



**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
RHODE ISLAND DEPARTMENT OF HUMAN SERVICES**

LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM

ADMINISTRATION AND PROCEDURES MANUAL

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SECTION I. GENERAL INFORMATION

A. Low-Income Home Energy Assistance Program (LIHEAP) Overview

LIHEAP is a Federal block grant program that derives its authorization from the Low-Income Home Energy Assistance Act (Pub. L. 97- 35, 42 U.S.C.A. §§8621-8629), as amended. The LIHEAP grant is awarded by the United States Department of Health and Human Services to the states and tribes. The block grant legislation (Title XXVI of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, as amended) gives states broad latitude to develop the program and policies for assisting low-income households in meeting their immediate home energy needs. In Rhode Island, the Rhode Island Department of Human Services (DHS) is responsible for the administration of LIHEAP funds. DHS subcontracts with seven local Community Action Agencies to perform specific program functions such as application intake; client screening and approval; payment processing; record keeping; document retention; energy efficiency auditing; weatherization oversight; reporting to DHS, and other functions as required by federal and state regulations and statute and according to the RI LIHEAP Administration and Procedures Manual (The Manual).

The mission of LIHEAP is to assist low income households, particularly those with the lowest incomes and those that pay a high proportion of household income for home energy, in meeting their immediate home energy needs. In Rhode Island, LIHEAP's primary goal is to assist with the cost of heating during the cold weather months. In addition, a portion of LIHEAP funds are set aside to intervene in energy crisis situations and to provide weatherization and heating repair and replacement services.

LIHEAP consists of three distinct components:

Heating Assistance: Heating assistance is a single primary grant to assist a Household in meeting heating costs. The grant may be paid to either a heating fuel vendor or utility company, or directly to the Applicant.

Crisis Assistance: Crisis assistance is available to help qualified Households resolve a home heating crisis caused by heat shut-off due to failure to pay a regulated energy bill, the inability of a client to pay for additional deliverable fuel, or the failure of a heating system that is not repairable, also known as "No Heat".

Weatherization Assistance: The Weatherization Assistance Program reduces energy costs for low-income households by increasing the energy efficiency of their homes while ensuring their health and safety. Qualified energy auditors from the local community action agencies conduct a comprehensive analysis of the home to determine the most cost-effective measures and to identify any health and safety concerns.

Applicants may apply for one, two or all three of the components depending on their needs.

In addition, LIHEAP funds may be used to conduct outreach activities designed to assure that eligible Households, especially Households with elderly or disabled individuals, and Households

with high home energy burdens, are made aware of the assistance available under LIHEAP and similar programs.

B. The LIHEAP Manual

Local Community Action Agencies contracting with DHS for the implementation of the RI LIHEAP program are obligated to comply with the policies and procedures set forth in this Manual. The Manual is not intended to be a reiteration of applicable federal and state statutes and regulations that govern LIHEAP program management, nor is it meant to provide specific details on how to deal with all possible circumstances. Instead, the Manual is intended to provide guidance for program implementation.

The policies and procedures included in the Manual are standards for determining eligibility, delivering benefits and administering the program. It is impossible to foresee and give examples for all situations; therefore, Agency staff is encouraged to use reason and apply good judgment in making decisions when rare and/or unusual situations are encountered. Decision-making by staff based on the best information available, common sense, program knowledge, experience and expertise in a particular situation is referred to as the Prudent Person Principle. The Agency shall document the rationale used to make a decision and any applicable Manual references and policy interpretations.

All Agency staff involved in LIHEAP implementation shall read, accept the provisions thereof, and refer to the Manual in performing program management. The Agency LIHEAP Program Coordinator is responsible for maintaining the Manual to reflect current policy guidance and any related Operations Memoranda issued by the RI DHS.

The RI DHS will review the Manual and update as necessary to address procedure, program or policy changes. In addition, Operations Memoranda will be issued to address specific issues regarding LIHEAP administration as they arise throughout the year.

C. Definition of Household

For the purposes of this Manual and LIHEAP administration, a Household is defined as all individuals residing in a domicile from the time of application until the end of the winter heating season, herein defined as March 31st.

Applicants shall list only members expected to reside in their Household from the time of application until at least March 31st.

SECTION II. PROGRAM OPERATIONS

A. Confidentiality

Agency staff is responsible for protecting and maintaining the confidentiality, privacy and information security for all Applicant/Client data at all times. Information given during the LIHEAP application process shall be kept confidential and anonymous. Hard and electronic copies of the application and any other related documents collected or created in the process of application, eligibility determination, or in providing benefits and services are confidential and are to be protected accordingly. For the protection of Applicants and Clients, Agency Staff shall not disclose the contents of records, files, papers or communications except for purposes other than those directly connected with the administration of LIHEAP, under any circumstances.

Only individuals with responsibilities for LIHEAP program administration or management are permitted access to Client files. This group includes the Department of Health and Human Services monitors, DHS, the Rhode Island State Auditor General's staff, contracted auditors or consultants, and Agency management and staff.

LIHEAP weatherization and crisis vendors (energy auditors, inspectors, heating contractors, vendors, etc.) shall be informed of these privacy requirements and provided only with the Household data necessary to deliver services.

In the event the Agency is served a subpoena, only the information specified on the subpoena may be released. Agencies are required to notify the Client of the subpoena and the information to be released.

Applicants are allowed access to their own files immediately upon request.

B. Grant Awards

Rhode Island LIHEAP benefit levels are formulated to target the greatest assistance to Households with the lowest gross income and highest energy cost burden. The maximum income eligibility limits for LIHEAP benefits in Rhode Island are based upon sixty (60) percent of the State median income (SMI). The grant amounts are determined annually based upon available federal funds. Income eligibility limits will be published annually. Grant award amounts will also be published annually.

1. Primary Grant Assistance

Primary grant assistance is the initial grant to the Primary Applicant's Household based upon eligibility during the program year. When a Household is fully responsible for home energy expenses, a direct payment is made to the energy vendor (regulated and non-regulated).

Applicants who pay a rental fee which includes the cost of heat, may also receive assistance. Grant assistance made to these Applicants shall be made in the form of a direct payment to their secondary heating source or utility, or direct payment to the Applicant.

Subsidized renters with no utility burden are ineligible for this program.

2. Crisis Assistance Grants

A crisis is considered to occur when a client is unable to maintain heat in the home. This may be the result of heat shut-off or to establish service due to failure to pay a regulated energy bill (natural gas or electricity), the inability of a client to pay for additional deliverable fuel (oil, propane, etc.), or the failure of a heating system.

The number of crisis grants available to any single Household shall be determined by the funds available to the State. In the case of limited crisis funds, priority will be given to Households with young children under 24 months, elderly (households with adult members 62+) or a Household member experiencing a documented medical crisis.

If the situation is life threatening, the Agency shall provide assistance no later than 18 hours after an eligible Household applies. Given the above, all agencies must make a good faith effort to provide benefits as quickly as possible.

Multiple crisis assistance grants are not to be made during a program year without prior authorization from the Rhode Island Department of Human Services.

C. Client Files

Client files shall be located away from intake and public access areas. Where this is not feasible, files must be properly secured. Each application with its supporting documentation shall be maintained in an individual file folder.

1. Required File Documentation

Each LIHEAP client file folder shall contain the current versions of the following documents, as applicable:

- Complete LIHEAP application or Application Renewal Form (ARF)
- Any form contained in the Appendix which the Agency or Primary Applicant/Household Member must complete to process the application
- Identity verification document (only for initial applications)
- Social security number verification documentation (only for initial applications)
- Proof of residence
- Copy of recent utility bill for primary heat source
- Income documentation for all household members
- Copy of Grant Award Notice sent to vendor
- Documentation of Crisis Award
- Denial Letter
- Client request for local level appeal
- Subgrantee appeal decision
- State appeal decision
- Any other document submitted or produced in the application process

2. Record Retention Requirements

2 CFR § 200.333 Retention requirements for records.

Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities.

A new Client file is established at time of application or recertification.

Examples of records to be retained include:

- Contracts
- Client files
- Administrative action on an application, such as records of complaints or administrative hearings and/or Agency actions to resolve issues.
- Procurement records detailing the history of procurement with LIHEAP funds.
- Monitoring letters and resolution documents.
- Audit records and work reports.
- Financial records, supporting documents and all other records pertinent to the Agency contract with RI DHS.
- Records related to a dispute, complaint, investigation or litigation for three years after the action is resolved.
- Disposition of assets purchased with LIHEAP funds

D. Outreach Requirements

Assurance 3 Section 2605(b)(3) of the LIHEAP Statute requires that the LIHEAP program is: “... designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available” under the program.

E. Conflict of Interest

Title 45 of the Code of Federal Regulations (CFR) § 74.42, which governs the code of conduct for Federal programs administered through the Department of Health and Human Service states:

“The recipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, or any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub agreements. However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.

The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employers, or agents of the recipients.” Note: the term contract and grant are synonymous in the above.

Pursuant to 45 CFR § 74.42, examples of conflicts of interest in the administration of LIHEAP include:

- 1) The Intake Personnel, Certification Personnel or Supervisory Personnel involved with processing an application has a familial relation to the Applicant.
- 2) The Intake Personnel, Certification Personnel or Supervisory Personnel involved with processing an application stands to gain financially or otherwise from the approval of the Applicant.
- 3) The Intake Personnel, Certification Personnel or Supervisory Personnel involved with processing an application has a financial or other connection to the Primary Applicant, Household Members, landlord, or other party which would benefit from approval.

Agency staff and Management, including the Executive Director, shall sign a Conflict of Interest Statement declaring knowledge of conflict of interest regulations, and that the individual has no conflict of interest.

F. Fraud

Fraud is an intentional deception, omission, or concealment made for personal gain. The United States Code (U.S.C.) Title 18 “Crimes and Criminal Procedure § 286 states that: “Whoever enters into any agreement, combination, or conspiracy to defraud the United States, or any department or Agency thereof by obtaining or aiding to obtain the payment or allowance of any false, fictitious or fraudulent claim, shall be fined under this title or imprisoned not more than ten years, or both.”

Agencies shall have internal controls to prevent fraud by Clients, Staff, Management, contractors and vendors. Controls to prevent Agency fraud or misappropriation, or Client fraud, should include, at a minimum, a division of responsibility for intake, verification and certification.

Credible claims of Household fraud shall be investigated by the Agency. 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 Agency shall investigate credible complaints and findings of suspected fraud.

Reasons to investigate may include:

- A credible complaint that contradicts application information affecting eligibility or benefits
- Knowledge that a Household has applied in more than one location. The Agency where the Household applied last shall be in charge of the investigation
- Public information from law enforcement activities or the news media
- A vendor or contractor complaint of Household misuse of assistance or materials

Follow these steps to investigate:

- Complete and send an Incident Report Form (See Appendix G) to the DHS LIHEAP Program Manager.
- Verify facts to prove or disprove the complaint
- Conduct follow-up interviews to obtain additional information, if necessary
- 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 the RI DHS with the findings after your local investigation is complete
- Protect the privacy rights of the Household. If legal action commences, the privacy rights change. Consult Agency legal counsel before taking any action.
- Terminate payments to the Household under investigation and hold assistance in escrow until the matter is resolved.
- If the Applicant is found guilty of fraud, payment of benefits has not exceeded \$1,000, and the Applicant applies the following year, the award will be reduced by 50%. If there is a second instance of fraud, the Applicant will not be eligible for LIHEAP assistance.
- If LIHEAP payments of over \$1,000 has been obtained fraudulently by the Applicant, the case will be referred to the RI DHS Fraud Unit.

When an investigation indicates vendor or contractor fraud, the RI DHS recommends the following procedures:

- Protect the privacy rights of the vendor's or contractor's clients. The Agency shall 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 or contractors under investigation until the matter is resolved.
- A vendor found guilty of fraud shall be removed from the LIHEAP vendor list and shall be unable to receive payments until reinstated.

G. Errors

The Agency shall take reasonable steps to prevent errors. Agency error, Applicant error, or vendor error can cause the misuse of LIHEAP funds. Households may unintentionally fail to report income or make other application or reporting errors. Agency staff may make application processing or accounting and recording errors. Any of these errors can result in overpayment to vendors and contractors.

The Agency shall establish and document in writing the internal controls in place to prevent errors that may occur during intake, verification, certification and accounting and recording activities. ***When an error occurs, the Agency must complete and submit an Incident Report Form (Appendix G) to DHS.***

H. Recovery of Benefits Due to Error or Fraud

The overpayment of LIHEAP funds result from errors or fraud by the Household, vendor, contractor or Agency staff. The Agency shall implement the following steps to recover LIEAP funds overpaid to or on behalf of Households. All procedures and efforts to recover funds must be documented for audit purposes.

Overpayment Due to Household Error or Fraud

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

- Document the facts of the situation.
- 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.
- Notify the client in writing and include the following information, as needed:
 - Request repayment of excess funds not recovered.
 - Clarify the Household's rights and responsibilities
 - Offer a face to face meeting
 - Try to agree on a repayment schedule, as needed.
 - Allow installment payments

If the Household and the agency can agree on a reasonable timetable, include this in your repayment request to the Household.

In the case of Household error (not fraud), if repayment by the Household poses a hardship for the Household, the Agency shall terminate recovery procedures when the Household declares and describes the hardship in a written, signed and dated statement. The statement shall be retained in the Household file.

Overpayment Due to Agency Error or Fraud

If Agency error or fraud results in overpayment of LIHEAP benefits and the recall of overpaid funds results in a Household receiving a shut off notice, the Agency must:

- Use its non-federal funds to repay the vendor the recalled amount
- Request repayment of excess funds from the Household
- Assure the Household has continual access to heat

If repayment by the Household poses a hardship for the Household, the Agency shall terminate recovery procedures when the Household declares and describes the hardship in a written, signed and dated statement. The statement shall be retained in the Household file.

Overpayment Due to Vendor/Contractor Error or Fraud

If vendor or contractor error or fraud results in overpayment of LIHEAP benefits, recall all LIHEAP funds overpaid to or on behalf of the Household.

If the Household received a direct overpayment of LIHEAP benefits, written notification must be provided to the client which includes the following information, as needed:

- Request repayment of excess funds not recovered.
- Clarify the Household's rights and responsibilities
- Offer a face to face meeting
- Try to agree on a repayment schedule, as needed.

- Allow installment payments

If the Household and you can agree on a reasonable timetable, include this in your repayment request to the Household.

If repayment by the Household poses a hardship for the Household, the Agency shall terminate recovery procedures when the Household declares and describes the hardship in a written, signed and dated statement. The statement shall be retained in the Household file. Do not pursue litigation to force recovery from a Household that claims hardship.

For any overpayment of LIHEAP caused by vendor or contractor error or fraud, the vendor or contractor must use non-federal funds to reimburse LIHEAP for unrecovered payments when required by the Agency or DHS.

Costs and Responsibility

Except in the case of Agency error or fraud, Agency recovery costs (legal action, fees, investigations, etc.) are allowable administrative expenses. Document these expenses for audits.

SECTION III. ELIGIBILITY

The Applicant/Household eligibility is subject to income limits as well as proof of energy cost, Applicant and Household Member identity verification, proof of residence, and income verification.

Income, identity and residence must be verified by the Agency in determining eligibility for LIHEAP benefits. All Household Members who would be eligible for LIHEAP benefits must provide a Social Security Number with documentation of that number to be considered for LIHEAP benefits (See Section III. M.)

If the Applicant is submitting a Renewal Application and the agency has any of these documents on file, they need not be provided again.

All U.S. Citizens, Permanent Legal Residents, and Qualified Aliens are eligible for LIHEAP Assistance if they meet all eligibility requirements. If a household has members who are not U.S. Citizens, Permanent Legal Residents, or Qualified Aliens, the income of all Household Members must be entered into the application form, while only U.S. Citizens, Permanent Legal Residents, and Qualified Aliens who live in the household may be counted in the benefit calculation.

A. Proof of Energy Expenses

Applicants must demonstrate proof of energy expenses namely that the Applicant Household pays for its heat either directly or through some other mechanism. Applicants whose heat is completely provided through no-cost arrangements such as benefit programs, and subsidized housing do not have any energy costs, and do not qualify for LIHEAP.

Documentation must include one of the following:

- A copy of the Applicant's most recent heating and electric bill with the Applicant or Household Member name and address.
- If heat is included in the Applicant Household's rent, the Applicant may complete a Landlord Information Form (Appendix B) or produce other proof.

B. Primary Applicant Identity Verification

The Primary Applicant must provide photo identification. This requirement may be waived at the discretion of the LIHEAP Coordinator. The Primary Applicant shall supply a Social Security Number (SSN) and documentation of the SSN such as a Social Security card, a Medicare or Medicaid card, a letter from the Social Security Administration, or any official document from state or federal government.

C. Household Member Identity Verification

Individuals living with the Primary Applicant as part of a Household shall supply a Social Security Number (SSN) and documentation of the SSN such as a Social Security card, a Medicare or Medicaid card, a letter from the Social Security Administration, or any official document from state or federal government, and at least one of the following documents:

- Official Birth Certificate
- A driver's license

- State identification card
- U.S. Military photo identification
- United States Passport
- Any official document from a government agency
- Certificate of U.S. Citizenship
- Certificate of Naturalization

Note on Social Security Numbers: LIHEAP assistance is given to U.S. citizens, permanent legal residents, and qualified aliens. If an Applicant/Household Member does not have a Social Security Number but claims to be a U.S. citizen, permanent legal resident, or qualified alien, the Applicant/Household Member may furnish the agency with a document establishing legal status within the United States. Note the following groups of qualified aliens and the corresponding documents:

1. Lawful Permanent Residents
 - Permanent Alien Resident Card (I-551) or a foreign passport, stamped by the U.S. Government indicating the holder has been processed for an I-551.
2. Qualified Immigrants (Qualified Aliens)
 - a. Refugees and Asylum Seekers
 - Document I-94 (Arrival and Departure Record), with a stamp showing admittance under:
 - Section 208 for Asylum Seekers, **OR**
 - Section 207 for Refugees, **AND**
 - b. Alien granted "Withholding of Deportation/Removal"
 - USCIS Document I-94 (Arrival and Departure Record) and:
 - Order from an Immigration Judge (or other document) showing deportation withheld under 243(h), or removal withheld under 241(b)(3)
 - c. Alien paroled into the U.S. for at least one year
 - USCIS Document I-94 (Arrival and Departure Record) with a stamp showing admittance under:
 1. Section 212(d)(5) for parolees **AND**
 - d. Alien Granted Conditional Entry
 - USCIS Document I-94 (Arrival Departure Record), which will usually identify the bearer as "Refugee Conditional Entry", and which shall be stamped showing admittance under:
 - Section 203(a)(7) **AND**
 - e. Cuban/Haitian Entrants
 - USCIS Document I-94, which clearly shows:
 - Country of Origin as Cuba or Haiti **AND**
 - f. Battered Spouses and Children with various pending or approved immigration statuses

Non-citizens entrants into the United States, who have been victims of abuse, are eligible for public benefits, including LIHEAP, if they fit one of the following three categories:

 - i. Battered Spouses and Children with a pending or approved self-petition for an immigrant visa. Required documents include:
 - USCIS Document: I-94 (Arrival Departure Record), showing legal immigration status **AND**
 - Some type of document showing proof of abuse **AND**
 - Copy of Petition for an immigrant visa
 - ii. Battered Spouses and Children with a pending or approved immigrant visa filed for the spouse or the child by a U.S. Citizen or LPR. Required documents include:
 - USCIS Document: I-94 (Arrival Departure Record), showing legal immigration status **AND**
 - Some type of document showing proof of abuse **AND**

- Copy of Immigrant visa filed for the spouse or the child by a U.S. Citizen or LPR
- iii. Battered Spouses and Children with a pending or approved application for cancellation of removal/suspension of deportation, whose need for benefits has a substantial connection to the battery or cruelty. Required documents include:
 - USCIS Document: I-94 (Arrival Departure Record), showing legal immigration status **AND**
 - Some type of document showing proof of abuse **AND**
 - Copy of Application for cancellation of removal/suspension of deportation

D. Residence

The Primary Applicant's residence determines their application site. (See Appendix A) Primary Applicants shall provide proof of residence. Applicants with post office boxes must provide proof of a street address. Acceptable documents to verify current residence include:

- Utility bills, deliverable fuel bills, cable bills, rent receipt
- Copy of a mortgage statement or a copy of a property tax bill.
- Copy of the lease or rental agreement or the Landlord Information Form (Appendix B)

E. Income Verification

Income eligibility is based on total gross income generated by the Household less approved income exclusions and deductions. Income guidelines are established annually as set forth in 45 CFR 96.85. The maximum income eligibility limits for LIHEAP benefits in Rhode Island are based upon 60 percent of the State's median income. The grant amounts are determined annually based upon the annual Federal grant award amount.

All Primary Applicants and Household Members shall report income. Income documentation shall represent gross income earned in the most recent four (4) weeks, three (3) months, or twelve (12) months except when the document clearly states that the income amount is constant, and also clearly lists the period of the benefit.

All Agencies are required to calculate Household income using the same DHS promulgated methodology.

The following list details income types and the related acceptable forms of documentation:

Wages

Documentation of current wages shall contain the Primary Applicant's or Household Member's name and/or social security number, along with gross income. If an employment letter is submitted it should be dated and include employer name, address, telephone number, the date employment began (and was terminated, if applicable), and an authorized signature.

Required documentation may be any one of the following:

- Recent Pay stubs
- Employment Letter
- Most recent Tax Return
- Income Self-Attestation Form

Unemployment Benefits

Documentation of unemployment benefits shall indicate the Applicant or Household Member name and/or social security number, amount of benefits, the date that the benefits began, and the date benefits were terminated, if applicable.

Required documentation may be any one of the following:

- A copy of the Department of Labor and Training unemployment award letter with beneficiary name, benefit amount and benefit period
- A statement from the Electronic Benefit Card account
- Bank Account Statement

Fixed Income

RIWorks Cash Assistance, Temporary Disability Insurance (TDI), Temporary Caregivers Insurance (TCI) Social Security, Social Security Income (SSI), and Social Security Disability Income (SSDI)

Required documentation may be any one of the following:

- A copy of the award letter with the recipient's name, address and benefit amount
- Bank Statement
- 1099-SA
- For TDI, award letter or a statement from the Electronic Benefit card account
- For SSI, or SSDI, copies of check stubs.

The documentation of fixed income shall contain the gross amount of benefits, and the Applicant or Household Member's name or Social Security Number.

Pension and Retirement Income

Required documentation may be any one of the following:

- Copies of check stubs
- Award Letter
- Direct deposit notifications
- 1099-R

Self-Employment

Self-Employment income shall be verified by the appropriate IRS tax forms. The Declaration of Self Employment Form may be used as necessary. Earnings from self-employment shall be included in the Household's gross aggregate income.

Required documentation:

- Declaration of Self Employment Form (Appendix C); OR
- Current Federal Tax Return of with all Schedules and Forms (note: if a prior year's tax return is submitted after February 15, three percent (3%) of total gross income will be added to the gross income)

Other Income

If the household has other income that is not accounted for in other documentation, the applicant can report that income using the Declaration of Income Form. Examples of "Other Income" may

be odd jobs such as mowing lawns, raking leaves, shoveling snow and the like, as means of supporting the Household.

Required documentation:

- Declaration of Other Income Form (See Appendix D)

Workers' Compensation

Compensation paid to an individual for being displaced in full or in part from work.

Required documentation:

- A statement from the employer, insurance agency, attorney of record or union office indicating gross benefits, frequency of benefit, and effective dates of these payment

Alimony and Child Support

Documentation for alimony and child support shall indicate the amount and frequency of these support payments.

Required documentation may be any one of the following:

- Copies of alimony or child support checks from source for last 3 months
- Court order or most recent amendment
- A letter from the attorney of record or legal agency representing the Applicant or Household Member
- Notarized letter from the support source
- Mortgage/Rent paid in lieu of, or in addition to alimony/child support to gross income. A copy of the court order, decree or other legal documents specifying the amount and frequency of such payment is required
- A signed and dated self-declaration letter for support or non-support shall be supplied by the Applicant

Dividends; Interest Income

Interest income in excess \$500 annually shall be included in the income eligibility calculation. Documentation of dividend income shall include Applicant or Household Member name, and/or social security number, amount, and frequency of dividend payment.

Required documentation may be any one of the following:

- Copy of dividend check
- Bank Statement
- Letter from the bank signed and dated by an authorized representative
- Copy of annual statement
- A letter from dividend source
- Copy of IRS Form 1099-INT or Schedule B

Rental Income

Fifty percent (50%) of rental income shall be included in the total income for eligibility determination.

Required documentation includes any of the following:

- Copies of rental receipts provided to tenants
- A written notarized statement from each tenant indicating the amount of rent paid per rental period (yearly, monthly, weekly)
- A completed Rental Income Form (See Appendix M). Contact the Agency to obtain a Rental Income Form

Support from Family and Friends

Financial support from family and friends to any member of the Household shall be considered income.

Required documentation includes any of the following:

- A notarized letter
- A notarized Support Letter Form (Appendix F), completed by the support source and included in the Applicant's file with amount of support and frequency of payments

Cash Prizes and Lottery Winnings

Required documentation:

- Signed and dated statement from contest sponsor or letter from the Lottery Commission indicating the gross amount and date of winnings
- Current income tax return

Estate or Trust Income

Required documentation:

- Copy of pertinent legal documentation or written notification from bank or legal authority specifying the amounts and terms regarding income

No Income - Dependent

Required documentation:

- Any Household Member eighteen (18) years or older, claiming no income is required to sign a "Adult Household Member with No Income Form" (See Appendix E).

F. No or Negligible Income Household

Negligible Income is when a Household's net income (Total gross Household income minus all applicable exclusions/deductions) is less than total living expenses for the Household. An Adult Household Member with No Income Form (See Appendix E) must be completed. Proof of how basic living expenses are being met shall be provided. The intake worker shall use the Prudent Person Principle, as described in Section I.B, to gauge the validity of a No or Negligible Income claim.

The following are indications that someone may have No or Negligible income:

- The Household will likely be in the process of applying for Supplemental Nutrition Assistance Benefits (SNAP, formerly Food Stamps) or other public assistance programs, as applicable

- Overdue heating bills and some indication from the landlord that the Applicant is behind in rent
- Other overdue bills (phone, medical, credit card, etc.)
- Bank statements showing a low or zero account balance

Documentation of these indications may be requested to determine the validity of a No or Negligible Income claim.

If the Household claims “no income” and claims family/friend support as a primary means of securing necessities, the Agency may request that the LIHEAP application be completed in the presence of an Agency staff member.

The LIHEAP Supervisor or a designee shall sign off on all applications reporting No Income or Negligible Income.

G. Exclusions from Income

Federal Exclusions. The following income exclusions are mandated by Social Security Administration, and therefore must be excluded, as per Federal guidance and law.

Food

- Cash Value of Supplemental Nutrition Assistance (SNAP) Benefits
- Cash Value of USDA food commodities
- Value of Assistance received under the Child Nutrition Act of 1966 and the National School Lunch Act
- Value of free or reduced-price food for women and children under the National School Lunch Act

Housing and Utilities

- Home energy assistance payments or allowances
- Value of any assistance paid with respect to a dwelling unit under The United States Housing Act of 1937; The National Housing Act; Section 101 of the Housing and Urban Development Act of 1965; or Title V of the Housing Act of 1949.

Relocation Payments

Payments for relocating, made to persons displaced by Federal or federally assisted programs which acquire real property, under section 216 of Pub. L. 91-646.

Education and Employment

Student Loans/Grants insured and administered by the Commissioner of Education as provided by section 507 of the Higher Education Amendments of 196, Public Law 90-575 (32 Stat. 1063), including: Basic Educational Opportunity Grant; Supplemental Education Opportunity Grant; Rhode Island State Scholarships; National Direct Student Loans; Guaranteed Student Loans; Student Help Loan

Wages, etc. received by a handicapped individual employed under Title VI of the Rehabilitation Act of 1973.

- Any wages, allowances, or reimbursement for transportation and attendant care costs, unless included on a case-by-case basis, when received by an eligible handicapped individual employed in a project under title VI of the Rehabilitation Act of 1973

- Student Grant/Loan/Fellowship, used for tuition and normal student fees only
- Student financial assistance for attendance costs received from a program funded in whole or in part under title IV of the Higher Education Act of 1965, as amended, or under Bureau of Indian Affairs student assistance programs if it is made available for tuition and fees normally assessed a student carrying the same academic workload, as determined by the institution, including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study and an allowance for books, supplies, transportation, and miscellaneous personal expenses for a student attending the institution on at least a half-time basis, as determined by the institution.

Other

- Compensation provided to volunteers by the Corporation for National and Community Service (CNCS)
- Compensation provided to volunteers by the Corporation for National and Community Service (CNCS), unless determined by the CNCS to constitute the minimum wage in effect under the Fair Labor Standards Act of 1938

Note: This exclusion does not apply to the income of sponsors of aliens.

- Assistance under the Older Americans Act of 1965
- Payments to individuals of Japanese ancestry and Aleuts for restitution. Amounts paid as restitution to certain individuals of Japanese ancestry and Aleuts for losses suffered as a result of evacuation, relocation, and internment during World War II
- Payments, Agent Orange Settlement Fund.
- Payments, Radiation Exposure Compensation Act
- The value of any child care, specific to the Child Care and Development Block Grant
- Payments to victims of Nazi persecution
- Matching Funds, for projects authorized by the COATES (Community Opportunities, Accountability, and Training and Educational Services) Act of 1998
- Any earnings, Temporary Assistance for Needy Families matching funds, and interest in an Individual Development Account
- Payments to individuals captured and interned by the Democratic Republic of Vietnam (DRV) as a result of military operations
- Payment to the children of Vietnam veterans, when fitting the following criteria: Payments made to certain Vietnam veterans' children with spina bifida, pursuant to section 421 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act of 1997. Payments made to the children of women Vietnam veterans who suffer from certain birth defects, pursuant to section 401 of the Veterans Benefits and Health Care Improvement Act of 2000.
- Payments from the refundable child tax credit
- Assistance provided for flood migration activities
- Payments made to individuals under the Energy Employees Occupational Illness Compensation
- The \$250 Economic Recovery Payment to Certain Individuals, as per Section 2201(a)(1)(A) of Public Law 106-398 Native Americans

- Receipts from land held in trust by the Federal government and distributed to members of certain Indian tribes under section 6 of Public Law 94-114
- Funds distributed to, or held in trust for, members of any Indian tribe pursuant to a judgment of the Indian Claims Commission.
- The tax-exempt portions of payment under the Alaska Native Claims Settlement Act.

Income Exclusions Allowed by DHS:

- Child Income (under 18).
- Child Income (to age 23, as per Federal Tax law), if the child is a full-time student, and not the head of Household. Full-time student is defined as taking 12 credits (or equivalent). Student status must be verified by written documentation from the school itself, on school stationary or letterhead **OR** by a class schedule **AND** a paid invoice
- Social Security Child's Insurance Benefits, paid to full time students age 18-23 (as per above)
- Interest income, first \$500 earned over the last 12 months
- Weekly incentives up to \$50 per week, and expense allowances and training allowances paid through the Rhode Island's State Workforce Investment Office, under the Workforce Investment Act of 1998.
- Weekly incentives up to \$50 per week, received under the Vocational Rehabilitation Program, administered through the Rhode Island Department of Human Services, Office of Rehabilitative Services.
- Payments under a Youth Employment Program provided for by the Workforce Investment Act of 1998, if the recipient is older than 18
- Payments / reimbursements to volunteers in any Program established under Domestic Service Act of 1973, including but not limited to the following programs:
 - Foster Grandparents
 - Green Thumb Volunteers
 - Elder Service Corps Volunteers
 - Senior Aides or Companions
 - Service Corps of Retired executives
- Income for foster children, when the children are not counted as Household Members, and the income is not paid to the Applicant Household in any way. (Note: If the foster child is counted as a Household Member, their income must be included as part of total Household income).
- Education benefits to Veterans, as provided by the United States Department of Veterans Affairs.
- Veterans Administration Aid and Attendance Benefit Payments.
- 50 percent of Gross Rental Income

H. Deductions from Income

- 40% of gross income (gross receipts for 3 months) for calculation of Self-Employment Income
- Payments to a certified Nursing Home Care Facility, for the care of a family member, when the income of nursing home resident (social security, pension, interest, etc.) is received by the Household, the person in the Nursing Home shall not be counted as a Household Member. Written verification from the nursing home shall be on facility

- stationary signed by an authorized individual and must include the Name of Patient; Amount and Frequency of Payments; Cost incurred for the care of the individual.
- Necessary Dependent expenses (i.e., Child Support), not exceeding the total amount documented by the court as necessary. Documentation can include any of the following:
 - Copy of most recent alimony or Child Support Check
 - Court order of most recent amendment
 - Paychecks showing garnishment
 - Notarized statement from the support source
 - Child Day Care expenses, when not subsidized by a federal or state program, with proof of payment.
 - Handicapped/ Geriatric Day Care expenses as documented by proof of payment.
 - All Medicare expenses, including prescriptions.

I. Insufficient Documentation

Should the Applicant fail to produce all required documentation, the supervisor shall deny the Household based on insufficient documentation. Any Applicant that is denied has the right to an appeal to the local agency.

SECTION IV. APPLICATION AND RENEWAL PROCESS

A. New Application Process

Any Rhode Island resident may apply for LIHEAP from the Program start date and applications will be taken until Federal funding is exhausted. A Household completes one application form to apply for LIHEAP benefits. All new LIHEAP applications must be processed by an authorized worker; it's preferred that new applicants apply in person. Additional information may be requested if unavailable during the interview. An application may be signed by any adult member of the household application.

1. Accessibility

- Agencies must provide convenient and safe intake locations. They must also make arrangements for elderly, handicapped, or any other individual physically unable to apply at an intake site. Agencies may do home visits and/or accept new applications by mail for these individuals.
- Agencies must have procedures to allow non-English speakers and people with literacy problems to apply for assistance and comply with application requirements.

2. Non-Household Member Filing

In certain limited instances a non-Household Member will need to file an application on behalf of a Primary Applicant. In these instances, the following requirements apply:

- A written statement signed by the Primary Applicant authorizing the proxy shall be obtained and retained in the client file. This statement must list the proxy's relationship to the primary Applicant.
- Photo identification must be provided by the proxy and retained in the client file.
- All other documentation for identity, address, and income should be that of the Primary Applicant, and their Household members.
- At the Agency's discretion a home visit may be required.

B. Renewal Application Process

All Households that received heating assistance benefits the prior year are considered renewal Applicants. Agencies may mail application renewal forms (ARF) to prior year clients. These ARFs become an official LIHEAP application upon receipt by the Agency. Best practice is for the agency to indicate the date of receipt on the ARF and assign that date as the official application date.

All changed Applicant and Household information should be updated in the LIHEAP Hancock database when the application is processed. Renewal Applicants shall provide all documents as required in Section III.

Household income documentation should be current, and collected and verified for income eligibility determination every program year. (See Section III.)

At the agency's discretion, clients renewing their LIHEAP eligibility via the mail may be required to have an in-person interview with an intake worker.

SECTION V. DENIALS AND APPEALS

A. Denials

A Household may be denied LIHEAP benefits for one or more of the following reasons:

- The total Household income is over the income eligibility limit for that size Household.
- The Household has previously received a heating assistance grant during the current program year.
- The Primary Applicant has supplied insufficient documentation to prove eligibility and/or income.
- The information the Applicant supplied is determined to be incorrect.
- Unavailability of funds

Notification of Denial

When a Household is determined ineligible:

- Ensure the entire application form is complete and all documentation supporting the ineligible decision is attached.
- Complete a "Denial Letter" that clearly states the reason for denial of benefits.
- Send copies of the Denial Letter to the denied Applicant, as well as the "First Appeal Request Form (Appendix J)". This will serve as Notification of Denial.

B. Appeal Process

Households determined ineligible shall be notified in writing of the reason for Denial via a "Denial Letter", and shall be sent a "First Appeal Request Form".(See Appendix K). The denial of Households based on the unavailability of funds shall not be subject to appeal.

First Appeal

- Applicants have the right to a hearing before a representative(s) from the Agency at which the Household filed an application for assistance.
- The Appealing Applicant shall make the request for hearing in writing and shall state any alleged errors made in the Letter of Denial.
- The First Hearing will be held at the local agency. The Appealing Applicant shall present evidence supporting the contention that the denial was in error based upon a fair interpretation of this Manual or applicable provisions of law or was the result of incorrect calculations of income.
- The Appealing Applicant has the right to bring a representative of his or her choice to present oral or written statements and other evidence, witnesses and an interpreter to the hearing.
- If the First Appeal is denied, the Agency shall send a copy of the Second Appeal Request Form (Appendix L) with the notification of First Appeal Denial.

Second Appeal

If the Applicant is denied in the First Appeal, the Appealing Applicant has the right to a second appeal with the Rhode Island Department of Human Services (DHS).

Any individual assigned by RI DHS to hear and resolve the dispute shall not have been involved in the original decision to deny benefits or the First Appeal decision. The individual assigned by

RI DHS to render an order or to make findings of fact and conclusions of law in the Second Appeal shall not, directly or indirectly, in connection with any issue of fact, communicate with any person or party, nor, in connection with any issue of law, with any party or his or her representative, except upon notice and opportunity for all parties to participate.

The intake Agency or DHS will be required to provide an appropriate meeting area. The Appealing Applicant shall present evidence supporting the contention that the decision in the First Appeal was in error.

The Appealing Applicant has the right to bring a representative of his or her choice to present oral or written statements and other evidence, witnesses, and an interpreter to the Second Appeal hearing. A representative of the intake Agency shall also be present at this hearing and shall present the Agency's position regarding all issues raised at the hearing. DHS may record the hearing electronically or by written transcript at the discretion of DHS.

RI DHS may require the intake Agency provide a written statement detailing the issues raised in the Second Appeal.

The Second Appeal hearing shall be conducted in accordance with the requirements of the Rhode Island Administrative Procedures Act, Rhode Island General Laws Sections 42-35-1 *et seq.*

The final order (decision) shall be in writing or stated in the record. The final order shall include findings of fact and conclusions of law, separately stated. Findings of fact shall be accompanied by a concise and explicit statement of the underlying facts supporting the findings. The Appealing Applicant and the intake Agency each shall be notified either personally or by mail of any order. Included with the final order shall be a separate notice advising the parties of the availability of judicial review, the appeal period and the procedure for filing an appeal, and providing a reference to the statutory authority. Upon request, a copy of any final order stated in the record shall be delivered or mailed forthwith to each party and to his or her attorney of record.

SECTION VI. REPORTING and MONITORING

A. Invoicing

As set forth in 45 CFR 96.30, “fiscal control and accounting procedures must be sufficient to “...permit preparation of reports ... and ... to permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the statute authorizing the block grant.”

Financial reporting is a critical component in determining and processing LIHEAP payments to the Agency. The FM1 is the basic financial invoicing tool. The Hancock information data system is integral to tracking expenditures. RI DHS accesses the information entered into Hancock as part of ongoing operations and monitoring, therefore, this information must be kept current at all times.

Agencies must send an invoice for Administrative expenses on a monthly basis. Invoicing for Program Operations may be done at any frequency, but no less frequent than on a monthly basis.

B. Returns

Unspent client awards that have been sent to fuel vendors must be returned to the agencies no later than July 15th of the federal fiscal year in which the award was made. Agencies shall report all refunds to RI DHS by August 10th.

C. Programmatic Reporting

Agencies shall submit any additional Reports that DHS requires. Additional reporting requirements will be distributed through Operations Memoranda.

SECTION VII. VENDORS

Vendors shall contact RI DHS to be placed on the Approved Vendor List. Vendors shall be available for LIHEAP clients when deliveries are needed and to RI DHS staff for questions, concerns, and monitoring visits. The RI DHS has the authority to suspend or debar vendors for just cause. This would prohibit payments from the Agency to these vendors on behalf of LIHEAP clients.

- Vendors shall complete and sign a Vendor Agreement with the RI Department of Human Services before any payments will be released.
- Different agreements shall be maintained on file for deliverable and non-deliverable fuel vendors (See Appendix O)
- DHS has the discretion to suspend any vendor for just cause
- Notification of awards amounts shall be supplied to LIHEAP Clients and their heating fuel vendors
- Vendors of deliverable fuels are allowed to deliver fuel on the grant for that federal fiscal year up to June 30th.
- Vendors of deliverable fuels must send delivery “tickets” to the agencies for all deliveries made during that federal fiscal year by July 10th.
- Vendors of deliverable fuels must send unspent client awards to the agencies by this July 15th.

In the event of a suspension or debarment, the DHS shall notify the Agency in writing and shall provide the reason or reasons for the action taken.

SECTION VIII. ADMINISTRATIVE TIMETABLE

The schedule for LIHEAP Administrative Tasks is as follows:

- August 1:** Agencies may send out renewal applications for deliverable fuels as soon as possible after this date.
- September 1:** Agencies may send out renewal applications for utilities as soon as possible after this date.
- October 1:** Agencies may begin to accept new applications; agencies begin sending crisis pledges to utility companies to restore terminated services.
- November 1:** Confirmation letters and payments may be sent to deliverable fuel vendors and their customers; confirmation letters to LIHEAP utility customers are sent upon determination of eligibility.
- November 1:** Deliverable fuel vendors may begin making fuel deliveries.
- January 15:** Agencies begin sending client gas and electric account numbers and payments to utility providers and continue to send them each month until the close of the program.
- May 1:** The program closes, and no new applications are taken unless customers need to apply for and be found eligible for LIHEAP to apply for an Arrearage Management Plan.
- May 15:** Agencies have until this date to finish all the application work from this federal fiscal year.
- June 30:** No fuel deliveries can be made after this date on client awards made this federal fiscal year.
- July 10:** Vendors of deliverable fuels must send delivery “tickets” to the agencies for all deliveries made during that federal fiscal year.
- July 15:** Unspent client awards that have been sent to fuel vendors must be returned to the agencies by this date.
- August 10:** Agencies must return all refunds to RI DHS by this date.

SECTION IX. INFORMATION SYSTEMS

As the Information Database System (IDS) used to store client information will contain highly sensitive data, it is important to follow basic Information Technology security protocols.

The Rhode Island Division of Information Technology (DoIT) has codified security policies for all State agencies. It is advisable that the Agency follow all applicable procedures promulgated therein, to ensure data integrity and minimize liability. Security policies are listed at <http://www.doit.ri.gov/policy/>.

In addition, make sure to conform to the following procedures:

1. Desktop computers on which the IDS program has been installed, or which are networked to these computers, should be used only for office work. Surfing social networking and non-secure sites, downloading media and any other non-work-related internet activities is strictly prohibited. These activities put the computer, and all stored information, at the risk of being infiltrated by spyware, malware, virus et.al. Infection of these types can bring down the IDS and halt the administration of LIHEAP.
2. All computers networked to IDS should be properly scrubbed of malware, spyware, viruses, Trojans, etc. before input begins. This action will greatly minimize the risks of data loss and theft. The Agency shall also ensure that all appropriate security measures and programs (anti-spyware, anti-virus, etc.) are installed on the network and or desktop computers as appropriate.
3. Flash drives, storage disks, external hard drives and other input devices, if their origin is unknown or if they have been previously connected to an unsecure network, should not be connected to computers networked with the IDS program.
4. No other internet-based applications should be opened while the IDS is in use, except those necessary to administration of the LIHEAP.
5. Files or data from the IDS should not be loaded or transfer onto a personal computer, for any reason.
6. The Agency shall assess and maintain appropriate bandwidth. The Agency, to properly facilitate the program, shall develop and/or purchase equipment and services to meet or exceed those requirements.