

MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES		Item 1101	Page 1 of 8
Community Services Policy Manual	SUBJECT: Deliverable Fuel INCOME ELIGIBILITY GUIDELINES		EFFECTIVE DATE 2.23.18 ISSUE DATE 2.23.18

REFERENCES

- LIHEAP Crisis Assistance (LCA) Agreement
- State of Michigan LIHEAP State Plan
- State Emergency Relief Manual 301

PURPOSE

To provide income eligibility guidelines for the Deliverable Fuel Program (LCA) funded by LIHEAP.

POLICY

Grantees shall observe a 10-day standard of promptness from date of application in the process of eligibility determination for complete and timely filed applications.

Do **not** authorize a payment **before** a service is provided **or** before the household has made a required copayment, contribution or prorated payment. This will avoid situations where payments are made without services being provided.

Payments for deliverable fuels must not be released until the service has been provided and an invoice has been received. The invoice must contain the date service was provided, cost of service and the provider must also confirm that the residential fuel tank did not contain more than 25% of its heating fuel capacity at the time of delivery.

Households who heat with wood, pellets or another non-metered fuel must confirm delivery of product prior to payment being released or the Grantee must receive an invoice for delivery from the energy provider.

ELIGIBILITY REQUIREMENTS

A household is income eligible with an income of not more than 150% of the federal poverty guidelines. (See CSPM 208 for Federal Poverty Guidelines)

A household does not have to be denied State Emergency Relief (SER) assistance by the local MDHHS office in order to be eligible. Grantees **cannot** require documentation of a denial for assistance from MDHHS or any other service agency as a condition of eligibility.

Payment may be made up to the **available** fiscal year cap for the necessary charges to deliver a 30-day supply of fuel for households that heat with fuel oil, propane or coal, wood, pellets, cherry pits or other non-metered fuel sources. Payment for deliverable fuel (propane, fuel oil and coal) will not be made if the deliverable fuel tank contains more than 25 percent of its heating fuel capacity. If, upon delivery, the existing supply is greater than 25 percent of the heating fuel capacity, the payment shall not be made. For fuel oil and propane, a delivery to fill the tank is considered a 30-day supply. Payment may be authorized for a full tank or as much as can be paid based on the amount remaining in the fiscal year cap.

Grantees may use LCA-LIHEAP funds to pay for deliverable heating fuel assistance for eligible

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households that have been denied SER benefits by the local MDHHS office. They may also use LCA-LIHEAP funds to assist households in becoming eligible for deliverable fuel services through SER by assisting the household with missed required payments or co-pays.

As a condition of eligibility, households must provide the social security number (SSN) for each household member.

A person must be a U.S. citizen or a qualified alien to be eligible.

Households with Undocumented Alien(s):

Undocumented aliens are not eligible, but their presence does not disqualify the household. The following applies to all households containing one or more undocumented aliens:

- Any member of the household may apply
- Include all household members for purposes of determining eligibility
- Include the income of all household members

Prorate the benefit for the U.S. citizens and legal aliens only. To determine the prorated payment:

- Count the income of all household members including the undocumented alien(s)
- Include all household members when determining required payments, affordability, and other eligibility requirements
- The portion of the final payment is prorated to remove the undocumented aliens' share. That share is the prorated amount that the households must pay toward the cost of service.

INCOME GUIDELINES

Income refers to total cash receipts before taxes from all sources and for all household members. Exceptions are listed in the "Income Excludes" section that follows. The income guidelines are applicable to both farm and non-farm families.

Countable Earned income includes:

- Earnings from work as an employee (wages, salary, college work-study, commissions, tips)
- Earnings from self-employment
- Training allowances paid to persons enrolled in sheltered work-shops
- Rental income, room and board
- Child Development and Care (CDC) and Home Help services payments to providers paid by MDHHS

Allowable Expenses for Earned Income:

Net income from employment or self-employment must be determined by deducting allowable expenses of employment from the gross amount received.

Expenses of employment are **limited** to the following:

- Apply a 25% deduction for mandatory withholding taxes to **all** gross earned income using the MEAP expense tab in FACSPRO.

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- Deductions required by the employer as a condition of employment. (See Note below)
- Deductions for health insurance (which includes dental insurance and vision insurance if payment is verified).
- The cost of dependent care (up to \$200 per qualifying child) for either of the following:
 - A dependent child who is less than 13 years old.
 - A person who is 13 years old or older who needs care due to a mental or physical impairment.

***NOTE:** Deductions for garnishment actions or expenses of **producing** self-employment income (such as capital expenditures, labor costs, transportation costs while on the job, materials, loan and property payments, taxes, insurance, etc.) are not allowed.

Countable Unearned Income:

- FIP (Family Independence Program).
- SDA (State Disability Assistance).
- Social Security benefits – use the net amount received (net amount is the benefit amount remaining after allowable deductions).
- RSDI – Retirement Survivor’s Disability Insurance.
- SSI - Supplemental Security Income.

Note: Do not count reimbursement of Medicare premiums.

- SSI -State Supplemental payments (divide the most recent quarterly payment by three to determine the 30-day income).
- Alimony, child support and child support participation payments.
- VA benefits, except clothing allowance or the court ordered amount for aid and attendance.
- Lump sum payments of accumulated monthly benefits.
- Payments from sick and accident insurance plans.
- Pensions and retirement benefits.
- Unemployment benefits.
- Worker's compensation.

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- Strike benefits.
- Income received from the sale of property.
- Military allotments.
- Investment income, such as dividends, interest, and royalties paid directly to the client.
- Income from annuities, bonds, stocks, and trusts.
- Adoption subsidy payments.
- Guardianship Assistance Program (GAP) payments.

Allowable Expenses for Unearned Income

Net unearned income must be determined by deducting all the following from the gross amount received:

- Mandatory withholding taxes if withheld from gross unearned income.
- Deductions required by the employer as a condition of employment.
- Deductions for health insurance (which includes dental insurance and vision insurance if payment is verified, and Medicare premiums when deducted from the gross Social Security benefit).
 - Medicare prescription plans or deductions other than Medicare premiums are not allowable expenses and should not be deducted from gross Social Security benefits.
- Court-ordered child support paid, including arrears, not to exceed the amount ordered by the court. No deduction is made for paid, voluntary child support.
- The cost of dependent daycare (up to \$200 per qualifying child & not paid by MDHHS)

Income Excludes:

Do not count or verify income from the following sources:

- Reimbursement of Medicare premiums.
- Federal income tax return monies.

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- Income in kind (not in the form of cash).
- Earned income of a dependent child when both of the following conditions are met:
 - The accumulated earnings are held in a savings account of which the dependent child who earned the money is the sole owner.
 - The accumulated earnings are not commingled with money from any other source.
- Michigan Homestead Property Tax Credit and Home Heating Credit.
- Earned Income Credit.
- All services program benefits paid by MDHHS on behalf of a household member, (such as foster care and Child Development and Care payments).
- Income of the applicant's spouse when the applicant is in an emergency shelter as a victim of domestic violence.
- Reimbursement for past, current or future training-related, medical or volunteer expenses.
- Compensation awarded for a particular use (such as Victim's Compensation Award).
- Disaster relief assistance.
- Educational grants, scholarships and benefits.
- Michigan Department of Community Health family support subsidy payments.
- WIC program benefits.
- Title VII nutrition program for the elderly.
- LIHEAP energy assistance benefits.
- Child nutrition and school lunch benefits.
- Food assistance benefits (FAP).
- Housing assistance that is paid pursuant to any state or federal law, including:
 - Title II of the Uniform Relocation and Real Property Acquisition Act of 1970.
 - U.S. Housing Act of 1937.

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- This includes Experimental Housing Allowance Program made under Annual Contribution Contracts entered into prior to January 1, 1975.
- National Housing Act.
- Section 101 of the Housing and Urban Development Act (HUD) of 1965.
- Housing Choice Voucher Program (previously known as Section 8 Housing).
- A utility allowance that is part of state or federal housing assistance program.

NOTE: Household members who are absent from the home for 90 consecutive days or more are excluded from the household and therefore, their income is excluded.

INCOME COMPUTATIONS

Establish the LCA income computation period and determine the household's countable income for the period.

- Computation Period: The LCA income computation period is 30 days in the future. The 30-day period begins the date the agency receives a signed application for deliverable heating fuel assistance.
- Countable income: verify and determine all non-excluded gross income the household expects to receive during the income computation period.

EXAMPLE 1: On March 16, the client signs an application at the agency requesting deliverable heating fuel assistance. The income computation period is March 16 through April 14. (March has 31 days.)

EXAMPLE 2: On August 15, the outreach worker interviews the client in the client's home and receives a signed deliverable heating fuel assistance application. The income computation period is August 15 through September 14.

DOCUMENTATION OF INCOME

Projected income must be thoroughly documented and verified using third-party documentation. Client must provide proof of all income for the past 30 days from the date of application. The following items are acceptable documentation:

- Copies of paychecks or pay stubs if dated within the last 60 days.
- W-2; Federal tax forms (1040, 1040EZ, etc.); Michigan state tax forms (MI-1040, etc.).

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- Written statements from employers. Written statements from the department, organization or person administering the payment, which shows the monthly amount of the benefit, the amount of deductions, and confirming if the deductions are mandatory.
- Written statements of persons paying money to a client member in cases where the client provides child care, chore services, room and board, or other services for pay.
- Alimony or spousal support statements/letters.
- Interest, annuities, or dividends statements/letters.
- Current award letters or benefit statements for unearned income that is only verified once per year such as SSI and Social Security benefits, Veterans benefits, or pension/retirement income. Letters or other documents from income sources (e.g., MDHHS, Social Security, VA).
- Unemployment Compensation Benefit check stubs.
- If self-employed, accounting and other business records showing net income.
- Self-declaration of applicant, but only as a last resort. The intake worker should record the steps taken that will demonstrate a reasonable effort was made to obtain income documents.
- Other documents the program operator has reason to believe will verify the projected income of the household member(s).

NOTE: Bank statements are NOT an acceptable form of income documentation.

Client File

All household member documentation must be documented and scanned and uploaded into FACSPRO as one file under Customer Intake Documents. The client file must include the following (as applicable):

1. A copy of the Grantee client services application and/or FACSPRO Customer Report. The application/customer report must identify each member of the household as well as income sources and amounts for each member of the household being served. The client and the intake worker must sign the application.
2. A copy of all documents used to determine income eligibility; including self-declarations and documented phone conversations with caseworkers.
Note: If the household was prescreened by MDHHS, retain a copy of the decision letter.
3. **Correct entry** for each income source for each individual in household for the next 30 days in FACSPRO.
4. Account Number.

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5. AwardPro in FACSPRO must be used to document payment to vendor for clients. The award in FACSPRO must be the same as the amount paid to the vendor.

6. Demonstration of Need documentation showing household deliverable fuel is at or below 25% (not applicable for pre-buy).

7. Completed Action Plan in FACSPRO.

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Community Services Policy Manual	SUBJECT: Deliverable Fuel <p style="text-align: center;">PROGRAMMATIC REPORTING</p>		EFFECTIVE DATE 9/1/2016 ISSUE DATE 7/26/2016

REFERENCES

- LIHEAP State Plan
- LIHEAP Crisis Assistance (LCA) Agreement

PURPOSE

The LCA Agreement requires the submission of programmatic reports. The report will indicate the total number of households served and the number of households served by demographics, and federal poverty levels. Additionally, the report will capture LIHEAP metrics, as required by the U.S. Department of Health & Human Services.

POLICY

BCAEO will use the LIHEAP Household Report in FACSPRO to report the unduplicated households and demographics upon request for each Grantee. The report requires Grantees to use Award Pro. BCAEO will also extract the following:

- Individual customer names
- Social Security Numbers
- Heating Fuel Type
- Award Amounts
- Demographics

This information will then be submitted to the Department of Health & Human Services LIHEAP program office.

BCAEO will utilize the LIHEAP Performance Measures FACSPRO System report for information on clients served with this program.

Reporting Schedule

All documentation and assistance files must be entered into FACSPRO using real time so that up to date information can be submitted as requested by the LIHEAP Program office.

The final report will be extracted from FACSPRO by BCAEO staff the first week of the end of the program year.

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Community Services Policy Manual	SUBJECT: Program Requirements DELIVERABLE FUEL PROGRAM LCA-LIHEAP		EFFECTIVE DATE 2.23.18 ISSUE DATE 2.23.18

REFERENCE

- LIHEAP Crisis Assistance (LCA) Agreement
- State of Michigan LIHEAP State Plan
- State Emergency Relief Manual 301

PURPOSE

To provide program requirements to Grantees that will intervene in energy crisis situations and provide energy assistance program services that will help eligible low-income households meet home energy costs for their primary residence and primary fuel source through payment of deliverable fuel bills.

POLICY

Grantees are required to administer this grant following the rules and regulations as set forth by the LCA Agreement and the Community Services Policy Manual.

Household Assistance Cap

LCA-LIHEAP assistance establishes an assistance cap per household (client) that is not to be exceed within the program year. The caps per household (client) are as follows:
 \$1,200 for fuel oil, propane, and/or coal
 \$850 for wood, pellets, and/or cherry pits

Note: These caps apply to all LIHEAP funding sources (LCA, Michigan Energy Assistance Program, State Emergency Relief, and Tribal LIHEAP). Payments are applied to the cap of the client. Client is defined as the applicant for or recipient of SER and includes all group members. Every individual in the group who benefits from the payment, including minor children, will have payments applied to their individual cap. The payments applied to the cap follow the individual even if they move from one household to another.

Example: A SER payment is made for heat on the mother’s case. The payment applies to the mother’s cap and to all the children who live with her. One child leaves the home and moves in with the father. The father then applies for SER for heat. The child’s cap is applied to the father’s eligibility determination because the child has benefited from the previous heat payment.

Crisis Season

Deliverable fuel funds should primarily be used for the program’s crisis season, which begins on November 1 and ends May 31 each year.

Vendor Payments

Energy assistance payments must be in the form of a voucher or direct payment to the deliverable fuel provider and cannot be paid to a landlord or client. An eligible client whose bill is in the landlord’s

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name can be assisted as long as payment for the deliverable fuel is made directly to the deliverable fuel provider. The Grantee must document this information in the client file.

Deliverable Fuel Services

That Grantee shall intervene in energy crisis situations and provide energy assistance program services that will help eligible low-income households meet home energy costs for their primary residence through payment or partial payment of bills for one or more of the following: 1) propane; 2) heating oil; or 3) any other deliverable fuel that serves as the household's primary heat source. Assistance must be for the household primary fuel source only.

Allowable Services

1. Provide energy assistance program services that will help eligible low-income households meet home energy costs for their primary residence through payment or partial payment of bills for propane, heating oil, or any other deliverable fuel used to provide primary source of heat.
2. Charges for heating fuel delivery, arrearages, federal required safety tests, special trip charges, storage tank (pig) installation, new fuel tank replacement (if verified that a new tank is required), delivery, rental, lock in rate fees (this does not include pre-purchasing deliverable fuels and this type of fee has a \$100.00 maximum allowance) and other related charges.
3. Resolve the crisis/emergency of an energy customer for at least 30 days.
4. Pre-Purchase of Propane for eligible households from propane vendors that offer a pre-purchase program during the summer months. Purchases must not exceed household caps for the year.

Unallowable Services

Funds are not to be used for the following:

1. To pay for unregulated service charges, such as appliance repair or appliance protection programs, that may be included in a utility's monthly electric or gas service bill.
2. Cooking gas.
3. Service used in businesses or nonresidential buildings or facilities such as rental units, garages, stores, or nonresidential farm uses. When a bill represents combined residential and nonresidential or business usage, pay only the residential portion if the utility can provide an approximate breakdown showing the residential use portion and the group applying for energy services pays the nonresidential costs. In the case of a client who works in their own home, if the bill is in the client's name and the service address is the same as the client's residence address, it is considered a residential bill and payment may be authorized. If the bill is in the name of the client's business, it is considered a commercial bill and payment cannot be authorized.
4. Assistance with secondary heating source.

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Demonstration of Need

Demonstration of need for deliverable heating fuel is a client statement indicating that the household’s fuel supply is low and household members are in danger of losing their only safe or adequate source of heat.

Demonstration of need must be documented in the client file for each time deliverable heating fuel assistance is provided.

Ten Day Standard of Promptness Rule

Grantees shall observe a 10-day standard of promptness from date of application in the process of eligibility determination complete and timely filed applications.

Do **not** authorize a payment **before** a service is provided **or** before the household has made a required copayment, contribution or prorated payment. This will avoid situations where payments are made without services being provided

Notice of Eligibility/Eligibility Determination Letters

A notice of eligibility should be given to all applicants notifying whether the application was approved or denied. If the application is approved, the notice should include any contributions the household must make to resolve the emergency. If the application is denied, the notice should include the reason for denial. All eligibility notices must include information on how to request a review of denial.

Grantees may have a generic letter available that should be given to clients upon determination. A copy of the letter is not required as part of the file documentation.

APPEAL PROCESS

Grantees shall establish a procedure by which applicants wishing to contest an eligibility decision or the timeliness of such a decision. All applicants must be made aware of the Grantee appeals process.

This procedure provides the opportunity to appeal any of the following:

1. An application for low-income service if there has been partial or complete denial of assistance if all of the following provisions are satisfied:
 - a. The services denied are specific, tangible benefits for which BCAEO provides funding.
 - b. Funds are currently available.
 - c. The Grantee has the authority to provide and disburse funds.
 - d. The applicant has completed a formal, written application for such services.
 - e. The applicant falls within the program guidelines or believes they can prove they fall within the program guidelines.

VENDOR REQUIREMENTS

All deliverable fuel vendors must:

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- Register with the Michigan Vendor Self Service portal in SIGMA <https://sigma.michigan.gov/webapp/PRDVSS2X1/AltSelfService> and have submitted the Participation Agreement (DHS-355 form) for Michigan's Low Income Home Energy Assistance Program.
- Have an assigned MDHHS Vendor ID entered into FACSPRO.