

MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES		Item 701	Page 1 of 6
Community Services Policy Manual	SUBJECT: Low Income Home Energy Assistance Program (LIHEAP) INCOME ELIGIBILITY GUIDELINES		EFFECTIVE DATE 10/1/2016 ISSUE DATE 8/2/2016

REFERENCES

- Federal Register, U.S. Department of Health and Human Services (HHS) Annual Update of the Federal Poverty Guidelines,
- U. S. Department of Energy (DOE), Weatherization Assistance Program (WAP) Notices
- Community Services Policy Manual
- Retrofitting Michigan Field Guide
- Technical Weatherization Policy
- WAP Agreements
- Department of Health & Human Services LIHEAP State Plan

PURPOSE

Grantees are required to administer the LIHEAP grant following U.S. HHS regulations pertaining to weatherization activities and DOE WAP regulations.

POLICY

The Grantee is required to use 150 percent of poverty income guidelines to determine income eligibility for weatherization assistance under the Low Income Home Energy Assistance Program.

Income refers to total cash receipts **before** taxes from all sources, for all household members, for the preceding 3 months. Exceptions are noted below.

Re-Certification of Application

An applicant must be re-certified when eligibility lapses due to the length of time the applicant was waiting to receive Weatherization services. Re-certification must occur at least every 12 months from date of application.

Automatic Income Eligibility

A household is automatically income eligible if any household member received any of the following payments at any time during the 12-month period preceding the determination of eligibility for weatherization assistance:

- Cash assistance payments under Title IV (FIP) or, XVI of the Social Security Act (SSI)

MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES		Item 701	Page 2 of 6
Community Services Policy Manual	SUBJECT: Low Income Home Energy Assistance Program (LIHEAP) INCOME ELIGIBILITY GUIDELINES		EFFECTIVE DATE 10/1/2016 ISSUE DATE 8/2/2016

NOTE: The receipt of these benefits in the previous twelve months must be documented in the applicant's file. The State's quarterly SSI payments do not need to be documented but must be included in the calculation.

Income Guidelines

Refer to CSPM Item 208, Poverty Income Guidelines, for the most current poverty income guidelines.

Income includes:

1. Money, wages and salaries before any deductions. This includes wages from assistantships, work-study, stipends and self-employment income. See Self-Employment Income section below.
2. Net receipts from non-farm or farm self-employment (receipts from a person's own business or from an owned or rented farm after deductions for business or farm expenses).
3. Self-Employment Income for each type of self-employment activity or business (see Income Computations: Self-Employment Income and Self-Employment Expenses).
4. Regular payments from Social Security (gross benefit, including any Medicare premiums and/or state supplemental payments), railroad retirement, unemployment compensation, strike benefits from union funds, workers compensation, veteran's payments, public assistance (including Family Independence Program-FIP, Supplemental Security Income-SSI and State Disability Assistance-SDA), training stipends, alimony, and military family allotments.

Note: Retroactive lump sum payments for Social Security or Railroad Retirement Benefits should be prorated on a 12-month basis so that only benefits covering the three-month calculation period are included.

5. Private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments.
6. Income from individual retirement accounts (IRAs) received during the three-month calculation period, whether as monthly or lump-sum withdrawals

NOTE: Lump-sum IRA withdrawals should be prorated on a 12-month basis, and three months of the prorated amount should be included in the calculation.

7. Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.
8. Any lump sum payments received by Native Americans, such as from Casino income or other tribal income.

MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES		Item 701	Page 3 of 6
Community Services Policy Manual	SUBJECT: Low Income Home Energy Assistance Program (LIHEAP) INCOME ELIGIBILITY GUIDELINES		EFFECTIVE DATE 10/1/2016 ISSUE DATE 8/2/2016

9. Guardianship subsidies, and adoption subsidies.

Income excludes:

1. Combat zone pay.
2. Capital gains.
3. Any assets drawn down as withdrawals from a bank, the sale of property, a house, or a car.
4. One time payments from a welfare agency to a family or a person who is in temporary financial difficulty.
5. Tax refunds, gifts, loans, lump sum inheritances, one-time insurance payments, or compensation for injury.
6. Non-cash benefits such as the employer paid or union paid portion of health insurance or other employee fringe benefits (including the imputed value of health insurance for domestic partners), food or housing received in lieu of wages, the value of food and fuel produced and consumed on farms, the imputed value of rent from owner-occupied non-farm or farm housing, and such federal non-cash benefit programs such as Medicare, (Medicare premiums are **not** excluded) Medicaid, food stamps (or cash received in lieu of food stamps), school lunches, and housing assistance.
7. College scholarships and grants.
8. Foster Care payments, Child Support and Family Support Subsidy payments.
9. Income earned through employment by a child who is age 18 and under, **and** attending school.

NOTE: “Earnings” do not include program benefits such as Social Security, Supplemental Security Income, etc.; these **are** included in the total household income.

Income Computations

All income must be entered into FACSPRO for each household member using the income cycle of “Annual”.

An applicant household’s **ACTUAL INCOME** for the preceding three-month period including the date of application is computed in FACSPRO. For example, an application dated June 7 would have a three-month period of March 8 – June 7.

MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES		Item 701	Page 4 of 6
Community Services Policy Manual	SUBJECT: Low Income Home Energy Assistance Program (LIHEAP) INCOME ELIGIBILITY GUIDELINES		EFFECTIVE DATE 10/1/2016 ISSUE DATE 8/2/2016

The income computation process should include actual received current **gross** income documentation, current and prior monthly benefit documentation, W-2s or income tax returns for prior year's income, and, **as a last resort**, self-declarations (see Self-Declarations section for more information in CSPM 502.)

Best Practice – Pay period ending dates should not be used unless it is documented that the applicant/household member receives their payments on the same date.

Gross income is total income received before deductions such as taxes, medical premiums, retirement plans, garnishments, child support, or other deductions. Gross income for all household members (except as specifically excluded) is countable income.

Applicants/households that have “roomers” paying rent:

The “roomer” is not considered a member of the “household” and the income of the “roomer” is not counted for income eligibility. However, the rent from the roomer should be included as income. When calculating income, the income from rent payments should be included for the months the rent was received.

Self-Employment Income

Self-employment income must be documented for each type of self-employment activity or business. Business expenses may be deducted from the gross income amount determined for each self-employment activity/business. Documentation of claimed expenses must be included in the client file information.

NOTE: Losses from a single self-employment source of income cannot be applied to any other self-employment income or other household income types. In other words, if self-employment business A realizes a loss of \$10,000, the income from that source is considered zero. The \$10,000 loss cannot be deducted from self-employment business B or other household income.

Self-Employment Expenses

Allowable expenses include all of the following:

- Identifiable expenses of labor, stock, raw material, seed, fertilizer, etc.
- Interest and principal on loans for equipment, real estate or income-producing property

MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES		Item 701	Page 5 of 6
Community Services Policy Manual	SUBJECT: Low Income Home Energy Assistance Program (LIHEAP) INCOME ELIGIBILITY GUIDELINES		EFFECTIVE DATE 10/1/2016 ISSUE DATE 8/2/2016

- Insurance premiums on loans for equipment, real estate and other income-producing property.
- Taxes paid on income-producing property.
- Transportation costs while on the job (example: fuel)
- Purchase of capital equipment.
- A child care provider's cost of meals for children. Do **not** allow costs for the provider's own children.
- Any other identifiable expense of producing self-employment income except those listed below.

The following are **not** allowable expenses:

- A net loss from a previous period.
- A net loss from another type of self-employment.
- Federal, state and local income taxes.
- Personal entertainment or other individual business expenses.
- Money set aside for retirement.
- Depreciation on equipment, real estate or other capital investments.

Documentation of Income

Income must be thoroughly documented and uploaded to FACSPRO (See CSPM 612-Applicant File Documentation). The following items are acceptable documentation:

- Copies of paychecks or pay stubs
- Written statements from employers
- Letters, benefit statements, or other documents from income sources, e.g., DHS, Social Security, VA
- Unemployment Benefit determination letter or online benefits information
- If self-employed, accounting and other business records showing net income
- W-2 statements and tax forms

NOTE: W2's will seldom be adequate by themselves, since W2's usually report a period ending well in advance of the date of application. An exception may be made for the self-employed, since tax records are a convenient source of information about their income. However, W2's should be used in conjunction with a self-declaration.

MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES		Item 701	Page 6 of 6
Community Services Policy Manual	SUBJECT: Low Income Home Energy Assistance Program (LIHEAP) INCOME ELIGIBILITY GUIDELINES		EFFECTIVE DATE 10/1/2016 ISSUE DATE 8/2/2016

- Other documents the Grantee has reason to believe will **fully verify** the household income of the applicant

After all other avenues of documenting income eligibility are exhausted, self-declaration is allowable, but evidence of the various attempts at proving eligibility must be contained in the client file, **including** a notarized statement signed by the potential applicant indicating that no other proof of income is available.

If the self-declaration is for zero income **for the entire household**, then along with the declaration being notarized, approval by DHS BCAEO staff is also required, and a copy of the approval must be included in the applicant's file. Requests for approval must be submitted by email to the Grantee's Grant Manager. The requests should include the applicant's name, date of birth, the last four digits of the applicant's SSN and an explanation of how the household is paying for their living costs.

Applicant's File

Agencies must maintain a file for all recipients of weatherization services. A copy of the client's FACSPRO Customer Report or the DHS-4283 with original client and agency signatures must be in the physical file. All other required file documents must be uploaded onto FACSPRO (See CSPM Item 612, Applicant File Documentation, and CSPM Item 903, FACSPRO Database Roles and Responsibilities).

MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES		Item 702	Page 1 of 1
Community Services Policy Manual	SUBJECT: Low Income Home Energy Assistance Program (LIHEAP) <p style="text-align: center;">PROGRAMMATIC REPORTING</p>		EFFECTIVE DATE 10/1/2016 ISSUE DATE 8/2/2016

REFERENCES

- WAP Agreement
- Retrofitting Michigan Field Guide
- Technical Weatherization Policy
- Community Services Policy Manual

PURPOSE

Grantees are required to administer the LIHEAP grant following U.S. Department of Energy Weatherization Assistance Program Regulations and the State of Michigan Annual LIHEAP State Plan.

POLICY

The Grantee is required to prepare a Weatherization Assistance Program Monthly Programmatic Report, DHS-1071, in accordance with the instructions in CSPM Item 602 of this policy manual.

The Grantee shall submit the LIHEAP Activity Report (DHS-1073) to the Department of Health & Human Services (DHHS) no later than 30 days following the completion of the Agreement period of each program year. The report is available in the FACSPRO Document Center. The report shall be submitted electronically to the following email address:

DHHS-BCAEO@michigan.gov

The Grantee is required to have all weatherization jobs for the report month entered by the fourteenth (14th) day of the month following the report month into the DBA FACSPRO database. BCAEO will extract DHS-1071 report information from FACSPRO the fifteenth (15th) day of the month following the report month.

MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES		Item 703	Page 1 of 4
Community Services Policy Manual	SUBJECT Low Income Home Energy Assistance Program (LIHEAP) <p style="text-align: center;">PROGRAM REQUIREMENTS</p>		EFFECTIVE DATE 10/1/2016 ISSUE DATE 8/2/2016

REFERENCES

- WAP Agreement
- Community Services Policy Manual
- Technical Weatherization Policy Manual (TWP)
- Retrofitting Michigan Weatherization Field Guide
- Michigan Public Act 523 (2014)

BACKGROUND

Grantees are required to administer the LIHEAP grant following U.S. Department of Energy (DOE) Weatherization Assistance Program (WAP) Regulations and the State of Michigan Annual LIHEAP State Plan.

POLICY

Grantees are required to administer this grant following the DOE WAP regulations and the U.S Department of Health and Human Service (HHS) LIHEAP regulations. The Community Services Policy Manual (CSPM) will prevail when the manual has policy that contains requirements different from LIHEAP and/or WAP regulations.

The Grantee will determine which weatherization measures will be completed on an eligible dwelling unit in accordance with the Retrofitting Michigan Field Guide, Technical Weatherization Policy Manual (TWP) and CSPM.

General Program Requirements

The Grantee shall weatherize eligible dwelling units in its service area as detailed in the Grantee’s LIHEAP Weatherization Assistance Program Plan, as approved by the Michigan Department of Health & Human Services (DHHS).

The Grantee will maintain a basic service system which includes an outreach/intake system, a method of installing measures, audit/inspection procedures, qualified crews and/or subcontractors, and maintenance of quality control procedures to ensure each dwelling weatherized is completed in compliance with all program requirements.

Eligible Dwelling Units

All dwellings to be weatherized must be owner or renter occupied, and occupied by a household:

1. Whose income is at or below **150** percent of the poverty level established by HHS , or

MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES		Item 703	Page 2 of 4
Community Services Policy Manual	SUBJECT Low Income Home Energy Assistance Program (LIHEAP) PROGRAM REQUIREMENTS		EFFECTIVE DATE 10/1/2016 ISSUE DATE 8/2/2016

2. Which contains a member who has received any one of the following at any time during the 12-month period preceding the date of application for weatherization assistance:
 - Cash assistance payments under Title IV – Family Independence Program (FIP) or, XVI of the Social Security Act, Supplemental Security Income (SSI) or

3. Occupying a qualified rental dwelling unit in accordance with CSPM Item 608.

Note: For LIHEAP Weatherization funding, landlord contribution is mandatory.

4. Occupying a shelter, group home or transitional facility in accordance with CSPM Item 608.1.

Landlord Contributions

For all rental properties that are weatherized with LIHEAP funding, Grantee’s must require not less than 25% of the total cost of the weatherization services for that property be contributed by the property owner unless the property owner is also eligible for weatherization assistance or is a nonprofit organization, governmental agency, or municipal organization. Along with the required landlord contribution for rentals, a landlord agreement is required. See CSPM 600 Series.

If a landlord refuses to participate in the landlord contribution after the applicant has been determined to be eligible for the program, this must be noted in FACSPRO by moving the job to the “Ineligible queue” in WxPro with a note stating the landlord refused to contribute and also the action plan should be marked as “service not received” and choose the “Landlord refused to contribute” option.

Allowable Measures

Allowable measures to be installed are determined at the audit during the energy audit process. These measures will be outlined on the Quality Control (QC) checklist. Grantees must use the State of Michigan (SOM) approved audit to determine all appropriate measures to be installed in each unit. See the TWP for these requirements.

LIHEAP funds may be used to:

1. Provide LIHEAP WAP measures on units.
2. Provide additional measures on DOE units. NEAT/MHEA or the NEAT/MHEA Weatherization Measures shall determine the additional measures installed.

MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES		Item 703	Page 3 of 4
Community Services Policy Manual	SUBJECT Low Income Home Energy Assistance Program (LIHEAP) PROGRAM REQUIREMENTS		EFFECTIVE DATE 10/1/2016 ISSUE DATE 8/2/2016

3. Provide energy education to LIHEAP eligible weatherization assistance client households. Energy education expenditures are limited to **15%** of the total LIHEAP allocation. Funds may be used for related staffing costs or materials purchased to support client education activities such as videos, pamphlets, energy education kits, etc. Agencies must have a method of tracking energy education expenditures and the ability to provide documentation upon monitoring.
4. Provide health and safety measures on eligible units.
5. Provide/attend training and technical assistance activities.

Water Heaters

- Replacement of water heaters shall be in compliance with TWP Section 7810.
- Funds cannot be used to convert to an electric water heater from another fuel source.

Roof Repairs

Roof repairs are permitted on owner and rental units. The repairs should be in accordance with (10) CFR 440.18 and the CSPM 600 series, Retrofitting Michigan Field Guide, and the TWP.

Non-Energy Measures

The costs for non-energy measures, including roof replacements, cannot exceed 25% of the agency LIHEAP allocation. Grantees are responsible for tracking non-energy measure expenditures and providing documentation upon monitoring.

Roof replacements are only permitted if all of the following criteria are met and documented in the client file in FACSPRO:

- It must be an **owner-occupied** unit.
- The roof replacement is necessary to make the installation of weatherization materials effective.
- The unit must include installation of energy savings measure(s) as prescribed by a SOM approved energy audit. NOTE: The installed energy saving measure(s) cannot consist entirely of baseload measure(s).

Rental vs. Owner Unit Type - Allowable Measures

MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES		Item 703	Page 4 of 4
Community Services Policy Manual	SUBJECT Low Income Home Energy Assistance Program (LIHEAP) PROGRAM REQUIREMENTS		EFFECTIVE DATE 10/1/2016 ISSUE DATE 8/2/2016

Except for roof replacements, there are no restrictions to the measures installed to any unit based on it being a rental or owner unit. All allowable measures determined via the DOE approved audit for the State of Michigan are appropriately installed in any eligible unit regardless of the type.

Maximum Average Cost per Unit

- The maximum allowable average cost per unit for LIHEAP expenditures for is \$7,105. Average cost per unit includes support, labor, and materials.

Note: If the cost of a roof repair or replacement is more than the Grantee can allow in order to ensure compliance with the maximum average cost per unit, the Grantee should discuss with the home owner the option of the home owner paying the overage and refer them to their local CDBG provider for information on low or no-interest home repair loans.