



# **LOW INCOME HOME ENERGY ASSISTANCE PROGRAM**

## **Policy and Procedures Manual**

**Effective October 1, 2024 – September 30, 2025**

Division of Energy & Mineral Resources

Arkansas Energy Office

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## DISCLAIMER

**This manual is to be used exclusively for the Low Income Home Energy Assistance Program (LIHEAP) Federal Fiscal Year (FY) 2025.**

The purpose of this manual is to provide information, policies, and procedures needed to administer LIHEAP in Arkansas. The policies help the Arkansas Energy Office (AEO), Subgrantees (Community-Based Organizations or CBOs), and all stakeholders of Arkansas LIHEAP to determine eligibility and understand Arkansas LIHEAP. Although this policy manual provides substantial guidance and insight into LIHEAP, it cannot and does not give exact guidance for all situations. The policy manual is a guide for uniform processes. However, when new situations develop, Subgrantee (CBO) workers should document their resolution(s). Individual Subgrantee policies may not supersede the policies and procedures in this policy manual.

AEO staff will use administrative rules, federal regulations, the Arkansas State Plan, and this policy guidance when communicating monitoring visits, findings, and reports. AEO reserves the right to change the policies and guidelines during the program year as needed. Any new AEO policies and guidelines will replace those printed in this policy manual.

Although AEO will provide yearly training, it is incumbent upon each CBO worker to read and understand the guidance provided by this manual. General policy-related questions and concerns should be addressed to [aeoliheap@adeq.state.ar.us](mailto:aeoliheap@adeq.state.ar.us).

**LIHEAP IS NOT AN ENTITLEMENT PROGRAM. ALL PROGRAM BENEFITS ARE SUBJECT TO THE AVAILABILITY OF FEDERAL FUNDS.**

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## WHAT'S NEW

- New design concept. Changes are listed on the attached spreadsheet.
- Section numbers from FY2024 policy and procedures manual that changed are listed in parentheses beside the section name.

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# 1.0 GENERAL LIHEAP OVERVIEW

The Low Income Home Energy Assistance Program (LIHEAP) is a block grant that provides funding to assist low-income households, particularly those with the lowest income, that pay a high proportion of household income for home energy, primarily in meeting their immediate home energy needs. Target households are those that have at least one member who is aged 60 or older, aged five or younger, or disabled. LIHEAP is available to households with income at or below 150 percent (150%) of the federal poverty income guidelines or 60 percent (60%) of the State Median Income (SMI).

The Arkansas Energy Office (AEO) submits a yearly State Plan for approval to administer the program. The DHHS, upon approval, issues LIHEAP funding to the AEO. Interested parties can find the current State Plan at: <https://www.adeq.state.ar.us/energy/assistance/liheap.aspx>.

## AUTHORITY TO ADMINISTER LIHEAP

[Title XXVI of the Omnibus Budget Reconciliation Act of 1981](#) (OBRA), Public Law 97-35, as amended by Public Law 97-115, Public Law 98-558, and Public Law 99-425, authorizes the Administration for Children and Families (ACF) within the United States Department of Health and Human Services (DHHS) to administer the Low-Income Home Energy Assistance Program (LIHEAP). The Low-Income Home Energy Assistance Act of 1981 (hereinafter LIHEAP Statute) as amended lays out pertinent information about the LIHEAP program and provides the requirements (16 assurances) for each state administering LIHEAP. Find additional information and guidance for LIHEAP administration by following the links below.

- [42 USC §8621-8630](#) Low-Income Home Energy Assistance Act of 1981 (LIHEAP Statute)
- [45 CFR 96](#) Block Grants, parts A-F, H
- [45 CFR 75](#) Administration of Health and Human Services Awards
- [2 CFR 200](#) Uniform Administrative Requirements, Cost Principles, And Audit Requirements For Federal Awards
- [LIHEAP IM 2023-01](#) Federal Poverty Guidelines
- [LIHEAP IM 2023-02](#) State Median Income Estimates for Optional Use in FFY 2023 and Mandatory Use in FFY 2024
- [LIHEAP IM 2014-07](#) HHS Guidance on the Use of Social Security Numbers (SSNs) and Citizenship Status Verification
- [2025 Model Plan](#) Detailed Model Plan for Arkansas

## 1.1 POLICY PURPOSE

As stated in the Disclaimer, this policy manual provides guidance and insight into LIHEAP but does not give exact guidance for all situations that may arise. Subgrantee staff should document resolutions for new issues.

This manual is not intended to relieve the Subgrantees of the responsibility to maintain their own internal policies and procedures regarding the administration of LIHEAP. Each Subgrantee must have written policies and procedures that ensure accurate client eligibility determination; benefit approval; protection of the funds from fraud, waste, and abuse; and employee protections. These policies and procedures are to be collected into a document that is provided to AEO upon request. Individual Subgrantee policies shall not overrule the policies and procedures in this policy manual.

## 1.2 PROGRAM ADMINISTRATION

Federal statute limits the amount of LIHEAP funds that state grantees may use for planning and administrative costs to ten percent (10%) of funds payable for a fiscal year. Excess administrative costs must come from nonfederal funds as defined in [LIHEAP Statute Section 2605\(9\)](#).

Guidance on planning and administrative costs may be found in [45 CFR 96.30](#) and [45 CFR 96.88\(a\)](#).

The Arkansas Department of Energy and Environment, Arkansas Energy Office (AEO) is the Low Income Home Energy Assistance Program (LIHEAP) Grantee in the State of Arkansas. AEO's overall responsibility is to help the federal LIHEAP program identify the energy needs of those residing in the State of Arkansas and to provide fair and equal treatment of LIHEAP applicants. Grantee responsibilities are recorded in the [LIHEAP Statute](#).

## 2.0 BENEFITS (2.1)

LIHEAP assists eligible low-income households with cooling, heating, and electric energy utilities. Applicant households must meet eligibility criteria to qualify for each benefit. Program funds must be available before any LIHEAP benefits are issued.

Four main types of benefits fall under the umbrella of the federally funded LIHEAP:

- Rate Reduction (Regular Assistance) Program
- Crisis Program
- Assurance 16 Program
- Heat or Cold Relief: Weatherization

Additional program benefits may be established if additional funding becomes available or in the event of unforeseen circumstances such as health emergencies and weather-related events. These may be referenced as Supplemental funds: Additional Funding or Disaster Relief.

Unless otherwise specified, each applicant household may be approved for only one Crisis Assistance and one Regular Assistance benefit each season. The payment of more than one Regular Assistance and one Crisis Assistance benefit to an eligible household during the same LIHEAP season is considered a duplicate payment and must be corrected as described in Arkansas LIHEAP policy, Section 10.4 Household through Section 10.5 Costs and Responsibility.

Benefit payments will be disallowed if the Subgrantee does not document the household's service address in the case record. The household's application will be denied if the Subgrantee is unable to obtain proof of residence.

Regular Assistance benefit applications must be processed, and Crisis Assistance benefit applications resolved as described in Arkansas LIHEAP policy, Section 5.4 Application Priority and Time Limits.

### 2.1 RATE REDUCTION (REGULAR ASSISTANCE) PROGRAM (2.1.1)

The **Rate Reduction (Regular) Program** offers a one-time payment per eligible household per application period and is available during both winter and summer application periods. The benefit is designed to assist households with their energy burden, not to cover total costs.

Payments are made directly to the energy supplier, except in special circumstances defined in Arkansas LIHEAP policy, Section 7.2 Household Payments. The benefit amount is determined using the benefit matrices provided by AEO.

The primary fuel matrix must be used to determine benefit costs except when the applicant requests the benefit be applied to the secondary energy source, as indicated below.

At an applicant's request, the household's regular benefit may be split between up to two energy utilities.

At an applicant's request, the benefit may be applied totally to the household's secondary energy source. The Subgrantee will use the benefit matrix for the secondary energy source to determine the benefit amount.

Case files must be kept as described in Section 5.12 Applicant Case File/Record.

Benefit payments must be disbursed as described in Arkansas LIHEAP policy, Section 7.0 Paying LIHEAP Benefits.

## 2.2 CRISIS ASSISTANCE PROGRAM (2.1.2, 2.1.2.1, 11.2)

The **Crisis Assistance Program** offers a one-time payment per eligible household per application period and is available during both winter and summer application periods. The Crisis Assistance benefit is designed to restore or prevent the disconnection of an energy utility.

The Subgrantee must evaluate each application for Crisis Assistance individually, using the general and crisis eligibility requirements, and determine the appropriate crisis resolution and the amount of assistance, up to the maximum benefit allowed.

The Subgrantee must use the eligibility chart to determine if an applicant's household is eligible for a crisis benefit. Other eligibility criteria must be tested as well. Subgrantees must not use benefit matrices or a point system when approving Crisis Assistance funds.

The Crisis Assistance benefit will be the minimum amount needed, up to the maximum crisis benefit per household per season, to alleviate the crisis upon which eligibility is based. A Crisis Assistance benefit must not be used to pay a current balance or leave a credit on an account.

The household must have an energy-related crisis on the date of the Crisis Assistance application and meet both general eligibility and crisis definition requirements.

A household is considered in crisis when the applicant:

1. Has a health-related life-threatening situation where a clear and present danger to life exists if power or utility is disconnected;
2. Has a current bill due within seven (7) days of the date of the application;
3. Has a past due amount or arrearage on the utility bill;
4. Has been disconnected from service or received a disconnect notice from the vendor that provides the main source of heat or electricity;
  - 4.1. During the Summer Program, only electric benefits.
  - 4.2. The Subgrantee must verify and document the disconnect status.
  - 4.3. The Subgrantee must verify the current dollar amount required to continue or reestablish energy services.
  - 4.4. Verification may be by telephone or a signed and dated statement from the energy supplier.
5. Has twenty percent (20%) or less of propane or fuel tank capacity and the supplier has refused delivery without payment;

6. Is enrolled in a delayed payment arrangement (DPA);
  - 6.1. If the eligible household has a past-due amount in the DPA that would result in a shutoff or disconnection if the customer defaulted, the Subgrantee may authorize a Crisis benefit.
  - 6.2. The full amount of crisis benefits available may be applied to the amount covered by the DPA, even if the balance of the DPA is more than the available Crisis benefit.
    - 6.2.1. If the entire Crisis benefit cannot be applied to the DPA or another DPA cannot be set up for the remainder of the balance, the benefit can be applied by the utility in another way.
7. Has a pre-paid electric service that has or will soon exhaust;
  - 7.1. The applicant may be eligible if the household is disconnected, has an outstanding balance/arrearage on the account, has received an alert of a low balance, or has been determined by the Subgrantee to have a low balance.
8. Is using a temporary heating or cooling source due to the supplier's refusal to deliver;
9. Has a fuel tank that is inaccessible because of severe weather;
10. Received an eviction notice due to non-payment of the household's energy source;
  - 10.1. The household must have a designated or undesignated clause in the current lease or renter's agreement to pay heating and/or electricity costs to its landlord.
  - 10.2. The household must present a current eviction notice that indicates the ensuing eviction is due to non-payment of heating and/or electricity costs.
11. Has an inoperable primary heating system; or
12. Has three (3) weeks or less of wood supply remaining or seven (7) days or less of bottled gas/propane;
  - 12.1. Wood burned in a fireplace is not considered a primary energy source.
  - 12.2. The Subgrantee must verify the household's service address as one that is an acceptable location for using wood as a primary energy source. The application will be denied if the Subgrantee determines that the use of wood is prohibited at the reported address (e.g., city street address, apartment complexes, and residences sponsored by the housing authority).

The Subgrantee must obtain at a minimum two (2) sources to verify and record the household's name and service address in the case record. Acceptable sources include:

- A utility bill with the household's name and service address.
- A receipt for rent or mortgage payment.
  - Handwritten receipts must provide the landlord's or source's complete name, address, and telephone number.
  - The Subgrantee must verify that the information listed on the receipt is correct and documented in the case record.
- Correspondence from a credible source such as a school, doctor, hospital, or creditor that reflects the postmark or commercial service delivery date. The Subgrantee must contact

the source and verify the intended recipient's address if the correspondence lacks the postmark or delivery date.

The Subgrantee must verify the crisis with the energy supplier. Both the verification and the underlying issue for the crisis must be documented in the case record.

The Subgrantee must determine whether the Crisis benefit alone, or with a Regular benefit or other contribution, is sufficient to resolve the crisis.

Crisis benefits must be paid directly to the energy supplier except as outlined in Arkansas LIHEAP policy Section 7.2 Household Payments.

The Subgrantee should submit an emergency referral to weatherization for applicants without a heating source or whose primary heating source is inoperable.

Applicants who use solar or another renewable energy source are not eligible for Crisis benefits.

### 2.2.1 Life-Threatening Crisis (11.2.7, 11.2.7.1, 11.2.7.2)

A life-threatening crisis exists when interruption of a household's heating or cooling energy services threatens the health or well-being of at least one household member's health or welfare. To qualify for a life-threatening crisis, the following stipulations are required:

- a) The household must meet at least one of the conditions defined as crisis in AEO LIHEAP policy.
- b) The crisis must be imminent, occurring within the past or next eighteen (18) hours,
- c) The household must meet one of the following conditions:
  - **Extreme Weather Conditions** – As defined by the Arkansas Public Service Commission (APSC), General Services Rule 6.15 and Rule 6.18, extreme weather is when the National Weather Service forecasts that a temperature of 32 degrees Fahrenheit or lower (cold weather) or 95 degrees Fahrenheit or higher (hot weather) will occur at any time during the following 24-hour period. For gas utilities, hot weather protection shall be limited to the elderly or individuals with disabilities with gas-powered air conditioning units only. Full text of the APSC Rule may be found online at [https://apps.apsc.arkansas.gov/rules/general\\_service\\_rules\\_2016.pdf](https://apps.apsc.arkansas.gov/rules/general_service_rules_2016.pdf). A summary of the rules may be found online at <https://apsc.arkansas.gov/consumer-services/suspension-of-service/>.
  - **Medical Conditions** – The applicant indicates by any method that one or more household members have a health or medical condition that makes them susceptible to harm if the household's crisis cannot be resolved.
    - The Subgrantee should advise the applicant of the protections for life-threatening medical situations by the Arkansas Public Service Commission (APSC) (General Service Rule 6.17) and instruct the applicant to ask their medical provider to send a letter to the utility verifying medical need.

- The completion of a certificate of medical need will [postpone suspension for up to thirty \(30\) days](#).
- The Subgrantee must use the Prudent Worker Concept when reviewing the applicant's claim that its situation is life-threatening and meets crisis eligibility requirements.
- The Subgrantee does not need to verify whether a household member is susceptible to harm or has a medical condition (unless questionable). If the Subgrantee does request verification from the household, the Subgrantee must document in the case record the reason for the request and affirmation of the medical condition.

During extreme weather (extreme heat or cold), a household facing any of the crises listed in section 2.2 is considered life-threatening.

### 2.2.2 State of Emergency (11.2.8)

When the state or federal government declares a moratorium on utility disconnection during a public health emergency or disaster, the definition of crisis will include:

- Having a past-due balance on a utility bill that indicates an implied or actual threat of shutoff/disconnection, depending on a utility's policy regarding the moratorium on shutoffs/disconnections;
- A past-due balance that has been verified with the utility in one of three ways:
  - Through a portal,
  - By a statement from the utility obtained by the applicant and dated more recently than the utility bill, or
  - By Subgrantee contact with the utility.

During a moratorium, the Subgrantee may pay the total Crisis or coordinated benefit available toward the outstanding balance even if the balance exceeds the maximum benefit.

A Crisis benefit must not be used to pay a current balance or leave a credit on the account.

Arkansas LIHEAP policy (section 2.5.1 Disaster Relief) requires Subgrantees to notify AEO when an area is declared a disaster zone. AEO will notify Subgrantees when the State of Emergency policy is in effect and supplemental funds are made available.

### 2.2.3 48/18 Hour Resolution of Crisis Situations (11.2.9)

LIHEAP federal regulations require that crises be evaluated and resolved (issue Crisis Assistance benefit) after receiving all required application supporting documents as follows:

- Non-life-threatening Crisis Assistance must be pledged or otherwise resolved within forty-eight (48) hours.
- Life-threatening Crisis Assistance situations must be pledged or otherwise resolved within eighteen (18) hours.

AEO may waive the resolution time frames upon request from the Subgrantee.

The Subgrantee will:

- Test eligibility as required by policy and procedure.
- Provide the household a Notice of Action (NOA) requesting specific information if needed. The NOA must show the proper return address where the requested information will be sent.
  - For non-life-threatening crises, a NOA must be issued no later than the day following the date of application.
  - For life-threatening crises, the Subgrantee must contact the applicant via phone, text, or email.
- Approve the household's application if the requested information is provided within the specified time.
- Determine eligibility and provide assistance within 48/18 hours from the time the Subgrantee receives the requested information.
- Document in the crisis case record the date and time the Subgrantee received the information.
- Attempt contact with the crisis applicant a minimum of three times before denying the application.
- Deny the household's application if the household does not provide the requested information within thirty (30) days. Additional time to submit the information is not allowed. The Subgrantee will inform the household that it may reapply at any time during the current application period.

The Subgrantee will meet the minimum requirement of alleviating a crisis if, within 48/18 hours of receiving the application, the Subgrantee performs one of the following two actions:

- 1) Issues a payment to the vendor, supplier, or household; or
- 2) Obtains a verbal obligation from the energy supplier that the household's services will be continued, restored, or delivered in return for payment with the policy timeframes by the Subgrantee on the household's behalf. Verbal obligation may be accepted by fax, electronic communication, or online submission (portal) to resolve the crisis.
  - The Subgrantee must document relevant information related to the verbal obligation in the case record, including the supplier's affirmation to continue, reconnect, or deliver services.
  - The Subgrantee must document whether the Crisis benefit will alleviate the crisis. If the Crisis benefit is less than the amount required to resolve the crisis as shown on the applicant's bill or the most recent information from the supplier, the Subgrantee must contact the energy supplier and document:
    - i) The name of the Subgrantee worker who contacted the energy supplier,
    - ii) The contact details,
    - iii) The name of the person spoken to,

- iv) The date of the conversation,
- v) The telephone number used to contact the energy supplier,
- vi) That the energy supplier will accept the available benefit to resolve the crisis, and
- vii) How the household will pay the additional amount to resolve the crisis.

Acceptable examples of contact notes include:

- On 3/19/2022, Mary at Entergy agreed to reconnect services for the available payment amount.
- Joe at Source Gas agreed on 2/16/2022 that Ms. Jones' services would not be shut off if the benefit amount of \$216.10 was paid.
- Talked with Larry at Synergy on January 15, 2022, who agreed to deliver 150 gallons of propane to Ms. Jones for payment of \$300.

The following examples are not acceptable notations of verbal obligations: “talked to Mary,” “called John,” “JoAnn will accept” because they do not adequately document the name, date, or the benefit accepted by the supplier.

The Subgrantee must document the reason in the case record if the household indicated on its application that the crisis was life-threatening but the Subgrantee did not provide assistance within the eighteen (18) hour timeframe.

#### 2.2.4 Adequate to Alleviate Crisis (11.2.10)

When it is necessary to coordinate Crisis and Regular benefits, the combined available benefit must be enough to alleviate the relevant crisis. If the LIHEAP benefit is not adequate to alleviate the crisis, the Subgrantee should inform the applicant of other programs available to assist them.

A payment or action can be considered adequate to alleviate the crisis if the following conditions occur:

- The combined benefit is equal to the amount required by the supplier, or
- The combined benefit is less than the amount due, but the energy supplier agreed to accept the benefit for which the household is eligible as enough for reconnection or to prevent disconnection.

When the household's application is eligible for approval, but the combined benefit is not adequate and the energy supplier will not accept the benefit for which the household is eligible, the Subgrantee must document the total the household owes the energy supplier, the minimum the energy supplier will accept, and how the household will get the additional funds.

AEO only requires up-front payment by the applicant when the energy supplier requires an amount exceeding the maximum benefit available to the applicant to be paid to alleviate the crisis.

## 2.3 ASSURANCE 16 (2.1.3, 11.3)

Under **ASSURANCE 16** of the LIHEAP Statute and pending the availability of funds, AEO may, at its discretion, use up to five percent (5%) of LIHEAP funds to provide services that encourage and enable households to reduce home energy needs and thereby reduce the need for energy assistance.

The education-based program should ultimately reduce a household's dependence on energy assistance and promote a higher degree of self-sufficiency. An effective Assurance 16 (A-16) program will be transformative, impactful, and sustainable for each participating household.

Subgrantee staff should be trained to recognize and be responsive to the legitimate needs of clients. This includes building a network of resources to be able to respond, becoming familiar with available government resources, and training staff using formal activities.

### 2.3.1 Subgrantee A-16 Plan (11.3.3)

Subgrantees who elect to participate must submit a written participation plan to AEO when the Subgrantee Agreement is submitted for the annual block funding. Subgrantees may operate their A-16 program only after their plan is approved by AEO and until the end of the program season. AEO will review each Subgrantee's plan for approval within thirty (30) days after receipt. Any changes or additional activities requested by AEO must be incorporated and made a part of the Subgrantee's A-16 activities.

Subgrantees may use up to five percent (5%) of their yearly allocation to conduct A-16 activities. Subgrantees should be innovative and purposefully proactive in meeting needs when developing their plan. A-16 funds may not be used to pay Subgrantee staff salaries.

The plan must identify issues and how participation in the program will address these issues. Subgrantees must design their program to be convenient, if possible, and not cause a hardship on the household.

The A-16 plan should clearly identify and provide a detailed description of the following sections:

<b>1. PLAN OVERVIEW</b>		<b>2. GOALS &amp; OBJECTIVES</b>	
<ul style="list-style-type: none"> <li>• Overall goal of the program from the agency perspective</li> <li>• Types of activities and services</li> </ul>		<ul style="list-style-type: none"> <li>• Procedures to accomplish the intended goals</li> <li>• Number of households targeted</li> </ul>	
<b>3. OPERATING PERIOD &amp; SCOPE</b>			
<ul style="list-style-type: none"> <li>• Timeframe of the A-16 program</li> <li>• How the agency will respond to emergencies</li> <li>• Training activity format (in-person or virtual)</li> <li>• Location of training activities</li> </ul>			
<b>4. OUTREACH</b>		<b>5. INCENTIVES &amp; PLAN PHASES</b>	
<ul style="list-style-type: none"> <li>• What referrals will be made</li> <li>• How households will be targeted</li> </ul>		<ul style="list-style-type: none"> <li>• What incentives will be given, if any</li> <li>• Timeline of activities</li> </ul>	
<b>6. BUDGET</b>		<b>7. IMPACT MEASURES</b>	
<ul style="list-style-type: none"> <li>• Itemization of funds to be expended for specific services</li> <li>• A-16 budget, if participating</li> </ul>		<ul style="list-style-type: none"> <li>• Impact assessment of the program</li> <li>• How activities will be tracked</li> </ul>	
<b>8. TOOLS</b>			
<ul style="list-style-type: none"> <li>• A-16 policies included in the agency’s plan for the current year</li> <li>• Tools to be used to implement the program</li> <li>• Copies of forms</li> </ul>			

Table 1: The A-16 Plan

The A-16 plan must include methods to ensure the following services are performed:

1. Needs Assessment to identify and understand the household situation, thereby enabling the Subgrantee to take appropriate actions and make applicable referrals.
2. Training households to access services they either cannot access or do not have the knowledge of how to access alone.
3. Stabilizing the household situation by equipping the household to manage crisis events that might become worse.

Subgrantees may also provide services including, but not limited to:

- Budget counseling to provide education programs on household budgeting.
- Energy assessment.

- Energy and Conservation Education, including presenting education programs on ways to save energy.
- Low-cost energy efficiency measures.
- Referrals to other programs and other coordinated services.
- Risk assessments to identify household needs and deficiencies.
- Developing vendor relationships to provide negotiations and assistance such as establishing deferred payment arrangements and setting up online accounts.

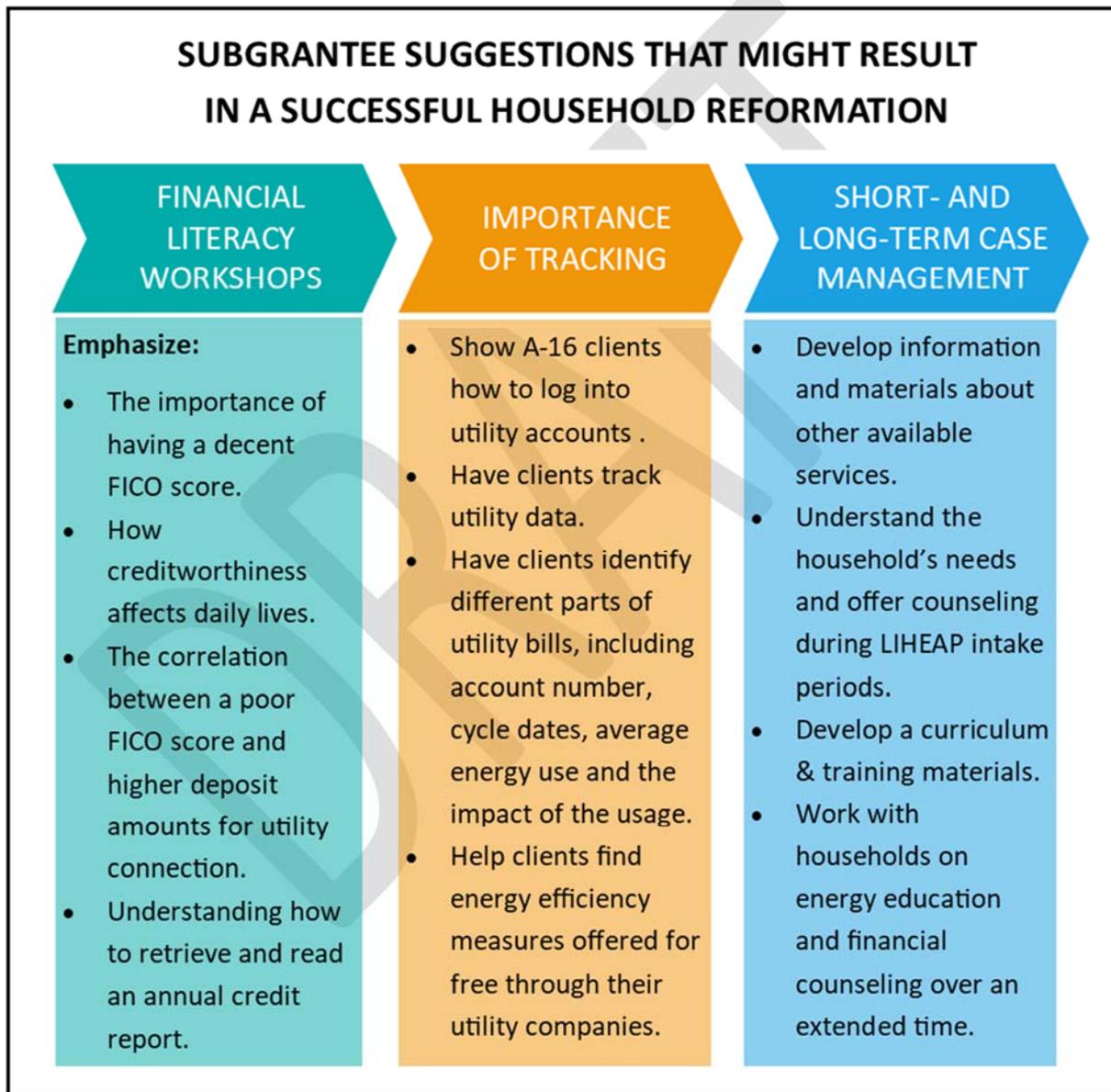


Figure 1: Subgrantee Suggestions

Participating Subgrantees are required to make information about A-16 services available and easily accessible to vulnerable populations. Activities should move applicants from dependency to self-sufficiency. Subgrantees must also conduct referral and advocacy.

Subgrantees that offer A-16 must collect and document information required by the U.S. Department of Health and Human Services, including, but not limited to:

- The impact of A-16 activities on the number of households served,
- The direct benefits provided to those households, and
- The number of households that remain unserved.

AEO will review each agency's plan for approval within thirty (30) days after receipt. AEO may require changes or additional activities that must be incorporated and made a part of the agency's A-16 activities.

### 2.3.2 Assurance 16 Incentives (11.3.4)

Subgrantees may offer clients a participation incentive up to a maximum of \$500.00 payable to the utility company. The incentive may not be paid directly to the household. See the Subgrantee Agreement for specific requirements.

When an A-16 participating household receives a disconnect notice for a utility bill, the Subgrantee may provide assistance to prevent service disruption. The payment to prevent disconnection in this instance may not exceed \$250.00 for the duration of A-16 activities.

If the Subgrantee chooses to offer incentives, the Subgrantee should plan for such assistance in the agency's annual budget/Subgrantee Agreement.

### 2.3.3 Target A-16 Participant Household (11.3.5)

Only LIHEAP-eligible households may receive Assurance 16 services. Unless the Subgrantee submits a two-year curriculum plan, A-16 participants should not be anyone who participated within the last twenty-four (24) months. Subgrantees should recruit participants from the current year's LIHEAP Crisis applicant pool.

Subgrantees must target applicants who have a high energy burden, such as applicants for Crisis benefits, for A-16 activities. When the Subgrantee is unable to recruit a sufficient number of Crisis applicants, Regular Assistance program applicants who have returned for assistance during multiple seasons may be solicited.

Applicants for Regular or Crisis Assistance will not be required to complete a needs assessment, family survey, etc., as part of the application for LIHEAP assistance. However, applicants may be asked to complete such forms as part of the selection process for A-16. Involvement in A-16 is voluntary.

### 2.3.4 A-16 Record Keeping (11.3.6)

Households that were approved for and are actively participating in A-16 activities are considered A-16 households on the Chronological Register.

Households that sign an agreement to participate in the A-16 program at the time of application but fail to follow through should be listed on the Chronological Register. Files for households that miss an appointment and/or do not respond or could not be reached after two attempts to contact them should be closed and contain documentation of the Subgrantee's actions.

### 2.3.5 A-16 Case Files (11.3.7)

The A-16 applicant file must be kept separate and/or in a manner that clearly distinguishes those activities for the purpose of review by AEO LIHEAP staff. A-16 case files and related materials must be maintained as required by Arkansas LIHEAP policy, including sections 5.13 (Applicant Case File/Record), 5.12.2 (Assurance 16 (A-16) Case Record), and 12.0 (Records Retention).

The list of A-16 attendees and/or applicant files must be made available upon request by AEO.

## 2.4 HEAT OR COLD RELIEF: AIR CONDITIONING (HVAC) SYSTEMS (2.1.6, 11.4)

Federal priorities include providing extreme weather stress relief. Therefore, the Weatherization Assistance Program (WAP) with LIHEAP offers an air conditioning repair and replacement program that allows for the repair or replacement of existing equipment or the installation of new equipment during extreme temperatures.

The State of Arkansas has the flexibility to allocate up to fifteen percent (15%) of LIHEAP funds towards energy conservation measures.

### ***PROCEDURE: HOW WEATHERIZATION SUBGRANTEES ADDRESS CLIENT HOMES (11.4)***

Arkansas Weatherization Subgrantees will address client homes as follows:

Prioritize as an emergency any household eligible for Weatherization services coming to the attention of Subgrantees (through any means, such as referral from LIHEAP or self-referral) as being without air conditioning (A/C) service in the home during the summer or without heating during the winter. The Subgrantee is authorized to bypass the waiting list to provide Weatherization services on an emergency basis. The Subgrantee should:

- Complete full weatherization services, including HVAC evaluation and provision of A/C and heat repair/equipment, according to established guidelines. LIHEAP funds may be used for HVAC without qualifying criteria requirements (e.g., age, medical condition).

- Use LIHEAP funds to address only the HVAC equipment, or lack thereof, of a home that received Weatherization services during the past fifteen (15) years. The household must be income-eligible for Weatherization.
- Address both cooling and heating equipment to prevent the home from being without A/C in the summer or heat in the winter.
- Provide A/C window units temporarily in any home that lacks A/C and is being evaluated for HVAC needs. Window A/C units may be purchased with LIHEAP funds for this purpose and should be kept for use in future summers. Weatherization Subgrantees choosing to purchase these units should have the capacity to store them for future use and to maintain them in inventory. LIHEAP will reimburse the cost of units.
- Repair or replace HVAC units affected by a natural disaster after insurance benefits, if available, have been exhausted. The household must meet all other eligibility requirements.

## 2.5 SUPPLEMENTAL FUNDS (2.1.4)

### 2.5.1 Disaster Relief (2.1.4.1, 2.1.4.2, 2.1.4.8, 2.1.4.9)

Federal rules allow AEO to adjust and redirect LIHEAP funding during uncontrollable events, such as natural disasters or a health crisis/public health emergency. AEO will issue a policy clarification or addendum if a supplemental benefit becomes necessary and available.

The AEO LIHEAP Disaster Relief policy makes provisions to assist low-income households after federal- or state-declared natural disaster(s) when LIHEAP funds are available. The disaster relief procedures will take effect when the Governor of Arkansas declares a state of emergency, or the President of the United States declares an area a disaster (see 42 U.S.C. §§ 5121-5207 (the Stafford Act) §401).

Subgrantees must notify AEO within twenty-four (24) hours of an area being declared a disaster zone. A Subgrantee may determine the type of benefit to offer based on the need in the service area. Disaster-related actions must be formulated in a plan within two (2) weeks of applicant's eligibility determination.

The Subgrantee must maintain a case record for anyone who requests disaster-related aid. Subgrantees must maintain all supporting documentation to validate all expenses and obligations requested for reimbursement on an invoice. See Section 5.12 Applicant Case File/Record for case record requirements.

#### *2.5.1.1 Disaster Relief Eligibility & Application Requirements (2.1.4.3, 2.1.4.4, 2.1.4.5)*

Standard LIHEAP rules still apply when an applicant household seeks disaster relief. A household that has received a Regular and a Crisis benefit may still qualify for a disaster relief benefit.

If the applicant has not been approved during the current program year, s/he must complete an application for services.

Applicants approved during the current program year are not required to submit a new application. They must, however, provide:

- Post-disaster address
- Pre-disaster address
- Proof of filing an insurance claim
  - If the applicant household has insurance coverage, s/he must show proof of claim or make a claim through their insurance before receiving LIHEAP disaster benefits. Subgrantees must advise client households that the client may need to continue making normal bill payments to avoid service disruption.

The Subgrantee may use the following to support income if the household has difficulty showing proof of income after the disaster:

- Previous LIHEAP application within the same program year (if applicable),
- Income verification from another state or federal program, such as Workforce Services or SNAP, or
- A self-declaration statement using an AEO-approved form.

If the household is having difficulty recovering, or is unable to recover, supporting documents after the disaster, the Subgrantee may request a document waiver from AEO.

AEO may waive LIHEAP requirements and procedures up to and including allowing for a larger or additional household benefit to alleviate potential hardship or suffering at the declaration of a disaster or emergency.

#### *2.5.1.2 Disaster Benefit (2.1.4.5)*

Assistance levels for qualifying disaster-related needs will be established based on the availability of funds when the disaster program is initiated. The benefit may be split amongst multiple vendors or suppliers. Assistance is available only as long as designated emergency LIHEAP funds are available.

Disaster benefit payments must be issued directly to the vendor. The Subgrantee may issue a two-party check that names payees as both the applicant and the vendor in situations where it would be difficult to monitor whether an applicant has received the services or merchandise (e.g., propane in a portable tank purchased from a retail vendor).

Normally, a household is limited to one (1) disaster relief benefit per declared disaster. The benefit each household is approved to receive should be contained in a plan for that household that identifies all the services to be paid up to the maximum amount of the full disaster benefit. However, if an applicant discovers an unresolved need and has not used the full disaster benefit, the applicant may apply for a second time and receive up to the remainder of the full disaster benefit.

### *2.5.1.3 Allowable Uses of LIHEAP Funds for Disaster Relief (2.1.4.7)*

Federal guidance allows LIHEAP funds to be used to meet the energy needs of eligible households, including:

- Power to temporary shelter (utility deposits or other costs) that is occupied by or planned for an approved LIHEAP Disaster Relief applicant household.
- Utility infrastructure repairs that are the applicant's responsibility (e.g., meters, poles, and lines).
- Purchase and installation of generators installed to code through a licensed vendor who has verified, before purchase of a generator, that the home's existing electrical system will support a generator. The benefit does not include system upgrades.
- Repair or replacement of HVAC, if it allows the household to reoccupy or remain in the home. Referral to the Arkansas Weatherization Emergency HVAC Only Program is also an option.
- Utility payments, reconnection fees, and deposits (electricity, natural gas, propane).
- Payment of final utility bills for damaged homes when it allows the applicant to start service at another location.
- Temporary shelter or housing, such as in hotels or apartments, when the permanent home has been destroyed or damaged, with AEO approval and a signed agreement that (1) specifies the length of time LIHEAP benefits cover and that (2) LIHEAP is not responsible for damage to the property or any incidental expenses.

Vendors that provide materials, labor, or other services paid with LIHEAP disaster relief funds must provide an itemized invoice identifying an amount for each agreed-upon service.

Costs are only allowable for approved LIHEAP households impacted by the natural disaster. State and federal LIHEAP policies and regulations must be followed.

### *2.5.1.4 Tracking Disaster Relief Funds and Benefits (2.1.4.10)*

Subgrantees must establish a strategy to track and report the number of households that received each benefit.

The funding source used for the Disaster Relief program must be tracked separately from all other LIHEAP funds, as outlined in the Subgrantee Agreement. See fiscal requirements in Section 9.0 Fiscal Management for further details about managing and tracking funds.

### *2.5.1.5 Subgrantee Disaster Plan (2.1.4.11)*

The Subgrantee must establish a strategy to operate and provide LIHEAP services during disasters or emergencies.

The Subgrantee must make the plan accessible to AEO upon request or during a monitoring visit.

### 2.5.1.6 Other Resources

Subgrantees may use the following list to assist households affected by a natural disaster in finding additional help:

- Arkansas Department of Human Services: SNAP, <https://humanservices.arkansas.gov/divisions-shared-services/county-operations/supplemental-nutrition-assistance-snap/>
- Arkansas Division of Emergency Management: <https://www.dps.arkansas.gov/emergency-management/adem/>
- Arkansas Insurance Department: <https://www.insurance.arkansas.gov/>
- Arkansas Legal Aid: <https://arlegalaid.org/>
- American Red Cross of Arkansas: <https://www.redcross.org/local/arkansas.html>
- Disaster Assistance Improvement Program: <https://www.disasterassistance.gov/>
- Disaster Unemployment Assistance (DUA) through the Arkansas Department of Workforce Services: <https://dws.arkansas.gov/>
- Domestic Shelters: Shelters | Arkansas Coalition Against Domestic Violence (ACADV): <https://domesticpeace.com/shelters/>
- FEMA: <https://www.fema.gov/assistance>
- LSC - Legal Services Corporation: America's Partner for Equal Justice: <https://www.lsc.gov/>

### 2.5.2 Additional Funding (2.1.5)

If AEO determines that additional funds are available, extra allocations may be issued:

- to already-served households,
- to increase the amount of Regular and Crisis benefits, and/or
- to sponsor an additional program.

AEO will notify Subgrantees when additional funding is available. AEO will instruct Subgrantees about the information and documents required to receive the extra allocation.

## 3.0 ELIGIBILITY (2.3)

Eligibility is based on both financial and nonfinancial criteria. The Subgrantee must test criteria and determine the household's eligibility before issuing benefits to an applicant household. The applicant must meet both sets of requirements to be eligible for energy assistance. Eligibility criteria are assessed based on household composition and circumstances on the date of application for energy assistance. Tested requirements include, but are not limited to, the nonfinancial and financial criteria listed below. Subgrantee workers must place or insert proof of all eligibility criteria in every case file.

### 3.1 NONFINANCIAL CRITERIA

- A LIHEAP applicant must live in Arkansas.
- The applicant must show proof of identity.
- The applicant and all household members aged 18 or older must **verify** Social Security numbers (SSNs) as outlined in Arkansas LIHEAP policy Section 4.3 Social Security Number Verification.
- The applicant must show proof of citizenship or legal residency if they are a noncitizen.
- The applicant must provide information about the household composition, including the names and ages of each household member.
- The applicant must indicate the type of dwelling, as outlined in Arkansas LIHEAP policy section 4.5 Type of Dwelling and Eligible Dwelling Types in the Appendix.
- The applicant must apply for services by submitting an application through the Subgrantee that serves the household's county of residence.

### 3.2 FINANCIAL CRITERIA

1. The household must meet the income eligibility requirement, which means the household must fall at or below the income for their household size, as outlined in the applicable income eligibility chart.
2. A LIHEAP household must have an **energy burden** on the date of application. (See definition of energy burden in Definitions.)
3. The applicant and all household members aged 18 or older must show proof of income.
4. The applicant must provide valid current utility bills in a household member's name as described in Arkansas LIHEAP policy Section 4.8.1 or a current lease agreement in a household member's name.

### 3.3 ADDITIONAL APPLICATIONS IN THE SAME SEASON (9.1.1)

An approved household's eligibility will continue for the entire program season (Winter or Summer). Unless otherwise specified, only one Crisis and one Regular benefit can be approved for each household for each season. Special programs such as Disaster Relief might require additional information for a household to be eligible.

To receive any subsequent benefit within the same season, the household must have an unused Crisis or Regular benefit available and must do the following:

- Be able to prove a Crisis, if applicable;
- Contact the appropriate Subgrantee to identify the need;
- Provide a new utility bill; and
- Update contact information, if necessary.

When reviewing a request from a household for additional benefits in the same season, the Subgrantee will:

- Verify that an approved application is on file;
- Use information from the initial approved application to complete a new application worksheet to signify that the household submitted a request for additional benefits; and
- Attach a copy of the previous application to the new application worksheet or vice versa. The agency can use one file for each application within the same season if it is a part of the Subgrantee's standard procedures.

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## 4.0 TESTING ELIGIBILITY (10.0)

Subgrantees must use the Arkansas LIHEAP requirements to determine whether a household is eligible for LIHEAP services. Standard eligibility requirements are named in Arkansas LIHEAP policy, Section 3.0 Eligibility. The following criteria also must be assessed to determine eligibility.

Subgrantee workers must place or insert proof of all eligibility criteria in every case file.

### 4.1 ARKANSAS RESIDENCY VERIFICATION (10.4)

A LIHEAP applicant must live in Arkansas and apply for services through the Subgrantee that serves the household's county of residence.

For applicants who indicate that they recently relocated into the Subgrantee's service area from elsewhere in Arkansas, the Subgrantee must contact the Subgrantee serving the previous residence area to determine whether benefits have already been granted during the current program season. If so, the household is ineligible to receive benefits for any person who lived in the previous residence on the date of application.

When residency is questionable, applicants will be required to provide proof of residency by presenting documents such as one of the following:

- Current state-issued identification,
- Current lease or rent agreement,
- Landlord's statement,
- Property tax bill or receipt, or
- Mortgage statement

Persons maintaining a permanent residence elsewhere are considered as visiting and are not eligible for benefits.

For applicants who apply through an office other than the Subgrantee office serving the applicant's county of residence, the Subgrantee:

- Will not deny the application;
- Will send the application to the correct Subgrantee; and
- Will notify the applicant by Notice of Action (AEO-2001) and explain the correct procedure.

#### 4.1.1 Exceptions to Arkansas Residency Rule (10.4.1)

- Migrant workers who are U.S. citizens or legal residents **can** receive benefits in the county where they are staying while working, even though they maintain a permanent residence elsewhere.
- A household can receive benefits even if a member resides in an institution. The Subgrantee must determine eligibility for the non-institutionalized household members.

## 4.2 IDENTITY VERIFICATION (10.2)

The applicant or head of household must provide the Subgrantee valid proof of identity before an application can be approved for payment. Subgrantees must keep copies of identification documents in the case record.

Acceptable proof includes a **READABLE COPY** of any **VALID** document that establishes identity, such as:

- A current driver's license or ID card issued by a state or outlying possession of the United States if it contains: photograph, name, date of birth, gender, height, eye color, and address
- ID card issued by a federal, state, or local government agency or entity
- Birth certificate
- School identification card with photograph
- Identification card for health benefits or other assistance
- Voter registration card
- U.S. military card or draft card
- Military dependent's ID card
- Any type of paycheck stubs containing the name and address of the person
- Naturalization papers/certifications of citizenship (INS Form I-179, INS Form I-197).

## 4.3 SOCIAL SECURITY NUMBER (SSN) VERIFICATION (10.2.1)

Section 205(c)(2)(C)(i) of the Social Security Act authorizes states to require Social Security numbers (SSN) as a condition of eligibility for use in verifying the identity of individual applicants and their household members.

Applicants must provide the SSN or Individual Tax Identification Number (ITIN) for each household member. Applicants must verify the SSN information for each adult (aged 18 or older) in the household. LIHEAP benefits will be denied for any applicant who does not provide the SSN or ITIN for any household member, except as outlined in AEO LIHEAP policy, including sections 4.3.1 and 4.3.2.

The Subgrantee may use the Social Security card or any other government or school document that includes the Social Security number to verify the SSN. A copy of the document used to verify the SSN must be kept in the applicant's file. If a household member's name does not change, the Subgrantee may use copies of the document verifying SSNs in future seasons. A copy of the verification document(s) must be placed in the applicant's case file for the current season.

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*Applicants may get Social Security verification by visiting <https://www.ssa.gov/myaccount/>.*

*The Subgrantee should tell any applicant who is eligible for an SSN but does not have one to apply for an SSN at <https://www.ssa.gov/forms/>.*

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### 4.3.1 Children Younger Than One Year (Previously Titled Alternative Identification) (10.2.3)

Household members who are younger than one year at the time of application and who do not have SSNs may be assigned a temporary SSN by the Subgrantee. This temporary SSN can consist of all zeros. The applicant must provide another form of identification for the household members indicated in this section. Alternative identification for these household members may be documents such as:

- Birth certificate,
- Baptismal record that shows place and date of birth,
- Clinic, doctor, or hospital records, or
- Day-care or nursery school record

### 4.3.2 Identification for Legal or Resident Noncitizens or Qualified Aliens (10.2.4 Identification for Legal or Illegal Resident Noncitizens)

If the applicant does not have a valid SSN, the applicant must provide one of the following items:

- Individual Tax Identification Number (ITIN). This is a number that the Internal Revenue Service (IRS) uses for tax purposes. The ITIN is a nine-digit number that is formatted like an SSN but always begins with the number nine (9). An ITIN is accepted in lieu of an SSN.
- Permanent visa.
- Refugee registration card.
- USCIS ID card.
- Registration card/re-entry permit.
- USCIS Form I-551 (Permanent Resident Card).
- USCIS Form I-94 if annotated with either: (a) Sections 203(a)(7), 207, 208, 212(d)(5), 243(h), or 241(b)(3) of the Immigration and Nationality Act or (b) one or a combination of the following terms: Refugee, Parolee, or Asylee.
- Documentation that the noncitizen is classified pursuant to Sections 101(a)(2), 203(a), 204(a)(1)(a), 207, 208, 212(d)(5), 241(b)(3), 243(h), or 244(a)(3) of the Immigration and Nationality Act.
- Court order stating that deportation has been withheld pursuant to Section 241(b)(3) or 243(h) of the Immigration and Nationality Act.
- USCIS Form I-687.

## PROCEDURE: IDENTIFYING A VALID SSN

A verifiable Social Security Number (SSN) must:

- Have 9 digits.
- Appear to be a plausible SSN (not 000-00-0000 for example).
- Be divided as follows:
  - Area Number = the first three digits
  - Group Number = the next two digits
  - Serial Number = the final four digits

Some special numbers are never allocated. The U.S. Social Security Administration (SSA) provides this guidance to determine if an SSN is invalid or impossible:

- No SSNs with a 000 area number have been assigned.
- No SSNs with an area number of 666 have been or will be assigned.
- No SSNs with an area number between 900 and 999 have been assigned.
- No SSNs with a 00 group number have been assigned.
- No SSNs with a 0000 serial number have been assigned.

INVALID OR IMPOSSIBLE SOCIAL SECURITY NUMBERS		
Area number (first 3 digits)	Group number (middle digits)	Serial number (final four digits)
000	00	0000
666		
900 to 999		

Figure 2: Invalid or impossible SSNs

### 4.4 CITIZENSHIP VERIFICATION (10.3)

At least one member of the household must be an eligible household member (a U.S. citizen, naturalized citizen, or legal resident noncitizen/qualified alien) to be eligible for LIHEAP benefits. Any household member who is not a U.S. citizen, legal resident, or qualified alien will not be counted when determining household size. However, this member's income will be included when determining the household income.

#### 4.4.1 Identifying Legal Resident Noncitizens (10.3.1)

[8 U.S. Code §1641\(b\)](#) identifies a "Qualified Alien" as an individual who at the time of application for a federal public benefit is one of the following:

- (1) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act [8 U.S.C. 1101 et seq.],
- (2) an alien who is granted asylum under section 208 of such Act [8 U.S.C. 1158],
- (3) a refugee who is admitted to the United States under section 207 of such Act [8 U.S.C. 1157],
- (4) an alien who is paroled into the United States under section 212(d)(5) of such Act [8 U.S.C. 1182(d)(5)] for a period of at least 1 year,
- (5) an alien whose deportation is being withheld under section 243(h) of such Act [8 U.S.C. 1253] (as in effect immediately before the effective date of section 307 of division C of Public Law 104–208) or section 241(b)(3) of such Act [8 U.S.C. 1231(b)(3)] (as amended by section 305(a) of division C of Public Law 104–208),
- (6) an alien who is granted conditional entry pursuant to section 203(a)(7) of such Act [8 U.S.C. 1153(a)(7)] as in effect prior to April 1, 1980,
- (7) an alien who is a Cuban and Haitian entrant (as defined in section 501(e) of the Refugee Education Assistance Act of 1980),
- (8) an individual who lawfully resides in the United States in accordance with a **COMPACT OF FREE ASSOCIATION** referred to in section 1612(b)(2)(G) of this title, or
- (9) a noncitizen who is battered or subjected to extreme cruelty in the United States by a family member residing in the same household as the noncitizen or otherwise satisfies the requirements of 8 U.S.C. § 1641(c).

These individuals can be approved for benefits once the Subgrantee determines the household eligible.

#### 4.4.2 Afghan Humanitarian Parolees (10.3.2)

Afghan humanitarian parolees are eligible to receive federal benefits (Public Law 117-43, the Afghanistan Supplemental Appropriations Act, 2022). Specifically, the following individuals are eligible until March 31, 2023 (or the term of parole, whichever is longer):

- Afghan citizens and nationals paroled into the United States between July 31, 2021, and September 30, 2022;
- Afghan citizens' spouses or children paroled after September 30, 2022; and
- Their parents or guardians paroled after September 30, 2022, if the Afghan citizen or national is an unaccompanied child.

Additional information on resources for Afghan Humanitarian Parolee populations is available online at <https://www.acf.hhs.gov/orr/programs/refugees/afghan-assistance-resources>.

Any individual not identified by 8 U.S. Code §1641(b) as an Afghan Parolee and/or who does not have an SSN or ITIN is considered an illegal resident and is not eligible to receive LIHEAP benefits.

## 4.5 HOUSEHOLD COMPOSITION AND DWELLINGS (10.5)

Any individual or group of individuals who share common living quarters, common living costs, **and** the purchase of energy is considered a **HOUSEHOLD**, as defined by Section 2603 (5) of the LIHEAP Statute [42 U.S.C. § 8622].

Closely related individuals (e.g. parent, child, sibling, foster children, etc.) living together and purchasing their home energy in common are considered as one LIHEAP household, even when functioning as separate **ECONOMIC UNITS**.

Review the Household Member Table in the appendix to determine if an individual can be counted as part of a household.

### 4.5.1 Household Changes (12.1)

The Subgrantee must re-evaluate eligibility if the household composition changes before completion of application processing. Household composition changes that occur after the completion of application processing and payment will not impact the processed application.

If an applicant moves outside the primary supplier's service area or dies, but a portion of the household remains at the service address, the remaining household is eligible for a LIHEAP payment corresponding to the number remaining in the household.

EXAMPLE SCENARIOS OF HOUSEHOLD CHANGES			
COMPOSITION	BENEFIT	CHANGE	LIHEAP IMPACT
Two household members, Jane and Paul	The household received a Regular benefit	Jane moves to a new address during the same season that the Regular benefit was paid.  Paul remains at the original address.	The original benefit is NOT recalculated.  Each HH is individually eligible for crisis assistance, up to the limit.  Jane’s household is treated as a new household for Crisis Assistance but is not eligible for Regular Assistance the same season.
Two household members, Jane and Paul	The household received both a Regular and a Crisis benefit	Jane moves to a new address during the same season that the Regular and Crisis Assistance benefits were paid.  Paul remains at the original address.	Neither household is eligible for a LIHEAP Crisis Assistance or Regular Assistance benefit for the duration of the season.
Two household members, Jane and Paul	The household received a Crisis Assistance benefit		Both households are eligible for Regular Assistance benefits. Neither is eligible for Crisis Assistance.

Table 2: Household Change Scenarios

### 4.6 TYPE OF DWELLING (10.5.2)

Applicants must live in the structure (dwelling) at the physical address provided on the application and must have an energy burden at the time of application to be eligible for LIHEAP benefits. The occupied structure (dwelling) must be owned or rented and must be the applicant’s primary residence. When an applicant or household member has more than one residence, that applicant must apply based on their primary residence.

Short-term leave from the primary residence (such as for vacation or a hospital stay) does not disqualify a household member from LIHEAP eligibility.

Dwellings that share a meter and do not have distinguishable charges on the bill are considered one household and must submit one application. All persons and income from each household must be counted when determining eligibility. However, if a household shares a meter, has distinguishable meter charges on the bill, and is otherwise eligible, the Subgrantee may process and issue LIHEAP benefits using the persons and income from only that portion of the household.

Review Appendix D: Eligible Dwelling Types to determine whether a specific dwelling is eligible.

## DWELLINGS (10.5.2)

When determining eligibility based on the type of home (dwelling) and the household composition (make-up), all of the following criteria must be met:

- The dwelling is occupied by the owner or renter.
- The dwelling is the applicant's primary residence at the time of application.
- The applicant has an energy burden.

*Variables to consider:*

- A. A LIHEAP applicant or household member who has more than one residence must apply based on their primary residence. The applicant must live in the primary residence at the time of application.
- B. A household member(s) on extended short-term leave from their primary dwelling, such as on vacation or in a hospital or other facility, is eligible to apply since they plan to return to that dwelling.
- C. All dwellings that share a meter are considered one household and must submit one application.
  - a. Where separate households share a meter, meter charges are distinguishable on the bill, and the applicant household is otherwise eligible for assistance, the Subgrantee may process and issue LIHEAP benefits.
  - b. If one application per meter is submitted, all persons and income from each household must be counted to determine eligibility.

Review Appendix D: Eligible Dwelling Types to determine the eligibility of specific dwellings.

## 4.7 INCOME VERIFICATION (10.6, 10.6.1)

Proof of income is required to be present in every file for each source of income in the household. When completing an application, applicants must provide proof of household income (including individuals aged 18 or older). The Subgrantee will assist elderly and disabled LIHEAP customers, if necessary, in obtaining their proof of income.

Income verification may be made through documentary evidence in the possession of the LIHEAP customer household. If documentary evidence is not available from the household, verification shall be obtained from the source of income and not from a third party. The Subgrantee should

notify the AEO LIHEAP office if problems arise obtaining income verification for individuals or particular categories of individuals.

The earned income of household members who are aged 18 and enrolled in an institution of secondary education (high school) is not countable unless working full time or the individual is emancipated and applying as the head of household.

Subgrantees must collect a full month of income documentation from the household. The documentation may cross the two most recent months or be indicated by the month prior to the application. Refer to Appendix E: Standard Income Frequency Table. Income includes:

- All countable earned income (gross earned income minus the twenty percent (20%) allowable deduction) received during the four weeks prior to the date of application

**PLUS**

- All countable unearned income received in the month prior to the month of application without regard to whether the household continues to have income.

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*Note: Bi-weekly paychecks sometimes will result in an extra pay period.*

*When this occurs, use the most recent two pay periods.*

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Appendix F: Income Inclusion and Exclusion Chart outlines types of income. Items marked with “No” must be treated as exempt.

When an adult household member has not worked in more than two (2) months, the Subgrantee must ask for the last date of employment and then check with iWage (Division of Workforce Services) to verify whether the unemployed member is receiving unemployment benefits unless the unemployment benefits were included in submitted documentation.

When earned income from self-employment is verified from the previous year’s tax return, divide the annual gross income by twelve (12) to arrive at the monthly amount to be used as earnings available.

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*Note: The only time income will be prorated over twelve months is when income is verified from a tax return.*

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## ***PROCEDURE: DETERMINING INCOME (10.6)***

Determining income may vary depending on circumstances. To ensure equal treatment of applicants, Subgrantees must use the following procedures for documenting and determining household income:

- Put all income documentation in the household's case record.
- Maintain a central file (paper or electronic) that contains individual household applications and proof of eligibility for LIHEAP, as indicated in Arkansas LIHEAP policy.
- Make ample notes in the case record and employ the "prudent worker" concept, as indicated in Arkansas LIHEAP policy.
- Collect and verify income data related to all income received in the month prior to the month of application. During uncontrollable events, such as natural disasters or a health crisis/public health emergency, collect and verify income data as required by disaster relief eligibility and application requirements outlined in Arkansas LIHEAP policy.
- Show all income calculations on the back of the standardized application form (AE0 9495).
- Include identification of the payee, date of payment, gross amount of payment, and source of payment for income verification proof, whether provided by the applicant or directly by the source of income.
- Use eighty percent (80%) of the gross amount (amount before any pre-tax deductions) on paystubs, if the household uses paystubs. Use actual/reported income only when no pay frequency is available.
- Use one hundred percent (100%) of income reported on benefit award letters for unearned income, such as Social Security Administration benefits.
- Round Monthly Countable Income (MCI) to the nearest whole dollar amount.
- Offer alternate methods of verifying income to LIHEAP customers, such as an earning statement from an employer instead of pay stubs, bank statements, screenshots of payments for gig workers.

Review Appendix E: Standard Income Frequency Table to correctly identify acceptable income periods.

### ***4.7.1 Child Support (10.6.1.1)***

Child support is considered as countable unearned income. Subgrantees must ask about all of the following:

- The frequency of child support
- Source of child support (directly from a parent, court clerk, or agency collecting the child support payments)
- Amount of child support

When getting payment verification from the paying parent places the applicant's safety in danger, then verification of child support is waived.

Divorce decrees and court orders may be accepted as verification. If the amount received is less than the amount ordered, the Subgrantee may accept other documentation, such as bank statements. (See Income Inclusion Table for other examples.)

#### 4.7.2 Medical Deductions for Elderly and Disabled (10.6.1.2)

The Subgrantee must not count medical deductions as income when a household member is receiving SSA (retirement or disability) or Railroad Retirement and is not eligible for Medicaid. This includes the Medicare Part B Buy-in premium.

#### 4.7.3 Zero Income (10.6.1.3, 10.6.1.4, 10.6.1.6, 10.6.2, 10.6.2.1)

Applicant households with zero income or with expenses that exceed their income must provide additional information that adequately explains how basic living expenses (shelter, heat, utilities, and basic living needs) are being met on a continued basis. The Subgrantee must closely examine the application to rule out possible fraud and explore how the household has been meeting its basic needs. This is not meant to disqualify a household with no income, but rather to understand how the household survives and if case management services would be appropriate.

Each adult (aged 18 or older) who declares zero or inadequate income and who is not a full-time student must complete or be included on a Zero Income Form (ZIF). The form must be completed in its entirety to be accepted as verification of how the household is meeting basic living expenses.

Households that claim to have no income in the one (1) month period before the application date must sign and submit an affidavit (found on the ZIF) that shows their means of support for that period. The affidavit must include authorization on behalf of the household to allow the state, through the Subgrantees, to verify all income and the financial status of the household and an acknowledgment that providing false information will subject the applicant to prosecution for falsely obtaining assistance.

If the household declares that someone else assists with the bills, the applicant should provide a completed Contribution Statement from the contributor.

The Subgrantee should make every effort, including follow-up communication with the applicant, to encourage the client claiming zero income to leave a meaningful comment in every field, unless the Subgrantee determines that it is truly not applicable. The follow-up communication should be documented in the case record.

Households may report zero income as a result of a recent layoff, medical issues, or other events that have occurred within the last thirty (30) days. Documentation should be submitted to verify the event.

For households who declare zero income for more than one year, the applicant must provide proof that the household has applied for or receives public assistance such as SNAP, disability benefits, TANF, etc., and a reasonable explanation of how expenses are being met. If the household cannot

provide a reasonable explanation for how expenses are being met, the Subgrantee shall deny the application.

**A household is not zero income when:**

- The household has countable income to report
- The only countable income in the household is self-generated income and the business operated at a loss
- The household has any other income resulting in a negative amount for the month leading up to the application.

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## **PROCEDURE: VERIFYING DECLARATIONS OF ZERO INCOME**

### **(10.6.1.4)**

The following chart provides the procedure that must be followed to verify declarations of zero income and the acceptable sources to verify.

PROCEDURE	SOURCE
Screen all adult household members (age 18 or older) for income	<ul style="list-style-type: none"> <li>• iWage or another process accessed through the Division of Workforce Services interface</li> <li>• The Work Number, optional</li> <li>• State Verification &amp; Exchange System (SVES), optional</li> </ul>
Verify the length of time zero-income adult household members have been without income	Applicant communication
Verify employment status for all zero-income adult household members	<ul style="list-style-type: none"> <li>• Department of Workforce Services</li> <li>• Letter from an employer</li> <li>• Bank statement(s)</li> </ul>
Verify eligibility for unemployment benefits or Workers Compensation	<ul style="list-style-type: none"> <li>• Department of Workforce Services</li> </ul>
Verify that bills are not being paid, if applicant declares such on ZIF	<ul style="list-style-type: none"> <li>• Copies of utility bills</li> <li>• Statement(s) from landlord or mortgage company</li> </ul>

Table 3: Verifying Declarations of Zero Income

#### *How to Identify that a Household Might be Zero Income (10.6.1.6)*

- *Engage the “prudent worker” concept.*
- *The household likely will be in the process of applying for Supplemental Nutrition Assistance Program (SNAP) benefits.*
- *Overdue heating bills and some indication from the landlord that the client is behind in rent.*
- *Other overdue bills (phone, medical, credit card, etc.)*
- *Bank statements showing a low or zero account balance.*
- *A self-employed household that has inadequate or no reported income on their tax return.*

#### *4.7.3.1 Zero Income Form (10.6.2.1)*

The applicant or Subgrantee must complete a Zero Income Form (ZIF) when the applicant says the household income is zero or less than the rent or mortgage payment. The applicant must sign the Statement of Attestation portion of the ZIF. If the interview is conducted remotely (e.g. by phone or email), the Subgrantee staff must sign, date, and note that the applicant agreed to the statement as provided. The Subgrantee must also request additional documentation, such as the applicant's latest tax return, to verify the household's income status.

The applicant must provide information for the entire household if claiming zero income. If the household fails to complete or return the requested ZIF, then the Subgrantee will deny the application.

The ZIF can be used to document the following circumstances:

- An adult household member has no income
- An adult household member whose irregular income is the result of seasonal or occasional work (mowing lawns, donating blood, collecting and selling cans or bottles, etc.)
- Receipt of cash gifts (can be considered income if given directly to the household)

At a minimum, the ZIF must document:

- Applicant's name,
- All adult household members claiming zero or irregular income,
- Source of income, if applicable,
- The time period for which the Subgrantee is collecting the information,
- A description of how basic needs (shelter, utilities, food) are being met,
- An affidavit or attestation certifying the accuracy of the information,
- Applicant's signature, and
- Date signed.

The applicant may sign the ZIF on behalf of all adult household members represented on the form.

Subgrantees may require applicants or households claiming zero income to submit additional information. The Subgrantee will provide the applicant with a list of required documents. The applicant will have ten (10) days from the date the list is provided to return the needed verifications. The application will be denied if the applicant fails to provide the required documents within that period.

#### *4.7.3.2 Contribution Statement (10.6.2.2)*

If the applicant declares that the household received financial assistance from someone outside of the household, the applicant must provide contact information for the person who provided support. The Contribution Statement must be completed by the person who contributed funds to or on behalf of the client. The contributor must sign and date the Attestation Statement.

#### 4.7.4 Self-Employed Applicants

Income for self-employed applicants should be based on the adjusted gross income remaining after the cost of doing business. Business expenses include all costs needed to maintain the business. Previous year's losses or expenses are not allowed to be carried forward.

The Internal Revenue Service (IRS) considers a person to be self-employed if s/he:

- Carries on a trade or business as a sole proprietor or an independent contractor.
- Is a member of a partnership or corporation that carries on a trade or business.
- Is otherwise in business for herself/himself (including a part-time business or as a **GIG WORKER**).

A person can also be self-employed if s/he has a part-time business in addition to other employment. One household may own several businesses. Income from each business must be counted.

If a self-employed household has inadequate or no reported income on their tax return, the tax return is sufficient to document zero income. Negative self-employment income will not be subtracted from other household income but will be counted as zero.

#### 4.8 ENERGY BURDEN (10.1)

Each applicant must provide proof of having an energy burden. The applicant has an energy burden if s/he pays utilities directly (receives a utility bill) or indirectly (utilities are included in rent). Households that receive utility subsidies (such as through reimbursement, allowance, or stipend) are not eligible for LIHEAP benefits unless the household can demonstrate an energy burden.

##### 4.8.1 Utility Bill (10.1.2)

A household that has the responsibility to pay its home energy bill by receiving a utility bill has an energy burden.

Applicants may demonstrate an energy burden by presenting a current utility bill with an account number for each energy source listed on the application. The name on the bill should match the applicant's name or the name of someone listed in the household on the application. If the name on the utility account is not in a household member's name, the applicant or the Subgrantee must document on the application what the relationship is to the utility's account holder.

**Exception:** A household that receives utility subsidies (reimbursement, allowance, or stipend) is not eligible for LIHEAP benefits unless the household can demonstrate an energy burden.

##### 4.8.2 Subsidized Housing and Utility Stipends (10.1.1 Subsidized and Unsubsidized)

If a household in **SUBSIDIZED HOUSING** receives a utility bill and is not reimbursed in any manner, then that household may be eligible for LIHEAP benefits if they meet other criteria.

In cases where a household in subsidized housing receives a utility bill that is partially or fully reimbursed through a utility stipend or other means, that household is not eligible for LIHEAP assistance, unless that household can demonstrate an energy burden.

A household in subsidized housing that receives a utility bill can demonstrate an energy burden by showing the subsidy does not cover the entire utility bill or cannot be applied toward the utility expense eligible for a LIHEAP benefit.

### 4.8.3 Utilities Included in Rent

A household that pays its home energy bill through rent is indirectly responsible for that energy bill and has an energy burden, unless that household already receives utility subsidies (reimbursement, allowance, or stipend).

#### 4.8.3.1 Subsidized Housing (10.1.1, 10.1.2.1)

If a household in subsidized housing has utilities included in their rent and does not receive a utility bill, that household is not eligible for LIHEAP assistance, unless the household can demonstrate an energy burden.

To be eligible for a LIHEAP benefit, a household in subsidized housing with utilities included in rent can demonstrate an energy burden by submitting a lease agreement or statement from the landlord reflecting utilities are included in the rent and also providing proof that the household is responsible for a utility surcharge or other extra cost for energy that exceeds the amount covered in the household's rent.

#### 4.8.3.2 Unsubsidized (10.1.1, 10.1.2.1)

**UNSUBSIDIZED** households are those households that do not receive assistance as indicated above.

Unsubsidized households with utilities included in their rent may be eligible for LIHEAP assistance if they meet other criteria. A member of the household must submit a lease agreement or statement from the landlord reflecting that utilities are included in the rent. A household can also demonstrate an energy burden by showing the household is responsible for a utility bill that exceeds the amount covered in the household's rent.

### 4.8.4 Utility Bills for Residential Accounts Only (10.1.2)

LIHEAP payments may only be made for a residential account. LIHEAP prohibits payments to commercial and business accounts.

**Exception:** Applicants who live in an assisted living facility where the applicant pays the utilities may receive LIHEAP benefits. These applicants must have assistance to complete the application and process the payment.

## 4.9 PRIORITY ENROLLMENT (10.7, 10.7.1)

Priority Enrollment (PE) is the process associated with an approved outreach method, now outlined in Section 8.0 Outreach and Collaboration.

Beginning with FFY 2024, the Arkansas LIHEAP no longer considers eligibility using other means-tested programs.

DRAFT

## 5.0 APPLICATION INTAKE & METHODS (2.4, 8.1, 9.0, 9.1)

Subgrantees must ensure that there is an outreach office in each county unless otherwise approved by AEO. The outreach office must be open a minimum of sixteen (16) hours over two (2) days each week during the heating and cooling seasons.

Subgrantees should consider non-traditional office hours during the business parts of the LIHEAP season to accommodate applicants who have obstacles to applying. These may include the elderly, the disabled, working applicants, and single-parent families with children under six (6) years of age. Extended office hours, using adjusted work schedules for the Subgrantee staff, should be considered to maximize access to services.

LIHEAP applications shall be accepted using methods that best meet client needs. Multiple methods to submit an in-person or remote application should be employed to offer accessibility for all households. When offices are not open to the public or have very limited public access, Subgrantees must make applications available to the Arkansas public and accept applications by some alternative means. Methods must be documented in the Subgrantee's Scope of Work and may include:

- Email
- Fax
- In-person
- Mail
- Secured dropbox
- Telephone
- Text
- Web (online)

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*NOTE: Subgrantees must not require that an application be made only in person. AEO may waive this requirement if the Subgrantee presents a request with an extenuating circumstance.*

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**Beginning with fiscal year 2024, applicants must use the current Arkansas LIHEAP application form. Older forms from the prior seasons will not be accepted.**

Subgrantees must clearly post the days and hours for accepting applications for the public to see. Each outreach office must be identifiable using signage from the outside. When circumstances necessitate, Subgrantees must post signage that is translated into languages other than English.

Agency voice messaging service should identify office hours and:

- Explain how to submit an emergency application or
- Refer callers to another resource.

Subgrantees are responsible for final review of applications for completeness and accuracy. Subgrantees are responsible for repayment and/or recovery of benefits if an applicant household receives assistance because of a Subgrantee error.

Subgrantees must have a proper separation of duties within their agencies when processing and verifying applications. For example, the worker who takes an application must not also review the same application and the worker who reviews the application must not process any complaints or requests for an appeal filed by the applicant.

All individuals involved in the LIHEAP processes must practice decision-making based on good judgment, common sense, ethics, diligence, and program knowledge, also known as the “Prudent Worker Concept” as detailed in LIHEAP policy section 11.3.

Proper intake of a LIHEAP application requires the prudent worker to:

- Verify receipt of legitimate applications;
- Verify applicant ~~or head of household~~ identity (exceptions apply – applicant’s authorized representative for a minor, for example);
- Verify income eligibility;
- Verify residence eligibility;
- Effectively communicate with the applicant household;
- Determine the correct benefit amount;
- Provide clients with applicant rights and responsibilities and the right to appeal;
- Work to process applications and make pledges and payments promptly; and
- Maintain a significant case record.

## 5.1 PROGRAM APPLICATION INTAKE PERIODS (2.2)

The standard schedule for LIHEAP benefits may be altered by AEO as needed. The typical application intake dates are:

PROGRAM	OPEN DATE	CLOSE DATE	ADDITIONAL INSTRUCTIONS
Winter Heating (Regular)	First Monday after the New Year holiday	Last business day of March	Begin sending and processing applications to PE applicants as soon as systematically possible. [What are we calling PE now? Current policy states PE mail-outs and associated crisis; what is the associated crisis?]
Summer Cooling (Regular)	First Monday after July 4 holiday	Last business day of August	Begin sending and processing applications to PE applicants as soon as systematically possible. [What are we calling PE now? Current policy

PROGRAM	OPEN DATE	CLOSE DATE	ADDITIONAL INSTRUCTIONS
			states PE mail-outs and associated crisis; what is the associated crisis?]
A-16	Upon AEO's approval of Subgrantee's annual A-16 plan	Last business day of September.	A-16 plan must be submitted to AEO at the same time as the yearly Subgrantee Agreement.
Crisis	Concurrent with Winter & Summer openings	Last business day of April (Winter) & Last business day of September (Summer)	[Currently policy states: Runs concurrent with Winter and Summer and with simultaneous break between programs. However, Jeanie noted that the closing is later and the opening/closing dates are in the chart.

Subgrantees must be open and able to receive applications every day during the last full week before the program close date (Regular Assistance, Crisis Assistance, or any other LIHEAP program).

Subgrantees must complete closeout forms no later than thirty (30) days after each program closes. Subgrantees must continue to accept weatherization applications from LIHEAP clients.

**5.1.1 State Office Closures (2.2.1)**

AEO follows the holiday schedule established by the Arkansas Secretary of State. State-observed holidays are on the Arkansas Secretary of State's [website, www.sos.arkansas.gov](http://www.sos.arkansas.gov).

The Governor may proclaim additional days as holidays. During inclement weather, the Governor may close state office buildings except for critical operations. When possible, state employees who can telework will do so. Local news outlets will issue notice of state office closures due to inclement weather.

**5.2 SUBGRANTEE OFFICE CLOSURE (7.3)**

AEO will confirm statewide program opening and closing dates. Within **ten (10) business days** of the date confirmation, Subgrantees must advertise the dates on their websites and in local media.

All expected weekday closures (e.g., holidays or other days offices will be closed to the public) should be documented within the Scope of Work section of the annual Subgrantee Agreement.

No less than two weeks, or ten (10) business days, before a Subgrantee closes the program early for any reason – including depletion of funds, holidays, vacation, or widespread illness – the

Subgrantee must request and obtain a waiver from AEO. As soon as the new closure dates are approved, but no later than ten (10) business days after the approval, the Subgrantee must update their websites and other media or social media outlets.

Subgrantees must notify AEO as soon as the decision is made if office hours change due to inclement weather or emergencies. The notice must include an explanation for the change, how long the change will be in effect, and an emergency contact. When possible, signage should be posted for the public. The signage must be clearly visible and readable from the outside. Information also should be posted on the agency website, local media, or social media.

### 5.3 APPLICATION SIGNATURE (9.2)

An applicant who is eighteen (18) years or older must sign application-related documents. All applications require the applicant's wet or electronic signature.

When the client is not available or does not meet the signature requirements, the following persons can provide a signature on behalf of the household:

- A person who holds power of attorney or proxy for the client
- A legally emancipated minor
- An ineligible adult household member
- A conservator

When the signature is not attainable, such as when taking an application by phone, the Subgrantee worker must:

- Convey to the applicant the "Applicant's Rights and Responsibilities" and the "Certification Statement" found at the end of the application.
- Obtain the applicant's affirmation that the information submitted is true.
- Document in the case record why the signature cannot be obtained and that the applicant agreed with the certification statement. The documentation must reflect the worker's name and date.
  - a) A notation may be made on the application signature line, if possible.

The Subgrantee agency must make a good faith, reasonable effort to obtain the applicant's original signature.

### 5.4 APPLICATION PRIORITY AND TIME LIMITS (9.3)

Application processing for **PRIORITY ENROLLMENT APPLICANTS** who are seeking a Regular, Crisis, or both benefits will begin a minimum of thirty (30) calendar days before all others. Priority Enrollment applicants are applicants who are disabled, elderly (sixty or older), or households with children under six years old.

Once the standard LIHEAP season opens to all, applications will be processed on a first-come, first-served basis with an emphasis on applicants who have been disconnected, are in threat of disconnection, or are facing a life-threatening situation.

Immediate assistance is available during periods of extreme temperature (hot or cold) for applicants who need heating or cooling system repair/replacement, including those who have been weatherized in the last fifteen (15) years. Subgrantees must refer these applicants to the Weatherization Assistance Program (WAP).

Crisis applications must be resolved (approved, denied, or withdrawn) within forty-eight (48) hours, or eighteen (18) hours for life-threatening situations, of being submitted to the Subgrantee as complete. The Subgrantee must release payment within twenty (20) calendar days of the application approval.

Regular applications must be processed (approved, denied, or withdrawn) within thirty (30) calendar days of being submitted to the Subgrantee as complete. The Subgrantee must release payment within thirty-five (35) calendar days of the application approval or within the time the utility allows for pledges. See Arkansas LIHEAP policy, Section 5.10 for applications received between seasons.

## 5.5 APPLICATION INTERVIEW (9.4)

Subgrantees must conduct in-person interviews with the applicant and/or household when the household submits questionable or conflicting information that cannot be resolved otherwise. Other reasons to conduct an interview include:

- Assisting the applicant to complete an application,
- Applicant requests for assistance with completing an application, or
- Applicant not otherwise available.

## 5.6 APPLICANT'S RIGHTS (9.5)

[Title VI of the Civil Rights Act](#) prohibits discrimination by anyone who receives federal funds directly or indirectly toward a beneficiary of any federally funded program. Subgrantee workers must be mindful to treat all clients with dignity, courtesy, and respect. The Subgrantee must make each applicant aware of the rights and responsibilities associated with applying for and receiving LIHEAP benefits. Rights and responsibilities as reflected on the application are as follows:

1. I understand that my application will be shared with the providers of the selected additional services (Weatherization Assistance Program and Assurance 16 Program).
2. I understand the information on this application will be kept confidential and only be shared as indicated. No information will be sold, loaned, rented, or otherwise disclosed except as indicated on this application.

3. I understand that I have the right to appeal any decision regarding this application which I consider improper, any delay in decision or delivery of services, and any disagreement with benefit amount.
4. I understand that I must help establish my eligibility by providing as much information as I can about my circumstances.
5. I authorize the LIHEAP affiliate to share information relating to my application with my utility service provider(s) to determine my eligibility or benefit amount.
6. I give permission to the Arkansas Energy Office (AEO) to use information provided on my application for purposes of reporting, research, evaluation, and analysis of the program.
7. I authorize my utility supplier(s) to release my account information to Arkansas Energy Office (AEO) or its designee(s).
8. I understand that my utility service provider will have no control over the data disclosed pursuant to this consent and will not be responsible for monitoring or taking any steps to ensure that the LIHEAP office maintains the confidentiality of the data or uses the data as I have authorized.
9. I understand that no person may be denied assistance on the basis of race, color, sex, age, handicap, religion, national origin, or political belief.
10. I understand that my signature on this application authorizes the agency to verify information about me or any household member and/or use it as a release to secure information needed to determine my eligibility for services.
11. I understand that if I receive assistance to which I am not entitled as a result of withholding information or knowingly providing false or fraudulent information regarding me and/or household members, I must repay the cost of any assistance and may face penalty of criminal prosecution.
12. The information given on this application is true to the best of my knowledge and belief. I understand that this form is signed subject to penalties for perjury.

Additionally, the Subgrantee must recognize that a client has the right to request information and expect a response. The Subgrantee must not ignore inquiries related to eligible services and eligibility, payments, and rights and responsibilities.

## 5.7 ACCESSIBILITY (9.6)

The Subgrantee must have procedures that allow those with communication or physical barriers to access and understand features of the public services that the Subgrantee provides. This includes providing:

- Locations that are safe and convenient for applicants;
- Sites that are accessible to disabled applicants;
- Services for persons with visual impairment;
- Interpreters for non-English speakers, deaf, or hard-of-hearing clients;
- Alternate (language or larger print) versions of forms and documents; and
- Additional methods to complete and receive applications.

## 5.8 TREATMENT OF INCOMPLETE OR ERRONEOUS APPLICATIONS

### (9.7)

The Subgrantee must be able to determine the eligibility status to consider an application as complete. If the applicant provides the following information at a minimum, do not return the application as incomplete:

- Applicant's name
- Applicant's Social Security Number
- Applicant's date of birth
- Applicant's race and ethnicity
- Applicant's gender
- Applicant's phone number
- Physical and mailing addresses
- Household composition
- Household income
- Utility vendor name(s) and account number(s) for each source
- Wet or electronic signature
- Proof of income

The Subgrantee can return an application if the applicant does not make a good faith effort to complete the application form (e.g., only provides the contact information on the front of the form). When returning an incomplete application, the Subgrantee must include a cover letter that explains what is needed to complete the application and a deadline (e.g., 30 days from the date of application, etc.) for submitting missing information. Failure of the applicant to complete every item at the time of application is not a good reason to return an application as incomplete. Applicants may submit missing documentation in person, by mail, or by electronic means.

Subgrantees must not accept applications that have been marked with correction fluid. Any crossed-out information that the Subgrantee initiates must be initialed by the Subgrantee. The applicant must initial any crossed-out information to indicate approval or agreement.

Applications that remain incomplete for more than thirty (30) calendar days after the close of the current season must be marked as denied by the Subgrantee since the Subgrantee was unable to get enough information to process in a timely manner.

## 5.9 TREATMENT OF SUBGRANTEE EMPLOYEES AND FAMILY APPLICATIONS

Applications for assistance made by Subgrantee employees or individuals who are closely related (as defined in Arkansas LIHEAP policy Section 4.5 Household Composition and Dwellings) to a Subgrantee employee will not be approved without prior review and approval by the Subgrantee Executive Director (ED). The ED will sign the case record to indicate his/her approval. This function will not be delegated except in the absence of the ED. The ED will review and sign any such approvals made in his/her absence. Case files/records resulting in any benefit payment to a Subgrantee employee or individuals who are closely related to a Subgrantee employee will be maintained separately from other records and produced for review during the next monitoring visit.

## 5.10 APPLICATIONS RECEIVED OUTSIDE OF THE APPLICATION PERIOD (9.9)

At the end of each season, LIHEAP customers have ten (10) calendar days to submit required documentation. Subgrantees must complete the application process within thirty (30) days even if the application was received on the last day.

Any LIHEAP application received between seasons without a prompt, such as PE mailings; before or after a program opens or after it closes, must not be processed for benefits. The Subgrantee must deny the application.

## 5.11 NOTICE OF ACTION (9.8)

Assurance 7 of the LIHEAP Statute requires grantees that pay home energy suppliers directly to establish procedures to communicate with the applicant household; whether approved, denied, pending, or withdrawn.

The Subgrantee must notify the client household of the application status and amount of assistance in writing with a timely Notice of Action (NOA) at the time of disposition. The Subgrantee must keep a copy of the notification in the applicant's case record. The NOA will not only inform the household of the benefit amount but also assist the household in knowing if the amount is correct and if the energy supplier received the payment. The NOA should include the following information for a client whose application has been approved:

- Application status (approved, denied, pending, withdrawn)
- Amount of benefit
- Identity of receiving party (vendor or client)
- Date of expected payment

OR, if the application was incomplete:

- Request for missing information
- Date missing information is due

- Action if missing information is not received

The Subgrantee must issue a new NOA if there is a change in decision or benefit amount from the original NOA. All notices of action must include instructions for appealing a decision.

The Subgrantee must send a second Notice of Action to the applicant if missing information is not submitted by the due date provided in the original NOA or if the information submitted is incomplete. The second NOA should indicate:

- The date missing information was to have been submitted and the action (denied, pending, withdrawn), if the information was not submitted; or
- The information still missing from the application and the date the missing information is due.

If the household indicated an interest in weatherization services, the Subgrantee must notify WAP and the household to which weatherization provider their information was sent and the date. The NOA should include a caveat that homes are prioritized for weatherization with special consideration for the disabled and elderly. The household must also be informed that if their home structure was weatherized in the last fifteen (15) years that they may not be eligible for weatherization services.

**NOTE:** An applicant household can receive only one approval per benefit type per program season. A denied applicant can apply multiple times during the same program season to become approved if eligibility circumstances change.

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*NOTE: If an application for Regular and Crisis Assistance benefits is submitted at the same time, when applicable, only one Notice of Action (AEO-2001) is required.*

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## 5.12 APPLICATION DENIAL (9.10)

Each application must be completed enough to process regardless of information that may cause a denial. The Subgrantee agency must ensure each application is complete unless the applicant withdraws the application or does not provide the requested information within thirty (30) days of the application date.

Subgrantees must use denial codes as a brief description to explain why a household's application is pending or has been denied. The text of each code that is used must be printed on the notice of action to assist the client's understanding. Multiple codes may be used to explain a denial. Subgrantees may expand the text occasionally as the need arises.

## 5.13 APPLICANT CASE FILE/RECORD (9.11)

The Subgrantee's inability to provide client files or documentation of payment of benefits to AEO upon request will be considered a breach of contract. If supporting documentation of expenditures

cannot be provided, the Subgrantee must reimburse the assistance payments to AEO from non-federal funds.

Records may be kept as paper or electronic files. Applicant files and related materials must be maintained as Arkansas LIHEAP policy requires, Section 12.0 Records Retention.

The chart below provides an overview of case record requirements. Full details are in the subsections that follow.

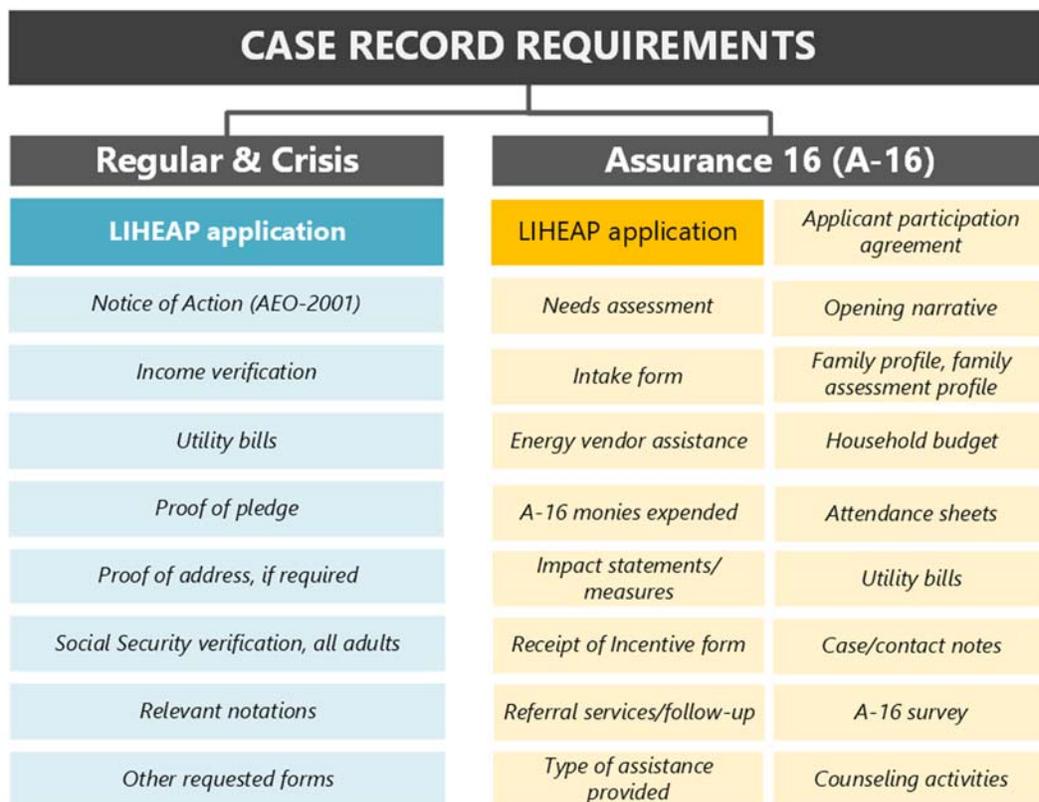


Figure 3: Case Record Requirements

### 5.13.1 Regular or Crisis Case Record (9.11.1)

Each case record for Regular Assistance and Crisis Assistance benefits will include:

- LIHEAP application
- Notice of Action (AEO-2001)
- Income verification such as pay stubs, Social Security printout, iWage documentation, child support documentation, or Zero Income Form
- Utility bills and proof of pledge such as FINA Portal or documentation from utility
- Proof of identity
- Proof of address (Residency), if required based on the utility bill

- Social Security Card or verification of SSN for adult household members
- Any relevant notations
- Any other requested forms, such as the Zero Income Form, Contribution Form, Requests for Appeals

If a household applies for Regular Assistance and later applies for Crisis Assistance (or vice versa), separate files with all related items attached will be maintained for each application. These files may be kept in the same file folder. Each year’s LIHEAP case record should be separate from the previous year’s case(s).

Only one case record is needed if applications are made simultaneously for both Regular Assistance and Crisis Assistance.

### 5.13.2 Assurance 16 (A-16) Case Record (9.11.2, 11.3.6)

Assurance 16 provides funding that can be used by Subgrantees to help applicants attain energy self-sufficiency. An A-16 case file must be maintained on each household selected for A-16 activities. The case file will include at a minimum the following files:

REQUIRED	DESCRIPTION
Needs Assessment	May be the LIHEAP application, a Family profile survey, or other document
Signed, dated agreement by the applicant to participate in A-16	If the applicant fails to participate in the program as per the agreement, the household will not be considered an A-16 applicant and therefore not listed in the final report.
Opening Narrative	
LIHEAP application (copy)	
Intake form	
Household budget	
Family profile and family assessment profile	
Counseling activities documentation	This may include notes that chronicle visits, observations, questions, concerns, or any action related to the A-16 case.
Class attendance	Copy of sign-in sheet for each class attended.
Assistance with energy vendor	A written description of how the Subgrantee helped the applicant communicate effectively with the vendor by phone or online portal to maintain service. NOTE: Vendor assistance as a part of A-16 does not include LIHEAP payments to energy suppliers or the actions or activities taken by the Subgrantee to resolve the household’s

REQUIRED	DESCRIPTION
	crisis situation through the Crisis Assistance program.
Type of assistance/activity provided	<p>A detailed description of the assistance or activity provided. For instance, the specific activities should be outlined if Energy Conservation is provided. If Budget Counseling is provided, details of the plan and provisions for the household to make regular payments toward its energy bills must be included.</p> <p>NOTE: The mailing of Energy Conservation tips or materials to households will not, by itself, meet requirements of this activity.</p>
Case and contact notes	Outlines any contact or supporting information that is relevant to the case, including home visits made to assess the household's progress.
Impact statements and measures	Indication of how A-16 has helped or hurt this household and measures of improvement.
Referral services and follow-up information	Referrals to other programs or agencies and the outcome.
Utility bills, beginning and ending	Used to support the impact or the need.
A-16 monies expended on customers' energy bills	Copies of utility bills, vouchers, receipts, and/or checks
A-16 survey	
Receipt of Incentive form	
Exit interview document	A formal follow-up with the household to determine the outcome or effect of the specific actions taken, relative to the initial goals of the A-16 intervention. The household, not the Subgrantee worker, should complete and sign the exit document. A two- (2) month follow-up is required. The follow-up should include a summary of the impact that A-16 made in each household that completed the program.

Table 4: Assurance 16 (A-16) Case Record

## 6.0 DETERMINING BENEFITS (2.1.2, 11.0)

### 6.1 REGULAR ASSISTANCE (11.1)

In addition to other eligibility criteria, the Subgrantee must use the eligibility chart to determine if an applicant household is eligible for a regular benefit. The Subgrantee will use the appropriate benefit matrix to determine the household benefit.

The amount of Regular Assistance a household receives is determined by specific factors:

- The household's Monthly Countable Income (MCI),
- Household size, and
- Type of fuel.

If an applicant requests for the household's regular benefit to be split between up to two energy utilities, the Subgrantee must do so.

The primary fuel matrix must be used to determine benefit amounts unless the applicant requests their benefit be applied totally to their secondary energy source. When the benefit is to be applied totally to the secondary energy source, the Subgrantee will use the benefit matrix for the secondary energy source to determine the benefit amount.

The energy benefit charts found in Appendix I are:

- Electricity Matrix: used for both Winter and Summer Regular Assistance.
- Natural Gas Matrix: Winter Regular Assistance only.
- Fuel Oil Matrix: Winter Regular Assistance only.
- Propane Matrix: Winter Regular Assistance only.
- Other Matrix: Winter Regular Assistance only.

#### ***PROCEDURE: USING THE BENEFIT MATRICES (11.1.1)***

The benefit matrices incorporate two payment factors: monthly countable income (MCI) and household size. To determine the LIHEAP benefit amount:

- Locate the primary energy source benefit matrix chart (located in Appendix D).
- Locate the MCI row that coincides with the household's income.
- Read across to the proper household size column to find the benefit amount.

### 6.2 CRISIS ASSISTANCE (11.2)

The Subgrantee must use the eligibility chart to determine if an applicant's household is eligible for a crisis benefit. Other eligibility criteria must be tested as well.

## ***PROCEDURE: DETERMINING CRISIS ASSISTANCE (11.2.11)***

To determine Crisis Assistance, the Subgrantee must:

- Evaluate each crisis individually, using the general and crisis eligibility requirements.
- Determine the appropriate crisis resolution.
- Determine the minimum amount that is needed to alleviate the household's crisis).
- Determine the amount of the household's Regular Assistance benefit, if not already received.
- Determine the amount of assistance, up to the maximum benefit allowed.

IF	THEN
The Regular Assistance benefit is not enough to alleviate the crisis.	The Subgrantee may apply only the Crisis Assistance benefit up to the maximum benefit amount (See Appendix J: Crisis Benefit Table). The Regular benefit will still be available for use later in the season.
The Regular Assistance benefit is enough to alleviate the crisis.	The household is ineligible for Crisis Assistance.
The household is ineligible for Regular Assistance because it has already received a Regular benefit.	The amount of the Crisis Assistance will be the minimum amount needed by the household to alleviate the crisis, up to the maximum benefit amount (see crisis table in the Appendix).
The crisis involves a depleted supply of heating fuel, and the supplier has no minimum delivery policy, or the minimum delivery amount, plus fees, is less than \$500.	The Crisis benefit will be \$500.
The crisis involves a depleted supply of heating fuel, and the supplier has a minimum delivery fee of more than \$500.	The payment for the minimum delivery plus fees will be allowed up to the maximum crisis benefit unless otherwise noted below. This benefit applies to the following fuels: <ul style="list-style-type: none"> <li>• Wood</li> <li>• Fuel that the household transports, such as bottled propane, fuel oil, or kerosene.</li> <li>• Prepaid electricity. If the prepaid account is disconnected, the applicant</li> </ul>

	<p>has been notified that their account balance is low, or the prepaid account has an overdue balance, the Crisis benefit may be applied. LIHEAP must also consider additional charges, such as a reconnection fee, that must be paid. A household may be eligible for the maximum crisis benefit if it restores power or prevents disconnection.</p> <ul style="list-style-type: none"> <li>• Propane delivered by an energy supplier when the tank capacity is at or below twenty percent (20%).</li> </ul>
<p>The crisis is based on an eviction notice due to non-payment of heating or electricity costs included with the rent.</p>	<p>The Crisis Assistance benefit will be limited to the amount due for heating and/or electricity costs (not including any rent) and will be determined as outlined below. If accepting the LIHEAP payment, the landlord must agree not to evict the applicant.</p>
<p>The crisis is based on an eviction notice due to non-payment of heating or electricity costs included with the rent and the heating and/or electricity costs are a designated portion of the rent payment.</p>	<p>The Crisis Assistance benefit is that portion, or the applicable maximum benefit amount, whichever is less.</p>
<p>The crisis is based on an eviction notice due to non-payment of heating or electricity costs included with the rent and heating and/or electricity costs are an undesignated portion of the rent payment.</p>	<p>The Crisis Assistance benefit is twenty-eight percent (28%) of the rent, or the applicable maximum benefit amount, whichever is less.</p>

Figure 4: Determining Crisis Assistance benefit

### 6.3 COORDINATION OF BENEFITS (11.5, previously Coordination of Benefits During the Application Period for Regular Assistance)

Only one application for Regular Assistance and one application for Crisis Assistance will be approved per program. The applicant must complete an application and provide the required documentation to allow eligibility determination.

When an applicant applies for assistance, whether it is for Regular or Crisis Assistance first, the register number for BOTH applications must be documented on the second application.

If the application is submitted in person or by phone, the Subgrantee must explain to the applicant, if approved, which benefit, if any, is still available during the program season. If the application is received in another manner approved by the Subgrantee, the Notice of Action must clearly state which benefits were applied to alleviate the crisis.

All Crisis Assistance case records that are not included in the same folder with the household's application for Regular Assistance must include documentation of the household's receipt of, or ineligibility for, Regular Assistance. The Subgrantee must document in the Crisis Assistance file if the household is ineligible for Regular Assistance.

When an application is approved, the Subgrantee should apply the benefits in the manner requested by the applicant. The benefits should be applied in the manner that best serves the applicant if no instructions are received from the applicant. The Regular Benefit does not have to be applied before the Crisis Assistance benefit.

### ***PROCEDURE: WORKING WITH BUNDLED BILLS (11.6)***

To determine benefit amounts for entities that charge for services other than approved energy utilities and do not itemize customer bills, the Subgrantee should:

#### ***CURRENT BILL IS ITEMIZED, BUT THE ARREARAGE IS NOT (11.6.1)***

- Add the approved energy charges from the current bill.
- Calculate the percentage of the total current bill attributable to the energy charges.
- Determine the benefit amount by applying the percentage of the current bill to the total arrearage.

#### ***NO PART OF THE BILL IS ITEMIZED (11.6.2)***

- Contact the energy supplier to obtain an appropriate percentage of their bill that is attributable to the cost of providing energy services.
- Use the percentage provided by the energy supplier to calculate the outstanding balance that is eligible for LIHEAP payment.

## 7.0 PAYING LIHEAP BENEFITS (12.0)

Benefit payments are contingent upon the availability of federal funds. Applicant households are not entitled to a certain amount or form of assistance from LIHEAP. The amount of assistance a household receives depends upon available funding, total household income, household size, dwelling type, type of primary heating fuel the household uses, and other factors considered in the benefit matrix. LIHEAP payments may only be made for a residential account. All Regular Assistance and Crisis Assistance payments will be paid directly to the home energy supplier unless otherwise allowed. Unless otherwise specified, only one Crisis Assistance and one Regular Assistance benefit can be approved for each household for each season.

LIHEAP prohibits payments to commercial and business accounts. Exceptions to this are for applicants who live in an assisted living facility

Payments will be made on a first-come, first-served basis, based on application date and type. To avoid life-threatening emergencies, Crisis Assistance applications from an applicant who is in threat of disconnection or who has already been disconnected should be given priority over regular applications. The LIHEAP benefit payments may be issued to the:

- Primary Energy Supplier
- Secondary Energy Supplier
- Household

Subgrantees will make direct payments to energy suppliers and to households whose utilities are included in the rent or other provisions outlined under Household Payments, Section 7.2. No payments will be issued to an account for an unoccupied dwelling unless the applicant needs proof that utilities are connected to move into housing, in which case the Subgrantee must verify this arrangement with the housing manager.

All Subgrantees must have a signed agreement with energy suppliers detailing the conditions under which payment will be made. The purpose of the Supplier Agreement is to ensure fair treatment of LIHEAP applicants by energy suppliers, to establish the procedures for payments on behalf of LIHEAP applicants, and to require suppliers to provide energy burden data for LIHEAP recipients in exchange for receiving LIHEAP payments.

The Subgrantee must not issue benefits using LIHEAP funds to pay for tampering or other fees accrued because the applicant's household fraudulently received service by bypassing company equipment.

### 7.1 ENERGY SUPPLIER PAYMENTS (12.3)

All Regular Assistance and Crisis payments must be applied by the Energy Supplier to charges for home energy, as specified in the Supplier Agreement form (AEO-2050).

**NOTE:** The Subgrantee may use “Regular” Assistance for any charges that would normally be covered by “Crisis” Assistance if the benefit is used to alleviate a crisis. This excludes fees or fines that are not applied to all customers or are charged by the utility as a result of wrongdoing, a violation of the law, or supplier’s policies. Examples of allowable charges include required deposits, fees or other charges required to prevent the loss of or to restore energy. During the winter program, allowable charges include tank rental and charges for leaks or repairs.

The following determines how payments will be made to energy suppliers:

### 7.1.1 Regular Assistance Payment: Winter Program (12.3.1.1)

- Benefit paid to the primary heat energy supplier.
- Primary heat benefit split between the primary and secondary heat suppliers, if requested by the applicant and the applicant is informed ~~understands~~ that the single payment for which eligibility is established will be split between two (2) suppliers. The split is fifty percent (50%) to each supplier.
- Benefit paid to the secondary heat energy supplier, if requested by the applicant.
- Benefit paid to the energy supplier with the largest unpaid balance, if requested by the applicant.

To support processing multiple payments using the Regular benefit:

- The applicant must provide all energy bills for the household and indicate the household’s need for home heating fuel types on the LIHEAP application (AEO-2096).
- The Subgrantee must validate the need on a case-by-case basis.
- The Subgrantee will establish the maximum Regular benefit amount using the primary heating fuel matrix. This amount may be split between two (2) energy sources, but the total of payments must not exceed the maximum Regular benefit amount for the primary heating fuel.

### 7.1.2 Regular Assistance Payment: Summer Program (12.3.1.2)

The Regular benefit may not be used to pay multiple energy suppliers during the Summer program.

### 7.1.3 Combined Regular and Crisis Assistance Benefits (12.3.2)

Benefit amounts may be added together and distributed as follows:

IF	THEN
A crisis is involved and the Regular Assistance benefit, if available, is adequate to alleviate the crisis without a Supplemental Crisis benefit payment	Use Regular Assistance to pay the supplier(s) to alleviate the crisis. When a Regular benefit is used to cover a crisis, the benefit must be pledged.
A crisis is involved and the Regular Assistance benefit is no longer available	The crisis benefit will be applied to the balance to alleviate the crisis, up to the maximum benefit.
A crisis situation involves only one supplier	Pay the supplier the amount required to alleviate the crisis, up to the maximum benefit.
Combined Regular and Crisis Assistance benefits are less than the amount required to resolve the crisis as shown on the applicant's bill or the most recent information from the supplier	The Subgrantee must contact the energy supplier and document the contact as required by Arkansas LIHWAP policy, specifically Section 2.2.3.

Table 5: Combining Regular & Crisis Assistance Benefits

### 7.1.4 Winter Program Only (12.3.1.1)

When the crisis involves more than one supplier, pay suppliers so that each of the situations on which the Crisis Assistance eligibility was based is resolved.

**Example:** The household has received a shut-off notice from both its gas (primary heat source) and electricity (secondary heat source) suppliers. Both suppliers may be paid to alleviate the crisis.

When the supplier requires the payment of a past-due balance before delivery, the past-due balance must be verified and documented in the case record.

### **PROCEDURE: WOOD SUPPLIER PAYMENTS (12.3.4)**

If a Subgrantee decides to implement the option of making direct payments to wood suppliers who have an Arkansas LIHEAP Supplier Agreement in effect, the following procedures will be followed:

- The Supplier Agreement with wood suppliers will specify whether wood will be delivered in ricks or cords, the size or quantity of wood that makes up each specification, and the price per each specification. The price charged per rick or cord will be comparable with

the going market rate in the area served. These specifications will not change during the subgrant period.

- Applicants will be advised in writing on the Notice of Action form (AEO-2001) that wood will be delivered instead of a cash benefit and of the quantity to be delivered.
- Receipts verifying delivery, the amount of wood per rick or cord, and the dollar value will be signed by an adult household member, preferably the applicant, at delivery.
- The eligible household should not sign receipts until all the wood has been delivered.
- Subgrantees who choose to contract with wood suppliers for direct payment will monitor wood delivery periodically and investigate all complaints.

## 7.2 HOUSEHOLD PAYMENTS (12.4)

The Crisis and Regular Assistance benefit payments will be made directly to home energy suppliers with only a few exceptions. When the situation allows for household payment, the Subgrantee can use two-party checks (Recipient and Supplier). Upon receipt of the check, the applicant will endorse it and provide it to the landlord, retailer, or service provider as payment.

After a payment amount has been determined from the payment chart, the household must be advised via Notice of Action Form (AEO-2001) of the amount of assistance it is eligible to receive.

Exceptions to paying home energy suppliers directly can be made in the following situations:

SITUATION	REQUIREMENT	ADDITIONAL INFORMATION
Energy costs are included in the rent (12.4.1)	<ul style="list-style-type: none"> <li>• The household must provide a copy of the current lease or a signed letter on letterhead from the landlord showing that utilities are included in the rent.</li> <li>• In place of a lease agreement or a signed letter as described above, the household may provide applicable recertification documents from Housing and Urban Development (HUD) or USDA Rural Development.</li> </ul>	
Energy and housing are provided by an		A third party or employer provides energy and housing,

SITUATION	REQUIREMENT	ADDITIONAL INFORMATION
employer or third party (12.4.2)		and the applicant is responsible for energy costs.
Wood or non-refillable propane tanks are used as the heating source (12.4.3)	<ul style="list-style-type: none"> <li>• The applicant must complete the housing and energy information section of the application form.</li> <li>• The applicant must indicate the household's service address.</li> <li>• The applicant and Subgrantee must follow the Crisis Assistance benefit policy and procedure Section 2.2 to determine whether the house is acceptable to use wood as a primary heating source.</li> </ul>	
The Energy Supplier does not have a signed Supplier Agreement (12.4.4)		The applicant receives home energy from an Energy Supplier that did not or will not sign a Supplier Agreement with the Subgrantee.
The Energy Supplier violated the Supplier Agreement (12.4.5)		The applicant receives home energy from an Energy Supplier that has violated its Supplier Agreement and is non-compliant.
Energy Supplier does not maintain ongoing accounts (12.4.6)		The applicant receives home energy from a supplier that does not maintain ongoing accounts. This excludes using the benefit as credits toward a customer's account.

SITUATION	REQUIREMENT	ADDITIONAL INFORMATION
Energy Supplier Refuses Service (12.4.7)	If the refusal is due to an unsafe heating system, refer the case to Weatherization as an emergency.	The household's primary energy supplier refuses service to the household and no alternative supplier is available (e.g., due to bad credit or an unsafe heating system, suppliers refuse service).
Late Corrective Payment (12.4.8)		A corrective payment is made for the household after the date by which the supplier must begin removing remaining unexpended LIHEAP benefits from its accounts (See Supplier Agreement (AEO-2050), Item P).
Solar Energy Users (12.4.9)	<p>To be eligible for Regular LIHEAP benefits, households that use solar energy to generate all or part of their energy needs must:</p> <ul style="list-style-type: none"> <li>• Prove the household is responsible for the maintenance cost of the solar panels. Proof can be a receipt for the purchase of solar panels or a lease agreement that designates responsibility for maintenance.</li> <li>• Use electric heat to be eligible for winter assistance, or split payment with another heating supplier.</li> </ul>	Households that use solar energy are not eligible for Crisis Assistance benefits.

Table 6: Exceptions to paying home energy suppliers directly

## 7.3 ASSISTANCE PAYMENT CHECKS (12.4.10)

Subgrantees are encouraged to issue electronic payments (EFT, ACH, et cetera). The Subgrantee may issue payments to an applicant's household using a sequentially pre-numbered printed check when necessary, as specified in Arkansas LIHEAP policy and procedure, Section 7.2 Household Payments. The printed payment should indicate a limited life of not more than ninety (90) days.

LIHEAP benefit payments to Energy Suppliers will include, at a minimum:

- Applicant name
- Register number
- Account holder's name
- Energy account number
- Program Season (Winter or Summer)
- Payment amount
- Payment Reason (e.g., LIHEAP benefit)
- Program Name (Block, Supplemental, CARES, et cetera)
- The words "LIHEAP Assistance" on the memo line

## 7.4 UNUSED PAYMENTS

Changes in households, such as an applicant passing away, the applicant's household moving, or a member moving may cause an approved benefit to be held in suspense by the Subgrantee or the Energy Supplier.

### 7.4.1 Unused Payments: Subgrantee Responsibilities (12.2.1)

If an applicant household moves or passes away before the Subgrantee issues payment, the benefit can be applied to the remaining balance with the energy supplier. If no balance exists, the Subgrantee can use the payment for the new energy supplier, if applicable.

If a benefit payment is returned by the post office or the energy supplier, or if the benefit payment has been authorized but not issued (for specific reasons), Subgrantees may use up to thirty (30) days to locate the applicant. The Subgrantee must:

- Apply the payment to the new vendor, if applicable;
- Issue payment to the household if utilities are included in rent;
- Reclaim payment to issue to other households, if the applicant is incarcerated or institutionalized; or
- Return the payment to AEO once the program season closes.

The Subgrantee must document attempts to locate the LIHEAP applicant's household.

If the benefit cannot be applied as indicated, a revised Weekly Data Report form (AEO-2065) must be submitted to reflect the adjustment in expenditures and applications paid.

### 7.4.2 Unused Payments: Energy Supplier Responsibilities (12.2.2)

Suppliers will return all unused benefits to the Subgrantee as outlined in Arkansas LIHEAP policy Section 13.0 Energy Suppliers.

### 7.4.3 Unused Payments: Lost or Stolen Checks (12.2.3)

A lost check is defined as one that the applicant or supplier has not received within ten (10) days from the date that the check was mailed.

A stolen check is one that the applicant or supplier has received but was subsequently misappropriated before cashing.

## ***PROCEDURE: LOST OR STOLEN CHECKS – NOT CLEARED***

### ***(12.2.3.1)***

When the household reports that a check issued by the Subgrantee is lost or stolen and the check has not cleared the bank, the Subgrantee must:

- Create a detailed narrative for the case file that describes the circumstances surrounding the lost or stolen check and all subsequent related actions of the payee.
- Verify with their bank and use other applicable financial records to determine if the check has cleared.
- Issue a “stop payment” order.
- Notify law enforcement officials if the check was stolen.
- Issue a replacement check.

## ***PROCEDURE: LOST OR STOLEN CHECKS – CLEARED (12.2.3.2)***

If the applicant’s household reports a benefit payment as lost or stolen but the check has cleared the bank, the Subgrantee must:

- Create a detailed narrative for the case file that describes the circumstances surrounding the lost or stolen check and all subsequent related actions of the payee.
- Verify with their bank and use other applicable financial records to determine if the check has cleared.
- Obtain either the original check or a copy of the original check, including the endorsement signature.
- Determine where the check was cashed.
- Contact the individual or business who cashed the check to determine:
  - Who cashed the check (e.g., applicant, spouse, child, household member, or other),
  - The identification required prior to cashing the check, and
  - Other information relating to the cashing of the check.
- After the Subgrantee determines who cashed the check, the agency should:

- Obtain a statement from the payee that attests to whether the endorsement belongs to the payee;
- Notify the law enforcement officials and issue a replacement if the signature was forged by someone outside the household;
  - NOTE: Do NOT issue a replacement check if the original check was signed by the applicant or another household member.
- Close out the file/investigation if a household member or applicant signed the check or if a replacement check was issued.

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## 8.0 OUTREACH & COLLABORATION (2.5, 8.0-)

The LIHEAP Statute, specifically Section 2605(B)(3) and Section 2605(B)(15), requires Grantees to “conduct outreach activities designed to assure that target households are made aware of the assistance available” under this Act and other energy-related assistance available under other programs and provisions of law.

Section 2605 (B) (3), also known as Assurance 3, requires states to conduct outreach activities designed to inform target households – households with elderly individuals, disabled individuals, or both, and households with high home energy burdens – about LIHEAP and other available assistance and applicable programs. Section 2605 (B) (15), also known as Assurance 15, requires states to provide “outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations.”

The LIHEAP Statute does not define outreach but the LIHEAP Clearinghouse defines outreach as:

The various activities LIHEAP providers engage in to promote and increase program awareness with an attendant goal of increased program enrollment. Outreach may also include outreach activities designed to reach and enroll certain populations, also known as targeting. For example, a LIHEAP office may decide to target or prioritize its outreach efforts, and attempt to reach and enroll more elderly households, more lower income households, more public assistance recipients, etc.

The LIHEAP model plan provides a list of outreach strategies, including:

- Publish articles in local newspapers or broadcast media announcements.
- Inform low-income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.
- Execute interagency agreements with other low-income program offices to perform outreach to target groups.
- Web posting
- Social media

AEO lists other allowable methods, including but not limited to, mailing lists, door-to-door, geo-targeting, participation at benefits fairs, hosting senior center events, print media (billboards, newspapers, flyers, magazines, postcards), broadcast media (radio and television), texts, visiting places of worship or social clubs, and operating a mobile unit.

## 8.1 OUTREACH AND COORDINATION (8.2)

When applicable and with the permission of the applicant, Subgrantees must braid funds to achieve the maximum benefit for a household. Subgrantees may establish methods to ease the application process by working within guidelines to coordinate with other social services on the LIHEAP

applicant's behalf. Subgrantees must evaluate CSBG eligibility for applicants whose LIHEAP benefit does not resolve the household's energy crisis. Subgrantees may seek to integrate other fuel fund or utility programs into the intake process. A Subgrantee must obtain and document the client's authorization before proceeding to coordinate LIHEAP with other resources. When coordinating LIHEAP funds with other funding sources, the LIHEAP funds must be issued in accordance with LIHEAP Statute (42 USC 8621-8630), regulations and the State plan.

AEO encourages the combination of federal funds (braiding) to achieve the best possible benefit for the LIHEAP applicant household. Such leveraging may occur between programs using funds from:

- Community Services Block Grant (CSBG),
- Electricity Exemption Tax – Act 120 of 1983,
- Weatherization, and
- Other resources not listed.

Subgrantees should make a diligent effort to coordinate with other programs outside of LIHEAP to best assist the applicant, such as the Salvation Army, Power to Care (Energy), local places of worship, and other local programs available.

## 8.2 COORDINATION WITH WEATHERIZATION ASSISTANCE PROGRAM (WAP) (8.3)

Congress gave LIHEAP grantees the ability to offer low-income weatherization services as part of the LIHEAP Statute (42 USC § 8621-8630), which provides monetary assistance to low-income families struggling to pay their home energy bills. Section 2605 (k) (1) (B) of the LIHEAP Statute enables Community Action Agencies to provide low-cost residential weatherization or other cost-effective residential energy efficiency measures.

Subgrantees will make weekly referrals to coordinate with the Weatherization Assistance Program (WAP), part of AEO. LIHEAP Application forms advise households of WAP and ask applicants if they would like to be referred to the program (if funds are available). A referral to WAP will be completed for households indicating an interest in receiving weatherization services.

- If an applicant requests a referral to WAP such referral is required even if the household is ineligible to receive LIHEAP benefits; however, referral is not required if the applicant has previously been referred for or received services.
- The reason for not referring must be documented in the case record.

WAP will review and approve referrals made by Subgrantees. Subgrantees will submit approved referrals for WAP services to Weatherization providers weekly. See the appendix for the [WAP providers](#) in each county. Subgrantees will maintain a current list of LIHEAP households who have been referred for weatherization services and will provide AEO a copy of each referral list at

the time referrals are made. All WAP referral documentation must be available to the LIHEAP Grantee upon request.

### 8.3 COORDINATION WITH ACT 120 OF 1983 (8.4)

Act 120 of 1983 ([ACA 26-52-416](#)) exempts the first five hundred (500) kilowatt hours of electricity used per month, including fuel adjustment charges, by low-income residential customers from the Arkansas Gross Receipts Tax, all local gross receipts taxes, and all other State or local excise taxes that would otherwise be levied thereon.

Only residential customers whose income for the prior calendar year did not exceed twelve thousand dollars (\$12,000.00) are eligible for the exemption. Only the income of the customer and their spouse is counted (the person whose name the account is in and their resident spouse). Eligible households must notify the electric utility providing service to them of their intention to claim the exemptions allowed under the Act by completing and submitting an enrollment form, “Claim for Low Income Electricity Customers Sales Tax Exemption (DFA Form E-416).” The form is available at <https://www.dfa.arkansas.gov/images/uploads/exciseTaxOffice/e416.pdf> ([Claim for Low Income Sales of Electricity | E-416](#)). It may be necessary to save the form before opening.

Eligible households who did not receive the exemption during the prior year will receive the exemption for that portion of the calendar year remaining after the “Claim for Low Income Electricity Customers Sales Tax Exemption (DFA Form E-416)” is submitted to the electric supplier. These households will continue to receive this exemption until they notify the electric supplier that their total income exceeds \$12,000.00 annually.

Subgrantees are responsible for informing applicants about the exemption and advising them to contact their electric utility supplier to request the application form, “Claim for Low Income Electricity Customers Sales Tax Exemption (DFA Form E-416),” to enroll in the program. The Subgrantees may also provide the client with the application form.

The household may register for the exemption one time only. The exemption remains in effect until the household’s income exceeds \$12,000.00 per year.

### 8.4 OUTREACH THROUGH PRIORITY ENROLLMENT LISTING (8.6)

AEO encourages Subgrantees use multiple methods to seek out vulnerable households during the Priority Enrollment period and others during the standard operating season.

As a part of outreach, the Subgrantee must inform their service area of the groups that are eligible to apply during the Priority Enrollment period: households with persons with disabilities, elderly (sixty or older), and children under six years.

#### 8.4.1 Priority Enrollment Mailouts (10.7.2)

Subgrantees should use the prior LIHEAP season’s applicant data to create PE lists.

Subgrantees must securely transfer (electronically or by mail) the LIHEAP application (AEO 9495) to households that are identified as having a vulnerable member. If mailed, the Subgrantee must include a stamped, self-addressed return envelope or only a self-addressed envelope. The Subgrantee may choose to notify a household about the PE period by another approved method listed on the Scope of Work.

If the Subgrantee identifies an address on their PE listing that belongs to an institution, mailing materials will not be sent to that address.

NOTE: Subgrantees must follow the Client Confidentiality protocol in Section 11.1 of this policy when handling an applicant's PII.

#### 8.4.2 Example Outreach Techniques/Ways to Use PE List (8.6.1)

Subgrantees may use various methods to inform the low-income communities in their service areas about the benefits of LIHEAP. Examples are provided in Arkansas LIHEAP policy, Section 8.0 Outreach and Collaboration.

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## 9.0 FISCAL MANAGEMENT (5.0, 5.1, 5.3, 2.6.1)

Fiscal control and fund accounting procedures ensure federal funds paid to the state are distributed and accounted for properly. LIHEAP fiscal management policy builds upon general fiscal policies and requirements of [45 CFR 75](#), Community Services Block Grant fiscal policies, and Generally Accepted Accounting Principles that will provide basic guidance to the Subgrantee in implementing LIHEAP. Therefore, LIHEAP fiscal policy is limited to requirements unique to LIHEAP.

Subgrantees must comply with the fiscal controls and accounting procedures as outlined below. The State of Arkansas may mandate additional fiscal requirements.

The U.S. Department of Health and Human Services (HHS) makes funds available to states at or near the beginning of each Federal Fiscal Year (FFY). Funds are awarded based on a funding formula and may vary each year. Both HHS and Arkansas LIHEAP release funds in increments. State funds are not used in the program.

Subgrantee allocations are based on a formula using poverty levels, county need, and agency size. Subgrantees must budget to allocate the full allocation to each program year's Winter and Summer seasons. Subgrantees must submit a proposed budget at the time of the Subgrantee Agreement and will be paid actual costs as outlined in Arkansas LIHEAP policy. All expenditures must be consistent with those outlined on the Subgrantee's approved budget. Subgrantees must track expenditures as outlined in their Subgrantee Agreement. Supporting documentation must be available for review upon request from AEO. All program expended funds must reflect a clear and concise audit trail. Bills and invoices approved for payment must be kept for each payment.

AEO follows the federal pattern of releasing funds in increments.

AEO's fiscal section will issue periodic statements to update Subgrantees on their remaining funding. AEO will provide a balance report at least three (3) weeks before the close of each program season.

LIHEAP is not an entitlement program. HHS uses a funding formula to allocate LIHEAP funds to grantees. Once our allocation is exhausted, the program must close.

### 9.1 FUNDS OBLIGATION (5.2, 5.2.1, 5.2.2)

Federal funds are considered obligated when AEO executes the Subgrantee Agreements with Subgrantees and identifies Subgrantee allocations.

Generally, the state must obligate at least ninety percent (90%) of federal funds by September 30, following the date of the award (e.g., funds awarded October 1, 2024, must be obligated by September 30, 2025).

AEO will provide each Subgrantee the allocation available to their agency for:

- Administrative,
- Program Support,
- Crisis Benefits,
- Regular Benefits, and
- Assurance 16

Annually, Subgrantees must submit to AEO a proposed twelve-month budget and narrative detailing how spending will benefit the delivery of LIHEAP and how the Subgrantee calculates future expenditures; cost allocation plan; and agency-wide budget. Subgrantees must complete and return the following forms to AEO for approval before funds are obligated:

- Assistance Agreement/Award Cover and Signed Certification of General Terms and Agreement of the Subgrantee Agreement
- Attachment 1: LIHEAP Budget Summary
- Attachment 2: LIHEAP Budget Justification
- Attachment 3: LIHEAP Scope of Work
- Attachment 4: Disclosure of Lobbying Activities

Subgrantees must have either an approved indirect cost rate or a cost allocation plan. The cost allocation plan must show how expenses such as salaries, fringe, space, utilities, copying, etc., will be charged to each program.

Subgrantees must obligate allocated funds as prescribed by the Subgrantee Agreement.

### 9.1.1 Budget Line Items (5.2.2.1)

The annual Subgrantee Agreement requires Subgrantees to budget and use their LIHEAP allocation as presented in the budget. See the Subgrantee Agreement for expense categories and acceptable entries.

All expenditures must be consistent with those outlined in the Subgrantee's approved budget. Supporting documentation must be available for review upon request from AEO. Bills and invoices approved for payment must be kept for each payment. Expenditures must reflect a clear and concise audit trail.

## 9.2 ADMINISTRATIVE AND PROGRAM SUPPORT COSTS (5.3.1, 5.3.2)

The administration of LIHEAP requires Subgrantees to distinguish between Administrative Costs and Program Support Costs. Administrative Costs and Program Support Costs are allowed in a manner consistent with the provisions of the LIHEAP Statute.

**ADMINISTRATIVE COSTS** are associated with agency functions of a general nature and are defined as costs directly related to program operations, planning, and development. Federal LIHEAP Statute limits administrative expenditures to ten percent (10%) of the grantee's

allocation. Grantee and Subgrantee administrative expenses count toward the overall federal limitation of ten percent (10%).

**PROGRAM SUPPORT COSTS** (e.g. client services, direct services) include the program expenses tied to direct household transactions and client services. Subgrantees may designate up to fifteen percent (15%) of their LIHEAP Crisis Assistance and Regular Assistance allocations for Program Support Costs. Program Support Costs may be paid with program funds allocated to Regular Assistance and Crisis Assistance benefits but are limited to expenses associated with working directly with LIHEAP applicants.

### 9.2.1 Allocating Administrative and Program Support Costs

Personnel who perform both administrative and programmatic services should have their time allocated between the two different cost types.

While some activities are definitively administrative, others may be programmatic in nature. Properly assigning the activities fiscally may help with your budgeting. Consider the following as a guide when budgeting administrative and program support costs:

ADMINISTRATIVE	PROGRAM SUPPORT
All direct and indirect costs including those of sub-recipients, consultants, and contractors necessary to effectively manage the program	Activities directly related to benefit determination assistance, outreach, information resources and referral, case management and crisis service
Salaries and benefits for administrative staff, such as Executive Director, Finance staff, Human Resources staff	Salaries and benefits for staff who provide direct services to clients, such as outreach staff and temporary workers
Reporting, including both fiscal and program reporting	Providing benefits and services, including client intake, such as pre-screening, taking applications, interviewing, data entry, verifying eligibility, and home visits
Public relations	Printing of outreach materials, such as forms and fliers
Procurement activities	Providing program information to clients
Rent and utilities associated with administrative staff offices and activities	A prorated share of rent and utilities where outreach services are provided
Goods and services used in the course of administrative functions other than LIHEAP specifically	Supplies, such as paper, envelopes, ink, and checks for LIHEAP payments
Property management, including maintenance and insurance	Translation services

ADMINISTRATIVE	PROGRAM SUPPORT
Services related to accounting, litigation, audits, payroll, and personnel	Equipment for direct service staff, such as computers and telephones
Durable equipment costing less than \$5,000 that will last more than a year. Examples include tables, chairs, calculators, desks, and file cabinets	A prorated share of durable equipment costing less than \$5,000 that will last more than a year and will be used by direct service staff. Examples include tables, chairs, calculators, desks, and file cabinets
Leased equipment such as water coolers or copiers	A prorated share of leased equipment used by direct service staff, such as water coolers or copiers
Conferences, trainings and/or meetings related to national organizations, fiscal training, strategic planning, and overall staff development; and travel to any of these	LIHEAP program training for the staff that provides direct services to the clients
Preparation of program plans, budgets, and schedules	Postage for mail sent to clients, such as LIHEAP applications and Notices of Action
Management information systems not related to tracking and monitoring statutory requirements (e.g., for a personnel or payroll system)	Management information systems needed for tracking and monitoring statutory requirements
Monitoring of programs and projects	Conducting local outreach to ensure residents are aware of LIHEAP
Fraud and abuse prevention	

Table 7: Administrative Costs vs. Program Support Costs

LIHEAP funds cannot be used to purchase:

- Construction
- Durable goods\*, such as appliances and vehicles
- Food or beverages\*

\* Some exceptions apply, such as computers and furniture for LIHEAP staff, normally considered durable goods. Contact AEO.

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*HINT: Program Support is direct client contact.  
Administrative costs are indirect client contact.*

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### 9.2.1 Direct Costs

Direct costs are those expenditures that are single program costs and benefit only LIHEAP. Direct costs may include, but are not limited to, salaries and fringe benefits of staff whose time can be clearly identified as working in LIHEAP (either full or part-time).

### 9.2.2 Indirect Costs

Indirect costs are those expenditures which are not readily assignable only to the LIHEAP program. These may include, but are not limited to, shared management and administrative salaries, information technology, rent, utilities, and/or copying machines. Indirect costs may also be known as overhead costs.

### 9.2.3 De Minimis

Any non-Federal entity that has never received a negotiated indirect cost rate, except for those non-Federal entities described in [paragraphs \(c\)\(1\)\(i\) and \(ii\)](#) of this section and section (D)(1)(b) of appendix VII to this part, may elect to charge a de minimis rate of 10% of modified total direct costs which may be used indefinitely. As described in [45 CFR 75.403](#), costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do at any time.

Subgrantees who elect to charge a de minimis rate must first calculate its modified total direct costs (MTDC) using the outlined expenses and then multiply by ten percent (10%) to calculate the amount of allowable indirect costs. All costs identified to calculate the de minimis rate should be clearly stated in the Subgrantee's financial/fiscal policies and procedure manual. The costs must be allocable, reasonable, and consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both. Guidance relative to de minimis rates is found in [45 CFR 75.414\(f\)](#).

MTDC may include direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each sub-award.

MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each sub-award in excess of \$25,000.

### 9.3 PROGRAM COSTS (5.3.3)

Funds allocated for program costs may be used only for benefits paid out on behalf of eligible applicants.

### 9.4 PAYMENTS TO SUBGRANTEES (5.4)

The State of Arkansas Department of Finance and Administration will issue payments to Subgrantees on behalf of AEO. Payments may be made by electronic funds transfer (EFT) or warrants (checks) according to the method selected by the Subgrantee. Subgrantees are encouraged to receive payments by EFT to speed the movement of funds. Subgrantees must report new or different banking information on Advance or Reimbursement Invoice forms.

### 9.5 SUBGRANTEE BANK ACCOUNTS (5.5)

Subgrantees must track LIHEAP funds separately from other funds. Non-LIHEAP funds must not be co-mingled with LIHEAP funds. Subgrantees that do not have an accounting system in place to track funds separately must keep LIHEAP funds in a separate, interest-bearing account until the funds are disbursed with the following restrictions:

- All earned interest will remain in the interest-bearing account.
- Program expenditures will be made directly from this account.
- Transfer of funds from the LIHEAP account may only be made to reimburse another account if expenditures must be made by writing checks on another account. The transfer will be made as checks are written.

Interest of \$500.00 or more on federal funds must be returned to AEO, as required by 2 CFR 200.305 (b)(9). Subgrantees may request a waiver to AEO for an exception to this requirement. AEO's consent to the waiver must be written.

Subgrantees whose designated EFT account becomes non-interest bearing must either:

- Use the account only as a conduit, keeping only enough funds in it to hold it open, or
- Select another institution and notify AEO of the change in bank account.

### 9.6 REQUESTING FUNDS (5.6)

Crisis Assistance and Regular Assistance benefit funds (collective Program Costs) will be disbursed separately from Administration, Program Support, and Assurance 16 funds.

Subgrantees must submit benefit assistance funds requests and supporting documents for approved applications each week (date to be determined) for the prior week.

Administrative and Program Support funds requests may be submitted no more than twice each month: during the second and fourth full week of each month. AEO will process payments once a week for the preceding week's submitted requests.

Requests for funds must document all payment commitments for the period that the request covers.

To receive funds, Subgrantees must submit:

- A Weekly Data Report form (AEO-2065),
- LIHEAP Funds Request (AEO-3101) (Form will be specific to funding stream)
- A weekly ledger of checks written to utilities and clients with check number, payee, and amounts categorized by Crisis and Regular,
- A trial balance,
- Copies of canceled checks reported on the weekly ledger. These copies may be submitted weekly with the ledger or monthly after receiving the bank statement.
- Computer-generated records showing unpaid commitments,
- Expenditure projections, and
- Receipts of bill payments received within thirty (30) days.

LIHEAP funds will be disbursed based on information submitted on one of the following:

- Weekly Data Report form (AEO-2065)
- LIHEAP Funds Request (AEO-3101) (Form will be specific to funding stream)

Subgrantees must request funds timely and properly to avoid payment delays. AEO will notify Subgrantees of incorrect information and the request must be resubmitted in its entirety. Required weekly reporting must be current and satisfactory for AEO to process the request for funds upon receipt. **Benefit assistance funds not requested by (Date to be determined) will not be processed or paid until the following week.**

Subgrantees must pay all unpaid approved benefit items within three days of receipt of funds at the agency, as required by [31 CFR 205.12 \(b\)\(4\)](#).



Figure 5: Funds request process

### 9.6.1 Budget Revisions, Allocation Increase, or Transfer Request (5.6.4)

Budget revisions, allocation changes (increases and decreases), and transfer requests require an amendment to the Subgrantee Agreement and must be submitted on Subgrantee letterhead, signed by the Executive Director.

Budget revisions must identify:

- Original costs,
- Final costs,
- Amount of change, and
- How each line item will be amended

Subgrantees may request additional funds when the Subgrantee anticipates Regular Assistance or Crisis Assistance benefits funds will be depleted before the end of the program. The request must be made before announcing the program closure. AEO may request further justification from the Subgrantee. If approved, an amendment to the Subgrantee's Grant Agreement will be executed. AEO will notify the Subgrantee if the request is denied.

Requests to transfer funds for Program Costs (Regular Assistance or Crisis Assistance benefits funds) must detail:

- Amount of transfer,
- From account name and number (line-item category),
- To account name and number (line-item category), and
- Reason for transfer.

Additional funds cannot be transferred to Administration or Program Support.

Subgrantees must closely monitor spending and pending applications to identify the potential depletion of funds before it occurs.

Questions about funds requests should be directed to the AEO Budget Specialist.

### 9.7 FISCAL REPORTS (5.7)

Reports enable the AEO fiscal team to assess financial situations to aid LIHEAP planning, which includes operational activities, budgets, and funds distribution. The reports also help to reveal patterns within programs. AEO requires three (3) reports from each agency throughout the program season:

- Closeout Reports
- Weekly Data reports, AEO-2065
- Single Audit Report, as required by [45 CFR 75.501\(b\)](#).

### 9.7.1 Closeout Reports (5.7.1)

Closeout is the process of liquidating and reconciling LIHEAP obligations and expenses for each assistance season, Winter and Summer. AEO fiscal will issue a reminder of closeout procedures at least fifteen (15) days before the close of the application intake period.

When the closeout period begins, agencies must:

- Cease application intake,
- Cease incurring additional LIHEAP costs,
- Pay LIHEAP costs that were properly incurred prior to closeout, and
- Pay staff.

Subgrantees must complete all invoice requests and closeout forms at the end of the budget/program effective date(s) established by the Subgrantee Agreement. The Summer closeout closes the annual LIHEAP block grant allocation.

Requests for extensions will be considered on a case-by-case basis. Written requests for extension must be submitted by the Subgrantee's Executive Director at least thirty (30) days before the end of the budget/program effective dates.

Unobligated and unspent funds on hand at the time of the closeout report, but no later than January 15, must be reimbursed to AEO, preferably by EFT. Subgrantees must return energy supplier refunds, applicant household recoupments, and returned checks to AEO with an explanation no later than January 15. See Section 9.8.3 Returning Funds for specific instructions.

AEO will pay any reimbursement due to a Subgrantee based on the Summer closeout report by January 15.

A Subgrantee's inability to submit a timely closeout report could significantly impact the Subgrantee's service contract with AEO as outlined in [2 CFR 200.339](#).

## 9.8 VENDOR REFUNDS

Vendor refunds may occur due to a household moving, closing an account, other household circumstances, or in instances of error or fraud. Subgrantees must inform energy vendors to send the refund checks to the agency that submitted the payment on behalf of the household.

### 9.8.1 Reissue

When the refund is due to an error or beneficiary circumstance, the benefits may be reissued to the same beneficiary's active account if:

- The error is corrected, or
- New account information is provided, and

- The Subgrantee reissues the benefit before September 30 of the current FFY.

Reissues are necessary due to a beneficiary moving and needing their benefit applied to a new account, a clerical error by the agency selecting the wrong vendor, or an incorrect benefit amount. Reissued funds are not refunds and should not be included in the refund report or sent back to AEO. If the Subgrantee is unable to reissue the benefit payment within the given timeframe, then it becomes a refund.

### 9.8.2 Refunds from Current Federal Fiscal Year

Refunds from payments issued out of the current FFY must retain their original characteristics (i.e. Crisis Assistance funds must remain Crisis Assistance; Regular Benefits must remain Regular Benefits, etc.) and may be returned to the Subgrantee's allocation to assist other eligible households.

### 9.8.3 Returning Funds

Vendor refunds that cannot be reissued or returned to the Subgrantee's benefit allocation must be returned by the Subgrantee to the Arkansas Department of Energy & Environment, preferably by EFT. Refunds returned via check should be mailed to:

Arkansas Department of Energy & Environment  
5301 Northshore Drive  
North Little Rock, AR 72118  
ATTN: Arkansas Energy Office LIHEAP Refund

Refunds from any payments issued before the current FFY must be returned to AEO, unless otherwise instructed, and should not be included with invoices for payment. Because the applicable Subgrantee Agreement has expired, all prior year refunds must be mailed to AEO along with checks so the funds can be returned to HHS when required

When returning refunds, the Subgrantee must provide the following:

- Applicant name for each refund
- Register number
- Household account number
- Account holder's name
- Amount of household refund
- LIHEAP grant year
- Program Season (Winter or Summer)
- LIHEAP funding source/program name (Block, Supplemental, CARES, etc.)
- Reason for refund
- Supporting documents, if needed, to verify that adequate reconciliation was done to arrive at the refund amount

## 10.0 FRAUD-RELATED ACTIVITY (6.0)

The overpayment of LIHEAP funds as a result of Subgrantee error or acts of fraud by the household, vendor, contractor, or Subgrantee staff is the responsibility of the Subgrantee. All procedures and efforts to recover funds must be documented for audit purposes.

### 10.1 FRAUD-RELATED DEFINITIONS (6.1)

#### 10.1.1 Overpayment (6.1.1)

Any payment that is more than the amount the household should have been paid or any payment made to or on behalf of an ineligible household is an overpayment. An overpayment may result from the household giving false information or failing to report information or from a Subgrantee error in determining eligibility or payment amount.

#### 10.1.2 Fraud (6.1.2)

Fraud is an intentional deception, omission, or concealment made for personal gain. 18 U.S.C.A. § 287 states:

*Whoever makes or presents to any person or officer in the civil, military, or naval service of the United States, or to any department or agency thereof, any claim upon or against the United States, or any department or agency thereof, knowing such claim to be false, fictitious, or fraudulent, shall be imprisoned not more than five years and shall be subject to a fine in the amount provided in Title 18.*

### 10.2 SUBGRANTEE (6.2)

Subgrantees agree to the following paragraph found in the Subgrantee Agreement Terms and Conditions, No. 4(b).

**Mandatory Disclosures.** This award is subject to the requirements in [31 U.S.C. § 3321](#), [41 U.S.C. § 2313](#), and provisions found in Federal regulations at 45 CFR § 75.113 and Appendix XII of this part, and [2 CFR Parts 180](#) and [376](#) for debarment and suspension. Non-Federal entities must disclose all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to comply may result in any noncompliance remedies, including debarment and suspension.

#### 10.2.1 Subgrantee Reporting Overpayments (6.2.1)

When an overpayment is identified, the Subgrantee will record in the case record the amount of the overpayment, the reason the overpayment occurred, and any other related information. Any overpayment resulting from a Subgrantee error that is greater than ten dollars (\$10.00) will be reimbursed to AEO using non-federal funds.

## 10.2.2 Subgrantee: Reporting Fraud (6.2.2)

If a fraud report indicates fraud committed by the Subgrantee, the Subgrantee must immediately contact the AEO LIHEAP Program Manager. The investigation will be turned over to AEO.

## 10.2.3 Subgrantee: Prevention of Fraud (6.2.3)

### *10.2.3.1 Subgrantee Internal Controls (6.2.3.1)*

Subgrantees must have internal controls to prevent fraud by clients, staff, management, contractors, and vendors. Controls to prevent Subgrantee fraud or misappropriation, or applicant fraud, should include, at a minimum, a division of responsibility for intake, verification, certification, and payment.

The following are guidelines to aid the Subgrantee in an investigation of potential fraud. If the Subgrantee prefers to use a different guide to investigate fraud, they must submit it to AEO for approval prior to implementation.

Fraud is defined as the deliberate misrepresentation or intentional concealment of information for the purpose of obtaining assistance. If the Subgrantee believes there may have been “intent to defraud” on the part of an applicant, the Subgrantee will complete a [Suspected Fraud Report](#) by visiting the AEO website.

The Subgrantee will keep a copy in the case record.

A Subgrantee employee should immediately inform their LIHEAP management of the “intent to defraud” in instances when the applicant’s LIHEAP application conflicts with the following:

- Documentation
- Verbal information provided by the applicant or member of their household
- Third party information

## 10.2.4 Recovery: Subgrantee (6.2.4)

The overpayment of LIHEAP funds as a result of Subgrantee error or acts of fraud by the household, vendor, contractor or Subgrantee staff are the responsibility of the Subgrantee. All procedures and efforts to recover funds must be documented for audit purposes.

### *10.2.4.1 Collection of Overpayments Due to Error (6.2.4.1)*

If the Subgrantee determines or is notified by LIHEAP staff through program monitoring that an overpayment has occurred, the Subgrantee must try to recover the overpayment, except when the amount of the overpayment is less than ten dollars (\$10.00) or when the Subgrantee has referred the case to the Arkansas Energy Office (AEO).

The Subgrantee will use non-federal funds to reimburse AEO the amount of the overpayment. The Subgrantee will reimburse even if the Subgrantee is unable to recover the overpayment from the

energy supplier or household. These funds will be withheld from the Subgrantee's assistance allocation.

Overpayments can result from actions or decisions made by the Subgrantee worker that are determined to be in careless or flagrant disregard of policy. Such actions may include but are not limited to the following:

- Failure to verify and/or document all household income or resources from all household members;
- No verification/documentation of household's crisis situation, for example, Deferred Payment Arrangements (DPAs), past due notice, shut-off notices;
- Payment of services not eligible per policy; or
- No verification/documentation of what is needed or enough to relieve (alleviate) crisis.

If the Subgrantee does not reimburse AEO the amount of the overpayment, AEO may suspend or withhold LIHEAP funds until the Subgrantee makes the reimbursement(s).

The Subgrantee must show all overpayment amounts recovered from the supplier or household or that are repaid by the Subgrantee on all data reports submitted to AEO.

### 10.2.5 Applicant Household Protection: Subgrantee

If Subgrantee error or fraud results in overpayment of LIHEAP benefits and the recall of overpaid funds results, or will result, in a household receiving a shut-off notice, the Subgrantee must do the following:

- Notify the affected household of the error(s) and
- Assure continual energy for the household(s) by:
  - Using non-federal funds to repay the vendor the recalled amount or
  - Requesting repayment of excess funds from the household. If the Subgrantee requests repayment from the household, a repayment schedule must be set up, allowing installments for amounts greater than fifty dollars (\$50.00).

#### 10.2.5.1 Underpayments and Incorrect Denials (6.2.5.1)

Underpayments or incorrect denials of applications may be discovered by Subgrantees, program monitors, financial auditors, through the appeal process, or by other means. When these errors are identified, corrective payments will be made, if possible. The amount of corrective payment will be the difference between the benefit amount for which the applicant was eligible, and the benefit amount actually received. Payment of benefit amounts of less than ten dollars (\$10.00) will not be made.

Questions regarding possible underpayments or incorrect denials should be resolved as soon as possible and documented thoroughly in the case record.

Applicable procedures are as follows:

- Document in the case record the reason for the underpayment or incorrect denial, the amount the household is eligible to receive, and any other relevant information.
- Send a Notice of Action to the household advising of the adjustment, the reason for the adjustment, and the amount of the corrective payment.
- Correct the Chronological Register to reflect any changes in disposition or benefit type.
- Payment will be made to the household or energy supplier according to Arkansas LIHEAP policy Section 7.0 Paying LIHEAP Benefits, within ten (10) business days of the date that the underpayment or incorrect denial was determined or within ten (10) business days of the date of the appeal hearing decision notice.
- Revised reporting forms for the Monthly Data Report (AEO-2060, AEO-2061, AEO-2062, AEO-2063) will be submitted to reflect the adjustment within twenty (20) business days after the date that the corrective payment is made. The corrective payment will be reflected on the Weekly Data Report (AEO-2065).

The corrective payment will be recorded in accounting records as specified in the “Corrective Payment” section of the LIHEAP policy and reported accordingly.

## 10.3 SUPPLIER (6.3)

### 10.3.1 Reporting Supplier Fraud (6.3.1)

When an investigation indicates supplier fraud, AEO recommends the following procedures:

- Review the Supplier Agreement for acceptable corrective actions.
- Complete and send a Suspected Fraud Report Form (AEO-1700) to the AEO LIHEAP Program Manager.
- Protect the privacy rights of the vendors and applicants. The Subgrantee must not release client files or supporting documents to anyone who is not a party to the LIHEAP Contract until a subpoena or valid court order is received.
- Terminate payments to vendors under investigation until the matter is resolved.
- If the Subgrantee determines there is fraud, the vendor will be removed from the LIHEAP vendor list and will be unable to receive payments until reinstated.

### 10.3.2 Recovery: Supplier Fraud (6.3.2)

If supplier error or fraud results in overpayment of LIHEAP benefits, the Subgrantee must notify the household and recall all LIHEAP funds overpaid to or on behalf of the household(s). As agreed to in the Supplier Agreement, the supplier will be responsible for the repayment of overpaid funds to the Subgrantee. For any overpayment of LIHEAP funds caused by supplier error or fraud, the

supplier must use non-federal funds to reimburse LIHEAP in full for unrecovered payments when required by the Subgrantee or AEO.

If the household received a direct pay benefit that resulted in an overpayment of LIHEAP benefits on behalf of a supplier, the Subgrantee must provide written notification to the applicant. The notification must include the following information, if applicable:

- Request repayment of excess funds not recovered
- A clarification of the household's rights and responsibilities
- A schedule of suggested installment payments
- An offer of a face-to-face meeting to discuss a repayment schedule

If the household and the Subgrantee can agree on a reasonable repayment schedule, the Subgrantee must notify the applicant by sending the repayment request, agreement, and repayment schedule to the household and to AEO. This notice will be placed in the applicant's case record.

#### *10.3.2.1 Recovery of Overpayments from the Energy Supplier Due to Subgrantee Error (6.3.2.1)*

When it is discovered that an overpayment has been made on behalf of a household to its energy supplier, the Subgrantee will try to recover from the supplier the amount of the overpayment remaining on the household's account as a credit balance.

The Subgrantee will not try to recover from the supplier any portion of the overpayment that has been expended either by the delivery of fuel (e.g., propane or wood) or by applying the benefit to an existing debt owed by the household. If the payment has been exhausted at the time the overpayment is discovered, then recovery from the supplier will not be pursued.

If an amount equal to or greater than the overpayment remains on the account as a credit balance, Subgrantee will attempt to recover the entire overpayment from the supplier.

If recovery from the supplier is attempted, the Subgrantee will contact the supplier and advise of the reason and the amount of the overpayment and determine if any portion of the overpayment can be recovered from the supplier. Attempts to recover an overpayment from the supplier and subsequent arrangements must be documented in the case record. If the overpayment is recovered from the supplier, the household must be notified of the following:

- Amount of the overpayment;
- Reason that the overpayment occurred (household or agency error);
- Amount recovered from the supplier and any balance of the overpayment remaining; and
- The household's right to a hearing.

The procedures in section 10.3.2.1 will be followed to recoup any portion of the overpayment not recovered from the supplier.

## 10.4 HOUSEHOLD (6.4)

All applicants agree to the “Applicant’s Rights and Responsibilities” (found below) when filing an application for LIHEAP benefits:

*I understand that my signature on this application authorizes the Subgrantee to make any investigation concerning me or any household member and/or use a copy as a release of information for securing information needed to determine my eligibility for services.*

*I understand that if I receive assistance to which I am not entitled as a result of withholding information or knowingly providing false or fraudulent information regarding my circumstances, I must repay the cost of any assistance and may face penalty of criminal prosecution.*

*The information given on this application is true to the best of my knowledge and belief. I understand that this form is signed subject to penalties for perjury.*

### 10.4.1 Reporting Household/Applicant Fraud (6.4.1)

Credible claims of household fraud must be investigated by the Subgrantee. A credible claim of fraud exists when the complainant identifies him/herself, states that some aspect of LIHEAP policy has been violated, and provides evidence in support of the claim. The Subgrantee must investigate credible complaints and findings of suspected fraud.

Reasons to investigate may include, but are not limited to:

- A credible complaint that contradicts application information affecting eligibility or benefits.
- Knowledge that a household has applied in more than one location. The Subgrantee where the household applied last will be the point of contact and will lead the investigation at the Subgrantee level.
- Public information from law enforcement activities or the news media.
- A vendor or contractor complaint of household misuse of assistance or materials.

When an allegation of applicant fraud is received, AEO recommends the Subgrantee do the following:

- Complete and send a Suspected Fraud Report Form (AEO-1700) to the AEO LIHEAP Program Manager within eighteen (18) hours of receipt.
- Verify facts underlying the complaint by conducting a follow-up interview with the complainant to obtain additional information, if needed.
- If no award has yet been issued, bring any discrepancies to the attention of the applicant, ask for correct documentation, and update the application.
- Contact AEO with the findings after your local investigation is complete.

- Protect the privacy rights of the household. Do not share information about the investigation outside AEO, the investigation team, and Subgrantee legal counsel.
- Suspend payment(s) to the household under investigation until the matter is resolved.
- If the Subgrantee determines there is fraud and AEO agrees with the outcome of the investigation, the applicant will not be eligible for LIHEAP assistance for two (2) program seasons. If the applicant is proven to purposely commit fraud against LIHEAP three (3) times, they may be disqualified from receiving benefits for up to five (5) years.

### 10.4.2 Recovery: Household Fraud (6.4.2)

When Household error or fraud results in overpayment of LIHEAP benefits, the following procedures must be followed:

- Document the facts of the overpayment.
- For delivered fuel vendors, recall any LIHEAP credit on the customer account up to the amount overpaid.
- For connected energy vendors, recall the entire amount of the overpayment. The result may be an amount due on the household's vendor account.
- For direct payment to households, recall the entire amount of the overpayment.

For any of the overpayment situations listed, notify the affected household in writing and include the following information, as needed:

- A request for repayment of excess funds not recovered
- A clarification of the household's rights and responsibilities
- Offer of a face-to-face meeting to discuss a repayment schedule
- A proposed repayment schedule, as needed

If the household and the Subgrantee can agree on a reasonable repayment schedule, the Subgrantee will notify the applicant by sending the repayment request, agreement, and repayment schedule to the household and AEO. This notice will be placed in the applicant's case record.

#### 10.4.2.1 Recovery of Overpayments from the Household (6.4.2.1)

If the overpayment cannot be collected from the supplier, the Subgrantee must try to recover it from the household. The Subgrantee will advise the household in writing of the reason, the amount of the overpayment, and the right to a hearing through the [appeals](#) process.

The Subgrantee must determine if recovery from the household is feasible. In determining the feasibility of overpayment collection from the household, the Subgrantee will determine and consider the following:

- The household's current monthly countable income;
- Factors affecting the household's receipt of income, such as disability, termination of employment, expected receipt of, or termination of, assistance;

- Current household expenses that may preclude overpayment recovery;
- Availability of resources from which repayment might be made; and
- Other social or financial circumstances that may affect the household's ability to repay.

The Subgrantee and the household will try to devise a repayment schedule, including installments, without undue hardship to the household. If the household and the Subgrantee can agree on a reasonable repayment schedule, the Subgrantee will notify the applicant by sending the repayment request, agreement, and repayment schedule to the household and to AEO. This notice will be placed in the applicant's case record. If the Subgrantee determines that recovery from the household is not feasible, the case record must be documented with the reason(s) for non-recovery and data to support the conclusion that recovery is not feasible.

### 10.5 COSTS AND RESPONSIBILITY (6.5)

Except in the case of Subgrantee error or fraud, Subgrantee recovery costs (legal action, fees, and investigations) are allowable administrative expenses. The Subgrantee must document these expenses for future audits.

A Subgrantee employee should immediately inform their LIHEAP management when information on the applicant's LIHEAP application indicates the possible intent to defraud. The Subgrantee will investigate to determine the validity of fraudulent activity and take the appropriate actions. If the investigation reveals that the fraudulent claim is valid, the Subgrantee will contact AEO with the results of the findings and submit all relevant documents for AEO review. An overpayment of LIHEAP funds in excess of one hundred and twenty-five dollars (\$125.00) will be considered for possible legal action by AEO.

If the investigation reveals that the fraud claim was made in error, the application will be processed immediately, and funds will be disbursed.

## 11.0 SUBGRANTEE: PROGRAM REQUIREMENTS (7.0)

Each Subgrantee must administer LIHEAP within the guidelines and policy in the LIHEAP Policy and Procedures manuals. In addition to requirements listed throughout Arkansas LIHEAP Policy, Subgrantees must:

- Train workers about LIHEAP policies and procedures.
- Inform applicants of their payment options and other available programs.
- Inform AEO of changes in management, including changes in contact information.
- Send at least one employee to all AEO-administered LIHEAP meetings, training sessions, and conferences. If unable to participate, the Subgrantee's Executive Director must submit a written explanation to AEO no less than twenty-four (24) hours before the start of the meeting, training, or conference.

### 11.1 CLIENT CONFIDENTIALITY (7.1)

Collecting, creating, and maintaining data about applicant households is necessary to achieve an effective outcome for LIHEAP's application procedures, eligibility determination, and services. Subgrantees can collect, create, and maintain information manually or electronically. Information must be accessible for program administration, evaluation, and research upon AEO's request.

Subgrantees must make reasonable efforts to establish and maintain LIHEAP client confidentiality, including:

- Concealing applicant information, including identifying information and social or economic circumstances, from other non-staff in the office;
- Conducting private interviews;
- Encrypting emails when documents contain personally identifiable information (PII), such as date of birth or Social Security Number);
- Not using sign-in sheets unless agency staff keeps the sign-in sheet out of view of others; and
- Redacting the applicant's PII before sharing the application electronically or outside the Subgrantee agency.

Subgrantees are authorized to share the following information with utility companies that will receive payment on behalf of a client:

- Utility account number
- Benefit amount
- Payment check number
- Name on the utility account and LIHEAP applicant's name, if different
- Service address
- Mailing address, as needed

Subgrantees will make all information available to AEO or federal LIHEAP staff upon request. A client may grant written permission for the Subgrantee to release their PII to an outside entity. The Subgrantee must not otherwise disclose the client's PII.

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*Note: Any data exchanged between AEO and Subgrantees will be pursuant to the terms of the AEO Data Sharing Agreements. Subgrantees must follow the Client Confidentiality protocol in this section when handling an applicant's PII.*

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## 11.2 SUBGRANTEE WEBSITES (7.2 COMMUNITY BASED ORGANIZATION WEBSITES)

Each Subgrantee website must include:

- Opening and closing dates of each offered program
- How applicants should apply
  - In person, including hours and locations
  - Dropbox
  - Electronic application, including links
  - Any other method
  - When the agency is closed
- Income eligibility chart and other eligibility requirements
- Application form
- Appeals process
- Information required to be submitted with the LIHEAP application
- Rights and responsibilities of applicants/recipients (see Section xx, current policy is 9.5)
- Payment procedures
- Notice that under state or federal law LIHEAP benefits are not considered income/resources for any purpose, including taxation
- Services available to assist clients, including details specific to LIHEAP Regular and Crisis Assistance benefits, and Assurance-16, if participating.

## 11.3 THE “PRUDENT WORKER” CONCEPT (7.4, 9.0)

While the purpose of this manual is to reasonably guide Subgrantees on how to administer LIHEAP in Arkansas, it is impossible to foresee every question that might arise. AEO encourages all Subgrantee staff to make decisions based on good judgment, common sense, ethics, diligence, program knowledge, and experience. Reasons a specific decision was made with the supporting evidence for making that decision are essential and must be included in the case record.

Exercising good judgment by asking questions, showing reasonable care and diligence, acting in good faith and with integrity, and recognizing inconsistencies in information, the prudent worker

must make reasonable decisions based on information, documentation, and knowledge of LIHEAP when processing an application. Questionable or contradictory information provided by an applicant should always be thoroughly verified. The prudent worker will avoid conflicts of interest, be watchful and mindful of negligence and dishonesty, and make ample case record notes. Further, the prudent worker will communicate with applicants in a timely manner regarding inquiries about services, payments, eligibility, and applicants' rights and responsibilities.

The prudent worker must always avoid the appearance of conflicts of interest or other improprieties such as acting favorably on an application if eligibility is questionable.

The Subgrantee must direct questions to AEO if situations are encountered that are not clearly outlined in LIHEAP Policy. When situations are broadly covered by existing policy guidelines, the Subgrantee can make a judgment that, in conjunction with program knowledge and documentation of the applicant's situation, is defensible as reasonable and prudent.

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## **12.0 RECORDS RETENTION (3.7, 3.7.1)**

Subgrantees must follow the State of Arkansas guidelines to retain LIHEAP records for at least three (3) years. This guideline applies to all financial records, supporting documents, statistical records, and any other records relating to the implementation of LIHEAP, including contracts or expenditures.

Records must be maintained and kept in such a manner that enables a review of and reconciliation of any records (e.g., alphabetical order, chronological record order, etc.). All supporting documentation must be easily accessible.

Records for each program year must be securely stored together in a specific location or storage site for three (3) years or until all auditing, litigation, or claims are complete and final action has been taken and documented, whichever is longer.

### **Records Retention Exceptions (3.7.1)**

- If any litigation, claim, or audit is started before the expiration of the three (3) year record retention requirement, the records must be kept until all litigation, claims, or audit findings involving the records have been resolved and final action has been taken and documented.
- Records for real property and equipment acquired with LIHEAP contract funds must be kept for three (3) years.

## **13.0 ENERGY SUPPLIERS (13.0)**

The Subgrantee will negotiate and maintain written supplier agreements with energy suppliers using the Supplier Agreement (AEO-2050) provided by AEO unless special circumstances exist that permit a Subgrantee to make a payment in the form of a two-party check made payable to the Client and the energy supplier.

Energy Suppliers must participate in the efficient operation of LIHEAP. Energy Supplier responsibilities are outlined in the Supplier Agreement (AEO-2050).

### **13.1 SUPPLIER PAYMENTS (13.1)**

Energy Suppliers will receive payments on behalf of eligible households for Crisis, Regular, and Assurance 16 benefits. To receive a direct LIHEAP payment, the Energy Supplier must have a signed Supplier Agreement form (AEO-2050) in effect between the Supplier and the Subgrantee. The Supplier Agreement (AEO-2050) specifies how payments will and will not be applied. Payments must not be applied to charges for merchandise-related expenses or charges for utilities or services other than home energy (electricity, natural gas, propane, wood, pellets, kerosene, or fuel oil).

Except for those situations indicated in Section 7.2 Household Payments, all Regular Assistance and Crisis payments will be made directly to the home energy supplier.

### **13.2 UNUSED BENEFITS: ENERGY SUPPLIER RESPONSIBILITIES (13.2)**

Suppliers will return all unused benefits to the Subgrantee as indicated in the Supplier Agreement (AEO-2050).

## 14.0 REPORTING (2.8, 4.0)

Pursuant to Regulation 45 C.F.R. § 96.30(b), AEO will report annually on the obligation and expenditure of block grant funds. As required, AEO will collect and report statistical and demographic information to evaluate LIHEAP. The data is used for monitoring the program and planning subsequent programs.

LIHEAP Performance Data, LIHEAP Household Report, Grantee Survey, and other reports as required by the U.S. Department of Health and Human Services (DHHS) are submitted for the evaluation and monitoring of the LIHEAP program.

The information collected for DHHS is a compilation of data from the fifteen (15) Community Action Agencies, utility suppliers, and other agencies/organizations, as required. The information and data are submitted to AEO or an Authorized Representative.

LIHEAP Performance Data consists of household information entered in authorized software. Energy burden information is collected from energy suppliers.

Subgrantees will ensure, by maintaining backup computer systems, that data can be readily reproduced, revised, and corrected, where and when needed, as requested by AEO.

Subgrantees will provide data for all required reports to document financial, statistical, and household demographic information.

Each Subgrantee must submit to AEO or its contractor information as specified on the following forms:

- Monthly Data Report (AEO-2060, AEO-2061, AEO-2062, and AEO-2063) only upon request
- Weekly Data Report (AEO-2065)
- Close-Out Report

Subgrantees must submit all report data electronically to AEO or its contractor via an AEO-approved method. Subgrantees must maintain documentation to support expenditures and statistical data. Subgrantees unable to support reported data may be subject to sanctions as outlined in [2 CFR 200.339-343](#).

### 14.1 MONTHLY DATA REPORT (4.1.1)

The Subgrantee will ensure, by maintaining back-up computer systems for whatever information is required, that data regarding household, disposition, and demographics obtained each month can be readily reproduced, revised, and corrected, where and when needed, as requested by AEO.

The Subgrantee must be able to produce a Monthly Data Report if it is requested. Monthly Data Reports indicate the month's case dispositions and household characteristics for each application:

- Approved (AEO-2060) and denied (AEO-2061) for Regular Assistance
- Approved (AEO-2062) and denied (AEO-2063) for the Crisis Assistance Program

The Monthly Data Reports will also indicate the number of applications received by the agency in each county.

The Monthly Data Reports must be submitted electronically for each month and for each county within the Subgrantee's area of responsibility, when requested.

## 14.2 WEEKLY DATA REPORT (4.1.2)

Financial and data reporting, including A-16 data, must be submitted using the Weekly Data Report (AEO-2065). The Weekly Data Report AEO-2065 must be completed and electronically submitted to AEO no later than the Friday morning of the week following the reported week.

Weekly Data Reports must be submitted each week even when no services have been delivered or expenditures incurred during the program season. When there is no activity to report, the Subgrantee must indicate by entering a zero (0) in the related field.

These forms must be emailed to the AEO administrative assistant, the AEO fiscal manager, the AEO fiscal data specialist, and the designated LIHEAP grants analyst.

### 14.2.1 Season-End Weekly Data Reports (4.1.2.1)

To comply with federal and State requirements, a Weekly Data Report must be completed and submitted to AEO as follows:

- The State's fiscal year is July 1–June 30. Subgrantees must indicate activities, total expenditures, and funds advanced/received for the period that ends June 30 no later than July 31.
- The federal fiscal year is October 1–September 30. Subgrantees must indicate activities, total expenditures, and funds advanced/received by September 30 on the final Close Out Report that is due thirty (30) days following the program's closure.

## 14.3 CLOSEOUT REPORT (4.1.3)

Requirements for Closeout Reports can be found in LIHEAP policy Section 9.7.1 Closeout Reports.

## 15.0 MONITORING (2.7, 3.0, 3.1, 3.5)

In accordance with 42 U.S.C. §8624(b)(10), AEO will regularly audit or monitor Subgrantees to ensure that federal and State policies and procedures are accurately implemented.

Monitoring will ensure that the federal funds paid to the State of Arkansas for LIHEAP are properly disbursed and accounted for, following the procedures and provisions of “the Single Audit Act” (31 U.S.C. 7501 *et seq.*).

The monitoring process will:

- Fulfill the LIHEAP Federal Block Grant requirement to review the practices of local agencies;
- Protect the applicant’s rights;
- Verify that files are properly maintained;
- Verify that files contain required documentation for applicants;
- Establish training or technical assistance needs;
- Identify procedural problems or concerns in the program; and
- Help the Grantee develop guidance specific to the Subgrantee’s needs.

Subgrantees and Energy Suppliers who are involved in LIHEAP program activities are monitored regularly by AEO staff through on-site visits, remote monitoring, or yearly risk assessments. Program monitoring ensures LIHEAP policies and procedures are followed with administrative efficiency and effectiveness. Monitoring can identify policy and procedure weaknesses and assist in evaluating the effectiveness of Subgrantees in meeting the program goals. Program monitoring is the first round of evaluation that ensures Subgrantees are fulfilling their responsibilities in carrying out the program.

Program monitoring allows AEO to offer training and technical assistance for specific issues noted during reviews and in reviewing LIHEAP reports.

Monitoring may be conducted on-site or remotely and may be based on risk analysis.

The sample of files for monitoring will be selected using a formula to determine a percentage based on the amount of allocation and the number of clients served by the agency. The Chronological Register(s) or other electronic method of identifying applicants will be used to determine the sample.

AEO Fiscal staff will review Subgrantee financial practices related to LIHEAP. Reviews may be either, or both, in-person and remote.

### 15.1 MONITORING SUBGRANTEES (3.2)

AEO will conduct on-site or virtual compliance monitoring (virtual desk reviews) at least every three years.

Monitoring activities include, but are not limited to, compliance regarding outreach, eligibility determination, amount of assistance, timeliness of assistance, income verification, Case Management Activities, agreements with home energy suppliers, maintenance of LIHEAP records, Priority Enrollment (PE) and income verification listings, and compliance with reporting and recordkeeping requirements. AEO also will monitor the Subgrantee's responsiveness to client contacts (e.g., reports of clients unable to reach the Subgrantee, unreturned calls from the Subgrantee, etc.). In addition, AEO will review coordination with weatherization and conservation services, reviewing the Weatherization Assistance Program (WAP) case files of LIHEAP applicants whose homes have been weatherized.

AEO will review how well Subgrantees comply with the LIHEAP Policy Manual, the Subgrantee Agreement, and any instructional directives issued during the current Federal Fiscal Year.

AEO staff will contact Subgrantees to schedule program monitoring visits.

Prior to the monitoring visit, the Subgrantee shall provide chronological registers in the format and method AEO requires.

AEO staff will conduct an exit conference with the Executive Director and other Subgrantee staff as needed at the conclusion of the monitoring reviews. The conference will consist of:

- Review of preliminary findings;
- Opportunity for the Subgrantee to express agreement or disagreement with the preliminary findings; and
- If needed, any immediate corrections.

Within thirty (30) days after the visit, AEO will generate a monitoring report outlining the findings and suggested corrections. AEO reserves the right to include in the monitoring report any additional findings not discussed in the exit conference. Further analysis of documents and records may bring up additional issues. The monitoring report will be provided to the Executive Director of the Subgrantee agency.

#### *15.1.1 Reports and Corrective Action Requirements for Subgrantees (3.2.1)*

Program monitoring reports will be given to the Subgrantee agency within thirty (30) days after the review. The Executive Director must respond with a corrective action plan (CAP) within fifteen (15) calendar days from receipt of any report requiring corrective action. When the findings involve issues of eligibility or payment, the Subgrantee must implement corrective actions immediately after AEO's final determination. If additional time is needed, the Subgrantee must request in writing the amount of time needed and the reason(s) for the request.

The CAP must contain:

- The action(s) taken to correct each finding in the monitoring report.

- The steps the Subgrantee takes or plans to take to prevent the issues from happening again. Corrective action procedures must be specific and related to the finding and the request indicated in the monitoring report.
- Documentation of steps taken to correct each finding. The documentation must be attached to the CAP (e.g. copy of case record documentation, copy of corrective payment check, copy of Notice of Action or Weatherization Referral form, income verification).
- All information and documentation requested in the Monitoring Report for each finding.

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*NOTE: When detailing the steps planned, focus on specific actions that can be measured in regards to how well they address a particular problem.*

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Responses to findings must be listed in the CAP in the same order as in the Monitoring Report. Responses must clearly identify any documentation and indicate which finding it corrects.

A Subgrantee that implements a second-party review as part of its CAP must indicate:

- The type(s) of cases (Regular, Crisis, etc.) to be reviewed;
- Whether a full or partial review will be completed (the specific criteria and problem area, e.g., payment or computation of income, must be indicated in a partial review);
- An approximate number to be reviewed;
- The length of time the review will be in effect;
- Name of the person completing the second-party review; and
- The date of the second-party review.

#### *15.1.2 AEO's Response to Subgrantee's CAP (3.2.2)*

The AEO LIHEAP Manager will review the CAP and submit a response to the Executive Director. The LIHEAP staff will consider previous monitoring reports and corrective action plans submitted by the Subgrantee when evaluating the current CAP. Status reports may be required for certain actions specified in the plan.

If the CAP is not approved, AEO will explain the unacceptable areas and the Executive Director will have ten (10) calendar days from the date of the response to submit to AEO a CAP amendment that addresses the unacceptable area(s).

## **15.2 MONITORING ENERGY SUPPLIERS (3.3)**

The Arkansas Energy Office (AEO) may monitor energy suppliers' compliance with LIHEAP policies and the Supplier Agreement.

Subgrantees must monitor at least five percent (5%) of contracted energy suppliers to ensure compliance with the Supplier Agreement, particularly with the treatment of LIHEAP beneficiaries,

timely application of client LIHEAP benefits, and timely refunds of LIHEAP benefits that cannot be applied to a client's account.

#### *15.2.1 Energy Supplier Noncompliance (3.3.1)*

The Subgrantee will notify AEO immediately in writing when an energy supplier is suspected of non-compliance with one or more of the terms in the Supplier Agreement.

AEO will investigate issues of suspected non-compliance. If it is determined that the supplier is in compliance, AEO will issue a letter to the Subgrantee to inform them that no further action is required. AEO will issue a letter to non-compliant suppliers of the findings and request that a CAP be submitted to AEO within ten (10) business days. AEO may request a proposal for settlement of any financial discrepancies be included in the CAP.

The energy supplier's CAP to remedy each area of non-compliance outlined in the letter will detail actions taken or planned for completion by a specified date. Documentation of action(s) already completed must be attached to the CAP.

#### *15.2.2 AEO's CAP Response to Energy Supplier and Subgrantee (3.3.3)*

The AEO LIHEAP Manager will review the CAP and issue a response to the supplier. If the CAP is not approved, AEO will notify the supplier of the unacceptable areas and request that the supplier submit a CAP amendment within a reasonable amount of time.

AEO is responsible for monitoring the implementation of the plan after the CAP is approved.

Agreements with energy suppliers that do not satisfactorily implement the corrective action or are uncooperative will be terminated for the remainder of the current LIHEAP program season. AEO will issue a letter to the Subgrantee and supplier to advise both entities that the agreement with the supplier must be terminated. The Subgrantee will also be advised that agreements with non-compliant energy suppliers are prohibited for future programs until the supplier demonstrates a good-faith effort to comply with program requirements.

### **15.3 FISCAL MONITORING (3.4)**

AEO Fiscal staff will review Subgrantee financial practices related to LIHEAP (in-person and remote).

#### *15.3.1 Desk Reviews (3.4.1)*

Desk reviews must consist of, but will not be limited to, the review of:

- Contracts, files, documents, and related correspondence
- Applicable federal and state regulations
- Budget and expenditure reports
- Single audits (as needed)
- Prior monitoring reports

- Subgrantee equipment inventory and identification of equipment or property that needs inspection (if any).

### *15.3.2 Field Reviews (3.4.2)*

Field reviews must consist of, but will not be limited to the following:

- Entrance Conference
  - A description of the scope and purpose of fiscal monitoring, including programs to be reviewed and determination that information required to complete monitoring visit is available at the site.
  - NOTE: the Service Provider (Supplier) will receive a current listing of all participants in the client data system prior to the review.
- Interviews
  - With staff involved in the Subgrantee's contract activity (specifically fiscal staff);
  - Exit interview.
- A review of:
  - Fiscal records for compliance with the Subgrantee's contract and generally accepted accounting principles.
  - Pay records (timecards/sheets) and attendance reports to ensure controls are established for preventing unauthorized payments.
  - Contracts/agreements between Subgrantees and the Service Providers (Suppliers) to ensure services are being provided and payments are appropriate.

## **15.4 RISK ASSESSMENT (3.6)**

AEO will run an annual risk assessment for every Subgrantee. If a Subgrantee's risk assessment score falls below satisfactory, AEO will conduct a full monitoring visit.

### 15.4.1 Risk Assessment Scoring Guidelines

SCORE	MONITORING PLAN	SUBGRANTEE RESPONSIBILITY	RESULT
<b>High (57-71)</b>	AEO will identify factors that contributed to the high-risk score. AEO will prepare and distribute a report that outlines non-compliance issues and areas that require improvement.	The Subgrantee will respond to AEO with a CAP within fifteen (15) calendar days. AEO will provide a schedule of the evaluation process and/or site visits. The Subgrantee may be required to submit more frequent progress, performance, or financial reports until further notice.	The Subgrantee will receive technical assistance.
<b>Medium (36-56)</b>	AEO will identify factors that contributed to the medium-risk score. AEO will prepare and distribute a report that outlines non-compliance issues and areas that require improvement.	The Subgrantee will respond to AEO with a CAP within thirty (30) calendar days. AEO will provide a schedule of the evaluation process and/or site visits. The evaluation and follow-up may be conducted via desk review. The Subgrantee may be required to submit more frequent progress, performance, or financial reports until further notice.	The Subgrantee will receive technical assistance upon request.
<b>Low (0-35)</b>	AEO staff will continue to monitor progress, performance, or financial reports for accuracy and timeliness with no significant programmatic changes.		A grant evaluation or site visit may be considered.

Table 8: Risk Assessment Scoring Chart

## 16.0 APPEALS (2.6.3, 14)

### 16.1 APPLICANT'S APPEAL RIGHTS

The Department of Energy and Environment, Arkansas Energy Office's (AEO) policy for hearings is in compliance with 42 U.S. Code § 8624(b)(13), also known as the Low-Income Home Energy Assistance Act of 1981 (LIHEAP). 42 U.S. Code § 8624(b)(13) applies to both LIHEAP and the Weatherization Assistance Program (WAP). LIHEAP Assurance 13 requires that AEO (the Grantee) *“provide an opportunity for a fair administrative hearing to individuals whose claims for assistance... are denied or are not acted upon with reasonable promptness.”*

Based on Assurance 13, AEO acknowledges that the following are reasons that applicants can file an appeal:

- The household is determined ineligible for services based on the eligibility criteria for the program;
- The benefit amount is less than anticipated; or
- The benefit is delayed because the Subgrantee did not process the application as quickly as policy requires.

An applicant may file an appeal if the applicant's claims for assistance under the Weatherization Assistance Program (WAP) or Low-Income Energy Assistance Program (LIHEAP) program are denied or are not acted upon with reasonable promptness.

During any phase of the complaint or appeals process, the applicant may designate a representative to assist them. An applicant may designate a representative to speak on the applicant's behalf through a written statement, which includes statements made on the Request for Appeal Hearing form. Upon request for legal counsel, the Subgrantee or AEO will refer applicants to Legal Aid, Arkansas Legal Services ([www.arlegalservices.org](http://www.arlegalservices.org)), or other resources within the community.

### 16.2 NOTIFICATION OF RIGHT TO APPEAL

Subgrantee or Contractor (Subgrantee) must inform applicants of the appeals and hearing process verbally and in writing. They may inform an applicant of their right to appeal by:

- Providing onsite postings of the appeals and hearing process;
- Verbally explaining the process to the applicant at the time of application;
- Providing the information in other languages spoken by applicants when necessary;
- Ensuring that the appeals and hearing information is included with the application as well as any other effective place such as the agency website.

The Subgrantee must also inform the applicant in writing that a written complaint may be submitted to its office within thirty (30) calendar days of receiving notification of a decision about the application, and the Subgrantee must inform the applicant that a written statement or Request

for Appeal Hearing may be submitted to AEO within thirty (30) calendar days of receiving notification of a decision about the application.

A formal appeal can be submitted to AEO in two ways:

1. In writing using the Request for Appeal Hearing form, or
2. By written statement that includes an explanation of the action(s) taken by the applicant and by the Subgrantee concerning the application.

If received by the Subgrantee, the appeal will be sent by the Subgrantee to AEO within five (5) business days.

## 16.3 PHASES OF A DETERMINATION REVIEW AND APPEAL

It is AEO's intent that any complaint about an eligibility determination or about the absence or delay of an eligibility determination will be considered a Request to Review Determination. The complaint will be dealt with promptly at the Subgrantee office to provide a resolution as quickly as possible so that benefits are forthcoming (if the applicant is deemed eligible). A formal appeal hearing is considered the last resort after all other efforts to resolve the complaint have been exhausted. Whether a complaint is filed or a hearing is requested, the applicant should be informed of any delays of potential benefits.

### 16.3.1 *Determination Review*

- A. When AEO receives a complaint, AEO will contact the Subgrantee where the applicant submitted the LIHEAP application. AEO will provide all information received from the applicant and ask the Subgrantee to follow up by contacting the applicant. During this process, the applicant may submit new or additional information to be considered.

The Subgrantee must notify AEO of the resolution of the complaint within ten (10) business days of receiving the complaint.

- B. When an applicant contacts the Subgrantee directly, the Subgrantee will handle the complaint by reviewing and trying to resolve the issue according to policy within ten (10) business days. During this process, the applicant may submit new or additional information to be considered. During the Determination Review, AEO is available to consult with the Subgrantee about any policy questions.

The Subgrantee must notify AEO of the resolution of the complaint within ten (10) business days of receiving the complaint.

### 16.3.2 *Appeal of Determination Review*

If the Subgrantee is unable to arrive at a resolution with the applicant, the complaint will be sent securely to AEO, along with documentation of phone calls and electronic and mailed correspondence, and all other documents relating to the complaint, which should include the following:

- Case file documents (e.g., application, paystubs, household income documents, utility bills,);
- Actions the Subgrantee took on the complaint, including any and all documented communication (email or otherwise);
- All documents the Subgrantee used to make a decision; and
- The decision the Subgrantee made.

The AEO Director or designated representative will review the issues raised by the applicant and all documentation provided. Within ten (10) business days of receiving the complaint from the Subgrantee, AEO will present the resolution in writing to the applicant and the Subgrantee.

## 16.4 REQUEST FOR A FAIR ADMINISTRATIVE HEARING

When AEO provides its resolution in writing to the applicant and the Subgrantee, AEO will provide information regarding a request for a Fair Administrative Hearing (formal hearing). AEO will inform the applicant that the request for a hearing must be received by AEO no later than thirty (30) calendar days from the date of disposition in question.

## 16.5 APPEAL REVIEW BY AEO – FAIR ADMINISTRATIVE HEARING

An appeal or request for a Fair Administrative Hearing must be submitted to AEO in writing by email to [aeoliheap@adeq.state.ar.us](mailto:aeoliheap@adeq.state.ar.us) or by mail to:

Arkansas Dept. of Energy & Environment  
Attention: AEO / LIHEAP Appeals  
5301 Northshore Drive  
North Little Rock, AR 72118

Once AEO receives a request for a Fair Administrative Hearing, the Administrative Hearing Officer will determine the following procedural schedule:

- 1) The date by which the parties are to have completed discovery (the dates shall not be more than ninety (90) calendar days from the date of the hearing request);
- 2) The date by which the parties shall provide documents to the Administrative Hearing Officer as exhibits;
- 3) Time and date for the hearing; and
- 4) The location (AEO will consult with the applicant before the location and method of the formal hearing are set).

For the Fair Administrative Hearing, AEO and the applicant can conduct discovery, present witnesses, present other evidence, and have the right to cross-examination of the other party's witness. AEO and the applicant may engage representation for the Fair Administrative Hearing.

## 16.6 FAIR ADMINISTRATIVE HEARING

The Fair Administrative Hearing will proceed as follows:

- The applicant will state the reason for their request for a hearing.
- The applicant will present evidence and witnesses.
- AEO will state the reason for its decision.
- AEO will present evidence and witnesses.
- Administrative Hearing Officer will issue the final administrative decision on the case.

The Administrative Hearing Officer will submit a recommended decision to the Director of the Arkansas Energy Office (AEO) within ten (10) business days of the hearing. The Director of AEO will issue a final decision within ten (10) business days of receiving the Administrative Hearing Officer's recommended decision.

The Administrative Hearing Officer will inform the parties in writing of the final decision within five (5) business days of receiving the decision of the Director of AEO. The final decision shall include the reason for the decision supported by applicable policies, rules, and laws. The final decision of the Director of AEO constitutes a final decision made by the Arkansas Department of Energy & Environment, Division of Environmental Quality, which can be appealed to the Arkansas Pollution Control & Ecology Commission (APC&EC) pursuant to APC&EC Rule 8.

## 16.7 WITHDRAWAL OF REQUEST FOR A FAIR ADMINISTRATIVE HEARING

The applicant may withdraw a request for a Fair Administrative Hearing at any time by completing a signed statement that indicates the reason for the withdrawal. Applicants may submit their withdrawal requests to AEO by email to [aeoliheap@adeq.state.ar.us](mailto:aeoliheap@adeq.state.ar.us) or by mail to:

Arkansas Dept. of Energy & Environment  
Attention: AEO / LIHEAP Appeals  
5301 Northshore Drive  
North Little Rock, AR 72118

## 17.0 ACRONYMS AND DEFINITIONS

**Action Date** – The date on which the Subgrantee takes the action either to deny or to approve an application or on which the application is withdrawn by the applicant. This date is entered in the Chronological Register.

**Abuse** – “Excessive or improper use of government resources, including position and authority.

**Administrative Cost** – Those Subgrantee costs that cannot be identified with any single program (block) but are indispensable to the conduct of agency activities and the organization's survival.

**AEO** – Arkansas Energy Office within the Division of Energy and Mineral Resources, Arkansas Department of Energy and Environment.

**Application** – A written request for Low Income Home Energy Assistance on a LIHEAP application (AEO-9495) by an applicant, a responsible member of the household, or an authorized representative.

**Approval** – The Subgrantee’s decision to grant LIHEAP benefits as requested on an application. This is indicated in the Notice of Action sent to the applicant.

**Assurance 16 (A-16)** – U.S. Code Title 42, section 8624 (b)(16) defines Assurance 16 as funds used: “...to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors.”

**Assurance 16 (A-16) Activities** – Services, including but not limited to risk assessment, counseling, and energy education/awareness that Subgrantees can offer to help low-income households reduce their overall energy use. Subgrantees that elect to offer these activities must notify AEO in writing each year.

**Authorized Representative** – A person whom the head of the household has designated to act on behalf of the household to make an application for assistance.

**Boarder** – An individual to whom a household furnishes lodging and meals for compensation. Members of the household who contribute toward expenses are not considered boarders.

**Braiding/Braid Funds** – To coordinate or combine funds from multiple sources to achieve the maximum benefit for a household.

**Case Management Activities (CMA)** – Services provided through the Assurance 16 (A-16) program that encourage and enable households to reduce their home energy needs and their need for energy assistance.

**Case Record** – A LIHEAP applicant’s file that contains the application, verification, and documentation to support the determination of eligibility or ineligibility and payment. The case record must also contain copies of all administrative forms, including notices and referrals.

**Chronological Register** – A record of applications kept by the Subgrantee. Applications are assigned sequential register numbers to ensure that they are processed in the order in which they were submitted.

**Cold-Weather Rule** – See definition under Public Service Commission, General Service Rule 6.15.

**Compacts of Free Association (COFA) citizens** – Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau who are granted the right to live and work in the United States and its territories.

**Cost Allocation Plan** – A narrative description of the procedures that the State agency will use in identifying, measuring, and allocating all State agency costs incurred in support of all programs administered or supervised by the State agency. (<https://www.ecfr.gov/current/title-45/subtitle-A/subchapter-A/part-95>)

**Crisis Assistance** – Crisis Assistance benefits are available for eligible households to resolve home energy-related emergencies or crises. Crisis Assistance is available during designated application periods.

**Date of Application** – The date the signed application is received by any Subgrantee office designated to accept LIHEAP applications.

**Days** – Any reference to day(s) is defined as calendar days unless otherwise specified.

**DHS** – Arkansas Department of Human Services.

**Disposition** – The approval or denial of a LIHEAP application by a Subgrantee or the withdrawal of an application by an applicant.

**Documentation** – The recording of information supporting case disposition and payment determination in the case record client file, either through written entry or by including a copy of verification such as a copy of a Social Security award letter or copies of check stubs.

**Duplicate Payment** – The payment of more than one (1) Regular Assistance and Crisis Assistance payment to one (1) household during the same seasonal LIHEAP program.

**Dwelling** – A structure, including a stationary mobile home, apartment, group of rooms, or a single room occupied by a household that has an identifiable site address. A United States Post Office Box number is a mailing address and does not identify a dwelling.

**Economic Unit** – A group of individuals for whom common living costs (such as, but not limited to, shelter costs) are customarily being met from the income and/or resources available to any individual within the group. Sharing by a group of individuals of common living quarters and common shelter costs does not necessarily cause the group to be considered an economic unit.

**Energy Burden** –When a household is responsible for paying its home energy bill, whether directly by receiving a utility bill or indirectly by paying the landlord through the rent, it has an energy burden. An applicant has an energy burden if the household has the responsibility for providing home energy including home heating and electricity which makes a household vulnerable to increases in energy costs. For example, a household may purchase fuel from a fuel supplier, make undesignated payments in the form of rent, or may heat with wood, et cetera.

**Executive Director** – Chief administrative official, sometimes referred to as Chief Executive Officer, of the Subgrantee, usually signatory on the Subgrant Agreement, with primary responsibility for meeting the terms of the Subgrant Agreement.

**Exempt/Exemption** – Funds received by a household that are not counted as income in determining eligibility for LIHEAP benefits.

**Expenditure** – The payment of funds to a third party, as a result of an obligation.

**Fiscal Obligation** – an action that commits the funds; for example, through the issuance of a pledge on behalf of a household or through a contract or subgrant for the purchase of services.

**Fraud** – Intentional, unlawful acquisition of benefits by perpetrating wrongful acts that affects a government program and/or operations. 18 U.S.C.A. § 287 defines penalties for fraud: Whoever makes or presents to any person or officer in the civil, military, or naval service of the United States, or to any department or agency thereof, any claim upon or against the United States, or any department or agency thereof, knowing such claim to be false, fictitious, or fraudulent, shall be imprisoned not more than five years and shall be subject to a fine in the amount provided in (Title 18).

**Full-time Student** – a full-time student, up to age 23, who is a dependent of a member of the household and can provide verification that s/he is enrolled for twelve (12) credit hours or more per semester. High school students over age eighteen (18) may provide proof of enrollment or report card.

**Gig Worker** – An individual who conducts certain activities to earn income, often through an app or website (digital platform). Examples of gig work include driving a car for booked rides or

deliveries, renting out property or part of it, running errands or completing tasks, selling goods online, providing creative or professional services. Refer to [www.irs.gov](http://www.irs.gov).

**Gross Monthly Income** – All earned income (before any deductions) plus all unearned income.

**Home Energy** – Electricity, oil, gas, coal, wood, kerosene, or any other fuel or energy source (excluding water) used for heating or cooling in a residential dwelling. **Utility Accounts in the name of a business CANNOT be considered for payment, except in the case of an applicant in assisted living apartments who receives help from the institution to carry out housing responsibilities.**

**Hot Weather Protection** – See definition under Public Service Commission, General Service Rule 6.18.

**Household** – Defined by Section 2603 (5) of the LIHEAP Statute [42 U.S.C. § 8622] as “any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common or who make undesignated payments for energy in the form of rent.”

**Individuals with Disabilities (IWD)** – Individuals with a disability or disabilities that substantially limit one or more major life activities, have a record of such a disability, or are regarded as having such a disability and who receive disability benefits.

**Life-Threatening Situation** – A situation that causes a person’s health to become susceptible to harm if the household’s home heating or electricity services are discontinued or not restored.

**LIHEAP Letter** – Instructional memorandum to give information regarding LIHEAP policies and procedures and/or to request information or actions from Subgrantees.

**LIHEAP Statute** – Low-Income Home Energy Assistance Act of 1981 ([42 USC §8621-8630](#))

**Monthly Countable Income (MCI)** – Gross, non-exempt earned income minus the twenty percent (20%) earned income deduction plus 100% of countable unearned income. It is the income figure used to determine eligibility and amount of assistance.

**Narrative** – An entry in the case record to explain any circumstances that need clarification or further documentation.

**Notice of Action** – (AEO-2001) An official form that a Subgrantee sends to an applicant as notification that the application (1) has been approved for a specific benefit amount and that it will be paid by a certain date either to the energy supplier or to the applicant, or (2) cannot be processed until specified documentation has been submitted by a specified date (3) has been denied any benefit and the reason why, or (4) was denied benefits in error or received an underpayment of ten dollars (\$10.00) or more. In the case of number 4, the Notice of Action will include reasons for the mistake and the amount that will be paid to the applicant or to the utility.

**Obligation** – An agreement the Subgrantee obtains from the energy supplier guaranteeing that the household’s services will be continued, restored, or delivered in return for payment within the policy timeframes by the Subgrantee on the household’s behalf.

**Outreach** – Any communicative effort to inform low-income households of the availability and benefits of the program and to encourage the participation of eligible households.

**Overpayment** – Any payment that is more than the household should have been paid; or any payment made to or on behalf of an ineligible household. Overpayment may be a result of the household giving false information or failing to report information; or from a Subgrantee error in determining eligibility or payment amount.

**Personally Identifiable Information (PII)** – Information that can be used to distinguish or trace an individual’s identity, either alone or when combined with other information that is linked or linkable to a specific individual. PII can include 1) sensitive data, such as medical, financial, or legal information; 2) neutral information, such as name, facial photos, or work address; and 3) contextual information, such as a file for a specific health condition that contains a list of treated patients.

**Pledge** – An amount that the Subgrantee has agreed to pay a supplier on behalf of a household.

**Priority Enrollment (PE) Applicant** – An applicant who is disabled, elderly (age sixty or older), or whose household includes a child or children under age six.

**Program Support Costs** – Expenses that are directly associated with providing client services. Program costs may include Subgrantee staff who provide direct services to clients, such as intake and appointment scheduling.

**Poverty Guidelines** – Federal poverty guidelines are issued each year in the Federal Register by the Department of Health and Human Services for use in determining financial eligibility for certain federal programs. LIHEAP uses 150% of FPG to determine eligibility.

**“Prudent Worker” Concept** – A method of work expected to be used by Subgrantee employees who determine LIHEAP applicants’ eligibility for benefits. It refers to making reasonable judgments based on documentation and knowledge of LIHEAP policies.

**Public Health Emergency** – A declaration by the President or the U.S. Secretary of Health and Human Services, if national, or the Governor, if for the state, in response to any of the following situations: an incident of terrorism, a pandemic outbreak, a large-scale evacuation resulting from a natural or manmade catastrophe, hospitals at surge capacity.

**Public Service Commission** – The governing body of public utilities established by the State of Arkansas. The Commission is charged with ensuring that public utilities provide safe, adequate, and reliable utility service at just and reasonable rates.

- **General Service Rule 6.15 – Cold Weather Rule** - Electric and gas utilities may not suspend residential service on a day when the National Weather Service forecasts that a temperature of 32 degrees Fahrenheit or lower will occur at any time during the following 24-hour period. The utility must obtain the most current forecast for the customer's weather zone from the National Weather Service reports on the morning of the day that the customer's shut-off is scheduled.
- **General Service Rule 6.17 – Life-Threatening Medical Condition** - Each utility must honor a physician's certificate which attests to the fact that a residential utility customer or any other permanent resident of the household has a serious medical condition. The certificate must clearly state that the suspension of utility service would give rise to a substantial risk of death or gravely impair the health of the customer or another permanent household resident.
- **General Service Rule 6.18 – Hot Weather Protection** – An electric or gas utility must not suspend residential service to an elderly or handicapped customer on a day when the National Weather Service forecasts that a temperature of 95 degrees Fahrenheit or higher will occur at any time during the following 24-hour period. For gas utilities, hot weather protection will be limited to elderly or handicapped gas-powered air conditioning customers only.

**Regular Assistance** – An assistance benefit available for households that meet the LIHEAP eligibility criteria; the amount of assistance is determined by (1) household income and (2) household size.

**Renewable Energy** – Energy from a source that is not depleted when used, such as wind, water, or solar power.

**Roomer** – An individual to whom a household furnishes lodging, but not meals, for compensation.

**Second Party Review** – The review of specified eligibility and payment determination criteria by someone other than the person who initially processed the application.

**Solar Power** – Electricity generated by using the sun's rays.

**SSI Benefits** – Supplemental Security Income benefits paid to disabled adults and children who have limited income and also to people 65 and older without disabilities who meet the financial limits under Title XVI of the Social Security Act, including mandatory and optional payments that are administered by a State under Subpart T of 20 CFR 416 to supplement benefits.

**State Median Income** – The income level that is exactly in the middle of a list of all of Arkansas's households' incomes. An example on a smaller scale: If an area has only five households with incomes of \$12,000, \$36,000, \$40,000, \$47,000, and \$250,000, the median income is \$40,000. In calculating median household income, the Census Bureau considers the incomes of only those people who are 15 or older.

**Subgrantee** – The agency or organization, designated by the Subgrant Agreement, responsible for local LIHEAP program implementation in specified counties.

**Subsidized/Government-assisted housing** – Housing where tenants pay less than the full costs for their residence because the federal, state, or local government pays a portion of their rent. These housing units limit the tenant rent responsibility to no more than 30% of their income and are usually subsidized by the Department of Housing and Urban Development (HUD) or USDA Rural Development. Government-assisted housing includes Section 8, rental assistance, subsidized housing, and most other programs to make housing more affordable to lower-income households. Renters living in subsidized housing, with utilities included in their rent, are not eligible for LIHEAP benefits except as provided in LIHEAP policy section 4.8 Energy Burden.

**Supplemental** – A benefit provided to complete or enhance one that is regularly available.

**Supplemental Nutrition Assistance Program (SNAP)** – (Formerly Food Stamps) Payments made under Title IV-A of the Social Security Act.

**Unearned Income** – Income that is **not** from wages, salaries, or earnings from self-employment. Examples are Social Security, SSI, retirement, and veteran's benefits.

**Unused Benefits** – Assistance funds which have been approved or authorized for households deemed eligible for LIHEAP but have not been received by the household or used by the supplier on the behalf of the household.

**Verification** – The use of third-party information or documentation to establish the accuracy or inaccuracy of information provided by the applicant.

**Vulnerable Member** – A household member who is less than six (6) years of age, is elderly, or has a disability.

**Young Child** – A child aged 5 or younger.

**Zero-Income Household** – A zero-income household has no sources of income, either earned or unearned. This includes a household that has only income described in the exclusion income chart (see Income Inclusion and Exclusion Table in the Appendix.).

## APPENDICES

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## APPENDIX A: COMMONLY USED DENIAL CODES

OLD CODE	NEW CODE	COMMONLY USED DENIAL CODES
2.1.1 & 11.2	2.0	Assistance benefits have been exhausted for this program.
11	2.2	The client does not meet the eligibility requirements for Crisis Assistance.
11.2.10	2.2.4	The amount of benefit is not adequate to <b>alleviate</b> the crisis.
10.2	4.2	Must provide identification of applicant and/or person applying for someone else. (Please specify what is needed.)
10.4	4.1	Must establish proof of residency. (Please specify what is needed.)
10.2.1	4.3	Verification of Social Security Number (SSN) is needed.
9.2	5.3	Unsigned applications or forms
9.4	5.5	Interview needed
9.1	5.0	Submission of appropriate application form
9.10	5.12	Withdrawal of application
9.9	5.10	Application received outside of the application period.
10.6	4.7	Verification and documentation of income needed.
10.6	4.7	Verification of self-employment income needed.
10.6	4.7	Verification of odd job income needed.
10.6	4.7	Verification of earned income needed.
10.6	4.7	Verification of unearned income needed.
10.6.1.3	4.7.3	Verification of zero or inadequate income needed.
10.6	3.2	Over income - exceeds maximum monthly income for eligibility.
11.2.11	6.2	Crisis was alleviated through your Regular Assistance Benefit.
12.3.1	4.8.1	Must provide a current utility bill.
12.4.1	7.2	Must provide a copy of a current lease agreement.
12	7.0	Denied due to depletion of LIHEAP funds.
10	4.8	Must provide proof of having an energy burden to be eligible for assistance. (Please specify what is needed.)

## APPENDIX B: ENERGY BURDEN TABLE

HOUSEHOLD SITUATION	HAS ENERGY BURDEN?	PAY LIHEAP BENEFIT TO?	REQUIRED DOCUMENTATION
College student in a dorm	No	Do not issue a LIHEAP benefit	
Energy costs (heating, cooling, and electric) are included in rent & the household is billed directly for electric	Yes	Electric Supplier	Electric Bill
Energy costs (heating, cooling, and electric) are included in the rent & the household is responsible for 100% of the rent	Yes	Household	Lease agreement or utility bill showing responsibility
Household has a disconnect notice or disconnection imminent	Yes	Energy Supplier	Utility Bill
Household has been disconnected but LIHEAP payment can restore service. The household has a bill.	Yes	Energy Supplier	Utility Bill
Household is not being charged for heating, cooling, or electric service	No	Do not issue a LIHEAP benefit	
Household lives in subsidized housing and pays an energy supplier directly with no government assistance	Yes	Energy Supplier	Utility Bill
Household lives in subsidized housing and pays the landlord for energy costs.	Yes	Household	Letter from landlord/owner or lease agreement
Household lives in subsidized housing and pays the landlord for energy costs but is billed directly and separately for another energy source.	Yes	Energy Supplier	Utility Bill
Household not responsible for any energy costs	No	Do not issue a LIHEAP benefit	
Household pays energy supplier directly	Yes	Energy Supplier	Utility Bill
Household pays landlord or owner for utility costs (Unsubsidized Housing)	Yes	Household	Letter from landlord/owner or lease agreement
Household uses solar	Yes, Regular benefit only	Electric Supplier	Utility Bill

## APPENDIX C: HOUSEHOLD MEMBERS TABLE

HOUSEHOLD MEMBERS TABLE		
CATEGORY	DESCRIPTION	COUNTED IN HOUSEHOLD
Child	Applicant's son or daughter of any age.	Yes, if this person lives in the applicant's household.
Foreign/international students	Persons admitted into the U.S. from a different country, usually under special permits or visas. These persons are admitted in order to train or study at an accredited institution.	Foreign students who are not authorized by the U.S. government to work are not eligible to participate in the program as applicants or household members. However, if this individual is the only adult in a household containing other eligible individuals, he/she may then be considered the applicant, but not be included as a household member.  Student status will be verified by the student visa card. On this card will be a statement: "Non-employment authorized." These students are not eligible.
Foster child	Person under 18 who has been placed in the home of a state-certified caregiver.	Yes, if this person lives in the applicant household.
Grandparent	The applicant's father's or mother's parent.	Yes, if this person lives in the applicant household.
Group living facilities	A group living facility is a place where several single-person or multi-person households reside and share living quarters but are individually charged for the cost of residence based on the residents' ability to pay. Examples are facilities for blind persons and disabled adults. <b><i>The facility may provide housing in separate structures.</i></b>	No
Illegal resident noncitizen	Any individual not identified by 8 U.S. Code §1641(b) and who does not have an SSN or ITIN is considered an illegal resident.	No; however, an illegal resident may submit an application on behalf of minors residing in the household who are citizens or legal resident aliens.

## HOUSEHOLD MEMBERS TABLE

CATEGORY	DESCRIPTION	COUNTED IN HOUSEHOLD
Independent students	Lives elsewhere more than fifty percent (50%) of the time	No
Institutionalized individuals	Halfway houses, or shelters, nursing homes, penal or correctional institutions, mental institutions, residential children's facilities, or student congregate living quarters (such as fraternity or sorority houses, dormitories, or similar living arrangements)	No
Legal resident noncitizen	If defined by 8 U.S. Code §1641(b) as a "Qualified Alien"	Yes, once the Subgrantee determines the household is eligible.
Live-in attendant	Live-in attendants are individuals who reside with a household to provide medical, housekeeping, childcare, or other similar personal services for a fee.	No, unless this person meets the definition of a household member.
Minor children	Individuals under the age of 18 years	Yes, however, they cannot be considered head of household unless emancipated by the courts.
Parent	Applicant's or a household member's father or mother	Yes, if this person lives in the applicant's household.
Roomer/Boarder	A roomer must prove that he/she shares the same address as other residents and occupies a single room within a dwelling.  The resident is NOT considered a roomer when he/she shares/provides living costs (food, utilities, rent); shares common areas (bathroom, kitchen, living room) with other residents; and/or a separate meter, entrance, and bathroom.	No
Sibling	Applicant's brother or sister.	Yes, if this person lives in the applicant's household.

## APPENDIX D: ELIGIBLE DWELLING TYPES

ELIGIBLE DWELLING TYPES			
In all affirmative examples, the household must have an energy burden.			
DWELLING TYPE	DESCRIPTION	ELIGIBLE?	NEEDED DOCUMENTS
Abandoned building or space		No	Non-applicable
Community-based residential facilities	Skilled nursing, assisted living, nursing homes, or addiction treatment center	No. A resident may be eligible for assistance if s/he returns to their home and applies during the program application period	Non-applicable
Emergency shelter		No	Non-applicable
Extended stay motels	Household must have lived at the facility for six (6) months or longer and heat or cooling is included in the rent.	Yes	Bill, statement from the facility.  Subgrantee may request a waiver on a case-by-case basis if the household is displaced due to a natural disaster.
Government or institutional facility	Jail, hospital, or care institution	No	Non-applicable
Group homes	Household is NOT responsible for paying a share of the energy costs	No. All household members must be counted and eligible for LIHEAP	Non-applicable
Halfway house	Transitional living facility that assists certain demographics to re-integrate into society. Applicant must be directly responsible for energy burden	Yes	Utility bills
Independent living facilities	Living communities that allow elderly or medically challenged	Yes, but only if the residents have an energy burden.	Utility bill or letter from the facility.

## ELIGIBLE DWELLING TYPES

In all affirmative examples, the household must have an energy burden.

DWELLING TYPE	DESCRIPTION	ELIGIBLE?	NEEDED DOCUMENTS
	persons a level of independence while offering assistance with housing arrangements and other daily needs.		
Multi-family units	A building with two or more units such as apartments, condos, duplexes, studio apartments, or townhouses	Yes	Utility bills
Non-subsidized housing	Heating and/or cooling included in the rent	Yes	Copy of lease, statement from landlord.
Publicly or privately operated community residence	Specialized residential apartment that serves persons with disabilities or other specialized conditions, which is licensed, certified, or accredited by a local, state, or federal body	Yes, but only if resident(s) pays the energy supplier directly OR the resident is responsible for paying the bill but needs the facility to help them to carry out the process of bill payments.	Utility bill or letter from the facility
Recreational vehicle (RV) or camper	Connected to a documented energy supplier and has a proven energy burden	Yes	Proof of being stationary for at least six (6) months prior to the application date.
Residents/roomers of single-room-only facilities	A room with only a bed.	No	Non-applicable
Single-family home		Yes	Utility bills

## ELIGIBLE DWELLING TYPES

In all affirmative examples, the household must have an energy burden.

DWELLING TYPE	DESCRIPTION	ELIGIBLE?	NEEDED DOCUMENTS
Subsidized housing	Heating or cooling costs included in rent or covered by utility stipend.	Yes, if household has an energy burden	Lease or letter from landlord; and utility bill or energy surcharge that is not covered by rent or the utility stipend.
Tent		No	Non-applicable

**Exception. Subgrantees may request on a case-by-case basis a waiver to the dwelling policy. To do so the Subgrantee must send an email or contact AEO by phone. If AEO grants the waiver, the exception must be documented in the case file.**

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## APPENDIX E: STANDARD INCOME FREQUENCY TABLE

STANDARD INCOME FREQUENCY TABLE		
The table below outlines standard pay frequency that might be used by an applicant household.		
PAY FREQUENCY	DESCRIPTION	DATA COLLECTION METHOD
Paid weekly (once a week)	A paycheck each week. 52 paychecks in a year.	Collect four (4) most recent paystubs. Add the totals to get monthly income  (e.g. $\$100 + 120 + 200 + 100 = \$520$ )
Paid bi-weekly (every other week)	A paycheck every two weeks – typically 26 paychecks in a year.  A bi-weekly payment system may result in extra pay periods.	Collect the two (2) most recent pay stubs. Add the totals to get monthly income  (e.g. $\$100 + 120 = \$320$ ).
Paid semi-monthly (twice a month)	A paycheck twice a month 24 paychecks in a year	Collect two (2) most recent pay stubs. Add the totals to get monthly income  (e.g. $\$100 + 120 = \$320$ ).
Paid monthly (once a month)	A paycheck once a month 12 paychecks in a year.	Collect the most recent paystub
Quarterly income (once every three months)	A paycheck once a quarter 4 payments in a year	Collect the most recent pay stub. Divide the total by three (3) to get monthly income  (e.g. $\$900 \div 3 = \$300$ )
Semi-annual income (once every six months)	A payment twice a year	Collect the most recent pay stub. Divide the total by six (6) to get monthly income  (e.g. $\$1200 \div 6 = \$200$ )
Annual income (once per year)	A payment once a year	Collect the most recent pay stub. Divide the total by twelve (12) to get monthly income  (e.g. $\$1200 \div 12 = \$100$ )

## STANDARD INCOME FREQUENCY TABLE

The table below outlines standard pay frequency that might be used by an applicant household.

PAY FREQUENCY	DESCRIPTION	DATA COLLECTION METHOD
Self-employed	No standard frequency	Collect: <ul style="list-style-type: none"> <li>• the most recent Federal tax return (Divide the total by twelve (12) to get monthly income),</li> <li>• gross income for the most recent thirty (30) calendar days, or</li> <li>• Gross income for most recent twelve (12) months (Divide the total by twelve (12) to get monthly income).</li> </ul> (Total Gross Income) – (Total Cost of Doing Business (10%)) = Income
Unearned income	Varies	Examples of unearned income include Social Security, SSI benefits, retirement, and Veteran’s benefits, Unemployment, Worker’s Compensation, pensions and annuities, interest and dividends, foster-care payments, contributions, child support payments, and HUD utility payments greater than or equal to \$50.00.

Do not count sources such as SSA, SSI, and TEA more than once monthly per individual.

### **Data Collection Tips**

The following list outlines outliers to standard income tips:

1. Collect pay stubs or statements that were issued the month before the date of application or within the thirty (30) days leading up to the date of application.
2. For self-employed take ten percent (10%) of gross income to determine the cost of doing business. If the applicant can produce reasonable proof of the cost of doing business, those documents may be used instead.
3. For self-employed. Use the previous year’s tax return (or the year immediately before the previous year if the household has not yet filed for the previous year) for verification.
4. If the amount of income declared on the application form (less any allowable deductions) exceeds the eligibility income limit, the application may be denied without further verification.
5. Calculate cost of living increases when benefit awards cross over into a different year.
6. Inquire about the regularity of child support payments to determine how many payments calculate into a month.

## APPENDIX F: INCOME INCLUSION AND EXCLUSION CHART

INCOME INCLUSION AND EXCLUSION CHART				
INCOME TYPES	DEFINITION	COUNT AS INCOME?		ACCEPTABLE PROOF OF INCOME
<b><i>Items marked no in the income table should not be counted as income but can be considered when determining how a zero-income household's needs are being met.</i></b>				
Adoption assistance	Financial assistance granted to an adoptive family to offset the short- and long-term costs of adopting a child with special needs	Yes		Official state and/or court documents or bank statements
Aftercare services	Voluntary individualized support to help youth transition successfully to adulthood following foster care		No	
Alimony payments	Money deducted or diverted from a court-ordered support payment or other binding written agreement to a third party for a household expense	Yes		Court documents; divorce decree. Written statement from the person paying support.
Annual bonuses	Monetary payments given to an employee by an employer in addition to the pay due to the employee. Annual bonuses that can be reasonably anticipated both in regard to the time of receipt and the amount that will be received will be considered earned income.	Yes		Wage stubs or statement from employer
Annuities	A specified income payable at stated intervals for a fixed or a contingent period, often for the recipient's life	Yes		Statement from investment firm or bank statement (as a last resort)
Assets	Property or other valuables owned		No, unless sold	
In-home assistance such as babysitting and senior care	To care for disabled individuals or children usually during a short absence of someone who is responsible for that individual	Yes		
Basic allowance for subsistence	Non-taxable, cash payments to defray a portion of food costs for military service members		No	

## INCOME INCLUSION AND EXCLUSION CHART

INCOME TYPES	DEFINITION	COUNT AS INCOME?		ACCEPTABLE PROOF OF INCOME
Bank withdrawals	Removing funds from a bank account, savings plan, pension, or trust.		No	
Cryptocurrency such as Bitcoin	Virtual Currency used as money or form of payment	Yes		W-2, Federal tax return, or other documentation
Capital gains	Income received by selling an investment such as stocks and bonds, or real estate	Yes		Tax return
Capital losses	Financial loss when an investment or real estate decreases in value		No	
Cash Gifts - Irregular	Irregular cash gifts or payment on behalf of the household; also includes loans and cash drawdown on credit cards. (Gifts given for three consecutive months or more will be counted as income)		No	Applicant declaration will be accepted.
Cash gifts - Regular	Must provide regular support for an individual or for the household, paid directly to the household. (Gifts given for three consecutive months or more will be counted as income)	Yes		Written statement from the person providing support
Child support payments	Money paid for the care of one's minor child	Yes		Court documents: divorce decree, court-ordered child support documentation; written statement from the person paying support, ReliaCard statement or bank statement (as a last resort)
Child Tax Credit	A federal tax benefit that provides financial support for American taxpayers with children under the age of seventeen (17).		No	

## INCOME INCLUSION AND EXCLUSION CHART

INCOME TYPES	DEFINITION	COUNT AS INCOME?		ACCEPTABLE PROOF OF INCOME
Christmas club account	A savings account where individuals pay in throughout the year and receive a payout around October.		No	
College Work Study (CWS)	Payments to an undergraduate student from grants or loans for educational purposes made or incurred under any program administered by the Secretary of Education or any reimbursements to the undergraduate student for specific educational expenses, such as travel or books, received from a non-federal source		No	
Crowd-fund accounts	Contributions from multiple sources for various reasons. A common example includes GoFundMe	Yes		Bank Statement or statement from the fund.
Disaster assistance	Federal, State, or local government funds that are used to help households recover from natural disasters		No	
Displacement or relocation assistance by federal programs	Help or assistance provided by a federal or state funded entity that mitigates the impact associated with moving.		No	
Dividends	A sum of money paid to shareholders of a corporation out of earnings	Yes		Letter from corporation listing amount or a bank statement
Earned income	Wages, salaries, commissions, bonuses, profit sharing, tips, vacation pay, overtime pay, severance pay, sick leave, and other taxable employee pay.	Yes		Wage stubs or statement from employer
Earnings of a child	Income received as compensation for services as an employee or income from self-employment by a child residing in the household who is under eighteen (18) years of age and who is attending at least half time a kindergarten or preschool, a grade school, high school, vocational school, technical school, training program, college or university is excluded. The exclusion of this		No	

## INCOME INCLUSION AND EXCLUSION CHART

INCOME TYPES	DEFINITION	COUNT AS INCOME?		ACCEPTABLE PROOF OF INCOME
	income will not be altered by temporary interruptions in school attendance, such as semester or summer vacations, provided the child's enrollment will resume following the break.			
Earnings of a full-time college student	Income received by full-time college students, up to age 23, who are listed as dependents of a household member and are enrolled for at least twelve (12) credit hours per semester is excluded. The exclusion of this income will not be altered by temporary interruptions in school attendance, such as semester or summer vacations, provided the student's enrollment will resume following the break.		No	
Farming	Profits incurred through the operation of a farm	Yes		Farm profit and loss statement
Emergency assistance	Aid that provides help to families in a situation that creates imminent risk by threatening the health or well-being of an eligible child and family. Funding source is from a federal, state, or local government entity.		No	
Employer-paid fringe benefits	Employment benefits such as health insurance, workers' compensation, retirement plans, or family medical leave. If these benefits have not been converted to cash, they are not considered income.		No	
Executor fees	Fees paid to a person or entity appointed to carry out a deceased person's wishes with regard to their estate. However, if the executor is being reimbursed for fees paid out [seeking the remainder of this caveat]	Yes		
Energy grant	Aid used to help a household reduce energy use, improve energy efficiency, or to improve energy sustainability.		No	

## INCOME INCLUSION AND EXCLUSION CHART

INCOME TYPES	DEFINITION	COUNT AS INCOME?		ACCEPTABLE PROOF OF INCOME
Family support	Such as child support or spousal support.	Yes		
Food	Value of food stamps benefits under SNAP, the Food Stamp Act of 1977, Section 1301 of P. L. No. 95-113 (91 Stat. 968, 7 U.S.C. 2017 (b)). Value of Federally donated foods distributed under Section 32 of P. L. No. 74-320 (49 Stat. 774) or Section 774) or Section 416 of the Agriculture Act of 1949 (63 Stat. 1058, 7 CFR 250. 6 (e) (9)). Value of free or reduced-price food for women and children.		No	
Foster care payments	Payments made to foster families. Types of foster care: Family Foster Care, Special Rate Foster Care, Family Shelter Care, Relative Foster Care, Independent Living Program	Yes		Official state and/or court documents
Foster Grandparents Program	The Foster Grandparent Program provides grants to qualified agencies and organizations for the dual purpose of engaging persons 60 or older, with limited incomes, in volunteer service to meet critical community needs and to provide a high-quality volunteer experience that will enrich the lives of the volunteers. Program funds are used to support Foster Grandparents in providing supportive, person-to-person service to children with exceptional or special needs.		No	
Gaming or gambling winnings	Any money won from gambling activities such as bingo, lottery, slots, keno, et cetera.	Yes		Tax documents, bank statements

## INCOME INCLUSION AND EXCLUSION CHART

INCOME TYPES	DEFINITION	COUNT AS INCOME?		ACCEPTABLE PROOF OF INCOME
GI Bill	Payments issued to assist with education costs for persons who served in the military		No	
Guaranteed Student Loans (GSL)	Payments to an undergraduate student from grants or loans for educational purposes made or incurred under any program administered by the Secretary of Education or any reimbursements to the undergraduate students for specific educational expenses, such as travel or books, received from a non-federal source		No	
Homeownership Voucher Program	Federally funded program that assists low-income homeowners pay monthly housing expenses		No	
Housekeeper or home health aide	A paid individual who helps to maintain the home and possibly helps a resident of the home.  If this person is a live-in attendant do not count the payment they receive from the applicant as income; it should only be counted once for the whole household.	Yes		Pay stub or written verification from the employer.
HUD utility payments	The utility allowance is intended to enable participating families to pay typical costs for utilities and services paid by energy-conserving households occupying units of similar size and type in the same locality.	Yes		Applicant declaration of the amount will be accepted.
Income from an ineligible or non-citizen household member	Any adult who falls under the definition of a non-citizen and receives wages for work must provide income information for the LIHEAP household.	Yes		Check stub or validation from applicant

## INCOME INCLUSION AND EXCLUSION CHART

INCOME TYPES		DEFINITION	COUNT AS INCOME?		ACCEPTABLE PROOF OF INCOME
Income paid from one eligible household member to another eligible household member	Examples of such situation include allowance payments to a child who is no longer a student or who is eighteen (18) or above, day-care payments from a child's mother to the child's grandmother (if both are household members), farm-labor wages made by a parent to a child who is a household member, or board payments from one household member to another.			No	
Inheritance income	Money, property, gifts received from a deceased person's estate is considered income when it is converted to money for living expenses.	Yes			Bank statement, will testament
Interest	The sum of money paid to one for the use of their money; amount over \$200.00	Yes			Bank statement
Independent choices	A benefit through Medicaid that allows certain qualified persons to purchase personal care services			No	
Income in-kind	A benefit other than cash (money) received in exchange for service. This can be considered when determining how a household's needs are being met.			No	
Irregular income	Any recurring income that does not exceed \$90 in a three-month period and is received too infrequently or irregularly to be reasonably anticipated is excluded as income. The three-month period begins with the first month in which income is received from a particular source.			No	

## INCOME INCLUSION AND EXCLUSION CHART

INCOME TYPES	DEFINITION	COUNT AS INCOME?		ACCEPTABLE PROOF OF INCOME
Jury duty pay	Compensation for time spent at jury selection or on a jury.	Yes		
Loans	All loans are excluded as income. This includes loans from private individuals as well as commercial loans. A formal repayment agreement is not required. However, the intent to repay the loan must exist. The Subgrantee will document the amount and source of the loan.		No	Loan agreement
Medicare insurance premiums	The amount a beneficiary pays to Medicare to maintain policy coverage.		No	
National Direct Student Loans (NDSL)	Payments to an undergraduate student from grants or loans for educational purposes made or incurred under any program administered by the Secretary of Education or any reimbursements to the undergraduate student for specific educational expenses, such as travel or books, received from a non-federal source		No	
Nonrecurring lump sum payments	Money received in the form of nonrecurring lump-sum payments, including but not limited to the sale of personal property (except as related to self-employment); income tax refunds; rebates; credits; retroactive lump-sum Social Security benefits, SSI, public assistance, Railroad Retirement benefits, or other payments; lump-sum insurance settlements; and refunds of security deposits on rental property or utilities		No	

## INCOME INCLUSION AND EXCLUSION CHART

INCOME TYPES	DEFINITION	COUNT AS INCOME?		ACCEPTABLE PROOF OF INCOME
Odd job income	Income that a household member receives as earnings from jobs such as mowing lawns, raking leaves, unloading trucks, sweeping sidewalks, and collecting and selling cans. This will not include income of less than \$30.00 in a three-month period.	Yes		If a household member routinely does odd jobs for the same person or persons, odd job income may be verified through collateral contact with these individuals.
Payment received under the Alaska Native Claims Settlement Act	Public Law 92-203, approved December 18, 1971 (85 Stat. 688), and repeatedly amended, authorized Alaska Natives to select and receive title to 44 million acres of public land in Alaska, and \$962,000,000 in cash as settlement of their aboriginal claim to land in the State. The Act established a system of village and regional Native corporations to manage the lands and cash payments and made extensive provisions regarding the operations of the corporations.		No	
Payments received under the Sac and Fox Indian, or payments received from the disposition of funds to the Grant River Band of Ottawa Indians (P.L. 94-540). Funds distributed to members of the Red Lake Band of Chippewa Indians (P.L. 98-123) and funds distributed to members of the Assiniboine Tribe of the Fort Belknap Indian community and the Assiniboine Tribe of Fort Peck	Payments received as a result of a legal settlement regarding public land		No	

## INCOME INCLUSION AND EXCLUSION CHART

INCOME TYPES	DEFINITION	COUNT AS INCOME?		ACCEPTABLE PROOF OF INCOME
Indian reservation (P.L. 98-124).				
Pell Grants – Formerly Basic Education Opportunity Grants (BEOG)	Payments to an undergraduate student from grants or loans for educational purposes made or incurred under any program administered by the Secretary of Education or any reimbursements to the undergraduate student for specific educational expenses, such as travel or books, received from a non-federal source		No	
Pension	Assistance paid at regular intervals to a person or to the person’s surviving dependents in consideration of such things as past services, age, merit, poverty, or injury or loss sustained.	Yes		Statement from source, bank statement as a last resort, only if supported with applicant statement/documentation about any deductions (1099R is a good back-up for bank statement)
PLUS loans	Payments to an undergraduate student from grants or loans for educational purposes made or incurred under any program administered by the Secretary of Education or any reimbursements to the undergraduate student for specific educational expenses, such as travel or books, received from a non-federal source		No	
Profit sharing bonus	Monetary payments given to an employee as a one-time profit-sharing		No	

## INCOME INCLUSION AND EXCLUSION CHART

INCOME TYPES	DEFINITION	COUNT AS INCOME?		ACCEPTABLE PROOF OF INCOME
		Yes	No	
Rental property	Ownership of rental property will be considered a self-employment enterprise.	Yes		Previous year's tax return.
Railroad retirement	Retirement and/or survivor and unemployment and/or sickness insurance benefits for railroad workers and their families	Yes		
Retirement/veteran benefits	A monthly payment made to someone who is retired from work or the military.	Yes		Statement from source, bank statement as a last resort only and must include written justification
Refunds and reimbursements	Repayment for costs paid by households or for overpayment or product return.		No	
Roomers or boarders	Individuals who are not considered household members and pay rent to the homeowner.	Yes		Income received from roomers/boarders is considered Self-employment income. Tax return can be used as proof of income.
Reverse mortgage	A consumer loan program designed for senior homeowners that allows them to use the home equity.		No	
Royalties	Payment issued for ongoing use of another's intellectual or real property assets	Yes		Tax return or royalty contract
SCSEP volunteers	Any payment under The Senior Community Service Employment Program (SCSEP), volunteers under Title II (RSVP, foster grandparents, and others) and Title III (SCORE and ACE) of the Domestic Volunteer Services Act. Payments under Title I (VISTA) to volunteers shall be excluded for those individuals receiving SNAP benefits (Food Stamps) or public assistance at the time they joined VISTA.		No	

## INCOME INCLUSION AND EXCLUSION CHART

INCOME TYPES	DEFINITION	COUNT AS INCOME?		ACCEPTABLE PROOF OF INCOME
Self-employment income	Working for oneself freelance or as the owner of a business rather than for an employer and receiving income for providing a product or service. Gross income from self-employment will be discounted twenty percent (20%) for taxes and an additional ten percent (10%) for operating costs including, but not limited to the identifiable costs of labor, stock, raw material, seed and fertilizer, interest paid to purchase income-producing property, insurance premiums, and taxes paid on income-producing property.	Yes		Previous year's tax return.
Social Security	The Social Security Retirement Insurance Benefits are a federally funded program administered by the U.S. Social Security Administration (SSA). These are benefits that apply to individuals who have earned enough Social Security credits and are at least age 62. (Note: The gross amount is counted.)	Yes		Official documentation for the current year such as the benefit verification letter from Social Security Administration (SSA)
Survivors Benefit (Social Security Death Benefit)	Income provided by Social Security to the families of workers who die.	Yes		Official documentation for the current year such as the benefit verification letter from Social Security Administration (SSA)
Spousal impoverishment	Provisions made through Medicaid for a spouse who is still living at home alone in a community while the other spouse is living in a nursing home		No	

## INCOME INCLUSION AND EXCLUSION CHART

INCOME TYPES	DEFINITION	COUNT AS INCOME?		ACCEPTABLE PROOF OF INCOME
Strike payment assistance	Income issued to eligible individuals who miss pay from their employer because of a strike	Yes		Copy of check or statement from union
SSI benefits	Supplemental Security Income (SSI) is a federal income supplement program funded by general tax revenues (not Social Security taxes). It is designed to help aged, blind, and disabled people who have little or no income. It provides cash to meet basic needs for food, clothing, and shelter. (Note: No deductions are taken from SSI.)	Yes		Official documentation for the current year, such as benefit verification letter from SSA, SNAP listing or, as a last resort, bank statement.
Social Security Disability Insurance (SSDI)	Benefit sponsored by the Social Security Administration that supports individuals who can no longer work because of a medical condition.	Yes		
State Student Incentive Grants (SSIG)	Payments to an undergraduate student from grants or loans for educational purposes made or incurred under any program administered by the Secretary of Education or any reimbursements to the undergraduate student for specific educational expenses, such as travel or books, received from a non-federal source		No	

## INCOME INCLUSION AND EXCLUSION CHART

INCOME TYPES	DEFINITION	COUNT AS INCOME?		ACCEPTABLE PROOF OF INCOME
Supplemental Educational Opportunity Grant (SEOG)	Payments to an undergraduate student from grants or loans for educational purposes made or incurred under any program administered by the Secretary of Education or any reimbursements to the undergraduate student for specific educational expenses, such as travel or books, received from a non-federal source		NO	
Trade Adjustment Assistance	A federal or state funded benefit for workers who lose their jobs or work hours/wages are reduced because of foreign competition	YES		Stubs, check copies
Unemployment	An allowance of money, usually weekly, to an unemployed worker by a state or federal agency	YES		Printout or statement from the employment office. (ensure that gross weekly benefit amount is used)
Uniform Relocation Assistance and Real Property Acquisition Policy Act	Reimbursement provided to persons whose real property is acquired by or who are displaced in connection with federally funded projects. Reimbursement is intended to pay for relocation assistance and to lessen the emotional and financial impact of displacement.		NO	
Worker's Compensation	Compensation for time lost due to a work-related illness or injury	YES		Check stubs, statement from Workers Compensation, bank statement (as a last resort)

## APPENDIX G: COUNTABLE RESOURCE TABLE

COUNTABLE RESOURCE TABLE		
RESOURCE TYPE	DESCRIPTION	COUNTABLE?
Automobiles	There is no limit to the number or types of automobiles or other vehicles the household may own.	No
Bonds and stock	Government or corporate bonds and stock in a private corporation. Verification will be by current market quotations, if obtainable, or by other competent collaterals, if needed.	Yes
Burial	Burial insurance, spaces and funds	No
Cash and money on deposit	Cash and money on deposit, including certificates of deposit in a bank, savings and loan, credit union, or other financial institution. The value of deposits will be verified with the financial institution, if needed.	Yes
Farming equipment	Property, such as farms or equipment, used to produce income.	No
Home	<p>The primary residence is defined as the house (and its tract of land) in which the household resides. A mobile home or trailer used as a home meets this definition even if the household does not own the land on which the home is situated.</p> <p>However, there is no limit to the number of buildings or acres that may be included as part of the primary residence, provided that all are included as one parcel with the primary residence.</p>	No
Household decor	Household furniture, appliances, and personal effects.	No
Institutionalized individuals	The resources of institutionalized individuals will not be considered in determining eligibility for the household	No
Insurance	Life insurance policies.	No
Livestock	Livestock used for sustenance	No
Loans and scholarships	Loans, grants, and scholarships.	No

## COUNTABLE RESOURCE TABLE

RESOURCE TYPE	DESCRIPTION	COUNTABLE?
Real property	Equity value of excess real property. The value will be determined and verified, if needed.	No
Relocation assistance	Relocation allowances and adjustments; payments made by federal agencies under any federally funded relocation assistance program.	No
Retirement plans	Retirement plans, retirement annuities, Keogh plan, and individual retirement accounts (IRA).	No
OTHER	Any other currently available property not specifically excluded.	Yes

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## APPENDIX H: FFY2025 ARKANSAS LIHEAP ELIGIBILITY CHART

To be added

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## APPENDIX I: REGULAR ASSISTANCE FUEL BENEFIT MATRICES

See attachment.

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2025 Propane Fuel Benefit Matrix Regular Assistance

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## APPENDIX J: CRISIS BENEFIT TABLE

CRISIS BENEFIT TABLE	
UTILITY/FUEL TYPE	BENEFIT MAXIMUM
<b>Paid to the Utility</b>	
Electric and gas	Up to \$500.00
Propane, wood, fuel oil, kerosene, or other heating fuel types	\$250.00 or the minimum delivery plus fees up to a total benefit of \$500.00
Prepaid electric	\$250.00 maximum on current account. Rest paid to past due up to \$500.00 for a total benefit of \$500.00
<b>Paid to the Household</b>	
Propane, wood, fuel oil, kerosene, or other heating fuel types	\$250.00 or the minimum delivery up to a total benefit of \$500.00
Cable, water, wastewater (sewer)	Is not covered by LIHEAP benefits – not eligible
<b>Regular benefit amounts for all fuel types can be found on respective Fuel Chart</b>	

## APPENDIX K: LIHEAP REPORTING SCHEDULE

LIHEAP REPORTING SCHEDULE						
REPORT TITLE	REPORT PURPOSE	FORMAT	RESPONSIBLE PARTY	REPORTING PERIOD	REPORT FREQUENCY	REPORT DEADLINE
Advanced requests for funds	Request for funds in advance	MS Excel	Subgrantee	N/A	As needed	As needed
Application Program Closeout / Final Weekly Data Report	Indicates when all applications have been processed and notifies the software provider when to accumulate data for federal reporting.	MS Excel	Subgrantee	N/A	Biannual	Within 30 days after the program closes
Chronological Registers	Report applications received to enable monitoring.	MS Excel	Subgrantee	December – June July – September	Biannual	Close of each program
Expenditures report	Request for reimbursement	MS Excel	Subgrantee	N/A	As needed	As needed

## LIHEAP REPORTING SCHEDULE

REPORT TITLE	REPORT PURPOSE	FORMAT	RESPONSIBLE PARTY	REPORTING PERIOD	REPORT FREQUENCY	REPORT DEADLINE
Fiscal program closeout / final request for funds	Final request for reimbursement after the program closes.	MS Excel	Subgrantee	N/A	Biannual	Within 45 days after the program closes
Monthly Data	To track monthly application intake, application processing, household demographics, and fund usage. May be used to submit the Household Report to HHS.	MS Excel	Subgrantee	Beginning of the month until the end of the month	Monthly	Upon request by AEO
Subgrantee Agreement	Must be signed so that the Subgrantee can receive fund allocations.	Word or PDF	Subgrantee	N/A	Annual	December

## LIHEAP REPORTING SCHEDULE

REPORT TITLE	REPORT PURPOSE	FORMAT	RESPONSIBLE PARTY	REPORTING PERIOD	REPORT FREQUENCY	REPORT DEADLINE
Weatherization Referrals	Submit weatherization requests to WAP agencies.	Excel	Subgrantee	Monday – Friday	Weekly	Weekly
Weekly Data	To track weekly application intake, application processing, and fund usage.	MS Excel	Subgrantee	Monday – Friday	Weekly	The Friday following the week ending the previous Friday.
Carryover & Reallotment	Details amount of LIHEAP funding to be carried into the next fiscal year.	OLDC	Grantee	October 1 – September 30	Yearly	August 1 December 31
Household Report	Counts of household demographics.	OLDC	Grantee	October 1 – September 30	Yearly	September 1 December 15
LIHEAP Applications Report	Report previous week’s number of applications received, processed, and the dollar amount disbursed by agency to the Secretary of Arkansas Energy & Environment.	Excel	Grantee	Monday – Friday	Weekly	Friday of every week

## LIHEAP REPORTING SCHEDULE

REPORT TITLE	REPORT PURPOSE	FORMAT	RESPONSIBLE PARTY	REPORTING PERIOD	REPORT FREQUENCY	REPORT DEADLINE
Performance Measures	Identifies funding sources, funding uses, targeting techniques, energy restoration, and prevention services.	OLDC	Grantee	October 1 – September 30	Yearly	January 30
SF-425	Report of amounts obligated and/or expended during the previous federal fiscal year.	OLDC	Grantee	October 1 – September 30	Yearly	December 31
State (Model) Plan	Application for the next fiscal year's funding. Outlines how Grantee will uphold the LIHEAP Assurances.	OLDC	Grantee	October 1 – September 30	Yearly	September 1

## **APPENDIX L: SUBGRANTEE AGENCY MAP & CONTACT INFORMATION**

Map to be added.

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## LIHEAP NETWORK CONTACT LIST

AGENCY NAME	EXECUTIVE DIRECTOR	LIHEAP CONTACT
<b>Arkansas River Valley Area Council (ARVAC)</b> 613 North 5 <sup>th</sup> Street   Dardanelle, AR 72830 <a href="http://www.arvacinc.org">www.arvacinc.org</a>	Stephanie Garner (479) 229-4861 <a href="mailto:sgarner@arvacinc.org">sgarner@arvacinc.org</a>	Rachael Reed (479) 219-5292 Ext 1117 <a href="mailto:rreed@arvacinc.org">rreed@arvacinc.org</a>
<b>COUNTY SERVICE AREA(S)</b> Conway   Franklin   Johnson   Logan   Perry   Polk   Pope   Scott   Yell		
<b>Black River Area Development Corporation (BRAD)</b> 1403 Hospital Drive   Pocahontas, AR 72455 <a href="http://www.bradcorp.org">www.bradcorp.org</a>	Rhonda Ahrent (870) 892-4547 Ext. 285 <a href="mailto:Rhonda.ahrent@bradcorp.org">Rhonda.ahrent@bradcorp.org</a>	Alex Lynch (870) 202-1353 <a href="mailto:Alex.lynch@bradcorp.org">Alex.lynch@bradcorp.org</a>
<b>COUNTY SERVICE AREA(S)</b> Clay   Lawrence   Randolph		
<b>Central Arkansas Development Council (CADC)</b> 321 Edison Avenue   Benton, AR 72015 <a href="http://www.cadc.com">www.cadc.com</a>	Randy Morris <a href="mailto:rmorris@cadc.com">rmorris@cadc.com</a> (501) 315-1121	Valerie Ramsey <a href="mailto:vramsey@cadc.com">vramsey@cadc.com</a> (501) 315-1121
<b>COUNTY SERVICE AREA(S)</b> Calhoun   Clark   Columbia   Dallas   Hempstead   Hot Spring   Howard   Lafayette   River   Lonoke   Miller   Montgomery   Nevada   Ouachita   Pike   Pulaski   Saline   Sevier   Union		
<b>Central Delta Community Action Agency (CDCAA)</b> 200 Main Street   Rison, AR 71665	Hayley Brakebill (870) 250-1588 <a href="mailto:Hayley@cdcaa.org">Hayley@cdcaa.org</a>	Tamara Turner (870) 250-1588 <a href="mailto:tamara@cdcaa.org">tamara@cdcaa.org</a>
<b>COUNTY SERVICE AREA(S)</b> Arkansas, Cleveland, Grant, Jefferson, Lincoln		
<b>Community Action Program for Central Arkansas (CAPCA)</b> 707 Robins Street, Suite 118   Conway, AR 72034 <a href="http://www.capcainc.org">www.capcainc.org</a>	Jennifer Welter (501) 329-0977 Ext. 2105 <a href="mailto:Jennifer.welter@capcainc.org">Jennifer.welter@capcainc.org</a>	Lacey Strom (501) 329-0977 Ext. 2124 <a href="mailto:lacey.strom@capcainc.org">lacey.strom@capcainc.org</a>
<b>COUNTY SERVICE AREA(S)</b> Cleburne   Faulkner   White		
<b>Crowley's Ridge Development Council, Inc. (CRDC)</b> 2401 Fox Meadow Lane   Jonesboro, AR 72401 <a href="http://www.crdcnea.com">www.crdcnea.com</a>	Jeremy Wooldridge (870) 802-7100 <a href="mailto:tethomas@crdcnea.com">tethomas@crdcnea.com</a>	April Sutton (870) 333-5134 <a href="mailto:asutton@crdcnea.com">asutton@crdcnea.com</a>
<b>COUNTY SERVICE AREA(S)</b> Crittenden   Cross   Greene   Jackson   Poinsett   St. Francis   Woodruff		
<b>Crawford-Sebastian Community Development Council, Inc. (C-SCDC)</b> 1617 South Zero Street   Fort Smith, AR 72914 <a href="http://www.cscdcca.org">www.cscdcca.org</a>	Marc Baker (479) 785-2303 Ext. 107 <a href="mailto:mbaker@cscdcca.org">mbaker@cscdcca.org</a>	Beverly Vaughn (479) 480-4602 <a href="mailto:bvaughn@cscdcca.org">bvaughn@cscdcca.org</a>
<b>COUNTY SERVICE AREA(S)</b> Crawford   Sebastian		
<b>Community Services Office, Inc. (CSO)</b> 2228 Albert Pike, Suites M, N, & O Hot Springs, AR 71913   <a href="http://www.csoarkansas.org">www.csoarkansas.org</a>	Leslie Barnes (501) 624-5724 Ext. 203 <a href="mailto:executivedirector@csoarkansas.org">executivedirector@csoarkansas.org</a>	George Biggs (501) 762-8649 <a href="mailto:csbliheapspc@csoarkansas.org">csbliheapspc@csoarkansas.org</a>
<b>COUNTY SERVICE AREA(S)</b> Garland		

## LIHEAP NETWORK CONTACT LIST

AGENCY NAME	EXECUTIVE DIRECTOR	LIHEAP CONTACT
<b>Economic Opportunity Agency of Washington County, Inc. (EOAWC)</b> 614 East Emma Avenue, Suite M401 Springdale, AR 72764   (479) 872-7479 <a href="http://www.eoawc.org">www.eoawc.org</a>	Delia Anderson Farmer (479) 872-7479 <a href="mailto:dfarmer@eoawc.org">dfarmer@eoawc.org</a>	Tammie Cagle (479) 334-5570 <a href="mailto:tcagle@eoawc.org">tcagle@eoawc.org</a>
<b>COUNTY SERVICE AREA(S)</b> Washington		
<b>Mississippi County, Arkansas Economic Opportunity Commission, Inc. (MCAEOC)</b> 1400 North Division Street Blytheville, AR 72316-1289 <a href="http://www.mcaeoc.com">www.mcaeoc.com</a>	Priscilla Johnson (870) 776-1054 <a href="mailto:Cilla.johnson@sbcglobal.net">Cilla.johnson@sbcglobal.net</a>	Johnnie Campbell (870) 776-1054 Ext 1052 <a href="mailto:jcampbelleoc@sbcglobal.net">jcampbelleoc@sbcglobal.net</a>
<b>COUNTY SERVICE AREA(S)</b> Mississippi		
<b>Mid-Delta Community Services, Inc. (M-DCS)</b> 610 South Biscoe Street   Helena, AR 72342 <a href="https://www.middeltacomunityservices.org/">https://www.middeltacomunityservices.org/</a>	Bobbie Salter (870) 338-6406 <a href="mailto:bsalter@m-dcs.com">bsalter@m-dcs.com</a>	Sherrie Palmer (870) 338-6406 ext. 1037 <a href="mailto:spalmer@m-dcs.com">spalmer@m-dcs.com</a>
<b>COUNTY SERVICE AREA(S)</b> Lee   Monroe   Phillips   Prairie		
<b>Northcentral Arkansas Development Council, Inc. (NADC)</b> 1900 Lyon Street   Batesville, AR 72503	Staci Albert <a href="mailto:salbert@nadcinc.org">salbert@nadcinc.org</a> (870) 793-5765	Sherry Vest <a href="mailto:svest@nadcinc.org">svest@nadcinc.org</a> (870) 793-5765
<b>COUNTY SERVICE AREA(S)</b> Fulton   Independence   Izard   Sharp   Stone		
<b>Our Healthy Community (OHC)</b> 506 East Spruce Street   Rogers, AR 72757 <a href="http://www.ohcnwa.org">www.ohcnwa.org</a>	Susan Moore (479) 636-7301 <a href="mailto:smoore@eohc.org">smoore@eohc.org</a>	Caren Cox (479) 636-7301 Ext. 102 <a href="mailto:ccox@eohc.org">ccox@eohc.org</a>
<b>COUNTY SERVICE AREA(S)</b> Benton   Carroll   Madison		
<b>Ozark Opportunities, Inc. (OOI)</b> 701 East Prospect Avenue   Harrison, AR 72601 <a href="http://www.OzarkOpp.org">www.OzarkOpp.org</a>	Richard T. Atkinson (870) 741-9406 <a href="mailto:rtatkinson@ozarkopp.org">rtatkinson@ozarkopp.org</a>	Joshua Taylor 870-741-2089 <a href="mailto:joshua.taylor@ozarkopp.org">joshua.taylor@ozarkopp.org</a>
<b>COUNTY SERVICE AREA(S)</b> Baxter   Boone   Marion   Newton   Searcy   Van Buren		
<b>Southeast Arkansas Community Action Corp (SEACAC)</b> 1208 North Myrtle Street   Warren, AR 71671 <a href="https://seacac.my-free.website/">https://seacac.my-free.website/</a>	Michael Jones (870) 226-2668 Ext. 307 <a href="mailto:michaeljones@seacac.org">michaeljones@seacac.org</a>	Carolyn Davis (870) 226-2668 Ext. 311 <a href="mailto:Carolyndavis.edc@seacac.org">Carolyndavis.edc@seacac.org</a>
<b>COUNTY SERVICE AREA(S)</b> Ashley   Bradley   Chicot   Desha   Drew		

## WEATHERIZATION SERVICE TERRITORIES

Map to be added.

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## WEATHERIZATION NETWORK CONTACT LIST

AGENCY	EXECUTIVE DIRECTOR	WEATHERIZATION CONTACT
<b>Better Community Development Inc. (BCD)</b> 3805 West 12 <sup>th</sup> , Suite 203   Little Rock, AR 72204 <a href="http://www.bcdinc.org">www.bcdinc.org</a>	William Robinson, Jr	Darryl Swinton 501-379-1537 <a href="mailto:dswinton@bcdinc.org">dswinton@bcdinc.org</a>
<b>COUNTY SERVICE AREA</b> Arkansas, Ashley, Bradley, Chicot, Cleveland, Desha, Drew, Grant, Jefferson, Lee, Lincoln, Monroe, Phillips, Prairie		
<b>Black River Area Development, Inc. (BRAD)</b> 1403 Hospital Drive   Pocahontas, AR 72455 <a href="http://www.blackriverareadevelopment.com">www.blackriverareadevelopment.com</a>	Rhonda Ahrent	Johnie Dean 870-202-1347 <a href="mailto:johnie.dean@bradcorp.org">johnie.dean@bradcorp.org</a>
<b>COUNTY SERVICE AREA</b> Baxter, Boone, Clay, Fulton, Independence, IZard, Lawrence, Marion, Newton, Randolph,, Searcy, Sharp, Stone, Van Buren		
<b>Central Arkansas Development Council (CADC)</b> 321 Edison Avenue   Benton, AR 72018 <a href="http://www.cadc.com">www.cadc.com</a>	Randy Morris	Beverly Palmer 501-776-8446 <a href="mailto:bpalmer@cadc.com">bpalmer@cadc.com</a>
<b>COUNTY SERVICE AREA</b> Calhoun, Clark, Columbia, Dallas, Garland, Hempstead, Hot Spring, Howard, Lafayette, Little River, Lonoke, Miller, Montgomery, Nevada, Ouachita, Pike, Polk, Pulaski, Saline, Sevier, Union		
<b>Crowley's Ridge Development Council (CRDC)</b> 2401 Fox Meadow Lane   Jonesboro, AR 72403 <a href="http://www.crdcnea.com">www.crdcnea.com</a>	Jeremy Wooldridge	Joe Mansfield 870-333-5126 <a href="mailto:joemansfield@crdcnea.com">joemansfield@crdcnea.com</a>
<b>COUNTY SERVICE AREA</b> Cleburne, Craighead, Crittenden, Cross, Faulkner, Greene, Jackson, Mississippi, Poinsett, St Francis, White, Woodruff		
<b>Crawford-Sebastian Community Development Council, Inc. (C-SCDC)</b> 1617 South Zero   Ft Smith, AR 72918 <a href="http://www.cscdcca.org">www.cscdcca.org</a>	Marc Baker	Caleb Brown 479-785-2303, Ext 111 <a href="mailto:cbrown@cscdcca.org">cbrown@cscdcca.org</a>
<b>COUNTY SERVICE AREA</b> Benton, Carroll, Conway, Crawford, Franklin, Johnson, Logan, Madison, Perry, Pope, Scott, Sebastian, Washington, Yell		

## APPENDIX M: 2025 TENTATIVE MONITORING SCHEDULE

To be determined.

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## APPENDIX N: FORMS

The Arkansas Energy Office will provide Subgrantees with standardized forms for application intake, data collection, and reporting. The Subgrantee must utilize these, and other forms provided by the Arkansas Energy Office in the administration of the LIHEAP program. Should the need arise for the development of other forms to be used in conjunction with the Arkansas Energy Office forms, the Subgrantee is authorized to develop these forms and submit a copy to the LIHEAP Grantee for review and approval.

Subgrantees must obtain prior approval to alter standard LIHEAP forms. If prior approval has not been obtained and it is determined upon monitoring of the program that the forms are not adequate, e.g. lacks the information that is required per policy, the agency will be required to obtain this additional information. Also, the agency must begin to use the standard forms which are provided by the LIHEAP Grantee.

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## LIST OF LIHEAP FORMS

FORM NAME	FORM NUMBER(S)	DESCRIPTION	LAST UPDATED
Advance Invoice Request	AEO 3101	CBO uses to request funds through program season	July 2023
Budget Justification	AEO 3200 B	Attachment 2 of Subgrantee Agreement: itemization of CBO expenses	July 2023
Budget Summary	AEO 3200 A	Attachment 1 of Subgrantee Agreement: projection of expenses for program budget item.	July 2023
Case Management Activities	AEO 2040	Assurance 16 Chronological Register	
Case Record Request – Regular	AEO 3001	List of Regular records to be reviewed by AEO Monitors	
Case Record Request – Crisis	AEO 3000	List of Crisis Assistance records to be reviewed by AEO Monitors	
Chronological Register	AEO 2004	CBO uses to maintain an accurate record of applications received.	July 2023
Closeout Report	AEO 3105	CBO uses to report final expenditures at close of program	July 2023
Contribution Statement	AEO 2070 B	Applicant must complete if household identifies as zero income	July 2023
Crisis Tool	AEO 2042 A	AEO uses tool during LIHEAP program monitoring	
Crisis Tool Employee	AEO 2042 B	AEO uses tool during LIHEAP program monitoring	
Disclosure of Lobbying Activities	AEO 3200 D	Attachment 4 of Subgrantee Agreement; CBO must disclose lobbying activities	July 2023
Earnings Statement	AEO 2097	Applicant must have completed by employer in lieu of paystub	July 2023
Forms Requisition	AEO 2000	CBO uses to request AEO program forms	July 2023
General Procedure Review	AEO 2044	AEO uses tool during LIHEAP program monitoring	

## LIST OF LIHEAP FORMS

FORM NAME	FORM NUMBER(S)	DESCRIPTION	LAST UPDATED
Subgrantee Agreement	AEO 3200	CBO completes and submits to AEO for purpose of receiving grant funds	July 2023
Hearing Statement	AEO 1203	AEO uses to communicate suggested resolution of initial complaint to applicant and CBO	
Hearing Withdrawal Application	AEO 1201	Applicant uses to withdraw request for appeal hearing	
Application	AEO 9495	Application for LIHEAP assistance	July 2023
Monthly Reports	AEO 2060 – 2064 & 2066	CBO uses to report all LIHEAP household demographics within CBO service area	
Notice of Action	AEO 2001	CBO uses to document application determination and inform applicant of payment	July 2023
Odd Job Income Form	AEO 2071	Applicant must complete if reporting income from small or infrequent jobs, typically not reported to the IRS	July 2023
Regular Tool	AEO 2041 A	AEO uses tool during LIHEAP program monitoring	
Regular Tool Employee	AEO 2041 B	AEO uses tool during LIHEAP program monitoring	
Reimbursement Invoice Request	AEO 3103	CBO uses to request reimbursement of funds through program season	July 2023
Request for Appeal	AEO 2019	Applicant must complete when in disagreement of final disposition of application and/or AEO suggested resolution of complaint	July 2023
Scope of Work	AEO 3200 C	Attachment 3 of Subgrantee Agreement; CBO documentation of public outreach plan	July 2023
Supplier Agreement	AEO 2050	Legal agreement through AEO, between CBO and service providers in order to receive LIHEAP benefit payments	July 2023

## LIST OF LIHEAP FORMS

FORM NAME	FORM NUMBER(S)	DESCRIPTION	LAST UPDATED
Suspected Fraud Report	AEO 1700	Form used to report any suspicious activities that may result in fraudulent use of federal funding	July 2023
Weekly Data Report	AEO 2065	CBO uses to report weekly applications received, determinations, expenditures, and funds on hand, to AEO	
Zero Income	AEO 2070	Applicant must complete if reporting no income for household	July 2023
Application Worksheet	AEO WKST 1	CBO coordinates use of worksheet tool during intake and interview process to document steps taken from intake through final application disposition.	July 2023

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