

State of Utah  
Department of Workforce Services  
Housing and Community Development Division

**HEAT  
PROGRAM  
POLICY MANUAL**

Revised October 2017

## Contents

<b>GENERAL PROVISIONS</b>	<b>1</b>
<hr/>	
A. CLIENT RIGHTS .....	1
B. CLIENT RESPONSIBILITIES .....	1
C. AUTHORITY OF STATE HEAT PROGRAM MANAGER .....	1
D. SAFEGUARD PROTECTED INFORMATION .....	2
E. CONFIDENTIAL INFORMATION.....	2
F. RELEASING INFORMATION TO THE CLIENT .....	2
G. RELEASING INFORMATION TO SOURCES OTHER THAN THE CLIENT.....	2
H. COMPLAINTS.....	3
I. FAIR HEARINGS .....	3
J. CONFLICT OF INTEREST .....	5
K. ZERO TOLERANCE .....	5
<b>PROGRAM STANDARDS</b>	<b>7</b>
<hr/>	
A. OPENING AND CLOSING DATES FOR HEAT PROGRAM .....	7
B. ELIGIBILITY STANDARDS .....	7
C. INELIGIBLE RESIDENTS .....	8
D. ELIGIBILITY DETERMINATION - HOUSEHOLD CONTAINING AN INELIGIBLE RESIDENT ...	8
E. UTAH RESIDENTS, LENGTH OF RESIDENCY.....	9
F. UTAH TRIBAL RESIDENTS .....	9
G. ELIGIBLE HOUSEHOLDS .....	9
H. VULNERABILITY .....	10
I. SOCIAL SECURITY NUMBERS .....	11
J. BILLS EXCEEDING AVAILABLE FUNDS.....	12
K. HEAT CRISIS ASSISTANCE .....	12
L. WEATHERIZATION .....	14
M. UTILITY COMPANIES AND HEATING SUPPLY VENDOR - SECURITY DEPOSITS .....	15
N. CONSUMER COMPLAINTS AGAINST UTILITIES .....	15
O. BENEFIT REFUNDS .....	15
P. HEAT VENDOR PAYMENT PROCEDURE.....	15
Q. UTILITY COMPANY PROGRAMS .....	16
<b>INCOME STANDARDS</b>	<b>17</b>
<hr/>	
A. INCOME .....	17
B. UNEARNED INCOME.....	17
C. EARNED INCOME.....	18
D. SELF-EMPLOYMENT INCOME .....	18
E. INCOME EXCLUSIONS .....	19
F. INCOME DISREGARDS.....	20
G. INCOME, MEDICAL, CHILD SUPPORT/ALIMONY DEDUCTIONS .....	20
<b>INCOME ELIGIBILITY</b>	<b>22</b>
<hr/>	
A. HEAT INCOME ELIGIBILITY .....	22
B. COUNTABLE HOUSEHOLD INCOME IN THE MONTH PRIOR TO THE MONTH OF APPLICATION.....	22
C. INCOME DEFICIT/ZERO INCOME .....	22

<b>D.</b>	<b>ASSET STANDARDS</b> .....	<b>22</b>
	<b>PAYMENT CALCULATION</b> .....	<b>23</b>
<hr/>		
<b>A.</b>	<b>PERCENT OF POVERTY</b> .....	<b>23</b>
<b>B.</b>	<b>ENERGY BURDEN</b> .....	<b>23</b>
<b>C.</b>	<b>TARGET GROUPS</b> .....	<b>24</b>
<b>D.</b>	<b>PROPANE OR FUEL OIL</b> .....	<b>25</b>
	<b>PROGRAM BENEFITS</b> .....	<b>26</b>
<hr/>		
<b>A.</b>	<b>BENEFIT PAYMENT LEVELS</b> .....	<b>26</b>
<b>B.</b>	<b>FORMS OF HEAT PAYMENTS</b> .....	<b>26</b>
	<b>ELIGIBILITY DETERMINATION</b> .....	<b>28</b>
<hr/>		
<b>A.</b>	<b>APPLICATION</b> .....	<b>28</b>
<b>B.</b>	<b>ACCEPTABLE VERIFICATION</b> .....	<b>28</b>
<b>C.</b>	<b>DETERMINING THE PRIMARY FUEL TYPE</b> .....	<b>28</b>
<b>D.</b>	<b>DATE OF APPLICATION</b> .....	<b>29</b>
<b>E.</b>	<b>DATE OF PAYMENT</b> .....	<b>29</b>
<b>F.</b>	<b>INTERNAL CONTROLS</b> .....	<b>29</b>
	<b>RECORDS AND BENEFIT MANAGEMENT</b> .....	<b>30</b>
<hr/>		
<b>A.</b>	<b>CASE RECORDS</b> .....	<b>30</b>
<b>B.</b>	<b>NOTIFICATION</b> .....	<b>30</b>
<b>C.</b>	<b>HEAT PAYMENTS</b> .....	<b>30</b>
<b>D.</b>	<b>APPLICATION, DOCUMENTATION AND PAYMENT ERRORS</b> .....	<b>31</b>
<b>E.</b>	<b>ENERGY CONSUMPTION DATA TRACKING</b> .....	<b>31</b>
	<b>FRAUD</b> .....	<b>32</b>
<hr/>		
<b>A.</b>	<b>OVERVIEW</b> .....	<b>32</b>
<b>B.</b>	<b>PROCEDURES FOR FRAUD, WASTE AND ABUSE</b> .....	<b>32</b>
	<b>MONITORING</b> .....	<b>33</b>
<hr/>		
<b>A.</b>	<b>OVERVIEW</b> .....	<b>33</b>
<b>B.</b>	<b>OBJECTIVES</b> .....	<b>33</b>
<b>C.</b>	<b>GUIDELINES FOR AGENCY MONITORING REVIEWS:</b> .....	<b>33</b>
	<b>MORATORIUM</b> .....	<b>35</b>
<hr/>		
<b>A.</b>	<b>OVERVIEW</b> .....	<b>35</b>
<b>B.</b>	<b>OPENING AND CLOSING DATES OF THE MORATORIUM</b> .....	<b>35</b>
<b>C.</b>	<b>ELIGIBILITY CRITERIA</b> .....	<b>35</b>
<b>D.</b>	<b>DEFAULT</b> .....	<b>36</b>
<b>E.</b>	<b>HEARING RIGHTS</b> .....	<b>36</b>
<b>F.</b>	<b>COMPANIES OPERATING IN UTAH SUBJECT TO THE MORATORIUM</b> .....	<b>37</b>
	<b>OUTREACH AND CONTINUED ACCESS TO ON-SITE APPLICATION</b> .....	<b>38</b>
<b>A.</b>	<b>OUTREACH AND CONTINUED ACCESS TO ON-SITE APPLICATION</b> .....	<b>38</b>
	<b>FINANCIAL REPORTING</b> .....	<b>39</b>
<b>A.</b>	<b>LOCAL HEAT OFFICE BUDGETS AND CLAIMS SUBMISSION</b> .....	<b>39</b>
<b>B.</b>	<b>BUDGETS</b> .....	<b>39</b>
<b>C.</b>	<b>ADMINISTRATIVE COSTS</b> .....	<b>40</b>
<b>D.</b>	<b>CASE MANAGEMENT COSTS</b> .....	<b>40</b>

<b>E.</b>	<b>ENERGY EDUCATION</b>	<b>41</b>
<b>F.</b>	<b>PROCESS FOR REQUESTING ADDITIONAL FUNDS</b>	<b>41</b>
<b>G.</b>	<b>ONLINE CLAIMS SUBMISSION</b>	<b>41</b>

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## GENERAL PROVISIONS

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The HEAT policies and procedures in this manual are rules for determining eligibility, delivering benefits, and administering the program. It is impossible to foresee all situations. HEAT staff should use reason and good judgment in making decisions when rare or unusual situations come up based on common sense and the best information available. In these situations, document the rationale used to make the decision along with applicable policy manual references.

### A. CLIENT RIGHTS

Any person living in the State of Utah has the right to apply or reapply for HEAT assistance during the heating season, and is entitled to the following rights:

1. To receive reasonable assistance from agencies, if needed, to complete an application including having an outreach worker come to his/her home upon permission.
2. To have a caseworker clearly identify themselves.
3. To have confidential, personal information safeguarded. (See Item E.)
4. To be notified in writing of any decisions affecting his/her case and to be provided with a reason for denial.
5. To discuss his/her case with a supervisor.
6. To request a Fair Hearing in writing if he/she disagrees with any action taken on his/her case. (See item I.)
7. Access to the HEAT Policy Manual.
8. To receive one HEAT benefit per household per season if eligible.
9. To reapply if an application is denied any time prior to the end of the current HEAT season.

### B. CLIENT RESPONSIBILITIES

Any person wishing to apply for HEAT assistance is responsible for the following:

1. To complete and sign an application and submit it to the HEAT Office. If applying through a local HEAT office or on-line, the application may be signed with an electronic signature. The applicant must acknowledge that they have read the disclaimer and agree with it.
2. To provide complete and accurate information and requested verifications in order to determine eligibility.
3. To immediately report any address changes while he/she is under moratorium protection. (See Moratorium Section).
4. To repay the State of Utah any overpayment of HEAT assistance if required.

### C. AUTHORITY OF STATE HEAT PROGRAM MANAGER

The State HEAT Program Manager or designee will make policy decisions when situations arise that are not specifically covered in the HEAT Policy Manual. These decisions and the person making them must be noted in SEALWorks. The State Heat Program Manager has sole authority to make policy exceptions that do not contradict federal LIHEAP regulations.

**D. SAFEGUARD PROTECTED INFORMATION**

The HEAT Program must safeguard client information. Strict rules exist for the treatment of data from the Income Eligibility Verification System for TANF (Temporary Assistance for Needy Families), Medicaid, and food stamp clients. Information kept in the case record, in the computer system (SEALWorks), Department of Workforce Services Information sharing systems (i.e. ESHARE), or anywhere else, cannot be shared except as described in Sections E, F, and G. Any person who fails to safeguard information is subject to both civil and criminal penalties and termination from employment in the HEAT program.

**E. CONFIDENTIAL INFORMATION**

Workers will have access to confidential information. All HEAT client records are considered confidential and are open only to State and local agency personnel carrying out eligibility and audit functions. Such information cannot be shared with unauthorized personnel. Private/Non-Public information includes the following:

1. Social Security number.
2. Birth date.
3. Home phone number.
4. Home address.
5. Health records.
6. Income information.
7. Citizenship.
8. Veteran and Disability status.
9. The name of a person who has disclosed information about a household without the household's knowledge.
10. Any data regarding the nature or status of a pending criminal prosecution.

**F. RELEASING INFORMATION TO THE CLIENT**

1. Information that can be released to the client:

Upon presentation of government issued photo identification, client may view and copy anything to do with the case record unless it has been obtained from a third party. The client or their representative **cannot** remove the client file from the HEAT office.

2. Information that cannot be released to the client:

Information obtained from third-party sources (i.e, eShare, CUBS, anonymous reports etc.) cannot be released to the client or representative.

**G. RELEASING INFORMATION TO SOURCES OTHER THAN THE CLIENT**

1. If the client names an authorized representative in writing, case record information may be released to that person as if he/she were the client. Written authorization must be signed in the presence of a HEAT worker or must be notarized. Anything mailed by the HEAT program will be mailed to the client's address of record unless client provides reasonable explanation of alternate address:

2. Information about a HEAT or Moratorium client can be released **only** when that information is to be used in the following ways:
  - a) Administration or enforcement of the HEAT or Moratorium programs.
  - b) Administration or enforcement of any means-tested methods program.
  - c) Audit or review of expenditures in connection with the HEAT or Moratorium Programs.
  - d) Criminal or civil proceedings connected with the administration of the HEAT or Moratorium Programs.
  - e) When an outside source subpoenas a file. The State HEAT Program Manager must be contacted immediately so legal counsel can be consulted.
  - f) In the event of an emergency. (The State HEAT Program Manager or his/her designee is responsible to decide if an emergency actually exists and may give a supervisor permission to release the information prior to obtaining the client's permission. The client must be informed as soon as possible. Details about the nature of the emergency must be documented in SEALWorks)
3. Who information can be released to:

The HEAT Program can release case record information to an authorized outside source that safeguards the case record information on clients. This includes community groups who have written internal confidentiality policies.
4. Who information cannot be released to:
  - a) Anyone requesting information for commercial or political reasons.
  - b) Any outside source for any reason not previously listed.
  - c) The general public. There are no provisions for taxpayers to see HEAT or Moratorium client files.

## **H. COMPLAINTS**

The client may make a complaint in person, by phone, or in writing. The complaint can be taken in the local office or be referred to the State HEAT Program Manager or his/her designee. A response to a complaint will be provided in person, by phone, or in writing.

## **I. FAIR HEARINGS**

The client has the legal right to ask for a Fair Hearing any time he/she does not agree with an action taken on his/her HEAT case. The client has the right to have the policy and the action explained to him/her upon request, and to speak directly with a supervisor and/or a member of the state HEAT program staff. If a client wants to apply for a Fair Hearing, the following conditions will apply:

1. The client must request a Fair Hearing in writing within 60 days of the effective date of the case action with which he/she disagrees.
2. Requests must be submitted to the local or State HEAT office or mailed to the Division of Adjudication, P. O. Box 45244, Salt Lake City, Utah 84145-0244.
3. The Hearing Examiner must inform the client and the State HEAT Office about the time, date, place, and reason for the hearing. This notice should be mailed at least 10 days prior to the hearing.

4. The client may ask for a postponement of the scheduled hearing. This postponement cannot exceed a total of 30 days. Postponement of the scheduled hearing will not be granted beyond the 30 days for any reason.
5. Legal counsel will be provided for the HEAT office by calling the County Attorney or the Utah Attorney General.
6. Fair Hearings are not open to the public. The only parties that may attend are the Hearing Examiner, representatives and witnesses for the State HEAT Program, and representatives, witnesses, friends, and relatives of the client. The Hearing Examiner may limit the number of people at a hearing if there is not sufficient room for everyone wishing to attend.
7. What happens during a Fair Hearing:

The Hearing Examiner conducts the hearing informally. All parties will have the opportunity to tell their side without undue interference. They may also examine, question, or refute any testimony or evidence. All parties may confront and cross-examine witnesses. All evidence must be pertinent and acceptable. Some examples are:

  - a) Papers signed or completed by the client.
  - b) Recent official or business documents that verify current facts in the case.
  - c) Personal testimonies from a person having first-hand knowledge of the case. The person can testify only as to what he/she knows or has observed. He/she cannot testify as to what someone else told him.
  - d) Signed statements by persons willing to testify at a hearing.
8. Written statements submitted after the hearing to be considered in the decision:
  - a) If any written statements from an outside party are sent to the Hearing Examiner after the hearing, a copy must be sent to the client and his/her representative at the same time. The client has five (5) working days to reply, and his/her reply must be in writing.
  - b) If the client or his/her representative sends any written statements to the Hearing Examiner after the hearing, they must send the HEAT Office a copy at the same time. The HEAT Office has five (5) working days to reply and it must reply in writing.
  - c) If more facts are found in his/her process, the Hearing Examiner will call all parties back for another hearing.
9. Fair Hearing decisions:
  - a) The Hearing Examiner must issue a written decision within 60 days of the date the hearing request. However, if the client received a postponement, the 60-day time limit starts at the end of the postponement period.
  - b) The Hearing Examiner must send a copy of the decision to the State HEAT Program Manager or designee, the client, and the client's authorized representative. The decision must be based on more than just hearsay evidence. The written decision must include:
    - i. The evidence that was presented.
    - ii. Findings of fact based on the evidence.
    - iii. Laws and rules upon which the decision was based.
    - iv. Reasons such laws and rules apply to these facts and result in this decision.
    - v. The client's right to appeal and the potential for free legal help.
10. When a Hearing decision is received:



- a) The HEAT Office must comply within ten (10) days of a hearing decision. A hearing decision is binding on both the state and local HEAT offices.
- b) The State HEAT Program Manager, or his/her designee, must review the case within thirty (30) days to make sure the action has been taken.
- c) The State HEAT Office will also look at corrective action if a decision indicates a statewide problem.

#### 11. Appealing a decision

- a) The HEAT office can appeal a hearing decision only by filing a petition in District Court within 30 days of a hearing decision.
- b) The client can appeal a hearing decision to the Division of Adjudication or to the District Court within 30 days of a hearing decision.

#### 12. Holding records of Hearing decisions and who can see them

- a) The Division of Adjudication keeps a record of the hearing request, the content of the hearing, and the hearing decision. These detailed records are safeguarded. They are available under the same conditions as any other SEALWorks information.
- b) The Division of Adjudication also keeps summary records of hearing decisions. Specific clients cannot be identified in the summaries, as these are available to the public.

### J. CONFLICT OF INTEREST

Anyone employed by the HEAT program may not approve a HEAT application for a relative, friend, or self (exception for some rural areas is outlined below). HEAT Workers have the right to apply for and receive HEAT assistance, but the application must be taken by the HEAT Supervisor and edited by a member of the state HEAT program staff with whom there is no conflict of interest. To prevent any perceived conflict of interest, if a relative or someone known by a HEAT Worker applies for HEAT Assistance, the HEAT application must be approved by an unrelated HEAT Worker, with the following exception:

1. If a HEAT intake worker receives an application from a relative for HEAT benefits in a rural service area where no other worker is available, he/she must do the following:
  - a) Notify his/her supervisor immediately.
  - b) The supervisor must approve or deny the employee to access the case and process the HEAT application.
  - c) If approved by the supervisor, the employee will enter the information into SEALWorks along with any supporting documentation and note the relationship with the applicant and the approval from the supervisor.
  - d) The initial intake will then be forwarded to an editor in a separate office to determine eligibility.
  - e) A violation of conflict of interest can lead to immediate termination from DWS programs

### K. ZERO TOLERANCE

Anyone working in the HEAT program who accesses, compiles, distributes, discloses, alters, destroys, removes, reproduces, or misuses confidential department information without a legitimate business purpose will be discharged. With the exception of HEAT intake in rural offices, there is never a legitimate business purpose for working on a case or accessing records

for oneself, a family member, friend, close acquaintance, or anyone who could be perceived to create a conflict of interest. A worker who is aware or suspicious of a violation of this policy is obligated to report it to his/her or supervisor. In case of inadvertent access, notify a supervisor immediately. There is zero tolerance for violation of this policy. Violation of Zero Tolerance Policy will result in termination from DWS programs.

## PROGRAM STANDARDS

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### A. OPENING AND CLOSING DATES FOR HEAT PROGRAM

The HEAT Program begins accepting and approving applications for elderly, disabled and households with children under six years of age and outreach each October 1st or the first working day thereafter. Applications for the general public will be processed beginning November 1<sup>st</sup> of each year. The HEAT Program closes the following April 30th or when federal LIHEAP funds are exhausted, whichever comes first. The program's closing date may be extended when available funding permits.

Applications taken on or before the program closing date will be processed. If funds are exhausted before all applications are processed, notice of non-payment will be sent to those households whose applications could not be processed.

### B. ELIGIBILITY STANDARDS

Benefits are available to all eligible persons regardless of race, religion, national origin, sex, age, or political belief. Households that meet the following three points of eligibility are eligible for LIHEAP/HEAT benefits:

1. Total household income is at or below 150% of the federal poverty level after allowable deductions.
2. The household is "vulnerable," meaning they are responsible (either directly or indirectly) for paying their home heating costs.
3. The household has at least one person who is a U.S. citizen or a "qualified non-citizen." To be eligible for HEAT assistance, a person must be a U.S. born citizen, a naturalized citizen, or qualified non-citizen as documented by the U.S. Citizenship and Immigration Services (USCIS).
  - a) Individuals from these U. S. Territories are U.S. citizens and are eligible for HEAT assistance:
    - Guam
    - American Samoa
    - Northern Marianas Islands
    - U.S. Virgin Islands
    - Puerto Rico
  - b) Any of the following documents are proof of naturalized citizenship or qualified resident status. Examples of most of these documents may be viewed in the U. S. Immigration and Customs Enforcement 11/2011 "Guide to Selected U.S. Travel and Identity Documents"—page numbers referenced if available.
    - i. A current U.S. Passport—p.2
    - ii. A valid Certificate of Naturalization (Form N-550)—p.7
    - iii. A Permanent Resident Card (Form I-551)—p.10-12. (Expired is acceptable)
    - iv. A valid Employment Authorization Card (Form I-766)—p.13 **only if** it is one of the following categories: A3, A4, A5, A10, C11, C25, RE1, RE2, RE3, RE4, RE5.
    - v. A valid Arrival/Departure Record (Form I-94)—p.20 **only if** the Customs and Border Protection endorsement stamp is marked with one of the following classes: I-551, 203A7, 207, 208, 212D5, RE1, RE2, RE3, RE4, RE5.

- vi. A valid Approval Notice (Form I-797A)—p.21 **only if** issued with one of the following classes: I-551, 203A7, 207, 208, or 212D5.
  - vii. Social Security Card (without notes regarding work authorization status).
- c) Special Classes of Immigrants: Some immigrants have been granted special status and may not have the documents listed above. These could include Asylees, Cuban or Haitian entrants, Battered Alien Spouses, Trafficking Victims, Amerasians, and certain immigrants from Iraq and Afghanistan. If a client claims special status as part of one of these groups contact the state office for assistance determining necessary documentation.

### C. INELIGIBLE RESIDENTS

1. Persons ineligible to participate in the HEAT program are:
  - a) Persons who hold an USCIS I-94 who are admitted as temporary entrants (such as students, visitors, tourists, diplomats, etc.).
  - b) Non-citizens who have none of the documents listed in 3.b.
  - c) Persons possessing an Individual Taxpayer Identification Number (ITIN) are not considered legal residents. An ITIN is issued by the U.S. Internal Revenue Service to individuals who are required to have a U.S. taxpayer identification number but who do not have, and are not eligible to obtain a Social Security Number issued by the Social Security Administration. The ITIN is for tax purposes only, and may be used if an individual is listed as an applicant, dependent or spouse on a U.S. Tax form.
  - d) Immigrants from the Marshall Islands, Palau, and Micronesia are not eligible for HEAT or any other federal benefit unless they have one of the documents listed on p.6 of the HEAT Policy Manual. The U.S. treaty with the Marshall Islands, Palau, and Micronesia that gives special privileges does not allow access to benefits. Contact USCIS to apply for a Permanent Resident card.

### D. ELIGIBILITY DETERMINATION OF A HOUSEHOLD CONTAINING AN INELIGIBLE RESIDENT

1. Verify that the household is vulnerable to home heating costs.
2. Count the income of all household members, including the ineligible resident.
3. Allow the 20% disregard on the earned income of all household members, including the ineligible resident.
4. Allow an eligible deduction for medical payments and child support payments of all household members, including the ineligible resident.
5. Do not count ineligible residents in determining the total household size, or to determine the poverty level for household size; however, all income must be counted. **Example:** A household has seven members, two of which are ineligible resident. All members' income is counted, but the poverty table is only used for a household size of five, and the total household size is counted as five.
6. The application should be put in the name of one of the eligible **adult** household members, unless the following conditions apply:

- a) If all the adults in the household are undocumented, open the HEAT file using the adult's name and enter zeroes for social security numbers. Primary applicant must be over 18 or emancipated.
  - b) If needed, call the State HEAT Office for instructions on a case-by-case basis.
7. Target group credit will not be given for ineligible residents.

**E. UTAH RESIDENTS, LENGTH OF RESIDENCY**

There is no length of residency requirement in the State of Utah.

**F. UTAH TRIBAL RESIDENTS**

Members of Utah's five Native American Tribes may apply at the HEAT agency in their area, or may apply directly through their local tribal LIHEAP program if available. They cannot, however, apply at both offices and cannot receive assistance from both programs in the same program year. Local HEAT offices must verify that tribal members have not received tribal LIHEAP assistance prior to applying for HEAT and document in SEALWorks.

**G. ELIGIBLE HOUSEHOLDS**

1. An eligible household is any individual or group of individuals who are living together under one roof and sharing a single heat source. This includes, but is not limited to, a person or persons who live together as one economic unit for whom residential heating is customarily purchased in common, or as separate economic units (e.g. roommates) sharing the cost of heat, or who make undesignated payments for heat in the form of rent. Eligibility is based on the situation that exists on the date of application.
  - a) The applicant must be living in the residence on the day of application.
  - b) Household members need not be related.
  - c) Multiple family dwellings (duplexes, apartment buildings, etc.) are considered separate households.
2. A household member can receive HEAT benefits only once during any program year. If an applicant household contains anyone who has already received a HEAT benefit in any other household during that program year, the HEAT application will be DENIED. An exception can be made if custody of a minor child is in question. An entire household does not have to be denied if it claims a minor child that has already been claimed as part of another household, however the child can only count once per program year.
3. Age and Emancipation
 

Household members are considered adults if they are 18 years of age or older or are emancipated. A child can be emancipated (considered an adult) by age, marriage, or court order.
4. Temporary Household Guests
 

A temporary guest is defined as someone who has resided in the household less than three consecutive months and who the applicant certifies will be in the home less than three consecutive months.

Temporary guests are not to be included on the application. They are not counted as a member of the household or as part of the income calculations. If an applicant wishes to count a temporary guest as a part of the household, the applicant must wait and apply after the guest has reached the three-month requirement. If a person resides or is expected to reside in the household more than three consecutive months, that person should be considered as any other household member.

Conversely, if a household member is absent from the home for more than three consecutive months that person is not counted as part of the household.

If there is a question on the part of the local HEAT office as to the status of any household member the local HEAT office may require address documentation or a collateral contact. This could be in the form of a note or statement from a neighbor, friend or relative as to the living situation of the person(s) in question.

## H. VULNERABILITY

An eligible household is considered vulnerable if it is responsible for home heating costs either directly or indirectly.

### 1. Households Considered Responsible for Home Heating Costs:

- a) Households that are presently paying heating costs directly to energy vendors on currently active accounts (Verification of utility costs must be in SEALWorks).
- b) Households that are currently paying heating costs indirectly through rent (copy of Lease Agreement or Landlord Statement Form must be in SEALWorks) or provide their own wood for a stove or fireplace (worker must note in SEALWorks).

### 2. Households NOT Considered Responsible for Home Heating Costs:

Persons found living in the following places or circumstances on the date of application ARE NOT eligible:

- a) Nursing homes.
- b) Hospitals.
- c) Prisons and Jails.
- d) Institutions.
- e) Alcoholism and drug treatment centers.
- f) Group homes administered under a contract with a governmental unit or administered by a government unit.
- g) Households not connected to a heat source (a wood fireplace or stove is considered a heat source).
- h) If living in a motor home, trailer, or fifth wheel with an electrical source connected to a residence, the occupants are considered part of the permanent household residence.
- i) Automobiles
- j) Tents

### 3. Subsidized Housing:

Housing or utility subsidies are NOT counted as income. A household living in government subsidized (federal, state, or local) housing pays an amount for rent based on a percentage of the household income. In order for a household living in government subsidized housing to be considered vulnerable and, thus, eligible for the HEAT program, they must pay a utility bill for heat costs directly to a utility provider.

## I. SOCIAL SECURITY NUMBERS

### 1. Social Security cards

Each household member must submit their correct Social Security Number (SSN). Social Security cards and numbers are required for all household members before completing the application. An exception may be made for infants under six (6) months old if they have a valid birth certificate and for children adopted within the past six (6) months if legal proof of adoption is presented. There are four ways to provide a correct SSN. The client may submit one of these documents:

- a) An official Social Security card.
- b) Other official documents from Social Security Administration (SSA) such as SSA or SSI award letters and SSA or SSI checks.
- c) An SSA receipt (Form 5028 or 2880) on which the SSA lists the SSN for that person. If SSA does not write the number on the receipt, request any other official document with the number on it along with the receipt.
- d) Other official documents including, Veterans Administration cards, eShare printout for the individual, W-2. Exceptions must be approved by the State HEAT office.

### 2. If the verification listed above shows a social security number with a claim letter/number at the end, that letter/number must be one of the combinations listed below:

A M M1 T TA HA J1 J2 J3 J4

Any other combination means that the Social Security number does not belong to the client whose name is on the Medicare card, award letter, or check.

### 3. SSN's must:

- a) Have 9 digits, appear to be a plausible SSN (Not 000-00-0000 for example)
- b) Not conflict with another SSN in SEALWorks
- c) Not be impossible- one that has not yet been assigned by SSA
- d) Be divided as follows:
  - i. Area number= first 3 digits
  - ii. Group number= 4<sup>th</sup> and 5<sup>th</sup> digits
  - iii. Serial number= last 4 digits

4. Here are examples of SSN’s that are impossible:

Area Number	Group Number	Serial Number
000		
666		
900 to 999		
	00	
		0000

J.

**K. BILLS EXCEEDING AVAILABLE FUNDS**

If the HEAT benefit, combined with other available funds, will not prevent shut-off or reconnect a utility that has already been disconnected, the application will be denied.

**L. HEAT CRISIS ASSISTANCE**

(Please note: These are minimum State requirements; individual agencies may have more stringent crisis rules. Verify crisis policies and procedures with the local HEAT office.)

1. A crisis exists when a household receives a 48 hour shut-off notice, does not have active service, or is within 10% of depleting deliverable fuel and faces an event beyond their control resulting in the inability to pay household heating costs.
  - a) A crisis may be caused by:
    - i. Medical conditions—high costs or essential equipment
    - ii. Sudden loss of job, public benefits, or other income
    - iii. Malfunction of heating equipment
    - iv. Other circumstances that may pose a potential health and/or safety threat
  - b) Circumstances which do not necessarily qualify as a crisis include:
    - i. Non-payment of utility/fuel costs
    - ii. Unexplained or excessively high utility/fuel costs
    - iii. Other situations which are not sudden, unexpected, or beyond the control of the household.
  - c) In the limited instance that inoperable heating/cooling appliances or supply of power to a HEAT eligible dwelling is disrupted -- causing temporary evacuation of household members, Crisis funds may be used to help defray some costs associated with providing temporary living space in apartments, hotels, shelters, etc. The temporary period should not exceed 14 days, and the amount should not exceed \$500.00 per household. The purpose is to place people in safe havens, and preserve health and safety, in an attempt to move them from the crisis situation. In this case, the payment of lodging costs is tied to home energy and home energy crises.
  - d) Examples of non-approvable expenditures from Crisis include:
    - i. Payments that create a credit balance on a utility account.
    - ii. Payments for legal fees, tampering fees, or collection fees.
    - iii. Payments to a collection agency.
    - iv. Capital improvements to rental property.



2. Guidelines for Crisis Assistance
  - a) HEAT offices must respond to crises year round or until federal LIHEAP funds are exhausted. If funds are exhausted before March 15<sup>th</sup> staff must be available to assist households in crisis by providing information, referral, advocacy, and/or case management services.
  - b) Households facing energy related emergencies must be served by a “fast track” or expedited procedure which ensures that:
    - i. For life-threatening emergencies, some form of assistance will be provided within 18 hours of completed application that will resolve the energy crisis. A life threatening emergency is defined as a crisis situation (as defined above) that exists in a household which has a written notice from the Division of Public Utilities (DPU) that the residence has “life supporting equipment.”
    - ii. For crisis situations (as defined above) that involve non-life threatening emergencies, some form of assistance will be provided within 48 hours of completed application to resolve the energy crisis.
  - c) In the event of household energy related emergencies, in-kind benefits may be used to augment crisis assistance. These include but are not limited to sleeping bags, clothing, blankets, and emergency disaster kits.
  - d) If any portion of the annual HEAT benefit was paid directly to the client, the household is not eligible for crisis assistance during that program year. Any exceptions must be approved by the local HEAT supervisor or their designee. An exception can be made for wood or deliverable fuel clients or clients whose vendor does not contract with the state.
3. If the local office determines that a household is eligible to receive HEAT crisis assistance, the following procedures must be followed:
  - a) Client must qualify for the HEAT program. (If a HEAT worker wishes to apply for crisis assistance, the application must be taken by the HEAT supervisor and edited by a member of the state HEAT staff with whom no conflict of interest exists).
  - b) The Regional HEAT supervisor or designee must approve all crisis payments.
  - c) A crisis application must be completed and notes documenting the crisis must be included in SEALWorks each time crisis funds are used.
  - d) Each household may apply for HEAT Crisis assistance up to a maximum of \$1,000 per program year (October 1 through September 30) which may be split between up to two utility vendors. A household cannot receive more than \$1,000 in Crisis benefits per program year. Any exceptions to this policy requires prior approval from the state HEAT office.
  - e) All crisis applications must be entered into SEALWorks.
  - f) Allowable/Not Allowable charges:
    - i. Water, Sewer and Garbage charges are allowable only if they are required as part of the energy portion of the vendor bill to keep the energy source to the household.

- ii. Cable tv and/or internet are not allowable Crisis charges. If either is included in the energy bill, that amount must be paid prior to the Crisis payment.

## K. CRISIS PROCEDURE

### 1. Crisis Paid Through SEALWorks:

The local HEAT offices should determine if the applicant was awarded a regular HEAT benefit for the current HEAT season.

- a) If the applicant HAS been awarded a regular HEAT benefit for the current HEAT season, the Local HEAT offices should search under Payments for the awarded application either by Application Number, Account Number, Client's Last Name, or Client's Social Security Number.
  - b) Once located, select the Application Title, then Crisis Management. Under Crisis Utilities, select Add to enter in the applicant's utility information and crisis payment amount.  
***Please refer to letters (e-h) listed below to complete the process.***
  - c) If the applicant HAS NOT been awarded a regular HEAT benefit for the current HEAT season, the local HEAT offices should determine eligibility through the regular HEAT process and select the approval code "Approved Crisis Only".
  - d) Once the regular HEAT application is entered the Intake Worker will enter the Crisis Management information under Application Forms.
  - e) Under Crisis Utilities, select Add to enter in the applicant's utility information and crisis payment amount.
    - i. Each household may apply for HEAT Crisis assistance up to a maximum of \$1,000 per program year (October 1 through September 30) which may be split between up to two utility vendors. A household cannot receive more than \$1,000 in Crisis benefits per program year. Any exceptions to this policy require prior approval from the state HEAT office.
    - ii. If the applicant is paying an amount towards the current bill, proof of payment is required either attached as a document or noted in the comments section.
  - f) Once entered select Approve Crisis.
  - g) The Regional HEAT supervisor or designee must edit all crisis payments.
  - h) All Supporting documentation must be attached in the Crisis Utilities section of the application by selecting the Payments screen from the SEALWorks Main Menu.
- ### 2. Crisis Expenses Not Paid Through SEALWorks
- a) When filing a claim for Crisis expenses not paid from SEALWorks, the local HEAT office should include reports or registers from their accounting software.
  - b) All documentation should support expenses for Crisis Benefits only or buying materials to support crisis intervention.

## M. WEATHERIZATION

Participation in the Weatherization Program is not a condition of eligibility for HEAT. If a HEAT client requests weatherization, they can be referred to one of the local Weatherization Offices listed on our website under Weatherization Agencies.

**N. UTILITY COMPANIES AND HEATING SUPPLY VENDOR - SECURITY DEPOSITS**

1. Public Service Commission (PSC) regulated utilities
  - a) Monies received by a regulated utility from third-party sources (such as HEAT or similar programs) shall not be applied to the security deposit, but shall be applied only to the cost of energy service.
  - b) A PSC regulated utility is required to waive the security deposit requirement for all moratorium clients during the period of the moratorium. They are also required to waive the security deposit for HEAT customers for the period of the moratorium.
2. Non-regulated utilities
  - a) The security deposit policy for a non-regulated utility is set by the local governing board such as the city council, the company owner, or other policy board.
  - b) If the company has signed a HEAT contract, the company agrees to waive any additional security deposit billed to household for the HEAT program. This does not apply to the service initiation fees that are routinely charged as a condition of service.

**O. CONSUMER COMPLAINTS AGAINST UTILITIES**

1. Public Service Commission regulated utilities  
Consumer complaints against a PSC regulated utility should be referred to the Public Service Commission at 801-530-7622, or toll free at 1-800-874-0904.
2. Non-regulated Utilities  
Consumer complaints against a non-regulated utility should be referred directly to the individual utility company.

**P. BENEFIT REFUNDS**

1. A refund occurs when a HEAT benefit was paid, but the utility account was subsequently closed leaving a credit balance on the account.
2. If a household discontinues service with a vendor the vendor may forward to the new vendor any credit balance remaining on account, provided the household furnishes the name and address of the new vendor, together with his/her account number, within 30 days after termination of service. The new service address must be located in the State of Utah. Vendor must have a current contract with the State HEAT Program.
3. If the funds cannot be forwarded to a new vendor, they will be returned to the State HEAT program.

**Q. HEAT VENDOR PAYMENT PROCEDURE**

1. A Dulles Programmer initiates pay run on Wednesday's of each week.
2. All 'Editor Approved' and 'Editor Not Approved' files from the prior week (Thursday-Tuesday) are batched and downloaded into FINET (The State Accounting System).
3. The programmer checks for error messages or issues with FINET and addresses any errors or issues.
4. The programmer initiates data downloads from SEALWorks to all vendors. Emails are sent to these vendors with a payment file (Excel format) that contains, name, account number,

physical address and amount of HEAT benefit for each applicant that is approved. Rocky Mountain Power is sent an encrypted payment and discount file. Questar Gas receives a payment and discount file (Excel format). A data file is also sent to DWS State FTP site.

5. FINET generates payments according to the vendor contracts (paper check, EFT, Payment Plus and routing numbers/addresses).
6. SEALWorks populates spreadsheets for the approval/denial letters and sends email to the copy center and State Mail. There are eight files sent every week that represent all approval/denial codes in the SW's system.
7. On Thursday of each week, paper checks are printed and mailed to the vendors and/or applicants.
8. State Copy center prints approval/denial letters puts in envelopes and sends to State Mail for afternoon delivery.

**R. UTILITY COMPANY PROGRAMS**

Any utility vendor programs which benefit the qualifying population can be evaluated and counted as leveraged funds. This may include utility company fee waivers, discounts, deposit waivers, arrearage forgiveness, and/or the value of any other household benefit provided.

## INCOME STANDARDS

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### A. INCOME

For HEAT assistance cases, the local HEAT office shall determine the net income of the household received in the month prior to the application date. Net income is gross income minus exclusions, disregards, and deductions. (See Items E., F., and G.) This amount must be at or below 150% of the federal poverty level for the household size. Verification of income must be maintained in SEALWorks. Income that is received on a “regular” basis (i.e., quarterly, monthly, bi-weekly, etc.) is considered countable.

### B. UNEARNED INCOME

Unearned income is money received by an individual for which he/she does not incur costs related to “going to work”. Unearned income includes but is not limited to the following:

1. Pensions and annuities such as Railroad Retirement, Social Security, Supplemental Security Income, Veterans Assistance, Civil Service.
2. Disability benefits such as Industrial Compensation, mortgage insurance, paycheck insurance.
3. Unemployment Compensation.
4. Strike or union benefits.
5. Veterans Assistance Allotment.
6. Child support and alimony, or payments made in lieu of child support or alimony (e.g. rent, car payment, mortgage payment, etc).
7. Veterans Educational Assistance intended for family members of the student. (The student's portion is exempt.)
8. Trust payments, withdrawals, and/or dividends received on a regular basis.
9. Money from sales contracts and mortgages.
10. Personal injury settlements.
11. Temporary Assistance to Needy Families (TANF), General Assistance (GA), Family Employment Program (FEP), and Transitional Cash Assistance, or other financial payments made by the Department of Workforce Services.
12. Emergency Work Program (EWP) Work allowances (including WEAT).
13. Foster care payments.
  - a. The household may choose to count foster children in the household. If they are counted then the stipend for the children, received in the month prior to the application for HEAT, is counted as household income.
14. Rent amount when a client works for rent.
15. Rental Property Income. If the client also manages the property but does not live in the property, the income is earned. (See Item D Self Employment Income) Call the State HEAT Office for clarification if you have questions.
16. 401K payments.
17. Retirement income.

18. Payments received or drawn down from assets (e.g. reverse mortgages or withdrawals from accounts).
19. Gifts received, or payments made on clients behalf, on a regular basis.

### **C. EARNED INCOME**

Earned income is income in cash or in-kind received by an individual for which a service is performed. Earned income includes but is not limited to the following:

1. Wages, including military base pay.
2. Salaries.
3. Commissions.
4. Monies from self-employment, including babysitting.
5. Tips and gratuities.
6. Sale of livestock and poultry.
7. Military payments to cover Basic Allowance for Quarters (BAQ) and Basic Allowance for Subsistence (BAS). See Item E, number 24.
8. Money the employee chooses to have withheld for benefit plans such as Health Savings Accounts (HSA's), Flex Plans and Cafeteria Plans.
9. Income from rental property if the client manages the property but does not live there.

### **D. SELF-EMPLOYMENT INCOME**

A self-employed person actively earns income directly from his/her own business, trade, or profession, rather than as a salary or wages from an employer. A self-employed person will use the estimated monthly income from last year to determine eligibility for HEAT.

Estimated Monthly Income can be determined in one of two ways:

1. Previous year's Federal Tax return
  - a) The preferred option is to use the previous year's Internal Revenue Service (IRS) 1040 Tax Form to help determine a self-employed person's income when applying for HEAT. The supervisor can choose to require the applicant to file their previous year's tax return prior to applying for HEAT benefits; Add Line 12 + Line 17 + Line 18 from Form 1040 to get total self-employment income (Line 12, Business Income, brought forward from IRS Schedule C. Line 17, Supplemental Income and Loss – brought forward from IRS Schedule E. Line 18, Profit or Loss from farming – brought forward from IRS, Schedule F). Divide by 12 to determine estimated monthly income. If amount is less than zero, enter zero as estimated monthly income. Subtract 20% disregard from estimated monthly income, then subtract any eligible medical expenses, alimony, or child support paid during the previous month to determine eligibility. If amount is less than zero, enter zero.
2. Self-Employment income worksheet
  - a) The client is responsible to fill out the Self-Employment Income Worksheet in its entirety. The total net income for the year in the lower right hand corner is divided by 12 to determine the estimated monthly income (if documentation shows business is less than

a year old, divide total net income by number of months business has been operating to determine estimated monthly income). If amount is less than zero, enter zero as estimated monthly income. Use the estimated monthly income to calculate 20% disregard. Subtract the 20% disregard then subtract any eligible medical expenses, alimony, or child support paid during the previous month to determine eligibility. If amount is less than zero, enter zero. When the Self-employment Income Worksheet is used, IRS form 8821 must be completed and signed for each adult household member and for each business owned by the household members, and a copy of IRS tax transcripts may be required.

- b) If a HEAT worker determines that a client earns income from odd jobs rather than from his or her own business, the client can provide a list of income and sources for the relevant month. Additional verification may be required.

## **E. INCOME EXCLUSIONS**

Certain kinds of income or benefits are excluded from being counted as income when determining HEAT eligibility. Excluded income includes, but is not limited to, the following:

1. Earned income of a child 18 years or younger who is enrolled as a K-12 student. Worker must note in SEALWorks.
2. Funds that are not paid on a regular basis. Examples of this would include a Christmas bonus, tax refund, and lump sum severance pay.
3. Reimbursements for expenses directly related to employment, training, schooling, and volunteer activities.
4. Reimbursements for other expenses incurred, such as medical expenses.
5. Supplemental Nutrition Assistance Program benefits (food stamps).
6. Special Supplemental Nutrition Program for Women, Infants and Children benefits (WIC).
7. Federal student aid.
8. Bona fide loans of money that must be repaid by the client. Executed loan documents and repayment schedule may be required.
9. Compensation paid to individual volunteers under the Retired Senior Volunteers Program (including Green Thumb) and the Foster Grandparent Program established under the Older Americans Act of 1965.
10. Incentive and training expenses paid by self-sufficiency programs.
11. Earned Income Tax Credit refunded to the household.
12. Job Training Partnership Act (JTPA) or equivalent youth work experience.
13. Value of Food Stamp benefits, Food Stamp Cash Out checks, and surplus commodities donated by the U.S. Department of Agriculture and WIC coupons.
14. Student portion of Veterans Educational Assistance (portion of Veterans Educational Assistance intended for family members of the student are not excluded).
15. Bank Interest.
16. Subsidies for adoption of the hard-to-adopt child including Title IVE Adoptive Assistance for Disabled Children.

17. Compensation or reimbursement paid to AmeriCorps volunteers, Senior Health Aides, SCORE, Senior Companions and ACE or programs under Section 418 of P. L. 93113.
18. Church cash assistance and voluntary cash contributions by others if not received on a regular basis.
19. Rental subsidies and relocation assistance.
20. Utility subsidies.
21. Monetary allowances for certain children of Vietnam War veterans.
22. The full military pay for an active duty soldier not in the home. However, you must count as income any allotment that is taken out of his/her military pay and sent home for the family's support.
23. Payments made under the Alaska Native Claims Settlement Act, Public Law 92203.
24. Payments made under the Maine Implementing Act and the Maine Indian Claims Settlement Fund, Section 9 of Public Law 96-240.
25. Payments made under the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the Re Agent Orange product liability litigation, Public Law 101-201, Section 10405 of Public Law 101-239.
26. Payments under Public Law 100-383 to Japanese and Aleut people who were relocated during wartime.
27. Payments made from the Radiation Exposure Compensation Act. These are exempt under Public Law 101-426.
28. Payments under the Disaster Relief and Emergency Assistance Amendments of 1988. Public Law 100-707.
29. Distributions from Tribal Trust Funds (per-capita payments) are not to be considered income or used as a basis for denying or reducing HEAT benefits to Native Americans.
30. Educational assistance or college work-study payments.
31. Easter Seals

#### **F. INCOME DISREGARDS**

Twenty percent (20%) of the total household gross earned income, including self-employment earned income, shall be disregarded (or subtracted) to determine the income for HEAT eligibility. The 20% disregard for self-employed households will be subtracted from the Estimated Monthly Income, either from the Self-employment Worksheet or from IRS Form 1040 (Add Line 12 + Line 17 + Line 18 from Form 1040 to get total self-employment income. Divide by 12 to determine estimated monthly income, entering zero if amount is less than zero). This 20% disregard is applied to all households with earned income. The purpose for the disregard is to help working persons cover expenses related to having to go to work.

#### **G. INCOME, MEDICAL, CHILD SUPPORT/ALIMONY DEDUCTIONS**

Two kinds of expenses are allowed as deductions from the total income in determining HEAT eligibility for all households. To be eligible for the deductions, the amounts must be PAID in the month prior to the month of the HEAT application. Proof of payment must be in the client's file. Copies or scans of all receipts for paid expenses are required.



## 1. Medical deductions

Allow a deduction for payments on uncompensated medical bills when those payments are actually made by a member of the household, including an ineligible household member, during the same time period as the income you are counting. To allow this deduction, the client must verify the payment was made directly to a medical provider by a member of the household, for a member of the household in the month prior to the month of application, and that they will not be reimbursed by a third party.

### a) Allowable medical deductions:

- i. Health insurance, dental insurance, and vision insurance premiums.
- ii. Prescriptions written by a doctor and filled by a pharmacist.
- iii. Payments made to doctors, hospitals, or medical/dental clinics.
- iv. Payments for prescription eyeglasses, contact lenses, hearing aids, and oxygen with an itemized receipt.

### b) Examples of unallowable medical deductions

- i. Payments made to lending institutions on money borrowed for medical expenses are not an allowable deduction.
- ii. Vitamins, herbs, and health drinks.
- iii. Food or groceries for special diets are not deductible, even when prescribed by a doctor.
- iv. Medicare tax deducted from a person's paycheck is a tax and is not a medical deduction.
- v. Contributions to a Health Savings Account (HSA) or Flex Spending Account (FSA).
- vi. Supplemental insurance plan premiums (e.g. AFLAC). Please note that a Medicare supplement is a health insurance policy, not a supplemental policy and is an allowable deduction.
- vii. Payments for over the counter medicines and remedies such as aspirin and cold remedies, items such as Depends and needed medical supplies are not deductible.

## 2. Child support and alimony deductions

Deductions for child support/alimony payments are allowed when those payments were actually made by a member of the household during the same time period as the income being counted. Alimony/child support payments that are made directly to a mortgage or car company can also be deducted. Worker must verify payment and document in SEALWorks.

## INCOME ELIGIBILITY

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### A. HEAT INCOME ELIGIBILITY

All countable income for the applicant household will be used to determine the HEAT payment. If the client does not verify ALL income received by current household members in the calendar month prior to the application date, the application will be denied.

To verify countable income in the previous calendar month, documentation that represents the actual income received will be used.

### B. COUNTABLE HOUSEHOLD INCOME IN THE MONTH PRIOR TO THE MONTH OF APPLICATION

1. Subtract all verified medical, child support, and alimony payments from the monthly income amount.
2. In calculating income, **DO NOT** round any amounts. Use actual amounts for all calculations including the total income.
3. Income will be counted as received at the time a) it is automatically deposited into a financial institution, or, b) it is dated.
5. Use the income (after adjustments for the 20% earned income disregard, the medical deduction, and the child support/alimony paid deduction) to compute the household's HEAT benefit as per the HEAT Benefit Formula. If income is less than zero, enter zero.
6. Terminated income is treated like all other income.

### C. INCOME DEFICIT/ZERO INCOME

When a household claims little or no income, the HEAT worker will need to ask them how they are meeting their expenses, and note their response in SEALWorks.

An Income Deficit Statement must be completed by each adult or each couple in the household. If additional documentation is required to verify income, the client will be given a list of required documents and will have ten (10) days from that date to return the needed verifications or the case will be denied.

Any adult reporting zero (0) income may be asked to complete an Income Deficit Statement.

### D. ASSET STANDARDS

The value of any household assets, either real or personal property, is not considered when determining eligibility for the HEAT program. Payments received or drawn down from assets on a regular basis will be counted as income (e.g. reverse mortgages or withdrawals from accounts).

## PAYMENT CALCULATION

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### A. PERCENT OF POVERTY

To determine a household's percent of poverty, divide the household's net monthly income by the amount shown for the household's size in Table I under **100% of Poverty**. Net income is gross income minus exclusions, disregards, and deductions. Remove the decimal point, rounding the product up to the nearest whole number. This is the household's Percent of Poverty. Households above 150% of poverty are not eligible.

### B. ENERGY BURDEN

To determine a household's Energy Burden, divide the household's monthly energy bill by the household's NET monthly income. Remove the decimal point, rounding the product to the nearest whole number. This is the household's Energy Burden. The maximum Energy Burden allowed is 25%.

When distribution of heat is dependent on electricity, i.e. gas heat, or a wood burning stove with an electric blower, and the household is using actual amounts, add the heat source amount with the amount of the electric bill and then divide the amount by the household's net monthly income to determine the Energy Burden. Actual usage may not be used to calculate a benefit on a natural gas account that pumps natural gas for any reason.

#### 1. Households who pay all of their own energy costs

Households who pay all their own energy costs directly to utility vendors have the option of using their actual energy bill or Table II, Monthly Energy Cost Standards, to determine their monthly energy cost. In order to take the Actual Costs, the household must use the most recent energy bills. Households who use their actual energy heating bill may also include their electrical bill (for the same approximate 30-day period) to determine their total energy cost for the month. When the energy bill is solely for energy costs, (i.e., Questar), state, local, and federal taxes can be included in the actual costs. However, when the energy bill contains other services, (i.e., water, sewer, garbage, etc.), taxes may not be applied. Use the household's monthly energy cost amount to compute its Energy Burden.

#### 2. Households who pay all their energy costs as part of their rent

Households who pay all their energy costs as part of their rent directly to their landlord must use Table II to determine their monthly energy cost. Determine the primary fuel the household uses for heating to decide what fuel type to use from Table II. Use the household's monthly energy cost amount to compute its Energy Burden. (The household must provide the Landlord Statement Form or lease agreement completed by their landlord, in order to be determined vulnerable.)

### C. TARGET GROUPS

If a household has at least one eligible member of a target group, an additional benefit amount will be added to the HEAT benefit calculation. Only one target group benefit will be added to the HEAT benefit per household. Target group credit will not be given to ineligible non-citizens.

#### 1. Young children

The household is eligible for the target group credit if it includes a child ages zero to five (5) years. The household must provide documentation, such as a birth certificate, blessing certificate, or immunization record in order to be eligible for this additional benefit.

#### 2. Elderly persons

A household is eligible for the target group credit if it has at least one person 60 years of age or older. Date of birth on the application is sufficient proof of age for the elderly.

#### 3. Disabled persons

a) Persons age 60 and older may self-declare their disability. They do not need to provide 3<sup>rd</sup> party documentation of the disability, but the Intake Worker must make note of what the client says the disability is.

b) For those under 60 to qualify for the disability target group credit, SEALWorks must include **one** of the following:

i. Proof of SSD, SSI, General Assistance, or DMV Registration with permanent disability designation.

ii. A completed HEAT Program Release of Medical Information and Disability Verification form signed by a licensed physician and faxed, emailed or mailed from the doctor's office. The form must be signed in the current program year or we must have the form on file from a previous year indicating the disability is permanent.

- A person cannot walk two hundred feet without stopping to rest;
- cannot walk without the use of, or assistance from, a brace, cane, crutch, another person, prosthetic device, wheelchair, or other assistive devices. This does not include temporary injuries such as a broken leg, a sore back, etc;
- Is restricted by lung disease to such a degree that the person's forced (respiratory) expiratory volume for one second, when measured by spirometry, is less than one liter, or the arterial oxygen tension is less than sixty mm/hg on room air at rest; Uses portable oxygen;
- Has a cardiac condition to the degree that the person's functional limitation is classified (according to American Heart Association standards) in severity as Class III or Class IV; Is severely limited in their ability to walk due to an arthritic, neurological, or orthopedic condition;
- Has a medically determined mental or physical disability **expected to last longer than six months; OR**
- Other visible condition that suggests a disability.

**D. PROPANE OR FUEL OIL**

If the household's primary heating source is propane or fuel oil, an additional payment will be added to the benefit. If any portion of the HEAT benefit is paid directly to the client, the additional amount will not be added to the benefit amount.

## PROGRAM BENEFITS

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Program benefits are limited to a one-time payment per household, per program year. If an applicant household contains anyone who has already received a HEAT benefit in any other household during that program year, the application will be denied. An exception can be made if custody of a minor child is in question. An entire household does not have to be denied if it claims a minor child that has already been claimed as part of another household, however the child can only count once per program year.

### A. BENEFIT PAYMENT LEVELS

The HEAT payment is based on a household's income, energy burden, and target groups. Energy burden is the proportion of a household's income used to pay for home heating. For example, households with the lowest income and the highest energy burden will receive a higher HEAT payment. Households with children zero to five (5) years, elderly (60+ years), disabled persons, and/or propane/fuel oil users may receive an additional energy assistance benefit amount.

### B. FORMS OF HEAT PAYMENTS

1. HEAT benefit payments are payable directly to the household's fuel vendor except in the following cases:
  - a) A portion of the payment can be paid to the applicant if utilities are included in the rent.
  - b) When the household's fuel vendor does not have a vendor contract with the state.
2. A direct client payment is allowed when we cannot obtain a contract with the primary utility vendor or if the primary utility vendor is the landlord. A check will be issued for the client or a percentage will be sent to the client and a percentage to the secondary utility vendor, according to the client's request. Otherwise all other payments will be made under the following guidelines:
  - a) Households who pay all energy costs indirectly through rent:  
These households can receive direct HEAT payments only after they furnish a copy of their lease agreement or Landlord Statement Form, signed by their landlord stating a portion of the rent is applied toward utilities.
  - b) When The State of Utah has contracts with household utility vendors:  
Payments shall be made directly to the vendor of an active account. Payments to the household are not allowed except as noted elsewhere in policy.
  - c) When The State of Utah has a contract with only the primary utility vendor and not with the secondary utility vendor and the primary utility account is current, up to 50% of the HEAT benefit may be paid to the client.
  - d) When the State of Utah has a contract with only the secondary utility vendor and the utility account is current, at least 25% of the benefit must go to the secondary utility vendor and the remaining 75% may go to the client.

3. Any request for an exception to these HEAT Payment rules must be approved by a member of the State HEAT Program and noted in SEALWorks.
4. Split Payments
  - a. HEAT Payments may be split only in the percentages listed below:
    - 100%
    - 75%/25%
    - 50%/50%
    - 25%/75%

## ELIGIBILITY DETERMINATION

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The local HEAT Office shall determine a household's eligibility by applying the program and income standards in the HEAT Policy to the household's circumstances, and by establishing the validity and accuracy of the information given by the applicant household.

### A. APPLICATION

In order to determine eligibility, the client must submit a completed application with the required documents to the local HEAT office. There are three (3) ways to apply for HEAT benefits.

1. In person – Each office holds appointments for clients to apply in person throughout the HEAT program year. Appointments are made through the local HEAT office.
2. By mail – To apply by mail, the client must obtain and complete an application, gather all required documents, and mail them to the local HEAT office for processing. If all documents are not received with application, client will be notified to submit required documents or application will be denied.
3. Online – To apply online, client must meet the online application requirements, register for a username and password, log into the online system, complete and submit an application, and provide all required documents to the local HEAT office for processing. If all documents are not received with application, client will be notified to submit required documents or application will be denied.

### B. ACCEPTABLE VERIFICATION

1. All factors of eligibility must be verified and documented in SEALWorks.
2. It is the applicant's responsibility to obtain acceptable verification. Acceptable verification may include, but is not limited to, any official document, such as SSA letter, eShare or other approved system verification, bank statement, blessing certificate, etc.
3. The client has ten (10) days to provide the requested verification.
4. Copies of all documents must be maintained in SEALWorks including SSN documentation. If verification is provided through an outreach worker, case notes itemizing information from each document may be accepted as verification.
5. If the household refuses to present the required documentation the application will be denied.

### C. DETERMINING THE PRIMARY FUEL TYPE

1. Client self declares the current primary heat source on initial application.

**Example:** *If the house normally uses gas but is currently heating with wood because their gas furnace is broken, then use the primary fuel type wood.*

2. Steam Heat--Use the following guidelines:

- a) Vulnerable for cost of the secondary fuel (electricity) only

If the household does not pay for the fuel (gas, propane, oil, etc.) that generates the steam heat, but is responsible for paying the electric bill directly or through rent, use the



apartment standard for “Coal/Other” to determine the energy burden and do not add the cost of electricity.

b) Vulnerable for cost of the primary fuel

When a household is directly responsible to pay both the primary fuel source that generates the steam (such as natural gas) and a secondary source (such as electricity) the benefit should be paid to the fuel source generating the steam (i.e., gas, etc).

c) Not vulnerable for cost of the primary fuel nor the secondary fuel

If the household is not responsible for either the primary or secondary fuel costs, the household is not eligible.

**D. DATE OF APPLICATION**

The date of application to be entered in SEALWorks is the date the application is received in the HEAT office, including applications forwarded by Outreach workers.

The application process must be completed within 45 days of the date of application unless an acceptable reason for the delay has been documented in SEALWorks. Office delay or backlog in editing/processing is not an acceptable reason.

For online applications, the date of application is when the application is submitted by the client

**E. DATE OF PAYMENT**

The payment date is the date the HEAT check is actually issued. Generally the check is mailed the working day following the check date.

**F. INTERNAL CONTROLS**

Each local HEAT office must have written policies and procedures that ensure accurate client eligibility determination, benefit approval, and protection of the funds from fraud, waste, and abuse. The procedures must outline the local HEAT office’s step process for completing appointments, processing mail-in applications, processing on-line applications and calculating benefits. Validation of these procedures is completed through HEAT agency monitoring reviews. The procedures must be available at any time during the HEAT season and will be reviewed during monitoring to ensure total internal compliance.

## RECORDS AND BENEFIT MANAGEMENT

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### A. CASE RECORDS

1. All documentation used to determine eligibility must be kept in SEALWorks.
2. For auditing and reporting purposes the worker **MUST** enter the correct office code for every application entered in SEALWorks and **MUST** correctly designate if the application was received through outreach, online, mail-in, walk-in, or HEAT appointment.
3. HEAT case records shall not be removed from the local HEAT Office **except** by subpoena or request of the State HEAT Office, the Office of Recovery Services, or in accordance with the Archives Schedule.

### B. NOTIFICATION

1. The HEAT program will notify HEAT applicants of the final determination on their case. The notification will be mailed to the last known address of record
2. The notification letter will explain the applicant's hearing rights and how to file for a hearing if the applicant is not satisfied with the decision on his/her case.
3. If the client is denied they are eligible to reapply any time prior to the end of the current HEAT season.

### C. HEAT PAYMENTS

1. Payments appear on a weekly warrant register. Each warrant register must be compared with actual applications to prevent unsubstantiated or unauthorized information from entering the HEAT system, and ensure that warrants are generated for all authorized cases. Any discrepancies must be reported to the State HEAT Office immediately.
2. Lost or stolen HEAT checks
  - a) The client must report a lost or stolen HEAT check and request a replacement within one year of issue date.
  - b) Lost or stolen checks may be reported 21 days after issuance.
  - c) Client must complete and sign a Lost Check Replacement Form (FI 12) and send to the State HEAT Office for processing.
  - d) A check that has been cashed will not be replaced.

**D. APPLICATION, DOCUMENTATION AND PAYMENT ERRORS**

## 1. Wrong account numbers

The State HEAT Office should be notified by submitting a correction in SEALWorks when the wrong account number has been posted on the pay run. The HEAT worker will reconcile the error with the respective utility companies.

## 2. Underpayments

a) A correction must be entered in SEALWorks as soon as the error is discovered.

b) Underpayments of \$10 and less will not receive a supplemental payment. Underpayments over \$10 shall receive a supplemental payment.

c) Supplemental payments can only be made by the State HEAT Office.

## 3. Overpayments

a) Complete a Correction in SEALWorks documenting the reason for the overpayment.

b) If the overpayment is to a vendor, notify the State HEAT Office. The State HEAT Office will contact the utility company directly.

c) If a mistake is discovered resulting in an overpayment of over \$75 to the client due to client error, the local office must write a letter to the client requesting reimbursement of the overpayment and give the client two weeks to respond. If the client does not respond, contact the State HEAT Office.

d) Uncollected overpayments will be deducted from the client's future year's benefit amount.

e) If an overpayment of more than \$75.00 is a HEAT office error, the client will not be held responsible for the overpayment. This amount may be requested back from the agency by the State HEAT office. If the overpayment is discovered before the utility company applies the payment, the utility will be asked to refund the money to the State.

f) Overpayments of \$75 or less are not required to be collected.

4. Other Errors – Local office enters a correction in SEALWorks, reconciles the error with the utility vendor, client, or anyone else who needs contacting, and works with the state to make sure all necessary steps are taken to resolve the error.

**E. ENERGY CONSUMPTION DATA TRACKING**

Agencies must ensure that all clients who are up for disconnect, already disconnected, nearly out of fuel or are completely out of fuel are documented appropriately in SEALWorks at the time of their initial application. The State of Utah will use this information in conjunction with data collected from the state's top ten (10) utility vendors to track services provided to clients in crisis. Ultimately, this information will be used to calculate the average annual energy use by household to ensure HEAT benefits are distributed to clients with the lowest income and highest energy burden.

## FRAUD

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### A. OVERVIEW

Fraud occurs when a HEAT applicant, vendor, grantee, sub-recipient, or employee knowingly and willfully misuses or withholds information, or provides false information to receive assistance to which he/she is not entitled, or distributes funds or benefits improperly.

1. If client fraud is suspected the agency or the public can call the Fraud Hotline at [1-877-488-3233 ext 704](tel:1-877-488-3233). Allegations of fraud will be investigated for the current program year and the preceding program year only.
2. If the agency, State HEAT Office, or fraud investigator finds evidence that client fraud has been committed, the client and/or household will be denied assistance for the remainder of the HEAT program year. A detailed explanation must be provided in SEALWorks.
3. If the agency questions the veracity of information presented and requires additional documentation to verify eligibility, the worker will provide the client with a detailed list of needed documents and client will have ten (10) days to present the documentation. If the documentation is not provided within ten (10) days, the client and/or household will be denied assistance for the remainder of the HEAT program year. The HEAT worker will explain the situation in SEALWorks.
4. If there is evidence that fraud has been committed by a vendor, grantee, subrecipient, or employee, appropriate measures will be taken under the direction of the HEAT Program Manager or DWS Internal Audit team.

### B. PROCEDURES FOR FRAUD, WASTE AND ABUSE

Each local HEAT office has the authority to request additional information from a household to verify information provided during the eligibility process. If a local HEAT office believes that an applicant has received a benefit in error due to misrepresentation or false reporting of their household information, it must begin an investigation. In the event that the local HEAT office confirms that the benefit should not have been administered, the local HEAT office will begin its process to request repayment from the household and contact the State of Utah HEAT program to ensure that the household members are added to the list of ineligible applicants until the time that payments are made. The local HEAT office can make a recommendation that the household is debarred from being able to participate in the program indefinitely, however this is subject to State approval. All applicants must be informed of their right to appeal the decision.

The monitoring review process ensures that each local HEAT office has internal controls that would protect HEAT funds from waste, fraud, and abuse. During the monitoring reviews, the Program Specialists will ensure that all Agencies are compliant with the rules.

## MONITORING

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### A. OVERVIEW

Local HEAT Agencies are responsible for planning and carrying out the administration of the HEAT program in accordance with the rules and regulations of state and federal law as specified in their contract with the State. The State HEAT staff has the responsibility to ensure that grantees are carrying out the administration of the HEAT program in accordance with these applicable laws and regulations. To accomplish this, the Housing and Community Development Division (HCDD) will help grantees identify problems and solutions in order to correct them through monitoring reviews by the State HEAT Office. Whenever possible, deficiencies should be corrected through discussion, negotiation and technical assistance in a manner that preserves local discretion. Problems should be identified and addressed as they happen, rather than waiting until monitoring occurs. Regular telephone contact with State staff can be helpful in avoiding problems at the end of the HEAT season.

### B. OBJECTIVES

The objectives of monitoring reviews are to determine if grantees are:

1. Carrying out the administration of the HEAT program as described in their contract,
2. Carrying out the HEAT administration in a timely manner in accordance with the time frames required by the contract,
3. Charging costs to the program that are eligible under the HEAT program,
4. Complying with other applicable laws, regulations and terms of the contract,
5. Conducting the program in a manner which minimizes the opportunity for fraud, waste and mismanagement, and
6. Maintaining capacity to carry out the approved program.

### C. GUIDELINES FOR AGENCY MONITORING REVIEWS:

1. At least once per HEAT Season, each agency will be monitored for the completeness and accuracy of a sampling of HEAT applications. Initial sampling and file review will be done as desk audits. If all of the applicant documents are not electronically saved, files will be requested from the agency and must be provided to State staff within a reasonable time period.
2. The sampling of HEAT applications will be determined by the State HEAT office and will include applications taken by appointment, walk in, mail-in, and outreach.
3. The sampling will include applications containing medical deductions, target populations, and crisis.
4. The files will be reviewed for completeness and accuracy.
5. The Program Specialist assigned to the agency will discuss with the Regional Director/Supervisor and agency Executive Director the monitoring review process and schedule an on-site visit.
6. SEALWorks must include the following for each applicant:
  - a) Complete and accurate application

- b) Copies of social security cards for applicant and all household members
- c) Documentation of income from the month prior to application for all household members.
- d) Proof of residency
- e) Recent utility bill or account information.
  - i. Address between bill and application must correlate or have explanation in SEALWorks.
  - ii. Account should be in head of household or spouse's name – case workers are required to explain any deviations.
  - iii. If the applicant pays for utilities through rent, a copy of the lease agreement or landlord statement is required.
  - iv. Proof of payment (e.g. itemized print out, bank statement, cancelled check, original receipt), for eligible medical expenses paid by client for household members in the month prior to the application.
- f) Review of application processing time.
- g) Use of correct office code.
- h) Performance measure data.
- i) Agency review will include:
  - i. Contract – timely spend down of funding.
  - ii. Carryover funds from year to year, administrative funds expenditures.
- j) On site visit will include a review of application intake area, privacy, file storage, etc.
- k) Agencies will have the opportunity to respond to errors and to provide any additional documentation or explanations that may have been missing from SEALWorks.
- l) All errors that are found during monitoring will require the agency to complete a "Correction" in SEALWorks and any other steps necessary (i.e. collecting additional information from client, collecting overpayments of over \$75 if warranted, contacting utility company, etc.).
- m) Any errors found during monitoring, including errors that have been subsequently corrected will be counted as errors in the final monitoring letter with an acknowledgement that they have been corrected.
- n) Recurring errors in concurrent years are considered serious and will require consultation with the State HEAT Office to develop an approved corrective action plan.

## MORATORIUM

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### A. OVERVIEW

House Bill 240 of the 1985 General Session of the Utah State Legislature ordered the Department of Human Services to establish a moratorium program. The Moratorium Program protects eligible persons from winter utility shut offs. A household can be approved for moratorium protection only one time per utility per program year.

### B. OPENING AND CLOSING DATES OF THE MORATORIUM

The protection of the Moratorium lasts from November 15 through the following March 15. However, the State HEAT Office has the option of beginning it earlier or extending it later when severe weather conditions warrant such action.

### C. ELIGIBILITY CRITERIA

To qualify, the moratorium applicant must:

1. Be the adult residential account holder, or have his/her name on the account.
2. Live at the address of the service needing the protection of the moratorium.
3. Have a termination notice from the utility company or have been refused service if the utility is not active.
4. Be HEAT approved for the current season.
5. Must have monthly income less than 125% of the federal poverty limit in the month prior to the month of application. In addition, the applicant must provide proof that he/she meets at least one of the following criteria:
  - a) Had a medical emergency in either the month of application or the month prior to the month of application, or;
  - b) Had loss of employment in either the month of application or the month prior to the month of application, or;
  - c) Had a 50% drop in income in either the month of application or the month prior to the month of application; or
  - d) Had other circumstances that has resulted in a substantial loss of income. (attach an explanation of the emergency).
6. The HEAT worker will fill out a Request for Moratorium Form 863. If a Moratorium is completed and approved, the information shall be sent to the State HEAT Office immediately. A copy should be given to the client. A payment schedule will also be given to the client.

7. Good faith payment effort.
  - a) Each month during the moratorium the household must make the required payment to the utility company (at least 5% of gross monthly income if house is heated by gas, at least 10% if house is heated by electricity).
  - b) The minimum allowed monthly payment is \$5.00 even if the client has no income in the month prior to the month of application.
  - c) In order to activate the moratorium, including the restoration of service to those households that are shut off, the first good faith payment is due at the time of application. A moratorium is void if not activated within 14 days. Payments for subsequent months are due on or before the last day of each month.

#### **D. DEFAULT**

##### **1. Defaults during a previous Moratorium Season**

The State HEAT Office compiles a list at the end of each year's moratorium. This list includes the information listed below on each client with an outstanding default payment due before he/she is eligible for protection under the current moratorium:

- a) Client name.
- b) Payment amount due.
- c) Any other necessary identifying information.

Clients on the default list must pay the amount of the defaulted payment to the utility company before they can be eligible for the protection of the current moratorium. It does not matter whether their utility service is currently on or off.

##### **2. Defaults in current season**

- a) If the client cannot make a payment, he/she must contact a utility account representative and explain why.
- b) If the client fails to make the monthly good faith payment and fails to contact an account representative, the utility company will notify the State HEAT Office. The State HEAT Office will notify the client of the cancellation of the moratorium.
- c) When a client defaults on a moratorium application, he/she is not eligible for moratorium protection on that particular utility for the remainder of that moratorium season.
- d) He/she must also pay the amount of any previous defaulted payment before he/she can be eligible for the moratorium.

#### **E. HEARING RIGHTS**

1. Any dispute regarding moratorium eligibility will be decided in a hearing before the State HEAT Program Manager or designee. The State HEAT Program Manager or designee must receive the hearing request before the shut off date if the utility service is to remain on pending the outcome of the hearing.
2. Hearings can be requested after shut-off, but utility service will not be resumed pending the outcome of the hearing.



**F. COMPANIES OPERATING IN UTAH SUBJECT TO THE MORATORIUM**

All of the regulated utilities listed below are authorized HEAT vendors.

Company	Address	Telephone
Bridger Valley Electric Association, Inc.	40014 Business Loop I-80 PO Box 399 Mountain View, WY 82939	(800)276-3461 (307)786-2800
Dixie Power Electric Association, Inc.	71 E Hwy 56 Beryl, Utah 84714	(435) 439-5311
Empire Electric Association, Inc.	801 North Broadway PO Drawer K Cortez, Colorado 81321	(800)709-3726 (970) 565-4444
Flowell Electric Association, Inc.	495 N 3200 W Fillmore, Utah 84631	(435) 743-6214
Garkane Energy Cooperative, Inc.	120 W 300 S PO Box 465 Loa, Utah 84747	(800)747-5403 (435) 836-2795
Moon Lake Electric Association, Inc.	800 W Hwy 40 PO Box 278 Roosevelt, Utah 84066	(435) 722-5400
Mt. Wheeler Power, Inc.	1600 Great Basin Blvd PO Box 151000 Ely, Nevada 89315	(800)977-6937 (775) 289-8981
Raft River Rural Electric Coop., Inc.	155 N Main Street PO Box 617 Malta, Idaho 83342	(208) 645-2211
Rocky Mountain Power	One Utah Center 201 S Main Suite 2300 Salt Lake City, Utah 84111	(800)478-1210
South Utah Valley Electric Service Dist	803 N 500 E PO Box 349 Payson, Utah 84651	(801) 465-8020
Wells Rural Electric Company	1451 N Humboldt Ave PO Box 365 Wells, Nevada 89835	(775) 752-3328
QUESTAR	333 S State St PO Box 45360 Salt Lake City, Utah 84145	(800)323-5517 (801) 324-5111

**OUTREACH AND CONTINUED ACCESS TO ON-SITE APPLICATION**

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**A. OUTREACH AND CONTINUED ACCESS TO ON-SITE APPLICATION**

In order to reach those clients who did not apply during the previous HEAT year, information should be made available throughout the community explaining the mail-in and on-line application procedures, the mail-in target population, and a telephone number for acquiring a mail-in packet. The State of Utah has designed a rack card for the HEAT Program. These rack cards are available to agencies upon request. Federal regulations mandate that walk-in sites be available for those clients who need crisis assistance, intake services, or help with completing their application. These sites must, of course, be available once the regular program begins.

## FINANCIAL REPORTING

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### A. LOCAL HEAT OFFICE BUDGETS AND CLAIMS SUBMISSION

As a condition for receiving the HEAT block grant, the State of Utah is required to account for the expenditure of those grant funds. The subcontracting network participates in this process by providing fiscal and statistical information.

### B. BUDGETS

1. The HEAT program budget will be submitted by each local HEAT office to the State of Utah at the time of initiation of the annual contract, its renewal, or upon a change of funding notification from the State of Utah. The budget is effective October 1st through September 30th, each year. The State of Utah will approve all budgets and subsequent modifications. Contract amendments occur when funds are added or taken away from the local HEAT office's award. The Executive Director of the local HEAT office will sign the legal documents and return to the State of Utah with an updated budget. The line item descriptions will look like this:
  - a) Administrative Costs
  - b) Case Management Costs
  - c) Crisis Benefits
2. Budget modifications occur when agencies change the dollar amounts between line items. Budget modifications can be completed any time during the program year, except for Administration budgets. When submitting the first budget from the contract, the local HEAT office must mark "Original" on the budget form. When submitting a budget modification, the local HEAT office must update the line item "Modification" in the top right corner.
3. An agency may use the following guidelines for assigning reimbursement costs or they may have their own procedures. However, the State suggests using the following budget guidelines for case management and administrative costs for assigning expenses to budget line items. If an agency uses the 80/20 percent of total expenses for reimbursement purposes, back up documentation must be available to support why you are assigning 80% of your expenses to case management and 20% to administrative costs.
4. When filing a claim for program support expenses, the local HEAT office should include reports or registers from the accounting software, as well as purchase order, invoices, and receipts where applicable. The documentation should support expenses that cover outreach, referrals, case management, administration, materials and supplies, rent, utilities and other necessary eligible expenses related to the maintenance of seasonal outreach sites.

**C. ADMINISTRATIVE COSTS**

1. Costs directly related to program operations, planning and development. These may include indirect costs attributed to the work environment of employees that administer the program. Examples of these costs are:
  - a) Payroll Services Costs
  - b) Fiscal Reporting
  - c) Auditing
  - d) Program Reporting
  - e) HR functions
  - f) Executive Management
  - g) Public Relations
  - h) Procurement
  - i) Property Management
  - j) IT costs related to the support of the administrative functions
  - k) Costs such as rent, utilities and supplies directly associated with administrative staff activities.

**D. CASE MANAGEMENT COSTS**

1. Costs directly related to the HEAT application process.
2. These may include indirect costs attributed to the work environment of employees that case management costs are attributed to.
3. Examples of case management costs are:
  - a) Salaries for employees engaged in the intake and editing process of the HEAT applications.
  - b) Outreach expenses including travel to location
  - c) Postage
  - d) Supplies
  - e) Forms
  - f) Computers
  - g) Equipment
  - h) Translation Services
  - i) IT costs related to the support of the application process.
  - j) Services that encourage households to reduce home energy needs and the need for energy assistance.
  - k) Referral to ancillary programs for additional assistance
  - l) Case work in response to a household's energy emergency, including all Crisis related activities, such as intervention with utility companies, negotiation with township trustees or other agencies on behalf of a household.

- m) Costs such as rent, utilities and supplies directly associated with staff costs in case management activities.
4. LIHEAP budgets related to the application process for utility assistance should not be confused with other programs such as Weatherization. Weatherization has their own rules for allocated funds to program activities.

#### **E. ENERGY EDUCATION**

Energy education materials and personnel time associated with energy education materials should be charged to Case Management. The State of Utah's HEAT program stresses client education as a mandatory measure under the audit priority list. Knowledge about energy use and basic home conservation is part of the intake process and continued throughout the HEAT process.

#### **F. PROCESS FOR REQUESTING ADDITIONAL FUNDS**

1. Agencies may request additional funds from the state if they have obligated at least 85 percent of their current available benefit dollars (regular and crisis assistance). A request for additional funds must be sent to the HEAT Program Manager or his/her designee. The request should be sent by the Executive Director or his/her designee. It is preferred that the request be submitted on local HEAT office letter head and must include:
  - a) Estimated amount of funds to be used toward program administration
  - b) Total amount of funds needed
  - c) Estimated length of time that the funds will cover
2. The program manager will review the funding request to ensure that the information provided reconciles and evaluates historical trends from the previous year to ensure that the estimated service delivery seems reasonable given trends from the previous years. If there is not enough available funding to complete the request, the HEAT Programs Manager will request that the agencies amend the request based on the balance of available funds. The funds are not available to the local HEAT office until the amendment is signed and returned to the State of Utah.
3. Benefit Costs Funds for Regular Heating Assistance and Crisis Assistance are paid by the State of Utah to the designated recipient of the benefit amount. Local HEAT office must request the amount of funds their local HEAT office needs to provide Crisis Assistance year round as a budget item.

#### **G. ONLINE CLAIMS SUBMISSION**

All service providers must submit claims for their administrative expenses at least monthly. All claims and supporting documentation are submitted online at [Webgrants.utah.gov](http://Webgrants.utah.gov). Program Specialists assigned to each Local HEAT office will review the request for funds and approve payment if appropriate. If necessary, the Program Specialist will contact a Local HEAT office for additional information or clarification of a request for funds prior to approval of payment.