are directly tied to the household transactions and client services. Administrative costs are associated with the agency functions of a general nature.

Administrative Costs: Those "dollars" to be expended for operating, planning and developing the DEAP, that are not part of client service dollars (i.e. heating, crisis, furnace repair and replacement, cooling, weatherization or activities under Assurance 16); or program costs. Examples of administrative expenses include, but are not limited to: salaries, pensions, health benefits, printing, contractual, telephone, supplies, and travel.

Sub grantee administrative expenses are a part of the overall 10% limitation on administrative expenditures for the program.

## **108.3 Subgrantee/Contractor Program**

The Subgrantee's Program costs include the program expenses that are tied to direct household transactions and client services. These costs include DEAP staff that provides direct services to clients; such as intake, and appointment scheduling. Program costs also include the direct costs to the program for supplies, promotional items and costs, printing, postage, and travel to outreach sites or client homes, to provide direct services to clients.

Program Costs: These include expenses directly associated with providing client services. Examples of program costs include the direct costs of prescreening and intake of clients, case management, LIHEAP data entry, mailings to clients, energy education and materials for clients, mileage costs incurred while providing outreach and direct services to clients, program related training of the staff that provides direct services to the clients. Please seek guidance from LIHEAP Administrator to verify program costs.

## **109. RECORDS RETENTION**

The subgrantee must retain and make available all records regarding the receipt and expenditure of program funds. All records are to be maintained for a period of three (3) years from the date sub grantee submits to DHSS/DSSC. Financial records (including reports, budgets, audits, etc.) are to be maintained for a period of five (5) years from the date sub grantee submits to DHSS/DSSC; or, one (1) year from the resolution of any outstanding administrative, program or fiscal audit question, or legal action, whichever is later.

<b>DIVISION OF STATE SERVICE CENTERS</b> <b>OFFICE OF COMMUNITY SERVICES</b> <b>DELAWARE ENERGY ASSISTANCE PROGRAM</b> <b>OPERATIONS MANUAL (DEAP)</b>	<b>NUMBER: 200</b>  <b>Program: LIHEAP/RFP and Contracts</b>
<b>STANDARD OPERATING PROCEDURE:</b>  <b>LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)</b>  <b>RFP/CONTRACTS</b>	<b>Approved:</b>  <b>Date:</b> _____  <b>Director:</b> _____

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**SECTION 200      RFP/CONTRACTS**

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**A. RFP**

In order to enter into a contract with non profits to administer most DEAP services, potential sub grantees/contractors must go through the State approved Request For Proposal (RFP) Process. Any contract awarded for professional services for \$50,000 or more most win a contract by going through the RFP process and being approved by the system established by the State of Delaware.

Professional services under the amount of \$50,000 are not required to go through the RFP process to contract with the State of Delaware.

Periodic RFP's are prepared for various DEAP services. The largest RFP is completed for the bulk of DEAP services which includes intake, certification, data entry, vendor payments, etc. for the regular heating assistance program and the Summer electric component of the Summer Cooling Assistance Program (SCAP). RFP's may be performed on a smaller scale for components of the Crisis Assistance Program, SCAP/Air Conditioner program, or Assurance 16 activities, if applicable.

**201: RFP Process**

This process begins with a notification to DHSS' Office of Procurement. This agency oversees the RFP process for all DHSS services. The LIHEAP Administrator contacts the Office of Procurement, Contracts Administrator, and informs of plans to put out an RFP. The general RFP process is outlined below, however, contact Contracts Administrator at the Office of Procurement to ensure that the process includes any updated procedures required to complete the process.

## 202: RFP Outline

1. Contact Contracts Administrator at the Office of Procurement and inform them you want to put out an RFP (include the type of services being requested and complete applicable forms and submit to Office of Procurement).
2. Complete Solicitation Request provided by Contracts Administrator
3. Meet with Contracts Administrator to review the process for an RFP, especially timeline for completion from start to finish.
4. Draft RFP (see Section 1800 Appendices/Forms for a format of an actual RFP).
5. Listed below are some, but not all the sections that should be included in an RFP. See Section 1800 for more specific information:
  - a. Background info
  - b. Project Overview
  - c. Geographic area to be served
  - d. Target Population
  - e. Proposed schedule of events
  - f. Optional pre-bid meeting (see Contracts Administrator for details)
  - g. Availability of Funding
  - h. Instructions for submitting RFP's
  - i. Eligibility
  - j. Selection Process (see RFP in Section 1800 for details)
  - k. RFP Evaluation Criteria
  - l. Contractor/sub grantee qualifications
  - m. Program Standards/Monitoring
  - n. General Conditions
  - o. Proposal Organization
  - p. Required Signature Forms
  - q. Attachments/Other
6. Meet with OCS Social Services Senior Administrator to review draft RFP and Timeline. Determine date of Pre-Bid meeting, if applicable
7. Finalize RFP and submit to DSSC Director for review
8. Make any required changes after review by DSSC Director
9. Submit RFP to Contracts Administrator in Procurement Office
10. Contracts Administrator to advertise RFP per State requirements.
11. Send RFP to interested parties.
12. Hold Pre-Bid meeting, if applicable
  - a. During pre-bid meeting, review RFP including timeline
  - b. Answer questions from participants
  - c. Any questions not asked or answered at Pre-Bid meeting, must be given deadline to submit to LIHEAP Administrator.

- d. LIHEAP Administrator to set date for submission of questions and deadline to respond.
  - e. Get contact information for all participants attending pre-bid meeting.
13. Send written response to questions (if any), to all attendees at pre-bid meeting.
  14. Select members for Panel Review meeting
  15. Schedule Review of RFP's received by Panel Review Committee
  16. Pick up RFP's received from Procurement (after bid opening)
  17. Hold RFP Panel Review meeting.
  18. Panel makes recommendations for contracts to be awarded to respondents to RFP.
  19. LIHEAP Administrator to give the recommendations, with cover letter to OCS Senior Social Services Administrator.
  20. Senior Social Services Administrator passes Panel Review recommendations to DSSC Director.
  21. DSSC Director makes final decision concerning who to award contract(s) to.
  22. Notify RFP respondents if they've won the contract.
  23. Negotiate contract elements with agencies selected.
  24. Notify agencies in writing that did not bid,
  25. Prepare contract for Signatures. For additional information, see Section B, Contracts.

## **B. Contracts**

203. For contracts \$50,000 and over, the RFP process explained in Section 200, Paragraph A, must be followed before a contract can be executed. The DHSS has a boilerplate contract that must be followed for contracting with any vendor or sub grantee. This boilerplate is usually part of the RFP so that the respondents to the RFP are already familiar with the contract when it is presented to them for signature. DHSS Contract boilerplate **must** be used.

## **CONTRACT PROCEDURES**

1. The contract process must begin at least 60 days prior to the new contract start date.
2. Program Managers discuss contract with Unit Administrator.
3. CATS number and contract number is obtained from Unit Administrative Assistant. (Admin.)
4. Contract is prepared for vendors' signature. Allow vendor 2 weeks to review and return contract.
5. All contracts must be signed by **all** parties 30 days prior to the new contract start date. For contracts that require competitive bid, the Request for Proposal (RFP) process must be initiated at least 120 days prior to the proposed contract start date. (See Paragraph A, above)

NOTE: New vendors (individuals) must have a W-9 form and (businesses) must have an EI number.

#### **204. PRELIMINARY MEETING/DISCUSSION WITH UNIT ADMINISTRATOR**

(At least 60 days prior to contract start date)

Program Manager and Social Service Senior Administrator discuss the draft contract including the following appendices and the preliminary Contract Review Sheet.

- a) Appendix A - DSSC Divisional requirements (Fiscal and Programmatic Reporting Requirements, Payment Schedule, etc.);
- b) Appendix B - Description of Services including work plan & expected Outcomes;
- c) Appendix C - Contract Budget;
- d) Appendix D - Minimum requirements (DE Business License, Professional Liability Insurance, etc.);
- e) Appendix E - Other requirements (i.e. Federal requirements.)

#### **205. CONTRACT SIGNED BY VENDOR (allow 2 weeks for vendor to return contracts)**

Program Manager:

- a) Call Senior Administrator's secretary to enter into CATS and to obtain CATS and contract number. (New individual vendors must have the W-9 form and businesses must have an EI number).
- b) Admin sends 5 copies of the contract to the vendor for original signatures.
- c) When contracts are returned - Admin completes the Contract Review Sheet and Certification Form (Program Manager initials funding section of review sheet).
- d) Then Admin approves in CATS and forwards the 5 originals with original signatures to the Senior Administrator who approves in CATS.
- e) Assures that minimum requirements such as Delaware Business License, Professional Liability Insurance, etc., are met. A copy of contractor's Certificate of Insurance should be attached to the contract.
- f) Admin forwards complete contract package, including 5 signed originals and appropriate appendices, Contract Review Sheet, Certification Form to the Director's office.

#### **206. DIRECTOR'S OFFICE REVIEW (allow 3 business days)**

(To be completed at least 30 days prior to contract start date).

The Director's Office:

- a) Provides "Gate Keeper" and Director's level CATS approval.
- b) Provides signature/approval of Division Director.

#### **207. DIRECTOR'S OFFICE FORWARDS THE COMPLETE CONTRACT PACKAGE TO ACCOUNTS PAYABLE (DMS) OR THE PROCUREMENT OFFICE**

(if applicable).

Office of the Secretary approval is necessary for the following types of contracts:  
(allow 2 weeks)

- a) Contracts that exceed \$500,000
- b) Contracts for Management Consulting
- c) Contracts for a duration of more than two years
- d) Contractual arrangements with providers that replace contracts that were discontinued due to unsatisfactory performance or cost consideration
- e) Contracts with existing or former state employees that left service 2 years ago
- f) Contracts with individuals who perform tasks similar to that of an FTE on full time basis
- g) Contracts that deviate from approved boilerplate language
- h) Contracts and Memorandums of Understanding (MOU's) with other State agencies outside of the Department.

**208. FISCAL OFFICE REVIEW** (allow 3 business days)

Fiscal Office:

- a) Prepares Purchase Order
- b) Approves by initialing the DSSC Fiscal Office section of Contract Review Sheet
- c) Forwards complete contract package and Purchase Order to Director's Office

**209. DISTRIBUTION OF FULLY EXECUTED ORIGINALS** (allow 3 business days)

The Director's Office distributes the contract and Purchase Order as follows:

- a) 1 original to Accounts Payable (DMS if over \$500,000)
- b) 1 original kept by Director's office
  
- c) 2 original's forwarded to the Social Service Senior Administrator,  
(1 for files & 1 for vendor)
- d) 1 original to DSSC Fiscal Office

**210. CONTRACT AMENDMENT**

Please follow steps B - 203 -209 for Contract Amendments.

<b>DIVISION OF STATE SERVICE CENTERS</b>	<b>NUMBER: 300</b>
<b>OFFICE OF COMMUNITY SERVICES</b>	<b>Program: LIHEAP</b>
<b>STANDARD OPERATING PROCEDURE:</b>	<b>Issue Date: 06/01/2011</b>
<b>LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)</b>	<b>Current Revision: 01/27/2015</b>
	<b>Approved:</b>
	<b>Date: _____</b>
	<b>Director: _____</b>

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**SECTION 300      BENEFITS AND SERVICES**

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**300. DEAP PROGRAMS AND SERVICES**

The following are the primary benefits and services of the Delaware Energy Assistance Program (DEAP).

**301. FUEL ASSISTANCE PROGRAM (FAP)**

The Fuel Assistance Program (FAP) provides home heating assistance for low-income families that need help paying their energy bills, including electricity, natural gas, oil, kerosene, wood and coal. Eligible households receive one benefit amount, which is designed to assist the household. The Program is not designed to pay for all heating costs. Applications are processed from September 1<sup>st</sup> to March 31<sup>st</sup> (may vary). Sub grantees may begin scheduling appointments in September. FAP operates from October 1<sup>st</sup> to April 30<sup>th</sup> if funds are available (may vary).

This one time fuel benefit is assigned to each household in accordance with a benefit matrix (see current Delaware State Plan). The matrix assigns a household benefit based on fuel type, total household income and family size.

**302. CRISIS INTERVENTION PROGRAM (CIP)**

Crisis Intervention Program has two components; Energy Crisis Intervention Program (ECIP) and Code Purple.

### **302.1 Energy Crisis Intervention Program (ECIP)**

The Energy Crisis Intervention Program (ECIP) provides assistance to eligible households in a crisis situation. This supplemental benefit can be in addition to the regular fuel assistance benefit. ECIP operates from October 1<sup>st</sup> to April 30<sup>th</sup> if funds are available (may vary).

ECIP is defined as:

Assistance in the energy crisis situation. Eligible residents of State of Delaware with gross household income less than or equal to 200% of poverty guideline who are responsible for paying an energy bill are considered to be experiencing an energy crisis whenever:

- A. Contractor deems the weather conditions of the subsequent 72 hours to pose a serious threat to the health or safety of one or more members of the eligible household; **AND**
- B. Financial assessment demonstrates the household to be without sufficient resources for alleviating the crisis; **AND**
- C. Household has no prospect for receiving resources within forty-eight (48) hours that could alleviate the crisis; **AND**
- D. Household utility services for heating have been disconnected; **OR**
- E. Household is under the payment arrangement with utility services to avoid disconnection; **OR**
- F. Household has received a notice from the utility services for disconnection within five (5) days; **OR**
- G. State declares the upsurge in the price of the home energy fuel type to be crisis; **OR**
- H. Household is determined to be in a life-threatening situation, which can directly or indirectly lead to death of the member of the eligible household unless some form of assistance has been provided no later than eighteen (18) hours after the household has applied for ECIP benefit; **OR**
- I. Division has authorized crisis payment.

The crisis benefit is determined each year and is noted in the current LIHEAP State Plan for Delaware.

## **302.2 Code Purple**

Code Purple is defined as:

Assistance in the crisis situation. Code Purple conditions exist when temperatures are severe enough to threaten the health and welfare of the homeless. At such times temporary emergency warming areas are opened across the state. Code Purple is defined and declared uniquely in each county (i.e. New castle, Kent and Sussex) of Delaware. LIHEAP accepts the definition as determined by each county and considers a Code Purple Crisis to exist when any one or all of the several counties so declare.

Funds may be provided:

- A. To support the implementation and maintenance of the shelter that acts as a warming center/ Code Purple Sanctuary.
- B. To pay for the shelter's supplies, food, utilities (electric, water, propane, oil, trash), cots, blankets and direct program staff and such other necessities deemed as appropriate by LIHEAP Program Manager.

## **303. SUMMER COOLING ASSISTANCE PROGRAM (SCAP)**

The Summer Cooling Assistance Program is operated based on availability of funds. Often times it is not known if there will be adequate funds to provide these services until after the heating season ends. SCAP has two components; Electricity and Air Conditioning. SCAP operates from June 1<sup>st</sup> to August 31<sup>st</sup> if funds are available (may vary).

### **303.1 SCAP / Electric**

The purpose of SCAP/electric is to assist low-income Delawareans with a benefit paid to their electric company in order to encourage households with elderly and disabled members to use air conditioning when temperatures combined with humidity become a health hazard. When an eligible household does not already have air conditioning (usually central air), DEAP will purchase, deliver, and install a room sized air conditioner during the period of June 1<sup>st</sup> to August 31<sup>st</sup> or until funding is exhausted. (See Section 303.3 and 303.4; Air Conditioning).

### **303.2 SCAP / Electric Process**

#### **A. Eligibility**

1. Applicant must be income eligible (200% of OMB poverty guidelines).

- a. If applicant is 60 years or older and/or disabled and income eligible, applicant will receive a benefit paid to their electric company.
  - b. Benefit varies from year to year and is determined by OCS LIHEAP Administrator.
2. Senior and disabled applicants are prioritized.
  3. If applicant has a current FAP application, the SCAP application is automatically processed via computer. An update to the computer checks off the service, "SCAP/Electric" and the field is populated in the CAPS system.
  4. A benefit will automatically be processed by the sub grantee on behalf of the DEAP client.
  5. If funding is available to help new applicants an interview to determine eligibility is completed.

## **B. Process**

1. Contractor agency prints pre-approved applicant list from CAPS.
2. Applicant is listed on a commitment log by electric company with name, file number, account number and benefit listed.
3. Benefit commitment logs are faxed to electric companies as needed.
4. Electric companies review lists for active clients; makes changes to list and return to Contractor agency.
5. Electric companies attach copies of bills to commitment log and return to the sub grantee for processing of payment.. (See Section 600, Vendors and Payment Procedures for additional information).
6. Sub grantee must submit monthly report on households served (as prescribed by the LIHEAP Administrator).

### **303.3 SCAP / Air Conditioning**

The purpose of SCAP/Air Conditioners is to assist low-income households that are especially vulnerable to high temperatures and heat and humidity, with the purchase, delivery and installation of room sized air conditioners. Service is targeted to elderly, disabled, and those households with a member(s) that suffers from breathing conditions that are exacerbated with high heat and humidity. Primary examples include households with asthmatic children, households with member(s) suffering Chronic Obstructive Pulmonary Disease (COPD). COPD includes emphysema and chronic bronchitis. In cases where a household has no elderly or disabled members, then the applicant must bring in a doctor's note showing that a household member suffers from one of the breathing diseases mentioned above or as diagnosed by a doctor. There are some years when funding allows the State to serve all income eligible households with a room sized air conditioner regardless of the targeted reasons.

### 303.4 SCAP/Air Conditioning Process

Two agencies are authorized to contract with the State of Delaware to provide these services. Currently they are Interfaith Community Housing of Delaware, Inc. (ICHDE) in New Castle County and First State Community Action Agency, Inc. (FSCAA) in Kent and Sussex Counties.

#### A. How to Apply?

1. Applicant contacts one of the two sub grantees that provide air conditioner services.
2. Sub grantee arranges for applicant to fill out application.
  - a. Sub grantee has discrepancy to require appointments or take walk-ins.
  - b. Sub grantee can schedule specific days, hours and time frames for applicants to apply.
  - c. Applicants fill out SCAP/AC application and sign.
  - d. Applicants must provide documentation of income and electricity bill in order to receive service.
  - e. Applicant selects size of air conditioner. In general we offer 3 sizes; 8000; 10,000 and 12,000 BTU's.
  - f. For more specific information on application, see Section 400, Application and Eligibility, subsection 409.

#### B. Eligibility

Applicant has not received an air conditioner under SCAP in at least five (5) years. If the applicant is requesting an A/C during this period, they must document the reason for requesting another air conditioner. For example, to receive a replacement for a stolen A/C, the applicant has to submit the police report and meet the other eligibility criteria.

1. Service is provided to all eligible residents of State of Delaware; **AND**
2. Households with gross household income less than or equal to 200% of poverty guideline; **AND**
3. Include a person who is sixty (60) years of age or older; **OR**
4. Include a person who is disabled; **OR**
5. Have children under six (6) years of age; **OR**
6. Include members with written documentation from their doctors stating someone in the household suffers from chronic breathing problems such as asthma or emphysema.

Household must meet one of the targeted areas mentioned above. Exception to meeting targeted areas is in years when LIHEAP Administrator allows all income eligible households to apply because funding is available.

## **C. Process**

1. Applicant completes and signs application.
2. Sub grantee certifies eligibility.
  - a. Sub grantee to contact Catholic Charities to determine if applicant has received DEAP during the winter. If yes, then client is certified eligible and it is noted on the application that they are 'DEAP certified. They are still required to complete and sign the SCAP application.
  - b. If no, sub grantee must certify household based on income.
3. Sub grantee contacts vendors with proceed orders that include client names, address, telephone number, and size of air conditioner to be installed.
4. Vendor contacts applicants and arranges for delivery and installation date.
5. Air conditioners can only be delivered and installed when someone aged 18 or over is at the home during delivery. If the age of the person signing off that the air conditioner has been delivered and installed is questionable, then the installer must request to see identification of the household member. A copy of the signed form must be given to sub grantee by the vendor. Sub grantee will attach to invoice when submitted to DSSC/OCS for payment.
6. Vendor must make 3 attempts to contact clients for delivery. If client cannot be reached after 3 attempts, vendor must notify sub grantee so client can be removed from the air conditioner list.
7. If air conditioner cannot be installed within ten (10) business days because vendor is out of stock or client cannot be reached, vendor must notify sub grantee immediately.
8. Once air conditioner is delivered, vendor is required to put a "State of Delaware" sticker on each room sized air conditioner.
9. Vendor may substitute size of air conditioner on site if installer recognizes that another BTU size is more appropriate for the installation area. Sub grantee must be notified whenever this occurs.
10. More specific process and procedures are included in the contract between DSSC/OCS and the sub grantees.

## **D. Inspections/Monitors**

The sub grantees must have a plan in place for inspecting a sample of the units installed.

## **E. Reports**

Sub grantees must submit reports to the LIHEAP Administrator as prescribed in the contract.

<b>DIVISION OF STATE SERVICE CENTERS OFFICE OF COMMUNITY SERVICES</b>	<b>NUMBER: 400 Program: LIHEAP/Application and Eligibility</b>
<b>STANDARD OPERATING PROCEDURE: DELAWARE LOW INCOME HOME ENERGY ASSISTANCE PROGRAM</b>  <b>APPLICATION AND ELIGIBILITY</b>	<b>Approved:</b> <b>Date:</b> _____  <b>Director:</b> _____

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**SECTION 400 APPLICATION AND ELIGIBILITY**

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The Delaware Health & Social Services /Division of State Service Centers/Office of Community Services (DHSS/DSSC/OCS) is the state recipient of the Low-Income Home Energy Assistance Program (LIHEAP) grant which funds the Delaware Energy Assistance Program (DEAP). DHSS contracts with subgrantees to implement program services and benefits locally.

DEAP provides assistance to eligible low-income households to reduce their energy burden by subsidizing their fuel costs, particularly their heating cost. The delivery of DEAP assistance will begin with outreach to households which may be in need of assistance. The process begins with a responsive application process implemented by the subgrantee in its county service area, followed by the timely and accurate determination of benefits, payment to the energy vendor and an accurate credit by the vendor on the household's utility bill.

The sub grantee has an opportunity to impact the lives of a large number of low-income families by educating them in the areas of energy usage and conservation, as well as referring them to other programs for which they may qualify, particularly weatherization and other community services programs administered by the agency. (For more information on how the sub grantees do this, see Section 500, Outreach).

**401.**

**I. APPLICATION**

A household must apply for DEAP benefits in the county in which they reside.

The sub grantee has the responsibility of providing facilities for application that are convenient and fully accessible to prospective clientele. The waiting area should be bright and clean. Informative brochures and posters should be provided. The actual interview space should be arranged to maximize client confidentiality and comfort during the interview process.

### **Special Arrangements**

A major area of concern is the processing of applications for the individuals who have obstacles to applying. These may include the elderly, the disabled, working applicants and single parent families with children under 6 years of age. There will be times when applicants that reside in these targeted households will be allowed to apply by telephone.

Sub grantees should also consider non-traditional office hours during the busiest parts of the DEAP season to accommodate these applicants. Extended office hours, using adjusted work schedules for the sub grantee staff, should be considered to maximize access to services.

**402.**

### **APPLICATION FORM**

The subgrantee is obligated to accept, review and determine the eligibility for energy assistance benefits for everyone requesting an application for the program. No one may be pre-screened or otherwise deterred in applying for benefits.

A new application is completed for each year's heating benefits program. The same application is used to determine eligibility for crisis benefits and cooling benefits, whenever applicable. Additional information and documentation may be required of the household but a new application is only needed at the beginning of the heating season component. For applicants that applied in the previous year, the application is automatically updated via computer. These applications are known as recertifications.

**403.**

### **MAILERS**

Applications are mailed to previous year's benefit recipients who are elderly and disabled. The subgrantee may elect to mail out other applications on request. Applications are mailed out in July and August to be returned by the start of the heating benefits program.

**404.**

### **APPOINTMENT SCHEDULING**

Appointment scheduling is the responsibility of the Telephone Operators/Receptionists in each county. It is vital that this individual be extensively trained on all components of DEAP. This individual must field general questions appropriately and either schedules an interview in the county office or transfer(s) the call to the staff person responsible for those clients who apply through the mail (seniors and disabled). This staff person must also be able to handle volume calls on a daily basis (75-100) calls per day. All

applicants are encouraged to apply by appointment. Historically, FAP funds become available to Delaware in mid-December. Usually this coincides with the onset of cold weather. During this time frame, walk-in traffic usually accelerates. However, there are crisis situations and sometimes convenience situations where a client applies as a walk-in.

**405.**

## **APPLICATION PROCESS**

Application for the program is made on the Delaware Energy Assistance Program Application form. The application must be completed, signed and dated to be valid. Incomplete applications may be pended for a limited time.

The application process is critical to the applicant as eligibility is established during this process. The time required to complete an application varies according to household size, the number of adults in the household for which income documentation must be acquired and calculated and whether the income is fixed or non-fixed. Households who have consistently been employed with the same employer or households who have been receiving a form of fixed income can routinely be processed in a shorter time frame than households with unstable employment or income. This element of uncertainty, as to whether an application will take twenty (20) minutes to process or one (1) hour, makes scheduling of appointments challenging. It is important to have employees cross-trained to support the intake staff if required to cover the over-flow generated from clients who come in to the office without a prior appointment.

Another factor that impacts time efficiency while processing an application involves the type of application format utilized. The two (2) forms are described below:

- 1) If the applicant is new to DEAP, a full application is required. (See Section 1800, Forms). This form takes more time to collect pertinent data and takes more recording time. Additional time is required to inform the client about the program components, timelines and intent. The new application also requires more data entry time because a new client must be input into the CAPS system.
- 2) If the applicant is on file from the previous year, and if there are minor changes, the caseworker would use a "Recertification Form". (See Section 1800, Forms). This recertification application is generated and printed from the data base in May. It replicates the data entered into the database the previous year. During the month of June, the recertification forms are filed into individual client records in preparation for the following program year scheduled appointments. During the interview, information is updated. This process decreases dramatically the time required to record information at application and data entry. If the applicant is on file from the previous year but there are significant changes in household information, a new application may be utilized.

**406.**

### **CASE NUMBER (Client File Number)/Applicant Number**

Each DEAP case must have a unique case number assigned and entered on the application form. The case number must be issued on all cases whether or not the application is approved or denied. The case number remains the same in subsequent years of application.

The number must appear on every document relevant to the case, including the computer database file. (The number for the case may be, in fact, generated by the database software, in which instance it must be manually added to the sub grantee's hard copy case file documents). Documents related to the client include; the Application form, the Eligibility Notice, case correspondence, referral forms, income calculation worksheet, Vendor Declaration Form, Zero Documentation Form; Denial Notice and Request for Additional Information (when applicable).

All payment documents made on behalf of the recipient must also have a case number, including; vendor credit to recipient, energy bill, vendor invoice to sub grantee, sub grantee payment to vendor, sub grantee claim to DSSC/OCS and the DSSC/OCS payment to sub grantee.

**407.**

### **MCI**

In addition to a case number or client file number, each household member must have a Master Client Index (MCI) number. This number is assigned via Family Support whenever an applicant first applies for assistance. The FSS worker checks to see if each of the household members has an MCI number. Any member without an MCI number is assigned a number via FSS and then the numbers are electronically submitted to the sub grantee.

**408.**

### **OFFICE INTERVIEW PROCEDURES**

#### **408.1 CONFIDENTIALITY**

The sub grantee must maintain an agency confidentiality policy which protects the information provided by the DEAP applicant. The policy will be monitored as a part of the annual administrative review by OCS.

A standard policy will include interviewing in a manner and setting that will protect the clients' privacy when providing personal information. Client file processing and storage procedures should limit access to information by agency staff on a "need to know" basis. Database access should be password protected and software should have a

tracking feature to record access by all users. Each employee should be required to sign a confidentiality agreement which also specifies penalties for violation of the policy.

HIPPA: DEAP does not require any medical information (outside of the doctor's authorization for receipt of air conditioners for that program), when determining eligibility for benefits. In the course of an interview the applicant may volunteer medical information. In no instance should the interviewer pursue such information nor should any notations of medical information be entered in case notes or the case file. (Copies of the doctor's note verifying breathing related conditions for eligibility for air conditioners are the only medical document that should be kept in the clients' file).

If in reviewing household expenses, medical costs are declared by the household, the intake worker may verify and record those expenses, but the detail of the medical condition must not be pursued by the worker.

## **408.2 PROCEDURES**

A general format followed by caseworkers when processing an application follows:

- 1) Each intake worker receives the next scheduled client, initials next to the client's name on the sign-in sheet and escorts the client to their workstation. A case record is pulled from the file if available.
- 2) A new Application or Recertification Form is completed depending on whether the client is new to the system or a repeat applicant from the prior year.
- 3) During the interview, all required documentation is reviewed. Intake workers serve a dual role as interviewer and data entry; Applications are input directly into the computer database during the interview, unless the application is received by mail. This diminishes the potential for error in recording. All documents are photocopied for the file.
- 4) The "Income Calculation Worksheet" is key to the process. It is here that all information must be recorded to substantiate all household income. It is important that the caseworker review the calculation with the client to assure there have been no miscommunications. Information such as the length of employment, part-time vs. full-time, frequency of pay (i.e. weekly, biweekly or monthly), wages and calculations must appear. Intake workers are trained to fully explain their calculations if the income situation is complex. Intake workers should be alerted at this point if monthly income does not cover monthly rent/mortgage payment and question client about discrepancy. This is needed during spot certification and for audit purposes.
- 5) There are several other supportive forms which may have to be completed depending on the case situation. Of these, the "Vendor Declaration" (which records name of heating vendor and account number) is **required** for new applicants. It is imperative to record the correct vendor and account number to prevent time consuming problem solving once the benefit is committed. This form also records client's explanation if the heating bill is in someone else's name. The form notifies the client that if heat is included in rent payment then secondary heating source, most often electric, will be paid.
- 6) Upon completion of the application process, the application is printed and signed by the applicant and intake worker. General information regarding

DEAP components, estimated time of benefit availability, how the benefit will be paid, and information regarding fair hearings is disseminated to the applicant. A copy of the signed application and supporting documents are filed.

- 7) Referral services are frequently required. Clients often alert the intake worker of other problems they are experiencing. Intake workers are well-informed regarding other community services for low-income households to facilitate appropriate referrals.
- 8) Incomplete applications are given a pending status and the applicant is issued a "Request for Additional Information" (RAI) form listing the required documents that must be returned in order for the application to be processed. The applicant is urged to return the information as soon as possible to avert loss or delay of the use of the benefit. Most applicants return the information directly to their Intake worker (by preference). If transportation is a problem, the applicant is given the option of mailing or faxing the information back.
- 9) The Intake worker will, at any time during the interview, seek supervisory guidance if they are dealing with a new situation or a complex income calculation. In complex cases, when an income calculation deems an applicant ineligible, supervisory guidance and clearance is sought.

**409.**

## **CLIENT APPLICATION**

The "head of household" for purposes of the program is generally the adult with the major income in the household. The applicant identification information in the first section of the application must be completed and documented. The head of household must provide valid photo identification such as a state issued driver's license or identification card, and at least one other document addressed to the head of household at the service address as indicated on the energy bill. Copies should be kept by the sub grantee in the case file.

When an address is a post office box then the applicant must provide explicit directions to their home and/or a supplemental street address where the applicant receives delivered fuel.

All of the household members must be listed on the application; energy assistance eligibility is based on the entire households' income. The relationship of the persons living in the household does not make a difference. Complete information for the household members that must be entered on the application form.

The applicant must provide Social Security cards for all household members 6 months and older to substantiate the information given. Applicants who do not have an authentic

Social Security card can secure a duplicate from any office of the Social Security Administration. Sub grantees are required to include a copy of each household member's Social Security card in the case file. Sub grantee must also direct applicants where to go if Social Security cards or duplicates are needed. Substitutes for Social Security cards may be accepted if the SSN is printed on a valid documentation.

410.

#### OTHER APPLICATION INFORMATION

The intake worker/interviewer must follow the questions on the rest of the application to collect demographic information on each household member.

411.

#### FUEL VENDOR INFORMATION

The applicant must list the primary and secondary energy vendor. The primary is the energy vendor that supplies the actual source of heat. The secondary is **always** the vendor that supplies electricity to the household. If electricity is the primary vendor, then electricity must also be recorded as the secondary vendor.

412.

#### APPLICANT CERTIFICATION

Applications must be signed and dated by the applicant who, in doing so, agrees to the following:

- Applicant certifies that the information on the application is true and correct.
- Applicant agrees to notify the sub grantee agency of any changes in the application within 10 days.
- Applicant understands it is against the law to make false statements and such statements may result in prosecution.
- Applicant authorizes the agency to refer the applicant to other services and programs within the state as deemed beneficial.
- **Applicant understands the right to a Fair Hearing if the applicant is dissatisfied with the application process or eligibility decision.**
- Applicant certifies that this is the only application submitted from or on behalf of the applicants' household.
- Applicant states that DEAP services have been explained and they are fully understood.

The applicant's signature and date along with the sub grantee interviewer's signature and date attest to the validity of the application.

413.

#### ENERGY BURDEN DOCUMENTATION

To be eligible for energy assistance the household must show that they have an energy burden. Documentation of the need for a DEAP benefit begins with proof the applicant has an energy burden. A Vendor Declaration Form **must** be signed by the applicant (See Section 1800, Forms).

The name on the utility bill does not have to match the head of the household name, but if the name does not match, the applicant or spouses' name then applicant must complete second half of Vendor Declaration Form, "Authorization". This form allows the applicant to state the reason for the bill being in someone else's name. The applicant must sign this form.

Other documentation may be required by the sub grantee, in order to link the applicant to the assisted address. Such documentation includes a state issued drivers' license, (or state ID), a rent receipt, rental or lease agreement, mortgage papers, telephone or cable bill, etc. Copies of these bills shall be placed in the client file for purposes of documentation.

**414.**

## **EMPLOYEE APPLICATIONS**

Applications from households with any members who are employed by the sub grantee must have their application approved by the sub grantee, Program Manager.

**415.**

## **II. ELIGIBILITY**

Eligibility is determined by income. Eligibility is currently 200% of the Federal Poverty Level as established by the U.S. Office of Management and Budget (OMB). See the chart in Appendix II of the LIHEAP State Plan or Section 1800, Forms. Income is calculated by determining gross income (before deductions). There are two exceptions to this rule. Social Security income and pensions are calculated using net income after deductions.

In addition to being income eligible, applicants must be responsible for paying a heating bill in order to receive assistance for heating, crisis and cooling electric. In order to receive an air conditioner, the applicant must have an electric bill. There are special circumstances for other categories such as room and boarders, college students, nursing home residents, etc., but those situations are addressed in another paragraph towards the end of this section on Application and Eligibility.

**416.**

## **INCOME**

It is the household's responsibility to provide accurate documentation of income. It is the sub grantee's responsibility to assess the adequacy of that documentation and provide the applicant with a list of additional documentation needed to determine eligibility for benefits. Intake staff will encounter various forms of income documentation. The worker should use their best judgment, along with the opinions of their supervisors, in accepting or rejecting specific forms of income verification. Most importantly, workers should indicate, in writing to the case file, the reason for accepting documentation that may be considered less than ideal.

The total household income is the gross income received by all household members age 18 or above, during the application period. The exception to this rule is Social Security income and pensions. Their net income is used when determining eligibility.

#### **416.1**

##### **EARNED INCOME**

Earned income is payment received as a result of a persons' work, including but not limited to:

- a) Gross wages from employment
- b) Salary, tips, bonuses, commissions
- c) Self-employment income
- d) Income from rental of property
- e) Profit from a business; and
- f) Other taxable income

#### **416.2**

##### **UNEARNED INCOME**

Unearned Income is payment for which there is no corresponding performance of work or services, including but not limited to:

- a) Disability payments, worker's compensation;
- b) Cash assistance payments such as Supplemental Security Income (SSI), Temporary Assistance to Needy Families (TANF), Unemployment Compensation Benefits (UCB);
- c) Disability payments such as Social Security Disability, Veterans Disability, Worker's Compensation;
- d) Annuities, pensions and other retirement payments such as private retirement plans;
- e) Social Security;
- f) Alimony and child support payments;
- g) Strike benefits;
- h) Gifts received from the same source more than once a month in a 12 month period; and
- i) trusts

Most unearned income remains the same in a given year, and therefore is frequently referred to as "fixed" income.

417.

## NOT COUNTED AS INCOME

In general, non-recurring, lump sum payments to a household are considered an asset and are not counted as income. Care should be taken to follow-up on such receipts to determine if there will be subsequent income from ongoing, periodic payments by the same source which would be considered income.

Although lump sum payments are considered assets they may produce income as investments. This income usually in the form of interest payments, **are** counted as income.

The following is a list of payments made to households that are **not** counted as income.

417.1

## SOURCES NOT COUNTED AS INCOME

1. **Medical Reimbursement:**

Reimbursement, from a third party, for medical expenses is not counted as income.

2. **Insurance Settlements:**

A one-time, lump sum insurance settlement payment for injury is excluded as income.

3. **Personal Retirement**

A lump sum pension or retirement payment is excluded as income.

However, the ongoing retirement payments are counted as income.

4. **Social Security Lump Sum**

(SSI) Lump sum Social Security and Supplemental Security Income

payments are excluded from income calculations. However, ongoing Social Security benefits paid to an individual or their surviving spouse or in the name of the surviving children is counted as income to the household.

5. **Inheritance**

An inheritance received in a lump sum is excluded as income.

6. **Gifts**

regular Gifts of a one-time nature that do not represent support on a basis are excluded as income.

7. **Savings Instruments Principle**

That portion of any savings instrument which represents the

Individuals' contribution to the principle is never considered as income.

counted

#### **8. Tax Refunds**

Tax refunds and Earned Income Tax Credit refunds are not as income.

#### **9. Veterans Reduction Assistance Allowance**

That portion of Veterans Reduction Assistance Allowance which represents the veteran's contribution to the allowance is excluded from income. Veterans who served before December 31, 1977, have not made a contribution toward their benefits. This contribution will not exceed \$2,700 and can be identified by the Veterans Administration (VA) when verifying benefits.

To verify benefits call 1-800-827-1000 and provide the applicant's VA claim or file number. A social security number may be used as a last resort. The VA will verify the educational expenses (i.e., tuition, books, fees, transportation) which are excluded from income.

That portion of the allowance which represents the Veterans Administration contribution and which exceeds these educational expenses is counted as income.

**418.**

### **EARNED INCOME AND DOCUMENTATION**

Income documentation is not an "exact science". This section suggests preferable ways in which to document income. The important step in using alternate documentation is to briefly note in the case file the reasons other types of verification were accepted. Income for household members under 18 is not counted towards households' income. This does not include child support or Social Security income.

1. Employment income includes all gross wages, salaries, commissions, bonuses, profit sharing, and tips of an employee. Other acceptable documentation includes:
  - a) Pay stubs for the last 3 months, identifying the person whose income is being considered (i.e. social security number or name) and showing the income for the period being considered for the computations;
  - b) A written statement from the employer stating the income for the period being considered for the computations; and
  - c) A W-2 Form for the previous year's wages. (This documentation can be used by itself only for applications in the months of January, February, March and thru April 15<sup>th</sup> of the current heating season).

## **2. Incidental, Unreported Income**

Earned income that is not reported for tax purposes is nevertheless included in the calculation of the household's gross income. This income may be verified by a written statement from the payer.

## **3. Profits from Self Employment**

Self-employment income is an individual's income from a private trade or business (including farming). The person's adjusted gross income is calculated using the IRS Schedules listed below, allowing for certain business deductions, as computed as self-employment income under Federal income tax law. If a household reports a member who is self-employed, their income must be verified by the Internal Revenue Service (IRS) Tax Form 1040 for the most recent, complete calendar year. The adjusted gross income is listed on the 1st line of the section on Form 1040 labeled "Adjusted Gross Income".

In addition to the Form 1040, applicants should have one or more of the schedules dealing with self-employment income:

- a) Form 1040
- b) Schedule C
- c) Schedule E
- d) Schedule F
- e) Schedule SE
- f) U.S. Individual Income Tax Return
- g) Profit or loss from business
- h) Supplemental income and loss
- i) Profit or loss from farming
- j) Self-employment tax

## **4. Income From the Rental of Property**

Income from the rental of property is considered earned, self-employment income, and is determined using the methods in number 3, above.

## **5. Contract Sale of Property**

Income received in installments from the sale of property is counted as earned income. This income is handled in the same way as self-employment income in that certain expenses may be deducted from the cost of producing the income. Only income based on an actual contracted sale may be counted using the stipulation so the agency should actually see the contract for documentation. Otherwise, the income is counted as rental income. The income may be verified using the methods in number 3, above.

419.

## **UNEARNED INCOME AND DOCUMENTATION**

Income not usually earned from wages, rental property, sale of property, or self-employment.

### **1. Social Security Benefits**

Benefits administered by the Social Security Administration include Social Security retirement benefits, Social Security Disability Insurance (SSDI) benefits, Supplemental Security Income (SSI) assistance, and Railroad Retirement. Gross income is counted for all income sources except for Social Security.

### **2. Child Support**

The question of child support should always be raised with single or remarried parents or guardians applying for DEAP. An applicant should provide payment records of support received for the previous 3 – 12 months. Acceptable verification includes a statement from child support offices or any court document.

### **3. Disability Payments from Insurance**

An individual may have insurance coverage that pays a specified amount for a specific period of time during which he/she is unable to work because of a disabling condition. Such disability payments made by an insurance company directly to the individual are counted as unearned income. Indemnity health insurance plans pay a specified benefit to a person based on the number of days the person is hospitalized. Variations on indemnity health insurance include accident and cancer policies. These benefits are counted as unearned income. However the verified documented amount of the benefit that is used for the payment of medical bills may be deducted from the benefit in computing the households' income.

### **4. Dividends/Interest**

Dividends or interest earned on financial assets are counted as unearned income to the extent that they are realized (received) by the owner of the asset. Assets include: savings accounts, interest bearing checking accounts, equity shares (mutual funds and stocks), bonds, and retirement accounts, or other similar accounts. Dividends and interests from financial assets can be verified by earnings statements from the financial institution or Tax Form 1099 for the previous calendar year which is acceptable documentation in the first three months of the current calendar year.

The portion of any savings instrument (account), which represents the individuals' contribution to the principle, is never considered as income. Saved money has already been counted as it was received by the household. For example, the principle withdrawn from a savings account or other cash asset is not used in income calculations. The principle is the amount of the asset that was contributed by the individual owner of the asset.

## **5. Military Allotments**

An individual may be eligible to receive a military allotment if the spouse, adult child, or parent is in the U.S. Armed Forces. Such payments are unearned income and can be verified by a copy of the check, a check stub, or other documents showing the current amount.

## **6. Pensions**

Ongoing pension payments are counted as unearned income. They may be available to any household member who has retired from private industry, local or state governments, or the federal government. These payments are the result of an investment in a retirement account such as an employer sponsored plan, a personal 401K plan or an Individual Retirement Account (IRA). Verification can be determined by the check, check stub, bank deposit or letter from employer.

## **7. Temporary Assistance to Needy Families (TANF)**

TANF replaced several forms of welfare assistance previously awarded under Assistance to Families with Dependent Children (AFDC) program. Acceptable proof of this income would include a copy of the most recent TANF check, a TANF award letter, or any other form of verification from the local TANF office.

## **8. Unemployment Compensation**

The Unemployment Compensation Benefit (UCB) is unearned income that is available to individuals who have a recent, covered work history and are currently available for employment. UCB may be documented by the gross amount on the weekly stubs, a bank statement, or an award letter from a UCB office.

## **9. Veterans' Administration (VA) Benefits**

VA benefits are counted as unearned income. A copy of the most recent benefit check, an entitlement letter, or a statement from the Veterans Administration is all acceptable documentation of VA benefits.

## **10. Workers' Compensation**

Workers' Compensation may be awarded to an injured employee or his survivors under state and federal statute. Benefits are paid either in a lump sum or as a monthly payment. Benefits are counted as unearned income. Workers' Compensation is either paid by an insurance company or by the employer out of a self-insurance fund. In either case the individual should have an "Agreement to Compensation" form which states the amount of the benefit.

## **11. Royalties**

Royalties include payment for copyrighted or patented property of a household member, such as payments for:

- a) The right to use copyrighted materials;
- b) The right to use licensed products;
- c) The right to use patented items;

- d) The right to use secret processes, formulae or designs;
- e) Consideration for trademarks and other analogous rights;
- f) The rights on the use of motion picture films; and,
- g) For the use of industrial, commercial, or scientific equipment.

Royalties may be documented by statements or by contracts with the entity paying the royalty. Alternately, documentation of a period of income from the royalties may be used.

**420.**

### **ASSETS**

Assets are not counted as income when calculating DEAP eligibility.

**421.**

### **ZERO INCOME**

All household members aged 18 and over must sign zero income documentation form (or applicant may sign for other household members). The form states the reason why household member has no income. There may be reasons such as student, unemployed, ill, etc. Those are just a few reasons why a person may have zero income. In situations where no income at all is coming into a home, intake worker must ask additional probing questions such as how a person handles monthly living expenses.

**422.**

### **INCOME DECLARATION – NO DOCUMENTATION**

Occasionally an applicant household member receives income of which they cannot provide written documentation. In those instances, the applicant must sign the Income Declaration – No Documentation Available form.

**423.**

### **SPECIAL SITUATIONS**

Occasionally the intake worker/interviewer will come upon special instances, living arrangements, or other situations that are not handled in the same manner as the majority of the cases. Some of these instances are listed here. When a worker is faced with a situation not listed here, or is in any way uncertain how to handle the applicant, application, or situation, the intake worker must contact their immediate supervisor for guidance.

**424.**

### **Subsidized Households/Heat Included in Rent**

Income eligible households who reside in subsidized housing where the heat is included in the rent are ineligible to receive a DEAP heating benefit. The program is designed to protect vulnerable households and because subsidized heat-in-rent- households pay only a portion of their income for rent, they are not considered as vulnerable to high heating costs as other households. Therefore, while a household could be income eligible, there benefit for this service is zero.

**425.**

### **Special Food Stamp Benefit (SNAP)**

Some low income households may not be eligible for LIHEAP (DEAP) but are eligible for the Supplemental Nutrition Assistance Program (SNAP). Some of the reasons why a SNAP household may not be eligible for a DEAP benefit is that household may have their own cooking facilities, but not be responsible for heating costs; or a household member may receive SNAP benefits independent of the total household, however when the total household income is used, they are not eligible for a DEAP benefit.

Since it was discovered that recipients of SNAP that receive a DEAP benefit may be eligible for a higher SNAP benefit on a monthly basis, DSSC has partnered with the Division of Social Services (DSS), the agency that administers, SNAP; and the Food Bank of Delaware to encourage these households to apply for DEAP. DEAP cannot fund all of SNAP eligible households with the limited federal funding we receive, but in order to potentially increase the SNAP benefit to these households, DEAP will provide a nominal benefit of \$5 to any household receiving SNAP if they complete a DEAP application.

Some SNAP households are eligible for the regular DEAP benefit and will receive a benefit based on the benefit matrix. Others will receive the minimal benefit of \$5, provided funding is available and they apply during the DEAP application period.

**426.**

### **Non-Qualified Aliens**

Non-qualified aliens are defined as foreign born people who do not possess valid visas or other immigration documents required of qualified aliens. Non-qualified aliens are not eligible to receive a DEAP benefit...unless; at least one household member is a U.S. citizen or qualified alien. For example, if a married couple, who are non-qualified aliens, has a child born in the United States they may apply for assistance using the child's Social Security Number to apply. The total household income is counted; however, the benefit is only based on the number of eligible household members. So when assigning a DEAP benefit, the benefit matrix amount for a one person household is used. If it's a 6 person household and 3 of the members are 'qualified aliens' or U.S. citizens, again the entire household income is counted, however, the benefit is assigned based on only the 3 eligible household members.

These households must have their payments to vendors processed manually. See Section 600, Vendors and Payment Procedures for details.

**427.**

**Qualified aliens**

Qualified aliens are defined according to Section 431 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), commonly known as the welfare reform law; “as legal permanent residents, refugees, asylums, individuals paroled in the U.S. for a period of at least 1 year, individuals whose deportation has been withheld, individuals granted conditional entry, and certain individuals who are victims of domestic abuse”. Qualified aliens are eligible to receive assistance and services under the LIHEAP program as long as they meet other DEAP program requirements.

**428.**

**Legal verification**

Sub grantees can verify citizenship or immigration status of applicants in accordance with the United States Department of Justice’s (DOJ) Interim Guidance on Verification of Citizenship, Qualified Alien Status and Eligibility under Title IV of the PRWORA) Act of 1996. Interviewers may not selectively discriminate when requesting documentation for citizenship and legal status. This information must be asked of all applicants or none of the applicants on a given day.

**429.**

**Household Unit Considerations**

**429.1**

**Room and Boarders**

Room and boarders are not counted as household members and neither is their income counted toward total household income. However, the amount of the weekly, monthly, or otherwise payment the roomer or boarder pays to the head of household is counted as income. A roomer or boarder cannot apply for a DEAP benefit unless they are actually responsible for paying a heating bill.

**429.2**

**Full-Time College Students**

Full-time college students who are listed as dependents of the head of household are generally counted as household members, however their income is not counted toward the total household income if they are under aged 22. Once a student reaches 22, any income they receive is counted towards the total household income as long as they are considered a member of the household, regardless of their status as a student. If the student attends school out of state, the applicant household may exclude the person as a household member. Of course if the student is excluded, any income, regardless of age, is also excluded.

Proof of the student’s full time status must be provided. A full time student must be enrolled for at least 12 credit hours or more per semester. The student must also be

declared as a dependent on the household's most recent income tax forms.

#### **429.3**

##### **Nursing Home Residents**

If a family member is currently in a nursing home and has been there for more than three (3) of the 12 month application period, he/she should neither be included on the application, nor should his/her income be counted .

#### **429.4**

##### **Divorce/Legal Separation**

If a man and woman can prove that they have been legally divorced or separated with the past 3 months, then income from the absent spouse may be excluded and the remaining spouse counted as a single person when applying for DEAP. Proof in the form of a divorce/separation decree, documented proof of a permanent residence for the absent spouse, verification of separation from a member of the clergy or an attorney, or verification from the local welfare agency will be accepted. If proof cannot be shown, the spouse must be counted as a household member and all income must be counted towards the total household income.

#### **429.5**

##### **Foster Children**

The household may be given a choice to count foster children in the household. If they are counted then the stipend received for the children is also counted as household income. This is the only situation when a stipend is counted as income. Adoption assistance should be treated in the same manner.

#### **429.6**

##### **Death of a Household Member**

If a household member died during the 12 months prior to the date of application, the deceased member should neither be counted as a household member, nor should his/her income for the twelve (12) months prior be counted towards the total household income.

#### **430.**

### **MISCELLANEOUS**

#### **431.**

##### **DEAP Benefits – Unallowable Payments**

DEAP benefits may not be made for the following energy related expenses:

- a) Water or sewage bill
- b) Direct rent payments
- c) Cable, telephone or Internet bill

**432.**

**SUB-GRANTEE AGENCIES**

Sub grantees that administer the heating, crisis assistance and summer electric programs are listed below:

**New Castle County**

Catholic Charities, Inc.  
2601 W. 4<sup>th</sup> Street  
Wilmington, DE 19805  
(302) 654-9295

Catholic Charities, Inc.  
Catholic Thrift Center  
23<sup>rd</sup> & Bowers Streets  
Wilmington, DE 19802  
(302) 654-9295

**Kent County**

Catholic Charities, Inc.  
2099 S. Dupont Highway  
Dover, DE 19901  
(302) 647-1782

**Sussex County**

Catholic Charities, Inc.  
406 S. Bedford Street  
Georgetown, DE 19947  
(302) 856-6310

Sub grantees that administer the SCAP Air Conditioner component are as follows:

**New Castle County**

Interfaith Community Housing of Delaware, Inc. (ICHDE)  
613 N. Washington Street  
Wilmington, DE 19801  
(302) 652-3991, ext. 112

**Kent and Sussex Counties**

First State Community Action Agency, Inc. (FSCAA)  
308 N. Railroad Avenue  
Georgetown, DE 19947  
(302) 856-7761

**433.**

**COMPUTER PROCESSES**

We have recently transferred to a new state supported computer system therefore, this Section is under construction.

<b>DIVISION OF STATE SERVICE CENTERS</b> <b>OFFICE OF COMMUNITY SERVICES</b> <b>DELAWARE ENERGY ASSISTANCE PROGRAM</b> <b>OPERATIONS MANUAL (DEAP)</b>	<b>NUMBER: 500</b>  <b>Program: LIHEAP/Outreach</b>
<b>STANDARD OPERATING PROCEDURE:</b>  <b>LOW-INCOME HOME ENERGY ASSISTANCE</b> <b>PROGRAM (LIHEAP)</b>  <b>OUTREACH</b>	<b>Approved:</b>  <b>Date:</b> _____  <b>Director:</b> _____

**SECTION 500**

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**OUTREACH**

**500.**

The intention of DEAP is to make services available to all eligible households without overwhelming the available resources. DEAP is able to serve 12,000 - 20,000 plus households each year with at least one of the several services offered by DEAP. The number of households served is dependent on the amount of funding. DEAP funding is never large enough to serve more than 25-40 percent of the eligible population in any given year. Therefore, while outreach activities are listed here, the degree in which it may be feasible to carry out some of these activities is in direct correlation to the funds available. Listed below are various activities DEAP uses to reach out to eligible households to encourage them to apply for assistance.

- a) Intake coordination between Contractor agencies and the 15 State Service Centers.
- b) Distribute calendars to DEAP clients and potential DEAP clients that include monthly energy saving tips as well as information on where to apply for DEAP services.
- c) Participation in energy fairs, community fairs, and other related community events to distribute information about DEAP services.
- d) Wide distribution of DEAP brochure which lists all available programs and services and how to apply for them. Includes documentation required to apply for these services.
- e) Availability to TV and radio, and print media to inform and educate the public about DEAP services.

- f) Public hearings and public comment opportunities for the public to voice their opinions and comment on DEAP services.
- g) Participation on Committees, Panels, Workshops, Summits, Conferences, and meetings to inform and educate stakeholders about DEAP services.

## **502.**

The DEAP program has been in existence since the early eighties and is well known to some populations; however, because the low-income population is not static, it is important that the program continue to reach out to new households to ensure that all families in need are made aware of the availability of benefits.

Moreover, the program serves a relatively large number of households. It is a gateway to other services offered by the sub grantee. Outreach opens up additional services to families who may need help beyond energy assistance.

Outreach planning is a coordinated effort between the OCS and the sub grantee.

## **503.**

As part of the overall planning process, the sub grantee is required to maintain an Outreach Plan across their service area which is updated annually. The plan should (1) emphasize the at-risk group(s) to whom outreach efforts are to be targeted; (2) the specific efforts which will be employed to reach the group(s) and (3) the method which will be used to measure the outcome of the outreach efforts. The Plan and the results of the Plan will be monitored by the OCS during its annual administrative review of the sub grantee.

## **504.**

Traditionally, the Delaware program has emphasized outreach to the elderly and disabled at-risk groups. While it is important to maintain this effort, the program should also make efforts to reach out to families with young children under six who may have a relatively high energy burden along with household expenses peculiar to that group. The DEAP is requesting that this group be addressed in the next Sub grantee Outreach Plan.

Outreach materials should include:

- a) Name and purpose of the DEAP program,
- b) Sub grantee agency contact : name, address, central information, phone, website,
- c) Temporary intake site locations, availability dates,
- d) Available special application procedure,
- e) Name of the grant (LIHEAP) and state agency (DHSS),
- f) Statement of non-discrimination,
- g) Funded by U.S. Department of Health and Human Services, Department of Health and Social Services, Division of State Service Centers (DHHS/DHSS/DSSC).

## **505.**

Under the Delaware State Plan, the sub grantee should incorporate the following outreach methods in one form or another:

- a) Place DEAP posters, flyers and brochures in social service offices (community services, TANF, Food Stamps, food pantries, area agencies on aging, Department of Labor, Social Security offices, Veterans Administration offices, etc.).
- b) Inform low-income applicants about DEAP assistance during intake for other low-income programs.
- c) Insert DEAP information into utility bills, other fuel vendor communications, and utility company advertisements.

Other activities that the sub grantee should consider are:

- a) Place DEAP posters and brochures on free bulletin boards in common areas of apartment complexes, laundromats, church fellowship halls, coffee shops, bingo halls, restaurants, convenience stores, department stores, and any place where large numbers of people are likely to see the information, provided they receive permission first.
- b) Place DEAP posters and brochures in energy vendor company offices and branches.
- c) Advertise DEAP availability using the internet (search engine web pages, social network sites, create a DEAP web page).
- d) Post notices and information about DEAP on the existing state and local agency websites. (Use the main web page for important announcements such as the start date of the program).
- e) Advertise DEAP availability on energy vendor websites.
- f) Advertise DEAP availability on websites of other social service programs.
- g) Conduct mass mailings to past recipients of DEAP.

The use of any of the above activities must first be reviewed and approved by the LIHEAP administrator.

## **506. VENDOR OUTREACH**

The vendor agreement between the sub grantee and the energy vendor supplier should require that the vendor disseminate information to its customers about the availability of DEAP. Vendors should be encouraged to include DEAP availability in its advertisements and on its web page, as well. Vendors may have ideas of their own to get the word out and coincidentally increase business. The sub grantee should take advantage of these outreach efforts by the vendor to increase program participation.

Again, all advertisements and outreach concerning DEAP, by the vendors must be reviewed and approved by the LIHEAP Administrator.

<p><b>DIVISION OF STATE SERVICE CENTERS</b></p> <p><b>OFFICE OF COMMUNITY SERVICES</b></p> <p><b>DELAWARE ENERGY ASSISTANCE PROGRAM</b></p> <p><b>OPERATIONS MANUAL (DEAP)</b></p>	<p><b>NUMBER: 600</b></p> <p><b>Program: LIHEAP</b></p>
<p><b>STANDARD OPERATING PROCEDURE:</b></p> <p><b>LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)</b></p> <p><b>VENDORS AND PAYMENTS PROCEDURES</b></p>	<p><b>Approved:</b></p> <p><b>Date:</b> _____</p> <p><b>Director:</b> _____</p>

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**SECTION 600      VENDORS AND PAYMENT PROCEDURES**

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**600: VENDORS AND PAYMENT PROCEDURES**

**A. Regular Fuel Payments**

1. Contractor agency will print screen from CAPS database with the following information:
  - a. Client Name
  - b. Client Address
  - c. Benefit Amount
  - d. Fuel Vendor
2. Contractor agency will submit invoice, by county, with aforementioned backup documentation to the Division of State Service Centers, Office of Community Services (DSSC/OCS)
3. OCS Administrative Specialist (AS) will date stamp contractor invoices upon receipt; next the AS stamps invoice with payment authorization coding stamp.; then logs in vendor amount and date invoice was received , then logs same information onto the computer spreadsheet. Then AS gives the invoice to OCS Internal Auditor (IA).

4. OCS Internal Auditor will check if funds are available on contract, verify and check math, then mark with proper coding of payment and gives to the Management Analyst (MA) for signature.)
5. Management Analyst will sign and give to LIHEAP AS.
6. LIHEAP AS will make copies, 1 for file and one for MA, and then return original invoice to OCS' AS.
7. OCS Administrative Specialist writes in date invoice is submitted to fiscal; and takes original invoice to Fiscal and places in their invoice box.

## **B. Crisis Payments**

1. Contractor agency will prepare Summary Sheet of crisis benefits, by vendor, by county from CAPS database.
2. OCS Administrative Specialist (AS) will date stamp contractor invoices upon receipt; next the AS will stamp invoice with payment authorization coding stamp; then logs in vendor amount and date invoice was received; then logs same information onto computer spreadsheet.
3. OCS IA will check if funds are available on contract; then reviews summary sheet to verify math.
4. IA will assign reporting category to invoice and submit to MA for signature.
5. Management Analyst will sign and give to LIHEAP AS.
6. LIHEAP AS will make copies; 1 for the file 1 for MA, then return original invoice to OCS' AS.
7. AS writes in date invoices is submitted to fiscal, then takes original invoice to Fiscal and places in their invoice box.

## **C. Different Names**

1. Due to the circumstances that often face the low income population, it is often necessary to receive services from a fuel vendor in a name other than their own.
2. The primary reasons this may occur are listed below:
  - a. Lead applicant is a widow or widower and does not choose to change the billing name from the deceased to the living spouse.
  - b. Landlord often wants to keep the energy bill in their name instead of the tenants in order to have control and be aware of when the bill is being paid.
  - c. LIHEAP applicant may owe a balance from the past and the vendor will not allow them to have new service turned on in their name until the old bill is paid.
3. If either of the above occurs, then the contractor agency must take the following steps:

- a. The application or Vendor Declaration Form (See Appendix 1800, Forms); will suffice as adequate documentation if it indicates the bill is in a name other than the LIHEAP applicant and either the application or the VDF should be attached to the invoice as supporting documentation.
- b. When supporting documentation is attached; it is OK to process the invoice for payment.
- c. If supporting documentation is not attached, contractor agency is contacted by either the IA or MA to submit supporting documentation so that payment can be processed.

**D. Summer Cooling Assistance Program (SCAP)/Electric Invoices**

1. Contractor agency will submit separate invoices, by county with print screen from CAPS listing each client receiving a benefit by vendor as supporting documentation, to DSSC/OCS. A summary sheet listing each vendor and total amount for each vendor will be attached to the invoice.

**E. Summer Cooling Assistance Program/Air Conditioner Invoices**

1. Contractor agency will submit invoices by county
  - a. Supporting documentation to include invoice from delivery/installation vendor.
  - b. Delivery and installation slip signed by household member 18 years
2. Follow steps 2-7 as stated in A, Regular Fuel Payments.

**F. Undocumented /Non-Qualified Aliens**

The CAPS database cannot process payments without a valid Social Security number, therefore, invoices for undocumented, non-qualified aliens must be processed manually.

1. Sub grantee submits invoice to OCS with the following information:
  - a. Names, addresses and benefit amounts for each undocumented, non-qualified alien household by vendor, by County.
  - b. Must include copy of DEAP application for each household as backup documentation.
  - c. Must highlight each household member that is qualified to receive LIHEAP assistance.
2. Follow steps 2-7 as stated in A, Regular Fuel Payments.

## **G. Vendor Contracts**

The sub grantee must have an active and current agreement with all energy suppliers which include the following stipulations from the LIHEAP STATUTE:

(7) If the State chooses to pay home energy suppliers directly, establish procedures to--

- (A) notify each participating household of the amount of assistance paid on its behalf;
- (B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;
- (C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provision to assure that no household receiving assistance under applicable provisions of State law or public regulatory requirements ;and
- (D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grantee and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible household, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and financial assistance for home energy costs;

<b>DIVISION OF STATE SERVICE CENTERS</b>  <b>Office of Community Services</b>	<b>NUMBER: 700</b>  <b>Program: LIHEAP</b>
<b>DELAWARE ENERGY ASSISTANCE PROGRAM (DEAP)</b>  <b>POLICIES AND PROCEDURES</b>	<b>Approved:</b>  <b>Date:</b> _____  <b>Director:</b> _____

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**SECTION 700      PROGRAM MONITORING**

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**700. MONITORING**

The state agency will conduct an annual monitoring process designed to ensure consistency, accountability and regulatory compliance in the statewide implementation of the Energy Assistance Program. The monitoring will include an administrative review that looks at the sub grantees' overall program operations, systems and procedures. Additionally the state monitor will closely review a sample of case files for the accuracy of the eligibility determination and to note any trends in case errors. The monitoring process will result in a written monitoring report from the state agency to the sub grantee, within 30 days. The sub grantee will then have 30 days in which to respond to the requirements and recommendations of the state.

**701. ADMINISTRATIVE MONITORING**

The administrative monitoring will be conducted by the Management Analyst on an annual basis. The review of the local administration of the program will be based on the sub grantee's contractual obligation to comply with program regulations, policies and procedures.

The sources of information for the administrative review will include interviews with the day-to-day program director, agency management and possibly the fiscal officer. The Management Analyst will also need to actually review sub grantee policy documents, as well as reports at the state level, to garner a comprehensive view of the sub grantee's energy assistance program.

The comprehensive administrative portion of the review will contain recommendations and requirements based on the Administrative Monitoring tool. (See Appendix 1800)

The main areas of review in the administrative report include: staffing, outreach, application access, service coordination, budgets, reporting and policies for fiscal procedures, safety, confidentiality and other areas as necessary.

An exit interview will be conducted by the Management Analyst at the end of the review. The interview should be conducted with the program director; and/or, a sub grantee manager. The monitor will briefly go over the findings, emphasizing any required corrective actions that must be addressed quickly to prevent continued errors in program implementation. A written review will follow.

## **702. CASE FILE REVIEWS**

The case file reviews will be conducted as part of the annual sub grantee review by the state office. The sources of information for case file reviews will include the paperwork in the case file itself. It may also be necessary to review other local or state office records.

A monitor will review a random sample of cases, pulled by the reviewer from the files of cases at the sub grantee offices. Although cases are selected randomly, the monitor should attempt to review some specific types of cases, including: heating benefits, crisis benefits, cooling benefits, mailers, zero income, denials, and a mix of regulated and non-regulated energy vendors.

The case file reviews focus on the completeness of the information on the application, the determination of eligibility, the calculation of income, the benefit determination and the presence of required documentation necessary to verify the information in the case.

## **703. MONITORING REPORT**

The monitoring review will result in a written report to be issued by the monitor within 30 days of the exit interview. The report, approved by the Management Analyst will include the state's recommendations and requirements and require a response from the sub grantee within 30 days of issuance.

The structure of the written report is important to provide a clear, specific and concise list of areas for the sub grantee to address. All of the major areas reviewed should be listed with a statement of issue, followed by the state's recommendations or requirements. If no issue is found in a major section, that also should be stated.

The monitor will address each of the major areas of the report using one of three determinations:

(1) NO ISSUE	No problems were discovered in this area of review.
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(2) RECOMMENDATION	A problem was identified in this area of the review which is not a matter of compliance but is based on the monitors' observations of program structure suggestions, procedural designs or other information and suggestions by the state.
(3) REQUIREMENT	A problem was identified which is a matter of compliance with the legal, regulatory or contractual obligations of the sub grantee. Requirements must cite a source for the statements by the monitor. Sources may include the sub grantee's contract, the State Plan, federal or state laws and other regulations.

The monitoring report section listing issues in each major review area is then followed by a listing of each case file reviewed. The list of case files, identified only by case number, should state "No issue" or detail the specific deficiency of issue found in the case.

Finally, the report should state the due date of the sub grantee's response, 30 days following the issuance of the report.

#### **705. SUBGRANTEE MONITORING**

The sub grantee will also have responsibility to ensure that the energy assistance benefits are issued accurately to eligible households and that the circumstances of the case are fully documented.

The sub grantee should implement a system in which a percentage of cases are immediately reviewed by a second party, prior to the issuance of the benefit, as a means of continuous quality improvement in their program. The review of the case should be conducted by an intake supervisor trained in policy rules.

The second-party review is specifically to check for:

- the completeness and accuracy of the application,
- the verifications of the household information given,
- the accurate determination of eligibility,
- computations and documentation of income,
- the accuracy of the computation of benefits, and
- the general completeness of the case file.

The second-party review should be noted in the case file for future monitoring.

**706. FISCAL MONITORING** (to be inserted)

4/22/2015

<b>DIVISION OF STATE SERVICE CENTERS</b>  <b>OFFICE OF COMMUNITY SERVICES</b> <b>DELAWARE ENERGY ASSISTANCE PROGRAM</b> <b>OPERATIONS MANUAL (DEAP)</b>	<b>NUMBER: 800</b>  <b>Program: LIHEAP/Reporting</b>
<b>STANDARD OPERATING PROCEDURE:</b>  <b>LOW-INCOME HOME ENERGY ASSISTANCE</b> <b>PROGRAM (LIHEAP)</b>  <b>REPORTING</b>	<b>Approved:</b>  <b>Date:</b> _____  <b>Director:</b> _____

**SECTION 800 REPORTING**

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**REPORTING**

**800.**

DSSC/OCS is responsible for the collection of data for reports to the funding sources. Federal funding source, HHS, requires periodic reporting on LIHEAP benefits paid to eligible households and how those funds were used, which programs they were used for, and specific demographic data on the households served. It is possible that all reports are not listed here and any report that HHS requires must be submitted accordingly by the State. Below is a list of annual reports required by HHS that is submitted by the State of Delaware.

**801. The LIHEAP State Plan**

This is not really a report but the guideline or Plan for how LIHEAP will be administered for that year. A detailed Plan is required every three years and an abbreviated Plan annually in the years the detailed Plan isn't submitted. The last detailed State Plan was submitted in FFY'11. The next detailed State Plan should be submitted in FFY14. If there are major changes to the Plan in a year when the detailed Plan is not required, then a detailed Plan should be submitted anyway. **Each year the detailed Plan is due on September 1.** HHS publishes an Action Transmittal (AT) and notifies the States that the Plan is due. The action plan includes a Model Plan to follow when preparing the State Plan. This Plan (or a model of the previously submitted State Plan), should be used when submitting the LIHEAP State Plan. Most important is that the State Plan must detail how the State intends to carry out the 16 Assurances which govern the LIHEAP Statute.

**802: Annual Household Report:**

**This report is also due on September 1** of each year and is included as an Attachment to the State Plan. A preliminary report can be submitted with the Plan on September 1 however, **the final report must be submitted by December 15 of each year.** Again, a notice from HHS will be sent to States in the form of an Action Transmittal with details how to submit this information. In general this report captures various demographics of applicant households and households served in the previous FFY year by income. Also included are number of elderly, disabled, and households with young children.

**803: Leverage Incentive Report:**

**This report is due on November 30 in most years.** There have been years when leveraging awards were not given out and therefore, no report was due. It should be understood that this is a voluntary report. DSSC/OCS does not have to submit a report on leveraged activities. However, if they do, the State is eligible to receive a grant award based on the amount of non-federal funds leveraged with LIHEAP funds. DSSC/OCS will be notified via Action Transmittal (AT) if this report is being solicited in any given year. For more details about this, see Section 1300 Leveraging Incentive Program.

**804: Federal Financial Report:**

This report is completed via DSSC/Fiscal Unit. This is a report on the annual grant award to the state and how the state spent those funds during the FFY. **It is due on December 31 of each year.**

**805: Grantee Survey:**

This is a report usually required annually, but sometimes more often by HHS. This report is submitted by DSSC/OCS and is a report on funds received from HHS, the use of those funds, and households served at the time of submission.

**806. Carryover and Reallotment Report:**

**This report is due to HHS by August 1,** of each year. The State is reminded to submit this report each year via Action Transmittal. This report includes estimated amount of LIHEAP funds that were not spent during the current fiscal year and is expected to be used for carryover. LIHEAP Statute requires that no more than 10% of funds can be carried over from one year to the next. Therefore, if the estimated carryover is more than 10%, States must report on the amount to be re-allotted to the other states and the plan for spending the 10% allowed to be carried forward. It is important to note that funds retain their characteristics from year to year. So if the State receives a grant award in the amount of \$10,000,000; budgets the maximum 10% for

administrative costs, and then carries over the 10% maximum amount, the characteristics from the current year do not have to change.

Example: The State receives \$10,000,000 in grant awards; spends all but 10% or \$1,000,000 of the funds, and carries forward \$1,000,000. Then \$1,000,000 is budgeted for administrative costs but only \$700,000 of that money was spent on administrative costs. Then when the \$1,000,000 is carried over, up to \$300,000 can be used for administrative costs, instead of just \$100,000 which is 10% of the carryover.

Procedure for Determining Estimated Carryover Amount: The remaining balance of LIHEAP funds as shown in First State Financials (which excludes obligated and expended funds) on July 31 of the relevant year shall constitute the estimated carryover amount.

12/15/13

**807: Quarterly Allocation Estimate:**

**This report is due on September 1** of each year and lists the percentage of the grant award the State is requesting to be provided in each quarter. Traditionally, not more than 90% can be made available in a grant award in the first quarter. One hundred percent (100%) of the funds are usually awarded by April 30 of each year. The State is reminded to submit this report via an Action Transmittal (AT).

In addition to the above reports, when LIHEAP receives funds from sources other than HHS, a report on use of those funds may be required.

**808: Report Format**

New in FFY' 14, states are now required to submit all reports to the U.S. Dept. of Health and Human Services (HHS) electronically, via the On Line Data Collection (OLDC) system. For details on how to submit reports through the OLDC system, please go to:

<https://extranet.acf.hhs.gov/oldcoocs/materials.html>

The following are reports the sub grantees are required to submit to DSSC/OCS:

**809: Budget**

This report is submitted annually and is reviewed by the LIHEAP Administrator and approved by the OCS Senior Social Services Administrator, as well as the DSSC Director, prior to the signing of the contract

**810: Financial Report**

These reports are submitted periodically by sub grantees when requesting reimbursement for administrative costs. Sub grantees receiving less than \$500,000 are not required to submit regular financial reports as their administrative costs are paid as prescribed in the contract. The initial administrative invoice is submitted to DSSC/OCS for payment once the contract has been signed.

**811: Crisis Report**

This report should be submitted monthly by the sub grantee once the crisis program has begun. The final report should be submitted not later than June 30 of each year.

**812: Leveraging Incentive Report**

This report is submitted on request by the LIHEAP Administrator.

**813: Air Conditioner Statistical Report**

This report is submitted as prescribed in the contract or at the direction of the LIHEAP Administrator.

**814: Other**

Any other report DSSC/OCS requests of the sub grantees.

<b>DIVISION OF STATE SERVICE CENTERS</b> <b>OFFICE OF COMMUNITY SERVICES</b> <b>DELAWARE ENERGY ASSISTANCE PROGRAM</b> <b>OPERATIONS MANUAL (DEAP)</b>	<b>NUMBER: 900</b>  <b>Program: Fair Hearing/Appeals</b> <b>Procedures</b>
<b>STANDARD OPERATING PROCEDURE:</b>  <b>LOW-INCOME HOME ENERGY ASSISTANCE</b> <b>PROGRAM (LIHEAP)</b>  <b>FAIR HEARING/APEALS PROCEDURES</b>	<b>Approved:</b>  <b>Date:</b> _____  <b>Director:</b> _____

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**SECTION 900      FAIR HEARING/APEALS PROCEDURES**

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**PURPOSE**

**Households have the right to a hearing if they are dissatisfied with:**

1. How the application process
2. The eligibility decision

Applicants are informed of their right to a fair hearing by the intake worker at the time of the appointment. The application signed by the applicant, includes a statement notifying applicants of their right to a fair hearing. Applicants that apply by mail receive a separate paper notifying clients of their right to a fair hearing.

Applicants or clients who want a formal Fair Hearing should contact the county agency that served them and that office will make the necessary arrangements for such a hearing.

The freedom of an applicant or client to request a hearing is a fundamental right and cannot and should not be limited or interfered with in any way by any staff member of any agency working in the Delaware Energy Assistance Program (DEAP). As with all elements of DEAP, the first step in this process should be an agency conference where agency personnel and the applicant/client try to resolve any difficulties. Please note that this is an informal hearing only, and in no way does it interfere with the applicant's or client's right to request a formal hearing. Those staff members concerned with applicant's/client's specific application, as well as a supervisor, should attempt at this time to explain fully how any decisions were arrived at, and they should take any additional information that the applicant/client wishes to present. If the problem is resolved at this level, the applicant/client should be notified of the decision about any change in determination if applicable, by the appropriate contractor agency. The entire

preliminary stage will take no more than five (5) working days. If the applicant/client is still not satisfied with the determination and requests a formal hearing, the appropriate contractor agency will then make arrangements for a fair and impartial hearing.

**A. The opportunity for a hearing will include the right to appeal from the following:**

1. A denial of benefits, in whole or in part;
2. A change in the amount of benefit;
3. The manner or form of payments;;
4. Undue delay in making payment adjustment or acting upon a request or application;
5. A denial of a request for a correction or a deletion in the case file.

**B. The objective of appeals and a Fair Hearing will be as follows:**

1. To afford all applicants and clients an opportunity for impartial, objective review of decisions, actions and excessive delays in actions made by contractor agencies and DEAP;
2. To settle the issue or issues raised by the applicant/client in requesting a hearing and to produce a clear and definite decision setting forth the findings of DEAP;
3. To contribute to uniformity in the application of programmatic regulations;
4. To reveal aspects of programmatic regulations that are deficient, inequitable or constitute a misconstruction of law.

**C. Time limitations on right to appeal.** An applicant/client must exercise his right to appeal within certain time limits. Appeals which do not meet the following time limitations will be dismissed without a hearing:

1. Ten (10) days from the date of written notice of a decision or action by a contractor agency.
2. Thirty (30) days from the date of any decision or action by a contractor agency or service provider when they did not send written notice because such notice was not required, thirty (30) days from their failure to act.

Time limit from or the date of request for a fair hearing to a decision will be forty-five (45) days.

**D. Procedures to follow upon request for Fair Hearing by DEAP applicant/client.**

1. Clearly explain the basis for questioned decisions or actions to DEAP applicant/client;
2. Explain his/her rights and the Fair Hearing proceedings to the applicant/client;
3. Provide the necessary forms and explain to the applicant/client how to file his appeal, and, if necessary, how to fill out the forms; and
4. Advise the applicant/client that he may be represented by an attorney, relative, friend or other spokesperson and explain that he may contact his local bar association to locate the legal services available in the county.

**E. Procedures relating to the method of appeal will be as follows:**

1. A hearing request must be made to the agency which notified the applicant/client of its decision or action. When an appeal is taken, the appeal letter and proposed action must be forwarded to the OCS Administrator with a copy to the LIHEAP Program Manager.
2. A request for a hearing must be made in writing. Appeals must specify the action appealed from and must be signed by the applicant/client.
3. If an oral request for a hearing is made, the agency which receives the request will give the applicant/client the appropriate form to complete and submit.
4. Every appeal must bear the signature of the applicant/client.
5. All appeals must be made to the contractor agency which notified the applicant/client of its decision or action. The agency which receives the request will date stamp the appeal upon receipt and forward it to the OCS Administrator within 3 working days.

**F. Agency staff responsibility upon receipt of a hearing request will be as follows:**

1. When the contractor agency receives a request for a hearing, regardless of form, it will date stamp it upon receipt and review the complaint of the appellant to ascertain that the decision in question is in accordance with programmatic regulations and policies and to determine what additional steps, if any, should be taken to resolve the issue without a hearing.
2. The contractor agency shall offer the appellant the opportunity for an agency conference to resolve the appeal if possible.

3. All appeals to be scheduled for a hearing must be forwarded to the OCS Administrator within three (3) working days from the date the appeal was received and date stamped.
  - a. **Contractor Agency Decision Correct.** If the contractor agency which received the hearing request determines that the decision in question is in accordance with programmatic regulations, it will forward the appeal to DSSC/OCS within three (3) working days from the time that appeal is received for scheduling.
  - b. **Contractor Agency Decision Not Correct.** If the contractor agency's decision is incorrect, the contractor agency will award corrective action to the appellant and will present the applicant/client with a written statement with an explanation of the action. However, any corrective action will not interfere with, cancel or otherwise affect the right of the appellant to proceed with the hearing. If the appellant is satisfied with the corrective action or adjustment and wants to withdraw his request for a hearing, his withdrawal must be in writing. The agency which receives the written withdrawal will forward it to the OCS Administrator with a copy to the LIHEAP Program Manager, and notify the representative or the appellant, if known.
  - c. **Contractor Agency Staff Responsibility After Review.** If the issue is not resolved to the satisfaction of the appellant after the agency conference or the appellant wants to proceed with the hearing, the agency receiving the appeal will notify the LIHEAP Program manager who will then:
    - d.
      - (1) Arrange for an appeal with the prescribed time limitations;
      - (2) Written notification to appellant and representative if applicable, via certified mail, of date, time and location for the hearing. This notification must inform that if the appellant cannot attend hearing he/she should re-schedule the hearing as soon as possible. Failure of appellant to attend the hearing without prior notification to DSSC/OCS will result in an automatic dismissal of the case against the appellant.
      - (3) Disclose to the applicant/client that his/her rights include the following:
        - (a) Permitted to have a representative to accompany him or her to the hearing,

- (b) Allowed to present oral and written statement and other evidence,
  - (c) Have witnesses subpoenaed,
  - (d) Cross examine witnesses, and
  - (e) Bring an interpreter, if needed.
- (4) Disclose the following procedures for the hearing to the appellant or his representative on as early a date as possible prior to the hearing:
- (a) The hearing officer will open with a statement of the purpose of the hearing, the procedures it will follow, who the deciding authority is, and the way the decision will be transmitted to the appellant.
  - (b) The hearing officer will ask the appellant to state the issue or issues so that they are identified at the commencement of the hearing.
  - (c) The contractor agency will present its case, presenting the facts and events leading to the disputed decision. This presentation will include the basis for the decision.
  - (d) After each witness testifies, the appellant or his representative may cross examine the witness.
  - (e) The appellant will present his case which may include evidence establishing pertinent facts and circumstances.
  - (f) After each witness testifies, the agency or its representative may cross examine that witness.
  - (g) The hearing officer may question any witness or party at any time.
  - (h) Before terminating the hearing, the hearing officer will ask the appellant or his representative whether he wishes any further opportunity to speak or whether he has presented his case fully.
  - (i) At the discretion of the hearing officer, the hearing may be adjourned to another date or continued. If the appellant has requested a continuance or is in some other manner responsible for a delay, the time for final administrative action will be extended by the length of the delay.

(5) The contractor agency will prepare for the hearing so that all evidence considered in making the decision or taking the action which is at issue and all evidence that supports that decision or action is introduced at the hearing in an orderly and concise manner. Relevant information which is presented at a hearing will include the following:

- (a) Names, relationships, and ages of the persons affected and the type of assistance involved.
- (b) The decision or action which prompted the request for the hearing.
- (c) All information contained in the applicant file upon which the decision or action is based and which the agency will introduce as evidence at the hearing, as well as all other applicant file materials which are relevant to the issues raised by the appeal; and
- (d) The names of the contractor agency staff members and, if appropriate, the names of staff members of outreach agencies who will be present at the hearing. Staff members who are directly involved with making the decision or initiating the action must be present.

**G. Conducting the Hearing.** The hearing will be held before a hearing officer. The hearing officer will be a qualified DHSS official who has not been involved in any way with the decision or action in question or with the person or officer who is responsible for the decision or action up to the time of the hearing. The responsibilities of the hearing officer in conducting the hearing are as follows:

1. To allow the appellant 20 minutes after the scheduled starting time of the hearing to appear at the appointed location;
2. To attempt to reach the appellant by telephone after 20 minutes to inform appellant of hearing scheduled to start within five (5) minutes;
3. To convene the hearing 25 minutes after scheduled start whether or not the appellant appears;
4. To regulate the conduct and course of the hearing consistent with due process to insure an orderly hearing;
5. To obtain from the appellant, agency staff member or members and LIHEAP Program Manager all relevant testimony pertaining to the issue or issues in

question, and to limit the testimony to that which has bearing on the issue or issues involved;

6. To provide the appellant and the agency representatives with the opportunity to present their case in an orderly manner, to present witnesses, to cross examine witnesses, and to advance any pertinent fact or argument;
7. To assure that all documents and records presented or referred to at the hearing are made part of the hearing transcript and all persons at the hearing have the right to examine all documents and records used as evidence.
8. To render a decision based upon the facts and evidence as applied to relevant federal or state regulations.

H. **Hearing Proceedings.** Hearing proceedings will conform with a given order and staff and participants will undertake specific responsibilities as outlined below:

1. The proceedings will follow this order:
  - a. A description of the relevant facts and events leading to the decision or action plus any evidence to support the decision or action, including identification of the pertinent regulations applied in making the decision.
  - b. Detailed computation of the benefit amount, if applicable, before and after implementation of the agency decision or action.
2. The contractor agency or other appropriate agency may be assigned legal representation at a hearing if the applicant/client is represented by an attorney. When an attorney is assigned, DSSC/OCS will make available, all the evidence it possesses regarding the decision and situation of the appellant plus any additional information the attorney may request to prepare a case. The attorney will then be responsible for seeing that all relevant testimony, evidence, and the like is introduced at the hearing.
3. If legal representation has not been assigned to the contractor agency but the applicant/client has an attorney, the contractor agency may obtain legal representation.
4. At a hearing where the contractor agency has not been assigned legal counsel, the presentation of the relevant information will be made by agency staff.
5. Since the hearing decision will be based solely on the information presented at the hearing, failure to introduce all such relevant evidence may result in an adverse decision if the evidence presented is inadequate to support the decision.

6. At the time of the hearing, the agency against which the appeal is made will be responsible for seeing that its applicant file contains current information on the issue or issues in question.

**I. Hearing Decisions.** Hearing decisions will conform with the following:

1. The hearing officer will conform with the following:
  - a. The hearing officer will be a qualified DHSS official and is the final hearing authority.
  - b. The designated hearing officer will have the delegated authority from the DSSC Director to make the decision on the appeal. The contractor agency involved will be similarly bound by the decision of the designated hearing officer. All provisions of the decision will be promptly carried out.
  - c. The function of the hearing officer in rendering a hearing decision will be as follows:
    - (1) To determine the facts;
    - (2) To determine the appropriate regulations that apply; and
    - (3) To determine the action that should be taken in relation to the established facts and correct application of federal or state regulations.
  - d. Hearing officers may not render a decision on the validity of a federal or state regulation nor may they invalidate or modify a federal or state regulation. Hearing officers must, when necessary, interpret regulations when regulations are ambiguous.
2. The hearing officer will restrict his/her decision to the hearing record, which will consist of testimony and exhibits introduced into the hearing and the notice of action taken by the agency and the appeal of the client.

**J. Notice of Decision** Notices of hearing decision to be prepared by the hearing officer will conform with the following:

1. Specify the reasons for the decision and identify the supporting evidence.
2. Specify the eligibility of the appellant and, if relevant, the amount of the benefit for which the appellant is eligible. If the appellant is to receive a benefit based on the hearing decision, payment must be made within 60 days after the decision. A request for a cash benefit may be made if the hearing decision is in the appellant's favor.

3. The hearing officer files a copy of the notice of hearing decision with the DHSS/DSSC/OCS, contractor agency, and applicant/client.

**K. Hearing and Summary Report.** The hearing summary report to be prepared by the LIHEAP Program Manager and signed by the hearing officer must include the following information:

1. Name, address and phone number of applicant/client.
2. Applicant/client file number
3. Date hearing decision was made
4. Person requesting the hearing and date of request.
5. Applicant/client reason for appeal:
  - a. A denial of benefits, in whole or in part;
  - b. A change in the amount of benefit;
  - c. Undue delay in making payment adjustment or acting upon a request or application;
  - d. A denial of the request for a correction or a deletion in the case file;
  - e. Other, specify.
6. The hearing process which includes:
  - a. Persons present at hearing
  - b. Date of hearing
  - c. Time of hearing
  - d. Location of hearing
  - e. Evidence presented at the hearing
7. The hearing judgment which includes:
  - a. Summary of proceedings
  - b. Determination
    - (1) Appeal in applicant/client's favor
      - (a) If appeal in applicant/client favor, the applicant may elect to receive a check instead of a payment on behalf of their energy provider
      - (b) This action is allowed because the applicant/client may have already paid for energy prior to going through the fair hearing process
    - (2) Appeal in contractor agency's favor
  - c. Comments on action taken
  - d. Hearing officer's signature

Please note that all agencies participating in DEAP whether they are local contractor agencies or other agencies contracted for specific tasks with the Division of State Service Centers will follow the procedures outlined in this section.

<b>DIVISION OF STATE SERVICE CENTERS</b>  <b>OFFICE OF COMMUNITY SERVICES</b> <b>DELAWARE ENERGY ASSISTANCE PROGRAM</b> <b>OPERATIONS MANUAL (DEAP)</b>	<b>NUMBER: 1000</b>  <b>Program: LIHEAP/Fraud, Waste and Abuse</b>
<b>STANDARD OPERATING PROCEDURE:</b>  <b>LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)</b>  <b>FRAUD, WASTE AND ABUSE</b>	<b>Approved:</b>  <b>Date:</b> _____  <b>Director:</b> _____

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**SECTION 1000    FRAUD, WASTE AND ABUSE**

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**1000**

**PURPOSE**

To provide uniform procedures in the investigation, prosecution and recoupment of DEAP funds spent as a result of suspected fraud, in receiving DEAP assistance; and to provide procedures for the prevention of waste and abuse in DEAP.

**FRAUD**

**1001 POLICY**

Contractor agencies must assure that they will provide for the investigation of suspected fraud. Any suspected fraud case must be reported to the OCS LIHEAP Administrator for possible investigation **and** prosecution by the State Department of Justice.

**1002 PROCEDURES**

**A. Client Fraud**

- 1) **Internal Controls:** The Computer data system known as (CAPS) designed and operated by IRM will provide Social Security number cross references for all household members aged 6 months or older. In addition, the contractor agencies must have in place internal controls which identify duplicate applications for assistance. These controls should include, but are not limited to methodology developed so that client names can be cross referenced with addresses, vendors, social security numbers, electric utility account numbers, etc.; lists of household members from the application forms; cross checks with other programs administered by the agency for any inconsistencies in information provided by the household.

2) **Investigation:** Contractor agencies must investigate all credible reports and/or findings of suspected client fraud.

- a) Investigations may involve the following activities: re-verification of household income, cross checks for duplication, follow-up interviews with client and/or related individuals, etc.
- b) When contractor agency investigations appear to confirm suspicions of client fraud, the agency must contact the client to discuss with the client the validity of the evidence. If the client does not concur with the evidence presented, the contractor agency must hold an agency conference at which the client may present his/her own rebutting evidence. If the agency conference fails to remove the suspicion of fraud, the contractor agency must take the following actions:
  - Notify the client that his/her DEAP benefits will be terminated and that he/she has the right to a Fair Hearing.
  - Refer the case through the DSSC/OCS to the State Department of Justice and provide the supporting documentation.
  - If benefit has already been paid, notify client in writing that they must return funds. Contractor agency must make 3 attempts in writing to collect fraudulently paid DEAP benefit.
  - If client still does not return benefit, client is prohibited from receiving DEAP benefit or services for 3 years.

## **B. Vendor Fraud**

1) **Internal Controls:** Contractor agency will select vendors and, if applicable, corresponding DEAP client accounts that will be monitored annually. The size of the sample selected to be monitored will depend on the number of subcontracts with vendors in each specific county. Contractor agencies may obtain individual client records from vendors or visit the vendors' offices to review the vendors' books and records on site.

- a) Vendor monitoring will consist primarily of verifying posted fuel costs with the fuel costs on the date of delivery; and determining that DEAP clients and non-DEAP clients were charged the same price per unit for fuel delivered.

- b) Vendor monitoring will also include checks to determine that DEAP clients are not billed for credit status as outlined in the vendor agreement with the contractor agency.
- 2) **Investigation:** Contractor agencies must investigate all reports and/or findings of vendor abuse or misappropriation of funds. Investigation of vendor fraud will involve the following activities:
- a) Trace payments to vendors by contractor agency on behalf of client to vendor records to determine that DEAP payments were credited in full to the appropriate client.
  - b) Trace amount invoiced by the vendors to determine that DEAP payments were credited in full to the appropriate client accounts.
  - c) Determine that the amounts invoiced were only for home energy costs when client accounts include such items as gasoline, machine parts, oil, etc. It is okay to pay for furnace cleanings and tune-ups with the clients' DEAP benefit.
  - d) Determine that payments from clients or other sources do not overlap with DEAP funds (i.e., vendors must not be paid more than once for the same service.
  - e) Determine that service provided by vendors are within contract time frames (i.e., invoices must not include charges for FAP services before October 1 or after the billing period ends.
- 3) When contractor agency investigations appear to confirm suspicions of vendor fraud, the agency must inform the vendor of the evidence. Every attempt should be made to allow the vendor to discuss the validity of the evidence. If the vendor does not concur with the evidence presented, the contractor agency shall hold an agency conference at which the vendor may present his/her own rebutting evidence. If the agency conference fails to remove the suspicion of fraud, the contractor agency must refer the case through the DSSC/OCS to the State Department of Justice and provide the supporting documentation.

### **C. Agency Staff Fraud**

- a) **Internal Controls:** Contractor agencies must have in place internal controls which present and identify misappropriation of DEAP funds by agency staff persons. These controls must include a separation of duties

between the intake/verification function, the certification for payment function, and the vendor payment (check writing) function.

**b) Investigation:** Contractor agencies must investigate all credible reports of suspected agency staff fraud and refer cases to the Department of Justice through DSSC/OCS.

### **1003. Referral for Prosecution**

#### **A. Client**

When contractor agency investigation appears to confirm suspicion of client fraud, the case must be referred to the Department of Justice through DSSC. Contractor agency staff must cooperate fully with the Department of Justice to provide whatever additional evidence is requested. If the Department of Justice feels they have sufficient evidence, they will initiate prosecutorial proceedings. If the Department of Justice does not initiate prosecutorial proceedings (because of jurisdictional issues or the dollar amount involved), contractor agencies must limit their involvement in the case to reasonable recoupment efforts as addressed in Section 1002, A, 2. (b).

#### **B. Vendor**

When a contractor agency investigation appears to confirm suspicion of vendor fraud, the case must be immediately referred to the Department of Agriculture, Division of Standards and Inspection, Weights and Measures Unit, through DSSC. DSSC will be responsible for referring the case to the Department of Justice, and the contractor agency staff must cooperate fully with the Department of Justice to provide whatever additional evidence is requested.

Payments to vendor must be terminated and the vendor contract suspended until the vendor has been cleared of any wrongdoing. If the Department of Justice feels they have sufficient evidence they will initiate prosecutorial proceedings. If the Department of Justice refuses to initiate prosecutorial proceedings (because of jurisdictional issues or the dollar amount involved)

Then if it's a regulated vendor, the contractor must:

- recall any unspent lines of credit from the vendor
- attempt to recoup funds that were not applied to clients' account
- and revoke the contract with that vendor.

If it is a non-regulated vendor then the contractor must:

- revoke the contract with that vendor.

### **C. Agency Staff**

Once referred to the Department of Justice contractor agency staff must cooperate fully with them to provide whatever additional evidence is requested. If the Department of Justice feels they have sufficient evidence they will initiate prosecutorial proceedings. If the Department of Justice refuses to initiate prosecutorial proceedings, (because of jurisdictional issues or the dollar amount involved), contractor agency must seek recoupment from agency staff of the dollar amount in dispute. If the agency is unsuccessful in collecting this amount from the agency staff person(s) involved, the contractor agency will be liable for full reinstatement of the amount in question. For additional action, agencies should refer to Board approved personnel policies for direction.

### **1004. PENALTIES AND RECOUPMENT**

Any client, vendor or agency staff person found guilty of fraud by the Department of Justice shall be liable for repayment of benefits and subject to penalties. Penalties and recoupment methods will be established by the Department of Justice in accordance with the State Public Assistance Code, Title 31, Chapter 5, Section 516, Fraudulent Acts: Penalties, which states:

“Whoever knowingly obtains, attempts to obtain or aids or abets any person to obtain, by means of a willfully false statement or representation or by impersonation, or other fraudulent device or by failure to report material facts to the Department, assistance to which he is not entitled, shall be fined not more than \$500 or imprisoned for not more than 6 months or both, and may be required to make restitution” or with any other law as may be amended.

Funds that are not returned to the contractor or agency following recoupment procedures must be completely documented for monitoring and fiscal audit purposes.

### **1005. FRAUD REPORT**

The contractor agency must complete a fraud report and submit to DSSC/OCS as soon as fraud is suspected by the agency either through agency investigation or information gained from outside sources. The fraud report should include:

- 1) The steps taken by the contractor agency to investigate suspected fraud case.

- 2) Complete documentation of all the facts leading to the suspected fraud.

#### **1006. WASTE AND ABUSE**

The procedures necessary to complete the certification process serve as measures to prevent abuse in the DEAP by eliminating or decreasing the likelihood of intentional or unintentional abuse. The computerization of the program enhances efficiency control credibility and accountability which translates to a reduction of potential waste and abuse.

DSSC/OCS' role in preventing abuse includes:

- a) Regular monitoring of the sub grantee or contractor agencies as detailed in Section 700, Monitoring.
- b) Following the Program Integrity Plan, as outlined in Section 1400.

<b>DIVISION OF STATE SERVICE CENTERS</b> <b>OFFICE OF COMMUNITY SERVICES</b> <b>DELAWARE ENERGY ASSISTANCE PROGRAM</b> <b>OPERATIONS MANUAL (DEAP)</b>	<b>NUMBER: 1100</b> <b>Program: LIHEAP/Assurance 16</b>
<b>STANDARD OPERATING PROCEDURE:</b> <b>LOW-INCOME HOME ENERGY ASSISTANCE</b> <b>PROGRAM (LIHEAP)</b> <b>ASSURANCE 16</b>	<b>Approved:</b> <b>Date:</b> _____  <b>Director:</b> _____

**SECTION 1100      ASSURANCE 16**

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**Assurance 16**

**1100.**

Assurance 16 is the 16<sup>th</sup> Assurance of the regulations that govern the Low-Income Home Energy Assistance Program (LIHEAP).

Assurance 16 is defined as “use up to 5 per cent of such funds , at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved”.

**1101.**

Assurance 16 costs may be budgeted for a number of agency activities implemented in compliance with Assurance 16 of the LIHEAP statute. These costs are primarily staff related. Examples of these include staff costs for:

1. Casework with clients in crisis (other than DEAP benefit eligibility determination),
2. Assisting in setting up payment arrangements between clients and energy vendors,
3. Budget counseling particularly related to energy cost budgeting,
4. Energy education with DEAP clients,
5. Referral and arrangement of services with other sources of utility assistance,
6. Cost of special outreach sites during the DEAP season,

7. Home visits for the purpose of outreach to homebound clients,
8. Travel associated with providing these specific services.

**1102.**

1. The Delaware's Assurance 16 program is constantly changing. Assurance 16 activities may include; Energy Saver Calendars distributed annually to thousands of low- income individuals through our contractor agencies, 15 State Service Centers and other non-profit agencies.
2. The distribution of compact t florescent light bulbs (CFL's).
3. Collaborations and partnerships with other agencies to provide energy education to LIHEAP eligible households.

For more details on the Assurance 16 activities, please see our current LIHEAP State Plan.

**1103.**

The State must report to HHS on services rendered and the recipients of these services.

<b>DIVISION OF STATE SERVICE CENTERS</b>	<b>NUMBER: 1200</b>
<b>Office of Community Services</b>	<b>Program: LIHEAP/Budgets</b>
<b>DELAWARE ENERGY ASSISTANCE PROGRAM (DEAP) OPERATIONS MANUAL</b>	<b>Approved:</b>
<b>BUDGETS</b>	<b>Date: _____</b>
	<b>Director: _____</b>

**SECTION 1200 BUDGETS**

**BUDGETS**

**SECTION 1200**

**1201**

**State Plan Budget:**

Each year LIHEAP must submit a budget to the Delaware State Clearinghouse when submitting the LIHEAP State Plan for approval. This budget is often revised because it's submitted months before we know the actual amount of the grant award. The budget that is submitted to Clearinghouse does not have to be revised unless it is 25% greater than originally approved by the Delaware State Clearinghouse Committee. See. See the current LIHEAP State Plan for the budget as prepared on the State Point of Contact (SPOC) Document. Please go to [www.Delaware.gov](http://www.Delaware.gov) and search "clearinghouse" for forms and instructions on how to submit grants to OMB Clearinghouse.

**1202**

**FSF Budget:**

The budget that goes into First State Financials (FSF) is entered at the time a new project is opened in FSF. This budget changes periodically as grant awards, contracts, and program services occur. The SPOC budget mentioned above is prepared months prior to receipt of a grant award. The FSF budget may be ever changing as circumstances dictate. This budget is available in FSF (an electronic computerized system requiring special access). Please got to [www.delaware.gov](http://www.delaware.gov) and search First State Financials for detailed information and how to access.

**1203**

**Contractor Agency (sub grantee) Budgets:**

These budgets are included as an appendix to contractor agency (sub grantee) contracts. Contracts and budgets are kept on file at OCS.

<b>DIVISION OF STATE SERVICE CENTERS</b>  <b>Office of Community Services</b>	<b>NUMBER: 1300</b>  <b>Program:</b> <b>LIHEAP/LEVERAGING</b>
<b>DELAWARE ENERGY ASSISTANCE PROGRAM (DEAP) OPERATIONS MANUAL</b>  <b>LEVERAGING INCENTIVE PROGRAM</b>	<b>Approved:</b>  <b>Date:</b> _____  <b>Director:</b> _____

**SECTION 1300 LEVERAGING INCENTIVE PROGRAM**

**SECTION 1300**

**LEVERAGING INCENTIVE PROGRAM**

The Leveraging Incentive Program is a component of LIHEAP administered by HHS. The program is described in the LIHEAP Statute, under Section 2607A as:

“Beginning in fiscal year 1992, the Secretary may allocate amounts appropriated under section 2602(d) to provide supplementary funds to states that have acquired non-federal leveraged resources for the program established under this title.”

This program encourages States to find non-federal resources to assist low-income households with energy costs. The State must either administer the program through LIHEAP, or coordinate services with LIHEAP. The LIHEAP Administrator receives reports from the various sources on households served, dollars leveraged, and how these funds were coordinated with LIHEAP.

A report is prepared and submitted to HHS, usually by November 30 which includes a summary of all leveraged funds by source, and individual forms on each leveraged source. The total amount of this report is recorded, less any funds, up to \$35,000 of the State’s LIHEAP grant used to develop and implement these sources. The reporting forms are issued annually if Leveraging Incentive Awards are given to States by HHS. This form is addressed in an AT sent to LIHEAP Administrators. Sample forms are also shown in Section 1800, Forms.

HHS combines all leveraged funds submitted by States, and assigns awards for leveraging LIHEAP funds with non federal funds. The grant award is based on a formula, which is described in the IM when the States receive grant awards for their leveraging activities.

<b>DIVISION OF STATE SERVICE CENTERS</b> <b>OFFICE OF COMMUNITY SERVICES</b> <b>DELAWARE ENERGY ASSISTANCE PROGRAM OPERATIONS MANUAL (DEAP)</b>	<b>NUMBER: 1400</b>  <b>Program: LIHEAP/Program Integrity Plan</b>
<b>STANDARD OPERATING PROCEDURE:</b>  <b>LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)</b>  <b>PROGRAM INTEGRITY PLAN</b>	<b>Approved:</b>  <b>Date:</b> _____  <b>Director:</b> _____

**SECTION 1400 PROGRAM INTEGRITY PLAN**

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**SECTION 1400**

**PROGRAM INTEGRITY PLAN**

HHS added a new requirement to the LIHEAP State Plan for FFY'11. This is the LIHEAP Program Integrity Assessment Plan. All states are required to have a Plan in place that maximizes the integrity of LIHEAP by addressing the following areas:

**1401**

Enhancement of audit findings, corrective action plans, and follow-through for both the State and sub grantee agencies

**1402**

Enhancing program and fiscal monitoring

**1403**

Establish procedures and follow-through on fraud reporting mechanisms

**1404**

Verification of applicant identities

**1405**

Verification of Social Security Numbers

**1406**

Cross checking SSN's against government systems/databases

**1407**

Verification of applicant income

**1408**

Privacy protection and confidentiality

**1409**

DEAP benefits policy

**1410**

Procedures for unregulated energy vendors

**1411**

Verification of the authenticity of energy vendors

**1412**

Training and technical assistance

**1413**

Audits of local administering agencies

**1414**

Each of these sections is addressed in the current LIHEAP State Plan, under attachment VIII, LIHEAP Program Integrity Plan. While all of these issues have been addressed by Delaware, they are not all operational. Many of the areas will require research and in some instances, funding in order to complete. In addition, HHS has established a special committee to address Program Integrity in LIHEAP and we are waiting for their recommendations to move forward on some of the areas included in the Program Integrity Plan (PIP). HHS has informed us that they are attempting to make some of these areas universally accessible for States via the federal government. Delaware is not totally relying on the PIP group to address all of these areas, as we've already begun to address and implement some of the measures as described in our PIP.

<b>DIVISION OF STATE SERVICE CENTERS</b>  <b>OFFICE OF COMMUNITY SERVICES</b> <b>DELAWARE ENERGY ASSISTANCE PROGRAM</b> <b>OPERATIONS MANUAL (DEAP)</b>	<b>NUMBER: 1500</b>  <b>Program: LIHEAP/Funds</b> <b>Management</b>
<b>STANDARD OPERATING PROCEDURE:</b>  <b>LOW-INCOME HOME ENERGY ASSISTANCE</b> <b>PROGRAM (LIHEAP)</b>  <b>FUNDSMANAGEMENT</b>	<b>Approved:</b>  <b>Date:</b> _____  <b>Director:</b> _____

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**SECTION 1500 FUNDS MANAGEMENT**

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**SECTION 1500**

**FUNDS MANAGEMENT**

This Section is housed in the Fiscal Office of DSSC and includes the overall policies and procedures for Fiscal activities for all programs.

<b>DIVISION OF STATE SERVICE CENTERS</b>	<b>NUMBER: 1600</b>
<b>OFFICE OF COMMUNITY SERVICES</b>	<b>Program LIHEAP</b>
<b>STANDARD OPERATING PROCEDURE:</b>  <b>LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)</b>	<b>Issue Date: 06/01/2011</b> <b>Current Revision: 7/01/2014</b>  <b>Approved:</b> <b>Date: _____</b>  <b>Director: _____</b>

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**SECTION 1600      DEFINITIONS**

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**ACCOUNT NUMBER** – (Vendor/Client Account Number) – An identifying number assigned to a client by a vendor for the purpose of maintaining client records.

**ADMINISTRATIVE COSTS**

Those “dollars” to be expended for operating, planning and developing the DEAP, that are not part of client service dollars (i.e. heating, crisis, furnace repair and replacement, cooling, weatherization or activities under Assurance 16); or program costs. Examples of administrative expenses include, but are not limited to: salaries, pensions, health benefits, printing, contractual, telephone, supplies, and travel.

**APARTMENT**

A room or set of rooms set-up as an individual dwelling within a building made up of such individual units.

**APPELLANT**

The applicant or client who has requested the hearing and filed the appeal.

**APPLICANT**

One who has submitted a written request for assistance by completing the required forms, but who has not been certified eligible or ineligible for assistance.

**AT**

Action Transmittals; periodic guidance from HHS on specific actions that the State must respond to, usually relating to submission of the LIHEAP State Plan or reports.

**AUDIT**

An examination of the financial records of a State program or local project by a qualified individual or organization not employed by or directly affiliated with the organization being audited. An A-133 Audit known as the ‘single audit Act’.

**BOARDER**

An individual to whom a household furnishes lodging and or food, and who can document such. A boarder's income is not included in the households' (applicants) income. The boarder is not counted as a household member; however, the amount the boarder contributes to the household is counted as income.

**CAPS**

Acronym for Client Assistance Programs: A web based system designed and maintained by IRM, which is used as the database system for LIHEAP. Client applications are entered into CAPS, where each household member is assigned an MCI number and client demographics are captured in various fields for reporting purposes.

**CAULKING COMPOUND**

A filler used to fill cracks, especially around window and door framing, to prevent the leakage of water, air, or dust into the building from the outside and to prevent the escape of warm air from the inside of the building.

**CELLULOSE INSULATION**

A building insulation made from ground-up wood fiber treated with chemicals to be fire retardant.

**CERTIFIED**

Confirmed through verification of income documentation by the computer system that a household is eligible or denied.

**CLIENT**

A person served by or utilizing the services of DEAP programs.

**COMPLETED HOME**

A dwelling unit on which all the required conservation measures as determined by the contractor agency have been completed.

**CONSERVATION**

Encompasses weatherization, furnace retrofit and energy education services and activities of the Weatherization Assistance Program (WAP).

**CONSERVATION MATERIALS**

Items intended primarily to improve the heating or cooling efficiency of a dwelling unit. Weatherization materials include, but are not limited to: ceiling, wall, floor, and duct insulation; vapor barriers; storm windows and doors; items to improve attic ventilation; skirting; and caulking and weather stripping.

**CONTRACT**

An enforceable agreement signed by all parties, to accomplish the goals and objectives of the DEAP Services.

**CONTRACTOR AGENCY**

The local organization contracted directly by DSSC/OCS to administer the DEAP services.

**DEAP**

Acronym for Delaware Energy Assistance Program. This is the local name used for LIHEAP.

**DISABLED**

Anyone certified as 'disabled' by a medical doctor and/or a government agency. Disabled applicants are eligible to apply for DEAP by mail.

**DSHA**

Delaware State Housing Authority: The organization which administers statewide housing programs.

**DENIAL (NOTICE OF)**

Written notice sent to an applicant when that applicant is not eligible to receive assistance from DEAP.

**DENIED**

An applicant who is denied services, usually because applicant exceeds current income guidelines, or is living in subsidized housing with no heating costs.

**DEPARTMENT OF ENERGY (DOE)**

The cabinet level agency of the United States government which provides Federal funding to the various states for the Weatherization Assistance Program (WAP).

**DHSS**

Acronym for Department of Health and Social Services. (State level agency)

**DIRECT CASH ASSISTANCE**

A client may receive a direct cash payment (in the form of a check written by the contractor agency to the client) of not more than the full benefit for the household on a one time basis for the duration of the DEAP upon approval by the contractor agency manager.

**DNREC**

Acronym for Department of Natural Resources and Environmental Controls.

**DOCUMENTATION**

Photostat or written proof confirming information in client files. Examples are Social Security cards, pay stubs, utility bills, drivers' licenses, birth certificates, etc.

**DOOR JAM**

The rough frame of a door.

**DOOR SWEEP**

An aluminum strip with a vinyl, rubber, or fiber flap attached to its bottom edge.

**DSSC**

Acronym for Division of State Service Centers.

**DWELLING UNIT**

A house, including a stationary mobile home, an apartment, a group of rooms or a single room occupied as separate living quarters.

**ECIP**

Energy Crisis Intervention Program: Provides services to DEAP eligible persons in the form of fuel supplements.

**ELDERLY**

Households with a member(s) aged 60 or older.

**ELIGIBLE**

An applicant who meets current income guidelines and receives one or more of the DEAP services.

**FAIR HEARING**

The applicants' right to formally appeal any decision by DSSC/OCS and the contractor agency in determining eligibility and/or benefit amount for DEAP services.

**FFR**

Acronym for Federal Financial Reports. These are submitted to HHS annually; no later than December 31st.

**FFY**

Federal Fiscal Year (begins October 1 and ends on September 30 of the following year.

**FILE**

Comprehensive record of client information including but not limited to client application, eligibility or denial letter, income documentation, household member documentation, utility bill, lease, income calculation worksheet, vendor declaration form, zero income declaration form, etc.

**FINANCIAL REPORT**

Report submitted to DSSC/OCS from contractor agencies in order to be paid for expenses.

**FRAUD**

The false representation of a matter of fact, by false or misleading allegations or by concealment of that which should have been disclosed, as is intended to deceive, in order to qualify for DEAP services.

**FSS**

Acronym for Family Support Services.

**FSF**

Acronym for First State Financials. This is the financial system used by the State of Delaware to track all expenses.

**FURNACE REPAIR OR REPLACEMENT**

The art of repair or replacing the heating system or unit for a DEAP applicant.

**GA**

General Assistance: Cash assistance provided to low-income persons.

**GRANT AWARD**

A document from HHS to DSSC/OCS notifying of funds available for LIHEAP.

**GRANTEE SURVEY**

Report submitted by DSSC/OCS to HHS on households served, funds received and funds spent for LIHEAP services.

**HEAD OF HOUSEHOLD**

An adult member of a household designated by that household to apply for energy assistance.

**HHS**

U.S. Department of Health and Human Services: The federal agency that funds and administers the Low-Income Home Energy Assistance Program (LIHEAP)

**HEARING OFFICER**

A qualified DHSS official designated by DSSC, who makes a decision regarding appellant as a result of a Fair Hearing.

**HEARING REQUEST**

Any expression, oral or written by an applicant or client or person acting for him, such as his legal representative, relative or friend requesting the right to a hearing based on a decision about a DEAP benefit.

**HEATING DEGREE DAYS**

A population-weighted seasonal average of the climatically heating degree days for each weather station within a State, as determined by DOE.

**HEATING COSTS**

A device the operation of which can raise or lower temperatures within a dwelling unit as part of the permanent heating, ventilating, and air conditioning system installed in the dwelling unit.

**HEAT-IN-THE-RENT**

Refers to those renters whose heating costs are paid by the landlord; however, the costs are incorporated in the monthly rental charges to the renters.

**HOMEBOUND**

Applicant who is unable to travel to the contractor agency or outreach site to apply for DEAP services. An intake worker may call the applicant and get an application by phone. Documentation is collected for these applicants via U.S. mail, email, or fax.

**HOUSEHOLD REPORT**

Annual report sent to HHS on the number of households served by LIHEAP component, and by such demographics as elderly, disabled, young children and poverty level.

**HUD**

U.S. Department of Housing and Urban Development: The federal agency that administers housing programs.

**IM**

Information Memorandum periodically sent from HHS to States with guidance on program rules, regulations and procedures. This differs from an AT in that the AT requires "action"; and IM is for information purposes only.

**INCIDENTAL REPAIRS**

Those repairs necessary for the effective performance or preservation of weatherization materials. Such repairs include, but are not limited to, framing or repairing windows and doors which could not otherwise be caulked or weather-stripped and providing protective materials, such as paint, used to seal materials installed under the LIHEAP funded portion of the Weatherization Program.

**INCOME**

Total *gross* income (annual cash receipts before taxes) of a household which includes but is not limited to wages, Social Security benefits, Supplemental Security Income, pensions, retirement checks, rental income, alimony, child support, veterans benefits, public assistance and unemployment compensation.

**INCOME GUIDELINES**

The income level adopted by DSSC/OCS based upon 200% of the OMB Federal Poverty Income Guideline as issued from time to time.

**INSPECTOR/AUDITOR**

The individual who visits a building that is scheduled to be weatherized and estimates the extent of the work that is needed and the amount of material that will be required to complete the work.

**INTAKE WORKER**

Employee of contractor or outreach agency approved to take applications.

**INTERVIEWER**

See Intake Worker.

**INVENTORY**

A record of the acquisition, use, status, and disposition of material, tools, and equipment used in the DEAP.

**INVOICE**

A written request for payment from a contractor agency or vendor for services, supplies or materials for DEAP.

**LANDLORD**

The owner or manager of property which is leased or rented to another person.

**LIHEAP**

Acronym for Low-Income Home Energy Assistance Program. LIHEAP is the federal program that DEAP is derived from.

**LIHEAP STATUTE**

Title XXVI of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, as amended. The Federal Statute that governs the operation of LIHEAP.

**LEVERAGE**

Non-federal funds leveraged with federal dollars to provide benefits to DEAP eligible households.

**LEVERAGE REPORT**

A report that may be submitted to HHS annually (usually by November 30<sup>th</sup>) that details non-federal funds leveraged with LIHEAP funds. These reports, when submitted to HHS, result in a cash benefit to the State to be used for DEAP services.

**MAILERS**

Elderly and disabled headed households that apply for DEAP services by mail.

**MATERIAL AND EQUIPMENT COST**

The cost of the materials and equipment used to weatherize or retrofit a dwelling unit.

**MCI**

Unique numbers assigned to all DEAP household members as part of overall statewide system that assigns numbers to all clients receiving services from the State of Delaware. It is an acronym for Master Client Index.

**MOBILE HOME**

A movable dwelling designed to be towed on its own chassis and without need of a permanent foundation that is used as a permanent dwelling.

**MULTI-FAMILY DWELLING UNIT**

A dwelling unit which is located in a structure containing more than one dwelling unit.

**NON-QUALIFIED ALIEN**

Foreign born persons who do not possess a valid Visa or other immigration documents required of qualified aliens. For details on eligibility, see Section 400, Application and Eligibility, paragraph 426.

**OCS**

Acronym for Office of Community Services.

**OMB**

Federal Office of Management and Budget: This federal agency's relationship to the DEAP is the annual issuance of the federal poverty guidelines for U.S. households.

**OUTREACH**

The person, function or activity that provides targeted DEAP services and/or information to communities, and informs potential applicants about, and encourages them to apply for, DEAP services.

**OUTREACH SITE**

A site approved by DSSC/OCS to take and/or accept applications for DEAP services.

**OVERPAYMENT**

A payment in excess of the amount for which a client was eligible at the time of payment to vendor or client.

**OWNER**

One who possesses a valid claim to property as through a deed.

**PAYMENT AUTHORIZATION/ CODING STAMP**

Payment Authorization/Coding stamp must be put on all invoices prior to processing for payment. This stamp must be completed through various stages of payment processing and includes: Program Managers' (PM) signature; date PM signs invoice; Program Name (in this case, LIHEAP); Fiscal Year in which funds will be paid from; Activity Code; and project number (as put in FSF).

**PENDING**

Applicant who has started a DEAP application, but has not submitted all required documentation to certify as eligible or denied.

**PENDING FILE**

The file containing applications that cannot be finalized because additional information is needed from the applicant.

**POVERTY LEVEL**

The amount of dollars the government determines that deems a household lives in poverty. This is published by OMB (usually annually at 100%). DEAP's eligibility is 200% which is twice the number of the official poverty level according to OMB.

**PRIMARY HEATING**

That heating source which is most used to supply home heating needs to a dwelling unit.

**PROCEED ORDER**

A written authorization signed by the contractor agency sent to the private contractor stating the client's name, address, file number, and the estimated job cost for the home to be weatherized or authorization to deliver and install an air conditioner.

**PROGRAM COSTS**

These include expenses directly associated with providing client services. Examples of program costs include the benefit amounts to the clients, equipment and energy kits to the clients, direct costs of prescreening and intake of clients, case management, LIHEAP data entry, mailings to clients, energy education and materials for clients, mileage costs incurred while providing outreach and direct services to clients, program related training of the staff that provides direct services to the clients. Please seek guidance from LIHEAP Administrator to verify program costs.

**PURCHASE ORDER**

A document that authorizes the delivery of specified merchandise or the rendering of a certain service showing the amount of funds authorized to pay for the service or merchandise.

**QUALIFIED ALIENS**

(See Section 400, Application and Eligibility, Paragraph 427 for definition)

**RENTER**

A person who lives in a dwelling unit and pays rent for the use of said dwelling unit to a landlord.

**REPORTS**

Any written document that provides required data on the activities and expenditures of funds awarded.

**RGGI**

Acronym for Regional Greenhouse Gas Initiative. Northeast states collaborated to benefit financially from this initiative. A portion of the funds that come to Delaware is dedicated to providing energy assistance services to low-income households.

**SCAP**

Acronym for Summer Cooling Assistance Program. This program has two components; air conditioners and electricity.

**SECONDARY HEATING**

That which is an auxiliary source or back-up system to the primary source of heat.

**SFY**

State Fiscal Year which begins July 1 and ends on June 30 of the following year.

**SOCIAL SECURITY**

A federal program that provides cash assistance to eligible persons, primarily, but not always elderly persons.

**SNAP**

Supplemental Nutrition Assistance Program (formerly known as Food Stamps)

**SSI**

Supplemental Security Income: A federal program that provides supplemental cash assistance to eligible households.

**SERVICE AREA**

The geographical area served by a local DEAP agency.

**SINGLE FAMILY DWELLING UNIT**

A structure containing no more than one dwelling unit.

**SPOUSE** Either of two individuals;

- a. Who would be defined as married to each other under the applicable State law; or
- b. Who are living together and holding themselves out to the community as a husband and wife representing themselves as such to relatives, friends, neighbors, and/or trades people.

**STATISTICAL REPORT**

A report on number of households served during a specified period of time, under any component of DEAP which includes detailed demographic information about the households served. Demographics may include, but are not limited to poverty level, dwelling type, primary heat source, elderly, disabled, primary income source, etc.

**SUBCONTRACTOR**

An agency/organization to which the contractor agency delegates some of its contractual responsibilities under DEAP.

**SUBSIDIZED HOUSING**

Refers to an applicant living in HUD or DSHA assisted housing. Rental payments are based on a percentage of renters' income. Renters may receive a monthly utility allowance.

**SUPPORTIVE SERVICES**

Any form of financial assistance designed to assist persons who are in dire need (i.e. public assistance, SSI, etc.)

**UNDOCUMENTED HOUSEHOLD**

Same as definitions for Non-Qualified Alien

**VA**

Veteran's Administration benefits: A federal program which provides cash assistance to eligible veterans and/or their survivors.

**VENDOR**

A company or individual providing services for the contractor agency on behalf of a client where payment for those services is required.

**VENDOR CONTRACT**

Contractual requirements signed by contractor agency and fuel vendor to provide DEAP services.

**VENDER OF RECORD**

Vendor selected by the applicant to provide fuel, as noted in the Vendor Declaration form.

**VERIFICATION**

Steps taken by agency personnel to confirm and document information provided by an applicant.

**ZERO INCOME DOCUMENTATION**

A form signed by the applicant and/or any household member aged 18 or older declaring they have no income.

<b>DIVISION OF STATE SERVICE CENTERS</b> <b>OFFICE OF COMMUNITY SERVICES</b> <b>DELAWARE ENERGY ASSISTANCE PROGRAM</b> <b>OPERATIONS MANUAL (DEAP)</b>	<b>NUMBER: 1700</b> <b>Program: LIHEAP/Flow Charts</b>
<b>STANDARD OPERATING PROCEDURE:</b> <b>LOW-INCOME HOME ENERGY ASSISTANCE</b> <b>PROGRAM (LIHEAP)</b> <b>FLOW CHARTS</b>	<b>Approved:</b> <b>Date:</b> _____  <b>Director:</b> _____

**SECTION 1700      FLOW CHARTS**

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**SECTION 1700**

**FLOW CHARTS**

**1701**

The Organization Chart for the Division of State Service Centers (DSSC) is attached to this Section.

**1702**

The organization chart for the Office of Community Services (OCS) is attached to this Section.

**1703**

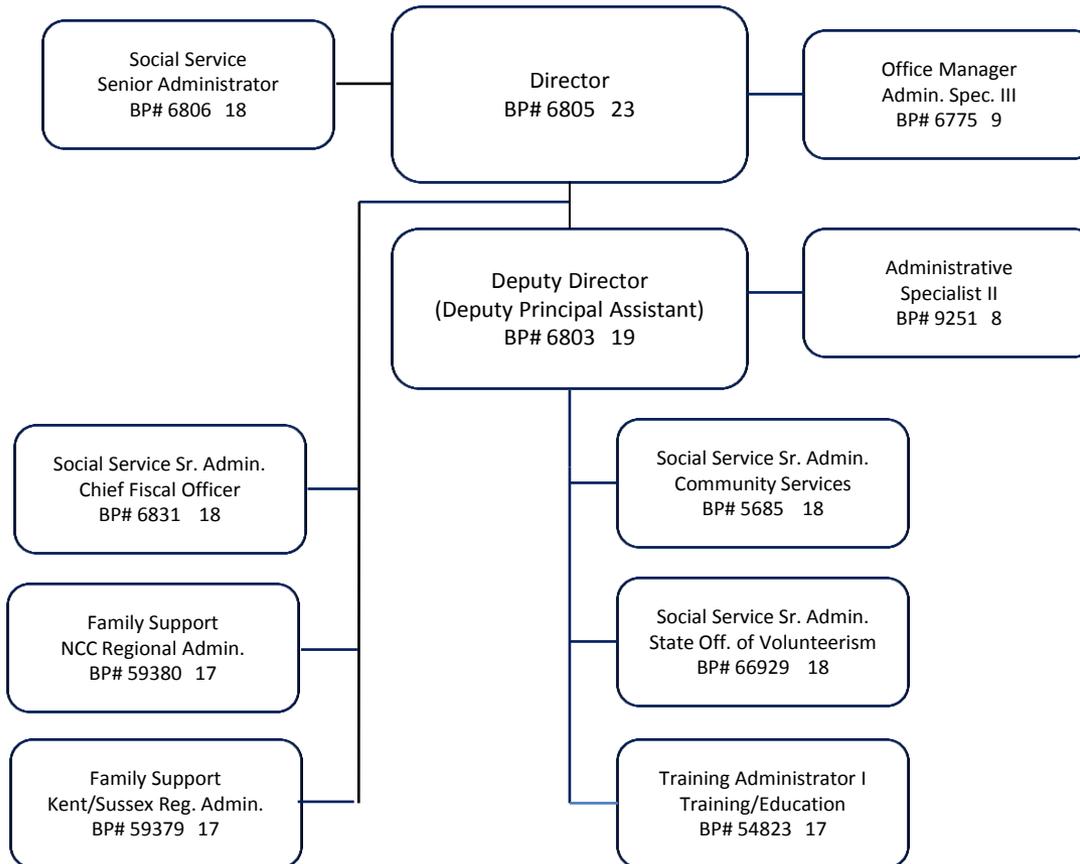
The organization charts for the sub grantees (contractor agencies) are included in their Requests for Proposals (RFP) which is on file at OCS.

**1704**

The flow charts for the operation of DEAP benefits to clients are under construction and will be inserted here upon completion.

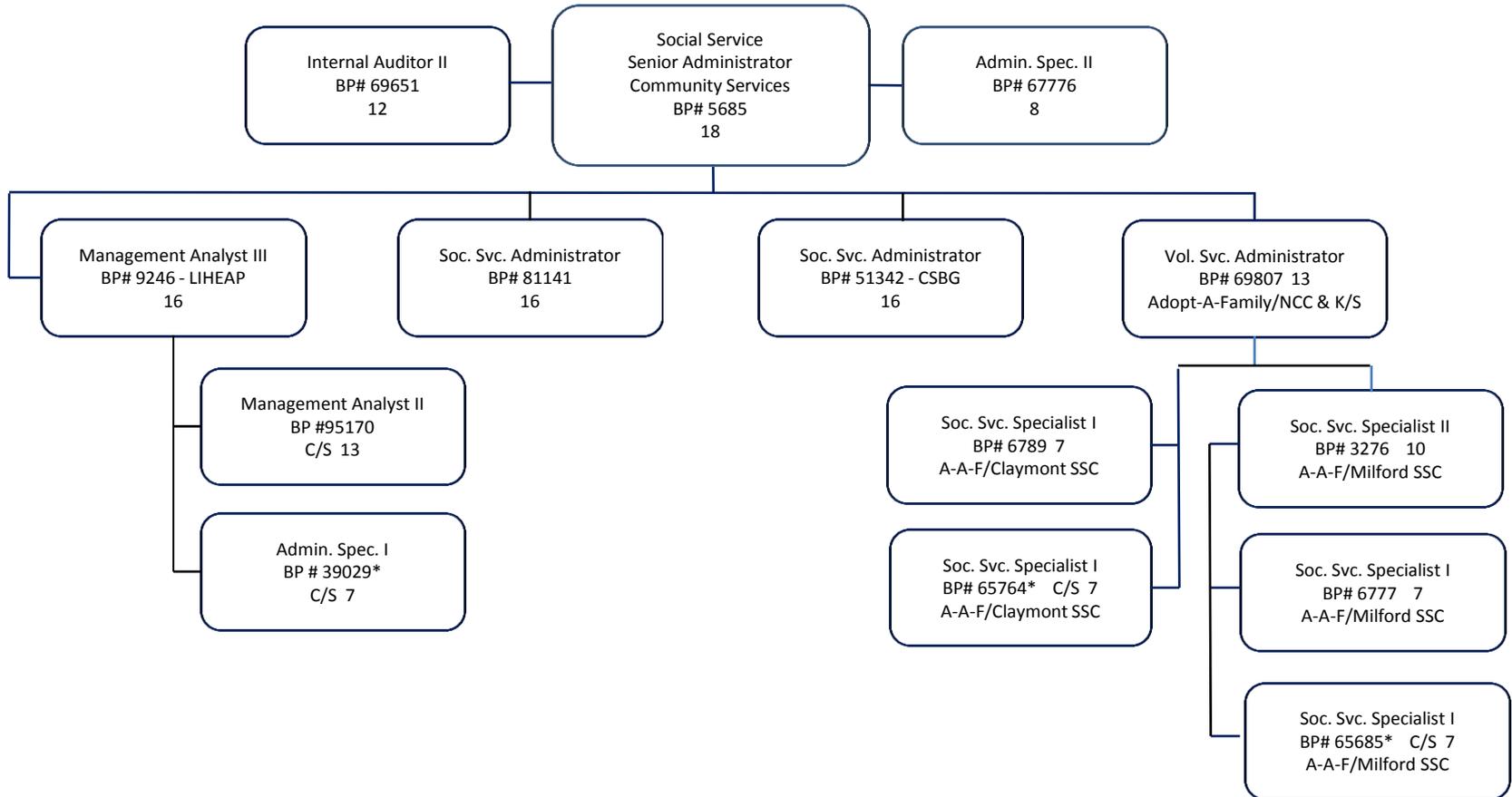


# DIVISION OF STATE SERVICE CENTERS





# DSSC OFFICE OF COMMUNITY SERVICES



# CATHOLIC CHARITIES ENERGY ASSISTANCE

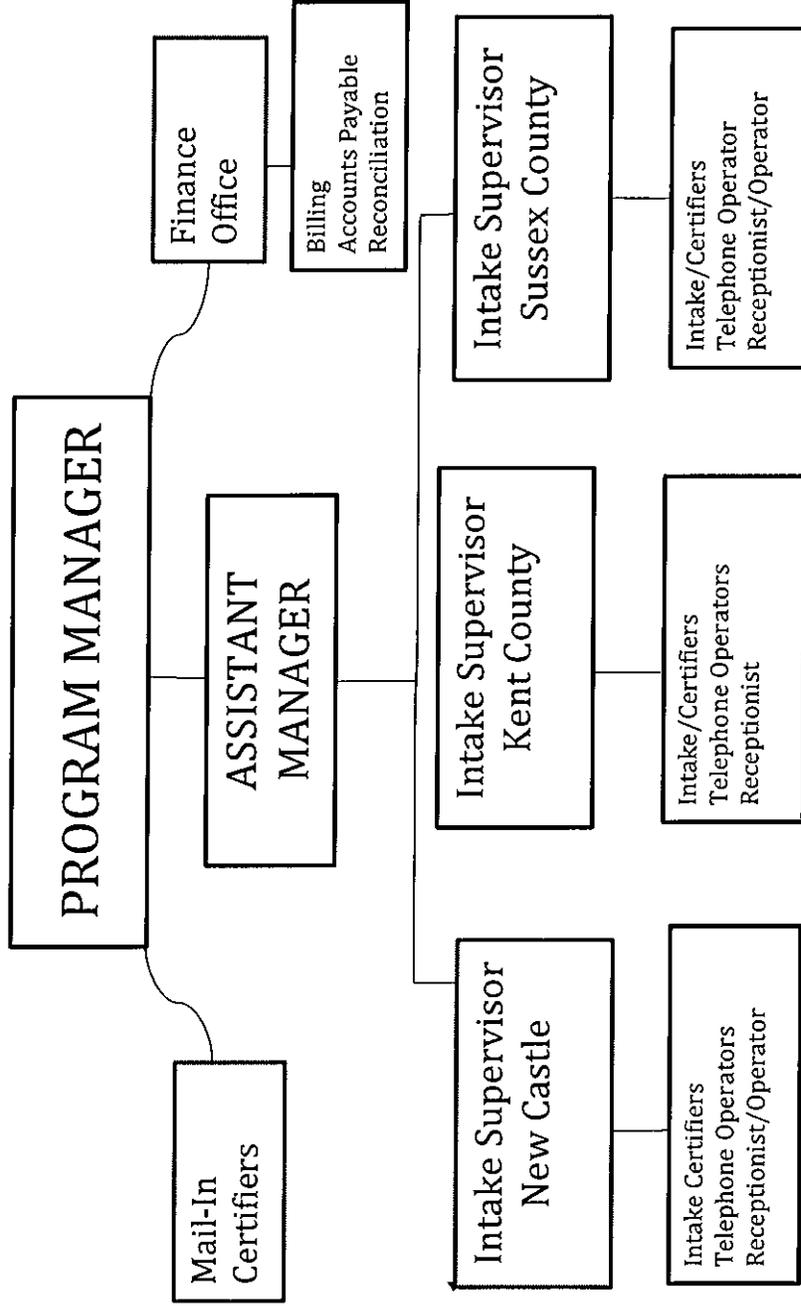
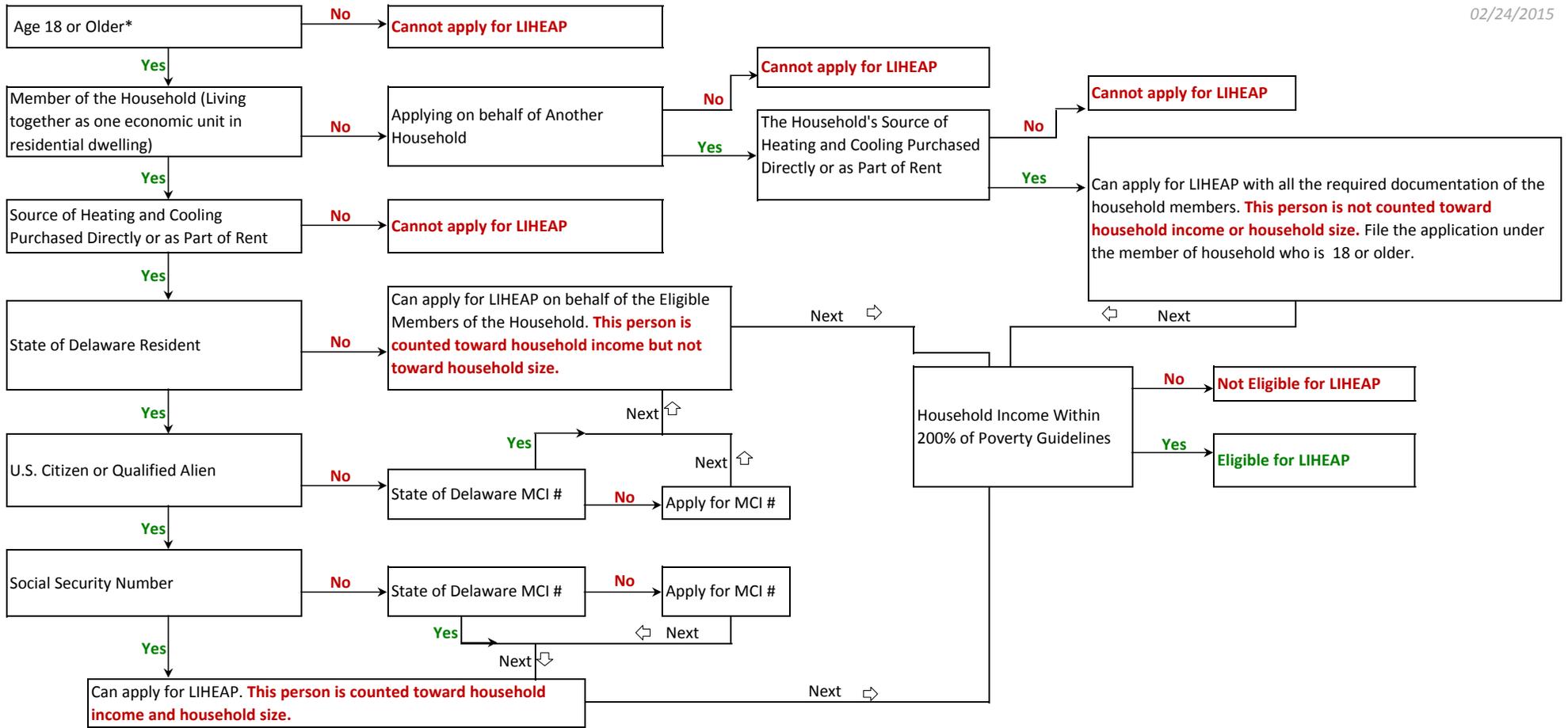


Diagram for Applying for LIHEAP



\* **LIHEAP Eligibility:**<sup>1</sup>

- A. Purchase Source of Heating or Cooling
- B. Delaware Resident
- C. U.S. Citizen or Qualified Alien
- D. SS# or MCI#
- E. Income Within 200% of Poverty Guidelines<sup>2</sup>

<sup>1</sup> To file for the LIHEAP application for the household you have to be 18 years of age or older.

<sup>2</sup> Ineligible members of the household **are counted** toward household income but **not counted** toward household size.

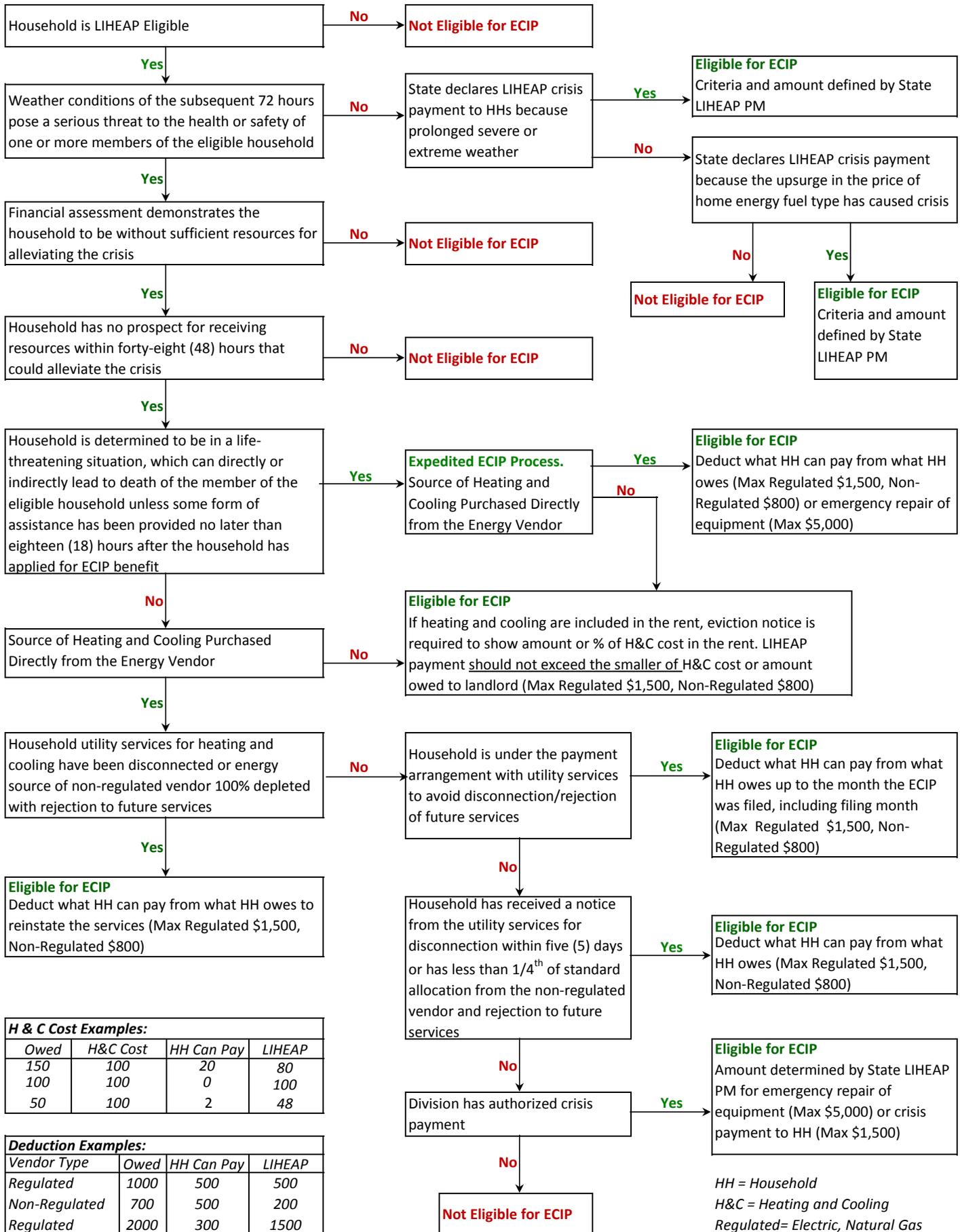
**Criteria for LIHEAP Benefit of household size 1 :**

- A. Age 18 or Older
- B. Purchase Source of Heating or Cooling
- C. Delaware Resident
- D. U.S. Citizen or Qualified Alien
- E. SS# or MCI#
- F. Income Within 200% of Poverty Guidelines

**Criteria for LIHEAP Benefit of household size 2 and up :**

- A. Age 18 or Older (only the person filing the application)
- B. Purchase Source of Heating or Cooling
- C. DE Resident
- D. U.S. Citizen or Qualified Alien
- E. SS# or MCI#
- F. Income Within 200% of Poverty Guidelines

# Energy Crisis Intervention Program (ECIP) Eligibility Diagram



**H & C Cost Examples:**

Owed	H&C Cost	HH Can Pay	LIHEAP
150	100	20	80
100	100	0	100
50	100	2	48

**Deduction Examples:**

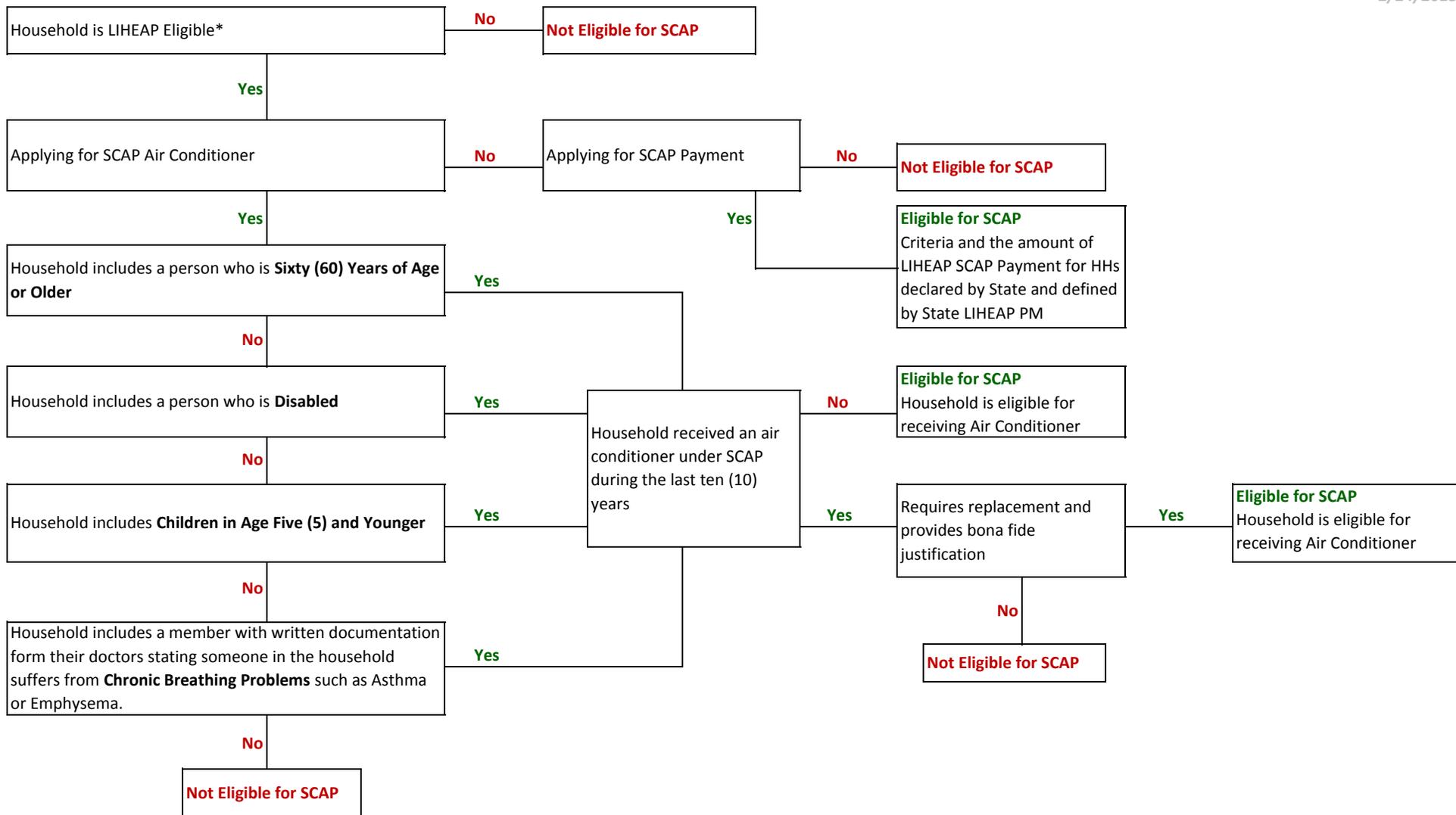
Vendor Type	Owed	HH Can Pay	LIHEAP
Regulated	1000	500	500
Non-Regulated	700	500	200
Regulated	2000	300	1500
Non-Regulated	1300	200	800

HH = Household  
H&C = Heating and Cooling  
Regulated= Electric, Natural Gas  
Non-Regulated=All Other Sources of H&C Energy

# Summer Cooling Assistance Program (SCAP) Eligibility Diagram

FINAL

2/24/2015



\* **LIHEAP Eligibility:**<sup>1</sup>

- A. Purchase Source of Heating or Cooling
- B. Delaware Resident
- C. U.S. Citizen or Qualified Alien
- D. SS# or MCI#
- E. Income Within 200% of Poverty Guidelines<sup>2</sup>

<sup>1</sup> To file for the LIHEAP application for the household you have to be 18 years of age or older.

<sup>2</sup> Ineligible members of the household **are counted** toward household income but **not counted** toward household size.

<b>DIVISION OF STATE SERVICE CENTERS</b>  <b>OFFICE OF COMMUNITY SERVICES</b> <b>DELAWARE ENERGY ASSISTANCE PROGRAM</b> <b>OPERATIONS MANUAL (DEAP)</b>	<b>NUMBER: 1800</b>  <b>Program: LIHEAP/Forms</b>
<b>STANDARD OPERATING PROCEDURE:</b>  <b>LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)</b>  <b>FORMS</b>	<b>Approved:</b>  <b>Date:</b> _____  <b>Director:</b> _____

**SECTION 1800      FORMS**

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**Forms Fuel Assistance Program**

**1100.**

Form Number	Name
1.	Action Transmittal (Sample)
2.	Additional Information (Request for)
3.	Application
4.	Application Code Sheet
5.	Carryover and Re-Allotment Report
6.	Case File Review Form: Air Conditioners
7.	Case File Review Form: Regular Fuel-Crisis-Regular Cooling
8.	Certification Checklist
9.	Client Eligibility/Denial Letter
10.	Computer Acknowledgement Statement
11.	Computer Non-Disclosure Agreement
12.	Computer User Authorization Form
13.	Contract Boilerplate
14.	Crisis Report Form
15.	Grantee Survey Form
16.	Fair Hearing Summary Report
17.	Federal Financial Report (425)
18.	Household Report Form
19.	Income Calculation Worksheet
20.	Income Eligibility Guidelines
21.	Information Memorandum (Sample)
22.	Invoice (Samples)
23.	Landlord Verification

24. Leverage Incentive Report Forms
25. Monitor Form- Vendor File Checklist
26. Monitor Form-Site Visit Checklist
27. Monthly Financial Report
28. Notice of Change, Computer Up-date
29. Notice of Privacy Practice Consent Form
30. Notification to Vendors Lists
31. Quarterly Estimate Report
32. Recertification Form
33. Request For Proposals (Samples)
34. Single Point of Contact Form
35. Statistical Summary
36. Summer Cooling Assistance Program-Waiver
37. Vendor Contracts
38. Vendor Declaration
39. Vendor Payment Voucher
40. What's Next, Handout for Applicants
41. Zero Income Declaration/Income Declaration-No  
Documentation Available/Dependents Income Statement