

# 2024 WAP DOE Corrective Action & Removal Procedures

## Section 6: Funding & Production

### 6.1 Weatherization Program Management

All weatherization work must follow DOE rules and regulations unless exceptions are specifically stated in the policy manual, grant agreement and/or program guidance. Several exceptions are listed in this section. Any deviation from DOE guidelines, Indiana Policy and Procedures Manual, Indiana Weatherization Field Guide, or SWS must have written approval from IHCD prior to working on a unit. This approval only applies to the unit for which the request was made and must be printed and filed in the client hard copy file. Weatherization grants should follow [2 CFR 200 E](#). A cost is allocable to a particular Federal award/other cost objective if the goods/services meet the standards below:

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

### DOE/BIL Reweathering

Prior to any weatherization activity, a unit must be evaluated to determine whether previous weatherization services have been provided. A determination must be made if the building has been previously weatherized in order to be considered eligible. Find eligibility requirements in Section 2.3. The following actions must be taken on each DOE unit prior to weatherization services to ensure that units that have received weatherization services from any federal grant program within **15 years** are not re-weatherized:

- Each address must be entered into IWAP to identify whether the unit has been weatherized during or after 2000 (length of IWAP historical records)
- Each owner must be asked whether their unit has been weatherized within **15 years**
- A visual inspection of each unit must be performed by an Energy Auditor to identify whether previous weatherization was performed

If there are no documented, verbal, visual, or physical evidence of previous weatherization, the sub-grantee may proceed with weatherization on the unit. If any of the above actions indicate that weatherization has previously been performed on the unit, the sub-grantee must check with the local agency that historically provided weatherization in the area to inquire about any records pertaining to services previously provided. Incumbent local agencies must cooperate with these inquiries from IHCD or from current weatherization service providers. Failure of any sub-grantee to comply with any such request could result in immediate suspension of payments on award agreements with IHCD.

## LIHEAP/ES Reweathering

Prior to any weatherization activity, a unit must be evaluated to determine whether previous weatherization services have been provided. A determination must be made if the building has been previously weatherized in order to be considered eligible. Find eligibility requirements in Section 2.3. The following actions must be taken on each DOE unit prior to weatherization services to ensure that units that have received weatherization services from any federal grant program within **5 years** are not re-weatherized:

- Each address must be entered into IWAP to identify whether the unit has been weatherized during or after 2000 (length of IWAP historical records)
- Each owner must be asked whether their unit has been weatherized within **5 years**
- A visual inspection of each unit must be performed by an Energy Auditor to identify whether previous weatherization was performed

If there are no documented, verbal, visual, or physical evidence of previous weatherization, the sub-grantee may proceed with weatherization on the unit. If any of the above actions indicate that weatherization has previously been performed on the unit, the sub-grantee must check with the local agency that historically provided weatherization in the area to inquire about any records pertaining to services previously provided. Incumbent local agencies must cooperate with these inquiries from IHCDA or from current weatherization service providers. Failure of any sub-grantee to comply with any such request could result in immediate suspension of payments on award agreements with IHCDA.

## Work Order Changes/Change Order

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

## 6.3 Allocations

### Federal Allocation

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

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

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

### Reallocation of Funds

Sub-grantees failing to meet quarterly **requirements and deadlines** as detailed on their most recent budget form may be subject to funding allocation reduction or redistribution at IHCDA's discretion. Any reallocation will be to ensure proper utilization of Weatherization funds throughout the program year. Sub-grantees eligible for redistributed funds will be determined based on, but not limited to, the following criteria:

- Current level of expenditures for all active weatherization related programs
- Timely and accurate submission of claims
- **Timely and accurate reporting of units completed and closed.**
- QIP, MQIP, or Tiered funding status

- Achieved quarterly benchmarks
- Financial and program management capacity

IHCDA will desktop monitor sub-grantee production, expenditure rates, and average cost per unit throughout the life of **DOE, BIL, LIHEAP, and LIHEAP ES** funds. This desktop monitoring will occur in accordance with the funding benchmarks as established by the sub-grantee on the appropriate **DOE, BIL, LIHEAP, and LIHEAP ES** budget form. In cooperation with meeting production and expenditure benchmarks, sub-grantees must maintain the appropriate ACPU of each DOE or LIHEAP funds.

This will include a comparison of production as recorded in IWAP and the amount of grant funds claimed through IHCDAOnline. This will be used to track whether or not sub-grantees are maintaining the proper ACPU for DOE and LIHEAP. Please refer to the IHCDA grant agreements, Appendices of Budget Definitions for additional guidance regarding the average cost per unit and for the administration of Weatherization grant funds.

### **Distribution of Carryover Funding**

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

### **Request for Additional Funds**

Sub-grantees may request additional funding. In the case that a request is made, the sub-grantee must send in the request via letterhead to [wx@ihcda.in.gov](mailto:wx@ihcda.in.gov). **Sub-grantees must follow these parameters to be approved:**

- **Sub-grantees must have spent 80% of their allocation or hit the 80% production benchmark before requesting additional funds**
- **If sub-grantee has not spent or produced to the 80% benchmark, but funds are still needed that exceed the line item, sub-grantees must include this explanation in the request and how the sub-grantee plans to exceed the line item and achieve the 80% benchmarks.**
- **Sub-grantee's Request for Funds via letterhead must have these items**
  - **An explanation of need for the additional funds.**
  - **Total Allocation requested**
  - **A breakdown of either a budget or explanation of how these funds will be utilized**
  - **Signatures of the sub-grantee Wx Manager and sub-grantee Executive Director**
  - **Sub-grantees may not request more than \$500,000.00 per Request for Funds**

### **Tiered Allocation**

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

### **Reduction of Funds**

A reduction in funding may occur if IHCDA deems it necessary, or if a sub-grantee:

- Voluntarily returns one or more counties within its service territory
- Returns substantial amounts of allocated funds
- Fails to complete a QIP or MQIP within two consecutive program years
- Fails to meet the expenditure and/or benchmarks
- Experiences financial or programmatic challenges

## Request for Qualifications and Request for Proposals

IHCDA may post a Request for Qualifications (RFQ) or Request for Proposals (RFP) to identify organizations suitable to provide services within a particular service territory. The RFQ/RFP is designed to increase the service capacity of that territory and to provide additional service opportunities for program beneficiaries. A sub-grantee will be notified if an RFQ/RFP is posted within its service territory. The goal is to find the most qualified service provider within a territory. It is important to note that RFQ/RFP are open to the general public, as well as current sub-grantees. Eligible applicants will be determined based on the Federal regulations for the WAP. IHCDA will make a reasonable effort to assess if there is an adjacent, existing sub-grantee to support service delivery. Sub-grantees are encouraged to seek assistance from other sub-grantees who have the capacity to provide support. This step could result in avoiding the need for the RFQ/RFP process. RFQ/RFP will be issued as IHCDA deems necessary. The RFQ/RFP may also be posted for the following reasons including, but not limited to:

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

## Award Closeout

Final Closeout Reports must be submitted and approved within 45 days after the program year ends. IHCDAOnline (DMS) Claims and sub-grantee Closeout Reports must match exactly when final claims are processed including all line items and average cost per units.

The **Closeout Report** is composed of the following items:

- **Appendix D Closeout Form** for specific Program
- **IWAP Quarterly Report** for all Quarters (Quarters 1, 2, 3, and 4)
- **IWAP Job Expense Report** for Whole Year (Program Year start date to Program Year end date)
- **Approvals** given by IHCDA during the Program Year

The Closeout timeline is as follows:

- Day 0: Program Year ends, IHCDA will provide Appendix D Closeout Form for specific Program
- Day 30: Sub-grantee must either submit a rough draft of the Closeout Report, or email [iwx@ihcda.in.gov](mailto:iwx@ihcda.in.gov) to inform IHCDA where they are in the process
- Day 45: Sub-grantee must submit the final draft of the Closeout Report. Sub-grantees that fail to submit after 45 days will be marked as late and may show up on Monitoring Reports.

IHCDA will **reject** Closeout Reports for the following (but not limited to) reasons:

- IHCDAOnline Claims and Closeout Form's PY Budget do not match
- IHCDAOnline Claims and Closeout Form's PY Expended do not match
- Closeout Form shows sub-grantee is over on an expenditure limit (percentage or ACPU)
- Closeout Form does not reflect the Return of Funds
- Closeout Form PY Regular Grant Budget and Expended columns are listed in the PY Carryover Budget and Expended columns, and vice versa
- Closeout Form shows both PY Regular Grant and PY Carryover added together in the same Budget and Expended column
- Quarterly Report and Job Expense Report do not match in units completed
- Quarterly Report, Job Expense Report, and Closeout Form do not match in units completed
- Closeout Form unit completions do not match the "Total Closed" on the IWAP Quarterly Report

Sub-grantee must correct all errors to be counted as complete in the submission of the Closeout Report.

### **Braiding and Closeout**

DOE and LIHEAP work off of different program years, but jobs that braid the two programs may be worked on after the LIHEAP program year ends. The LIHEAP portion of the job must be completed by September 30, and work on the job must be paired with DOE. On March 31, the DOE portion must be completed and the whole job closed. This will require two QCIs, one for the LIHEAP portion and one for the DOE portion.

On the Closeout Form, LIHEAP unit completions must match the "Total Completed" units on the IWAP Quarterly Report for LIHEAP in order to be accepted. The job will remain open until the end of the DOE portion is complete, and must be closed by March 31.

## Section 7: Training

### 7.5 Additional Competency/Training Requirements

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

IHCDA staff and contracted monitors responsible for evaluation of sub-grantee technical performance are required to complete at least 10 hours of technical training per year; and are required to be either Indiana Weatherization Competent as an Energy Auditor or BPI certified as an Energy Auditor and be certified as a BPI Quality Control Inspector.

Weatherization Program Managers responsible for the administration of the Weatherization Assistance Program at the sub-grantee level are required to attend all Semi-Annual Managers Meetings (SAMM) as well as any other required administrative offerings provided by IHCDA. If a Weatherization Program Manager is not able to attend any required training, an appropriate representative from the sub-grantee must attend in their place. SAMM's will be held twice per year and other administrative courses will be held as deemed necessary by IHCDA. When possible, IHCDA will attempt to host trainings via webinar, video conferencing, distance learning, or conference calls. Each sub-grantee is required to send at least one technical representative for their field staff/contractors to all Semi-Annual Technical Trainings (SATT). **Violating this requirement will result in a Quality Improvement Plan from IHCDA.**

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

#### Pre-Auditor

**A Pre-Auditor conducts an assessment of the applicant's house to ensure the home is in good condition to participate in the program to expedite the energy auditor's assessment. This may include an assessment that is not limited to determining the habitability and the ability to perform work on the house as well as energy savings opportunities. A Pre-Auditor may recommend a deferral to the Weatherization manager so long as they have completed the required training to be determined a Pre-Auditor. The deferral policy must always be followed (refer to section 10).**

#### Energy Auditor

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

#### Quality Control Inspector

A quality control inspector (QCI) is a residential energy-efficiency professional who ensures the completion, appropriateness and quality of energy efficiency upgrade work and installed measures. Per [WPN 22-4](#), the QCI is an individual that has no involvement in the prior work on the unit either as the auditor or as a member of the crew. IHCDA will monitor a minimum of 5% of DOE completions.

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

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

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

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

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

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

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

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

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

Quality control inspections are subject to IHCDA assessment of effectiveness and compliance with program inspection policies and monitoring will include documentation of any findings related to the quality of the inspection and impartiality of the inspection process. IHCDA will maintain tracking of all sub-grantee QCI activities to include all aspects of the sub-grantee developed QCI process, subsequent corrective actions, and final outcomes.

If sub-grantees are found to be out of compliance, remedial training may be required for the QCI, the installation contractor, and/or sub-grantee staff. Limited remedial training may be provided by IHCDA staff onsite at the time of the monitoring, or more extensively through the training facility at INCAA if necessary. Alternatively, IHCDA staff may provide more comprehensive training at a later date. Repeated noncompliance issues after remedial training may result in the agency being placed on QIP, or a reduction in funding. All compliance issues found with QCIs are subject to IHCDA review and may result in the QCI not being allowed to perform inspections for Indiana WAP.

Sub-grantees are required to ensure that each weatherization completion receives an appropriate and properly executed QC inspections. This inspection must be performed by a BPI certified Quality Control Inspector (QCI). IHCDA, as part of their regular monitoring procedures, will review QC inspection forms, sub-grantee inspection processes and completed units to ensure the inspections are being performed correctly and in a manner that meets DOE expectations. [WPN 22-4](#).

Failure by the sub-grantee to utilize the QCI process correctly may result in the associated completion(s) being considered unallowable, and all associated cost being returned to IHCDA. Should multiple instances of poorly performed inspections be found, IHCDA will, at the very minimum, place the sub-grantee on a Quality Improvement Plan (QIP).

## Section 8: Monitoring

### 8.2 Standards & Practices

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

#### Program Monitoring

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

- **Program Administration** – IHCDA will review agency policies as they apply to awarding priority, wait list maintenance, rental policies, and client redetermination.
- **NEAT/MHEA/MuTEA Database reviews will include the following**
  - Price list is up to date and current
  - Fuel prices are current
  - Set points are accurate
  - Lifetime of measures are correct
  - Measures are active
- **Procurement** – This section covers materials procurement and selection; contractor selection procurement, and evaluation; price lists and written procurement standards. Reference the procurement section in this manual for additional information.
- **Training, Competency and Certification** - IHCDA monitors will review whether the Weatherization Program Manager is using appropriately trained/competent staff to perform various job functions. The use of subcontractors will be reviewed to determine compliance with job function training requirements as outlined in this manual. Monitors will also review contractors for compliance with local licensing standards. Sub-grantee lead based paint practices and compliance with EPA and HUD regulations will also be reviewed.
- **Database Input** – A selection of the client files are checked to ensure information from the client files is reported in the IWAP database accurately and completely.
- **Fiscal** – IHCDA will perform financial monitoring for their Weatherization sub-grantees. The financial monitoring will occur in conjunction with the Weatherization Program/File Monitoring. IHCDA will check for appropriate payment processing as specified in this manual. The monitor will review the following:
  - Grant utilization to ensure funding is utilized in allowable combinations
  - Sub-grantees have properly tracked and utilized Program Income
  - Contractors are paid within 45 days
  - Back-up documentation provided with claims is appropriate
- **Client File Review** – Files will be pulled at random from completions entered into the IWAP database. A minimum of 10% of all completed DOE client files will be reviewed. Find Program Monitoring Tool utilized by monitors can be found at MyIHCDA's [Program Partners](#). *Appendix F – 2024 Monitoring Tool Templet*. These files will be reviewed for:
  - Correct forms
  - Accurate information
  - Work processes
  - Eligibility verification
  - Appropriate documentation and allowability of deferrals
  - Each NEAT/MHEA/MuTEA run is checked to verify the cumulative SIR is equal or greater than 1
- **Training and Technical Assistance (T&TA)** – The purpose of T&TA is to provide sub-grantees with assistance in the technical aspects of the weatherization program. IHCDA monitors will provide consultation while on site. If sub-grantee personnel feel it necessary, and time allows, IHCDA monitoring personnel may be available for T&TA visits to the sub-grantee.



## Technical Monitoring

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

Monitors will use the current QC Inspection Form. A minimum of 5% of all DOE completed units will be monitored for those sub-grantees utilizing an Independent QCI, and a minimum of 10% of all DOE completed units will be monitored for those sub-grantees with an Energy Auditor/QCI. IHCDA reserves the right to monitor any unit including Capital Intensive unit(s). Sub-grantee responses to technical findings must include documentation verifying that all findings and concerns have been corrected. IHCDA when possible, will incorporate in-progress visits to client units. IHCDA's Technical Monitoring visits will include an evaluation of the QCI's process to ensure compliance with [WPN 22-4](#).

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

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

## 8.3 Monitoring Process

IHCDA staff and contracted monitors prepare the monitoring schedule and contact each sub-grantee to schedule the appointments. Upon completion of the monitoring, the monitor(s) will perform an exit conference to summarize issues found during monitoring, as well as to offer best practice recommendations. For Technical Monitoring visits, an exit conference may be delayed, conducted via telephone, webinars, etc.

### Program Monitoring Specific

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

### Technical Monitoring Specific

Requests for Technical Monitoring include a list of units to visit as well as alternates when clients are unavailable. Sub-grantees are prohibited from revisiting client units chosen by IHCDA for Technical Monitoring. Units that are found to have been “revisited” prior to the Technical Monitoring visit will result in at least one additional unit being selected for monitoring. IHCDA may, at its discretion, require a Return of Funds for all expenses associated with the revisited unit thereby removing it as a completed unit. IHCDA monitoring staff may use alternate procedures or request additional information to verify compliance when it is necessary or deemed appropriate.

## 8.5 Monitoring Reporting Process

### Monitoring Report

Each sub-Grantee will receive a copy of the monitoring report within 30 days from completion of the exit conference. The report will identify such areas as training and technical assistance recommendations, summary of program /technical and client file/QCI findings and concerns, funding utilization per client, and NEAT/MHEA/MuTEA review. **Subgrantee's are not responsible for findings and concerns requiring maintenance needs unrelated to the Weatherization Services performed.**

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

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

Findings and Concerns will be noted as:

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

### Monitoring Report Response

The sub-grantee must either **accept** the submitted report or provide an **Informal Appeal** (see Monitoring Appeal Process) to specific findings and concerns. The sub-grantee will have 10 days from the receipt of the monitoring report to submit the **Informal Appeal** to IHCD.

Any corrective action taken by the sub-grantee is considered an acknowledgment of the finding or concern. Failure by the sub-grantee to respond in writing to the monitoring report **within** the established **10-day** deadline may result in claims being held by IHCD until the proper response is received.

### Monitoring Appeals Process

If the sub-grantee informally appeals (disagrees with) any item on the WAP Monitoring Report, the sub-grantee must send an informal appeal via email to [jwx@ihcda.in.gov](mailto:jwx@ihcda.in.gov), to IHCD's **Weatherization Assistance Program (WAP) Manager**, and contracted Monitors within 10 days of the receipt of the monitoring report. In the subject line it should say "Informal Monitoring Appeal". **The appeal must provide detail of the basis for the appeal.**

- **Upon receipt of the Formal Appeal IHCD will have 10 days to request from the monitor or agency any additional documentation necessary to make an informed appeal response.**
- **The monitor or agency will have 10 days to provide the requested additional documentation.**
- **After receiving the requested additional documentation, IHCD will have 15 days to provide a response to the Informal Appeal.**

- If IHCDCA **upholds** the sub-grantees **Informal Appeal**, the sub-grantee will receive a revised monitoring report that will be used to ensure all actionable items are completed.
- If IHCDCA **does not uphold the** sub-grantee's **Informal Appeal**, (in-full or in-part) the sub-grantee will receive an **IHCDCA Informal Appeal** reply.
- If the sub-grantee **agrees** with the reasons described in the **Informal Appeal** reply for not upholding the appeal, the sub-grantee's **must respond to IHCDCA within 10 days acknowledging their agreement.**
- If the sub-grantee **disagrees** (in-full or in-part) with IHCDCA's **Informal Appeal** reply, the sub-grantee may submit a **Formal Appeal** in writing to the Director of Community Programs within 10 days of receiving the **Informal Appeal** reply.
- The Director of Community Programs will review the formal appeal and provide a written decision response within 30 days of receiving the **Formal Appeal**. This decision will be final.

### Monitoring Completion

If all parties are in agreement with **the report as written**, the subgrantee will have 30 days after the monitoring session to respond, with an additional 15 days to close out the session, making for a 45-day closeout period.

**Once the appeal process is finalized, and all corrective actions have been completed, the sub-grantee will receive a Monitoring Completion letter from the monitor within 30 days.**

### Monitoring Completion

Once all parties are in agreement with all the findings and concerns, the subgrantee will have 30 days after the monitoring session to respond, with an additional 15 days to closeout the session, making for a 45-day closeout period. The sub-grantee will receive a Monitoring Completion Letter after all completed corrective actions and/or copies of checks paid to IHCDCA have been submitted.

### 8.6 Return of Funds (Monitoring)

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

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

- Exceeding **25%** of total expended funds on Health & Safety measures
- Exceeding the current average cost per unit
- Interest expenses paid with DOE funds
- Rework expenses when job has been closed, except when specifically authorized by IHCDCA
- Disallowed equipment and vehicle purchases with DOE funds
- Any measure not cost justified.
- Any repair that exceeds the incidental repair measure limit for materials and labor
- Expenditures incurred for the installation of measures on a completed unit outside the contract period.
- If IHCDCA cannot determine an expenditure is allowable because of inadequate records or documentation, IHCDCA will request additional documentation. If documentation cannot be produced, the costs will be disallowed.

### 8.7 Compliance

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

#### Quality Improvement Plan (QIP)

Monitoring visits where serious, numerous, or recurring findings may result in the sub-grantee being placed on a QIP. The intent of the QIP is to help the sub-grantee improve the areas of deficiency. As part

of the QIP, IHEDA monitors will make additional visits to the sub-grantee to ensure changes are being implemented and all noted deficiencies are being resolved. The QIP may be modified as deemed necessary by IHEDA to accomplish the needed sub-grantee improvement. Sub-grantees could be placed on a QIP if one or more of the following program deficiencies are identified:

- General Administrative Deficiencies that include but are not limited to late interim or closeout reports, late completion reporting (data entry), lack of procurement policies
- outdated cost allocation plans
- Fiscal Reporting issues that include failure to claim expenses on a monthly basis, repeated occurrences where expenses are submitted more than 45 days after the invoice or purchase order date, contractors paid beyond the 45-day requirement
- Staff or contractors fail to receive proper certifications
- ACPU exceeds cost guidelines set forth by DOE or HHS (LIHEAP) funding
- At least 25% of client files reviewed are deemed ineligible
- High risk outcome on the Risk Assessment
- Repeated concerns and findings on Technical Monitoring

Should the QIP fail to correct the issues, IHEDA will pursue further remedies for noncompliance as allowed in their Weatherization Policy and Procedures Manual, and the sub-grantee grant agreement (contract). The sub-grantee's Weatherization Manager or Weatherization Director may not be the QCI and Energy Auditor combination staff member.

### **Modified Quality Improvement Plan (MQIP)**

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



## LIHEAP/ES Benchmarks

The Program Year of DOE is October 1 to September 30. The benchmark schedule for LIHEAP is outlined below.

- LIHEAP/ES Q1                      December 31                      15%
- LIHEAP/ES Q2                      March 31                              40%
- LIHEAP/ES Q3                      June 30                                80%
- LIHEAP/ES Q4                      September 30                      100%

## 9.5 Contractor Procurement, Price Lists, Responsible Contractors

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

To assist this process, DOE issued an updated Procurement Tool Kit in 2016 that provides templates, checklists and guidance for procurement of weatherization materials and services. To review the DOE Procurement Tool Kit or other supporting documents visit NASCSP's [Financial Management Toolkit](#).

### Contractor and Price List

Sub-grantees must either bid each weatherization job individually or develop a price list for contractor prices. If a price list is developed, each sub-grantee must follow Federal regulations as outlined in [10 CFR 600.144](#), rebid at least every 2 years and perform a cost analysis of its current price list. Written procedures and documentation must be maintained at the sub-grantee's office and provided to IHCD or DOE upon request.

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

The following procedures must be included in Contractor Procurement and Establishment of a Price List:

- Must be publicly bid with advertising using newspapers, websites or hard copy and be available for at least 3 business days.
- Fair and open competition must be provided.
  - The process must take place annually unless the sub-grantee's written procedures manual specifies every 2 years.
  - If bid packets will be mailed or emailed to existing contractors, a list must be kept of interested contractors.
  - The solicitation must include a clear and accurate description of the service or material being procured.
  - Written selection procedures must be established and available for review.
- Deadlines must be established and adhered regarding responses to packets.
- A cost or price analysis must be performed for each procurement process or the sub-grantee may establish an annual price list.
- Materials and labor are the most common items to be bid out for a price list.

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

### Responsible Contractors

All contractors awarded contracts by weatherization sub-grantees must annually review their contractors against the Federal contractor debarment list accessed, with instructions, at SAM's Records. If a contractor is listed on the Excluded Parties List System website, sub-grantees should not enter into a contract for goods or services paid with DOE or LIHEAP funds. Contractors are required to supply their UEI number to Subgrantees

## **Removal or Suspension of Contractors**

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

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

### Consequences

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

Sub-grantees are advised to make sure that contracts with sub-contractors specify remedies for breach of the provisions of the contract including termination. In addition, sub-grantees should provide a copy of this policy to its contractors. MyIHCD's [Program Partners](#). *Appendix Z - Policy for Removal or Suspension of Contractor*

## Section 11: Multi-Family

### 11.1 Multi-Family Policy

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

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

If the sub-grantee is proposing to weatherize a HUD building, the sub-grantee must refer to [WPN 22-5](#).

#### Prior to Starting

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

#### Entities Eligible

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

#### Certification and Training Requirements

A Building Performance Institute (BPI) Multi-family Building Analyst certification is required for all buildings containing five or more units. Buildings containing five or more units must always be inspected by an individual who has successfully completed an approved Multi-family Quality Control Inspector (QCI) training course. Contact INCAA for training updates related to this requirement. [WPN 22-4](#).

#### Building Eligibility

66% of units in a multi-family building are required to be income eligible. [10 CFR 440.22\(b\)\(2\)](#)