



# Weatherization Assistance Program Policy and Procedures Manual

Program Year 2020-2021



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# SECTION 1

## PURPOSE AND SCOPE

The purpose of the Weatherization Assistance Program (WAP) is to increase the energy efficiency of units owned or occupied by low-income persons or to provide such persons renewable energy systems or technologies, reduce their total residential expenditures, and improve their health and safety, especially low-income persons who are particularly vulnerable such as the elderly, persons with disabilities, families with children, high residential energy users, and households with high energy burden, as stated in 10 CFR § 440.1.

# SECTION 2

## ELIGIBILITY AND APPLICATION

### 2.1 INCOME ELIGIBILITY

The Weatherization sub-grantee staff or its subcontractor is obligated to review and determine WAP eligibility status for anyone requesting an application. No unit will be weatherized without documentation that the unit is an eligible unit, as defined as 10 CFR 440.22. The local sub-grantees verify applicant's income during the application process.

Households that are categorically eligible have several of the required items in their EAP file. A client's Energy Programs Application (EAP) must be active at the time the weatherization services are provided and at the time of **QC inspection**.

The Weatherization sub-grantee's staff or its subcontractor **are** obligated to review and determine WAP eligibility status for anyone requesting an application. Clients may not be denied the right to submit a WAP application by the Weatherization sub-grantee or its subcontractors.

**Per 10 CFR 440.22**, a unit shall be eligible for Weatherization assistance if it is occupied by a family unit:

- Whose income is at or below 200 percent of the poverty level determined in accordance with criteria established by the Director of Office of Management and Budget. <https://aspe.hhs.gov/poverty-guidelines>
- Which contains a member who has received cash assistance payments during the twelve-month period under Title IV and Title XVI of the Social Security Act.
- **Is eligible for assistance under the Low-Income Home Energy Assistance Act of 1981, provided that such basis is at least 200 percent of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget.**

At the beginning of each calendar year, newly approved poverty guidelines for the program year are issued. To be consistent with the Energy Assistance Program (EAP) intake, Weatherization and EAP will both update their income eligibility guidelines annually.

## Child Support and Foster Care

CHILD SUPPORT: Child Support payments, whether received by the Payee or paid by the Payor, are not considered Sources of Income to be added to the Payee income or deducted from the Payor income for the purposes of determining applicant eligibility.

1. Payee: Where an applicant receives Child Support from any state program or individual during an applicable tax year, such assistance is not considered income for the purposes of determining eligibility (i.e., where an applicant receives Child Support, he or she does not add that amount to his or her calculation of income for purposes of determining eligibility). This is in line with Indiana's EAP income guidelines.

2. Payor: Where an applicant pays Child Support through a state program and/or to an individual, such assistance is not considered a deduction to Income for the purposes of determining eligibility (i.e., where an applicant pays Child Support, he or she may not deduct said assistance from his or her calculation of income for the purposes of determining eligibility). Indiana's EAP income guidelines are not consistent with this guidance. **Income will need to be re-calculated for clients with this scenario.**

Sub-grantee must clearly document which households receive payment for foster care and/or pay or receive child support. These notes and income recalculation documents must be included in the Weatherization client file. If minor errors are found in the EAP file, the Weatherization sub-grantee should notify the EAP Local Service Provider. Major errors or issues should be brought to the attention of IHCD.

## WPN 20-3

### Approach to Determining Eligibility

If Weatherization work **cannot** be completed before the application expires a new application is **required** to be completed. It **is** considered best practice in this case to complete work before the application expires. **Recertification of eligibility must occur every 12 months. If a job is not completed, i.e. it has not passed QC inspection, and the application has expired, and the client is no longer income eligible, contact IHCD.**

## 2.2 RENTAL ELIGIBILITY

Indiana's policy for the weatherization of rental units complies with 10 CFR 440.16(i), and all other pertinent regulations. Sub-grantees must have written permission from the

building owner or his agent before commencing and are required to have and abide by their written policies detailing the terms of the landlord/tenant agreement and any landlord contribution policy the sub-grantee has adopted.

Landlord agreement forms must be included in the files of all weatherized rental units. At a minimum, landlord agreements must state that:

- For a one-year period after the weatherization work on the unit is completed, rent cannot be increased, unless the increase is not related to weatherization services performed, as noted in 10 CFR 440.22(b)(3)(ii).
- Landlord and/or other contributions shall be expended in accordance with the agreement between the landlord and the weatherization sub-grantee, as noted in 10 CFR 440.22 (d).
- Written permission of the landlord, or the landlord's agent, must be obtained prior to the weatherization of the unit.

## 2.3 BUILDING ELIGIBILITY AND DOCUMENTATION

Prior to any weatherization activity, a unit must be evaluated to determine whether previous weatherization services have been provided. For homes utilizing DOE funds, if services have been provided **after September 30, 1994** (per CFR) the unit is not eligible for additional weatherization services utilizing DOE funds, as referenced in WPN 19-1. For LIHEAP funded weatherization, a unit may be re-weatherized five years after the end of the grant performance period utilized on the unit.

IHCDA requires all sub-grantees ensure client eligibility during the period in which services are delivered. Clients which are deemed eligible as a result of their LIHEAP eligibility will have their most recent application date transferred into their IWAP record. Sub-grantees must ensure services are delivered within one year of the most current application date or the client income must be reverified. Files of clients not categorically eligible through EAP must contain a copy of the application and income documentation. Guidelines for household income calculation are found in the most current version of the Indiana Energy Assistance Program Operations Manual <http://www.in.gov/myihcda/eap.htm> or DOE Weatherization Program Notice 19-3.

Households that are categorically eligible have several of the required items in their EAP file. Information, such as income verification, does not need to be duplicated. During monitoring, IHCDA or any contracted monitoring entity reserves the right to inspect the EAP client income verification to ensure client eligibility.

**Land Contracts** - If a land contract is in place, then it must be recorded with the assessor's office to be considered valid. If valid, then the land contract can be treated as if the client has a mortgage on the home. The client would be considered a homeowner.

In the following circumstances, **exceptions** to the required documentation policy will be permitted:

- **Shelters** –a unit or units whose principal purpose is to house on a **temporary basis** individuals who may or may not be related to one another and who are not living in nursing homes, prisons, or similar institutional care facilities.
- An application and eligibility determination is not required for shelters
- **Sub-grantees may weatherize shelters. For the purpose of determining how many units exist in a shelter, a grantee may count each 800 square feet of living space within the shelter as a unit or it may count each floor of the shelter as a unit.**
- An individual file must be kept for the shelter project. This file must contain:
  - Shelter’s mission statement
  - Occupancy type
  - A National Energy Audit Tool (NEAT) or Multi Family tool for Energy Audits (MulTEA)
  - All other applicable documents
- For IWAP reporting purposes, each completion should be counted as “Data Unavailable” when reporting income categories and demographics. The box “Demographics Not Available” must be checked at the bottom of the IWAP application page.
- IHCD does not require prior approval to weatherize a shelter
  
- **Multi-family Buildings** – In the weatherization of multi-unit buildings, DOE regulations require that 66% (50% for duplexes and four-unit buildings) of units in the building must be eligible households or will become eligible within 180 days as referenced in 10 CFR 440.22(b).
  - **For more information pertaining to weatherizing multi-family buildings refer to the Multi-family section.**

## 2.4 APPEALS PROCEDURE

When a Weatherization sub-grantee determines that a household is ineligible, the sub-grantee, within ten (10) working days, must provide a written denial to the client detailing the reason(s) for the denial and advising them of their right to appeal the decision. Weatherization sub-grantees must retain in the client file a copy of the denial letter with the appeal procedure that was sent to the client.

**Pictures must be taken to document the conditions leading to deferral and must be placed in the client file.**

IHCDA strongly recommends that the **Applicant Notification Form** found in *Appendix R* be the basis of any form created by the Weatherization sub-grantee to notify weatherization clients of their denial of services.

Applicants may appeal a denial. Allowing a client to appeal a sub-grantee's decision is mandatory for the Weatherization Assistance Program. The appeals procedure must be communicated to households whose assistance has been denied. When the sub-grantee provides written notification of denial to an applicant, the notification must include the household's right to appeal that determination.

The "right to appeal" information provided to any denied household must contain the following two processes:

**1. Local Review:**

The client must send their written appeal to the local sub-grantees Weatherization Manager or Executive Director within thirty (30) calendar days of receipt of the denial. The sub-grantees Executive Director or Weatherization Manager determines the applicant's eligibility on review within ten (10) business days of receipt of the applicant's written appeal. All appeal documentation must be saved in the client file and IHCD's Community Programs Manager - Weatherization must be notified of denied appeals. The final determination for the appeal must be sent to the client in writing by the sub-grantee's Executive Director.

**2. State Review:**

If the client is not satisfied with the sub-grantee's determination, they may request formal review by the State, but it must be submitted in writing. This request is made by submitting the appeal to IHCD's Director of Community Programs. The sub-grantee may submit this appeal on behalf of the client or the client may submit it directly to IHCD. This request for formal review must be made within thirty (30) calendar days of receipt of the sub-grantee's appeal determination.

The appeal must include the stated reasons for the Client's objection to the decision, reasons must be based solely upon evidence supporting one (1) of the following circumstances:

- Clear and substantial error or misstated facts which were relied on in making the decision being challenged/appealed;
- Unfair competition or conflict of interest in the decision-making process;
- An illegal, unethical or improper act; or
- Other legal basis that may substantially alter the decision.

The appeal must be made in writing and received by the Indiana Housing and Community Development Authority (IHCD) within **thirty (30)** days of receipt of the sub-grantee's final decision. The appeal is to be sent to the IHCD's Director of Community Programs who, **will make the final determination.**

The **client** will receive written acknowledgement of receipt of the appeal by the Director of Community Programs within five (5) business days, noting the day the appeal was received. All pertinent material from the case will be requested from the Weatherization sub-grantee by **IHCD** in order to make a determination. The applicant, as deemed appropriate, shall have the opportunity to review all documentation submitted to IHCD.

The **Director of Community Programs** will have **thirty (30)** days from IHEDA's receipt of the written request for appeal to review the file and make a determination. The decision of the **Director of Community Programs** is final.

This appeals policy also applies to clients who may be dissatisfied with the weatherization work after it occurs, within the one-year warranty period. The client must send their written appeal to the local sub-grantees Weatherization Manager or Executive Director within thirty (30) calendar days of receipt of the denial. The sub-grantee must then follow the right to appeal process detailed above.

## 2.5 FEDERAL PROGRAM REGULATIONS AND GUIDANCE

All Federal program regulations and guidance can be found at <https://www.energy.gov/eere/wipo/weatherization-program-guidance> under "Energy Efficiency and Renewable Energy, Weatherization Program Guidance." If Indiana has specifically issued Program Guidance, these notices can be found on the weatherization website at <http://www.in.gov/myiheda/weatherization.htm>.

## 2.6 PARTICIPATION IN NATIONAL STUDIES OR UTILITY PROGRAMS

Pursuant to 5 U.S.C. 552(b)(6) of the Freedom of Information Act, sub-grantees eligible to participate in utility programs, or participate in a state or regional-level study, are required to keep confidential any specifically identifying information related to an individual's eligibility application for WAP, or the individual's participation in WAP, such as their name, address, social security number, birth date, income information, **etc.** IHEDA and sub-grantees may release information about recipients in the aggregate and which does not identify specific individuals. For example, information on the number of recipients in a county, city or a zip code does not compromise the privacy of the recipients.

**Prior to** participating in utility programs or studies, **sub-grantees** must submit **a written** request to IHEDA before **providing data or** entering into any third-party agreements.

# SECTION 3

## CLIENT FILES

### 3.1 WEATHERIZATION PROGRAM MANAGEMENT

All weatherization work must follow the Department of Energy (DOE) rules and regulations unless exceptions are specifically stated in the policy manual, grant agreement and/or program guidance. To verify the Federal Code of Regulations, including but not limited to 10 CFR 440, see <https://www.ecfr.gov/cgi-bin/text-idx?SID=e16f4931d168f1730c7c3d23859e4e65&mc=true&node=pt10.3.440&rqn=div5>. All

DOE program guidance can be found here:

<https://www.energy.gov/eere/wipo/weatherization-program-guidance>. Several exceptions are listed in the **Funding Section of this manual**. Any deviation from DOE guidelines, the Indiana Weatherization Policy and Procedures Manual, or the SWS-aligned Indiana Weatherization Field Guide must have written approval from the Director of Community Programs prior to working on a unit. This approval only applies to the unit for which the request was made. A copy of the request and IHCD's approval must be printed and placed in the client file.

### 3.2 REQUIRED FORMS

Client files must be kept in order to verify the work that has been completed and to track expenditures on each **unit**. **Meaningful photographs must also be required in all client files**. Sub-grantees **are** required to report completions and document **all** funding sources, **including non-Federal funding, which** were used **on a unit**. The documentation **must** detail the dollar amount of DOE and **US Department of Health and Human Services** (HHS) (LIHEAP) grant funds spent on each **unit per measure**.

The file must also contain the paperwork necessary to document that proper procedures were followed in the performance of the work. Some forms, such as the application, are required in all client records. Other documents, such as the rental agreement, will only be contained in the files **where applicable**.

Required forms include:

A client's **Energy Assistance Program (EAP) application** must be active at the time weatherization services are provided and at the time of **QC inspection**. An application is considered active for a twelve-month period starting from the date of the **initial** approved application, **when the client income verification was completed. Before work is started, be sure the income verification on the application is within the allowable twelve-month period.** If the version in the EAP database is the most current, no paper copy is required. If a client has an expired application in the EAP database and recently reapplied, a current paper copy is required in the client file. A paper copy may be requested by IHCD program monitors when reviewing client files. Sub-grantees **must** utilize the most recent or current

approved application. **For more information, see WPN 20-1. Appendix A – Indiana Statewide Energy Assistance Application 2020-2021 Fillable.**

**Income documentation** verifying total household income for the 3 months prior to application should be available. If categorically eligible under EAP, income information does not need to be copied for the weatherization file. For the purposes of monitoring, EAP files must be made available. Sub-grantees must use a form or method of income calculation that is consistent with guidelines as written in the most current version of the Indiana Low Income Energy Assistance Program Operations Manual (<http://www.in.gov/myihcda/eap.htm>). Because files are subject to review, both by state and Federal agencies, it is imperative that case files accurately reflect the computation of household income.

The **Zero Income Affidavit** must be used to verify zero income for **each** household member, age 18 and over, who claim no income for the 3 months prior to the application date. In addition to a completed form, each zero-income claimant must have an attached **wage inquiry** or **income summary from the local Workforce Development Office**. **This is no longer completed during the EAP application process but is a DOE requirement that must be completed by the Weatherization sub-grantee. Appendix S – Zero Income Affidavit.**

According to the U.S. Department of Energy WPN [19-3](#) under Section D Proof of Eligibility #3 Self Certification, zero income claimants must have a *notarized* affidavit claiming zero income for Low Income Weatherization Assistance. IHEDA requires a notarized Zero Income Claimant Form to be in each client's file who claims zero income. All **sub-grantees** must use this form for all WAP applications. The form must be notarized in compliance with Indiana Code 33-42-2-2, which requires the presence of the claimant when the form is notarized. The form must be signed by the Zero Income Claimant **or** the person who completes the application on behalf of the household. If the signatory is not the zero-income claimant, the person must be listed as a household member on the EAP application.

**Applicant Deferral Notification Letters** mailed to deferred weatherization clients must be included in each weatherization **client** file. The notification must detail the process described in the **Appeals Process** section of the manual. **A deferral letter template can be found in Appendix R - Applicant Deferral Notification Letter. The letter must include the following:**

- **Sub-grantee contact names and address;**
- **Reason(s) for deferral;**
- **Next steps for the client and a specific timeline for action;**
- **All additional client education, per [WPN 17-7](#). Also see Indiana's Health and Safety Plan;**
- **Mold and Moisture form;**
- **Meaningful photos of the deferred items.**

**Landlord/Rental Agreement** detailing Weatherization sub-grantee's rental policy, including sub-grantee's requirement for any minimum landlord contributions. The form must be signed by the landlord, client, and sub-grantee personnel. Per 10 CFR 440.3: *Rental Dwelling Unit* means a dwelling unit occupied by a person who pays rent for the use of the dwelling unit.

**Work Order** – A copy of the appropriate priority list or the NEAT/MHEA/MuTEA measure report must be in the client file, including specifications on each task the workers will complete. IRMs must be justified by written and photograph documentation in the client file per WPN 19-5.

Whether a sub-grantee is using NEAT/MHEA/MuTEA or the Priority List, the respective cover sheet is required. The work order cover sheets can be found in *Appendix I-1 - Work Order Cover Sheet - Mobile Home*, *Appendix I-2 - Work Order Cover Sheet - NEAT-MHEA Cover*, *Appendix I-3 - Work Order One Story*, and *Appendix I-4 - Work Order Two Story*.

NEAT/MHEA/MuTEA **must** be used when:

- Housing stock fails to meet the model of the priority list;
- A refrigerator is being replaced;
- An auditor is unsure how to prioritize measures needed in a home based upon budget constraints;
- Cost justifying furnace replacements or other measures for energy efficiency;
- Completing multi-family projects;
- Required by DOE, IHCD, or both.

Sub-grantees are required to perform NEAT/MHEA audits on at least **50%** of all completed units within each grant cycle.

IHCDA will work with INCAA to provide regularly updated fuel pricing to sub-grantees to ensure that accurate NEAT and MHEA audits are being performed, and costs are justified. These costs **must** be added to NEAT/MHEA/MuTEA libraries and implemented by April 1, **2020**.

Sub-grantees **are** required to provide copies of their NEAT/MHEA/MuTEA database upon request by IHCD or its representatives.

**Certificate of Insulation** must be posted in an appropriate location within the home [attic, near water heater, etc.] and a copy placed in the client file. **This certificate must be signed by the Crew Leader.** *Appendix T – Certificate of Insulation*

**Invoices for Work Completed** must be included in the client files. Invoices must include:

- A detailed breakdown by material and labor **costs**; each measure should be listed individually with labor and material costed separately and should be identified ECM, Incidental Repair Measure (IRM), or health and safety, along with which funding source paid for each measure.

- Date the work was performed;
- Last and first names of the workers
- Signed by contractor or representative

**Quality Control Inspection Form** is required to meet the requirements of DOE’s WPN 15-3. For additional details see [the Quality Control Inspections section of this manual](#).  
**Quality Control Inspection Appendix X – QCI Final Inspection Form**

**Heating System Forms** must be completed by [Energy Auditors, HVAC Professionals, and Quality Control Inspectors on every unit](#). Each section must be signed off and dated by the appropriate personnel. The appropriate document should be utilized depending on heating system type. [Forms are available in the appendices to this manual](#).

**Furnace Sizing Form**, [Manual J](#), must be completed for every heating system replacement and must be in compliance with the SWS.

**New Gas Furnace Installation Inspection Form** is to be used only when a new gas heating system has been installed. [It must be completed by the HVAC Professional and Interim/Quality Control Inspector. It must be signed off and dated by the appropriate personnel.](#) [Appendix G – New Gas Furnace Installation Inspection Form](#)

**Gas Cook Stove Form** must be completed and in the client file **only** when there is a gas stove in the unit. [This must be completed by the Energy Auditor and Quality Control Inspector. It must also be completed by the HVAC Professional when any work on the gas cookstove is completed.](#) [Appendix L – Gas Cook Stove Inspection Form – 2020.](#)

**Gas Appliance Inspection Form** [must be completed at the initial inspection, at the interim inspection when necessary and the QC inspection when necessary. This form must be signed and dated by the appropriate professionals. See Appendix M – Gas Appliance Inspection Form.](#)

**DSTO Form** [must be completed by the Crew Leader at the end of each workday on a unit.](#) [Appendix P – Daily Safety Test-Out Summary Sheet.](#)

**Client Consent Form** [must be completed for every unit entered.](#) The Client Consent must be thoroughly reviewed with the client prior to being signed by the client and a copy must left with the client. [Appendix H – Client Consent Form 2020.](#)

**Lead Paint Hazards Notification** requires weatherization clients receive the EPA booklet, “Renovate Right: Important Lead Hazard Information for Families, Child Care Providers, and Schools.” This booklet can be found by going to the EPA’s website <http://www.epa.gov/lead/pubs/renovaterightbrochure.pdf>. It is mandatory that the client receives the EPA booklet and initials the Client Consent Form before weatherization work can commence on that unit. [Appendix H – Client Consent Form.](#)

**Photographs of Lead Safe Work Practices (LSWP)** set-up and work performance on all homes built prior to 1978 where verified lead-based paint will be disturbed **are required**. See the **Lead Based Paint section of this manual**.

**Lead Renovation Recordkeeping Checklist** is required. A sample checklist can be found at <https://www.epa.gov/sites/production/files/documents/samplechecklist.pdf>

**Mold/Moisture Hazards Notification** requires that a weatherization client receive written notification of the potential health risks of mold and high moisture levels in the form of the EPA booklet, "Mold, Moisture, and Your Home." This booklet can be obtained from EPA's website <http://www.epa.gov/iedmold1/pdfs/moldguide.pdf> *Appendix H – Client Consent Form*.

**Indiana Moisture and Home Assessment** lists **issues that exist in the home**. This form **must be signed by the Pre-audit Inspector, Crew Leader, and Quality Control Inspector**. In cases of deferral, the form must be signed by the client and **the Pre-audit Inspector** and **must be included with the deferral documentation in the client file**. **A copy must be provided to the homeowner**. *Appendix O – Moisture Assessment Form 2020*.

**Fuel Switch Approval** documentation must be in the client's file if applicable. A printout of the *approval email* from IHCD's Director of Community Programs **must be in the file**. A fuel switch must be requested prior to the start of work. The **request must be in compliance with the Fuel Switching section of this manual** for each fuel switch completed.

**Radon Informed Consent Form** clients must sign an informed consent form prior to receiving weatherization services. This form must be kept in the client file. **The** work scope should include precautionary measures based on EPA Healthy Indoor Environment Protocols for Home Energy Upgrades, to reduce the possibility of making radon issues worse. Sub-grantees must provide a copy of EPA's *A Citizen's Guide to Radon* (<https://www.epa.gov/radon/citizens-guide-radon-guide-protecting-yourself-and-your-family-radon>) to all clients, and inform them of radon related risks.

**Occupant Health Screening Form** is required for every job per WPN 17-7. The goal of the form is to ensure the health and safety of every client with regard to products used that could compromise the occupants health and safety. This form shall be completed by the client at the first in-home meeting, whether that is during the Pre-Audit or Audit. *Appendix K – Occupant Health Screening Form*.

**A complete list of all agency staff and contractors** who have worked in the client's **unit**. This must include the full names of the auditor, crew members, contractor, contractor employees (both Shell and Mechanical), **and include the dates each worker was in the unit**. This information may be provided on the contractor invoice where appropriate.

**ASHRAE 62.2 Form** is required for all units. This form must be filled out by the Energy Auditor or Quality Control Inspector. **The Energy Auditor or Quality Control Inspector must**

use the same 62.2 form. Forms may be found at [Intellegentweatherization.org](http://www.residentialenergydynamics.com/REDCalcFree/Tools/ASHRAE6222016) or <http://www.residentialenergydynamics.com/REDCalcFree/Tools/ASHRAE6222016>.

**Unvented Space Heater Form** is required in the client file for any unit containing an unvented space heater. *Appendix N – Unvented Space Heater Form.*

**PLEASE NOTE:** If an employee of a sub-grantee is applying for assistance through the Weatherization program, a note must be included in the file indicating that the sub-grantee's Executive Director has reviewed and approved their application.

# SECTION 4

## SERVICE PROVISION

### 4.1 CLIENT PRIORITIES

All weatherization work must follow Department of Energy rules and regulations unless exceptions are specifically stated in the Policy and Procedures Manual, grant agreement and/or program guidance. Several exceptions are listed in the Funding Section of this manual. Any deviation from DOE guidelines, Indiana Policy and Procedures Manual or the Indiana Weatherization Field Guide SWS-Aligned Edition must have written approval from IHCD prior to working on a unit. This approval only applies to the unit the request was made for and must be printed and placed in the client file.

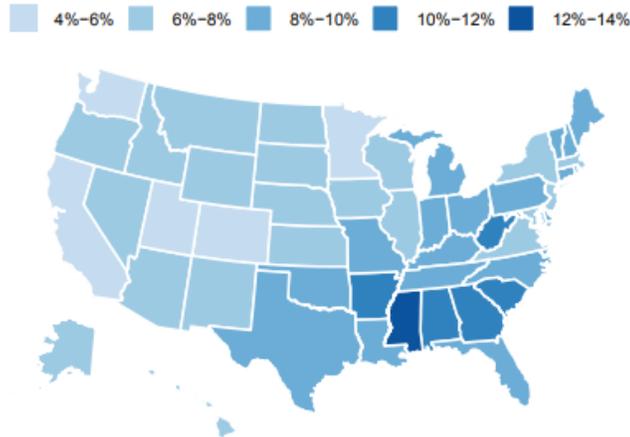
Once eligibility has been determined, the sub-grantee must follow its client priority policy. Each subgrantee will develop written procedures by which it assigns priority eligible households. **The written procedure must be reviewed and approved by IHCD and the approval will be verified during monitoring.** In accordance with 10 CFR 440.16, priority must be given in identifying and providing weatherization assistance to households where one or more of the following exist:

- High energy usage
- High energy burden
- Elderly household member(s) (60 years or over)
- Disabled household member(s)
- Household member(s) under the age of 18

Households that do not meet at least one of the priority categories may only be served if all eligible priority households in the Service Provider's territory have been served. Within the above listed priority, sub-grantees may choose the order in which households are served. Priority systems must be applied equally to both renter and owner occupied units and applied equitably to all areas of the sub-grantee's territory.

As defined by the Department of Energy, DOE, in CFR Part §440.3, Definitions, a household with a high energy burden means a low-income household whose residential energy burden (residential expenditures divided by the annual income of that household) exceeds the median level of energy burden for all low-income households in the State. As defined by DOE, [https://www.energy.gov/sites/prod/files/2019/01/f58/WIP-Energy-Burden\\_final.pdf](https://www.energy.gov/sites/prod/files/2019/01/f58/WIP-Energy-Burden_final.pdf), the Low-Income Energy Burden (% of income) for Indiana, ranges from 8%-10%, therefore High Energy Burden can be defined as an Energy Burden more than 10%, as shown below:

Low-Income Energy Burden (% of Income)



## 4.2 OVERVIEW OF WEATHERIZATION ACTIVITIES

Each unit that receives weatherization will have measures installed that are specific to the needs of the unit; however, the process by which those measures are determined is standard across the state as outlined within the DOE-approved Waiver Audit Priority Lists or [NEAT/MHEA/MuITEA](#).

The following activities must be completed on every unit that is weatherized:

- An **initial audit** to determine which weatherization measures are most appropriate for the client's home. The initial audit also includes a health and safety evaluation.
- **Health and safety measures** must be completed to ensure the safety of the occupants and weatherization personnel working in the client's home. Detailed health and safety guidelines are found in section 303 of this document.
- **Energy Conservation Measures (ECMs)** to increase the energy efficiency of the home and reduce the household's energy burden.
- **Client energy education** to provide the occupants with the information and tools they need to protect the weatherization materials installed and actively participate in saving energy in their units.
- An **interim inspection** is required **on all units, except 100% electric without fireplaces. The purpose is to evaluate work performed on the mechanical systems to evaluate all health and safety issues that could be created or made worse by Weatherization measures.** Interim inspections must be performed by an Energy Auditor, Quality Control Inspector, Retrofit Installer Mechanical, or HVAC Professional. IHCD prohibits anyone inspecting their own work that results in payment from the sub-grantee.
- A **QC Inspection** to ensure that work was completed in a competent and professional manner **with the standards set forth by DOE and IHCD.**

## Previously Weatherized

**DOE:** Prior to any weatherization activity, a unit must be evaluated to determine whether previous weatherization services have been provided. For homes utilizing DOE funds, if services have been provided after September 30, 1994 (ARRA Section 407) the unit is not eligible for additional weatherization services utilizing DOE funds. Please reference WPN 20-1, 2020 Application Instructions. A “Re-weatherized” unit falls into the category of time indicated above and described under 10 CFR 440.18(e)(2)(iii). This date can only be changed by an Act of Congress and is not determined by IHCD.

The following actions must be taken on each DOE unit prior to weatherization services to ensure that homes that have received weatherization services after September 30, 1994 are not re-weatherized:

- Each client’s address must be entered into IWAP to identify whether the home has been weatherized during or after 2000 (length of IWAP historical records);
- Each client must be asked whether their home has been weatherized after September 30, 1994; and
- A visual inspection of each home must be performed by an energy auditor to identify if previous weatherization measures have been performed.

If there are no documented, verbal, visual, or physical evidence of previous weatherization services, the sub-grantee may proceed with weatherization services on the unit.

If any of the above actions indicate or suspect that weatherization services have previously been rendered in a unit, the sub-grantee must check with the local agency that has historically provided weatherization services in the area to inquire about any records pertaining to the address.

**LIHEAP:** Prior to any weatherization activity, a unit must be evaluated to determine whether previous weatherization services have been provided. For **units** utilizing LIHEAP funds, sub-grantees may provide weatherization services to a unit previously weatherized provided that it was at least **5 years** prior to the beginning of the current LIHEAP program year. (Example: Current LIHEAP grant year started 10/1/18; 5 years prior to this date is 10/1/14 – the unit would have to have received weatherization services through LIHEAP **prior** to 10/1/14 to be eligible for Weatherization services utilizing LIHEAP current year funds.)

The following actions must be taken on each LIHEAP unit prior to weatherization services to ensure that units that have **not** received weatherization services within the last five years as outlined above:

- Each client’s address must be entered into IWAP to identify whether the client’s **unit** has been previously weatherized and determine what the date is;

- Each client must be asked whether their **unit** has been weatherized previously and when the weatherization took place;
- A visual inspection of each **unit** must be performed by an auditor to identify whether previous weatherization measures have been performed.

If there are no documented, verbal, visual, or physical evidence of previous weatherization services, the sub-grantee may proceed with weatherization services on the unit.

If any of the above actions indicate or suspect that weatherization services have previously been rendered in a unit, the sub-grantee must check with the local agency that has historically provided weatherization services in the area to inquire about any records pertaining to the address.

A “rework” is different from a “re-weatherized unit” and is defined in the **Rework Section of this manual**.

### **Initial Audits**

Prior to any weatherization activities, each eligible unit must undergo a whole-home audit by a trained energy auditor (as defined in the **Training Section of this manual**). Audits are conducted according to either the DOE-approved waiver audit priority list or by performing a NEAT/MHEA/MuITEA audit.

### **Interim Inspections**

An Interim **Inspection is required on all units, except 100% electric without fireplaces. The purpose is to evaluate work performed on the mechanical systems to evaluate all health and safety issues that could be created or made worse by Weatherization measures. Interim inspections must be performed by an Energy Auditor, Quality Control Inspector, Retrofit Installer Mechanical, or HVAC Professional. IHCD prohibits anyone inspecting their own work that results in payment from the sub-grantee. Interim inspector must complete, sign, and date the appropriate form(s). Additionally, the interim inspector must include applicable notes and notate if the inspection passes or fails.**

If work cannot be inspected within 45 days of invoice, an interim inspection must be performed to verify that the heating work is done correctly insuring payment can **meet per** the required 45-day deadline.

### **Quality Control Inspections**

All units are required to receive a quality control inspection by a BPI Quality Control Inspector, as outlined in the **Training Section of this manual and WPN 15-4**.

All **quality control** inspections **must** be performed in accordance with 10 CFR 440.16(g) and **WAP Memorandum 010**. The minimum requirements are:

- All applicable forms signed by QC inspector (with name printed also).

- Date the QC inspection was completed.
- Sign off by the QC inspector verifying the scope of work and it is in the file.
- Identify corrections necessary (and full cycle of verification).
- Review/verify all appropriate measures were on work order.
- Identify/verify documentation and justification for any measures not installed are in the file.
- Diagnostics at Inspection.
- Sign off by the QC inspector verifying bid(s) against invoices; audit cost inputs against invoice actuals and make note of any areas where there is deviation from bid/audit input.
- Client Signature – sign off the work was accomplished
- All materials have been properly installed.

If a unit cannot be entered for QC inspection, the client file must contain documentation clearly stating the reason the QC inspection could not be completed. A Provisional Closeout may be approved by IHCDA. In order to receive a Provisional Closeout, the following must be documented in the client file:

- Three (3) verifiable attempts must be made to schedule a QC inspection (one attempt must be a certified letter). Certified Letter to client should include:
  - Documentation of missed scheduled appointments by the client and/or the client refusal to allow entry to complete final work or perform an inspection.
  - Language stating that the client will have a minimum of seven working days to contact the sub-grantee to allow re-entry to complete work and/or the QC Inspection.
  - Consequence of not responding within the seven day period: all warranty and liability associated with materials installed and work performed will be forfeited whereas the client releases the State of Indiana, the Indiana Housing and Community Development Authority, and the Weatherization Administrator its agents and employees from any and all liability for losses, damages, costs, personal injury, death, or other claims because of or in relation to the installation, location, or malfunction of measures performed.
  - Client's right to appeal the consequence in writing to IHCDA within ten (10) business days of receipt of letter. A letter or email must be sent to IHCDA, attention of the Director of Community Programs, 30 South Meridian Street, Suite 900, Indianapolis IN, 46204.
- The request should detail the specific circumstances related to the issue and why access to the unit has been denied or is unavailable.
- All appropriate documentation, including communication with the client, should be included with the request.

Units approved for a Provisional Closeout will not be allowed to be counted as a completion. However, costs can be spread across grant completions and claimed to

IHCDA. IHCDA will respond in writing to approve or deny the request for a Provisional Closeout or to request additional information. Until the written approval from IHCDA is received, final claims cannot be submitted for the unit.

### **Client Refusal to Sign**

Units that have had a QCI conducted but the client **refuses to** sign off on the work, **the unit** can be counted as a completion, upon approval by IHCDA. **In order for IHCDA to consider the unit a completion, sub-grantees must send the entire client file with personal identifying information (PII) redacted and a detailed explanation regarding client refusal to sign to [IWX@IHCDA.in.gov](mailto:IWX@IHCDA.in.gov).**

It is recommended that Weatherization sub-grantees, whenever possible, complete the **QC** inspection process on the last day that contractors or crews will be in the unit, as this eliminates the need to gain access to the unit after services have been rendered.

### **Failed Quality Control Inspection**

If a QC Inspector and a sub-grantee cannot come to a mutual agreement regarding a failed QC inspection, a neutral third party QCI must be utilized to make the determination. A neutral third party QCI cannot be an employee of the sub-grantee.

### **Client Education**

Providing client education is mandatory. **The client education must include but is not limited to the education required in [WPN 17-7](#) and IHCDA's State Plan for health and safety. Additionally, education about energy use and energy conservation must be shared with each household throughout the weatherization process. Client education materials can be found at [www.intelligentweatherization.org](http://www.intelligentweatherization.org), [www.nascsp.org](http://www.nascsp.org), [www.epa.org](http://www.epa.org), etc.**

### **DOE-approved Waiver Audit Priority List**

Indiana uses three (3) priority lists:

- Single-story site-built homes
- Two-story / Cape Cod-style homes
- Mobile homes

The current site-built Waiver Audit Priority Lists and Mobile Home Priority List will expire in September of 2021.

Manufactured housing **is** any housing built off-site that includes axles or a frame as a major design consideration for transport on public roads (e.g. light weight) and includes mobile homes.

**A Priority List may not be used in the following instances:**

- **When buildings don't match the Priority List models**
- A-frames

- Tri-levels
- Walk-out basements
- Propane, wood or oil as heating source
- For all furnace replacements using DOE funds
- All refrigerator replacements
- All mobile homes built prior to 1977
- All double-wide units
- All manufactured homes on foundations
- All “tiny homes”, pole barn homes, hobbit homes, and other alternative-type housing structures not modeled in the Priority List.
- When a sub-grantee wants to use more than the 17% allowed for Incidental repairs, NEAT/MHEA must be used.
- Multi-family

Each home must follow the designated measures on the respective priority list unless NEAT or MHEA is run on the home. Please reference the following appendices for Indiana’s approved priority lists: Appendix I-1 - Work Order Cover Sheet - Mobile Home, Appendix I-3 - Work Order One Story, and Appendix I-4 - Work Order Two Story.

Any unit that does not meet the criteria **above**, a NEAT/MHEA **audit** must be **performed** regardless of the funding stream. **Beginning** April 1, 2020, sub-grantees must **complete** NEAT/MHEA audits on **50%** of **units**.

## **Fuel Switching**

According to the DOE, fuel switching is only allowed on a case by case basis. DOE’s WPN 13-5, Section 5.11 states: The DOE Weatherization Assistance Program does not permit the general practice of non-renewable fuel switching when replacing furnaces/appliances. However, DOE does allow the changing or converting of a furnace/appliance (water heater) using one fuel source to another on a limited, case-by-case basis only. Please reference WAP Memorandum 011 for additional information and guidance.

Sub-grantees interested or needing to perform a fuel switch for furnaces or water heaters based upon Health and Safety reasons must request permission from IHCD’s Community Programs Weatherization Team Lead. Each request must be submitted via e-mail and contain thorough documentation explaining why the fuel switch is deemed necessary. The fuel switch and subsequent work on the home cannot take place until written approval is issued by IHCD. IHCD’s response must be placed in the client file for future reference, whether the request was approved or not. Requests for fuel switching should include, but not be limited to: the reason(s) the fuel switch is needed, the current fuel source, the new or different fuel source, CAZ testing results, draft testing results where applicable and digital photographs where possible.

In instances where sub-grantees wish to perform a fuel switch for energy efficiency reasons, the fuel switch request must include a properly completed NEAT or MHEA run.

The requirements outlined above apply to both DOE and LIHEAP funded Weatherization homes.

### 4.3 HEALTH AND SAFETY

It is imperative to ensure that weatherization activities do not cause or exacerbate health and safety problems for workers and clients. The DOE-approved health and safety measures are undertaken to ensure that the pending weatherization work does not create dangerous living conditions for the client or Weatherization workers. Health and safety activities are remedied before, or because of, the installation of weatherization materials and must occur within reasonable cost boundaries that get the home to a condition where weatherization work can move forward or be completed. Please reference the Indiana Weatherization Field Guide, SWS, [WPN 17-7](#), [10 CFR 440](#), and the [Indiana Weatherization Health and Safety State Plan](#).

When Weatherization work is performed in a home where children, under the age of 19, are present, a responsible adult must be present at all times. This policy is for the health and safety of the clients and **Weatherization professionals**.

### 4.4 DEFERRAL STANDARDS

**Although a client may meet eligibility requirements for weatherization, the sub-grantee may defer the unit for weatherization services as a result of the home not being suitable for weatherization services.** A deferral may occur due to problems that are beyond the scope of weatherization such as condition of the structure, area is slated for redevelopment or health and safety reasons.

Deferrals can take place during any phase of the weatherization process. This includes, but is not limited to the following:

- **Pre-audit inspection**
- **During the energy audit**
- **During HVAC work**
- **During SHELL work**
- **During the quality control inspection**
- **Any other time during the course of Weatherization**

**A pre-audit inspector, energy auditor, HVAC professional, Crew Leader, Quality Control Inspector have the authority to recommend deferral to the Program Manager. All deferral initiations must be performed by the Program Manager. Any time a home visit is conducted that results in a deferral, a formal written deferral letter, as described below, must be submitted to the client.**

All Weatherization work must be postponed until the deferral issues have been remedied by the client and/or by an alternate funding source. Below is a non-comprehensive list of possible justification for deferral:

- Client refuses a Health and Safety Measure
- Client refuses a Major Measure, as described in Attachment 8 of [WPN 19-4](#)
- Client or client family/friends in the home are uncooperative, abusive, threatening, engaged in illegal activities
- Signs of illegal activities in the home, i.e., hypodermic needles, drug paraphernalia, unsecured weapons, etc.
- Moisture issues
- Raw sewage or other sanitary issues
- Pests, insects, vermin, and/or rodents
- Unit is for sale, foreclosed, and/or owner will not be residing in the home throughout the weatherization process
- Applicant is deceased
- Lead based paint conditions that could endanger the health of the occupants or workers
- Unit has been condemned
- Unit has structures issues that could endanger the occupants or workers
- Unit is under construction or being remodeled
- Application parameters do not reflect current household
- All other conditions that could endanger or compromise the well-being of the occupants and/or Weatherization professionals

At any point when a unit is deferred, the client must be provided with written notification of the deferral. The written notice must be in compliance with WPN 17-7 and IHEDA State Plan. A copy of the written notification of deferral to the client must be placed in the client file. The client must also be given a copy of the signed and dated Moisture Assessment form. A copy of this form must also be in the client file. For each deferral issue within the home, there must be a meaningful corresponding photograph of the issue(s) in the client file. The deferral notification to the client must include the instructions for pursuing an appeal to the deferral. This appeal must follow established protocol outlined in the Appeals Procedure section of this manual.

The deferral notification must be sent to the client in writing and must include the following:

- A signed Moisture and Home Assessment Form
- Reason(s) for deferral
- Actions and timeline required by client to receive Weatherization services
- Appeal process

When a deferral occurs once the weatherization process has commenced, all work is required to be completed and pass a QC inspection by a QCI within 12 months of the application date in order to be counted as a completion. If this is not possible, the sub-grantee must submit the following documentation to IHCDCA with the following information for a Provisional Closeout, which may be approved by IHCDCA, but will not count as a completion:

- Meaningful photographs of the cause(s) for deferral
- Moisture Assessment Form
- Documentation of client education as required per [WPN 17-7](#)
- Client Health Screening, when applicable
- Concise timeline beginning with approved application date, date of pre-audit (when applicable) date of audit, date of HVAC, date of SHELL, date all deferrals
- Justification stating the reason work could not be completed in a timely manner
- All other documentation as requested by IHCDCA

The cost associated with deferred units are an allowable charge under Base Program Operations. Sub-grantees must document on the deferred invoice that the charge was for a deferred home and it not attributed to any particular completion. All costs must be reported in IWAP

All agencies will pursue alternative funding resources to reduce the occurrence of deferral. Agencies should establish lines of communication with other funding sources so that referrals can occur in an efficient manner. The following is a list of potential funding sources to help remedy situations in a home:

- U.S. Department of Housing and Urban Development (HUD) - HOME Program
- HUD - Community Development Block Grant
- U.S. Department of Health and Human Services - Community Services Block Grant
- U.S. Department of Agriculture - Rural Economic Community Development
- State-funded housing and rehabilitation programs
- Low-income program funds provided by local utilities
- City-funded housing and rehabilitation programs
- Donations or financial participation from landlords
- Donations from local churches or community groups
- State **Deferral** funds as outlined in the Deferral Program section of this manual

## 4.5 RENTAL PROCEDURES

The benefits of weatherization to occupants of rental units are the same as home owners per [10 CFR 440.22\(b\)\(3\)](#). 10 CFR 440.3 defines a rental unit as a unit occupied by a person who pays rent for the use of the unit.

Sub-grantees must have the following **policy and** procedures in place before proceeding with weatherization of a rental unit:

- Written permission from the building owner or his/her legal managing agent before commencing;
- Benefits of the services accrue primarily to the low income tenants residing in such units;
- For 12 months after completion, a landlord must agree the household will not be subject to a rent increase **due to weatherization**;
- No undue or excessive enhancements shall occur to the value of the unit;
- A landlord agreement/affidavit as required by the sub-grantee;
- Documentation supporting monthly rental amount, such as being included in the Landlord agreement, a recent cancelled check made payable to the landlord or the amount included on the landlord affidavit

Sub-grantees are required to have and abide by their written policies detailing the terms of the landlord/tenant agreement and any landlord contribution policy the sub-grantee has adopted.

Landlords may be required to contribute financially toward the cost of completing a unit, and/or to complete specific work on the unit. In cases where the landlord meets the definition of low income and is eligible for services, the sub-grantee cannot require financial participation on the part of the landlord. Sub-grantees will ensure that clients realize the benefits from the weatherization work. Sub-grantees may also include in their landlord policy a provision that does not require a landlord contribution if the landlord is a 501(c)3 non-profit organization.

Landlord agreement forms must be included in the files of all weatherized rental units. At a minimum, landlord agreements must state that:

- For a one-year period after weatherization work on the unit is completed, rent cannot be increased, unless the increase is not related to weatherization services performed, as noted in 10CFR440.22(b)(3)(ii).
- Landlord and/or other contributions shall be expended in accordance with the agreement between the landlord and the weatherization sub-grantee, as noted in 10CFR440.22 (d).
- Written permission from the owner, or his/her legal agent,

Landlord contributions are not to be counted as program income **and must be applied to the weatherized unit**.

Agencies that require landlord contributions must use a net system when charging weatherization. As an example, if the cost of the work is \$4,000.00, and the landlord

contributes 50%, or \$2,000.00, weatherization may be charged for only the remaining \$2,000.00.

Sub-grantees are required to develop a written appeals process for dealing with rental units. The process must include a method by which tenants may file complaints and owners in response to such complaints, must demonstrate that the rent increase concerned is related to matters other than the weatherization work.

The primary purpose of the weatherization program is to lower the total residential energy expenditures of low-income persons. Sub-grantees are to ensure that no undue enhancement shall occur to increase the value of the units, as noted in 10CFR440.22 (b) (3)(iv). Undue enhancement is defined by DOE as any improvement to the property that goes beyond the scope of energy conservation work.

Sub-grantees are not required to place liens on rental property that has been weatherized but must ensure protection of the low-income household from improper eviction or sale of property. Sub-grantees must be aware of the legal protection available and be prepared to make appropriate referrals when necessary.

#### 4.6 REFRIGERATOR/DSM PROGRAMS

Refrigerators are allowed to be replaced using WAP LIHEAP Capital Intensive and DOE BASE funds. The replacement refrigerator must be cost justified with NEAT/MHEA as an ECM measure. Since it is an ECM measure and not health and safety it may only be charged to LIHEAP Capital Intensive or DOE Base. Refrigerator replacements are not allowed to be paid for with DOE Health and Safety or LIHEAP Mechanical.

The following must be recorded in the clients file:

- Photo of original refrigerator, data plate, and cubic feet storage volume
- Photo of new refrigerator, data plates, and cubic feet volume storage
- Photo of the meter reading or document the use of the database, from the link provided <http://www.kouba-cavallo.com/refmods.htm>

The following standards must be met:

- Cubic feet volume may not be increased
- Features may not be upgraded
- Must fit existing space of old refrigerator
- No replacement of freezer units only
- Must be energy star
- Must have SIR of 1 or greater
- Must be run through NEAT/MHEA/MuLTEA

- Can be a downgrade in cubic feet volume size if client agrees to such. (The estimated average cubic feet volume needed per person is 4-6 cf, so a 4 person family would typically need 16-24 cf refrigerator)
- Must be disposed of in compliance with EPA standards

## 4.7 REWORK POLICY

Sub-grantees may not charge the WAP for additional work on homes that have already been reported to DOE as completed, weatherized units. Once a home is reported to DOE as complete, the required Quality Control Inspection indicates that all applicable work performed was done so in a workmanlike manner, including all work that may have been contracted. Performing activities such as routine maintenance, repairs, or warranty-type work is not permitted using DOE funds.

Indiana will perform real time monitoring to assist sub-grantees with compliance with the DOE guidance. Any units completed and reported as a completion in IWAP will require special approval by IHCD for additional work being undertaken. Special approval will only be granted by IHCD staff as a direct response to a real time monitoring finding and based specifically on the issues at hand. If a unit has special approval, the record will be unlocked to add rework invoices.

The IWAP system utilizes a “close out” requirement for a completion to count in IWAP and to be reported to DOE. If this close out is not completed, IWAP will automatically lock records that are 45 days or older to prevent reworks **from** being charged to the units.

If sub-grantees undertake measures which could fail shortly after repair or cleaning (i.e. bath fan, furnace blower, range hood, etc.), subsequent failures must be addressed by the sub-grantee either through a release of liability for those types of issues, or through non-DOE/Federal funding.

In accordance with [SWS 2.0702.1a](#), sub-grantees must provide a one-year warranty for materials, workmanship, and serviceability provided to occupants upon completion of work. Sub-grantees must ensure occupants are aware of the warranty and maintenance agreement options from the manufacturer and at a minimum, address the following possible concerns and warnings within the warranty, as applicable to the work being warranted:

- Possible drying and shrinking effects
- Storage of hazardous and flammable materials
- Mold

Any defects caused by improperly performed Weatherization measures found within the warranty period shall be remedied without charge and within a reasonable period. If there are questions or disagreements regarding whether a defect was caused by

improperly performed Weatherization measures, the sub-grantee is advised to request assistance from a neutral third party which could include a third party QCI who did not perform the quality inspection, IHCD State staff, contracted monitors, or INCAA staff.

Any defects found outside the warranty period are the sole responsibility of the client. Warranties do not extend to measures that a client has altered after the final Quality Control Inspection. If a Provisional Closeout has been given, no warranty can be issued or guaranteed.

This warranty should not be considered to cover equipment failure caused by failure to perform normal maintenance, abuse or external causes beyond the control of the sub-grantee or their contractors.

## 4.8 LEAD-SAFE WORK PRACTICES

The EPA is the governmental agency which regulates lead. The Department of Energy guidelines adhere to the EPA Lead Renovation, Repair, and Painting Program. This program mandates the following, but is not limited to:

- Sub-grantees staff and contractors must follow EPA Lead: Renovations, Repair and Painting Program (RRP) when working in pre-1978 housing unless testing confirms the work area to be lead free
- Deferral is required when the extent and condition of lead-based paint in the unit would potentially create further H&S hazards
- Only those costs directly associated with the testing and lead safe practices for surfaces directly disturbed during weatherization activities are allowable
- Documentation in the client file must include:
  - Certified Renovator certifications;
  - Lead testing report completed by Lead Risk Assessor or Lead Inspector;
  - Client signed document verifying receipt of the EPA Renovate Right within 60 days of the start of the work;
  - EPA compliant record keeping checklist;
  - Photographs of lead safe work practices must include all tasks required on the Sample Renovations Recordkeeping Checklist
- Testing to determine the presence of lead in paint that will be disturbed by WAP measure installation is allowed with EPA-approved testing methods
- Jobsite set-up and cleaning verification by a Certified Renovator is required
- All employees and contractors working on pre-1978 homes must receive training to install measures in a lead-safe manner in accordance with the EPA and WPN 17-7 protocols and installation must be overseen by an EPA Certified Renovator

IHCD monitoring will verify sub-grantees are utilizing proper lead safe protocols; will verify credentials for Lead Risk Assessors, Lead Inspectors, and RRP Certified Lead Renovators; and will verify each sub-grantee and subcontractor maintain the EPA Lead

Safe Certified Firm status, and verify X-Ray Fluorescence Spectrometer (XRF) analyzer for resourcing and leak testing.

## Testing for Lead

All units built pre-1978 are required to be tested for the presence of lead prior to any work commencing, including work completed with deferral funds. Each sub-grantee has at least one XRF analyzer. Resourcing or purchasing an XRF is not an allowable DOE funded cost. The cost of purchasing a new XRF or Resourcing an existing XRF in which the cost exceeds \$5,000.00 requires written permission from IHCD prior to the expenditure. In the event the sub-grantee XRF is out of commission, contact INCAA for coordination of a temporary loaner XRF. Each sub-grantee must have at least one staff member who is a licensed Lead Risk Assessor and/or who is a licensed Lead Inspector.

It is required the Lead Risk Assessor and/or Lead Inspector prepare a compliant report and that a copy of this report be placed in the client file. In the event a contractor is completing work in this home, the contractor must also be forwarded a copy of the Lead Inspector and/or Lead Risk Assessor report. In the event that weatherization professionals are working in the unit and they are required to disturb an area of the unit which has not been tested by the Lead Risk Assessor and/or Lead Inspector, a RRP Certified Lead Renovator may utilize an EPA approved lead test kit (<https://www.epa.gov/lead/lead-test-kits>) to determine if lead is present in the area to be disturbed. All Lead Inspectors, Lead Risk Assessors, and RRP Certified Lead Renovators must follow all regulations, guidelines, and laws set forth for their particular certification. At a minimum, IHCD requires the following information for a lead risk assessor/lead inspector report:

- Lead Risk Assessor or Inspector license number and expiration date
- Property address
- Name of Lead Risk Assessor or Inspector
- The instrument used for lead testing
- Serial number of the instrument
- Description of areas tested
- XRF report

In addition to DOE, EPA, and SWS requirements, IHCD has established additional protocol which include safety with regard to the EPA's *de minimus* level of interior and exterior surfaces; and also IHCD no longer allows sub-grantees to *assume* the presence of lead based paint. IHCD addresses *de minimus* surface area through the "We Care About Lead" policy. The purpose of this policy is to ensure the utmost safety of weatherization professionals and occupants of Indiana Weatherization households. The safety protocol for the IHCD "We Care About Lead" policy is as follows:

- Conduct set up to prevent lead dust from contaminating the work area
- Wet/moisten the surface area being disturbed

- Limit access to the area where paint is being disturbed
- Ensure that all appropriate personal protective equipment is utilized
- Conduct necessary work
- Ensure proper disposal of trash and material is **removed** from the job site
- Provide photo of proof of using wet methods and **appropriate** set up.

All sub-grantees and **contracted** weatherization subcontractors performing work in units built prior to 1978 are required, but not limited to the following:

- Obtain and maintain Lead Safe Certified Firm status through the EPA. **This must be renewed every five years. Sub-grantees may check their status by utilizing the following link <https://www.epa.gov/lead/lead-renovationabatement-firm-certification-application-or-update>.** All certifications will be verified during the annual monitoring process
- An EPA approved Certified Renovator (RRP) must present during lead safe set up, must be readily **available via in person, via telephone, or via email** throughout the duration of the project; and be present at the completion of the project.
- **The EPA RRP Certified Renovator must provide a completed Renovator Checklist to the sub-grantee Weatherization Program Manager or the manager's designee**
- **Provide meaningful photographs documenting all points of EPA leaded requirements**
- **Follow all requirements set forth by the EPA and all other Authority Having Jurisdiction (AHJ)**
- Obtain confirmation of receipt (*Appendix H - Client Consent Form 2020*) of the **EPA-Renovate Right** lead pamphlet from the owner, adult representative, or occupants (as applicable), or a certificate of mailing from the **United State Postal Service (USPS)** for all units built prior to 1978
- **Ensure documentation that the required EPA education and documents have been provided to unit owner and applicable occupants**
- **Adhere to IHCD "We Care About Lead" policy**
- **Attend the Lead Safe Weatherization course held at INCAA**
- Must use an EPA approved lead test or an XRF lead paint analyzer.
- Only devices with a posted PCS may be used for lead paint inspections. If you use a XRF without a current PCS or do not follow the requirements of the PCS, the work will be considered invalid and the work will have to be re-done. To obtain the appropriate XRF Performance Characteristic Sheet, contact the National Lead Information Center Clearinghouse (1-800-424-LEAD)
- Ensure the program recordkeeping requirements are met, including retaining the following for a minimum of **three** years:
  - **Lead Risk Assessor or Lead Inspector** report certifying lead based paint **is or is not present**

- Records confirming distribution of EPA's lead hazard information pamphlet "Renovate Right" before starting renovation work for sample document
- Documentation of compliance with the requirements of the EPA when there is disturbance of lead paint at the unit  
<https://www.epa.gov/sites/production/files/documents/samplechecklist.pdf>

Sub-grantee staff and **contractors working in weatherization units** are trained on how to adhere to safe work practices ensuring adherence to the following, but not limited to, EPA, OSHA, **29 CFR 1910** and **29 CFR 1926**. **Sub-grantee must ensure weatherization staff are provided with and trained on the use of appropriate Personal Protective Equipment (PPE) per appropriate OSHA and CFRs regulations/laws as applicable.**

Sub-grantees performing weatherization services are encouraged to obtain Pollution Occurrence Insurance.

Sub-grantees are required to **ensure** new **weatherization** employees are trained on lead safe work practices **and provided with proper PPE**, at minimum, within the first three **(3)** months of employment to protect employees from the hazards of lead during weatherization work. **Sub-grantee weatherization professionals may not engage in lead renovation activities until they receive proper training and PPE.** It is highly recommended that all Program Managers and Executive Directors attend training related to lead and applicable PPE to ensure a minimum level of liability compliance understanding for the sub-grantee.

## **Renovator Certification**

To become a certified renovator an individual must successfully complete an eight-hour initial renovator training course offered by an accredited training provider (training providers are accredited by EPA; or by an authorized state or tribal program). The course completion certificate serves as proof of certification. **A refresher training for recertification is required every five years.** Each sub-grantee is required to have at least one EPA RRP Certified Lead Renovator on staff at all times. It is required by the EPA that "anyone who is paid to perform work that disturbs paint in housing and child-occupied facilities built before 1978 must be certified". This includes all firms, even sole proprietorships and special trade contractors including electricians, plumbers, painters, and carpenters. The designated RRP Certified Lead Renovator must follow all lead requirements set forth by the EPA. The position of RRP Certified Lead Renovator is a position which requires one who is competent to act in a leadership role, as well as one who is thorough and diligent with regard to ensuring the physical, photographic, and paper documentation compliance requirements are met. This is to ensure the safety of weatherization professionals, unit occupants, and also for the liability protection of the sub-grantee.

## 4.9 BLOWER DOOR GUIDANCE

IHCDA has adopted the following air sealing targeted goals for Indiana Weatherized units. These air sealing targeted goals can be especially useful for new auditors and new shell contractors however, these goals are guidelines and not requirements.

IHCDA Airsealing Targeted Goals:

If ACH50 is less than 11, the blower door reduction goal is 15%

If ACH50 is 11-17, the blower door reduction goal is 25%

If ACH50 is 18-22, the blower door reduction goal is 35%

If ACH50 is greater than 22, the blower door reduction goal is 40%

To calculate the ACH50, use the formula below:

$$\text{ACH50} = \frac{\text{CFM50} \times (60 \text{ minutes/hour})}{\text{volume of home}}$$

EXAMPLE: A house has a blower door reading of 1550 cfm. The volume of the home is 7,840 cubic feet.

$$\text{ACH50} = \frac{1550 \times 60}{7840} = 11.86 \text{ (round to 12)}$$

So for this house, the target blower door reduction is 25%

To calculate the target blower door number, use the formula below:

$$\text{BD Target} = \text{BD Reading (cfm)} \times (1 - \text{BD reduction goal \%})$$

$$\text{BD Target} = 1550 \times .75 = 1,162.5 \text{ (rounded to 1,163 cfm)}$$

The BD Target is the minimum number to achieve the 25% targeted reduction.

# SECTION 5

## BUDGETS AND CLAIMS

### 5.1 BUDGET FORMS

The Weatherization Assistance Program **uses multiple** funding sources. The **Weatherization sub-grantee** must complete and return a separate budget form to IHEDA **for each funding source** prior to the **start** of each program year. Any sub-grantee that does not have approved budgets by the start of the program year will **not be able to make claims on the funding source until the budget form has been received and processed by IHEDA**. In general, the **budget** forms should be used to assist **the** Weatherization Program Manager in planning production and setting budget benchmarks for the grant period.

**Updated** budget forms **are** emailed to **all** Weatherization Program Manager's at the **beginning of each program year**. Budget forms and definitions **can be found** in *Appendix B- DOE Budget Form*. The Executive Director or designee is required **to sign** all budget forms submitted with grant agreements and amendments. Program Managers are required to review and sign each budget form. **Budget forms and Budget** Modifications must be submitted via **email to [iWX@iheda.in.gov](mailto:iWX@iheda.in.gov)** for processing, a hard copy with original signature is not required.

Each sub-grantee is responsible for limiting expenses to the amounts allowed in the budget line items. In no instance will a sub-grantee be permitted to exceed the total award for a funding period.

### 5.2 BUDGET MODIFICATION FORMS

A Budget Modification form must be submitted by a sub-grantee to adjust line item allocations or production benchmarks. Changes to production benchmarks will not be accepted less than 30 days prior to a benchmark deadline.

The Budget Modification form is the same form as the budget form found in *Appendix B- DOE Budget Form*. Complete the box in the upper right-hand corner of the form **accordingly to notate it is a budget modification**. A budget form submitted with a grant agreement or amendment is **not** considered a modification. Updates will be made to the sub-grantee's budget in **[online.iheda.in.gov](http://online.iheda.in.gov)** for claims once all signatures are secured **and the budget is reviewed and approved by IHEDA**.

### 5.3 PROGRAM REINVESTMENTS

Program **reinvestments are** any funds earned by sub-grantees from non-Federal sources **while** performing Weatherization work. It is required that **any funds** earned from activities supported by a grant or sub-grant must be reported as program **reinvestments**. Sources of **funds** to be reported include but are not limited to:

- **Funds** from payments of principal and interest
- **Funds** from fees or services provided (including rental of WX equipment and vehicles and staff wages and applicable charges)
- **Funds** from the use of rental or real property acquired with grant funds
- **Funds** from the sale of commodities or items fabricated under a grant agreement (i.e. vehicle).

**These funds are** to be treated as an addition to program funds and must be used to enhance the Sub-grantees Weatherization Assistance Program. **These funds are required to be** utilized within twelve months of when **they were** earned. **It is considered best practice to** spend the funds in the program year earned. However, if it is late in the program year, they can be used in the next program year (i.e. a sale at the end of September for LIHEAP funds).

Property owner (i.e. landlord) contributions are NOT considered program **reinvestments, contributions from landlords must be utilized in the landlord's unit.**

## DOE Program Income

DOE program income is subject to specific guidance provided in 2 CFR 200, Subpart D, §200.307 as appropriate. The amount of program income received must be detailed by the Sub-grantee on the funding source Close-Out Form. **IHCDA does not currently allow DOE program income.**

## 5.4 CLOSE-OUT REPORTS

**Final and accurate** Program Year End Close-Out Reports are due to IHCDA within **forty-five** days of the end of the grant program year, **this includes all necessary corrections.** Close-out Reports must accurately reflect the total dollars claimed for each line item after the final claim has been paid by IHCDA. Sub-grantees are required to submit Close-Out Reports that meet all program requirements to IHCDA by the due date. An original signature is no longer required. Page #1 of the quarterly report **and the last page of the Job Expense Report** must accompany the Close-Out Report and the Total Closed number must match the Total Completions from the Close-Out Report **and Job Expense Report.** IWAP and claims must be **up to date** as of the due date.

IHCDA reconciles each sub-grantee's Close-Out Report with the Quarterly Report, Job Expense report, and claims submitted during the grant year. This is done to verify that sub-grantees are in compliance with program guidelines. Sub-grantees must work closely with their financial department to accurately report expenses and claims. Outstanding weatherization claims will not be forwarded for payment until receipt of the report. Sub-grantees are strongly encouraged to start work on the Close-Out Report several weeks prior to the actual due date. IHCDA staff is available for guidance and will review completed Close-Out Reports for accuracy **only** if the report is sent via email at least one week prior to the due date. See *Appendices D-1LIHEAP 2020 Closeout Form, D-2 STATE LIHEAP 2020 Closeout Form, and D-3 DOE 2020-2021 Closeout Form.*

All closeouts must be submitted with the following:

- Page 1 of Quarterly **Report** and last page of Job Expense Report for a DOE Closeout
- Page 1 and 2 of Quarterly **Report** and last page of Job Expense **Report** for LIHEAP and State LIHEAP to cover Base/Mechanical/Capital Intensive

The number of completions on the job expense report, quarterly, and closeout form must match for the closeout to be processed by IHCD.

## 5.5 CLAIMS

Sub-grantees shall submit properly completed claims and backup documentation to IHCD every thirty (30) days for reimbursement of costs incurred during the prior month. Claims submitted towards Administrative, Base, Health and Safety, Mechanical or Capital Intensive must be supported by job costs entered in IWAP. All claims and backup documentation (i.e.: timesheets and invoices) must be submitted online through the following link (please reference Section 408 for additional details):

<https://online.ihcd.in.gov/AuthorityOnline/Default.aspx>

Sub-grantees may claim only incurred (accrued/obligated) material expenses. This is intended as “just in time” funding. Only material expenses that are expected to be due within ten days of the receipt of the claim may be submitted to IHCD. No subcontractor of a sub-grantee shall be paid for labor costs until such time as the sub-grantee has inspected the work and has determined that such work has been performed in a satisfactory manner.

All final claims and close out reports must be submitted to IHCD within forty-five (45) calendar days of the end of the program year or IHCD may deny payment. Sub-grantees must liquidate all outstanding obligations properly incurred during the term of the agreement no later than **forty-five (45)** calendar days after the termination of the program year.

IHCD’s Weatherization grants are considered reimbursement grants. Therefore, claims and cost allocations can only be submitted for grants where Weatherization work is being performed.

All claims processed through IHCD Online are required to have certain supporting documentation included with the request for reimbursement. Those items include:

- General Ledger, Trial Balances or Other Accounting Software Generated Reports (unless otherwise noted) – Reports supporting costs incurred should be submitted. Reports should be generated in such a way as to include the following:

- Only those costs incurred by that program during the specific date range for which reimbursement is being requested (ex. May 1-May 15)
- Indirect costs that are allocated across all activities should have separate accounts for each program. A single lump sum record with a note that a specific amount is being charged to a certain program is not acceptable. If requested, documentation supporting the cost allocation or salary/wage determination should be readily available
- **Direct expenses associated with a unit need to include the IWAP application number from the job expense report.**
- Detailed information of expenses including vendor name, date paid, date of transaction and description of the actual expense. Incomplete, missing or insufficient descriptions may result in IHCDCA asking for additional documentation to support those costs<sup>1</sup>
- In the event of payroll costs, IHCDCA should be able to easily distinguish the individuals included in the expense, the timeframe covered in the expense and the details that make up the expense.
- Copies of Invoices/Receipts – All invoices and receipts must be maintained and filed by the sub-grantee in accordance with award agreements and federal regulations. **All invoices over \$1,000.00 must be submitted with the claim. Invoices under \$1,000.00 will be provided from the sub-grantee upon IHCDCA's request.**
  - Invoices must be on company letterhead and must include a detailed breakdown by material and labor and listing the date the work was performed.
  - Invoices will denote budget line being billed, example DOE Base, Mechanical, Capital Intensive, DOE Health and Safety.
- Claim Summary Pages a summary of completions claimed, name and address, date of interim or final audit inspection and the total dollar value of the unit to date.
- **Copy of Job Expense report from IWAP from the time frame of the claim. All direct expenses being claimed need to be on the report**

Subgrantees must include all depreciation cost with the sub-grantees cost allocation plan.

Sub-grantees shall submit properly completed claims and backup documentation to IHCDCA **at least monthly** for reimbursement of costs incurred during the prior month. Claims submitted towards Administrative, Base, Health and Safety, Mechanical or Capital Intensive must be supported by job costs entered in IWAP. All claims and backup documentation (i.e.: timesheets and invoices) must be submitted online through the following link (please reference Section 408 for additional details):

<https://online.ihcda.in.gov/AuthorityOnline/Default.aspx>

Sub-grantees may claim only incurred (accrued/obligated) material expenses. This is intended as “just in time” funding. Only material expenses that are expected to be due

within ten days of the receipt of the claim may be submitted to IHCD. No subcontractor of a sub-grantee shall be paid for labor costs until such time as the sub-grantee has inspected the work and has determined that any such work has been performed in a satisfactory manner. Where subcontractors are utilized, the cost of materials shall be separated from the cost of installation in billings submitted by the subcontractor.

All final claims and close out reports must be submitted to IHCD within **forty-five (45)** calendar days of the end of the program year or IHCD may deny payment. Sub-grantees must liquidate all outstanding obligations properly incurred during the term of the agreement no later than **forty-five (45)** calendar days after the termination of the program year.

IHCD's Weatherization grants are considered reimbursement grants. Therefore, claims and cost allocations can only be submitted for grants where Weatherization work is being performed.

## 5.6 ORIGINAL SIGNATURES

The following is a guide **indicating** when a Weatherization form requires original signatures.

E-Signatures will now be accepted for:

- Grant Agreements
- Amendments
- Budgets

**Grant claims do not require original signatures for online claims. Sub-grantees are required to retain the original, signed claim form along with back up documentation in a hard copy, paper file for the required retention for a three (3) year period after closeout.** If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the **three (3)** year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular **three (3)** year period.

**Equipment purchase requests must be made via email.**

For all forms and agreements, the signature must be one of the sub-grantee's "Authorized Signatures" as notarized and approved on IHCD Authorized Signature Form. If the person approved as the Sub-grantee's authorized signature leaves or becomes ineligible to represent the organization, a new form must be submitted and approved before the person's signature can be accepted and the form is processed.

The required retention period as outlined in 2 CFR 200, Subpart D, §200.333 requires that financial and programmatic records, supporting documents and statistical records must be retained for three years after the last expenditure report is submitted.

## 5.7 IHCDOnline CLAIMS SYSTEM

IHCDA's online claims system can be found here: <https://online.ihcda.in.gov>. All claims for weatherization funding sources (LIHEAP, DOE, and State LIHEAP Funds) must be entered and submitted online.

Each sub-grantee must have at least one person authorized to use the online claims system. Additional staff may request access here: <https://online.ihcda.in.gov/AuthorityOnline/Register2.aspx>. When approved, an email will be sent from IHCDA. Contact IHCDA if you forget your password or have problems with the system.

Below are definitions of the types of claims. If you are uncertain, email the Community Programs Analyst or Community Programs Policy and Technical Specialist for advice before submitting the claim.

The following describes the allowable transaction types for the claim process:

### **Grantee Payment**

A grantee payment is a standard draw of funds by the sub-grantee for their award. This transaction will initiate a payment to the sub-grantee. This is the most common type of transaction.

### **Adjustment**

An adjustment transaction allows a sub-grantee to make corrections to line items within an award. An adjustment will have both positive and negative line item amounts and must have a net total of zero. No funds are either drawn or paid as part of an adjustment transaction.

### **Return of Funds**

A return of funds transaction is initiated when paid grant funds need to be returned due to a monitoring or financial audit issue. These funds will show on the claim summary but will not be returned to the sub-grantee's available budget. The state will reuse these funds in future allocations.

### **Repayment**

A repayment transaction consists of a sub-grantee repaying claimed funds to the State. This transaction will initiate a repayment from the sub-grantee and the funds that are repaid will be available in the award budget and remaining balance. This transaction is necessary if completed homes have been claimed on a grant but then moved to another grant. All associated costs such as administration, insurance and audit

allocations should be included along with the base program operations and health and safety costs.

## 5.8 ADMINISTRATION OF FUNDS

**Funding shall be provided to sub-grantees as a reimbursement for authorized expenditures incurred for the Weatherization Assistance Program (WAP), in accordance with the fiscal policies and procedures of IHCDA, the DOE and the State of Indiana.** Sub-grantees must maintain and implement written procedures to minimize the time elapsing between the transfer of funds to the sub-grantee and the sub-grantee's issuance of payment to subcontractors for program purposes. Sub-grantees will have a total of forty-five (45) days from the receipt of subcontractor invoice to check issuance for DOE and HHS funded grants.

Sub-grantee shall follow generally accepted accounting procedures and practices which sufficiently and properly reflect all costs incurred by sub-grantee. Sub-grantee shall manage all funds received through Weatherization funding sources in accordance with applicable cost principles identified in OMB Circulars A-87 (Government Entities) or A-122 (Nonprofit Organizations), now reported at 2 CFR 200, Subpart E.

Sub-grantees shall maintain financial and accounting records which identify costs attributable to each Activity Description specified on Attachment A of each grant agreement. Sub-grantees shall further maintain annual, written, cost methodologies, which identify procedures for attributing costs to each Activity Description. More restrictive fiscal accountability may be required of sub-grantees by IHCDA should IHCDA determine that a sub-grantee is financially unstable, has a history of poor accountability, or has a management system which does not meet the standards required by the State of Indiana, IHCDA, or the United States Government.

Sub-grantees shall maintain those books, records, and documents including, but not limited to: payroll records, banking records, accounting records, and purchase orders, which are sufficient to document sub-grantee's financial activities and sub-grantee's claims for reimbursement under this Agreement. Further, sub-grantee shall create, maintain, and provide to IHCDA such other statistical and program reports as are required by the laws, regulations, and policies of the State of Indiana, IHCDA, or the United States Government, including any close-out reports required by IHCDA.

Sub-grantee shall, upon written demand by IHCDA, be required to repay IHCDA all sums paid by IHCDA to sub-grantee for which adequate fiscal and/or service delivery documentation is not in existence for any time period audited. If an audit or review of sub-grantee results in an audit exception or cost disallowance, IHCDA shall have the right to set off such amount against current or future allowable claims, demand cash repayment, or withhold payment of current claims in a like amount pending resolution between the parties of any disputed amount.

IHCDA may withhold payment to sub-grantee if a claim submitted by sub-grantee is inaccurate or if sub-grantee has not complied with the claim preparation instructions issued by IHCDA. IHCDA will notify sub-grantee of any error in the claims submitted so sub-grantee may make the corrections or revisions necessary for payment.

## 5.9 ADVANCE FUNDS

IHCDA is not currently issuing advance funds on any Weatherization grants.

## 5.10 DOE FINANCIAL MANAGEMENT TOOL KIT

DOE has provided a Financial Management Tool Kit and training to review all Weatherization financial management. The tool kit can be accessed online at <https://nascsp.org/wap/waptac/doe-trainings-tools/financial-management-toolkit/>

# SECTION 6

## FUNDING

### 6.1 WEATHERIZATION PROGRAM MANAGEMENT

All weatherization work must follow DOE rules and regulations unless exceptions are specifically stated in the policy manual, grant agreement and/or program guidance. Several exceptions are listed in this section. Any deviation from DOE guidelines, Indiana Policy and Procedures Manual, Indiana Weatherization Field Guide, or SWS must have written approval from IHEDA prior to working on a unit. This approval only applies to the unit for which the request was made and must be printed and filed in the client hard copy file.

All Weatherization grants should follow OMB Cost Principles outlined in 2 CFR 200, Subpart E, Cost Principles for Non-Profit Organizations. A cost is allocable to a particular **Federal award/other cost objective** if the goods/services meet the standards below:

- If the cost is specifically for the Federal award, benefits both the Federal award and other work of the non-Federal entity, and can be distributed in proportions that may be approximated using reasonable methods; and is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in **2 CFR 200, Subpart E**.
- Any cost allocable to a Federal award under the principles provided in **2 CFR 200, Subpart E** may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. This prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.
- Direct cost allocation principles: If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required. See also §§200.310 Insurance coverage through 200.316 Property trust relationship and 200.439 Equipment and other capital expenditures

## 6.2 ALLOCATIONS

### Federal Allocation

DOE and LIHEAP allocations are distributed using the census-based allocation formula. **The incentive pool as outlined below may be used at IHCDAs discretion.**

- 95% or more of the prior program year contract total must have been expended.
- Close Out Reports must be submitted and approved within 45 days after the program year ends. IHCDAs DMS, IWAP Quarterly, Job Expense and sub-grantee Close Out Report must match exactly when final claims are processed including all line items and averages.
- When available, a 15% average energy savings as determined by **realized energy analysis** of local sub-grantee production.
- Weatherization sub-grantee operating under a **Quality Improvement Plan (QIP)**, a modified Quality Improvement Plan (MQIP) or a Tiered Funding Agreement will be **excluded** in the incentive pool.
- Sub-grantee must meet the 45-day requirement for vendor and subcontractor payments.

IHCDA may suspend the use of the incentive pool at their discretion.

### Reallocation of Funds

Sub-grantees failing to meet quarterly as detailed on their most recent budget form **may** be subject to funding allocation reduction or redistribution at IHCDAs discretion. Any reallocation will be to ensure proper utilization of Weatherization funds throughout the program year.

Sub-grantees eligible for redistributed funds will be determined based on, but not limited to, the following criteria:

- Current level of expenditures for all active weatherization related programs
- Timely and accurate submission of claims
- QIP, **MQIP**, or Tiered funding status
- **Achieved** quarterly benchmarks
- Financial and program management capacity

IHCDA will desktop monitor sub-grantee production, expenditure rates, and average cost per **unit** throughout the life of each DOE, LIHEAP and **Deferral Program funds**. This desktop monitoring will occur in accordance with the funding benchmarks as established by the sub-grantee on the appropriate DOE or LIHEAP budget form. In cooperation with meeting production and expenditure benchmarks, sub-grantees must maintain the appropriate average cost per **unit** of each DOE, LIHEAP, and **Deferral Program funds**. This will include a comparison of production as recorded in IWAP and the amount of grant funds claimed through IHCDAs online. This will be used to track whether or not sub-

grantees are maintaining the proper Average Cost per **unit** for both DOE and LIHEAP. Please refer to the IHCD grant agreements, **Appendices of Budget Definitions** for additional guidance regarding the average cost per **unit** and for the administration of Weatherization grant funds.

## **Distribution of Carryover Funding**

Sub-grantees on a QIP, **MQIP**, Tiered Funding or failing to utilize 90% of the **last closed out** award **may** not be eligible to receive carryover funding. Carryover funds will be distributed to eligible sub-grantees based on the approved allocation formula.

## **Tiered Allocation**

Sub-grantees which have failed to meet program expenditure benchmarks, are experiencing financial difficulty, or appear to have a lack of proper programmatic oversight may be placed on a tiered **allocation**. While on a tiered **allocation**, sub-grantees must expend funds according to a structured schedule. The performance benchmarks or expenditure percentages, when possible, are based on the sub-grantee's performance in prior years. Failure to meet expenditure benchmarks **may** result in a reduction of funding. Tiered **allocation may** be included as part of the sub-grantee grant agreement, when applicable. Sub-grantees placed on a tiered allocation **may be subject to** an increased level of claim review.

## **Reduction of Funds**

A sub-grantee may receive a reduction in funding if one of the following conditions occurs:

- A sub-grantee voluntarily returns one or more counties within its service territory
- A sub-grantee returns substantial amounts of allocated funds
- A sub-grantee fails to complete a QIP or **MQIP** within two consecutive program years
- A sub-grantee fails to meet the expenditure and/or benchmarks
- A sub-grantee is experiencing financial or programmatic challenges
- **IHCDA deems it necessary**

## **Request for Qualifications and Request for Proposals**

**IHCDA** may post a request for qualifications (RFQ) or **request for proposals (RFP)** to identify organizations suitable to provide services within a particular service territory. The RFQ/**RFP** is designed to increase the service capacity of that territory and to provide additional service opportunities for program beneficiaries. A sub-grantee will be notified if an RFQ/**RFP** is posted within its service territory.

The goal is to find the most qualified service provider within a territory. It is important to note that RFQ/**RFP** are open to the general public, as well as **current sub-grantees**. Eligible applicants will be determined based on the Federal regulations for the WAP. **IHCDA** will make a reasonable effort to assess if there is an adjacent, existing sub-

grantee to support service delivery. Sub-grantees are encouraged to seek assistance from **other sub-grantees** who have the capacity to provide support. This step could result in avoiding the need for the RFQ/RFP process. RFQ/RFP will be issued as IHCD deems necessary.

The RFQ/RFP may also be posted for the following reasons including, but not limited to:

- The sub-grantee has been on a QIP/MQIP for more than two consecutive program years
- Failure to meet expenditure benchmarks for more than two consecutive program years
- Sub-grantee continues to demonstrate program deficiencies found during monitoring
- Sub-grantee voluntarily forfeits one or more counties within its service territory
- IHCD has removed one or more counties from a sub-grantee due to performance issues
- Sub-grantee is involuntarily removed from a particular area due to fraudulent or major misappropriation of funds, legal action has been taken against the sub-grantee, or the sub-grantee dissolves
- The territory is not being serviced by the sub-grantee
- Sub-grantee is not currently operating under an active WAP contract

## 6.3 LIHEAP PROGRAM MANAGEMENT

### Completion

**NOTE: LIHEAP WX income thresholds adhere to the HHS requirement of 200% of the current OMB poverty income level to receive LIHEAP funded services.**

Units may be counted as completions based on three sub-program categories within LIHEAP:

- **Base Program** - completion occurs when at least a total of \$100.00 on **energy conservation measures (ECM)**. See appendix Budget Definitions for averages.
- **Mechanical Program** – completion is used in conjunction with DOE completions that require *work on the mechanical systems* including the addition of mechanical ventilation to a unit. Work on the mechanical systems may be completed for health and safety and/or energy conservation reasons. A Mechanical completion occurs when at least \$300.00 has been spent on the mechanical system. The DOE Base completion that **must** be paired with a Mechanical completion must be finished by the end of the LIHEAP program year in order to count a unit under this sub-program. See appendix Budget Definitions for averages.
- **Capital Intensive Program** - completion that charges both the Base work and the Mechanical work to LIHEAP. A minimum of \$100 must be charged to Base measures and a minimum of \$300.00 must be expended on the mechanical

system. Work on the mechanical systems may be completed for both health and safety and energy conservation. Capital Intensive costs cannot exceed the maximum average cost per home. [See appendix Budget Definitions for averages.](#)

A unit may not be counted as both a DOE and a LIHEAP Base completion. Nor can a unit be counted as both a DOE BASE and LIHEAP or [Deferral Funds](#) Capital Intensive completion.

A unit may be counted as a completion under only one LIHEAP sub-program. A completion may never be counted as both a Base and a Mechanical completion within the LIHEAP program. If both Base and Mechanical sources of LIHEAP funds are used on a unit, this unit will count as one Capital Intensive LIHEAP completion.

For all units where LIHEAP funds are combined with DOE or other sources of funding, the entire weatherization process, including [QC](#) inspection, must be completed prior to the end of the current LIHEAP program year (September 30).

### **LIHEAP Program Expenditure Limits**

[For more information on Budget Categories, see Appendix C Budget Definitions.](#)

### **Allowable LIHEAP Expenses**

IHCDA allows, as a LIHEAP program expense, the costs of eliminating energy related health and safety hazards prior to installation of weatherization materials. Health and safety is not a separate budget line item in LIHEAP and therefore is included in the mechanical average cost per [unit](#).

Replacement of gas cook stoves will be allowed with LIHEAP funds as a health and safety measure and must be charged to the Mechanical line item. Replacement of the cook stove may not be charged to DOE but must be paid for with LIHEAP funds. Repair of the cooking stove may be charged to either DOE Health and Safety or LIHEAP Mechanical.

IHCDA does not allow DOE or LIHEAP funds to be used for replacing air conditioners. Repairs to an air conditioning system may only be made when current operation of the AC unit endangers the operation of the furnace. Repairs can be charged to either DOE Health and Safety or LIHEAP Mechanical depending upon the funding source being used to weatherize the [unit](#).

## **6.4 DOE PROGRAM MANAGEMENT**

All DOE completions are counted as Base Program completions [see Appendix C Budget Definitions.](#)

## DOE Completion

In order for a **unit** to be counted as a DOE completion and reported to DOE:

- At least a combined total of \$100.00 in labor and materials must have been **utilized completing ECM measures**
- **The unit must pass a QC inspection completed by a certified QCI**

DOE funds used to abate health and safety issues must be tracked as a separate line item. These costs must not be included in the average cost per home. IHEDA limits expenditures in the Health and Safety budget line to 20% of Base Program Operations expenditures. All health and safety measures must be charged to an allowable Health and Safety line item.

Furnaces may be replaced for energy efficiency under Base costs. **Sub-grantees must use NEAT/MHEA/MuTEA** to calculate the savings-to-investment ratio. An SIR equal to or greater than one must be obtained to justify this expense under DOE Base. If NEAT/MHEA/MuTEA is used to justify the furnace replacement based upon energy efficiency, the measures called on NEAT/MHEA/MuTEA must be **performed on the unit. Major measures may not be skipped (see WPN 19-4, Attachment 8).**

**When DOE funds are utilized on a unit, all work and the Quality Control Inspection** must be completed prior to March 31 of the current DOE program year.

## DOE Program Expenditure Limits

**For more information on Budget Categories, see Appendix C Budget Definitions.**

## DOE REWEATHERIZATION

**DOE:** Prior to any weatherization activity, a unit must be evaluated to determine whether previous weatherization services have been provided. For homes utilizing DOE funds, if services have been provided **after September 30, 1994 or as amended by congress, then the unit is not eligible** for weatherization services utilizing DOE funds. See 10 CFR 440.18(e)(2)(iii).

The following actions must be taken on each DOE unit prior to weatherization services to ensure that homes that have received weatherization services after September 30, 1994 are not re-weatherized:

- Each address must be entered into IWAP to identify whether the **unit** has been weatherized during or after 2000 (length of IWAP historical records);
- Each **owner** must be asked whether their unit has been weatherized after September 30, 1994; and
- A visual inspection of each **unit** must be performed by an **Energy Auditor** to identify whether previous weatherization was performed.

If there are no documented, verbal, visual, or physical evidence of previous weatherization, the sub-grantee may proceed with weatherization on the unit.

If any of the above actions indicate that weatherization has previously been **performed on the unit**, the sub-grantee must check with the local agency that historically provided weatherization in the area to inquire about any records pertaining to services previously provided. Incumbent local agencies must cooperate with these inquiries from IHEDA or from **current** weatherization service providers. Failure of any sub-grantee to comply with any such request could result in immediate suspension of payments on **award agreements with IHEDA**.

### **Work Order Changes/Change Order**

When deviations from the original scope of work are required, the sub-grantee must document and justify the deviation from the original scope of work. The change order document must be approved and signed by the program manager or program manager designee and must be dated on the actual date the change order occurred. The change order must also include all costs associated with the change in work scope. The change order documentation must be included in the client file.

## **6.5 STATE-FUNDED INDIANA HOME ENERGY ASSISTANCE PROGRAM**

Pursuant to **I.C. 4-12-1-14.5**, a limited amount of funds are allocated from the State of Indiana's portion of the mortgage foreclosure multistate settlement agreement to be used in the newly created Indiana Home Energy Assistance Program. **For more information about this funding see the Deferral Program section of this manual for more details.**

## **6.6 UTILITY PROGRAMS**

Funding from utilities must be used to enhance the sub-grantees Weatherization Assistance Program, including such activities as addressing deferral issues. It is important to note that utility funds are not considered program income. Sub-grantees eligible to participate in utility programs administered by IHEDA will enter the required information in IWAP under the Utility DSM Program Installation report. The required information is within the scope of traditional weatherization services. The report is triggered by the zip code and name of utility provider associated with the unit being weatherized. **Only measures paid for with LIHEAP and State LIHEAP funds are eligible for utility rebates. Measures paid for with DOE funds are not eligible to be submitted for rebates.**

The active time frame and amount of funds/rebates paid for each eligible measure is determined by the individual utility. IHEDA will process and issue funds to the sub-grantees throughout the active time frame. These funds should be used within twelve (12) months from the time they are received. Utility funds must be used to enhance your

weatherization program through traditional weatherization services or the elimination of deferral issues. Utility funds cannot be used to buy-down a measure.

All funds received through an IHEDA administered utility program must be tracked separately and recorded on the closeout form of the program the funds were used to support.

## 6.7 FUNDING SOURCE COMBINATIONS

The funding sources for weatherization and their sub-programs may be combined on any weatherization unit. The following are the allowable funding source combinations:

1. DOE Base + LIHEAP Mechanical
2. DOE Base + **State Deferral** Mechanical
3. DOE Base + LIHEAP Mechanical + DOE Health & Safety
4. DOE Base + DOE Health & Safety
5. LIHEAP Base + LIHEAP Mechanical creating a LIHEAP Capital Intensive
6. **State Deferral Base** + State Deferral Mechanical creating a State Deferral Capital Intensive
7. **State Deferral Funds** can be combined with LIHEAP or DOE funding on the same unit. Please reference **the Deferral Section of this manual** specific guidelines for the State **Deferral Funds**.

Any one unit can only be counted as a completion in two funding sources.

- LIHEAP BASE and DOE BASE can NEVER be **combined**.
- State **Deferral BASE** and LIHEAP BASE can NEVER be **combined**.
- State **Deferral BASE** and DOE BASE can NEVER be **combined**.
- DOE Base can NEVER be mixed with LIHEAP or State **Deferral** Capital Intensive.
- DOE Health and Safety must be paired with DOE Base expenses. DOE Health and Safety cannot be paired with LIHEAP Base, LIHEAP Capital Intensive, State **Deferral** Base or State **Deferral** Capital Intensive.

Examples of how to combine various funding streams:

- A home is weatherized under DOE Base Program. The mechanical work, totaling \$600.00 can be completed under the LIHEAP Mechanical Program or DOE Health and Safety. Additional Health and Safety work of \$150.00 can be paid for with DOE Health and Safety or LIHEAP Mechanical or a combination of both, shown below. The Base work of \$1811.00 would be charged to DOE, including all related labor, as a Base completion. This unit had a roof repair and Deferral funding was used. This would be a completion under the DOE Base, LIHEAP Mechanical and Deferral programs. In this scenario LIHEAP Capital Intensive cannot be utilized.

Ownership	OWN	x	RENT	Estimated Total	Actual Total	Cost Break Down			
						DOE BASE	DOE H&S	LH MECH	LH CAP
STATE DEFERRAL FUNDS				600	600				
H&S	Health & Safety			750.00	750.00		150.00	600.00	
Energy Conservation Measures (ECMs)	General Heat Waste (\$250 Limit)			250.00	200.00	200.00	A NEAT audit is required when a furnace/heat pump is paid for with DOE Base or H&S Funds		
	Infiltration Reduction (includes duct sealing)			355.00	326.00	326.00			
	Setback Thermostat			-					
	Lighting			35.00	35.00	35.00			
	Insulate Un-insulated Attics to R-38 (no insulation / R-0)			-					
	Insulate Un-Insulated Slopes (to cavity depth)			-					
	Insulate Un-insulated Knee Wall (to cavity depth)			-					
	Insulate Un-insulated Ducts <small>Outside Thermal Boundary</small>			-					
	Insulate Un-insulated walls (tube-in)			1,250.00	1,250.00	1,250.00			
	Insulate Partially Insulated Attics to R-38 (R=1 to R-19)			-					
	Insulate Box Sills to R-11 (All Electric)			-					
	Northern & Central Sub-grantees			-					
	Insulate Foundations to R-11 (All Electric)			-					
Northern & Central Sub-grantees			-						
Total ECM Cost			2,640.00	1,811.00					
IRM	Total Incidental Repair Cost (Cannot exceed 17% of Total ECM Costs)		448.80	-					
Total Job Cost			3,240.00	2,561.00	1,811.00	150.00	600.00	-	

- A home is weatherized under DOE where a heating system is replaced as an ECM. The heating system, totaling \$4800, can be paid for with DOE Base or a combination of DOE Base and the LIHEAP Mechanical. The shell work would be charged to DOE Base. Sharing heating system cost between DOE Base and LIHEAP Mechanical allows the sub-grantee to maintain the DOE Base + LIHEAP Mechanical funding combination flexibility. This would be a completion in both DOE Base and LIHEAP Mechanical. In this scenario LIHEAP Capital Intensive cannot be utilized.

Ownership	OWN	x	RENT	Estimated Total	Actual Total	Cost Break Down			
						DOE BASE	DOE H&S	LH MECH	LH CAP
Cumulative SIR			2.6						
Total IRM cost				150	125	125.00			
Total cost of Air Sealing				365	360	360.00			
Total cost of other ECMs				5450	5450	1,450.00		4,000.00	
Total cost of H&S				265	265		265.00		
Total Job cost				6230	6200	1,935.00	265.00	4,000.00	

- The same unit in the previous example could be completed as a LIHEAP Capital Intensive unit and counted as one completion. DOE Base, DOE H&S, and LIHEAP Mechanical cannot be combined with LIHEAP Capital Intensive.

Ownership	OWN	x	RENT	Estimated Total	Actual Total	Cost Break Down			
Cumulative SIR			2.6			DOE BASE	DOE H&S	LH MECH	LH CAP
Total IRM cost				150	125				125.00
Total cost of Air Sealing				365	360				360.00
Total cost of other ECMs				5450	5450				1,450.00
Total cost of H&S				265	265				265.00
Total Job cost				6230	6200	-			4,000.00

# SECTION 7

## Training

### 7.1 IMPORTANCE OF TRAINING

Due to the ever-changing and highly technical nature of the WAP, a high priority has been placed on the training aspect of the program. Technical assistance provides guidance and assistance on specific issues/questions found in all aspects of Weatherization. Training and technical assistance in the field, via telephone, or via email is provided by either INCAA training staff or IHCD staff. This assistance is provided to all sub-grantee contractors and sub-grantee staff including but not limited to executive directors, fiscal staff, program managers, and all other weatherization employees. Sub-grantees and contractors are strongly encouraged to take full advantage of the opportunities available to them for program enhancement and improvement through training and technical assistance. IHCD continues to maintain a strong position that the Indiana WAP will maintain its high levels of technical expertise and energy savings through the continued emphasis on its training and technical assistance component. Ongoing training and sub-grantee program/technical monitoring are tools which IHCD utilizes to ensure that weatherization measures are applied consistently, and that Indiana maintains a high standard of work. IHCD implements training requirements to ensure that funds provided are used on weatherization measures that will enhance energy savings while ensuring the health and safety of the unit occupants. By including all weatherization professionals in this process, it ensures organizational performance while providing the means for evaluating weatherization achievements and as developing plans to improve upon Indiana Weatherization.

In Indiana, Weatherization specific training and technical assistance is offered by the Indiana Community Action Association (INCAA). INCAA is an Interstate Renewable Energy Council (IREC) accredited training center. INCAA will be providing training in PY 2020-2021.

Lead Risk Assessor and Lead Inspector training is offered by the Environmental Management Institute (EMI).

Weatherization professionals can find Indiana Weatherization Field Guide, Health and Safety Plan guidance, and current State Plan at <https://www.in.gov/myihcda/weatherization.htm>.

### 7.2 Certifications

In order to be employed as a Weatherization Professional, one must working toward or must hold at least of one of the following certifications. Indiana has established Weatherization competency standards known as the Indiana Skills Verification (ISV) competencies. The Building Performance Institute in conjunction with DOE have

established competency standards as well. The following credentials are recognized for weatherization professionals working in Indiana:

- ISV Energy Auditor
- ISV Retrofit Installer for Shell Professionals
- ISV Retrofit Installer for Mechanical Professionals
- ISV Crew Leader for Shell Professionals
- BPI Energy Auditor
- BPI Quality Control Inspector
- BPI Crew Leader for Shell Professionals
- BPI Healthy Home Evaluator
- Indiana Approved Pre-Audit Inspector
- The Program Management class is required for all new program managers and strongly recommended for all program managers.

INCAA provides training and certification opportunity for all of the abovementioned certifications.

### 7.3 MINIMUM TRAINING REQUIREMENTS

All professionals working in Indiana Weatherization who enter client units are required to successfully complete the following courses, if those individuals do not already hold another weatherization certification:

- OSHA 10 (within 3 months of hire date)
- A new hire for sub-grantees and contractors must successfully complete an OSHA 10 course prior to entering a unit to ensure their safety on the job unless accompanied by another certified Weatherization professional.
- Weatherization professionals may not engage in lead safe work practice activities until they have successfully completed the Lead Safe Weatherization course.
- Lead Safe Weatherization
- Moisture and Mold Awareness
- See special provisions for mechanical helpers

Energy Auditors working in Indiana Weatherization are required to successfully complete the following courses and the applicable examinations:

- OSHA 10
- Lead Safe Weatherization
- Moisture and Mold Awareness
- Retrofit Installer blocks for Shell Professionals
- Mechanical Systems for Auditors
- Worst Case CAZ Depressurization
- NEAT/MHEA
- ASHRAE 62.2

- SWS for Auditors/QCI/Program Managers
- Energy Auditor

Quality Control Inspectors working in Indiana Weatherization are required to successfully complete the following courses and the applicable examinations:

- OSHA 10
- Lead Safe Weatherization
- Moisture and Mold Awareness
- Retrofit Installer blocks for Shell Professionals
- Mechanical Systems for Auditors
- Worst Case CAZ Depressurization
- NEAT/MHEA
- ASHRAE 62.2
- Energy Auditor
- SWS for Auditors/QCI/Program Managers
- Quality Control Inspector

Indiana Pre-Audit Inspectors working in Indiana Weatherization are required to successfully complete the following courses:

- OSHA 10
- Lead Safe Weatherization
- Moisture and Mold Awareness
- Healthy Homes Evaluator
- Pre-audit inspectors may not enter client homes without supervision of an Indiana certified Weatherization Professional until successful completion of each of the abovementioned courses.

Retrofit Installer for Shell Professionals working In Indiana Weatherization are required to successfully complete the following courses and the applicable examinations:

- OSHA 10
- Lead Safe Weatherization
- Moisture and Mold Awareness
- Retrofit Installer blocks for Shell Professionals
  - Introduction to Weatherization
  - Blower Door
  - Airsealing-How, Where and Why
  - Airsealing Field Class
  - Insulating Basics
  - Foam Insulation and Information
  - Insulation Field Class

Crew Leader for Shell Professionals working in Indiana Weatherization are required to successfully complete the following courses and the correlating examinations:

- OSHA 10
- Lead Safe Weatherization
- Moisture and Mold Awareness
- Retrofit Installer blocks with Badge Completion
- Crew Leader for Shell Professionals (3 day)
- It is highly recommended that the Crew Leader also hold the EPA RRP Lead Renovator Certification.
- A crew leader is required to be on a job site at all times

Retrofit Installer Mechanical Professionals working in Indiana Weatherization are required to successfully complete the following courses and the correlating examinations:

- OSHA 10
- Lead Safe Weatherization
- Moisture and Mold Awareness
- Mechanical Systems for HVAC Professionals

Retrofit Installer Mechanical Helper are required to successfully complete the following:

- OSHA 10

Mechanical Helpers are not allowed to be on client premises without the Retrofit Installer Mechanical Professional also being on the premises.

### **Indiana Skills Verification Standards**

All individuals desiring to become ISV **certified** must be sub-grantee staff, contractors, or contractor employees **holding a current contract with the sub-grantee unless IHCD provides prior written approval to the sub-grantee and INCAA.**

- Specialty contractors who are performing limited, rarely utilized services such as specialty plumbers, exterminators, mold remediation, or specialty electricians **are not** required to hold ISV certification.
- Specialty contractors **who complete work in units which** results in changes to exhaust systems, ventilation systems or the tightening of the home **are required** to complete the Daily Safety Test Out (DSTO) training at INCAA and **are required** to complete a DSTO form upon completing their work on the home. **If there is sub-grantee personal on site during the specialty contractor work, they can do the DSTO.**
- Mechanical Helpers are not required to hold ISV certification.

- ISV written testing is administered at the end of the Retrofit Installer for Shell Professionals, Crew Leader, Retrofit Installer for Mechanical Professionals, and Energy Auditor courses.
- The results of ISV written and field testing will be tracked by INCAA. The results of the ISV written and field testing will be available to IHCD, the sub-grantee Weatherization Program Manager, and the sub-grantee Executive Director upon written request to the INCAA Weatherization Training Team Lead.

At the beginning of each DOE program year, sub-grantees are required to submit a list of weatherization program professionals—in house staff and contractors to IHCD and INCAA. IHCD will only fund training for weatherization professionals on the submitted and updated list. Any changes in staffing must be reported to IHCD and INCAA immediately. Sub-grantee Executive Directors and Weatherization Program Managers may only request and view testing results for their employees or sub-contractors.

Time Limits for becoming Indiana Weatherization Competent:

- All sub-grantee staff/contractor new employees will have nine months commencing 45 days from their date of hire to become Indiana Weatherization Competent in the categories of Energy Auditor, Retrofit Installer (Shell and/or Mechanical) and Crew Leader. IHCD will not fund training beyond the 9 months and 45 days from the day of hire if the person does not become weatherization competent.
- All sub-grantee staff/contractor employees must have a completed background check prior to being allowed to work in/on client homes. IHCD's specific requirements for background checks are detailed in this manual.

## Testing Parameters

- Becoming Indiana Weatherization Competent will require passing both a written exam and field exam. The skills exam will involve performing skill sets associated with the competency category being tested.
  - Both the written and field test are pass/fail. There will be no provisional results given.
  - Should retesting of the skills verification be necessary only the portion failed by the candidate will need retested.
  - Should retesting of the written test be necessary, the entire written test must be completed.
  - All testing results will be sent to the candidate, the sub-grantee Weatherization Program Manager and the sub-grantee Executive Director.
  - Candidates will have three opportunities to pass all testing to become Indiana Weatherization Competent. Individuals that fail to pass competency on the third attempt will be required to submit a formal

request to IHCD for reapplication to work in Indiana's Weatherization Assistance Program for consideration.

- If the individual testing for one competency holds another competency, yet fails the second attempt for the additional competency, the individual would be able to continue working in the competency that has been achieved. For example: if an individual has become Indiana Weatherization Competent as a Retrofit Installer Shell, This same individual tests to become a Crew Leader but fails **three** attempts. This individual would be allowed to work in Indiana's Weatherization Assistance Program as a Retrofit Installer Shell but not perform the duties of a Crew Leader.
- Should a second attempt at passing competence be needed, the second attempt shall take place no later than **three months** following the initial attempt.
- IHCD will only pay for the first attempt for an individual to pass competency. In the case of a failed attempt, the sub-grantee or contractor will be responsible for the cost of any subsequent test procedures.
- Competency testing must take place no later than the conclusion of the nine-month training period commencing 45 days from their hire date.

For BPI certifications (Energy Auditor, Quality Control Inspector, Crew Leader, Healthy Homes Evaluator) See <http://www.bpi.org/certified-professionals/>. IHCD will only fund the first attempt for BPI testing for each designation.

## 7.4 DURATION, MAINTENANCE, AND RECORDKEEPING

- Each Indiana competency will be in effect for three years
  - At the end of the three year duration each competent individual must re-test and pass the skills verification portion of their competency(s).
  - Each candidate will have three (3) opportunities to pass the skills verification portion of their competency(s).
  - IHCD will only pay for the first attempt for an individual to pass competency. In the case of a failed attempt, the sub-grantee or contractor will be responsible for the cost of the second testing event.
  - At the end of three years, individuals holding competencies as both Retrofit Installer Shell and Crew Leader will only need to test for and pass the Crew Leader competency. Passing the Crew Leader skills portion will initiate the next three year cycle for both the Retrofit Installer Shell and Crew Leader competencies. From that point forward, both competencies will have the same expiration dates.
    - Individuals are required to perform the Crew Leader testing based upon which competency expires first. For example, an individual's Retrofit Shell Competency expires on April 15, 2016

while their Crew Leader expires on June 30, 2016. This individual is required to perform the Crew Leader testing PRIOR to the April 15<sup>th</sup> date – it is the competency that expires first.

- The BPI Quality Control Inspector certification is also in effect for three years. All BPI requirements regarding the QCI certification must be followed to maintain this certification.
- All Indiana Weatherization Competent, QCI and BPI certified individuals are required to attend an Annual Competency Maintenance Training in years two and three of their competency(s) or BPI Certification.
- If a certification expires and is not renewed concurrent to the certification expiration then written notification must be sent to IHCD with a request for extension and allowances for a timely recertification must be made.

### **Continuing Education Units (CEU's)**

The requirement of Continuing Education Units is designed to ensure that Indiana's Competent and Certified individuals increase their knowledge base beyond what is necessary to obtain the competency. This is one way that IHCD is helping to ensure that each client's home receives the highest quality of Weatherization services possible.

All Indiana Weatherization Competent individuals must acquire 16 CEUs per year (April 1 – March 31).

- Record of CEUs **must** be tracked by the **sub-grantee** for their Weatherization staff, crews, and contractors.
- The 16 CEUs requirement is per individual and not per competency. For example, an individual holds competencies for both Retrofit Installer Shell and Energy Auditor. This individual is only required to obtain 16 CEUs.
- Sub-grantees must track the training that was taken connected to the claimed CEUs for review at time of monitoring. This tracking must include documentation verifying completion of the training, who performed the training and the length of time that the training lasted.
- **Non-technical training for CEUs is limited to four (4) hours.**
- The requirement for CEUs begins at the time that an Indiana Competency is obtained. The following scale represents a reduced CEU requirement based upon when the first or initial competency is obtained:
  - Competency obtained on or after July 1: 6 CEUs required
  - Competency obtained on or after October 1: 4 CEUs required
  - Competency obtained on or after January 1: 2 CEUs required
- BPI requires that individuals holding BPI certifications obtain 24 CEUs over the three year duration of the certification.

**The following is a list of examples of training that apply toward the 16 hours of Indiana continuing education:**

CEU Ratio	CEU Category	Example	Ratio Breakdown	Documentation required	Limitation
1:1	INCAA or IHCD A Provided T&TA	Training on Site	1 hour of training earns 1 CEU	<ul style="list-style-type: none"> <li>•A sign in sheet which includes the date and times of the class</li> <li>•The instructors name</li> <li>•The location of the training</li> </ul>	NONE
1:1	Weatherization Specific Conference	Affordable comfort, HPC, Energy Out West ECT...	1 hour of training earns 1 CEU	<ul style="list-style-type: none"> <li>•A sign in sheet which includes the date and times of the class</li> <li>•The instructors name</li> <li>•The location of the training</li> </ul>	NONE
1:1	Manager/Technical training	SAMM, SATT, CMR	1 hour of training earns 1 CEU	E-mail confirmation of attendance	NONE
2:1	For non weatherization specific courses and their respective refreshers.	Lead, mold, OSHA ECT...	2 hours of training earns 1 CEU	Certificate or card Required	10 CEU per certificate cycle
4:1	Training provided by manufactures that promotes a specific model or style produced by that manufacturer.	Installation of Navien water heaters. Class provided by Navien about Navien .	4 hours of training earns 1 CEU	<ul style="list-style-type: none"> <li>•A sign in sheet which includes the date and times of the class on the manufacturer's letter head.</li> <li>•Must include the instructors name and contact information.</li> <li>•A short summary of how the training can improve weatherization.</li> </ul>	NONE

**The following is a list of examples of training that DO NOT apply toward CEUs:**

- The required training to obtain a particular competency DOES NOT count toward CEUs. For example – someone is taking the five-day Energy Auditor training to obtain their Energy Auditor Competency. This five day class DOES NOT count as CEU's – it is required to obtain the competency (For instance, if the above person takes a CAZ class to supplement the Energy Auditing training, the CAZ class DOES count toward their CEUs).
- Classes outside of INCAA that do not pertain to Weatherization skills and topics
- Classes that are taken for which the Sub-grantee has no documentation of class completion or attendance
- Classes that are not related to the competency or certification that the individual(s) obtain

Please note that these are not exhaustive lists. Questions regarding whether or not a particular training would/should apply toward the 16 hours of continuing education should be directed to IHCD A prior to attending the training.

Questions regarding industry specific training being allowed to count toward the 16 hours of training should be directed to IHCD A.

**IHCD A STRONGLY recommends that the required CEUs be obtained through training offered through the accredited Weatherization courses offered at INCAA.**

Each IHCD A sub-grantee is responsible for accurately tracking all staff and/or contractor competencies and certifications.

This tracking must include the following information:

- Individual name and competency(s) and/or BPI certifications held
- Date competencies and/or BPI certifications expire
- Hire date
- Attendance at Annual Competency Maintenance Training
- Current BPI/INCAA Certifications where applicable
- Record of training for 16 hours of CEUs

IHCDA will verify training records and qualifications of all sub-grantee staff, crew members and contractors annually near the end of March. sub-grantees must be prepared to provide training documentation whenever it is requested by IHCDA. Training records must contain clear documentation and verification that the required and appropriate training was attended and completed. Examples of this documentation include copies of training certificates, sign-in sheets (conferences for example), and BPI student portal information. IHCDA may, at their discretion, monitor the tracking and completion of the required training at times other than listed in the bullet point above.

## 7.5 ADDITIONAL COMPETENCY/TRAINING REQUIREMENTS

IHCDA staff and contracted monitors responsible for evaluation of sub-grantee administrative performance are required to complete at least eight (8) hours of administrative training per year.

IHCDA staff and contracted monitors responsible for evaluation of sub-grantee technical performance are required to complete at least ten (10) hours of technical training per year.

IHCDA staff and contracted monitors responsible for evaluation of sub-grantee technical performance are required to be either Indiana Weatherization Competent as an Energy Auditor or BPI certified as an Energy Auditor and be certified as a BPI Quality Control Inspector.

Weatherization Program Managers responsible for the administration of the Weatherization Assistance Program at the sub-grantee level are required to attend all Semi-Annual Managers Meetings (SAMM) as well as any other required administrative offerings provided by IHCDA. If a Weatherization Program Manager is not able to attend any required training, an appropriate representative from the sub-grantee must attend in their place. SAMM's will be held no more often than twice per year and other administrative courses will be held as deemed necessary by IHCDA. When possible, IHCDA will attempt to host trainings via webinar, video conferencing, distance learning, or conference calls.

Each sub-grantee is required to send at least one technical representative for their field staff/contractors to all Semi-Annual Technical Trainings (SATT). Failure to do so could result in repercussions from IHCDA.

Verification of LSWP/Moisture certification is not required after four (4) years of continuous employment in the Indiana WAP as an ISV mechanical, crew leader, shell, audit or QCI.

Following WPN 17-7, Grantee Monitors and Inspectors must be Certified Lead Renovators.

## 7.6 ADDITIONAL TRAINING OPPORTUNITIES

IHCDA utilizes INCAA as the Indiana Weatherization Training Center and for Technical Assistance. Course subjects, course descriptions, length of classes, prerequisites, and schedules are located on INCAA's website at [www.intelligentweatherization.org](http://www.intelligentweatherization.org). Classes are filled on a first come-first served basis. Once a class is filled, sub-grantees and contractors are encouraged to continue to register for the filled class so they can be placed on the waiting list. It is not uncommon for a spot to open three (3) to five (5) days prior to the class. To be placed on the waiting list individuals must register for the class. A sub-grantee may also contact the INCAA Training Team Leader to request a specific course be taught at the sub-grantee agency address. It should be noted all courses may not be suitable for being held at the sub-grantee address, but INCAA will make these accommodations when possible.

Sub-grantee staff and contractors may also contact INCAA training team staff directly to request on-site Training and Technical Assistance to be held at specific job sites. These on-site T&TA opportunities will earn attendees one CEU per hour of T&TA.

## 7.7 BACKGROUND CHECKS

In order to protect the safety of clients receiving weatherization services, sub-grantees must perform a criminal background check and employment verification prior to the employment of sub-grantee/contractor employees planning to work with clients or in the home of client's being rehabilitated or weatherized as a part of Indiana's Weatherization Assistance Program. IHCDA is instituting a look-back period for convictions to seven (7) years for individuals employed by sub-grantees for the Weatherization program. This policy mirrors the State's employment policies. The criminal background report must contain a criminal background check which includes the following:

- State and county records from all 50 states including data from courts, sexual offender registries and department of correction records.
- An Indiana criminal history check which contains records of criminal convictions or currently pending criminal charges in counties throughout the State of Indiana.

- A Social Security Number (SSN) Trace which provides names and addresses associated with a social security number along with the date and state of its issuance (this is a tool to aid in verifying the identity and location of a particular applicant).
- Confirmation of employment dates and job titles held with previous employers, the reason for leaving, and eligibility for rehire, if available.
- Sub-grantees must use careful consideration when analyzing the results of the reports and prohibit employment of anyone convicted of violent offenses (including but not limited to aggravated battery, physical assault, use of weapons, home invasion, rape, murder, burglary, robbery) or appearing in any sex offender registry.
- Sub-grantee Weatherization Program Managers are encouraged to work with their Human Resources and Executive Staff personnel to develop acceptable hiring practices based upon background check results.
- It is the sub-grantee's responsibility to ensure that this background check is performed and properly tracked for all sub-grantee weatherization staff and contractor employees.

## 7.8 COMPLIANCE ISSUES

IHCDA will evaluate compliance with competency and other required training annually. Sub-grantees must be prepared to provide IHCDA with training documentation whenever it is requested by IHCDA.

If a sub-grantee fails to meet the Indiana Competency Training, BPI Energy Auditor, or BPI Quality Control Inspector (QCI) requirements or is found to have an individual or individuals working or worked on a weatherization home without the above mentioned requirements. IHCDA may take, but not be limited to, the following steps:

- Issue a written finding with a timeline for resolution of the non-compliance issues
- Require re-works or re-inspections at the sub-grantee/contractor expense
- Require repayment of all funds claimed for the affected Weatherization work
- Hold the sub-grantees weatherization financial claims until all issues are properly addressed
- Temporarily suspend the affected workers from performing work in Indiana's Weatherization Assistance Program.

IHCDA will review sub-grantee compliance through sub-grantee files (tracking) and INCAA training records. It is the responsibility of the sub-grantee to identify within the client file each individual who entered the home.

## 7.9 DOE REQUIRED CERTIFICATIONS

Every weatherized home in Indiana must be final inspected by a BPI certified Quality Control Inspector (QCI) to count as a completion.

The QCI Certification will be effective for three (3) years. The Building Performance Institute (BPI) is the certifying body for the QCI Certification. BPI requires that each QCI Certified individual obtain 24 CEUs over the three (3) year duration of the certification. IHCDCA will allow the CEUs obtained for this certification to count toward the 16 CEUs outlined above. QCI certified individuals are encouraged to reference BPI's web site regarding acceptable CEUs for the QCI certification.

## 7.10 ROLES AND RESPONSIBILITIES

### Energy Auditor

An energy auditor is a residential energy-efficiency professional who evaluates the energy efficiency and health & safety of a home and conducts field measurements and diagnostic testing to identify areas for energy savings and enhancements. The energy auditor produces a work order based upon the information gathered to direct the energy efficient work and installed measures for homes to be weatherized.

### Quality Control Inspector (QCI)

A quality control inspector is a residential energy-efficiency professional who ensures the completion, appropriateness and quality of energy efficiency upgrade work and installed measures.

### IHCDA Expectations and Best Practices for Indiana's Weatherization Network

IHCDA allows two options for meeting the Quality Control Inspection requirement. Sub-grantees must apply to IHCDA in order to be able to utilize the Energy Auditor as the QCI option and must indicate their intended method to IHCDA for consideration. Sub-grantees that do not submit a plan to IHCDA will be required to utilize an Independent QCI.

### QCI

Per WPN 15-4, the QCI is an individual that has no involvement in the prior work on the home either as the auditor or as a member of the crew. **IHCDA will monitor a minimum of 5% of DOE completions.**

- Separation of duties between the Energy Auditor and QCI must be clearly defined – and not crossed.
- Weatherization Program Managers who would like to perform QCI must obtain prior IHCDA approval.
- The QCI must take every precaution necessary to not become involved in the decision making process regarding the work being performed at the home.
- All additional work or needed re-work should be brought to the attention of the WX Program Manager or Energy Auditor and not handled directly by the QCI.

- Crew Leaders should seek guidance on performing work from the WX Program Manager or Energy Auditor.

### **When the Energy Auditor is the QCI**

The auditor performs the audit, creates the work order, and performs the final quality control inspection. The auditor is not involved in any of the actual work on the home. Because this model does not allow for an independent review of the audit on every home, IHCDCA is required to increase the percentage of quality assurance reviews to ensure that audits are being performed consistently and correctly. IHCDCA will monitor a minimum of 10% of DOE completions.

Inspectors shall not participate in professional activities involving a conflict of interest. A conflict of interest occurs when an inspector is inappropriately motivated by any financial, personal, or professional incentive other than the production of a professional report that clearly, completely, and usefully reflects the conditions observed during the audit. Inspectors shall avoid, whenever possible, even the appearance of a conflict of interest and shall disclose all potentially questionable associations and relationships in advance to IHCDCA with a legitimate right to be informed of them.

Inspectors shall not inspect work performed by organizations under arrangements whereby any compensation or future referrals to the inspector depend on or are influenced by the findings of the report. Compensation includes direct and indirect remuneration as well as substantial gifts and favors. Inspectors shall not accept any form of compensation for recommending products or services to clients or other parties having an interest in the inspected work.

Additional documentation may be required by IHCDCA if necessary, including:

- Documentation of the independent status of the Quality Control Inspector
- Documentation outlining any involvement of the QCI in the audit process

Quality control inspections are subject to IHCDCA assessment of effectiveness and compliance with program inspection policies and monitoring will include documentation of any findings related to the quality of the inspection and impartiality of the inspection process.

IHCDCA will maintain tracking of all sub-grantee QCI activities to include all aspects of the sub-grantee developed QCI process, subsequent corrective actions, and final outcomes.

If sub-grantees are found to be out of compliance, remedial training may be required for the QCI, the installation contractor, and/or sub-grantee staff. Limited remedial training may be provided by IHCDCA staff onsite at the time of the monitoring, or more extensively through the training facility at INCAA if necessary. Alternatively, IHCDCA staff

may provide more comprehensive training at a later date. Repeated noncompliance issues after remedial training may result in the agency being placed on QIP, or a reduction in funding.

All compliance issues found with QCIs are subject to IHCDCA review, and may result in the QCI not being allowed to perform inspections for Indiana WAP.

Sub-grantees could be placed on a QIP if one or more of the following program deficiencies are identified:

- General Administrative Deficiencies that include late interim or closeout reports, late completion reporting (data entry), lack of procurement policies,
- outdated cost allocation plans
- Fiscal Reporting issues that include failure to claim expenses on a monthly basis, repeated occurrences where expenses are submitted more than 45 days after the invoice or purchase order date, contractors paid beyond the 45 day requirement
- Staff or contractors fail to receive proper certifications
- Average cost per home exceeds cost guidelines set forth by DOE or HHS (LIHEAP) funding
- At least 25 percent of client files reviewed are deemed ineligible
- High risk outcome on the Risk Assessment

Sub-grantees are required to ensure that each weatherization completion receives an appropriate and properly executed **QC inspections**. This inspection must be performed by a BPI certified Quality Control Inspector (QCI). IHCDCA, as part of their regular monitoring procedures, will review **QC** inspection forms, sub-grantee inspection processes and completed homes to ensure the inspections are being performed correctly and in a manner that meets DOE expectations as outlined in WPN 15-4.

Failure by the sub-grantee to utilize the QCI process correctly may result in the associated completion(s) being considered unallowable, and all associated cost being returned to IHCDCA. Should multiple instances of poorly performed inspections be found, IHCDCA will, at the very minimum, place the sub-grantee on a Quality Improvement Plan (QIP). Should the QIP fail to correct the issues, IHCDCA will pursue further remedies for noncompliance as allowed in their Weatherization Policy and Procedures Manual, and the sub-grantee grant agreement (contract). The sub-grantee's Weatherization Manager or Weatherization Director may not be the QCI and Energy Auditor combination staff member.

## 7.11 TRAINING STIPEND

Sub-grantees will be allotted a \$2,000 base award **through the DOE award** with an additional \$500 for every county serviced per grant cycle for the purpose of providing Training and Technical Assistance for sub-grantee staff and contractors performing

weatherization work for the sub-grantee. Sub-grantees can request additional T&TA stipend on a first come first served basis. These funds may be used for expenses related to weatherization training, including:

- Class Fees
- Material Fees
- Written / Field Testing
- CEU Events
- Salary / Wage / Time reimbursement
- Travel Expenses (excluding meals)
- Lodging
- Providing reasonable meals at **annual contractor trainings**

Contractors must have an active contract with the sub-grantee before being considered for the stipend. Requests for stipends to reimburse contractors without an active contract must be reviewed by IHCDA.

Sub-grantees that use a stipend for contractors and staff must provide training documentation to IHCDA upon submitting claims for the stipend. Training records must contain clear documentation and verification that the required and appropriate training was attended and completed. Examples of this documentation include copies of training certificates, sign-in sheets, and BPI student portal information.

Examples of allowable courses are listed on INCAA's website, <http://intelligentweatherization.org/> as well as those outlined in this section. Sub-grantees must have approval from IHCDA for classes not listed prior to attending if the stipend will be used. Other associated costs related to training not listed above must first be approved by IHCDA.

# SECTION 8 MONITORING

## 8.1 QUALITY ASSURANCE

The primary purpose of monitoring visits is to assist the Weatherization sub-grantee in providing high quality energy conservation services to low-income people. Monitoring also provides compliance review and information sharing to Weatherization sub-grantees to ensure:

- High quality, comprehensive weatherization services are provided consistently throughout the state
- Healthy, safe, and energy efficient housing improvements are provided to low-income households
- Program accountability and efficiencies are in effect and verifiable
- Federal, State and IHEDA standards and regulations are followed

## 8.2 STANDARDS AND PRACTICES

IHEDA will conduct fiscal, technical, file, and program monitoring annually. IHEDA will review reports before they are distributed to sub-grantees.

### Program Monitoring

The program monitoring includes a review of Program Administration, Procurement, Training, Competencies and Certifications, Database Input, Fiscal Information and Client File Review. At least 10% of completed DOE client files will be reviewed. Each area of the Program Review is explained in more detail below:

- **Program Administration** – IHEDA will review agency policies as they apply to awarding priority, wait list maintenance, rental policies, and client redetermination.
- **Procurement** – This section covers materials procurement and selection; contractor selection procurement, and evaluation; price lists and written procurement standards. Reference the procurement section in this manual for additional information.
- **Training, Competency and Certification** - IHEDA monitors will review whether the Weatherization Program Manager is using appropriately trained/competent staff to perform various job functions. The use of subcontractors will be reviewed to determine compliance with job function training requirements as outlined in this manual. Monitors will also review contractors for compliance with local licensing standards. Sub-grantee lead based paint practices and compliance with EPA and HUD regulations will also be reviewed.
- **Database Input** – A selection of the client files are checked to ensure information from the client files is reported in the IWAP database accurately and completely.

- **Fiscal** – IHCDCA will perform financial monitoring for their Weatherization sub-grantees. The financial monitoring will occur in conjunction with the Weatherization Program/File Monitoring. IHCDCA will check for appropriate payment processing as specified in this manual. The monitor will review the following:
  - Grant utilization to ensure funding is utilized in allowable combinations
  - Sub-grantees have properly tracked and utilized Program Income
  - Contractors are paid within **45 days**
  - Back-up documentation provided with claims is appropriate
  
- **Client File Review** – Files will be pulled at random from completions entered into the IWAP database. A minimum of 10% of all completed DOE client files will be reviewed. A copy of the Program Monitoring Tool utilized by monitors can be found at <http://www.in.gov/myihcda/weatherization.htm> *Appendix F - Monitoring Tool 2020-2021 templet*. These files will be **reviewed for**:
  - Correct forms
  - Accurate information
  - Work processes
  - Eligibility verification
  - Appropriate documentation and **allowability of deferrals**
  
- **Training and Technical Assistance (T&TA)** – The purpose of T&TA is to provide sub-grantees with assistance in the technical aspects of the weatherization program. IHCDCA **monitors will provide consultation while on site**. If sub-grantee personnel feel it necessary, and time allows, IHCDCA monitoring personnel may be available for T&TA visits to the sub-grantee.

## Technical Monitoring

IHCDCA will perform real-time Technical Monitoring for each Weatherization sub-grantee annually. The purpose of this monitoring is to ensure that weatherization services are provided in a professional manner in compliance with all standards, regulations and policies set forth by DOE, HHS and IHCDCA. The sub-grantee is responsible for quality control on all completed units and must ensure that the **QC** inspection completed by the QCI attests to the level of quality, professionalism, and appropriateness of all measures performed. Technical Monitoring will also review and inspect invoiced materials, justification for the number of labor hours charged, initial and final audit detail, and adherence to technical standards and accuracy of sub-grantee diagnostic testing.

Monitors will use the current **QC** Inspection Form. A minimum of 5% of all DOE completed homes will be monitored for those sub-grantees utilizing an Independent QCI, and a minimum of 10% of all DOE completed homes will be monitored for those sub-grantees with an Energy Auditor/QCI. **IHCDCA reserves the right to monitor any unit including Capital Intensive unit(s).**

Sub-grantee responses to technical findings must include documentation verifying that all findings **and concerns** have been corrected. IHCDCA when possible, will incorporate in-progress visits to client homes. IHCDCA's Technical Monitoring visits will include an evaluation of the Quality Control Inspector's process to ensure compliance with WPN 15-4.

Sub-grantees are required to ensure that each Weatherization completion receives an appropriate and properly executed QC inspection. This inspection will be performed by a BPI certified QCI. Failure by the sub-grantee to utilize the QCI process correctly may result in the affected completion(s) being considered unallowable and all associated cost being returned to IHCDCA. Should multiple instances of poorly performed inspections be found, IHCDCA will, at the very minimum, place the sub-grantee on a Quality Improvement Plan (QIP). **Further action will be taken should the QIP fail to improve performance.**

- **Field Inspections** (See Technical Monitoring below) – IHCDCA will conduct on-site inspections of a sample of units pulled from the file review or at random from the IWAP database. The purpose of this monitoring is to ensure that weatherization services are provided in a professional manner in compliance with all standards, regulations and policies set forth by DOE, HHS and IHCDCA. The local sub-grantee is responsible for quality control on all completed units and must ensure that the **QC** inspection completed by the BPI certified Quality Control Inspector (QCI) attests to the level of quality, professionalism, and appropriateness of all measures performed. The field inspection will cover the appropriateness of Base Load, Shell, and Health and Safety measures. During the field inspection, IHCDCA staff will be checking for all invoiced materials, justification for the number of labor hours charged, initial and final audit detail, adherence to technical standards, and accuracy of sub-grantee diagnostic testing.

### 8.3 MONITORING PROCESS

IHCDCA staff and contracted monitors prepare the monitoring schedule and contact each sub-grantee to schedule the appointments.

Upon completion of the monitoring, the monitor(s) will perform an exit conference to summarize issues found during monitoring, as well as to offer best practice recommendations. For Technical Monitoring visits, an exit conference may be delayed, conducted via telephone, webinars, etc.

#### **Program Monitoring Specific**

**Notification** for program monitoring will include client files, financial **information**, procurement, training, etc.

## Technical Monitoring Specific

Requests for Technical Monitoring include a list of **units** to visit as well as alternates when clients are **unavailable**.

Sub-grantees are prohibited from revisiting client homes chosen by IHCD for Technical Monitoring. Homes that are found to have been “revisited” prior to the Technical Monitoring visit will result in at least one additional home being selected for monitoring. IHCD may, at its discretion, require a Return of Funds for all expenses associated with the revisited home thereby removing it as a completed unit.

IHCD monitoring staff may use alternate procedures or request additional information to verify compliance when it is necessary or deemed appropriate.

## 8.4 LIHEAP PROGRAM AND TECHNICAL MONITORING

Monitoring for LIHEAP and **Deferral** Funds will be performed in conjunction with DOE monitoring and/or as deemed necessary by IHCD. LIHEAP and **Deferral Program** monitoring practices will be the same as outlined above for DOE.

For homes utilizing both DOE and LIHEAP the monitored process is outlined above. IHCD estimates that approximately 70% of Weatherization completions in Indiana utilize both DOE and LIHEAP funding.

## 8.5 MONITORING REPORTING PROCESS

### Monitoring Report

Each sub-Grantee will receive a copy of the monitoring report within thirty (30) calendar days from completion of the exit conference. The report will identify such areas as training and technical assistance recommendations, summary of program /technical and client file/QCI findings and concerns, funding utilization per client, and NEAT/MHEA review.

- **Findings** should be classified as critical in nature and may require immediate corrective action by the sub-grantee (e.g. Health and Safety issue).
- **Concern** do not require immediate action by the sub-grantee and in many cases may not require action at all. These tend to be low to medium intensity issues.

The level of severity (classification as a finding/concern) may be based upon conditions in the field at the time of monitoring.

Findings and Concerns will be noted as:

- **Incomplete Work:**
  - **Concern:** Incomplete work that is minor, that has little or no cost, does not pose a health and safety issue and is not part of past trends for the agency, and depending on the circumstance may not be required to be repaired.
  - **Finding:** Incomplete work that includes past trend(s), is associated with a noteworthy cost, may affect the potential energy savings, or is a health and safety issue. These will require remediation.
- **Questioned Costs:**
  - Questioned costs are clarified with the sub-grantee. When deemed unallowable, they **will** be required to be returned or removed from DOE funding. Questioned costs are subject to additional review.
- **Client complaints**
  - When clients complain at the field monitoring, each complaint will be reviewed for validity.
- **Major Workmanship Issues**
  - **Finding:** Major workmanship issues must be resolved by the sub-grantee.
- **Minor Workmanship Issues**
  - **Concern:** If the minor workmanship issue is part of past trends, then it is treated as a major workmanship issue.

## Monitoring Report Response

The sub-grantee must either **Accept** the submitted report or provide an **Informal Appeal** (see Monitoring Appeal Process) to specific findings and concerns. The sub-grantee will have ten (10) calendar days from the receipt of the monitoring report to submit a written response per the **monitoring report**.

Any corrective action taken by the sub-grantee is considered an acknowledgment of the finding or concern. Failure by the sub-grantee to respond in writing to the monitoring report by the established deadline may result in claims being held by IHCDCA until the proper response is received.

## Monitoring Appeals Process (Informal or Formal)

If the sub-grantee informally appeals (disagrees with) any item on the WAP Monitoring Report, the sub-grantee must send an informal appeal (email) to IHCDCA within ten (10) calendar days of the receipt of the monitoring report.

- IHCDCA will respond within ten (10) calendar days of receipt of sub-grantee's Informal Appeal to the Monitoring Report.
  - If IHCDCA agrees with all items identified in the sub-grantee's **Informal Appeal**, the sub-grantee will receive a revised monitoring report that will be used to ensure all actionable items are completed.

- If IHCD does not agree (in-full or in-part) with the sub-grantee's **Informal Appeal**, the sub-grantee will receive an **IHCD Informal Appeal reply**. The response will acknowledge which findings and/or concerns have been approved or still stand as identified.
- The sub-grantee will provide a **second response** within ten (10) calendar days. (If applicable)
  - If the sub-grantee agrees with the reasons described for not changing items identified in the informal appeal, the sub-grantee's second response is to be sent to the IHCD.
  - If the sub-grantee disagrees (in-full or in-part) with IHCD's **Informal Appeal** response, the sub-grantee may submit a **Formal Appeal** in writing to the Director of Community Programs. The Director of Community Programs will review the formal appeal and provide a written decision within thirty (30) calendar days. This decision will be final.

### Monitoring Completion

Once all parties are in agreement with all the findings and concerns, the sub-grantee will have thirty (30) calendar days to close out the monitoring session. The sub-grantee will receive a Monitoring Completion Letter **after** all completed corrective actions and/or copies of checks paid to IHCD have been submitted.

### 8.6 RETURN OF FUNDS (IN MONITORING)

A return of funds transaction is initiated when paid grant funds need to be returned due to a monitoring or financial audit issue. A return of funds must be paid out of private agency funds. These funds will show on the claim summary but will not be returned to the sub-grantee's available budget.

Examples of disallowed costs include, but are not limited to:

- Exceeding 20% of total expended funds on Health & Safety measures
- Exceeding the current average cost per home
- Interest expenses paid with DOE funds
- Rework expenses when job has been closed, except when specifically authorized by IHCD
- Disallowed equipment and vehicle purchases with DOE funds
- Any measure not cost justified.
- Any repair that exceeds the incidental repair measure limit for materials and labor
- Expenditures incurred for the installation of measures on a completed unit outside the contract period.
- If IHCD cannot determine an expenditure is allowable because of inadequate records or documentation, IHCD will request additional documentation. If documentation cannot be produced, the costs will be disallowed.

## 8.7 COMPLIANCE

Compliance is essential in assuring overall program success. Sub-grantees are monitored to determine whether they have continuously met the established program guidelines, government legislation, IHEDA contract, the IHEDA provided Program Manual, and IHEDA Information Memoranda. Failure to meet the minimum monitoring standards will result in corrective action.

### Quality Improvement Plan (QIP)

Monitoring visits where serious, numerous, or recurring findings may result in the sub-grantee being placed on a QIP. The intent of the QIP is to help the sub-grantee improve the areas of deficiency. As part of the QIP, IHEDA monitors will make additional visits to the sub-grantee to ensure changes are being implemented and all noted deficiencies are being resolved. The QIP may be modified as deemed necessary by IHEDA to accomplish the needed sub-grantee improvement.

### Modified Quality Improvement Plan (MQIP)

Similar to a Quality Improvement Plan, a MQIP requires less oversight and time frame to accomplish the stated compliance objectives.

### Program Monitoring

A sub-grantee may be placed on a QIP if one or more of the following program deficiencies are identified:

- General Administrative Deficiencies that include late interim or closeout reports, late completion reporting (data entry), lack of procurement policies, outdated cost allocation plans
- Fiscal Reporting issues that include failure to claim expenses on a monthly basis, repeated occurrences where expenses are submitted more than 45 days after the invoice or purchase order date, contractors paid beyond the 45 day requirement
- Staff or contractors fail to receive proper certifications.
- Average cost per home exceeds cost guidelines set forth by DOE or HHS (LIHEAP) funding
- At least 25 percent of client files reviewed are deemed ineligible

Sub-grantees who have been placed on a QIP will receive **additional oversight**.

### Technical Monitoring

A sub-grantee may be placed on QIP when excessive findings and/or repetitive findings/concerns are identified.

# SECTION 9 REPORTING

## 9.1 MONTHLY AND QUARTERLY REPORTING

Data for production and claims should be added to IWAP and IHCDAAonline on an ongoing basis. Timely entry of all weatherization information ensures that current data is relayed to the appropriate Federal funding source and may be used by the Federal government to justify future appropriations. IHCDAA is required to submit quarterly financial and production reports to DOE.

Production Reports that are used for monthly reporting to DOE include: Closeouts, Desktop Monitoring, and Spending/Production Benchmarks. Reports are pulled at least monthly by IHCDAA from the IWAP database and IHCDAAonline to review production and spending information recorded by sub-grantees. Sub-grantees are strongly encouraged to enter completions into IWAP within 30 days of the QC inspection; **however, completions must be entered within 45 days or the job will be locked.**

## 9.2 DESKTOP MONITORING

IHCDAA monitors claims and average cost per unit on each grant throughout the active grant period. A consistent level of production, spending, and reporting throughout the grant year is indicative of good program management and demonstrates that a sub-grantee is able to efficiently manage available resources. IHCDAA emphasizes the importance of blending all sources of funding throughout the year. **IHCDAA encourages sub-grantees to combine LIHEAP funds in conjunction with DOE funds on each unit.** IHCDAA will **review** sub-grantee status on production, spending, and reporting in comparison with the established benchmarks on the sub-grantee budget form. This information will be taken into account when issuing grants and distributing additional funds. **IHCDAA may deallocate or reallocate all or any portion of a sub-grantee's grant funds as necessary.**

Below is the schedule IHCDAA will follow regarding benchmark and average cost per home tracking for DOE and LIHEAP programs:

- **Benchmark review/ Average cost analysis**
  - June 30: DOE WX 1qtr LIHEAP WL 3qtr
  - Sept 30: DOE WX 2qtr LIHEAP WL Closeout
  - Dec 31: DOE WX 3qtr LIHEAP WL 1qtr
  - March 30: DOE WX Closeout LIHEAP WL 2qtr

## 9.3 SPENDING AND PRODUCTION BENCHMARKS

IHCDAA **routinely** tracks DOE, LIHEAP, and Deferral Funding expenditures, production, and average cost per home. For sub-grantees substantially and/or consistently under

spending or under-producing, a request may be made for a meeting and/or conference call with IHCD to discuss the sub-grantee progress. IHCD may require additional planning documentation and reporting. When a sub-grantee fails to display adequate progress and/or fails to provide a definitive plan for the remainder of the grant period, IHCD reserves the right to decrease the amount of the grant and reallocate funds to other sub-grantees. Funding for all grant programs will be evaluated on a quarterly basis or as necessary.

The sub-grantee must comply with the following benchmarks as identified in its approved Budget:

- Complete 15% of yearly production by July 1, 2020;
- Complete 40% of yearly production by October 1, 2020;
- Complete 80% of yearly production by February 1, 2021;

IHCD will compare sub-grantee claims and expenditures against the sub-grantee approved budget to verify compliance with the benchmarks. In addition, sub-grantees must submit monthly production reports to IHCD. These reports are due by the end of the first week of the following month.

Sub-grantees failing to spend at least 80% of their awarded grant funds may be subject to funding allocation reduction or redistribution at IHCD's discretion. IHCD may, in its sole discretion, deallocate and/or re-distribute all or any portion of the Total Grant Amount if sub-grantee fails to meet applicable program requirements, benchmarks, or deadlines.

## 9.4 RECORD RETENTION AND DISPOSAL

Sub-grantee must maintain all records during the effective period of each grant agreement and for a period of three (3) years after closeout. Additionally, all records which include the resolution of any outstanding administrative, program or fiscal audit question, or legal action must be maintained for one (1) year following the resolution. The retention period for records relating to any equipment authorized to be purchased with grant funds begins on the date of the disposition, replacement, or transfer of such equipment (including vehicles).

The sub-grantee must protect all electronic and hardcopy documentation containing confidential client information. Confidential information means any personally identifiable information (PII) about the participants who receive services and/or assistance from sub-grantees and/or sub-recipients. The sub-grantee must properly dispose of any electronic or hard copy documentation containing confidential client information after the required retention period. The proper disposal of this information is one that is reasonable and appropriate to prevent any unauthorized access to confidential client information. Approved disposal methods include:

- Burn, pulverize, or shred papers containing confidential client information so that the information cannot be read or reconstructed;
- Destroy or erase electronic files or media containing confidential client information so that the information cannot be read or reconstructed;
- Conduct due diligence and hire a document destruction contractor to dispose of confidential client information.

## 9.5 REQUIRED FORMS ON FILE

All sub-grantees must ensure the forms below are current:

- **Authorized Signature Form** – Person(s) authorized to sign grant agreement and claims – must be notarized for each signer. Direct Deposit Form – account where claim payments will be deposited. This form can now be completed online.
- **Tax Form W9** – Request for Taxpayer Identification Number and Certification. Registered CCR and DUNS Numbers (numbers only, signature not necessary).

## 9.6 CONTRACTOR PROCUREMENT, PRICE LISTS, RESPONSIBLE CONTRACTORS

Sub-grantees must follow proper procurement procedures when acquiring goods and/or services for the weatherization program. See the grant agreement for Federal rules and regulations concerning procurement (2 CFR 200).

To assist this process, DOE issued an updated Procurement Tool Kit in 2016 that provides templates, checklists and guidance for procurement of weatherization materials and services. To download or review the DOE Procurement Tool Kit or documents

<https://nascsp.org/wap/waptac/doe-trainings-tools/financial-management-toolkit/>

### Contractor Procurement and Price Lists

Sub-grantees must either bid each weatherization job individually or develop a price list for contractor **prices**. If a price list is developed, each sub-grantee must follow Federal regulations as outlined in 10 CFR 600.144 , rebid at least every two years and perform a cost analysis of its current price list. Written procedures and documentation must be maintained at the sub-grantee’s office and provided to IHEDA or DOE upon request.

Whether the sub-grantee chooses to bid out each job or work off of an established price list, sub-grantees must establish in their written procedures whether their process for accepting contractors is open year-round, once per year or multiple times per year. If each home is individually bid, copies of all bid packets must be included in the client file. The following procedures must be included in Contractor Procurement and Establishment of a Price List:

- Must be publicly bid with advertising using newspapers, websites or hard copy and be available for at least three (3) business days.

- Fair and open competition must be provided.
  - The process must take place annually unless the sub-grantee's written procedures manual specifies every two years.
  - If bid packets will be mailed or emailed to existing contractors, a list must be kept of interested contractors.
  - The solicitation must include a clear and accurate description of the service or material being procured.
  - Written selection procedures must be established and available for review.
- Deadlines must be established and adhered regarding responses to packets.
- A cost or price analysis must be performed for each procurement process or the sub-grantee may establish an annual price list.
- Materials and labor are the most common items to be bid out for a price list.

Miscellaneous items are optional price list items. If they are not included on a price list, the sub-grantee must demonstrate that prices paid for both labor and materials are reasonable based upon market prices.

### **Responsible Contractors**

All contractors awarded contracts by weatherization sub-grantees must annually review their contractors against the Federal contractor debarment list accessed, with instructions, at <https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf>. If a contractor is listed on the Excluded Parties List System website, sub-grantees should not enter into a contract for goods or services paid with DOE or LIHEAP funds.

### **Removal or Suspension of Contractors**

Contractors that provide weatherization assistance services are **required to be** qualified, to be competent and must demonstrate a high degree of professionalism. **This policy shall apply to any contractor or contractor employee who provide weatherization services for the sub-grantee. Violations that may result in suspension or debarment include but are not limited to the following:**

- Repeated occurrences of failed Combustion Appliance Zone (CAZ) testing;
- Repeated occurrences of failing to properly complete required heating systems forms;
- Repeated monitoring findings related to the contractor/**contractor employee**;
- Repeated incidents of unsatisfactory, sub-standard work performance;
- Repeated incidents of sub-grantee having to repay funds related to poor work performance by contractor;
- Repeated incidents of violating IHEDA **and/or Federal program** requirements;
- Fraudulent activity or charges;
- Negligent work performance that leaves clients or other workers in imminent danger.

## **Consequences:**

- Remedial Training- A contractor/ contractor employee **who is required to participate in** remedial training will be denied participation in WAP until remedial training is completed;
- Denial of Participation- Can be up to 2 years as determine by IHCD;A;
- Permanent Debarment- From providing weatherization services funded through IHCD's Weatherization Assistance Program.

Sub-grantees are advised to make sure that contracts with sub-contractors specify remedies for breach of the provisions of the contract including termination. In addition, sub-grantees should provide a copy of this policy to its contractors.

<http://www.in.gov/myihcda/weatherization.htm> *Appendix Z - Policy for Removal or Suspension of Contractor*

## **9.7 VEHICLES, EQUIPMENT, SUPPLIES**

### **Equipment**

Per 2 CFR 200.33 equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.

See 2 CFR below:

- 200.12 Capital assets;
- 200.20 Computing devices;
- 200.48 General purpose equipment;
- 200.58 Information technology systems;
- 200.89 Special purpose equipment;
- 200.94 Supplies.

### **Supplies**

Per 2 CFR 200.94 supplies means all tangible personal property other than those described in 200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life.

See 2 CFR below:

- 200.20 Computing;
- 200.33 Equipment.

Consumable items are not considered supplies and must be included in the average cost per unit. For example, dust masks, batteries, disposable protective suits, etc.

## **Inventory of Equipment and Vehicles**

Sub-grantees are required to compile and maintain a living document (Inventory), of all equipment (including vehicles). Per 2 CFR 200.313 Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the sub-grantee for financial statement purposes, or \$5,000 purchased with Federal or IHCDA funds. Per 2 CFR 200.313 an inventory must be maintained at the sub-grantee's office and provided to IHCDA during monitoring and upon request.

The inventory must include:

- Type of item
- Description
- ID Number (Serial or VIN)
- Acquisition date
- Award number
- Total acquisition cost
- Source of funds (LIHEAP-Federal or state and DOE)
- Federal Award Identification Number (FAIN)
- Title holder
- Location
- Condition
- Disposition date
- Value at disposition

A physical inventory of the property must be taken, and the results reconciled with the property records annually, prior to monitoring. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be immediately investigated and reported to IHCDA. Adequate maintenance procedures must be developed to keep the property in good condition. If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

## **Dispositioning Items**

If the current fair market value of the item to be dispositioned is under \$5,000 no additional approval is needed. IHCDA requires sub-grantees to record the date and note the condition of the equipment, fair market value at the time of disposition and the method of disposition (transferred to agency, recycled, etc.). According to WPN 17-6 FAQs, as soon as the fair market value of an individual unit of property falls below \$5,000, DOE's interest in the property is extinguished. At this point, recipients/subrecipients take full title to the property without restriction, free and clear of government interest, and a disposition request to IHCDA is not necessary. Disposition

requirements no longer apply and the recipient/sub-recipient have no further obligation to DOE.

Per Indiana, all proceeds obtained from dispositioning items must be put back into the program for which they originated.

If the fair market value is over \$5,000 see the Sale of Inventory Items over \$5,000 section below.

## **Use of Equipment and Vehicles**

Any equipment purchased with Federal or IHCDCA funds shall be used by the sub-grantee in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When the equipment is no longer needed for the original program or project, the equipment may be used in other activities or programs currently or previously supported by a Federal agency, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other uses shall be given to other programs or projects supported by the original funding source. User fees should be considered if appropriate.

The sub-grantee cannot use equipment acquired with Federal funds to provide services for a fee to compete unfairly with private companies that provide equivalent services. See 10 CFR 600.135(b) for details.

When acquiring replacement equipment, the sub-grantee may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval by IHCDCA.

## **Vehicle Titles**

When purchasing a new vehicle with Federal grant funds, the title shall list Indiana Housing and Community Development Authority (IHCDCA) as the lien holder and the sub-grantee as the owner. The title must be mailed to IHCDCA to the attention of the Community Programs Analyst. All titles will be held at the IHCDCA office. See 2 CFR 200 Subpart D 200.313 for details.

## **Sale of Inventory Items over \$5,000**

In order to sell inventory items such as a vehicle or equipment having a fair market value greater than \$5,000.00 that was purchased with Federal funds, the sub-grantee must contact IHCDCA for further instructions. In order to sell a vehicle or equipment having a fair market value that is greater than \$5,000.00 that was purchased with LIHEAP funds, a sub-grantee must document the following actions before the sale:

- Determine how your organization will sell the equipment/vehicle. This can be a public sale, a trade in with a dealer or a sale to another department of the sub-grantee.

- Research current market value for the equipment/vehicle (ex. Kelley Blue Book, local comparable prices through dealers) Keep copies of documented values.
- Advertise the sale of the equipment/vehicle via a public notice for at least three (3) days in a local newspaper. If possible, sub-grantees should use all available media outlets for publication, including websites and agency publications.
- The advertisement should include a minimum price and a reasonable time frame for offers to be accepted.
- There should be an open bidding process with the sale going to the highest offer. All vehicle sales must have at least two documented offers and must be sold at or above the highest offer. (If the vehicle is up for private sale or a sale to another department of the sub-grantee because the agency feels as though a better price can be achieved through private sale than through trade-in, the sale price may not be lower than the offered trade-in value)
- An email or letter must be written to IHCDCA to request the release of the title. Include in your correspondence: your intent to either trade in or sell the equipment, your process, and documentation of the offer. The letter must be signed by the sub-grantee's Executive Director. It will take at least fourteen (14) business days for IHCDCA to release the title and mail it back to the sub-grantee for the sale. (If the sale is to another department within the sub-grantee, an email to the [IWX@ihcda.in.gov](mailto:IWX@ihcda.in.gov) inbox is sufficient or it can result in the transfer of the title to another IHCDCA department).
- If sold, the income from the sale is to be returned to IHCDCA for redistribution under the current LIHEAP grant.
- If the vehicle/equipment is used as a trade-in for a replacement vehicle/equipment, the value of the trade-in is applied to the purchase price of the new replacement vehicle/equipment.

Equipment sales by non-profit entities purchased with Federal funds should follow 2 CFR 200 Subpart D 200.313 (e).

### **Sale of Inventory Items Less than \$5,000**

Once the value of an item is below \$5,000 or the capitalization threshold of the sub-grantee, there is no further Federal or state interest in the item. The sub-grantee should record on its inventory that the item was dispositioned and per Indiana guidance, the proceeds should be rolled back into the program. IHCDCA will remain on vehicle titles even if the value is under \$5,000.

### **Rental of Vehicles, Equipment and Supplies**

Rental of inventory items to other non-Federal sub-grantee departments, other non-profits or a for-profit entity is only allowable if the sub-grantee reinvests the proceeds of the rental back into the Weatherization program. Sub-grantees must not use equipment acquired with Federal funds to provide services for a fee that is less than private companies charge for equivalent services (2 CFR 200.313 (c)(3)Equipment).

If a sub-grantee has an inventory item that it is no longer in use for the purposes of Weatherization, that item can be transferred to another sub-grantee department or a different sub-grantee and used for Federal purposes, and the inventory log can be updated accordingly. No payment is required in such cases.

## 9.8 BID PROCEDURE FOR EQUIPMENT PURCHASES

Weatherization specific equipment with a unit cost of greater than \$5,000.00, such as vehicles, may be purchased with the LIHEAP Equipment line item. Equipment requires prior written approval from IHCD before the purchase is made. All requests must follow the IHCD bid procedure below to be considered for approval.

### 1. Bid Specifications

- Write specifications for the item you are requesting to purchase – make, model, features, year, new/used, etc.
- Specifications should be specific to the organization's needs but not so specific to determine an already selected item.

### 2. Solicit Bids

- Mail, email or deliver bid specifications to dealers or companies to solicit bids
- A minimum of three bids must be solicited and submitted.
- If you do not receive three bids or the bids did not meet the specifications, bids may be selected based on a similar make and model. This is only true for unique items.

### 3. Bid Selection

- Review and select a bid that meets your bid specifications.
- If this bid is not the lowest bid, please specify why it was chosen.
- Priority should be given to bids meeting the specific bid description.

### 4. Requesting approval from IHCD

- Email a letter with an authorized signature to [IWX@IHCD.in.gov](mailto:IWX@IHCD.in.gov).
- The letter should describe your bid process, your selected bid and the reason for your choice.
- Attachments should include your bid specification, a list of companies or dealers solicited and three bids meeting your specifications.

### 5. IHCD Approval

- **Upon approval**, a letter will be sent via email approving your purchase.
- Incomplete requests will delay approval and may require rebidding for valid bids.
- IHCD will respond within **ten (10) days** with questions or approval.

DOE issued an updated Procurement Tool Kit in **2016** that provides templates, checklists and guidance for procurement of weatherization materials and services. To download the DOE Procurement Tool Kit or documents, see <https://nascsp.org/wap/waptac/doe-trainings-tools/financial-management-toolkit/>.

## 9.9 INDIANA WEATHERIZATION ASSISTANCE PROGRAM DATABASE (IWAP)

The Indiana Weatherization Assistance Program Database (IWAP) was created by Roeing Corporation specifically for Indiana's weatherization program. Data is recorded in the system for many aspects of the program including:

- Unit Completions – client info, job info, job costs, measures, contractors
- Wait Lists
- **Deferral Tracking (when available)**

As a result of this data input, reports can be generated for each funding source daily, monthly, quarterly, and lifetime of the grant. These reports can be used by IHCDA staff and monitors to review progress and compliance. Questions or problems concerning the database should be emailed to [IWX@IHCDA.in.gov](mailto:IWX@IHCDA.in.gov) and may be referred to the system administrator.

IWAP is a web-based database and can be accessed at:  
<https://inwap.azurewebsites.us/IWAPlogin.aspx?ReturnUrl=%2f>

Below are instructions on the use of IWAP. This is arranged based on the order a sub-grantee will use the system with a new client. IWAP offers a training database/test site at <http://test.roeing.com/iwap/>. Email [IWX@IHCDA.in.gov](mailto:IWX@IHCDA.in.gov) for a username and password.

### **Administrator Privileges**

All sub-grantees are given an original log on and at least one person is assigned as the Supervisor for each sub-grantee. The sub-grantee Supervisor has the ability to add, delete and modify access for the sub-grantee's employees. This is completed under Main Menu items "System Utilities" and "Maintain Users". New users are added at the bottom and current users can be updated by clicking their name. Only 1-2 people should have supervisor rights per sub-grantee. Most will need Report rights and Edit rights if they update files. Employees with these rights will have several inactive fields that only a Supervisor can view or update. If the individual identified as the agency Supervisor leaves, the replacement Supervisor will need to contact IHCDA at [IWX@IHCDA.in.gov](mailto:IWX@IHCDA.in.gov) in order to assign permissions.

The IWAP database is linked to the EAP database. In order to delete an employee, his or her IWAP rights must be removed. If you are unable to remove an employee's access completely in IWAP, contact the EAP Supervisor at your agency.

The IWAP software has the ability to perform Ad Hoc Reporting. If an employee will be using the Ad Hoc Reporting portion of IWAP, click on the employee's name, add a check to the Ad Hoc Reporting box and have him or her log back into IWAP to access the new Ad Hoc Reporting.

## EAP Data Access Policy

When a sub-grantee performs weatherization services in territories that are served by another sub-grantee's Energy Assistance Program, IHEDA requires the following guidelines be followed to ensure necessary and required EAP information and documents are accessible within the database, and can be transmitted securely between sub-grantees:

- When a sub-grantee provides weatherization services to clients in a territory that another agency serves in EAP, the sub-grantee will be automatically given read only access in the EAP database. The sub-grantee will be notified when access has been granted.
- Permissions in the EAP database for sub-grantee staff will be assigned by the sub-grantee.
- The sub-grantee providing EAP services must ensure all **accurate documents are uploaded to the EAP database within 60 days of completion**. If additional time is needed, the sub-grantee providing EAP may submit a request for extension to IHEDA.
- **Before proceeding with weatherization services, the sub-grantee must ensure all information in the EAP application is correct and the client is eligible for weatherization. When verifying the application, ensure the differences between EAP and Weatherization income calculations are accurate, i.e. child support and zero income.**
- Any errors found in the client files by the weatherization sub-grantee must be forwarded to IHEDA for review. IHEDA will work with the EAP service provider to resolve the issues and will notify the weatherization provider when the information has been verified.
- Sub-grantees must reference the client by application key only when communicating. Any other Personally Identifiable Information (PII) should not be shared.
- The weatherization provider must ensure that the client's EAP application is active when the weatherization services are provided, and at the time of QC inspection. An application is considered active for a twelve-month period starting from the date of the approved application. If the version in the weatherization database is the most current, no paper copy is required. **Caution should be used when using summer cool applications as verifications are only good for 12 months.**

## Wait List (Main Menu Item)

"Wait List" is the last menu item in IWAP. This will access the sub-grantee's **list of potential** clients and provide detailed information about the client based on the **client's** Energy Assistance Program (EAP) application.

Sub-grantees will be responsible for building their own wait lists using the prioritization policy outlined in this manual.

## Completions (Current Clients – Main Menu Item)

For IWAP to count a unit as completed, the following steps must be followed:

- **Application** - This is the Client Information that comes from the EAP file or from the initial **intake**. This page must be completed before moving forward.
- **Job Information** – This information comes from the initial audit.
  - **Job completion information-** This information is from the initial audit and QC inspection.
- **Job Costs** – Identify the labor/material costs for the unit for Base Program Operations, Health and Safety or Mechanical budget line items. The following items must be entered on this page: Funding Source, and the date(s) for the Final Inspection (**QC**), Invoice and Completion. Although not required at this time, IHCD strongly encourages entering Overhead costs in IWAP. By doing this, an agency would increase their management of the average cost per unit and assist in identifying cost to be moved in the event a job is transferred to a new funding source.

	Funding Source	Completion Date	Rework	Contractor	Total Cost	Total Completion Cost
*	DOE 2017-18	03-28-2018	No	Go and Blow Insulation	\$10,502.00	\$8,992.00
*	LIHEAP 2018	03-28-2018	No	Fred Said Heating and Cooling	\$1,503.72	\$1,503.72
*	LIHEAP 2018	03-28-2018	No	Lowe's	\$398.06	\$398.06
*	State LIHEAP	03-28-2018	No	WOW Pro Contractors	\$2,900.00	\$0.00

Overhead costs that are tracked in IWAP shall be reported under the sub-grantee name and not combined with other invoices or contractors.

Funding Source*	DOE
Completion Date*	12 / 17 / 2013
Contractor*	SAMPLE Contractor <small>Agency</small>
Invoice Date*	11 / 25 / 2013
Final Inspection Date*	12 / 19 / 2013
Is Rework	<input type="checkbox"/>

**NOTE:** The QC Inspection Date should be the date the QCI passed the job. The Completion Date **cannot** be before the QC Inspection Date.

- **Measures** – click off measures completed in the unit **per funding source**.
- **Close Out** – when the record is complete, click on the close out menu. Close the record to indicate a completion is ready to be reported to DOE and/or LIHEAP. **In order to be counted for benchmarks the job must be closed.**

### **Current and Historical Clients (Main Menu Items)**

All Current Clients can be pulled up under this menu tab. The easiest method is by IWAP Application Key (which is different than the Wait List Application Key) but name and address can also be used.

Historical Clients are archived clients from closed programs. These client files are locked and are for viewing only. A client completed more than 18 months prior will appear in the Historical Client list.

### **Reports (Main Menu Item)**

A variety of reports can be pulled by the sub-grantee and IHCD A.

- Quarterly Reports need to be checked for accuracy and submitted at Close-Outs. IHCD A will compare this data to your Close-Out Reports to calculate average cost per home. Additionally, detailed demographics are summarized and used by IHCD A for DOE monthly and quarterly reporting.
- Client Completion List will pull a completed client list per county or date range.
- Job Expense Report shows all reported funds spent per funding source.

### **Client Record Unlock**

If it is necessary to unlock a locked/closed client record, email [IWX@IHCD A.in.gov](mailto:IWX@IHCD A.in.gov) for permission. Requests must be made via email; email requests should only include the client's IWAP-generated application key to maintain security and the **reason the record needs to be unlocked**. **Do not include any PII in this email to maintain security**. Once a record is unlocked, it will remain open 24 hours for editing. The record will automatically lock at the end of the 24-hour period. **If the job is in the process of being monitored it cannot be unlocked**. If a funding program is closed out, the record may not be accessible due to recording and reporting of data to Federal funding sources.

### **9.10 IHCD Aonline.com**

All claims and reporting requirements are on <https://online.ihcda.in.gov> and <https://online.ihcda.in.gov/AuthorityOnline/Default.aspx>

### **9.11 HISTORIC AND ENVIRONMENTAL REVIEWS**

**Sub-grantees are responsible for Section 106 of the National Historic Preservation Act (NHPA) and for referring buildings that may be covered under this Act to the State Historic Preservation Office (SHPO). Sub-grantees must document the Historic**

Preservation status of all homes and evaluate each building 45 years or older for potential impact on historic resources per the Programmatic Agreement. Mobile and manufactured homes are exempt from historic review.

Upon completion of the home energy audit, but before work begins on the house, the sub-grantee must compare the measures planned on the house with the exempt measures in the Programmatic Agreement established between IHCD and the SHPO to determine if a Section 106 review is required. Work cannot begin in a unit until this determination has been made. All documentation and forms verifying the determination must be maintained in the client file for a period of three years from project completion.

Many weatherization measures are considered exempt and not subject to Section 106 review. Exempt measures can be found in Appendix A of the Programmatic Agreement, Appendix HP-3, to this policy. Any questions regarding exempted work should be directed to [IWX@IHCD.IN.GOV](mailto:IWX@IHCD.IN.GOV).

A Section 106 review is required if any non-exempt measure is planned. If a Section 106 review is needed, the sub-grantee must submit the SHPO Review Request Submittal form to IHCD. The SHPO Review Requests Submittal form can be found in *Appendix HP-1 IN Historic Review Request Form 55031*. The second page of this form includes a list of the information necessary to compete a review. More information on the review process is available here: <https://www.in.gov/dnr/historic/8152.htm>

A copy of the SHPO Review Request Submittal Form and any related documentation must be saved in the Client File for three years.

Sub-grantees must record the SHPO status of each building on the IWAP Job Information Screen as one of the following categories:

- Not applicable, building under 45 years old
- Not applicable, mobile or manufactured home
- Exempt using Programmatic Agreement
- Sent to SHPO for review - Not Historic Site
- Sent to SHPO for review - Historic Site

Sub-grantees must also complete the *Indiana Weatherization Assistance Program Historic Preservation Form*. This form can be found in *Appendix HP-2 Indiana WAP Historic Preservation Form*. This form must be saved in the Client File for three years and will be reviewed during monitoring.

Sub-grantees must look up each property on the *Indiana Historic Buildings, Bridges, and Cemeteries Map* and a screenshot of the map must be kept in the client file. This can be accessed here:

<https://www.arcgis.com/home/item.html?id=1593429c17c34942a0d1d3fac03c4a80> .

Another resource to identify known historic properties is the State Historic Architectural and Archaeological Research Database (SHAARD). It can be accessed at: [www.in.gov/dnr/historic/4505.htm](http://www.in.gov/dnr/historic/4505.htm)

Historic Preservation is not a cause for deferral.

**Below is a list of Weatherization measures that would not be exempt and would require Section 106 review (this list is not all inclusive):**

- 90%+ furnace (PVC pipe coming out of the house) if visible from the public right-of-way (replacing a vent with a like vent does not require SHPO review);
- Power vent water heaters (PVC pipe coming out of the side wall) if visible from the public right-of-way (replacing a vent with a like vent does not require SHPO review);
- Roof jacks on the exterior (occurs occasionally when dryers are vented through the roof and that's where the exhaust comes out. Exhaust fans (if visible from the public right-of-way) (replacing a vent with a like vent does not require SHPO review);
- Plumbing/mechanical vents that go through the roof if terminating in the attic (if visible from the public right-of-way) (replacing a vent with a like vent does not require SHPO review);
- Windows (Storm windows are ok);
- Doors (Storm doors are ok);
- *New* Downspouts (replacing existing and adding downspout extensions are ok);
- Installing *new* underground utilities;
- Ground disturbance;
- Lead-based paint abatement;
- Fuel switches if you cannot use existing piping;
- Painting;
- Installation of new HVAC equipment that can be seen from the public right-of-way, such as pumps, motors, boilers, chillers, cooling towers, air handling units, packing units, condensers, compressors, or heat exchangers (replacing equipment with like equipment does not require SHPO review);
- New roofs and major roof repairs;
- Siding repair;
- Structural alterations, demolition of walls, ceilings, or floors;

**Guidance:** when replacing HVAC venting, take it out the back of the building, not the front, or some other area that isn't visible from the public right-of-way. If replacing like-with-like, even when visible from the public right-of-way, a SHPO review is not required. See WPN 10-12 and WPN 19-6.

**Appendix A** to the Programmatic Agreement provides a list of activities that are exempt from Section 106 review for the Weatherization Assistance Program.

**The exemptions cover most interior work and much of the exterior work performed by WAP.** Examples of items not exempt and subject to Historic Review are replacement of decorative fixtures 45 years of age or older and exterior measures that would harm or obscure historic windows or trim.

Section XI.B. states that if IHCD and SHPO determine a building has already been reviewed under an existing Section 106 agreement document then no further Section 106 review is needed. Section XI.C. establishes the 30-day timeframe for Section 106 reviews. If SHPO fails to comment within the established period IHCD can assume the SHPO has concurred and proceed (see also 36 CFR 800.3(c)(4)).

## Historic Review Procedures

Historic Review Activity	Performed by	Notes/Alternatives
Evaluate building to determine if Section 106 Review is needed ( <i>Must be determined for ALL Weatherization projects</i> ). Indiana Weatherization Assistance programs Historic Preservation Form must be completed	Sub-grantee	This review would look at the age of the home and whether any proposed work is outside the scope of the programmatic agreement Appendix A. Most likely the energy auditor would make the Section 106 determination.
Document Historic Review status on the Job Information Screen in IWAP and save completed Historic Preservation form in client file ( <i>Must be determined for ALL Weatherization projects</i> )	Sub-grantee	Record the SHPO status of each building on the IWAP Job Information Screen as one of the following categories: <ul style="list-style-type: none"> <li>• Not applicable, building under 45 years old</li> <li>• Not applicable, mobile or manufactured home</li> <li>• Exempt using Programmatic Agreement</li> <li>• Sent to SHPO for review - Not Historic Site</li> <li>• Sent to SHPO for review - Historic Site</li> </ul> Save copy of form in client file for three years.
If Section 106 Review is needed, complete SHPO Historic Review Request and submit to IHCDA.	Sub-grantee	Save copy of form in client file for three years.
Submit Review Request to SHPO.	IHCDA	IHCDA will submit this form to SHPO for review.
Monitor compliance with Historic Review process	IHCDA	Incorporate into client file review: Was Section 106 determination made and is it accurate?
Report Annually to DOE	IHCDA	Review past report to ensure new IWAP field is collecting all required data.

# SECTION 10

## DEFERRAL PROGRAM

### 10.1 STATE FUNDED DEFERRAL PROGRAM

It is the intent of the Deferral Program to decrease the number of homes that are deferred from the Indiana Weatherization Assistance Program and improve the health and energy efficiency of the unit. When deferral issues cannot be addressed within the scope of WAP and the client does not have the means to resolve the deferral issue(s), the unit may be eligible for the Deferral Program.

Pursuant to I.C. 4-12-1-14.5, a limited amount of funds are allocated from the State of Indiana's portion of the mortgage foreclosure multistate settlement agreement. The Deferral Program is funded from the State's Weatherization portion of the mortgage settlement. The Deferral Program operates under the same eligibility guidelines and program year as the LIHEAP program.

PY 2020 may be the last year for the State Deferral Program. A new deferral policy may be issued if approved.

### 10.2 CLIENT ELIGIBILITY

The Weatherization sub-grantee is obligated to review and determine eligibility status for the Deferral Program based on the criteria below:

- Client must adhere to the HHS requirements of **200%** or below of the current OMB poverty guidelines <https://aspe.hhs.gov/poverty-guidelines>
- Client's **Energy Assistance Programs application (EAP)** must be active at the time the weatherization services are provided and the **passed** QC inspection. An application is considered active for a 12 month period starting from the date of the approved application. Sub-grantees must utilize the most recent available application.
- If the client is not an EAP recipient, income documentation must be in the file
- Unit must be a single family and owner occupied
- Unit must have undergone an initial audit and **Deferral determination must be documented in the client file**
- A Home Heating Index (HHI) calculation must be in the client file with the exception of propane heated units
- Elimination of the deferral issues must result in the units immediate (within 12 months) eligibility for traditional Weatherization services through DOE, LIHEAP or Deferral funds
- Land Contract units **MUST** be reviewed by IHCD prior to receiving deferral services/funding

- Deferral expenses will not be eligible if the unit does not receive traditional Weatherization services within twelve (12) months of receiving deferral mitigation. At that time IHCD reserves the right to request repayment of funds received for deferral expenses (extenuating circumstances will be reviewed by IHCD)
- Previously weatherized units require IHCD prior approval
- All homes utilizing Deferral Funds must have a completed NEAT/MHEA audit
- The Deferral Closeout form located in Appendix V is required for closeout
- Proof of homeownership is required. This documentation must confirm that an individual in the household is listed as the owner of the property. Proof of Homeownership may include:
  - Beacon or County Assessors websites
  - Current Property taxes (Spring and/or Fall)
  - Current mortgage statement
  - Current homeowner Insurance
  - Deed

### 10.3 ALLOWABLE ACTIVITIES

Below is a non-exhaustive list of activities that are within the parameters of the **Deferral Program and do not need IHCD approval:**

- Mold remediation
- Moisture control
- Electrical issues
- Grading
- Roof repair
- Gutters and associated materials
- Sump pump installation
- Pest control
- Structural issues

To ensure the client receives the maximum benefit, we encourage you to think outside the box regarding the whole health and safety of the home. Additional items to consider are:

- Handrails
- Adequate lighting on stairs
- Grab bars in bathrooms

### 10.4 BUDGETARY LIMITS

- **Administration** – Actual costs associated with the administration include fiscal, executive, support operations, rent, utilities, supplies, etc. Total claimed cannot exceed 5% of the total amount expended.

- **Deferral** – Actual costs for performance of necessary measures to resolve Deferral issues.
- **BASE PROGRAM OPERATIONS:** are direct costs and include the following:
  - The maximum allowable average costs per house may not exceed \$7,000.00 effective October 1, 2015.
  - **Subgrantee Labor Costs:** includes compensation of employees whose time and effort is directly involved in material installation, general office support, such as, but not limited to, crewmembers, estimators, inspectors, coordinators, and support staff. Where employees work on multiple activities, a distribution of their salaries or wages must be supported by equivalent documentation of the activity percentage of work by the employee.
  - **Contracted Labor:** Cost of professional services rendered by persons who are members of a particular profession or possess a special skill and are not Subgrantee staff
  - **Non-labor Program Support** includes direct costs of rent and utilities for Subgrantee labor, advertising, consumable supplies, office equipment, furnishings, and computer equipment.
  - Purchases charged will be at their actual prices after deducting all cash discounts, trade reimbursements, discounts or rebates and allowances.
  - **Materials:** Costs of installed materials by Subgrantee and contracted labor.
  - **Material Handling:** Actual costs including *Warehousing Facility Costs* such as leases, utilities and security. *Transportation costs* associated with material delivery, staff transportation to the work sites, vehicle maintenance and depreciation. Direct costs of staff including salaries, purchases etc. whose tasks involve with *Inventory control*. **Where employees work on multiple activities, a distribution of their salaries or wages must be supported by equivalent documentation of the activity percentage of work by the employee.**
- **MECHANICAL OPERATIONS:** are direct costs associated with testing and evaluation of mechanical systems where at least \$300.00 has been obligated for work on combustion appliances in a unit. Allowable expenditures include Subgrantee labor costs, contracted labor, materials, and manufacturing of weatherization equipment as outlined above in the .5 Program Operations line item. ***The maximum allowable average amount is \$4,500.00 effective October 1, 2015.***
- **CAPITAL INTENSIVE OPERATIONS:** are direct costs that include at least \$300 in mechanical systems repair or maintenance and base program functions have been performed. Allowable expenditures include Subgrantee labor costs, contracted labor, materials, and manufacturing of weatherization equipment as defined above in the .5 Program Operations line item. ***The maximum allowable average amount is \$11,500.00 effective October 1, 2015.***

The average allowable deferral cost per unit using Deferral funds is \$7,500. **The Home Heating Index (HHI)** and matrix points must be recorded and included in the file. The HHI form can be found here: <http://www.in.gov/myihcda/weatherization.htm>

State Deferral Program funds can be combined with State funds, LIHEAP and/or DOE funding on the same unit. State Deferral funds Mechanical and Base line items cannot be combined with LIHEAP Mechanical or Base funds.

## 10.5 REQUIRED FORMS

Client files must be kept to verify the work completed and to track all expenditures and funding sources utilized. All forms listed in the **Required Forms section of this manual** are to be kept in the files of clients determined to be eligible for the Deferral Program.

## 10.6 TRACKING DEFERRAL FUNDS

Each sub-grantee must report **Deferral funds in IWAP under the Health & Safety line**. Deferral expenses will be captured in the “Total Cost” but not in the “Total Completion Costs”.

Each sub-grantee must complete and submit the spreadsheet with the State LIHEAP closeout. *Appendix V Deferral Closeout Form*.

## 10.7 PRECAUTIONS

- Deferral funds ARE NOT to be used to help maintain the average cost per unit of traditional Weatherization.
- Deferral funds ARE NOT to be used as a “buy down” to enhance other measures.
- Deferral funds ARE NOT to be used as a substitute for traditional weatherization mechanical expenses.
- Deferral funds ARE NOT to be used as an emergency “no heat” program.

# SECTION 11

## MULTI-FAMILY

### 11.1 MULTI-FAMILY

The following multi-family policy applies to both DOE and LIHEAP funded weatherization buildings containing five (5) or more units. All multi-family buildings containing five (5) or more units require IHCD A approval. Multi-family buildings less than five (5) units do not require prior IHCD A approval and are not subject to this policy.

Sub-grantees or their contractors are responsible for performing an audit using the multi-family tool MulTEA for buildings containing five (5) or more units. Sub-grantees must contact IHCD A to request access to MulTEA. A NEAT or MulTEA audit must be performed on buildings containing less than five (5) units that are individually heated or cooled. Sub-grantees are responsible for all costs associated with performing this audit.

If the sub-grantee is proposing to weatherize a HUD building, the sub-grantee must refer to [WPN 17-4](#).

#### Things to Consider Before Starting a Multi-family Project

- Sub-grantee capacity
- Contractor capacity and availability
  - If you only have one contractor available for certain measure, that would be a risk that needs to be considered
- Fiscal capacity of contractor and sub-grantee (all expenses must be fronted)
  - Sub-grantees may run into challenges regarding payment when dealing with contractors. For larger jobs, the contractor would have a lot of work in flux without being able to receive payment until inspections. IHCD A recommends that inspections be staggered so that contractors can submit invoices periodically.
- Adequate grant allocation
- Time of year that work is going to be conducted, particularly regarding when heating or cooling might need to be shut off.
- The property owner must consent to the project and the sub-grantee must have a signed Owner Agreement before any work can begin.

#### Entities Eligible to Conduct Multi-Family Projects

Agencies on a Quality Improvement Plan (QIP), Modified Quality Improvement Plan (MQIP), or are considered high-risk, as determined by IHCD A, are not eligible to complete multi-family projects.

## **Certification and Training Requirements**

A Building Performance Institute (BPI) Multi-family Building Analyst certification is required for all buildings containing five (5) or more units.

Buildings containing five (5) or more units must always be inspected by an individual who has successfully completed an approved Multi-family Quality Control Inspector (QCI) training course.

Contact INCAA for training updates related to this requirement.

Source: **WPN 15-4**

## **Building Eligibility**

66% of units in a multi-family building are required to be income eligible (10 CFR 440.22b2).

## Requirements per Number of Units

Number of Units	10 CFR 440.22(b)(2) Percent of Required Eligible Clients	State Plan WPN 16-5 FAQ	Heating WPN 19-4 & WPN 16-4 FAQ	WPN 19-4 Audit Runs	WPN 16-6 FAQ Units That Need an Audit	Indiana Auditor Requirement	Number of Units that Require Quality Control Inspection - WPN 15-4 and 10CFR 440.21
2-4	50%	Pre-Approved by IHCDA	Separate per unit	NEAT	All	IN or BPI	All
			Separate per unit	MuITEA			
5 -10	66%	IHCDA's Approval required	Separate per unit with IHCDA approval	MuITEA	All	IN or BPI	All*
11-24			Separate per unit with IHCDA approval	MuITEA	All	Multi-BPI	
25+	66%	DOE Approval Required	Separate per unit	MuITEA	All	Multi-BPI	All*

\* WPN 15-4 QCIs working in multifamily buildings attend and receive a successful evaluation from a training program delivering a curriculum based on the NREL Multifamily Quality Control Inspector JTA.

Note: All common areas of the building within the thermal envelop must receive weatherization and be inspected for health and safety.

## **Mandatory Reading Requirements**

All Executive Directors, Fiscal Directors, Weatherization Managers, Energy Auditors, and QCIs are required to read the following documents and complete the Multi-family Required Readings Form, MF Attachment 3.

- [WPN 15-4 Quality Work Plan Requirement Update](#)
- [WPN 16-5 Multi-family Weatherization](#)
- [WPN 16-5 FAQs Multi-family Weatherization Frequently Asked Questions](#)
- [WAP Memorandum 035 Weatherization Leveraging](#)
- [WPN 16-6 Weatherization of Rental Units - Applicable to Single Family and Multi-family Dwelling](#)
- [WPN 16-6 FAQs Weatherization of Rental Units Frequently Asked Questions](#)
- [WPN 17-4 Multi-family Housing - Procedure for Certifying Income Eligible HUD Assisted Buildings](#)
- [WPN 18-1 Program Year 2018 Weatherization Grant Guidance: Sections 2.6 and 2.7](#)
- [WPN 19-4 Revised Energy Audit Approval Procedures, Related Audit, and Material Approvals](#)
- [Weatherization Program and Policies Manual Section 102 - Multi-Unit Buildings](#)

## **Project Plan**

All sub-grantees are required to submit a detailed project plan including a timeline of activities to IHCDCA prior to commencing a multi-family project. This shall be submitted as part of the Multi-family Project Development Form, MF Attachment 1.

Please note, sub-grantees are not allowed to begin a multi-family project after the beginning of the last quarter of the grant's program year. For example, all DOE funded multi-family projects must be started *no later than* January 1<sup>st</sup> unless pre-approved by IHCDCA. All work shall be completed by February 1<sup>st</sup> including QCI inspections to allow enough time for any necessary reworks. All requests for exceptions shall be sent to [IWX@ihcda.in.gov](mailto:IWX@ihcda.in.gov). IHCDCA's Director of Community Programs will make the final determination regarding exceptions.

## **Quality Control Plan**

Prior to any work being done, the sub-grantee must have a written Quality Control (QC) Plan approved by IHCDCA. Quality Control shall be enforced through the entire course of the multi-family project. The minimum requirements for the QC Plan are:

- Sub-grantee quality assurance file review process
- QCI in-progress site visit schedule
- QCI onsite meeting schedule with contractors, tenants, landlords, maintenance personnel, engineering firms, etc.

## **Mandatory Pre-Consultation**

Sub-grantees considering a multi-family project containing five (5) or more total units, or *any* number of units that share a central heating system, must set up a pre-consultation with IHCD. To do so, please email [IWX@IHCD.IN.GOV](mailto:IWX@IHCD.IN.GOV). IHCD requires the Multi-family Project Development Form (MF Attachment 1) be submitted to IHCD prior to the pre-consultation meeting.

## **Progress Updates**

All sub-grantees working on a multi-family project(s) are required to provide IHCD with written updates at a frequency determined by IHCD. The sub-grantee must also provide IHCD with a written update when each benchmark in the proposed timeline has been met. The email update should be sent to the Weatherization Team at [IWX@ihcda.in.gov](mailto:IWX@ihcda.in.gov).

## **Audit Requirements**

All units in 2 to 4-unit buildings must be assessed. In buildings with five (5) or more units at least 10% of all units in the building, with no fewer than three (3) units of each floor plan, and not fewer than five (5) units total, must be visited for a complete energy audit during the pre-weatherization building assessment. In addition, at some point during each project, all units must have a documented inspection for possible health and safety concerns, including diagnostics if appropriate, followed by work orders for correction ([WPN 16-5 FAQs](#)).

NOTE: ALL units with a combustion appliance present must receive pre- and post-health and safety diagnostics testing ([WPN 16-5 FAQs](#)).

Blower door testing is required on at least 15% of units of each floor plan or five (5) units of each floor plan, whichever is greater. A minimum of five (5) units must be visited during the audit. Health and safety testing is required in all units and all common areas ([WPN 16-5 FAQs](#)).

The Multi-family Building Analyst and Multi-family trained QCI cannot be the same individual.

## **Client File Documentation**

The WAP file for each building must contain at least the following information from the energy audit:

- The recommended statement of work including the savings-to-investment ratios (SIRs) of each measure and the total project SIR:
  - If any measures were bought down the documentation must show the pre-bought down SIRs of each individual measure and the pre-bought down project SIR;
  - Documentation must include the other sources that funded each bought-down measure;

- Either a printed file showing all of the building audit inputs and outputs or the immediately accessible electronic file that shows all of the audit inputs and outputs;
- Final installed costs of each measure and the total project cost. If the project went through the bidding process all bids must be in the file;
- All specifications defining each measure.

Source: **WPN 16-5**

All other standard Weatherization client file documentation, as applicable, is required.

Following multi-family forms are required and must be submitted to IHEDA. Incomplete submissions will be returned to the sub-grantee.

<b>Document Name:</b>	<b>Required by:</b>
Multi-family Project Development Form (MF Attachment 1)	Before Pre-consult
Multi-family Required Readings Form (MF Attachment 3)	Before Pre-consult
Historic Preservation Form/Documentation	Before Pre-consult
Buy-Down Agreement and/or Landlord Participation Agreement	Before Pre-consult
Multi-family Building Owner Agreement Form (MF Attachment 2)	Before Building Diagnostic Audit
Income Eligibility Documents	Before Building Diagnostic Audit
Demographics of Residents	Before Building Diagnostic Audit
Accrual of Benefits to Tenants	Before Building Diagnostic Audit
Audit Runs	After Building Diagnostic Audit
Multi-family Contractor Information Form (MF Attachment 4)	After Building Diagnostic Audit
Quality Control Plan	After Building Diagnostic Audit

## **Buy Downs**

Upon agreement between the sub-grantee and building owner, building owners may buy down measures typically prioritized as needs, such as furnace or boiler replacements, that do save energy but don't achieve an SIR of 1 or greater as a stand-alone measure. A measure can be bought down only when the overall SIR of the package of measures, including the full cost of the measure that will be bought down, is 1.0 or greater (**WPN 16-5**).

For example, in the first case below the replacement windows would be eligible for a buy-down in WAP; the replacement windows with a full-cost measure SIR = 0.8 could be bought down so the after-buy-down DOE *measure* cost would have an SIR of at least 1.0 (and of course the post-buy-down DOE package SIR would increase). In the second case the replacement windows would not be eligible for a buy-down in WAP because the pre-buy-down *package* SIR is below 1.0.

<b>Energy Saving Economics Case 1 – Buy-down Allowed in WAP</b>		
<b>Measure</b>	<b>Measure SIR</b>	<b>Cumulative SIR</b>
Infiltration Reduction	1.3	1.3
Lighting Retrofits	7.4	1.7
Ceiling Insulation	2.4	1.9
Replacement Windows (pre-buy-down)	0.8	1.1 (≥ 1.0)

<b>Energy Saving Economics Case 2 – Buy-down Not Allowed in WAP</b>		
<b>Measure</b>	<b>Measure SIR</b>	<b>Cumulative SIR</b>
Infiltration Reduction	1.3	1.3
Lighting Retrofits	7.4	1.7
Ceiling Insulation	2.4	1.9
Replacement Windows (pre-buy-down)	0.6	0.9 (not ≥ 1.0)

From WPN 16-5

Please consult with IHCD before buying down measures. For more information regarding buying down measures, see [WPN 16-5](#).

### **Owner Contribution/Landlord Participation**

Every sub-grantee is required to have an Owner Contribution/Landlord Participation policy in place. Prior to commencing a multi-family project, the sub-grantee must also have a multi-family specific Owner Contribution/Landlord Participation policy in place. IHCD has provided an optional Multi-family Owner Contribution Form as part of the Multi-family Project Development Form (MF Attachment 1) for sub-grantee convenience.

Owner Contribution/Landlord Participation are separate from the monies used to buy down measures. If the owner is required to contribute and is not willing, the project cannot move forward.

Source: [WPN 16-5](#)

### **Utilities Included in Rent**

When performing Weatherization services of any rental property, including multi-family, when tenants do not directly pay for their own utilities, i.e. utilities included in rent, the sub-grantee administering the program must demonstrate the benefits to the low-income tenants (10 CFR 440.22(b)(3)(i)). Sub-grantees must have a policy or procedure

in place to property document this. For examples, see WPN 16-5 table 2, Accrual of Benefits.

### **Monitoring**

All multi-family projects will be monitored; a minimum of 10% of units will be monitored.