



Weatherization Assistance Program Policy & Procedure Manual

Program Year 2024-2025



Indiana Housing & Community Development Authority

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Table of Contents

Section 1: Purpose & Scope	8
Section 2: Eligibility & Application	8
2.1 Income Eligibility and Documentation.....	8
Child Support, Foster Care, and Adoption Assistance	8
Client Eligibility Documentation	9
Approach to Determining Eligibility	9
2.2 Rental Eligibility.....	9
2.3 Building Eligibility and Documentation.....	10
2.4 Appeals Procedure	11
2.5 Federal Program Regulations and Guidance.....	12
2.6 Participation in National Studies or Utility Programs	12
Section 3: Client Files	12
3.1 Weatherization Program Management.....	12
3.2 Required Forms.....	12
Required Forms.....	12
Section 4: Service Provisions	16
4.1 Client Priorities.....	16
4.2 Overview of Weatherization Activities	16
Previously Weatherized	17
Overview of Unit Evaluations.....	17
Client Refusal to Sign	19
Failed Quality Control Inspection.....	19
Client Education	19
Fuel Switching	19
Emergency Repair and Replace (ERR) - EAP.....	20
4.3 Weatherization Priority List Policy.....	20
4.4 Health & Safety	25
4.5 Deferral Standards	25
4.6 Rental Procedures.....	27
4.7 Refrigerator/DSM Programs	28
4.8 Rework Policy.....	28
4.9 Lead-Safe Work Practices.....	29

Testing for Lead.....	30
Renovator Certification.....	32
4.10 Blower Door Guidance.....	32
4.11 State Average Propane Costs.....	32
Section 5: Budgets & Claims	33
5.1 Budget Forms.....	33
5.2 Budget Modification Forms	33
5.3 Program Reinvestments.....	33
DOE Program Income.....	33
5.4 Closeout Form.....	34
5.5 Closeout Report	34
5.6 Closeout Process	34
Closeout Schedule.....	34
Closeout Claims and Unit Reporting	35
Unit Completion Bridging.....	35
5.7 Claims.....	36
5.8 Original Signatures.....	37
5.9 IHCDOnline Claims System	37
Grantee Payment.....	37
Adjustment.....	37
Return of Funds.....	37
Repayment.....	37
5.10 Administration of Funds.....	38
5.11 Advance Funding.....	38
5.12 DOE Financial Management Tool Kit	39
Section 6: Funding & Production	39
6.1 Weatherization Program Management.....	39
Reweatherization	39
Work Order Changes/Change Order	40
6.2 Measures.....	40
Major & Minor Measures.....	40
DOE/BIL Allowable Measures	40
LIHEAP/ES Allowable Measures.....	42

6.3 Allocations.....	43
Federal Allocation	43
Reallocation of Funds.....	43
Distribution of Carryover Funding	43
Request for Additional Funds.....	44
Tiered Allocation	44
Reduction of Funds	44
Request for Qualifications and Request for Proposals	44
Award Closeout.....	45
Braiding and Closeout.....	45
6.4 DOE Program Management.....	45
Completion.....	45
Administration	46
Liability Insurance	46
Financial Audit Costs	46
Base Operations.....	46
Health & Safety	46
Training & Technical Assistance.....	46
Readiness	47
6.5 LIHEAP/ ES Program Management	47
Completion.....	47
Administration	47
Liability Insurance	47
Supplies.....	47
Equipment.....	47
Support Operations.....	47
Capital Intensive Operations.....	48
6.6 BIL Program Management	48
Completion.....	48
Administration	48
Liability Insurance	48
Financial Audit Costs	48
Base Operations.....	48

Health & Safety	49
Training & Technical Assistance.....	49
6.7 Utility Programs	49
6.8 Braiding Funds.....	49
Section 7: Training.....	51
7.1 Importance of Training	51
7.2 Certifications.....	51
7.3 Minimum Training Requirements	52
Indiana Skills Verification Standards.....	53
Specialty Contractors	53
Testing Parameters	53
7.4 Duration, Maintenance, and Recordkeeping.....	54
Continuing Education Units	54
7.5 Additional Competency/Training Requirements	56
7.6 Additional Training Opportunities	56
7.7 Background Checks	56
7.8 Compliance Issues.....	57
7.9 Roles and Responsibilities.....	57
Pre-Auditor.....	57
Energy Auditor	57
Quality Control Inspector.....	58
IHCDA Expectations and Best Practices for Indiana’s Weatherization Network	58
When Energy Auditor is QCI.....	58
7.10 Training Stipend	59
Section 8: Monitoring	60
8.1 Quality Assurance	60
8.2 Standards & Practices	60
Program Monitoring	60
Technical Monitoring	61
8.3 Monitoring Process	61
Program Monitoring Specific	62
Technical Monitoring Specific.....	62
8.4 LIHEAP Program and Technical Monitoring.....	62

8.5 Monitoring Reporting Process	62
Monitoring Report	62
Monitoring Report Response	63
Monitoring Appeals Process	63
Monitoring Completion	63
8.6 Return of Funds (Monitoring)	63
8.7 Compliance	64
Quality Improvement Plan (QIP).....	64
Modified Quality Improvement Plan (MQIP).....	64
Section 9: Reporting	65
9.1 Monthly and Quarterly Reporting	65
9.2 Benchmarking	65
DOE Benchmarks.....	65
BIL Benchmarks.....	65
LIHEAP/ES Benchmarks.....	66
9.3 Record Retention and Disposal.....	66
9.4 Required Forms on File	66
9.5 Contractor Procurement, Price Lists, Responsible Contractors.....	66
Contractor and Price List.....	66
Responsible Contractors	67
Removal or Suspension of Contractors.....	67
9.6 Equipment, Supplies, and Vehicles	68
Inventory of Equipment and Supplies.....	68
Dispositioning Items.....	68
Use of Equipment and Vehicles	68
Vehicle Titles	69
9.6.5 Sale of Inventory Items over \$5,000.00.....	69
Sale of Inventory Items under \$5000.00.....	70
Rental Vehicles, Equipment, and Supplies.....	70
9.7 Bid Procedure for Equipment Purchases	70
9.8 Indiana Weatherization Assistance Program (IWAP) Database.....	71
Administrator Privileges.....	71
EAP Data Access Policy.....	72

Wait List (Main Menu Item)	72
Completions (Current Clients – Main Menu Item).....	72
Current and Historical Clients (Main Menu Items)	73
Reports (Main Menu Item)	74
Client Record Unlock.....	74
9.9 IHCDOnline	74
9.10 Historic and Environmental Reviews	74
Historic Review Procedures	75
Section 10: Deferral Program	76
10.1: General Deferral Process	77
Required Forms.....	77
Client Priority	77
Monitoring	77
Specialty Contractors	77
Inspection.....	77
10.2: Weatherization Readiness Fund	77
Budgetary Limits	78
Allowable Expenses.....	78
Braiding Funds.....	78
Reporting.....	78
10.3: Duke Supplemental Health & Safety.....	79
Budgetary Limits	79
Allowable Expenses.....	79
Braiding Funds.....	79
10.4: Precautions	79
Section 11: Multi-Family	79
11.1 Multi-Family Policy.....	79
Prior to Starting.....	80
Entities Eligible	80
Certification and Training Requirements.....	80
Building Eligibility	80
11.2 Multi-Family Requirements	80
Requirements per Number of Units.....	80

11.3 Project Planning & Requirements.....	81
Project Plan	81
Quality Control Plan	82
Mandatory Pre-Consultation	82
Progress Updates	82
Audit Requirements	82
Client File Documentation	82
Buy Downs	83
Owner Contribution/Landlord Participation.....	83
Utilities Included in Rent.....	83
Monitoring	84
11.4 BIL Funded Multi-Family Program	84

Section 1: Purpose & Scope

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

Section 2: Eligibility & Application

2.1 Income Eligibility and Documentation

The Weatherization sub-grantee staff or its subcontractor is obligated to review and determine WAP eligibility status for anyone requesting an application. No unit will be weatherized without documentation that the unit is eligible. [10 CFR 440.22](#). The local sub-grantees verify applicant's income during the application process. **Income reverification is not required or needed if the client is already EAP approved with an active application.**

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

Per [10 CFR 440.22](#), a unit shall be eligible for Weatherization assistance if it is occupied by a family unit:

- Whose income is at or below 200% of the poverty level determined in accordance with criteria established by the Director of Office of Management and Budget. [Poverty Guidelines](#).
- Which contains a member who has received cash assistance payments during the twelve-month period under Title IV and Title XVI of the Social Security Act.
- Is eligible for assistance under the Low-Income Home Energy Assistance Act of 1981, provided that such basis is at least 200 percent of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget.

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

Child Support, Foster Care, and Adoption Assistance

Child Support, Foster Care, and Adoption Assistance payments, whether received by the Payee or paid by the Payor, are not considered Sources of Income to be added to the Payee income or deducted from the Payor income for the purposes of determining applicant eligibility.

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

Sub-grantee must clearly document which households receive payment for foster care and/or pay or receive child support. These notes and income recalculation documents must be included in the Weatherization client file. If minor errors are found in the EAP file, the Weatherization sub-grantee should

notify the EAP Local Service Provider. Major errors or issues should be brought to the attention of IHCD. [WPN 23-3](#).

Client Eligibility Documentation

IHCDA requires all subgrantees ensure client eligibility during the period in which services are delivered. Clients which are deemed categorically eligible as a result of their LIHEAP and/or HUD eligibility will have their most recent application date transferred into their IWAP record. Sub-grantees must ensure services are delivered within one year of the most current application date or the client income must be reverified. Files of clients not categorically eligible through EAP and/or HUD must contain a copy of the application and income documentation. Guidelines for household income calculation are found in the most current version of the *Indiana Energy Assistance Program Operations Manual* at MyIHCDA's [EAP](#) or [WPN 24-3](#).

Households that are categorically eligible have several of the required items in their EAP file. A client's Energy Assistance Program (EAP) application must be active at the time the weatherization services are provided and at the time of QC inspection. Information, such as income verification, does not need to be duplicated. During monitoring, IHCDA or any contracted monitoring entity reserves the right to inspect the EAP client income verification to ensure client eligibility.

Subgrantees may certify that applicants have met the income requirements of HUD means-tested programs through mechanisms including, but not limited to, applicant documentation, interagency lists of recipients, shared system databases, etc. Method of verification of eligibility must be included in the client file.

Weatherization may *not* be denied based on the utilities not being in the occupant's name. In the case of rental-occupied units, agreements with the landlord (see Sections 2.2 and 4) are needed to guarantee the accrual of benefits from the Weatherization services are transferred to the tenant. Owner-occupied units where homeowners do not have utilities in their name are eligible applicants for Weatherization services, as the benefits directly accrue to their stake in their home as a component of their prosperity and self-sufficiency. Utilities under the name of an individual besides the homeowner does not replace the energy burden placed on the applicant.

Approach to Determining Eligibility

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

2.2 Rental Eligibility

Indiana's policy for the weatherization of rental units complies with [10 CFR 440.16\(i\)](#), and all other pertinent regulations. Sub-grantees must have written permission from the building owner or his agent before commencing and are required to have and abide by their written policies detailing the terms of the landlord/tenant agreement and any landlord contribution policy the sub-grantee has adopted. Landlord contribution is not required by IHCDA or DOE.

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

- For at **least** a one-year period after the weatherization work on the unit is completed, **rent increases related to the Weatherization services performed are not permitted**. [10 CFR 440.22\(b\)\(3\)\(ii\)](#)
- Landlord and/or other contributions shall be expended in accordance with the agreement between the landlord and the weatherization sub-grantee. [10 CFR 440.22\(d\)](#)
- Written permission of the landlord, or the landlord's agent, must be obtained prior to the weatherization of the unit.

2.3 Building Eligibility and Documentation

Prior to any weatherization activity, a unit must be evaluated to determine whether previous weatherization services have been provided. Units weatherized (including units partially weatherized) with DOE funds, or under other Federal programs (including LIHEAP) may not receive further financial assistance for weatherization utilizing DOE funds within 15 years of the completion of the previous weatherization. A unit utilizing DOE funds may not be re-weatherized within 15 years of any federally funded weatherization services. [WPN 24-1](#).

Units that have previously received weatherization may receive non-weatherization assistance and services under other Federal programs or may receive weatherization assistance from non-Federal sources. For LIHEAP funded weatherization, a unit may be re-weatherized five years after the end of the grant performance period utilized on the unit.

A building may be determined ineligible for weatherization if its structure would prohibit it from ever being weatherized. Any building that **could be** weatherized after health and safety or other repairs must **not** be considered ineligible. To be eligible for weatherization a building must provide complete independent living facilities for one or more persons including permanent provisions for living, sleeping, eating, cooking and sanitation. If you cannot make a clear determination based on the information provided in this document, please refer to the *2020 Indiana Residential Code* and/or contact INCAA Weatherization training to assist you in your determination. Please include meaningful photographs of the structure and overall property when determination assistance is requested.

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

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

- **Shelters:** a unit or units whose principal purpose is to house on a **temporary** basis individuals who may or may not be related to one another and who are not living in nursing homes, prisons, or similar institutional care facilities.
 - An application and eligibility determination are not required for shelters.
 - Sub-grantees may weatherize shelters. For the purpose of determining how many units exist in a shelter, a grantee may count each 800 square feet of living space within the shelter as a unit or it may count each floor of the shelter as a unit.
 - An individual file must be kept for the shelter project. This file must contain:
 - Shelter's mission statement
 - Occupancy type
 - NEAT/MHEA/MulTEA form
 - All other applicable documents
 - For current reporting purposes, each completion should be counted as "Data Unavailable" when reporting income categories and demographics. The box "Demographics Not Available" must be checked at the bottom of the IWAP application page.
 - IHCD does not require prior approval to weatherize a shelter.
- **Multi-Family Buildings:** any residential building containing two or more units (see below distinctions; [WPN 22-12](#)). In the weatherization of multi-family buildings, DOE regulations require that 66% (50% for duplexes and quadplexes) of units in the building must be eligible households or will become eligible within 180 days. [10 CFR 440.22\(b\)](#)
 - Residential buildings with 25+ units or are more than 3 stories are usually referred to as large multifamily buildings.
 - Residential buildings with 5-24 units that are 3 stories or fewer are usually referred to as small multifamily or low-rise multifamily buildings.
 - Multi-unit buildings with fewer than 5 units are called 2–4-unit buildings.

2.4 Appeals Procedure

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

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

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

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

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

- **Local Review:** The client must send their written appeal to the local sub-grantees Weatherization Manager or Executive Director within 30 days of receipt of the denial. The sub-grantees Executive Director or Weatherization Manager determines the applicant's eligibility on review within 10 business days of receipt of the applicant's written appeal. All appeal documentation must be saved in the client file and IHCDA's Community Programs Manager - Weatherization must be notified of denied appeals. The final determination for the appeal must be sent to the client in writing by the sub-grantee's Executive Director.
- **State Review:** If the client is not satisfied with the sub-grantee's determination, they may request formal review by the State, but it must be submitted in writing. This request is made by submitting the appeal to IHCDA's Director of Community Programs. The sub-grantee may submit this appeal on behalf of the client, or the client may submit it directly to IHCDA. This request for formal review must be made within 30 days of receipt of the sub-grantee's appeal determination. The appeal must include the stated reasons for the Client's objection to the decision, reasons must be based solely upon evidence supporting one of the following circumstances:
 - Clear and substantial error or misstated facts which were relied on in making the decision being challenged/appealed.
 - Unfair competition or conflict of interest in the decision-making process
 - An illegal, unethical or improper act; or
 - Other legal basis that may substantially alter the decision.

The appeal must be made in writing and received by the Indiana Housing and Community Development Authority (IHCDA) within 30 days of receipt of the sub-grantee's final decision. The appeal is to be sent to the IHCDA's Director of Community Programs who will make the final determination. The client will receive written acknowledgement of receipt of the appeal by the Director of Community Programs within 5 business days, noting the day the appeal was received. All pertinent material from the case will be requested from the Weatherization sub-grantee by IHCDA in order to make a determination. The applicant, as deemed appropriate, shall have the opportunity to review all documentation submitted to IHCDA. The Director of Community Programs will have 30 days from IHCDA's receipt of the written request for appeal to review the file and make a determination. The decision of the Director of Community Programs is final.

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

2.5 Federal Program Regulations and Guidance

All Federal program regulations and guidance can be found at SCEP's [Weatherization Assistance Program](#). If Indiana has specifically issued Program Guidance, these notices can be found at MyIHCD's [Weatherization](#).

2.6 Participation in National Studies or Utility Programs

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

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

Section 3: Client Files

3.1 Weatherization Program Management

All weatherization work must follow the Department of Energy (DOE) rules and regulations unless exceptions are specifically stated in the policy manual, grant agreement and/or program guidance. To verify the Code of Federal Regulations, including but not limited to [10 CFR 440](#), see [eCFR](#). All DOE program guidance can be found at SCEP's [Weatherization Program Notices and Memorandums](#). Several exceptions are listed in Section 6. Any deviation from DOE guidelines, the Indiana Weatherization Policy and Procedures Manual, or the SWS-aligned Indiana Weatherization Field Guide must have written approval from the Director of Community Programs prior to working on a unit. This approval only applies to the unit for which the request was made. A copy of the request and IHCD's approval must be printed and placed in the client file.

3.2 Required Forms

Client files must be kept to verify the work that has been completed and to track expenditures on each unit. Meaningful photographs are required in all client files. Sub-grantees are required to report completions and document all funding sources, including non-Federal funding, which were used on a unit. The documentation must detail the dollar amount of DOE and US Department of Health and Human Services (HHS) (LIHEAP) grant funds spent on each unit per measure. The file must also contain the paperwork necessary to document that proper procedures were followed in the performance of the work. Some forms, such as the application, are required in all client records. Other documents, such as the rental agreement, will only be contained in the files **where applicable**. Required forms that are given to the client should be documented and tracked by the sub-grantee.

Required Forms

A detailed **Cover Page** that has been approved by IHCD's program monitor must be included in each client file.

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

A client's **HUD Section 8 Voucher** and proof of HUD housing. HUD housing does not expire, and the client will be categorically eligible by their residence.

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

The **Zero Income Affidavit** must be used to verify zero income for **each** household member, age 18 and over, who claim no income for the 3 months prior to the application date. In addition to a completed form, each zero-income claimant must have an attached **wage inquiry** or **income summary from the local Workforce Development Office**. This is no longer completed during the EAP application process but is a DOE requirement that must be completed by the Weatherization sub-grantee. *Appendix S – Zero Income Affidavit*. According to the U.S. Department of Energy [WPN 23-3](#) under Section D Proof of Eligibility #3 Self Certification, zero income claimants must have a **notarized** affidavit claiming zero income for Low Income Weatherization Assistance. IHCD requires a notarized Zero Income Claimant Form to be in each client's file who claims zero income. All sub-grantees must use this form for all WAP applications. The form must be notarized in compliance with [WPN 23-3](#). The form must be signed by the Zero Income Claimant **or** the person who completes the application on behalf of the household. If the signatory is not the zero-income claimant, the person must be listed as a household member on the EAP application.

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

- Sub-grantee contact names and address
- Reason(s) for deferral
- Next steps for the client and a specific timeline for action
- All additional client education, per [WPN 22-7](#). Also see Indiana's Health and Safety Plan
- Mold and Moisture form
- Meaningful photos of the deferred items.

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

Measure Report: A copy of the NEAT/MHEA/MuTEA measure report or the Priority List Checklist must be in the client file, including specifications on each task the workers will complete. IRMs must be justified by written and photograph documentation in the client file per [WPN 19-5](#).

Work Order: A copy of the detailed work order must be included in the file. It must align with the NEAT/MHEA/MuTEA measure report or the Priority List.

A work order cover sheet is required. The work order cover sheet can be found in *Appendix I - Work Order Cover Sheet - NEAT-MHEA Cover*.

Sub-grantees may choose to utilize the DOE-approved Priority List for the state of Indiana (section 4.5) or may perform NEAT/MHEA audit on all units within each grant cycle **unless utilizing the Regional Priority List**. Priority List Checklists and NEAT/MHEA/MuTEA audits must be kept for 3 years. IHCD will work with INCAA to provide regularly updated fuel pricing to sub-grantees to ensure that accurate NEAT and

MHEA audits are being performed, and costs are justified. These costs must be added to NEAT/MHEA/MuTEA libraries and implemented **annually**. Sub-grantees are required to provide copies of their NEAT/MHEA/MuTEA database upon request by IHEDA or its representatives.

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

Appendix T – Certificate of Insulation

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

- A detailed breakdown by material and labor costs; each measure should be listed individually with labor and material costed separately and should be identified ECM, IRM, or health and safety, along with which funding source paid for each measure.
- Date the work was performed
- Last and first names of the workers
- Signed by contractor or representative
- Client Name
- On company letterhead

Quality Control Inspection Form is required to meet the requirements of DOE's [WPN 22-4](#). For additional details see Section 4.2. **Quality Control Inspection Appendix X – QCI Final Inspection Form Heating System Forms** must be completed by Energy Auditors, HVAC Professionals, and Quality Control Inspectors on every unit. Each section must be signed and dated by the appropriate personnel. The appropriate document should be utilized depending on heating system type.

HVAC Load Calculation, a Manual J, must be completed for every heating system replacement and must be in compliance with the SWS. When heat pumps, mini-splits, or air conditioning systems are installed, a cooling load must also be completed.

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

Gas Cook Stove Form must be completed and in the client file **only** when there is a gas stove in the unit. This must be completed by the Energy Auditor and Quality Control Inspector. It must also be completed by the HVAC Professional when any work on the gas cookstove is completed. *Appendix L – Gas Cook Stove Inspection Form – 2024*.

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

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

Client Consent Form must be completed for *every unit entered*. The Client Consent must be thoroughly reviewed with the client prior to being signed by the client and a copy must left with the client. *Appendix H – Client Consent Form – 2024*.

Lead Paint Hazards Notification requires weatherization clients receive the EPA booklet, "Renovate Right: Important Lead Hazard Information for Families, Childcare Providers, and Schools." This booklet can be found by going to the EPA's [Renovate Right Brochure](#). It is mandatory that the client receives the EPA booklet and initials the Client Consent Form before weatherization work can commence on that unit and be received within 6 months of lead safe work beginning. *Appendix H – Client Consent Form – 2024*.

Photographs of Lead Safe Work Practices (LSWP) set-up and work performance on all unit built prior to 1978 where verified lead-based paint will be disturbed are required. See Section 4.8.

Lead Renovation Recordkeeping Checklist is required. See EPA's [Sample Checklist](#).

Mold/Moisture Hazards Notification requires that a weatherization client receive written notification of the potential health risks of mold and high moisture levels in the form of the EPA booklet, "Mold, Moisture, and Your Home." This booklet can be obtained from EPA's [Mold Guide](#). *Appendix H – Client Consent Form – 2024*.

Indiana Moisture and Home Assessment lists issues that exist in the unit. This form must be signed by the Pre-audit Inspector, Crew Leader, and Quality Control Inspector. In cases of deferral, the form must be signed by the client and the Pre-audit Inspector and must be included with the deferral documentation in the client file. Documentation of client signature or refusal of client signature is required. A copy must be provided to the homeowner. *Appendix O – Moisture Assessment Form – 2024*.

Fuel Switch Approval documentation must be in the client's file if applicable. A printout of the *approval email* from IHEDA's Director of Community Programs must be in the file. A fuel switch must be requested prior to the start of work. The request must be in compliance with the Section 4.2 for each fuel switch completed.

Radon Informed Consent Form clients must sign an informed consent form prior to receiving weatherization services. This form must be kept in the client file. The work scope should include precautionary measures based on EPA Healthy Indoor Environment Protocols for Home Energy Upgrades, to reduce the possibility of making radon issues worse. Sub-grantees must provide a copy of EPA's [A Citizen's Guide to Radon](#) to all clients, and inform them of radon related risks.

Occupant Health Screening Form is required for every job per [WPN 22-7](#). The goal of the form is to ensure the health and safety of every client with regard to products used that could compromise the occupant's health and safety. This form shall be completed by the client at the first in-home meeting, whether that is during the Pre-Audit or Audit. *Appendix K – Occupant Health Screening Form*.

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

ASHRAE 62.2 Form is required for all units. This form must be filled out by the Energy Auditor and Quality Control Inspector. The Energy Auditor and Quality Control Inspector must use the same 62.2 form. Forms may be found at INCAA's [website](#) or Residential Energy Dynamics' [Tools](#).

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

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

Section 4: Service Provisions

4.1 Client Priorities

All weatherization work must follow Department of Energy rules and regulations unless exceptions are specifically stated in the Policy and Procedures Manual, grant agreement and/or program guidance. Several exceptions are listed in Section 6. Any deviation from DOE guidelines, Indiana Policy and Procedures Manual or the Indiana Weatherization Field Guide SWS-Aligned Edition must have written approval from IHCDA prior to working on a unit. This approval only applies to the unit the request was made for and must be printed and placed in the client file.

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

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

Households that do not meet at least one of the priority categories may only be served if all eligible priority households in the Service Provider's territory have been served. Within the above listed priority, sub-grantees may choose the order in which households are served. Priority systems must be applied equally to both renter and owner-occupied units and applied equitably to all areas of the sub-grantee's territory. As defined by the Department of Energy, DOE, in [10 CFR 440.3](#), Definitions, a household with a high energy burden means a low-income household whose residential energy burden (residential expenditures divided by the annual income of that household) exceeds the median level of energy burden for all low-income households in the State.

As defined by DOE's [WIP Energy Burden](#), the Low-Income Energy Burden (% of income) for Indiana, ranges from 8%-10%, therefore High Energy Burden can be defined as an Energy Burden more than 10%.

4.2 Overview of Weatherization Activities

Each unit that receives weatherization will have measures installed that are specific to the needs of the unit; however, the process by which those measures are determined is standard across the state as outlined within the DOE-approved NEAT/MHEA/MuITEA software or the [Region 3 DOE-approved Priority List](#). The following activities must be completed on every unit that is weatherized:

- **An initial Energy Audit to determine which weatherization measures are most appropriate for the client's unit. The initial audit also includes a health and safety evaluation.**
- **Health and safety measures** must be completed to ensure the safety of the occupants and weatherization personnel working in the client's unit. Detailed health and safety guidelines are found in Section 4.3 of this document.
- **Energy Conservation Measures (ECMs)** to increase the energy efficiency of the unit and reduce the household's energy burden.
- **Client education** to provide the occupants with the information and tools they need to protect the weatherization materials installed and actively participate in saving energy in their units.
- An **interim inspection** is required on all units, except 100% electric without fireplaces. The purpose is to evaluate work performed on the mechanical systems to evaluate all health and safety and **workmanship** issues. Interim inspections must be performed by an Energy Auditor, Quality Control Inspector, or ISV-Certified Retrofit Installer Mechanical. **If the HVAC professional is not ISV-certified, they must receive a third-party interim inspection the day the work is**

completed. An ISV-certified installer must have a third-party inspection completed prior to payment. IHCDCA prohibits anyone inspecting their own work that results in payment from the sub-grantee.

- A **QC Inspection** to ensure that work was completed in a competent and professional manner with the standards set forth by DOE and IHCDCA.

Previously Weatherized

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.

DOE: The following actions must be taken on each DOE unit prior to weatherization services to ensure that unit that have received weatherization services within **15 years** are not re-weatherized:

- Each client's address must be checked in IWAP for previous weatherization within **15 years**.
- Each client 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 if previous weatherization measures have been performed.

LIHEAP: For units utilizing LIHEAP funds, sub-grantees may provide weatherization services to a unit previously weatherized provided that it was at least **5 years** prior to the beginning of the current LIHEAP program year. The following actions must be taken on each LIHEAP unit prior to weatherization services to ensure that units that have received weatherization services within **5 years** are not reweatherized:

- Each client's address must be entered into IWAP to identify whether the client's unit has been previously weatherized and determine what the date is.
- Each client must be asked whether their unit has been weatherized previously and when the weatherization took place.
- A visual inspection of each unit must be performed by an auditor to identify whether previous weatherization measures have been performed.

If there are no documented, verbal, visual, or physical evidence of previous weatherization services, the sub-grantee may proceed with weatherization services guided by DOE rules and funding on the unit. If any of the above actions indicate or suspect that weatherization services have previously been rendered in a unit, the sub-grantee must check with the local agency that has historically provided weatherization services in the area to inquire about any records pertaining to the address. "Rework" is different from a "re-weatherized unit". See Section 4.7.

Overview of Unit Evaluations

Housing stock in the Weatherization Assistance Program that may be eligible for full service from subgrantees may undergo the following evaluations. This not to be confused with an Energy Audit Process, which is an approved statement from DOE constituting what is permissible in Indiana's Weatherization Energy Audit. Should Subgrantees inquire as to what IHCDCA's Energy Audit Process is currently approved for, they can obtain it [here](#). The following details an overview process for Subgrantees to follow to ensure a home is audited, Weatherized, and inspected according to IHCDCA's DOE-approved plan for Weatherization services.

Pre-Audit (optional)

A Pre-Audit may occur prior to the Energy Audit on an applicant's house to ensure the home is in good condition to participate in the program. This should include determining the habitability and the ability to perform work on the unit. 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). An appeal process for the decision is required and the applicant must be informed sufficiently of this mechanism so that they may prepare their home to participate in the program.

Energy Audits

Prior to any weatherization activities, each eligible unit must undergo a whole-home audit by a trained energy auditor (as defined in Section 7). Unless utilizing the approved Priority List, audits are conducted according to the DOE-approved NEAT/MHEA/MuITEA audit.

Interim Inspections

An **interim inspection** is required on all units, except 100% electric without fireplaces. The purpose is to evaluate work performed on the mechanical systems to evaluate all health and safety and **workmanship** issues. Interim inspections must be performed by an Energy Auditor, Quality Control Inspector, or ISV-Certified Retrofit Installer Mechanical. **If the HVAC professional is not ISV-certified, they must receive a third-party interim inspection the day the work is completed. An ISV-certified installer must have a third-party inspection completed prior to payment.** IHCDCA prohibits anyone inspecting their own work that results in payment from the sub-grantee. **Interim inspector must complete, sign, and date the appropriate form(s). Additionally, the interim inspector must include applicable notes and notate if the inspection passes or fails.**

Monitoring

The Program State monitor evaluates the NEAT/MHEA runs for all files reviewed. The Program Monitor also reviews the NEAT/MHEA database. This review includes fuel cost, measures cost against the current pricelist, setpoints, lifetime of the measures, and that the proper measures are checked “active” as required.

Quality Control Inspections

IHCDCA's weatherization program requires all weatherization work be verified by a Quality Control Inspector (QCI) or an interim inspection before invoices are approved. This is verified during monitoring by checking the date on the inspection forms with the date on the payment. As mentioned by OCS, this is a requirement by IHCDCA, and payment after inspection is verified during annual Program monitoring.

All units are required to receive a quality control inspection by a BPI Quality Control Inspector, as outlined in the Section 7 and [WPN 22-4](#). All quality control inspections must be performed in accordance with [10 CFR 440.16\(g\)](#) and [WAP Memorandum 010](#). The minimum requirements are:

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

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

- Three verifiable attempts must be made to schedule a QC inspection (one attempt must be a certified letter). Certified Letter to client should include:
 - Documentation of missed scheduled appointments by the client and/or the client refusal to allow entry to complete final work or perform an inspection.
 - Language stating that the client will have a minimum of seven working days to contact the sub-grantee to allow re-entry to complete work and/or the QC Inspection.
 - Consequence of not responding within the 7-day period: all warranty and liability associated with materials installed and work performed will be forfeited whereas the client

releases the State of Indiana, the Indiana Housing and Community Development Authority, and the Weatherization Administrator its agents and employees from any and all liability for losses, damages, costs, personal injury, death, or other claims because of or in relation to the installation, location, or malfunction of measures performed.

- Client's right to appeal the consequence in writing to IHCDCA within ten (10) business days of receipt of letter. A letter or email must be sent to IHCDCA, attention of the Director of Community Programs, 30 South Meridian Street, Suite 900, Indianapolis IN, 46204.
- The request should detail the specific circumstances related to the issue and why access to the unit has been denied or is unavailable.
- All appropriate documentation, including communication with the client, should be included with the request.

Units approved for a Provisional Closeout will not be allowed to be counted as a completion. However, costs can be spread across grant completions and claimed to IHCDCA. IHCDCA will respond in writing to approve or deny the request for a Provisional Closeout or to request additional information. Until the written approval from IHCDCA is received, final claims cannot be submitted for the unit.

Client Refusal to Sign

Units that have had a QCI conducted but the client refuses to sign off on the work, the unit can be counted as a completion upon approval by IHCDCA. In order for IHCDCA to consider the unit a completion, sub-grantees must send the entire client file with personal identifying information (PII) redacted and a detailed explanation regarding client refusal to sign to jwx@ihcda.in.gov. It is recommended that Weatherization sub-grantees, whenever possible, complete the QC inspection process on the last day that contractors or crews will be in the unit, as this eliminates the need to gain access to the unit after services have been rendered.

Failed Quality Control Inspection

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

Client Education

Providing client education is mandatory. The client education must include but is not limited to the education required in [WPN 22-7](#) and IHCDCA's State Plan for health and safety. Additionally, education about energy use and energy conservation must be shared with each household throughout the weatherization process. Materials can be found at [Intelligent Weatherization](#), [NASCS](#), and [EPA](#).

Fuel Switching

DOE allows the changing or converting of a furnace/appliance (water heater) using one fuel source to another on a limited, case-by-case basis only." [WPN-23.6](#). Sub-grantees interested or needing to perform a fuel switch for furnaces or water heaters must request permission from IHCDCA's Community Programs Weatherization Team Lead. Each request must be submitted via e-mail and contain thorough documentation explaining why the fuel switch is deemed necessary. The fuel switch and subsequent work on the unit cannot take place until written approval is issued by IHCDCA. IHCDCA's response must be placed in the client file for future reference, whether the request was approved or not. IHCDCA will not assess the request for fuel switching without the following information:

- The reason(s) the fuel switch is needed.
- The current fuel source.
- The new or different fuel source
- CAZ testing results
- Draft testing results where applicable and digital photographs where possible
 - NEAT/MHEA/MuTEA run.

When utilizing DOE funding on the project the sub-grantees must follow normal audit procedures, which includes proving the unit will not call as an ECM (refer to NEAT/MHEA/MuTEA manual for details). The

requirements outlined above apply to both DOE and LIHEAP funded Weatherization units. All fuel switches require approval from DOE and IHCD. Any fuel switch using DOE funding will need to follow DOE rules for approval from IHCD and DOE, any other funding source used for fuel switches requires approval from IHCD. If a subgrantee determines the need to install a heat pump, as a fuel switch or otherwise, outside of DOE's SWS "energy star certified or equivalent" rating, they may do so with funding other than DOE with approval from IHCD. For those wishing to utilize ERR under the EAP program, please refer to the following EAP ERR policy.

Emergency Repair and Replace (ERR) - EAP

Furnace or Wood Stove Emergency Repair and Replacement (ERR)

Use of Emergency Repair and Replace funds are funded directly by EAP. All repair and replacement of furnaces and wood stoves must follow EAP guidelines and be determined an emergency. It is strongly encouraged that contractors working on behalf of the sub-grantee report the need for ERR funds to the agency for determination of eligibility. More information on EAP's ERR offerings can be found at the subgrantee administering the program or through the policy [here on page 73](#).

4.3 Weatherization Priority List Policy

The Energy Auditor may decide for each job whether the subgrantee will utilize the Priority List (PL) as outlined or conduct a site-specific energy audit using NEAT/MHEA. Any job utilizing these PLs with any DOE funds must install all required Health and Safety (H&S) measures per the DOE-approved H&S plan. If the PL is applied to a project using any DOE funds, then any measure listed as "mandatory" may only be skipped if it is physically impossible to install, regardless of funding source used for the measure. If another funding source is used for a mandatory measure, it must meet the requirements of the DOE WAP as outlined in the PL. "Optional" measures may only be installed if all other applicable mandatory measures are installed as well per (applicable measures are any measure, as defined by [WPN 22-8](#), that are included on the regional priority list that can be physically installed and does not already exist).

Any measure deemed not to be "applicable" for the project must be documented, including photos and reason for exclusion. If a measure is deemed inaccessible when Weatherization professionals cannot physically reach location to meet full specifications of the measure due to physical obstruction or unavailability to make site alterations due to logistical or safety constraints. If a measure is deemed inaccessible, then an interim inspection must be held, and photographic evidence and documentation must be retained should the interim inspection consider the measure inaccessible. Not meeting targets are considered questioned costs in Program Monitoring. Questioned costs are clarified with the sub-grantee. When a cost is deemed unallowable, they will be required to be returned or removed from DOE funding. Questioned costs are subject to additional review.

All jobs utilizing a priority list must follow the guidelines for final inspection. The Program State monitor evaluates the measures performed from the priority list. The Program Monitor's review includes fuel cost, the client file, measures cost against the current pricelist, setpoints, lifetime of the measures, and that the proper measures are checked "active" as required. The Program Monitor must assure that the required SWS is upheld, that all mandatory measures of the Priority List are treated as major measures per [WPN 23-6](#)

If the auditor determines that the home needs any energy conservation measure not included on this PL or if the home does not meet the basic requirements listed below, then a site-specific energy audit must be run in compliance with IHCD's most recently DOE-approved energy audit procedures: NEAT/MHEA/MuTEA run and required *Appendix I - Work Order Cover Sheet - NEAT-MHEA Cover*. Please refer to Section 2.2 Building Eligibility and documentation of this manual. ACPU expenditure of financial assistance provided under WAP for labor, weatherization materials, and related matters cannot exceed the Average Cost Per Unit (ACPU) limits. All installation costs must be procured in compliance with 2 CFR 200 and IHCD's procurement policies. Individual measure cost caps, if applicable, are detailed in the applicable regional Priority List.

The following policies outline optional and mandatory measures. Each of the required forms are required to be completed and retained for record. All jobs utilizing a Priority List must also have completed required forms for monitoring and compliance found [here](#). All jobs utilizing a Priority List must complete the associated checklists Form A (Region 3 Checklist), Form C (Combustion), and Form H (H&S) for the appropriate housing type found at the links below:

- [Site-Built Single-Family Priority List Checklists](#)
- [Manufactured Priority List Checklists](#)
- [Low-Rise Multifamily Priority List Checklists](#)

Single-Family Site-Built PL Policy

To qualify use of the PL on Single-family site-built home, the following must be satisfied:

1. No more than 3 stories in height above grade.
2. Primary heating system is NOT:
 - a. a sealed-combustion natural gas furnace originally rated greater than, or equal to, 90% AFUE.
 - b. a heat pump manufactured after 2006.
3. Job will not exceed **\$500** in incidental repairs meeting the definition outlined in WAP WPN 19-5

Region 3 List of Measures:

1. Mandatory: Install all applicable Health and Safety (H&S) measures per the IHCD's DOE-approved H&S Plan.
2. Mandatory: Light Emitting Diode (LED) lighting replacement of all existing screw-based incandescent, halogen, or compact fluorescent lighting used for a minimum of one hour per day.
 - o [Lighting Replacement SWS](#) (Field Guide Section 10.3; page 341)
3. Mandatory: Air Sealing – seal the exterior pressure boundary surfaces at all the following locations: attic top-plates; ceiling, wall, and floor bypasses, penetrations, and holes; sill box to floor intersection if on unconditioned crawlspace or basement, or entire sill box area if conditioned foundation.
 - a. Target value is 1 cfm/ft² of conditioned floor area.
 - o [Air sealing SWS](#)
4. Mandatory: Duct Sealing – seal all accessible ducts located outside the thermal boundary.
 - o Target value is 1 Pascal per register as measured with a Pressure Pan.
 - o [Duct sealing SWS](#)
5. Mandatory: Ceiling insulation
 - o Unconditioned Attic
 - i. Mandatory: insulate all accessible attics to R-60 or to capacity if less.
 - o [Attic Floors - Unconditioned Attics SWS](#)
 - ii. Mandatory: insulate all uninsulated enclosed attics to capacity (e.g., floored or cathedral).
 - o [Attic Floors - Unconditioned Attics SWS](#)
 - o Finished Attic / Knee wall Attic / Bonus Room
 - i. Mandatory: Insulate all attic flats (collar beam & outer ceiling joists) to R-60 or to capacity if less.
 - o [Attic Floors - Unconditioned Attics SWS](#)
 - ii. Mandatory: Insulate all uninsulated attic enclosed roof rafter slopes to maximum capacity possible.
 - o [Inaccessible Ceilings – Dense Pack SWS](#)
 - iii. Mandatory: Insulate all uninsulated knee walls to R-15 or to capacity, whichever is greater.
 - o [Attic Knee Walls SWS](#)
7. Mandatory: Wall Insulation
 - a. Mandatory: Insulate any exterior wall cavity with no existing insulation to full dense-packed capacity.
 - b. Optional: Insulate any partially insulated exterior wall cavities (e.g., 3.5" cavity with 2" of existing batt) using dense-pack insulation.
 - o [Dense Pack Insulation SWS](#)

8. Mandatory: Foundation Insulation – (skip measure if foundation is slab)
- a. Conditioned and Unvented Foundations
 - o Mandatory: Insulate accessible rim/band joist (sill box) to R-30 or to capacity, if less.
 - o Optional: Insulate accessible above-grade foundation walls to R-15 continuous insulation or R-19 cavity insulation or to capacity, if less.
 - o [Rim/Band Joist SWS](#), [Conditioned Subspaces: Walls SWS](#)
 - b. Unconditioned or Vented Foundations
 - o Mandatory: Insulate all floors over unconditioned foundations to R-30 or to full joist capacity, if less. Must include complete ground moisture barrier over any exposed dirt floors.
 - o [Floors SWS](#), [Ground Vapor Retarders SWS](#)
9. Optional: **\$250** per home DOE WAP funds cap
- o Faucet aerators should be less than, or equal to, 2.2 GPM – [Low-Flow Devices SWS](#)
 - o Showerhead should be less than, or equal to, 2.5 GPM - [Low-Flow Devices SWS](#)
 - o Domestic Water Heater (DWH) tank insulation (R-10 minimum) – [Tank Insulation SWS](#)
 - o DWH pipe insulation (6' of both hot and cold-water lines nearest the DWH, and any accessible hot water lines beyond that to R-3) – [Pipe Insulation SWS](#)
10. Optional: Replace up to (1) refrigerator per home, with a label rating of less than 400kWh/yr and maximum installed cost of **\$850** per unit when the existing refrigerator:
- o Was manufactured before 2001, OR
 - o Uses >1000 kWh/yr based upon energy use metering or industry accepted resource.
 - o [Refrigerator Replacement SWS](#)
11. Optional: Primary Heating and Air-Conditioning System Replacements
- o [Heating & Cooling: Equipment Installation SWS](#)
 - i) Replace existing ducted electric resistance forced-air furnace and air conditioning combination with a heat pump of minimum 8.5/HSPF2 & COP @5°F >1.75 (at maximum capacity operation) which includes an EC air handler motor and programmable thermostat (SWS 5.0108.1; SWS 5.0101.1).
 - ii) Replace existing combination of non-ducted fixed electric resistance heat (e.g., electric baseboard, and PTAC units), and non-ducted air conditioning (i.e., window or room A/C, including PTAC) with a minimum 10/HSPF2 & COP @5°F >1.75 (at maximum capacity operation) mini-split heat pump system which must include a programmable thermostat (SWS 5.0108.3; SWS 5.0101.1).
 - i) Replace existing ducted heat pump system that is manufactured before 2006 with a heat pump rated a minimum of 8.5/HSPF2 & COP @5°F >1.75 (at maximum capacity operation) which must include an EC air handler motor and programmable thermostat (SWS 5.0108.1; SWS 5.0101.1).
 - iii) Replace existing window A/C manufactured before 2014 with a minimum 12 CEER or higher unit of the same or lesser BTU capacity.
 - iv) If the home has any other existing combination of heating/cooling systems other than as described above, then an energy model may be run that assumes items 1-8 have been completed and determine if an alternative heating/cooling system replacement is cost effective for this specific home.

Manufactured Single-Wide or Double-Wide Homes PL Policy

To qualify use of the PL on manufactured single-wide or double-wide homes, the following must be satisfied:

1. Is manufactured before 2010.
2. Has an accessible unconditioned subspace.
3. Does NOT have an attached conditioned addition.
4. Primary heating system is NOT a natural gas furnace originally rated greater than, or equal to, 80% AFUE.
5. Job will not exceed **\$500** in incidental repairs meeting the definition outlined in WAP WPN 19-5.

Region 3 List of Measures

1. Mandatory: Install all applicable Health and Safety (H&S) measures per the IHCD's DOE-approved H&S Plan.
2. Mandatory: Light Emitting Diode (LED) lighting replacement of all existing screw-based incandescent, halogen, or compact fluorescent lighting used for a minimum of one hour per day.
 - o [Lighting Replacement SWS](#)
3. Mandatory: Air Sealing – seal the primary pressure boundary surfaces at the following locations: attic top-plates (if accessible); all penetrations and holes through the ceiling, exterior walls, and floor.
 - a. Target value is 1 cfm/ft² of conditioned floor area.
 - o [Air sealing SWS](#)
4. Mandatory: Duct Sealing – seal all accessible ducts. At a minimum, seal all end caps, crossovers, duct boot connections, holes or penetrations, and furnace connections.
 - a. Target value is 1 Pascal per register.
 - o [Duct sealing SWS](#)
5. Mandatory: Ceiling insulation (both flat and vaulted ceilings) – fill ceiling to R-60 or to capacity, whichever is less, with blown insulation.
 - o [Attic Floors – Unconditioned Attics SWS](#)
6. Mandatory: Floor/Belly Insulation – Fill all belly cavities to capacity and proper density (1.25-1.75 pounds per cubic foot) with blown insulation after air sealing floor and ducts.
 - a. [MH Belly Insulation SWS](#), [Ground Vapor Retarder SWS](#)
7. Mandatory: Replace all single-paned metal-framed windows with Low-E double-paned windows having a U-value of 0.33 or less. Single pane windows with storm windows are not eligible for replacement using DOE funds.
 - o [Window Replacement SWS](#)
8. Optional: **\$250** per home DOE WAP funds cap
 - a. Faucet aerators should be less than, or equal to, 2.2 GPM – [Low-Flow Devices SWS](#)
 - b. Showerhead should be less, than, or equal to, 2.5 GPM - [Low-Flow Devices SWS](#)
 - c. Domestic Water Heater (DWH) tank insulation (R-10) – [Tank Insulation SWS](#)
 - d. DWH pipe insulation (6' of both hot and cold-water lines nearest the DWH, and any accessible hot water lines beyond that to R-3.) – [Pipe Insulation SWS](#)
9. Optional: Replace up to (1) refrigerator per home, with a label rating of less than 400kWh/yr and maximum installed cost of **\$850** per unit when the existing refrigerator:
 - a. Was manufactured before 2001, OR
 - b. Uses >1000 kWh/yr based upon energy use metering or industry accepted resource.
 - o [Refrigerator and Freezer Replacement SWS](#)
10. Optional: Primary Heating and Air-Conditioning System Replacements
 - o [Heating & Cooling: Equipment Installation SWS](#)
 - i) Replace existing window A/C manufactured before 2014 with a 12 CEER or higher unit of the same or lesser BTU capacity.
 - ii) If the home has any other existing combination of heating/cooling systems other than as described above, then an energy model may be run that assumes items 1-7 have been completed and determine if an alternative heating/cooling system replacement is cost effective for this specific home.

Dwellings Not Eligible for Priority Lists

If a single-family site-built or manufactured home does meet the criteria to be eligible for the Preapproved Priority Lists or if it is determined additional measures are required which are not included on the Preapproved Priority Lists, a site-specific Energy Audit using the NEAT/MHEA software as approved by DOE is required.

Low-Rise Multifamily PL Policy

These PLs apply to any wood-framed low-rise multifamily structure that meets the following checklist:

1. Five or more dwelling units per building.
2. No more than 3 stories above grade in height.
3. Incidental Repair Measure (IRM) costs, as defined in WAP WPN 19-5, funded with DOE WAP funds will not exceed 10% of the project's total Energy Conservation Measure (ECM) package.

Region 3 List of Measures

1. Mandatory: Install all applicable Health and Safety (H&S) measures per the Grantee's DOE-approved H&S Plan.
2. Mandatory: Light Emitting Diode (LED) lighting replacement of all existing screw-based incandescent, halogen, or compact fluorescent lighting used for a minimum of one hour per day.
 - a. [Lighting Replacement SWS](#)
3. Mandatory: Air Sealing – seal the primary pressure boundary surfaces at the following locations: attic top-plates; attic ceiling; exterior wall, and floor penetrations, and holes; sill box to floor intersection if on unconditioned crawlspace or basement, or entire sill box area if conditioned foundation.
 - o [Air sealing SWS](#)
4. Mandatory: Duct Sealing – seal all accessible ducts located outside the thermal boundary.
 - o [Duct sealing SWS](#)
5. Mandatory: Duct Insulation – insulate all accessible uninsulated ducts located outside the thermal boundary to R-8 or R12 if exposed to the exterior.
 - o [General Duct insulation SWS](#)
6. Mandatory: Ceiling insulation – insulate all accessible attics to R-60 or to capacity if less.
 - o [Attic Floors - Unconditioned Attics SWS](#)
7. Mandatory: Wall Insulation
 - o Mandatory – where the total gross area of any uninsulated exterior wall is >10%, insulate the missing areas to capacity with dense pack insulation.
 - o Optional – Insulate any partially insulated exterior wall cavities (e.g., 3.5" cavity with 2" of existing batt) using dense-pack insulation.
 - [Dense Pack Insulation SWS](#)
8. Mandatory: Foundation Insulation – (skip measure if foundation is slab)
 - a. Conditioned and Unvented Foundations
 - i. o Mandatory: Insulate accessible rim/band joist (sill box) to R-30 or to capacity, if less.
 - ii. o Optional: Insulate accessible above-grade foundation walls to R-15 continuous insulation or R-19 cavity insulation or to capacity, if less.
 - iii. o [Rim/Band Joist SWS](#), [Conditioned Subspaces: Walls SWS](#)
 - b. Unconditioned or Vented Foundations
 - iv. o Mandatory: Insulate all floors over unconditioned foundations to R-30 or to full joist capacity, if less. Must include complete ground moisture barrier over any exposed dirt.
 - v. o [Floors SWS](#), [Ground Vapor Retarders SWS](#)
9. Optional: \$250 per dwelling unit DOE WAP funds cap
 - o Faucet aerators (≤ 2.2 GPM) – [Low-Flow Devices SWS](#)
 - o Showerhead (≤ 2.5 GPM) - [Low-Flow Devices SWS](#)
 - o Domestic Water Heater (DWH) tank insulation (R-10) – [Tank Insulation SWS](#)
 - o DWH pipe insulation (6' of both hot and cold-water lines nearest the DWH, and any accessible hot water lines beyond that to R-3) – [Pipe Insulation SWS](#)
10. Optional: Replace up to (1) refrigerator per dwelling unit, with a label rating of less than 400kWh/yr and maximum installed cost of \$850 per unit when the existing refrigerator:
 - o Was manufactured before 2001, OR
 - o Uses >1000 kWh/yr based upon energy use metering or industry accepted resource.
 - i. □ [Refrigerator and Freezer Replacement SWS](#)
11. Optional: LED lighting replacement of fluorescent tube lighting - [Lighting Replacement SWS](#)
12. Optional: Primary Heating and Air-Conditioning System Replacements
 - o [Heating & Cooling: Equipment Installation SWS](#)
 - i) Replace existing ducted electric resistance forced air furnace and air conditioning combination with a heat pump of minimum 8.5/HSPF2 & COP @5°F >1.75 (at maximum capacity operation) which includes an EC air handler motor and programmable thermostat (SWS 5.0108.1; SWS 5.0101.1).

- ii) Replace existing combination of non-ducted fixed electric resistance heat (e.g., electric baseboard, and PTAC units), and non-ducted air conditioning (i.e., window or room A/C, including PTAC) with a minimum 10/HSPF2 & COP @5°F >1.75 (at maximum capacity operation) mini-split heat pump system which must include a programmable thermostat (SWS 5.0108.3; SWS 5.0101.1).
- iii) Replace existing ducted heat pump system that is manufactured before 2006 with a heat pump rated a minimum of 8.5/HSPF2 & COP @5°F >1.75 (at maximum capacity operation) which must include an EC air handler motor and programmable thermostat (SWS 5.0108.1; SWS 5.0101.1).
- iv) Replace any existing window A/C system manufactured before 2014 with a new 12 CEER or higher unit.
- v) If the building has any other existing combination of heating/cooling systems other than as described above, then an energy model may be run in compliance with the Grantee's DOE-approved audit process which assumes items 1-8 have been completed and determine if an alternative heating/cooling system replacement is cost effective for this specific building.

Dwellings Not Eligible for Priority Lists

If a low-rise multifamily project does not meet the criteria to be eligible for the Preapproved Priority Lists or if it is determined additional measures are required which are not included on the Preapproved Priority Lists, a site-specific Energy Audit using the NEAT/MuLTEA software as approved by DOE is required.

4.4 Health & Safety

It is imperative to ensure that weatherization activities do not cause or exacerbate health and safety problems for workers and clients. The DOE-approved health and safety measures are undertaken to ensure that the pending weatherization work does not create dangerous living conditions for the client or Weatherization workers. Health and safety activities are remedied before, or because of, the installation of weatherization materials and must occur within reasonable cost boundaries that get the unit to a condition where weatherization work can move forward or be completed. See *Indiana Weatherization Field Guide*, *Indiana Weatherization Health & Safety State Plan*, SWS, [WPN 22-7](#), [10 CFR 440](#). When Weatherization work is performed in a unit where children, under the age of 18, are present, a responsible adult must be present at all times. This policy is for the safety of the clients and Weatherization professionals.

4.5 Deferral Standards

Although a client may meet eligibility requirements for weatherization, the sub-grantee may defer the unit for weatherization services as a result of the unit not being suitable for weatherization services. A deferral may occur due to problems that are beyond the scope of weatherization such as condition of the structure, area is slated for redevelopment or health and safety reasons. Deferrals can take place during any phase of the weatherization process. This includes, but is not limited to the following:

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

A Deferral, as such, is defined as an eligible application that does not meet the requirements to be weatherized. There are two types of deferrals: 1) Deferred homes Weatherized; 2) Deferred homes not Weatherized. Of these two types of homes, it is pertinent to track the totals and determine the rate at which they occur in the program to derive the following defined rates:

- $\text{Deferred Non-Weatherizable Rate} = \text{Number of homes deferred and not Weatherized} \div \text{number of total inspections}$
- $\text{Deferral Completions Rate} = \text{Number of homes deferred and Weatherized after remediation} \div \text{number of total completions}$

- Total Deferral Rate = Number of homes deferred ÷ number of inspections

Subgrantees are required to report deferrals on a monthly basis in order to track the three rates above.

A pre-audit inspector, energy auditor, HVAC professional, Crew Leader, Quality Control Inspector have the authority to recommend deferral to the Program Manager. All deferral initiations must be reported to the Program Manager. Any time a unit visit is conducted that results in a deferral, a formal written deferral letter, as described below, must be submitted to the client. All Weatherization work must be postponed until the deferral issues have been remedied by the client and/or by an alternate funding source. Below is a non-comprehensive list of possible justification for deferral:

- Client refuses a Health and Safety Measure
- Client refuses a Major Measure, as described in Attachment 8 of [WPN 23-6](#)
 - A Major Measure is a high priority measure, which if skipped, would result in “partial” Weatherization of a unit. Major Measures are as follows: air sealing, duct sealing outside the thermal boundary, thermal boundary insulation (attic, wall, floor or belly, foundation, sill, etc.)
- Client or client family/friends in the unit are uncooperative, abusive, threatening, engaged in illegal activities
- Signs of illegal activities in the unit, i.e.: hypodermic needles, drug paraphernalia, unsecured firearms and/or weapons, etc.
- Moisture issues
- Raw sewage or other sanitary issues
- Pests, insects, vermin, and/or rodents
- Unit is for sale, foreclosed, and/or owner will not be residing in the unit throughout the weatherization process
- Applicant is deceased
- Lead based paint conditions that could endanger the health of the occupants or workers.
- Unit has been condemned
- Unit has structures issues that could endanger the occupants or workers.
- Unit is under construction or being remodeled
- Application parameters do not reflect current household
- All other conditions that could endanger or compromise the well-being of the occupants and/or Weatherization professionals

At any point when a unit is deferred, the client must be provided with written notification of the deferral within 10 business days. The written notice must be in compliance with [WPN 22-7](#) and IHEDA State Plan. A copy of the written notification of deferral to the client must be placed in the client file. The client must also be given a copy of the signed and dated Moisture Assessment form. A copy of this form must also be in the client file. For each deferral issue within the unit, there must be a meaningful corresponding photograph of the issue(s) in the client file. The deferral notification to the client must include the instructions for pursuing an appeal to the deferral. This appeal must follow established protocol outlined in the Appeals Procedure section of this manual. The deferral notification must be sent to the client in writing and must include the following:

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

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

- Meaningful photographs of the cause(s) for deferral

- Moisture Assessment Form
- Documentation of client education as required per [WPN 22-7](#)
- Client Health Screening, when applicable
- Concise timeline beginning with approved application date, date of pre-audit (when applicable) date of audit, date of HVAC, date of SHELL, date all deferrals.
- Justification stating the reason work could not be completed in a timely manner.
- All other documentation as requested by IHCD

The costs associated with deferring a unit are allowable expenses under Base Program Operations, Health & Safety and/or LIHEAP. Following all current funding grant rules, sub-grantees must document on the deferred invoice that the charge was for a deferred unit, and it not attributed to any particular completion. All costs must be reported in IWAP.

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

- U.S. Department of Housing and Urban Development (HUD) - HOME Program
- HUD - Community Development Block Grant
- U.S. Department of Health and Human Services - Community Services Block Grant
- U.S. Department of Agriculture - Rural Economic Community Development
- State-funded housing and rehabilitation programs
- Low-income program funds provided by local utilities
- City-funded housing and rehabilitation programs
- Donations or financial participation from landlords
- Donations from local churches or community groups
- State Deferral funds as outlined in Section 10
- Emergency Repair and Replace – Energy Assistance Program (EAP)

4.6 Rental Procedures

The benefits of weatherization to occupants of rental units are the same as homeowners per [10 CFR 440.22\(b\)\(3\)](#). As defined by [10 CFR 440.3](#), a rental unit is a unit occupied by a person who pays rent for the use of the unit. Sub-grantees must have the following policy and procedures in place before proceeding with weatherization of a rental unit:

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

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

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

- For a one-year period after weatherization work on the unit is completed, rent cannot be increased, unless the increase is not related to weatherization services performed, as noted in [10 CFR 440.22\(b\)\(3\)\(ii\)](#)
- Landlord and/or other contributions shall be expended in accordance with the agreement between the landlord and the weatherization sub-grantee, as noted in [10 CFR 440.22\(d\)](#)
- Written permission from the owner, or his/her legal agent

Landlord contributions are not to be counted as program income and must be applied to the weatherized unit. Agencies that require landlord contributions must use a net system when charging weatherization. As an example, if the cost of the work is \$4,000.00, and the landlord contributes 50%, or \$2,000.00, weatherization may be charged for only the remaining \$2,000.00.

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

The primary purpose of the weatherization program is to lower the total residential energy expenditures of low-income persons. Sub-grantees are to ensure that no undue enhancement shall occur to increase the value of the units, as noted in [10 CFR 440.22\(b\)\(3\)\(iv\)](#). Undue enhancement is defined by DOE as any improvement to the property that goes beyond the scope of energy conservation work.

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

4.7 Refrigerator/DSM Programs

Refrigerators are allowed to be replaced using LIHEAP Capital Intensive, LIHEAP Support and DOE and BIL Base funds. The replacement of a refrigerator must be evaluated in the NEAT/HEA audit if it is justified as an ECM measure, installation should take place. If a refrigerator is not installed the reason must be documented in the client's file.

The following must be recorded in the client's file:

- Photo of original refrigerator, data plate, and cubic feet storage volume
- Photo of new refrigerator, data plates, and cubic feet storage volume
- Photo of the meter reading or document the use of the [Refrigerator and Freezer Database](#)

The following standards must be met:

- Cubic feet volume may not be increased
- Features may not be upgraded
- Must fit existing space of old refrigerator
- No replacement of freezer units only
- Must be Energy Star
- Must have SIR of 1 or greater
- Must be run through NEAT/MHEA/MuITEA
- Can be a downgrade in cubic feet volume size if client agrees to such. (The estimated average cubic feet volume needed per person is 4-6 cf, so a four-person family would typically need 16-24 cf refrigerator)
- Must be disposed of in compliance with EPA standards

4.8 Rework Policy

Sub-grantees may not charge the WAP for additional work on units that have already been reported to DOE as completed, weatherized units. Once a unit is reported to DOE as complete, the required Quality Control Inspection indicates that all applicable work performed was done so in a workmanlike manner,

including all work that may have been contracted. Performing activities such as routine maintenance, repairs, or warranty-type work is not permitted using DOE funds.

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

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

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

All warranties must be in compliance with the SWS/DOE requirements. Sub-grantees must ensure occupants are aware of the warranty and maintenance agreement options from the manufacturer.

Any defects caused by improperly performed Weatherization measures found within the warranty period shall be remedied without charge and within a reasonable period. If there are questions or disagreements regarding whether a defect was caused by improperly performed Weatherization measures, the sub-grantee is advised to request assistance from a neutral third party which could include a third party QCI who did not perform the quality inspection, IHCD State staff, contracted monitors, or INCAA staff.

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

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

4.9 Lead-Safe Work Practices

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

- Sub-grantees staff and contractors must follow EPA Lead: Renovations, Repair and Painting Program (RRP) when working in pre-1978 housing unless testing confirms the work area to be lead free.
- Deferral is required when the extent and condition of lead-based paint in the unit would potentially create further H&S hazards.
- Only those costs directly associated with the testing and lead safe practices for surfaces directly disturbed during weatherization activities are allowable.
- Documentation in the client file must include:
 - Certified Renovator certifications
 - EPA firm certification
 - OTJ training for employees who are not the CR
 - Lead testing report completed by designated XRF handler
 - Client signed document verifying receipt of the EPA Renovate Right within 60 days of the start of the work
 - EPA compliant record keeping checklist
 - Photographs of lead safe work practices must include all tasks required on the Sample Renovations Recordkeeping Checklist

- Testing to determine the presence of lead in paint that will be disturbed by WAP measure installation is allowed with EPA-approved testing methods
- Jobsite set-up and cleaning verification by a Certified Renovator is required
- All employees and contractors working on pre-1978 units must receive training to install measures in a lead-safe manner in accordance with the EPA and [WPN 22-7](#) protocols and installation must be overseen by an EPA Certified Renovator

IHCDA monitoring will verify sub-grantees are utilizing proper lead safe protocols and will verify each sub-grantee and subcontractor maintain training for the X-Ray Fluorescence Spectrometer (XRF) analyzer for resourcing and leak testing.

Testing for Lead,

All units built pre-1978 are required to be tested for the presence of lead prior to any work commencing, including work completed with deferral funds. Each sub-grantee has at least one XRF analyzer. Resourcing or purchasing an XRF is not an allowable DOE funded cost. The cost of purchasing a new XRF or Resourcing an existing XRF in which the cost exceeds \$5,000.00 requires written permission from IHCDA prior to the expenditure. In the event the sub-grantee XRF is out of commission, contact INCAA for coordination of a temporary loaner XRF. **Each sub-grantee must have at least one designated staff member who is trained and refreshed annually at either INCAA's SATT or CMR on use and handling of the XRF Analyzer. Weatherization Managers are free to allow the XRF designee to train their employees on use and handling of the XRF gun. Weatherization managers are encouraged to be the designated XRF Analyzer who will attend the annual trainings yet may assign a designee user of the XRF analyzer in place of themselves (who will also be obliged to attend required trainings and refreshers). A subgrantee wishing to provide further training for Lead Safe Weatherization may allocate T&TA funds for EMI's Lead Risk Assessor and/or Inspector's courses (or other training providers contingent on IHCDA approval), although it is not mandatory.**

It is required Weatherization manager or XRF Analyzer Designee prepare a compliant report and that a copy of this report be placed in the client file. In the event a contractor is completing work in this unit, the contractor must also be forwarded a copy of the Lead Inspection report. In the event that weatherization professionals are working in the unit, and they are required to disturb an area of the unit which has not been tested by XRF Analysis, a RRP Certified Lead Renovator may utilize an EPA approved lead test kit to determine if lead is present in the area to be disturbed. See EPA's [Lead Test Kits](#). All users of the XRF analyzer and RRP Certified Lead Renovators must follow all regulations, guidelines, and laws set forth for their particular certification. At a minimum, IHCDA requires the following information for a Lead Inspection report:

- Year the unit was built.
- XRF Trained handler.
- Property address.
- Name of Lead Inspector.
- The instrument used for lead testing.
- Serial number of the instrument.
- Description of areas tested.
- XRF report (must include calibrations).

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

- Conduct set up to prevent lead dust from contaminating the work area.
- Wet/moisten the surface area being disturbed.
- Limit access to the area where paint is being disturbed.
- Ensure that all appropriate personal protective equipment is utilized.

- Conduct necessary work.
- Ensure proper disposal of trash and material is removed from the job site.
- Provide photo of proof of using wet methods and appropriate set up.

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

- Obtain and maintain Lead Safe Certified Firm status through the EPA. This must be renewed every five years. Sub-grantees may check their status through EPA's [Lead Renovation/ Abatement Firm Certification Application or Update](#). All certifications will be verified during the annual monitoring process.
- An EPA approved Certified Renovator (RRP) must present during lead safe set up, must be readily available via in person, via telephone, or via email throughout the duration of the project; and be present at the completion of the project.
- The EPA RRP Certified Renovator must provide a completed Renovator Checklist to the sub-grantee Weatherization Program Manager or the manager's designee.
- Provide meaningful photographs documenting all points of EPA leaded requirements.
- Follow all requirements set forth by the EPA and all other Authority Having Jurisdiction (AHJ)
- Obtain confirmation of receipt (*Appendix H - Client Consent Form – 2024*) of the EPA-Renovate Right lead pamphlet from the owner, adult representative, or occupants (as applicable), or a certificate of mailing from the United State Postal Service (USPS) for all units built prior to 1978.
- Ensure documentation that the required EPA education and documents have been provided to unit owner and applicable occupants.
- Adhere to IHCD "We Care About Lead" policy.
- Attend the Lead Safe Weatherization course held at INCAA.
- Must use an EPA approved lead test or an XRF lead paint analyzer.
- Only devices with a posted PCS may be used for lead paint inspections. If you use an XRF without a current PCS or do not follow the requirements of the PCS, the work will be considered invalid and the work will have to be re-done. To obtain the appropriate XRF Performance Characteristic Sheet, contact the National Lead Information Center Clearinghouse (1-800-424-LEAD)
- Ensure the program recordkeeping requirements are met, including retaining the following for a minimum of 3 years:
 - **Lead Inspection report** certifying lead-based paint is or is not present.
 - Records confirming distribution of EPA's lead hazard information pamphlet "[Renovate Right](#)" before starting renovation work for sample document.
 - Documentation of compliance with the requirements of the EPA when there is disturbance of lead paint at the unit. See EPA's [Sample Checklist](#).

Sub-grantee staff and contractors working in weatherization units are trained on how to adhere to safe work practices ensuring adherence to the following, but not limited to, EPA, OSHA, [29 CFR 1910](#) and [29 CFR 1926](#). Sub-grantee must ensure weatherization staff are provided with and trained on the use of appropriate Personal Protective Equipment (PPE) per appropriate OSHA and CFRs regulations/laws as applicable. Sub-grantees performing weatherization services are encouraged to obtain Pollution Occurrence Insurance. The policy cannot exclude lead if DOE funds are used to purchase the policy. If Grantees or Subgrantees do not obtain POI coverage and damage occurs or there is disturbance to any other environmental pollutants, the cost of remediation, clean up, relocation, medical expenses, or any other resulting costs may not be charged to DOE Weatherization and must be covered by another funding source.

Sub-grantees are required to ensure new weatherization employees are trained on lead safe work practices and provided with proper PPE, at minimum, within the first **9 months and 45** days months of employment to protect employees from the hazards of lead during weatherization work. Sub-grantee weatherization professionals may not engage in lead renovation activities until they receive proper training and PPE. It is highly recommended that all Program Managers and Executive Directors attend training related to lead and applicable PPE to ensure a minimum level of liability compliance understanding for the sub-grantee.

Renovator Certification

To become a certified renovator an individual must successfully complete an eight-hour initial renovator training course offered by an accredited training provider (training providers are accredited by EPA; or by an authorized state or tribal program). The course completion certificate serves as proof of certification. A refresher training for recertification is required every 5 years. Each sub-grantee is required to have at least one EPA RRP Certified Lead Renovator on staff at all times. It is required by the EPA that “anyone who is paid to perform work that disturbs paint in housing and child-occupied facilities built before 1978 must be certified”. This includes all firms, even sole proprietorships and special trade contractors including electricians, plumbers, painters, and carpenters.

The designated RRP Certified Lead Renovator must follow all lead requirements set forth by the EPA. The position of RRP Certified Lead Renovator is a position which requires one who is competent to act in a leadership role, as well as one who is thorough and diligent with regard to ensuring the physical, photographic, and paper documentation compliance requirements are met. This is to ensure the safety of weatherization professionals, unit occupants, and also for the liability protection of the sub-grantee.

4.10 Blower Door Guidance

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

- If ACH50 is less than 11, the blower door reduction goal is 15%
- If ACH50 is 11-17, the blower door reduction goal is 25%
- If ACH50 is 18-22, the blower door reduction goal is 35%
- If ACH50 is greater than 22, the blower door reduction goal is 40%

EXAMPLE: A house has a blower door reading of 1550 cfm. The volume of the unit is 7,840 cubic feet. To calculate the ACH50, use the formula below:

$$\text{ACH50} = \frac{\text{CFM50} \times (60 \text{ minutes/hour})}{\text{volume of unit}}$$
$$\text{ACH50} = \frac{1550 \times 60}{7840} = 11.86 \text{ (round to 12)}$$

So, for this house, the target blower door reduction is 25%. To calculate the target blower door number, use the formula below:

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

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

4.11 State Average Propane Costs

IHCDA follows the following [link](#) to obtain EIA's state of Indiana annual propane average price. Subgrantees are advised to use the following annual average when it is cost advantageous to the specific cost of the propane purchase in energy modelling software. Subgrantees may utilize either supplier prices or the annual propane average derived from the state averages between the weeks of with the dates of 10/03 to 03/27 before the program year starting on April 1st. IHCDA will publish guidance on the start of each program year the dollar amount of the propane average. This value must be updated to subgrantee data libraries annually. IHCDA will continue to evaluate the efficacy of utilizing this average and averages of other fuel costs.

Section 5: Budgets & Claims

5.1 Budget Forms

The Weatherization sub-grantee must complete and submit a budget form to IHCD for each funding source at the start of their respective program years. Any sub-grantee that does not have approved budgets by the start of the program will not be able to make claims until the budget has been received and processed by IHCD. The budget form should be used to assist the Weatherization Manager in planning production and spending benchmarks for the grant period. Only jobs that are closed out will be counted as part of a sub-grantee's benchmark. Subgrantees have 15 days to close jobs after each month for it to contribute towards a sub-grantee's benchmark.

Budget forms are emailed to all Weatherization Managers at the beginning of each program year. They are also uploaded on the [Wx Website](#) for Weatherization Managers to access on a regular basis. Specific Program Budget Forms can be found in the **Appendix C Budget Form series**. The Weatherization Manager and Executive Director (or designee) are required to review and sign all budget forms submitted with grant agreements and amendments. All budget forms should be submitted to iwx@ihcda.in.gov for processing.

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

5.2 Budget Modification Forms

A budget modification form must be submitted to IHCD via iwx@ihcda.in.gov to adjust line-item allocations or production benchmarks. The budget modification form is the same form as the budget form found in the **Appendix C Budget Form series**. The initial budget form submitted with a grant agreement or amendment is not considered a modification. The Weatherization Manager and Executive Director (or designee) are required to review and sign all budget modifications. Updates will be made to the sub-grantee's budget in [IHCDOnline](#) for claims once all signatures are secured and the budget is reviewed and approved by IHCD.

5.3 Program Reinvestments

Program reinvestments are any program income earned by sub-grantees from non-Federal sources while performing Weatherization work. It is required that any funds earned from activities supported by a grant or sub-grant must be recorded as program reinvestments.

Sources of funds to be recorded include but are not limited to:

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

These funds should be used in the weatherization program in accordance with DOE rules. These funds are required to be utilized within twelve months of when they were earned.

Property owner (i.e., landlord) contributions are NOT considered program reinvestments, contributions from landlords must be utilized in the landlord's unit. For additional details, see Section 11.

DOE Program Income

DOE program income is subject to specific guidance provided in [2 CFR 200.307](#). The amount of program income received must be detailed by the Sub-grantee on the funding source Closeout Form. **Program income and co-funded funding sources can be used as leveraged funding in the Weatherization Assistance Program. This allows for braided program income, LIHEAP, and utility rebates to be co-funded per [WPN 22-9](#) where leveraged funds can be utilized to allow for installation measures that do not have**

an SIR of 1 or greater regardless of housing type. Co-funding can allow for measures that do not have an SIR of 1 or greater prior to co-funding to be determined an ECM.

- Example: A heat pump water heater replacement costs \$1,800. DOE's eligible 6 Weatherization Assistance Program 22-9 investment to replace the heat pump water heater (and to meet the SIR of 1.0) is \$1,440. With available funding via the local utility, the difference (\$360) can be used to co-fund the replacement. Each funding source is charged accordingly, and the breakdown of funding must be included in the client file.

5.4 Closeout Form

The Weatherization sub-grantee must complete and submit a closeout form to IHCD for each funding source at the end of their respective program years. Closeout forms are emailed to all Weatherization Managers at the end of each program year. They are also uploaded on the [Wx Website](#) for Weatherization Managers to access on a regular basis. Specific Program Closeout Forms can be found in the **Appendix D Closeout Form series**. The Weatherization Manager and Executive Director (or designee) are required to review and sign all closeout forms submitted with grant agreements and amendments. All budget forms should be submitted to iwx@ihcda.in.gov for processing.

5.5 Closeout Report

The Closeout Report is made up of 4 forms processed and submitted by the sub-grantee to IHCD. It is the responsibility of the sub-grantee Weatherization Manager to ensure that all forms and reports are accurate and correct before submitting the Closeout Report to IHCD. All closeout reports should be submitted to iwx@ihcda.in.gov for processing. Closeout Reports will not be considered completed if the claims or units reported does not match across claims on [IHCDOnline](#) or unit completion reports on [IWAP](#).

The 4 forms that make up the Closeout Report are:

- **Closeout Form**
- **Quarterly Reports**
 - All 4 Regular Grant Non-reweatherized Quarterly Reports
 - All 4 Regular Grant Reweatherized Quarterly Reports (*if applicable*)
 - All 4 Carryover Non-reweatherized Quarterly Reports (*if applicable*)
 - All 4 Carryover Grant Reweatherized Quarterly Reports (*if applicable*)
- **Job Expense Reports**
 - Regular Grant Job Expense Report
 - Carryover Job Expense Report (*if applicable*)
- **IHCD Approvals and Waivers for Equipment and Supplies**

5.6 Closeout Process

Closeout Schedule

IHCD will supply Weatherization Managers with the closeout form prior to the end of the current Program Year. The Closeout Report process begins on the first day of the new Program Year. The closeout process lasts 45 days after which the sub-grantee is expected to have completed all processing and reporting of the report. Sub-grantees that submit their closeout report after 45 days will be considered late. The closeout process takes on the following schedule at the end of the Program Year:

- Day 0: Program Year ends. IHCD emails closeout forms
- Day 1: Closeout Process begins.
- Day 30: Rough drafts of the Closeout Report are due. Sub-grantees may also submit an update via email to iwx@ihcda.in.gov of their progress in lieu of the closeout report.
- Day 45: Final drafts of the Closeout Report are due. Closeout Reports submitted after Day 45 or submitted with incorrect/inconsistent claims/data may be considered late and may show up on Monitoring Reports

Closeout Claims and Unit Reporting

Any errors or issues found in the Quarterly Reports, Job Expense Reports, or IHCDOnline claims must be resolved or reported to IHCD prior to Day 45 of Closeout. Closeout Reports will not be accepted if the claims do not match between the Closeout Form and IHCDOnline claims. Closeout Reports will also not be accepted if the unit completions do not match across the Closeout Form, Quarterly Report, and Job Expense Report.

If system errors occur that prevent IHCDOnline or IWAP for producing the correct reports, it is the responsibility of the sub-grantee to report these to IHCD. Sub-grantees who do not report issues or turn in Closeout Reports with the issues will not be considered closed out and may be considered late after 45 days.

Closeout Reports must accurately reflect the total dollars claimed for each line item after the final claim has been paid by IHCD. Closeout Reports must also accurately reflect the total unit completions after the final unit has been reported. Sub-grantees are required to submit Closeout Reports that meet all program requirements to IHCD by the due date.

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

Sub-grantees should inform IHCD of any repayment claims, adjustment claims, or return of funds that are being processed during the closeout period. Return of Funds should be notated in the provided section and appropriate line item of the Closeout Form. Closeout Reports that show that a sub-grantee is over on a percentage cap or ACPU will not be considered complete, and the sub-grantee may be considered late if the processing to estimate a return of funds exceeds the 45-day closeout period.

IHCD may **reject** Closeout Reports for the following (but not limited to) reasons:

- IHCDOnline Claims and Closeout Form's PY Budget do not match.
- IHCDOnline Claims and Closeout Form's PY Expended do not match.
- Closeout Form shows sub-grantee is over on an expenditure limit (percentage cap 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.
- Closeout Form, Quarterly Report and Job Expense Report do not match in units completed.

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

Unit Completion Bridging

Unit Completion Bridging refers to the same unit being worked on across two different Program Years of the same funding source. Only LIHEAP jobs are eligible to bridge across Program Years, because only the LIHEAP Health & Safety work would occur before any DOE or BIL work. LIHEAP jobs must braid with DOE or BIL to be eligible to bridge, meaning that LIHEAP Capital Intensive jobs cannot be bridged.

The LIHEAP Support portion of the job must be complete and QCI'd by September 30. Only DOE Base or BIL Base work may be completed after September 30. Jobs braided with DOE must be completed and QCI'd by March 31. Jobs braided with BIL must be completed and QCI'd by June 30.

On the Closeout Form, sub-grantees must indicate how many units were bridged using the “Bridged Units” section. This will provide an accurate detail of how many units were completed using LIHEAP funds. The number of unbridged LIHEAP Support units plus the number of bridged LIHEAP support units must match the total completions found in the Job Expense Reports and Quarterly Reports. The Closeout Report will not be considered complete if this is not correct.

5.7 Claims

Sub-grantees shall submit properly completed claims and backup documentation to IHCD A every **30** days for reimbursement of costs incurred during the prior month. Claims submitted towards Administrative, Base, Health and Safety, Mechanical or Capital Intensive must be supported by job costs entered in IWAP. All claims and backup documentation (i.e.: timesheets and invoices) must be submitted online to IHCD A’s [Authority Online](#). See Section 5.7.

Sub-grantees may claim only incurred (accrued/obligated) material expenses. This is intended as “just in time” funding. Only material expenses that are expected to be due within ten days of the receipt of the claim may be submitted to IHCD A. No subcontractor of a sub-grantee shall be paid for labor costs until such time as the sub-grantee has inspected the work and has determined that such work has been performed in a satisfactory manner. All final claims and closeout reports must be submitted to IHCD A within 45 days of the end of the program year or IHCD A may deny payment. Sub-grantees must liquidate all outstanding obligations properly incurred during the term of the agreement no later than **45** days after the termination of the program year.

IHCD A’s Weatherization grants are considered reimbursement grants. Therefore, claims and cost allocations can only be submitted for grants where Weatherization work is being performed. All claims processed through IHCD A Online are required to have certain supporting documentation included with the request for reimbursement. Those items include:

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

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

See Appendix AA for more claims information.

5.8 Original Signatures

The following is a guide indicating when a Weatherization form requires original signatures. E-Signatures will now be accepted for:

- Grant Agreements
- Amendments
- Budgets

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

For all forms and agreements, the signature must be one of the sub-grantee's "Authorized Signatures" as notarized and approved on IHEDA Authorized Signature Form. If the person approved as the Sub-grantee's authorized signature leaves or becomes ineligible to represent the organization, a new form must be submitted and approved before the person's signature can be accepted and the form is processed. The required retention period as outlined in [2 CFR 200.334](#) requires that financial and programmatic records, supporting documents and statistical records must be retained for three years after the last expenditure report is submitted.

5.9 IHEDAOnline Claims System

Find the claims system at [IHEDA Online](#). All claims for weatherization funding sources (LIHEAP and DOE) must be entered and submitted online. Each sub-grantee must have at least one person authorized to use the online claims system. Additional staff may request at IHEDA's [Authority Online](#). Below are definitions of the types of claims. If you are uncertain, email the Community Programs Analyst or Community Programs Policy and Technical Specialist for advice before submitting the claim.

Grantee Payment

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

Adjustment

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

Return of Funds

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

Repayment

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

5.10 Administration of Funds

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

Sub-grantee shall follow generally accepted accounting procedures and practices which sufficiently and properly reflect all costs incurred by sub-grantee. Sub-grantee shall manage all funds received through Weatherization funding sources in accordance with applicable cost principles identified in [2 CFR 200](#).

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

- Payroll records
- Banking records
- Accounting record
- Purchase orders

Which are sufficient to document sub-grantee's financial activities and sub-grantee's claims for reimbursement under this Agreement. Further, sub-grantee shall create, maintain, and provide to IHCD such other statistical and program reports as are required by the laws, regulations, and policies of the State of Indiana, IHCD, or the United States Government, including any closeout reports required by IHCD.

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

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

5.11 Advance Funding

Payment for any services, supplies, materials, or equipment shall not be paid from any fund or state money in advance of receipt of such services, supplies materials, or equipment by the state. With the prior approval of the budget agency, payment may be made in advance for any of the following:

- War surplus property
- Property purchased or leased from the United States government or its agencies.
- Dues and subscriptions
- License fees
- Insurance premiums
- Utility connection charges

- Federal grant programs where advance funding is not prohibited and, except as provided [in 2 CFR 200.305\(a\)\(2\)\(i\)](#), the contracting party posts sufficient security to cover the amount advanced.

5.12 DOE Financial Management Tool Kit

DOE has provided a [Financial Management Toolkit](#) and training to review all Weatherization financial management.

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 IHEDA prior to working on a unit. This approval only applies to the unit for which the request was made and must be printed and filed in the client hard copy file. 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](#)

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. Each address must be entered into IWAP to identify whether the unit has been weatherized during or after 2009.

If there are no documented, verbal, visual, or physical evidence of previous weatherization, the sub-grantee may proceed with weatherization on the unit. If any of the above actions indicate that weatherization has previously been performed on the unit, the sub-grantee must check with the local agency that historically provided weatherization in the area to inquire about any records pertaining to services previously provided. Incumbent local agencies must cooperate with these inquiries from IHEDA

or from current weatherization service providers. Failure of any sub-grantee to comply with any such request could result **paybacks** to IHCD.

DOE/BIL Reweathering

The following actions must be taken on each DOE/BIL 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 searched in IWAP to identify whether the unit has been weatherized on or after April 1, 2009.
- 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.

LIHEAP/ES Reweathering

The following actions must be taken on each LIHEAP/ES 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 searched in IWAP to identify whether the unit has been weatherized on or after October 1, 2019.
- 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.

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.

6.2 Measures

Major & Minor Measures

Major measures are as follows:

- Air sealing
- Duct sealing outside the thermal boundary.
- Thermal boundary insulation (attic, wall, floor or belly, foundation, sill, etc.)

This definition is IHCD's definition that is derived from Attachment 8 of [WPN 22-8](#). Major measures are not allowed to be removed or dropped even if they are at the bottom of the work order when utilizing the LIHEAP Support Operations line item.

DOE/BIL Allowable Measures

Energy Conservation Measures

Energy Conservation Measures are covered under the DOE/BIL Base line item.

- Attic Preparation
- LED Lights
- Client Energy Education
- Duct Insulation in Conditioned Space
- Duct Repair / Sealing
- Floor Insulation (Belly Blow)
- Heating System Repair
- Heating System Replacement
- Insulate Box Sills

- Insulate Ducts Outside Thermal Barrier
- Insulate Foundation
- Insulate Partially Insulated Ceilings
- Insulate Partially Insulated Walls
- Insulate Un-insulated Ceilings
- Insulate Un-insulated Walls
- Low-flow Shower head and Faucet
- Major Air Sealing / Bypass Sealing
- Minor Air Sealing
- Other Necessary Repairs
- Refrigerator Replacement

Health & Safety Measures

Health & Safety Measures are covered under the DOE/BIL Health & Safety line item.

- Asbestos Testing
- ASHRAE Fan Installation
- CO detector
- Code Compliance
- Dehumidifier
- Dryer Vent Repair/Replacement
- Exhaust Fan Installation
- Hazardous Material Removal
- Heating System Repair
- Heating System Replacement
- Lead-Safe Work Practices
- Minor Electrical Repair
- Minor Gas Line Repair
- Minor Home Repair
- Minor Plumbing Repair
- Minor Roof Repair
- Smoke detector
- Stove Repair
- Sump Pump
- Vapor Barrier Installation
- Water Heater Repair
- Water Heater Replacement

Deferral Remediation Measures (DOE Only)

Deferral Remediation Measures are covered under the DOE Readiness line item.

- Carbon Monoxide and Fuel Combustion Products (IHCDA approval needed)
- Ceiling Repair
- Cleanup or Remediation required beyond scope of WAP
- Electric Repairs
- Exterior Drainage Repair (landscaping or gutters)
- Floor Repair
- Foundation or Subspace Repair
- Other Hazardous Materials (Asbestos Remediation and Lead Abatement; Pollution Occurrence Insurance recommended)
- Mold/moisture Remediation
- Pests and Refuse
- Plumbing Repair
- Radon
- Roof Repair

- Roof Replacement
- Sewage
- Structural repairs
- Wall Repair (interior or exterior)
- Water Intrusion
- Other unit conditions preventing Weatherization.

LIHEAP/ES Allowable Measures

Energy Conservation Measures

Energy Conservation Measures are covered under LIHEAP/ES Support or Capital-Intensive line items.

- Attic Preparation
- LED Lights
- Client Energy Education
- Duct Insulation in Conditioned Space
- Duct Repair / Sealing
- Floor Insulation (Belly Blow)
- Heating System Repair
- Heating System Replacement
- Insulate Box Sills
- Insulate Ducts Outside Thermal Barrier
- Insulate Foundation
- Insulate Partially Insulated Ceilings
- Insulate Partially Insulated Walls
- Insulate Un-insulated Ceilings
- Insulate Un-insulated Walls
- Low-flow Shower head and Faucet
- Major Air Sealing / Bypass Sealing
- Minor Air Sealing
- Other Necessary Repairs
- Refrigerator Replacement

Health & Safety Measures

Health & Safety Measures are covered under LIHEAP/ES Support or Capital-Intensive line items.

- Asbestos Testing
- ASHRAE Fan Installation
- CO detector
- Code Compliance
- Dehumidifier
- Dryer Vent Repair/Replacement
- Exhaust Fan Installation
- Hazardous Material Removal
- Heating System Repair
- Heating System Replacement
- Lead-Safe Work Practices
- Minor Electrical Repair
- Minor Gas Line Repair
- Minor Home Repair
- Minor Plumbing Repair
- Minor Roof Repair
- Smoke detector
- Stove Repair
- Stove Replacement

- Sump Pump
- Vapor Barrier Installation
- Water Heater Repair
- Water Heater Replacement
- Window Repair
- Window Replacement

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 IHCD'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. IHCDOnline 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.

IHCD 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 IHCD'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

IHCD 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 IHCDOnline. This will be used to track whether or not sub-grantees are maintaining the proper ACPU for DOE and LIHEAP. Please refer to the IHCD grant agreements, Appendices of Budget Definitions for additional guidance regarding the average cost per unit and for the administration of Weatherization grant funds.

Distribution of Carryover Funding

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

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 ivx@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 IHCD A 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. IHCD A will make a reasonable effort to assess if there is an adjacent, existing sub-grantee to support service delivery. Sub-grantees are encouraged to seek assistance from other sub-grantees who have the capacity to provide support. This step could result in avoiding the need for the RFQ/RFP process. RFQ/RFP will be issued as IHCD A deems necessary. The RFQ/RFP may also be posted for the following reasons including, but not limited to:

- The sub-grantee has been on a QIP/MQIP for more than two consecutive program years.
- Failure to meet expenditure benchmarks for more than two consecutive program years.
- Sub-grantee continues to demonstrate program deficiencies found during monitoring.
- Sub-grantee voluntarily forfeits one or more counties within its service territory.
- IHCD A 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. IHCDOnline (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 IHCD during the Program Year

The Closeout timeline is as follows:

- Day 0: Program Year ends, IHCD 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 to inform IHCD 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.

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

- IHCDOnline Claims and Closeout Form's PY Budget do not match.
- IHCDOnline 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.

6.4 DOE Program Management

WAP DOE income thresholds adhere to the DOE requirement of 200% of the current OMB poverty income level to receive services.

Completion

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

See *Appendix B-1 2023 WAP DOE Budget Definitions* for DOE Program Expenditure Limits and Budget Categories.

Administration

DOE funds used for Administration must not exceed 10% of non-T&TA total program expenditures. Costs associated with **weatherization** administration include fiscal, executive, support operations, rent and utilities, **office** supplies etc. This applies to *staff engaged in program administration*.

Liability Insurance

Insurance coverage is comprehensive general liability insurance coverage in the minimum amount of \$1,000,000.00 covering the risks related to the property and personal liability claims of other parties against the insured party. **Pollution Occurrence Insurance is recommended for sub-grantees who contract out Lead and Asbestos remediation.**

Financial Audit Costs

The amount charged is based upon Subgrantee cost allocation plan.

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 is **\$8,250.00**.

In order for a unit to be counted as a DOE completion and reported to DOE, at least a combined total of \$100.00 in labor and materials must have been utilized completing ECM measures. The unit must pass a QC inspection completed by a certified QCI. NEAT/MHEA/MuTEA must have a cumulative SIR of or greater than 1.

Furnaces may be replaced for energy efficiency under Base costs. Sub-grantees must use NEAT/MHEA/MuTEA to calculate the savings-to-investment ratio. An SIR equal to or greater than one must be obtained to justify this expense under DOE Base. If NEAT/MHEA/MuTEA is used to justify the furnace replacement based upon energy efficiency, the measures called on NEAT/MHEA/MuTEA must be performed on the unit. Major measures may not be skipped. [WPN 23-6](#), Attachment 8. **If utilizing the Priority List, please refer to section 4.3 and 11.5.**

Health & Safety

Direct costs associated with **eliminating health** and safety hazards prior to installation of weatherization materials. Allowable expenditures include direct cost from: Non-labor Program Support, Sub-grantee direct labor, Health & Safety labor, Health & Safety material, Material Handling, Consumable supplies, Provisional Closeouts. **Stoves, doors, and windows are not allowable expenditures under Health & Safety.** DOE funds used to abate Health and Safety issues must be tracked as a separate line item. These costs must not be included in the average cost per unit. All health and safety measures must be charged to an allowable Health and Safety line item.

The maximum allowable percentage of total base expenditures is **25.0%**. **This line must pair with DOE Base.**

Training & Technical Assistance

Subgrantees may allocate up to \$2,000.00 plus \$500.00 per county for the purpose of providing Training & Technical Assistance for staff and contractors interested in performing weatherization work for the subgrantee. **These funds may only be used to cover expenses related to approved weatherization trainings to include: Class fees, Material fees, Written/field testing, CEU events, Wage/time reimbursement, travel expenses (excluding meals and lodging).**

Readiness

Readiness funds follow the same eligibility requirements as regular DOE requirements and their recommended use. Readiness funds may be spent and utilized until the end of the Program Year. A unit coming out of deferral must have the Readiness side of the job completed and be weatherization ready by March 31. No Readiness work may be done on the job after March 31. The sub-grantee will have until June 30, the end of Quarter 1 of the following Program Year, to weatherize, complete, and close the unit out. The unit must be either a DOE or BIL completion. They are subject to the discretion of preparing a deferred unit for Weatherization. Units have an individual cap of \$12,500.00. In order to exceed the \$12,500.00 cap, sub-grantees must obtain IHEDA approval.

This line may be paired with other funds in the same way as regular DOE but must result in either a DOE or BIL completion.

6.5 LIHEAP/ ES Program Management

WAP LIHEAP/ WAP ES income thresholds adhere to the HHS requirement of 200% of the current OMB poverty income level to receive services.

Completion

All LIHEAP/ES Completions are counted as either Support or Capital-Intensive completions. When LIHEAP/ES funds are utilized on a unit, all work and the Quality Control Inspection must be completed prior to September 30 of the current LIHEAP program year.

See *Appendix B-2 2024 WAP LIHEAP Budget Definitions* and *Appendix B-4 2023 WAP LIHEAP ES Budget Definitions* for LIHEAP Program Expenditure Limits and Budget Categories.

Administration

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

Liability Insurance

Insurance coverage is comprehensive general liability insurance coverage in the minimum amount of \$1,000,000.00 covering the risks related to the property and personal liability claims of other parties against the insured party. **Pollution Occurrence Insurance is recommended for sub-grantees who contract out Lead and Asbestos remediation.**

Supplies

Per [2 CFR 200.1](#), supplies means all tangible personal property other than those described in the definition of *Equipment*. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000.00, regardless of the length of its useful life. Consumable items (such as dust masks, batteries, disposable protective suits, etc.) are not considered supplies and must be included in the average cost per unit.

Equipment

Per [2 CFR 200.1](#), equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.00.

Support 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, **Energy Conservation Measures (ECMs) labor, ECM materials**, Health & Safety labor, Health & Safety material,

Mechanical labor, Mechanical material, Material Handling, Consumable supplies (including stoves, doors, and windows), Provisional Closeouts and Deferrals.

The maximum allowable average cost per unit is \$9,000.

This line may pair with DOE or BIL, this line must never be paired with Capital Intensive.

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 (including stoves, doors, and windows), Provisional Closeouts and Deferrals. In order for it to be a Capital-Intensive completion, it needs to have a NEAT/MHEA/MuITEA cumulative SIR of or greater than 1.

The maximum allowable average cost per unit is \$15,400.00.

This line may never be paired with DOE, BIL, or LIHEAP/ES Support.

6.6 BIL Program Management

WAP BIL income thresholds adhere to the DOE requirement of 200% of the current OMB poverty income level to receive services.

Completion

All BIL completions are counted as Base Program completions. When BIL funds are utilized on a unit, all work and the Quality Control Inspection must be completed prior to June 30 of the current BIL program year.

See *Appendix B-3 WAP BIL Budget Definitions* for BIL Program Expenditure Limits and Budget Categories.

Administration

Subgrantees may use up to 10.0% of non -T&TA grant amount expended. Costs associated with weatherization administration include fiscal, executive, support operations, rent and utilities, office supplies etc. This applies to staff engaged in program administration.

Liability Insurance

Insurance coverage is comprehensive general liability insurance coverage in the minimum amount of \$1,000,000.00 covering the risks related to the property and personal liability claims of other parties against the insured party. Pollution Occurrence Insurance is recommended for sub-grantees who contract out Lead and Asbestos remediation.

Financial Audit Costs

The amount charged is based upon Subgrantee cost allocation plan.

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 is \$8,000.00 and will increase to \$8,250.00 on July 1st, 2024, at the start of BIL PY24.

In order for a unit to be counted as a BIL completion and reported to DOE, at least a combined total of \$100.00 in labor and materials must have been utilized completing ECM measures. The unit must pass a

QC inspection completed by a certified QCI. NEAT/MHEA/MuTEA must have a cumulative SIR of or greater than 1.

Furnaces may be replaced for energy efficiency under Base costs. Sub-grantees must use NEAT/MHEA/MuTEA to calculate the savings-to-investment ratio. An SIR equal to or greater than one must be obtained to justify this expense under DOE Base. If NEAT/MHEA/MuTEA is used to justify the furnace replacement based upon energy efficiency, the measures called on NEAT/MHEA/MuTEA must be performed on the unit. Major measures may not be skipped. [WPN 23-6](#), Attachment 8. **If utilizing the Priority List, please refer to section 4.3 and 11.5.**

Health & Safety

Direct costs associated with **eliminating health** and safety hazards prior to installation of weatherization materials. Allowable expenditures include direct cost from: Non-labor Program Support, Sub-grantee direct labor, Health & Safety labor, Health & Safety material, Material Handling, Consumable supplies, Provisional Closeouts. **Stoves, doors, and windows are not allowable expenditures under Health & Safety.** BIL funds used to abate Health and Safety issues must be tracked as a separate line item. These costs must not be included in the average cost per unit. All health and safety measures must be charged to an allowable Health and Safety line item.

The maximum allowable percentage of total base expenditures is **25.0%**. **This line must pair with DOE Base.**

Training & Technical Assistance

Subgrantees may allocate up to \$2,000.00 plus \$500.00 per county for the purpose of providing Training & Technical Assistance for staff and contractors interested in performing weatherization work for the subgrantee. **These funds may only be used to cover expenses related to approved weatherization trainings to include Class fees, Material fees, Written/field testing, CEU events, Wage/time reimbursement, Travel expenses (excluding meals and lodging).**

6.7 Utility Programs

Utility funds are considered rebates or leveraged funds, not program income. Funding from utilities must be used within the sub-grantees' weatherization program. Activities may include measures called for by NEAT/MHEA/MuTEA, even if it has an SIR under 1, as well as additional Health & Safety measured used needed to weatherize a unit.

Sub-grantees eligible to participate in utility programs administered by IHCD will enter the required information in IWAP. IHCD will process and issue funds to the sub-grantees. These funds should be used within 12 months from the time they are received.

6.8 Braiding Funds

A unit must **not** be counted as the following paired completions:

- DOE Base + LIHEAP/ES Capital Intensive
- DOE Base + BIL Base
- BIL Base + LIHEAP/ES Capital Intensive
- LIHEAP Support + ES Support
- LIHEAP Capital Intensive + ES Capital Intensive

Regular Grant Award funds must **never** be paired with the Carryover Award funds of the same funding source (i.e. LIHEAP Regular Grant + LIHEAP Carryover). Funding awards of the same funding source must not be paired (i.e. LIHEAP + ES from HHS; DOE + BIL from DOE, except for Readiness).

Each unit may only have one Base completion + one Support completion, or one Capital Intensive completion. The funding sources for weatherization and their sub-programs may be combined on any

weatherization unit. Health & Safety must pair with a Base completion. Readiness funds must only result in a Regular DOE or BIL completion.

The following are the **only** allowable federal funding source combinations:

- DOE Base + DOE Health & Safety + LIHEAP/ES Support + Readiness
- BIL Base + BIL Health & Safety + LIHEAP/ES Support + Readiness

Not all federal funds must be used together, the subgrantee may decide which combination works best. Utility and private funds may always be added to the above combination.

See below for examples of combining funding streams:

BIL		LIHEAP Support		DOE			UTILITY	
Base	H&S	Base	H&S	Base	H&S	Readiness		

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

Ownership	<input type="checkbox"/> OWN	<input type="checkbox"/> RENT	Estimated Total	Actual Total	Cost Break Down			
					DOE BASE	DOE H&S	LH MECH	LH CAP
Cumulative SIR								
Total IRM cost			150	125				125.00
Total cost of Air Sealing			365	350				350.00
Total cost of other ECMs			5450	5450				5,450.00
Total cost of Mech ECMs			3500	3500				3,500.00
Total cost of H&S			265	265				265.00
Total Job cost			9730	9690	-	-	-	9,690.00

The same unit in the previous example could be completed as a LIHEAP Capital Intensive unit and counted as one completion if there is not any DOE Base available to pair with LIHEAP Support.

Section 7: Training

7.1 Importance of Training

Due to the ever-changing and highly technical nature of the WAP, a high priority has been placed on the training aspect of the program. Technical assistance provides guidance and assistance on specific issues/questions found in all aspects of Weatherization. Training and technical assistance in the field, via telephone or email, is provided by either INCAA training staff, IHEDA staff, **or a training provider approved by IHEDA as an acceptable training provider**. This assistance is provided to all sub-grantee contractors and sub-grantee staff including but not limited to executive directors, fiscal staff, program managers, and all other weatherization employees. Sub-grantees and contractors are strongly encouraged to take full advantage of the opportunities available to them for program enhancement and improvement through training and technical assistance.

IHEDA continues to maintain a strong position that the Indiana WAP will maintain its high levels of technical expertise and energy savings through the continued emphasis on its training and technical assistance component. Ongoing training and sub-grantee program/technical monitoring are tools which IHEDA utilizes to ensure that weatherization measures are applied consistently, and that Indiana maintains a high standard of work. IHEDA implements training requirements to ensure that funds provided are used on weatherization measures that will enhance energy savings while ensuring the health and safety of the unit occupants. By including all weatherization professionals in this process, it ensures organizational performance while providing the means for evaluating weatherization achievements and as developing plans to improve upon Indiana Weatherization.

In Indiana, Weatherization specific training and technical assistance is **primarily** offered by the Indiana Community Action Association (INCAA). INCAA is an Interstate Renewable Energy Council (IREC) accredited training center. INCAA will be providing training in PY **2024-2025**. Lead Risk Assessor and Lead Inspector training is offered by the Environmental Management Institute (EMI).

Weatherization professionals can find Indiana Weatherization Field Guide, Health & Safety Plan guidance, and current State Plan at MyIHEDA's [Program Partners](#).

At the beginning of each DOE program year, sub-grantees are required to submit a list of weatherization program professionals—in house staff and contractors to IHEDA and INCAA. Sub-grantee contractors at a minimum must hold OSHA 10 training prior to entering a client's home. IHEDA will only fund training for weatherization professionals on the submitted and updated list. Any changes in staffing must be reported to IHEDA and INCAA immediately. Sub-grantee Executive Directors and Weatherization Program Managers may only request and view testing results for their employees or sub-contractors.

Time Limits for becoming Indiana Weatherization Competent:

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

7.2 Certifications

In order to be employed as a Weatherization Professional, one must be working toward or must hold at least of one of the following certifications. Indiana has established Weatherization competency standards known as the Indiana Skills Verification (ISV) competencies. The Building Performance Institute in conjunction with DOE have established competency standards as well. **Either are acceptable credentials to hold to perform one's duties and it is permissible that the subgrantee utilize alternate training to prepare their staff for Weatherization. Holding both BPI and ISV (Mechanical) certifications are not**

required to be a **Weatherization Professional**. Please refer to the table in Section 7.3 for needed education for each role. The following credentials are recognized for weatherization professionals working in Indiana:

- ISV Energy Auditor
- ISV Retrofit Installer for Shell Professionals
- ISV Retrofit Installer for Mechanical Professionals
- ISV Crew Leader for Shell Professionals
- BPI Energy Auditor
- BPI Quality Control Inspector
- BPI Crew Leader for Shell Professionals
- BPI Healthy Home Evaluator
- Indiana Approved Pre-Audit Inspector

The Program Management class is required for all new program managers and strongly recommended for all program managers.

INCAA provides training and certification opportunity for all the above-mentioned certifications **unless alternate training is authorized by IHCDCA.**

7.3 Minimum Training Requirements

The chart below depicts what courses and the applicable examinations individuals working in Indiana Weatherization are required to successfully complete based on position.

	OSHA 10 (before entering clients home)	Lead Safe Weatherization	Moisture Assessment	Retrofit Installer	Mechanical blocks for Shell Professionals*	CAZ Pressure Systems for Auditors	NEAT/INPEA/M/ITEA	Applying ASHRAE 62.2	SWS	Energy Auditor	Quality Control Inspector	Crew Leader for Shell Professionals	Weatherization Mechanical Systems for Heating Technicians
Energy Auditors	X	X	X	X	X	X	X	X	X	X	X		
Quality Control Inspectors	X	X	X	X	X	X	X	X	X	X	X		
Pre-Audit Inspectors	X		X										
Retrofit Installer for Shell Professionals	X	X	X	X									
Crew Leader	X	X	X	X				X				X	
Retrofit Installer Mechanical Professionals	X	X	X										X
Retrofit Installer Mechanical Helper	X												

* See list of Retrofit Installer Blocks

*Retrofit Installer blocks for Shell Professionals includes:

- Block 1
 - Introduction to Weatherization
- Block 2
 - Retrofit Installer Shell – Air Sealing
 - Air Sealing Field Day
- Block 3

- Retrofit Installer Shell – Insulation
- Insulation Field Day

In order to ensure their safety, all professionals working in Indiana Weatherization are required to successfully complete OSHA 10 and the following courses before entering a client' unit. Sub-grantees will have 9 months and 45 days to complete their designated certifications and obtain the required trainings as required by Section 7.1, unless a waiver is provided by IHCD.

Designated Indiana Pre-Audit Inspectors (holding no other certifications): Pre-audit inspectors may not enter client units without supervision of an Indiana certified Weatherization Professional until successful completion of each of the abovementioned courses.

Crew Leader for Shell Professionals: It is highly recommended that the Crew Leader also hold the EPA RRP Lead Renovator Certification. A crew leader is required to be on a job site at all times.

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

Indiana Skills Verification Standards

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

- Mechanical Helpers are not required to hold ISV certification.
- ISV written testing is administered at the end of the Retrofit Installer for Shell Professionals, Crew Leader, Retrofit Installer for Mechanical Professionals, and Energy Auditor courses.
- The results of ISV written, and field testing will be tracked by INCAA. The results of the ISV written, and field testing will be available to IHCD, the sub-grantee Weatherization Program Manager, and the sub-grantee Executive Director upon written request to the INCAA Weatherization Training Team Lead

Specialty Contractors

- Specialty contractors who are performing limited, rarely utilized services such as specialty plumbers, exterminators, mold remediation, or specialty electricians **are not** required to hold ISV certification.
- Specialty contractors who complete work in units which results in changes to exhaust systems, ventilation systems or the tightening of the unit **are required** to complete the Daily Safety Test Out (DSTO) training at INCAA and **are required** to complete a DSTO form upon completing their work on the unit. Or a representative from the subgrantee must complete the DSTO at the end of each specialty contractor workday when applicable.

Testing Parameters

Becoming Indiana Weatherization Competent will require passing both a written exam and field exam. The skills exam will involve performing skill sets associated with the competency category being tested.

- Both the written and field test are pass/fail. There will be no provisional results given.
- Should retesting of the skills verification be necessary only the portion failed by the candidate will need retested.
- Should retesting of the written test be necessary, the entire written test must be completed.
- All testing results will be sent to the candidate, the sub-grantee Weatherization Program Manager and the sub-grantee Executive Director.
- Candidates will have three opportunities to pass all testing to become Indiana Weatherization Competent. Individuals that fail to pass competency on the third attempt will be required to submit a formal request to IHCD for reapplication to work in Indiana's Weatherization Assistance Program for consideration.
 - An individual working in a current competency will not be reprimanded for failure to expand their competencies. For example: if an individual has become Indiana

Weatherization Competent as a Retrofit Installer Shell. This same individual tests to become a Crew Leader and fails three attempts. This individual would be allowed to work in Indiana's Weatherization Assistance Program as a Retrofit Installer Shell but not perform the duties of a Crew Leader.

- IHCDCA will only pay for the first attempt for an individual to pass competency. In the case of a failed attempt, the sub-grantee or contractor will be responsible for the cost of any subsequent test procedures.
- Competency testing must take place no later than the conclusion of the 9-month training period commencing 45 days from their hire date **unless there has been an approved request for accommodation by IHCDCA.**

See BPI's [Certified Professionals](#) designations (Energy Auditor, Quality Control Inspector, Crew Leader, Healthy Homes Evaluator). IHCDCA will only fund the first attempt for BPI testing for each designation.

7.4 Duration, Maintenance, and Recordkeeping

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

Individuals are required to perform the Crew Leader testing based upon which competency expires first. For example, an individual's Retrofit Shell Competency expires on April 15, 2016, while their Crew Leader expires on June 30, 2016. This individual is required to perform the Crew Leader testing PRIOR to the April 15th date – it is the competency that expires first. The BPI Quality Control Inspector certification is also in effect for 3 years. All BPI requirements regarding the QCI certification must be followed to maintain this certification. All Indiana Weatherization Competent, QCI and BPI certified individuals are required to attend an Annual Competency Maintenance Training in years 2 and 3 of their competency(s) or BPI Certification. If a certification expires and is not renewed concurrent to the certification expiration, then written notification must be sent to IHCDCA with a request for extension and allowances for a timely recertification must be made.

The Program Manager must keep and maintain up to date records of all weatherization professional certifications and training information on file and have access to the records at all times. This tracking must include the following information:

- Individual name and competency(s) and/or BPI certifications held.
- Date competencies and/or BPI certifications expire.
- Hire date.
- Attendance at Annual Competency Maintenance Training
- Current BPI/INCAA Certifications where applicable
- Record of training for **12** hours of CEUs

Continuing Education Units

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

- Record of CEUs **must** be tracked by the **sub-grantee** for their Weatherization staff, crews, and contractors.

- The **12** CEUs requirement is per individual and not per competency. For example, an individual holds competency for both Retrofit Installer Shell and Energy Auditor. This individual is only required to obtain **12** CEUs.
- Sub-grantees must track the training that was taken connected to the claimed CEUs for review at time of monitoring. This tracking must include documentation verifying completion of the training, who performed the training and the length of time that the training lasted.
- **Non-technical training for CEUs is limited to four (4) hours.**
- The requirement for CEUs begins the following **Program Year** that an Indiana Competency is obtained.
- BPI requires that individuals holding BPI certifications obtain 24 CEUs over the 3-year duration of the certification.

The following is a list of examples of training that apply toward the **12** hours of Indiana CEU:

CEU Ratio	CEU Category	Example	Documentation required	Limitation
1 hour training : 1 CEU	INCAA or IHCD A Provided T&TA	Training on site	<ul style="list-style-type: none"> • Sign in sheet with date and time • Instructor's name • Location 	None
1 hour training : 1 CEU	Weatherization Specific Conference	Affordable comfort, HPC, Energy out West	<ul style="list-style-type: none"> • Sign in sheet with date and time • Instructor's name • Location 	None
1 hour training : 1 CEU	Manager/Technical training	SATT, CMR	<ul style="list-style-type: none"> • Email confirmation of attendance 	None
2 hours training: 1 CEU	Non-weatherization specific courses and respective refreshers	Lead, mold, OSHA	<ul style="list-style-type: none"> • Certificate or card required 	10 CEU / certificate cycle
4 hours training: 1 CEU	Training provided by manufacturers that promotes specific model or style produced by manufacturer	Installation of Navien water heaters, class provided by Navien about Navien	<ul style="list-style-type: none"> • Sign in sheet with date and time on manufacturer's letterhead • Instructor's name and contact information. • Summary of how training will improve weatherization 	None

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

- The required training to obtain a **first** competency **DOES NOT** count toward CEUs. For example – someone is taking the 5-day Energy Auditor training to obtain their Energy Auditor Competency. This 5-day class **DOES NOT** count as CEU's – it is required to obtain the competency (For instance, if the above person takes a CAZ class to supplement the Energy Auditing training, the CAZ class **DOES** count toward their CEUs).
- Classes outside of INCAA that do not pertain to Weatherization skills and topics.
- Classes that are taken for which the Sub-grantee has no documentation of class completion or attendance.

Please note that these are not exhaustive lists. Questions regarding whether or not a particular training would/should apply toward the **12** hours of continuing education should be directed to IHCD A prior to attending the training.

Questions regarding industry specific training being allowed to count toward the **12** hours of training should be directed to IHCD A.

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

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

7.5 Additional Competency/Training Requirements

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

7.6 Additional Training Opportunities

IHCDA utilizes INCAA as the Indiana Weatherization Training Center and for Technical Assistance. Course subjects, course descriptions, length of classes, prerequisites, and schedules are located on INCAA's [website](#).

Classes are filled on a first come-first served basis. Once a class is filled, sub-grantees and contractors are encouraged to continue to register for the filled class so they can be placed on the waiting list. It is not uncommon for a spot to open 3 to 5 days prior to the class. To be placed on the waiting list individuals must register for the class. A sub-grantee may also contact the INCAA Training Team Leader to request a specific course be taught at the sub-grantee agency address. A sub-grantee or contractor may also request on site training or technical assistance from the INCAA training staff. It should be noted all courses may not be suitable for being held at the sub-grantee address, but INCAA will make these accommodations when possible.

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

7.7 Background Checks

In order to protect the safety of clients receiving weatherization services, sub-grantees must perform a criminal background check and employment verification prior to the employment of sub-grantee/contractor employees planning to work with clients or in the unit of client's being rehabilitated or weatherized as a part of Indiana's Weatherization Assistance Program. IHCDA is instituting a look-back period for convictions to 7 years for individuals employed by sub-grantees for the Weatherization

program. This policy mirrors the State's employment policies. The criminal background report must contain a criminal background check which includes the following:

- State and county records from all 50 states including data from courts, sexual offender registries and department of correction records.
- An Indiana criminal history check which contains records of criminal convictions or currently pending criminal charges in counties throughout the State of Indiana.
- A Social Security Number (SSN) Trace which provides names and addresses associated with a social security number along with the date and state of its issuance (this is a tool to aid in verifying the identity and location of a particular applicant).
- Confirmation of employment dates and job titles held with previous employers, the reason for leaving, and eligibility for rehire, if available.
- Sub-grantees must use careful consideration when analyzing the results of the reports and follow their internal agency policies. Must prohibit employment of anyone appearing in any sex offender registry. Deviations from internal policies must be discussed and approved by their board of directors.
- Sub-grantee Weatherization Program Managers are encouraged to work with their Human Resources and Executive Staff personnel to develop acceptable hiring practices based upon background check results.
- It is the sub-grantee's responsibility to ensure that this background check is performed and properly tracked for all sub-grantee weatherization staff and contractor employees.

7.8 Compliance Issues

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

The sub-grantee must ensure that all persons meet the applicable certification and training requirements. If a sub-grantee has been found to have a person(s) working or worked on a weatherization unit without the above-mentioned requirements, IHCDA may take the following steps:

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

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

7.9 Roles and Responsibilities

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. IHCDCA 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 IHCDCA 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.

IHCDCA Expectations and Best Practices for Indiana's Weatherization Network

IHCDCA allows two options for meeting the Quality Control Inspection requirement. Sub-grantees must apply to IHCDCA in order to be able to utilize the Energy Auditor as the QCI option and must indicate their intended method to IHCDCA for consideration. Sub-grantees that do not submit a plan to IHCDCA 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, IHCDCA is required to increase the percentage of quality assurance reviews to ensure that audits are being performed consistently and correctly. IHCDCA will monitor a minimum of 10% of DOE completions.

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

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

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

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

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

If sub-grantees are found to be out of compliance, remedial training may be required for the QCI, the installation contractor, and/or sub-grantee staff. Limited remedial training may be provided by IHCDCA staff

onsite at the time of the monitoring, or more extensively through the training facility at INCAA if necessary. Alternatively, IHCDAs 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 IHCDAs 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). IHCDAs, 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 IHCDAs. Should multiple instances of poorly performed inspections be found, IHCDAs will, at the very minimum, place the sub-grantee on a Quality Improvement Plan (QIP).

7.10 Training Stipend

Sub-grantees will be allotted a \$2,000 base award through the DOE award with an additional \$500 for every county serviced per grant cycle for the purpose of providing Training and Technical Assistance for sub-grantee staff and contractors performing weatherization work for the sub-grantee. Sub-grantees can request additional T&TA stipend on a first come first served basis. These funds may be used for expenses related to weatherization training, including:

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

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

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

Examples of allowable courses are listed on INCAA's [website](#), as well as those outlined in this section. Sub-grantees must have approval from IHCDAs for classes not listed prior to attending if the stipend will be used. Other associated costs related to training not listed above must first be approved by IHCDAs.

Section 8: Monitoring

8.1 Quality Assurance

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

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

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 is 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. IHCDAs monitors will provide consultation while on site. If sub-grantee personnel feel it necessary, and time allows, IHCDAs monitoring personnel may be available for T&TA visits to the sub-grantee.

IHCDAs Director of Internal Audit reviews all subgrantee financial audits annually.

Technical Monitoring

IHCDAs 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 IHCDAs. 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. IHCDAs 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. IHCDAs when possible, will incorporate in-progress visits to client units. IHCDAs'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 IHCDAs. Should multiple instances of poorly performed inspections be found, IHCDAs 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) – IHCDAs 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 IHCDAs. 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, IHCDAs 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

IHCDAs 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 IHCD 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. IHCD may, at its discretion, require a Return of Funds for all expenses associated with the revisited unit thereby removing it as a completed unit. IHCD monitoring staff may use alternate procedures or request additional information to verify compliance when it is necessary or deemed appropriate.

8.4 LIHEAP Program and Technical Monitoring

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

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

8.5 Monitoring Reporting Process

Monitoring Report

Each sub-Grantee will receive a copy of the monitoring report within 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 IHCDCA.

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 IHCDCA 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, to IHCDCA'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 IHCDCA 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, IHCDCA will have 15 days to provide a response to the Informal Appeal.**
 - If IHCDCA **upholds** the sub-grantee's **Informal Appeal**, the sub-grantee will receive a revised monitoring report that will be used to ensure all actionable items are completed.
 - If 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.

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

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.

Section 9: Reporting

9.1 Monthly and Quarterly Reporting

IHCDA pulls reports from IWAP on a weekly, monthly, quarterly, and annual basis. Reports are most often used for monthly and quarterly benchmarking as well as reporting to DOE and federal partners. Sub-grantees report jobs to IHCDA through IWAP, and production and spending information is recorded to ensure benchmarks are met. Completions must be entered within 15 days. After 45 days, the job will need to be unlocked by IHCDA following approval upon request.

Sub-grantees must have data for production and completions reported to IWAP 10 days after the quarterly benchmark. Sub-grantees are expected to close the jobs reported in IWAP in a timely manner. Failure to close jobs that are completed may be reflected on the sub-grantees' benchmarks.

9.2 Benchmarking

IHCDA monitors claims and average cost per unit on each grant throughout the active grant period. A consistent level of production, spending, and reporting throughout the grant year is indicative of good program management and demonstrates that a sub-grantee is able to efficiently manage available resources. IHCDA emphasizes the importance of blending all sources of funding throughout the year. IHCDA encourages sub-grantees to combine LIHEAP/ES funds in conjunction with DOE/BIL funds where necessary to expand the utilization of the DOE award. IHCDA will review sub-grantee status on production, spending, and reporting in comparison with the established benchmarks on the sub-grantee budget form. This information will be taken into account when issuing grants and distributing additional funds. IHCDA may deallocate or reallocate all or any portion of a sub-grantee's grant funds as necessary. Only jobs that are closed out will be counted as part of a sub-grantee's benchmark. Subgrantees have 15 days to close jobs after each month for it to contribute towards a sub-grantee's benchmark.

IHCDA performs monthly benchmarks of IWAP unit completions and IHCDAOnline claims 15 days after the month has ended, and records quarterly benchmarks from this data. Benchmark dates are subject to change depending on contract term length and grant lifespan.

Consistent failure to meet benchmarks on a quarterly basis or report on a monthly basis may lead to a sub-grantee being placed on a QIP. When a sub-grantee fails to display adequate progress and/or fails to provide a definitive plan for the remainder of the grant period, IHCDA reserves the right to decrease the amount of the grant and reallocate funds to other sub-grantees. Sub-grantees failing to spend at least 80% of their awarded grant funds may be subject to funding allocation reduction or redistribution at IHCDA's discretion. IHCDA may, in its sole discretion, deallocate and/or re-distribute all or any portion of the Total Grant Amount if sub-grantee fails to meet applicable program requirements, benchmarks, or deadlines.

DOE Benchmarks

The Program Year of DOE is April 1 to March 31. The benchmark schedule for DOE is outlined below.

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

BIL Benchmarks

The Program Year of BIL is July 1 to June 30. The benchmark schedule for BIL is outlined below.

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

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% |

9.3 Record Retention and Disposal

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

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

Approved disposal methods include:

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

9.4 Required Forms on File

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

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

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. MyIHCDAs [Program Partners](#). *Appendix Z - Policy for Removal or Suspension of Contractor*

9.6 Equipment, Supplies, and Vehicles

Inventory of Equipment and Supplies

Sub-grantees are required to compile and maintain a living document (Inventory), of all equipment (including vehicles). Per [2 CFR 200.313](#), an inventory must be maintained at the sub-grantee's office and provided to IHCDAs during monitoring and upon request. The inventory must include:

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

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

Dispositioning Items

If the current fair market value of the item to be dispositioned is under \$5,000 no additional approval is needed. IHCDAs requires sub-grantees to record the date and note the condition of the equipment, fair market value at the time of disposition and the method of disposition (transferred to agency, recycled, etc.). According to [WPN 17-6](#) FAQ, as soon as the fair market value of an individual unit of property falls below \$5,000.00, DOE's interest in the property is extinguished. At this point, recipients/subrecipients take full title to the property without restriction, free and clear of government interest, and a disposition request to IHCDAs is not necessary. Disposition requirements no longer apply, and the recipient/sub-recipient have no further obligation to DOE.

If the fair market value is over \$5,000.00 see the Sale of Inventory Items over \$5,000.00 part below.

Use of Equipment and Vehicles

Any equipment purchased with Federal or IHCDAs funds shall be used by the sub-grantee in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When the equipment is no longer needed for the original program or project, the equipment may be used in other activities or programs currently or previously supported by a Federal agency, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other uses shall be given to other programs or projects supported by the original funding source. User fees should be considered if appropriate. The sub-grantee cannot use equipment acquired with Federal funds to provide services for a fee to compete unfairly with private companies that provide equivalent services. See [10 CFR 600.135\(b\)](#) for

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

Vehicle Titles

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

9.6.5 Sale of Inventory Items over \$5,000.00

IHCD A must approve and monitor all vehicle purchases by service providers of the state’s Weatherization Assistance Program. Service providers are responsible for ensuring IHCD A’s financial interest in equipment with purchase values of \$5,000 or more under IHCD A contracts. In order to sell inventory items such as a vehicle or equipment having a fair market value greater than \$5,000.00 that was purchased with Federal funds, the sub-grantee must contact IHCD A for further instructions. In order to sell a vehicle or equipment having a fair market value that is greater than \$5,000.00 that was purchased with LIHEAP funds or other award source, the grantee must document the following actions before the sale:

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

Funds from the point of sale of equipment of \$5,000 or more conducted by a subgrantee must be used in Weatherization through LIHEAP Carryover or the award source that the purchase derived from. If IHCD A conducts the sale of equipment of \$5,000 or more, IHCD A will put the money back into the Weatherization program through LIHEAP Carryover or the award source that the purchase derived from. Upon subgrantee request and approval from IHCD A, the funds from selling said equipment may be returned to the subgrantee’s Weatherization program from which it was purchased. Equipment sales by non-profit entities purchased with Federal funds must follow [2 CFR 200.313](#).

Equipment Dispositions According to the federal regulations, items of equipment with a current fair market value of \$5,000 or less, may be retained, sold, or otherwise disposed of with no further obligation to the funding agency (2 CFR Part 200.313(e)(1)) 45 CFR Part 75.320(e)(1)]. If Weatherization purchased equipment valued at \$5,000 or more is no longer needed for operation of the weatherization program, the following disposition options are available:

- 1) Trade-in for new Weatherization equipment.
 - a. Submit written request to IHCDAs Weatherization personnel for approval prior to trade-in.
 - b. If the vehicle/equipment is used as a trade-in for a replacement vehicle/equipment, the value of the trade-in is applied to the purchase price of the new replacement vehicle/equipment. Proceeds received from a trade-in shall keep their original federal identity.
- 2) Offer for transfer to other Subgrantees in the state WAP network.
 - c. Send an email to IHCDAs Weatherization personnel notifying them of the availability of excess Weatherization equipment to be offered to the network.
 - d. Upon agreement of transfer, an agreement of the transfer must be signed by both agencies and an IHCDAs Weatherization Manager or IHCDAs Director.
- 3) Public auction
 - a. Submit a request to IHCDAs Weatherization personnel for approval prior to organizing an auction.
 - b. The Subgrantee must ensure that proper public notice is given and that appropriate channels are used for the auction to avoid actual or implied conflict of interest.
 - c. All proceeds from auction should be used for purchase of replacement equipment or to offset future Weatherization expenses and will keep their federal identity.

Sale of Inventory Items under \$5000.00

Once the value of an item is below \$5,000.00 or the capitalization threshold of the sub-grantee, there is no further Federal or state interest in the item. The sub-grantee should record on its inventory that the item was dispositioned or transferred to another subgrantee when there is no longer use in the equipment for a subgrantee. IHCDAs will remain on vehicle titles even if the value is under \$5,000.00.

Rental Vehicles, Equipment, and Supplies

Rental of inventory items to other non-Federal sub-grantee departments, other non-profits or a for-profit entity is only allowable if the sub-grantee reinvests the proceeds of the rental back into the Weatherization program. Sub-grantees must not use equipment acquired with Federal funds to provide services for a fee that is less than private companies charge for equivalent services. [2 CFR 200.313\(c\)\(3\)](#). If a sub-grantee has an inventory item that it is no longer in use for the purposes of Weatherization, that item can be transferred to another sub-grantee department or a different sub-grantee and used for Federal purposes, and the inventory log can be updated accordingly. No payment is required in such cases.

9.7 Bid Procedure for Equipment Purchases

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

Bid Specifications

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

Solicit Bids

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

Bid Selection

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

Requesting approval from IHCD

- Email a letter with an authorized signature to iwx@ihcda.in.gov
- The letter should describe your bid process, your selected bid and the reason for your choice.
- Attachments should include your bid specification, a list of companies or dealers solicited and three bids meeting your specifications.

IHCD Approval

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

Failure to follow the above procedure may delay the process of equipment purchases. DOE issued an updated Procurement Tool Kit in 2016 that provides templates, checklists and guidance for procurement of weatherization materials and services. To download the DOE Procurement Tool Kit or documents, see NASCSP's [Financial Management Toolkit](#).

9.8 Indiana Weatherization Assistance Program (IWAP) Database

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

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

As a result of this data input, reports can be generated for each funding source daily, monthly, quarterly, and lifetime of the grant. These reports can be used by IHCD staff and monitors to review progress and compliance. Questions or problems concerning the database should be emailed to iwx@ihcda.in.gov and may be referred to the system administrator. Access the online database at the [IWAP website](#).

Below are instructions on the use of IWAP. This is arranged based on the order a sub-grantee will use the system with a new client. IWAP offers a training database/test site at the [IWAP website](#). Email iwx@ihcda.in.gov for a username and password.

Administrator Privileges

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

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

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

EAP Data Access Policy

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

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

Wait List (Main Menu Item)

"Wait List" is the last menu item in IWAP. This will access the sub-grantee's list of potential clients and provide detailed information about the client based on the client's Energy Assistance Program (EAP) application. Sub-grantees will be responsible for building their own wait lists using the prioritization policy outlined in this manual.

Completions (Current Clients – Main Menu Item)

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

Application

This is the Client Information that comes from the EAP file or from the initial intake. This page must be completed before moving forward.

Job Information

This information comes from the initial audit. Job completion information is from the initial audit and QC inspection.

Job Costs

Sub-grantees are required to report **Labor** and **Material** costs for the unit completions. Sub-grantees may also report **Overhead**, **Inspection**, and **Special** costs associated with the unit completions. Sub-grantees will report costs in accordance with their funding programs listed below:

- DOE
 - Base Labor and Material
 - Health & Safety Labor and Material
 - Readiness Labor and Material
- BIL
 - Base Labor and Material
 - Health & Safety Labor and Material
- LIHEAP
 - Support Labor ECM, Material ECM, Labor H&S, and Material H&S
 - Capital Intensive Labor ECM, Material ECM, Labor H&S, and Material H&S

The following items must be entered on this page: Funding Source, and the date(s) for the Final Inspection (QC), Invoice and Completion. Although not required at this time, IHEDA strongly encourages entering Overhead costs in IWAP. By doing this, an agency would increase their management of the average cost per unit and assist in identifying cost to be moved in the event a job is transferred to a new funding source.

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

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

Funding Source*

Completion Date* / /

Contractor* Ag

Invoice Date* / /

Final Inspection Date* / /

Is Rework

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

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

Current and Historical Clients (Main Menu Items)

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

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

Reports (Main Menu Item)

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

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

Client Record Unlock

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

9.9 IHCD. A Online

All claims and reporting requirements are on [IHCD. A Online](#) and IHCD. A's [Authority Online](#).

9.10 Historic and Environmental Reviews

Sub-grantees are responsible for Section 106 of the National Historic Preservation Act (NHPA) and for referring buildings that may be covered under this Act to the State Historic Preservation Office (SHPO). Sub-grantees must document the Historic Preservation status of all units and evaluate each building 45 years or older for potential impact on historic resources per the Programmatic Agreement. Mobile and manufactured units are exempt from historic review. Upon completion of the unit energy audit, but before work begins on the house, the sub-grantee must compare the measures planned on the house with the exempt measures in the Programmatic Agreement established between IHCD. A and the SHPO to determine if a Section 106 review is required. Work cannot begin in a unit until this determination has been made. All documentation and forms verifying the determination must be maintained in the client file for a period of 3 years from project completion.

Many weatherization measures are considered exempt and not subject to Section 106 review. Exempt measures can be found in Appendix A of the Programmatic Agreement, Appendix HP-3, to this policy. Any questions regarding exempted work should be directed to iwx@ihcda.in.gov. A Section 106 review is required if any non-exempt measure is planned. If a Section 106 review is needed, the sub-grantee must submit the SHPO Review Request Submittal form to IHCD. A. The SHPO Review Requests Submittal form can be found in *Appendix HP-1 IN Historic Review Request Form 55031*. The second page of this form includes a list of the information necessary to compete a review. More information on the review process is available on [DNR's Historic Preservation Review](#).

A copy of the SHPO Review Request Submittal Form and any related documentation must be saved in the Client File for three years. Sub-grantees must record the SHPO status of each building on the IWAP Job Information Screen as one of the following categories:

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

For non-applicable or exempt units, subgrantees must check exemption on required NEAT/MHEA/MuITEA cover sheet only.

Sub-grantees must complete the *Indiana Weatherization Assistance Program Historic Preservation Form* when it is required for SHPO review. This form can be found in *Appendix HP-2 Indiana WAP Historic Preservation Form*. This form must be saved in the Client File for three years and will be reviewed during monitoring. Sub-grantees must look up each property on the *Indiana Historic Buildings, Bridges, and Cemeteries Map* and a screenshot of the map must be kept in the client file. Access at [ArcGIS](#).

Another resource to identify known historic properties is the [State Historic Architectural and Archaeological Research Database \(SHAARD\)](#).

Note: Historic Preservation is not a cause for deferral.

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

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

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

Appendix A to the Programmatic Agreement provides a list of activities that are exempt from Section 106 review for the Weatherization Assistance Program. **The exemptions cover most interior work and much of the exterior work performed by WAP.** Examples of items not exempt and subject to Historic Review are replacement of decorative fixtures 45 years of age or older and exterior measures that would harm or obscure historic windows or trim. Section XI.B. states that if IHCD and SHPO determine a building has already been reviewed under an existing Section 106 agreement document then no further Section 106 review is needed. Section XI.C. establishes the 30-day timeframe for Section 106 reviews. If SHPO fails to comment within the established period IHCD can assume the SHPO has concurred and proceed. [36 CFR 800.3\(c\)\(4\)](#)

Historic Review Procedures

Historic Review Activity	Performed by	Notes/Alternatives
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Evaluate building to determine if Section 106 Review is needed (<i>Must be determined for ALL Weatherization projects</i>). Indiana Weatherization Assistance Programs Historic Preservation Form must be completed	Sub-grantee	This review would look at the age of the unit and whether any proposed work is outside the scope of the programmatic agreement SHPO Appendix A. Most likely the energy auditor would make the Section 106 determination.
Document Historic Review status on the Job Information Screen in IWAP and save completed Historic Preservation form in client file (<i>Must be determined for ALL Weatherization projects</i>)	Sub-grantee	Record the SHPO status of each building on the IWAP Job Information Screen as one of the following categories: <ul style="list-style-type: none"> • Not applicable, building under 45 years old • Not applicable, mobile or manufactured home • Exempt using Programmatic Agreement • Sent to SHPO for review - Not Historic Site • Sent to SHPO for review - Historic Site Save copy of form in client file for 3 years.
If Section 106 Review is needed, complete SHPO Historic Review Request and submit to IHCDA.	Sub-grantee	Save copy of form in client file for 3 years.
Submit Review Request to SHPO.	IHCDA	IHCDA will submit this form to SHPO for review.
Monitor compliance with Historic Review process	IHCDA	Incorporate into client file review: Was Section 106 determination made and is it accurate?
Report Annually to DOE	IHCDA	Review past report to ensure new IWAP field is collecting all required data.

Section 10: Deferral Program

When unit issues cannot be addressed within the scope of WAP and the client does not have the means to resolve those issues, the unit may be eligible for the Deferral Program. Currently there are two possible deferral funding programs with the possibility of future funds as the program continues:

- Weatherization Readiness Funds

- Duke Supplemental Health and Safety
- Future utility/deferral funds

10.1: General Deferral Process

Deferrals may take place during any phase of the weatherization process, including but not limited to:

- During or after the Pre-Audit and the initial Energy Audit
- Work performance phase
- Immediately following the identification of a health and safety risk to the occupants or to crew and contractors.

Below are examples of existing conditions under which a unit can be deferred but may still be eligible for deferral program funds:

- Elevated carbon monoxide levels where abatement is not possible using WAP funds.
- Existing moisture problems that cannot be resolved under the health and safety limits.
- Presence of sewage or other sanitary problems that not only endangers the client, but the workers who will perform the weatherization work.
- Building structure or its mechanical systems, including electrical and plumbing, are in such a state of disrepair that failure is imminent, and these conditions cannot be resolved in a cost-effective manner.
- Any existing condition that could endanger the health and/or safety of the work crew or subcontractor and cannot be safely abated within the scope of Weatherization.

Required Forms

Client files must be kept verifying the work completed and to track all expenditures and funding sources utilized. All forms listed in Section 3.2 Required Forms are to be kept in the files of clients determined to be eligible for Duke Supplemental Health & Safety.

Client Priority

Clients are prioritized based on Section 4.1 Current Client Priorities

Monitoring

IHCDA will make a concerted effort to monitor units that have utilized Duke funds to ensure they are following policy.

Specialty Contractors

Specialty contractors may be utilized for deferral. See 7.3 Minimum Training Requirements for policy regarding work.

Inspection

An inspection on the unit must be performed to ensure all deferral issues can be addressed and the unit can be weatherized in the current Program Year.

10.2: Weatherization Readiness Fund

The Weatherization Readiness Fund (shorthand Readiness) is a line item within the Regular DOE Award. Weatherization teams are responsible for the work done when using the Readiness deferral remediation program. IHCDA reserves the right to request repayment of funds received for deferral expenses (extenuating circumstances will be reviewed by IHCDA). Readiness funds must be listed in the "Readiness" line item of the WAP DOE Budget Form. Funds **cannot** be moved in or out of line item via budget modification.

Readiness funds may be spent and utilized until the end of the Program Year. A unit coming out of deferral must have the Readiness side of the job completed and be weatherization ready by March 31. No Readiness work may be done on the job after March 31. The sub-grantee will have until June 30, the

end of Quarter 1 of the following Program Year, to weatherize, complete, and close the unit out. The unit must be either a DOE or BIL completion.

Budgetary Limits

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

The individual unit cap of \$12,500.00. In order to exceed the \$12,500.00 cap, sub-grantees must obtain IHCD A approval. Requests should be sent to iwx@ihcda.in.gov and must include:

- NEAT/MHEAMulTEA run.
- Meaningful Photos
- Moisture Assessment Form
- Job Book

Allowable Expenses

The following are allowable expenses within the Readiness program:

- Carbon Monoxide and Fuel Combustion Products (IHCD A approval needed)
- Ceiling Repair
- Cleanup or Remediation required beyond scope of WAP.
- Electric Repairs
- Exterior Drainage Repair (landscaping or gutters)
- Floor Repair
- Foundation or Subspace Repair
- **Other Hazardous Materials (Asbestos Remediation and Lead Abatement; Pollution Occurrence Insurance recommended)**
- Mold/moisture Remediation
- Pests and Refuse
- Plumbing Repair
- Radon
- Roof Repair
- Roof Replacement
- Sewage
- Structural repairs
- Wall Repair (interior or exterior)
- Water Intrusion

Braiding Funds

Readiness funds may be braided in the same manner as DOE/BIL but must result in either a DOE or BIL completion. Utility or Private funding braided with Readiness is allowable. The braiding of Readiness must follow the braiding allowability seen in Section 6.8. The following are allowable funding source combinations:

- Readiness + DOE Base + DOE Health & Safety + LIHEAP Support (+ Utility, Private)
- Readiness + BIL Base + BIL Health & Safety + LIHEAP Support (+ Utility, Private)

Readiness must never be paired with LIHEAP Capital Intensive.

Reporting

Each sub-grantee must report Deferral funds in IWAP under the Readiness line. Deferral expenses will be captured in the "Total Cost" but not in the "Total Completion Costs".

Refer to regular DOE claim guidance when submitting Readiness claims in IHCD AOnline.

Reallocation

Subgrantees failing to meet their benchmarks in the program year are subject to having their readiness funds repossessed by IHCD and redistributed to areas of need in the State. Evaluation of whether readiness funds are reaching benchmarks, there is a shown improvement and upswing of spend, or a high demand in the service territory for readiness funds are all considerations for re-allocation of funds.

10.3: Duke Supplemental Health & Safety

Duke Supplemental Health & Safety (shorthand DSHS) is a deferral program awarded by Duke. DSHS must only be utilized on units that use Duke Energy. Other clients cannot use this deferral program.

Weatherization teams are responsible for the work done when using the Duke Supplemental Health & Safety deferral program. Deferral expenses will only be eligible if the unit receives weatherization within the 12 months unit receives deferral mitigation. IHCD reserves the right to request repayment of funds received for deferral expenses (extenuating circumstances will be reviewed by IHCD).

Funds are available to selected agencies to pilot; not all agencies have access to this funding.

Budgetary Limits

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

Total Administration claimed cannot exceed 10% of the total amount expended.

Allowable Expenses

The following are considered allowable expenses within the parameters of the Readiness deferral program and do not need IHCD approval:

- Mold/moisture remediation
- Roof repair/replacement
- Pipe/plumbing leak repair
- Electric repairs
- Asbestos remediation
- Structural repairs
- Other safety measures

Braiding Funds

DSHS may pair with DOE Readiness. If DSHS does pair with Readiness, it must result in a DOE or BIL completion. The following are allowable funding source combinations:

- DSHS + Readiness + DOE Base + DOE Health & Safety + LIHEAP Support (+ Utility, Private)
- DSHS + Readiness + BIL Base + BIL Health & Safety + LIHEAP Support (+ Utility, Private)
- DSHS + LIHEAP Capital Intensive (+ Utility, Private)

10.4: Precautions

Deferral funds may **not** be used to perform the following:

- Help maintain the average cost per unit of the traditional weatherization grants.
- As a “buy down” to enhance other measures.
- As a substitute for traditional weatherization mechanical expenses.
- As an emergency “no heat” program.

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 IHCD

approval. Multi-family buildings less than five units do not require prior IHCDCA approval and are not subject to this policy.

Sub-grantees or their contractors are responsible for performing an audit using the multi-family tool MuITEA for buildings containing five or more units. Sub-grantees must contact IHCDCA to request access to MuITEA. A NEAT/MuITEA 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. IHCDCA 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 IHCDCA, 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\(b\)\(2\)](#)

11.2 Multi-Family Requirements
Requirements per Number of Units

Number of Units	Percent of Required Eligible Clients	State Plan WPN 22-12	Heating WPN 23-6	Audit Runs WPN 23-6	Units That Need an Audit WPN 22-13	Indiana Auditor Requirement	Number of Units that Require Quality

	10 CFR 440.22(b)(2)						Control Inspection WPN 22-4 & 10 CFR 440.21
2-4	66%; no less than 50% duplex and 4 units	Pre-Approved by IHCD	Separate per unit	NEAT/ MulTEA	All	IN or BPI	All
5-10	66%	DOE approval required	Separate per unit with IHCD approval	NEAT/ MulTEA	All	IN or BPI	All*
11-24							
25+	66%	DOE approval required	Separate per unit	MulTEA	All; H&S sampling for other diagnostics	Multi-BPI	All*

*QCIs working in multi-family buildings attend and receive a successful evaluation from a training program delivering a curriculum based on the *NREL Multi-family Quality Control Inspector JTA*.

Dated audits do not apply to Small Multi-Family (5-25 units) or Large Multi-Family (26+ units). Multi-Family projects with 5 units or more will require submittal to DOE for approval. Some NEAT/MHEA for Multi-Family may be possible but will require oversight monitoring and 100% monitoring.

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

Reading Requirements

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

- [WPN 23-6](#)
- [WPN 22-1](#)
- [WPN 22-4](#)
- [WPN 22-5](#)
- [WPN 22-12](#)
- [WPN 22-13](#)
- WAP Policy & Procedure Manual Section 2.3

11.3 Project Planning & Requirements

Project Plan

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

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

Quality Control Plan

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

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

Mandatory Pre-Consultation

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

Progress Updates

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

Audit Requirements

All units in two to four-unit buildings must be assessed. In buildings with five units, with no fewer than three units per floor plan, at least 10% of units must be visited for a complete energy audit during the pre-weatherization building assessment. In addition, at some point during each project, all units must have a documented inspection for possible health and safety concerns, including diagnostics if appropriate, followed by work orders for correction. [WPN 22-12](#).

Note: All units with a combustion appliance present must receive pre- and post- health and safety diagnostics testing.

Blower door testing is required on at least 15% of units of each floor plan or five units of each floor plan, whichever is greater. A minimum of five units must be visited during the audit. Health and safety testing is required in all units and all common areas [WPN 22-12](#). The Multi-family Building Analyst and Multi-family trained QCI cannot be the same individual.

Client File Documentation

Per [WPN 22-12](#), The WAP file for each building must contain at least the following information from the energy audit:

- The recommended statement of work including the savings-to-investment ratios (SIRs) of each measure and the total project SIR:
 - If any measures were bought down the documentation must show the pre-bought down SIRs of each individual measure and the pre-bought down project SIR
 - Documentation must include the other sources that funded each bought-down measure.
- Either a printed file showing all of the building audit inputs and outputs or the immediately accessible electronic file that shows all of the audit inputs and outputs
- Final installed costs of each measure and the total project cost. If the project, went through the bidding process all bids must be in the file.
- All specifications defining each measure.

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

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

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

Buy Downs

Upon agreement between the sub-grantee and building owner, building owners may buy down measures typically prioritized as needs, such as furnace or boiler replacements, that do save energy but don't achieve an SIR of 1 or greater as a stand-alone measure. A measure can be bought down only when the overall SIR of the package of measures, including the full cost of the measure that will be bought down, is 1.0 or greater. See Examples below for Case 1 and 2:

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

The replacement windows **would** be eligible for a buy-down in WAP; the replacement windows with a full-cost measure SIR = 0.8 could be bought down so the after-buy-down DOE *measure* cost would have an SIR of at least 1.0 (and of course the post-buy-down DOE package SIR would increase).

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

In the second case the replacement windows **would not** be eligible for a buy-down in WAP because the pre-buy-down *package* SIR is below 1.0. [WPN 22-12](#)

Note: Please consult with IHCDCA before buying down measures.

Owner Contribution/Landlord Participation

Per [WPN 22-12](#), every sub-grantee is required to have an Owner Contribution/Landlord Participation policy in place. Prior to commencing a multi-family project. Sub-grantees are not required to take contributions from landlords. IHCDCA has provided an optional Multi-family Owner Contribution Form as part of the Multi-family Project Development Form (MF Attachment 1) for sub-grantee convenience.

Owner Contribution/Landlord Participation are separate from the monies used to buy down measures.

Utilities Included in Rent

When performing Weatherization services of any rental property, including multi-family, when tenants do not directly pay for their own utilities, i.e., utilities included in rent, the sub-grantee administering the program must demonstrate the benefits to the low-income tenants. [10 CFR 440.22\(b\)\(3\)\(i\)](#). Sub-grantees must have a policy or procedure in place to properly document this. [WPN 22-12](#).

Monitoring

All multi-family projects containing 5 or more units will have a minimum of 10% of those units monitored.

11.4 BIL Funded Multi-Family Program

IHCDA will retain 10% of BIL production funding to develop, implement, and execute a supplemental multi-family fund. Sub-grantees may participate in this multi-family program along with other entities.

Accordingly with Davis Bacon Act compliance, any BIL-funded weatherization work on buildings with no fewer than 5 units will be required to pay wages to all laborers and mechanics engaged in the construction, alteration, or repair of those multifamily buildings (whether employed by a contractor or subcontractor) wages “at rates not less than those prevailing on similar projects in the locality, as determined by the Secretary of Labor.” [WPN BIL 22-1](#)