

Appendix B-2

2023 WAP LIHEAP Budget Definitions

All services need to be rendered and materials need to be received within the allowable grant period.

Budget Line Items and Allowed Expenditures Per Line

1: Administration

Sub-grantees may use up to 7.0% of total Weatherization expenditures. Costs associated with administration include fiscal, executive, support operations, rent and utilities, supplies etc. This applies to staff engaged in program administration.

2: Liability Insurance

Insurance coverage of at least \$1,000,000.00 covering the risks related to the property and personal liability claims of other parties against the insured party. Subgrantees may have pollution occurrence insurance, this insurance must include lead.

3: Supplies

Direct cost of non-consumable supplies under \$5000.00 used to perform weatherization. Examples: hammers, DG 1000, drills, analyzers. This is usually a tool under \$5000.00 that last longer than a year.

4: Equipment

Weatherization specific equipment such as vehicles with a unit cost in excess of \$5,000 may be purchased under this line item. Prior written approval from IHCD is required.

5: Base Operations

Allowable expenditures include cost from: Non-labor Program Support, Sub-grantee direct labor, Energy conservation measure (ECM) Labor, ECM Materials, Material Handling, Consumable supplies, Provisional Closeouts and Deferrals.

The maximum allowable average cost per unit, effective October 1, 2021, is **\$7,700.00**

This line may never be paired with DOE.

6: Mechanical Operations

Direct costs that include at least \$300 in mechanical systems repair or maintenance. Allowable expenditures include direct cost from: Non-labor Program Support, Sub-grantee direct labor, Health & Safety labor, Health & Safety material, Mechanical labor, Mechanical material, Material Handling, Consumable supplies, Provisional Closeouts and Deferrals.

The maximum allowable average cost per unit, effective July 29, 2022, is **\$7,700**

This line may pair with DOE, this line must never be paired with CAPITAL INTENSIVE or LIHEAP BASE.

7: Capital Intensive Operations

Direct costs that include at least \$300 in mechanical systems repair or maintenance and base program functions have been performed. Allowable expenditures include direct cost from: Non-labor Program Support, Sub-grantee direct labor, ECM Labor, ECM Materials, Health & Safety labor, Health & Safety material, Mechanical labor, Mechanical material, Material Handling, Consumable supplies, Provisional Closeouts and Deferrals.

The maximum allowable average cost per unit, effective October 1, 2021, is **\$15,400.00**

This line may never be paired with DOE.

Definitions

Non-labor Program Support

Direct costs of rent, utilities, advertising, consumable office supplies, office equipment, furnishings, and computer equipment. Cost allocation plans apply.

Sub-grantee Direct Labor Costs

Cost for estimators, inspectors, coordinators, and support staff that can tie their work directly to a unit(s). This can be a contractor or an employee of the sub-grantee. Where employees work on multiple activities, a distribution of their salaries or wages must be supported by equivalent documentation of the activity percentage of work by the employee. This can be reported in IWAP under overhead but is not required.

Energy Conservation Measure (ECM) Labor

Cost of installing an ECM by a professional service or the sub-grantee. This cost must be supported as an energy efficient measure from the approved energy modeling software. This is reported in IWAP under base labor.

ECM Materials

Costs of installed materials in weatherization units by Sub-grantee and/or contractors. This cost must be supported as an energy efficient measure from the approved energy modeling software. This is required to be reported in IWAP under base materials. Purchases charged will be at their actual prices after deducting all cash discounts, trade reimbursements, discounts or rebates and allowances.

Health & Safety Labor Cost

The costs of eliminating energy related health and safety hazards prior to installation of weatherization materials. Health and safety is not a separate budget line item in LIHEAP and therefore is included in the average cost per unit. This is reported as Mechanical labor in IWAP, ensure to check the corresponding measure n IWAP.

Health & Safety Material Cost

The material costs of eliminating an energy related health and safety hazards prior to installation of weatherization measures. Health and safety is not a separate budget line item in LIHEAP and therefore is included in the average cost per unit. This is reported as mechanical material in IWAP, ensure to check the corresponding measures in IWAP.

Mechanical Labor Cost

The labor costs for repairs or replacements of mechanical equipment. This may be for health and safety reasons or as an ECM. Health and safety is not a separate budget line item in LIHEAP and therefore is included in the average cost per unit. This is reported in IWAP under mechanical labor.

Mechanical Material Cost

The costs of eliminating energy related health and safety hazards prior to installation of weatherization materials. Health and safety is not a separate budget line item in LIHEAP and therefore is included in the average cost per unit. This is reported in IWAP under mechanical materials.

Material Handling

Actual costs including Warehousing Facility Costs such as leases, utilities and security. Transportation costs associated with material delivery, staff transportation to the work sites, vehicle maintenance and depreciation. Direct costs of staff including salaries, purchases etc. whose tasks involve Inventory control. This can be reported in IWAP under overhead but is not required.

Consumable Supplies

Supplies that are consumed during weatherization. These items are not usually left in a client's home and last less than one year. Examples: batteries, protective suits, mask, etc.

Provisional Closeouts

Once the weatherization process has commenced all work is required to be completed and pass a QC inspection by a QCI within 12 months of the application date to be counted as a completion. If this is not possible, the sub-grantee must submit proper documentation to IHCD for a Provisional Closeout. (See policy deferral standards for more info) Provisional closeouts will not count as a completion.

Deferral Cost

The cost associated with deferred units. Such as transportation, labor inspection cost, consumable supplies, etc. This cost should be tracked by the sub-grantee but is not reported in IWAP.