

Montana Department of Public Health and Human Services

Low Income Home Energy Assistance Program

# LIHEAP MANUAL

2024 – 2025



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## **INTRODUCTION**

### **1.1 Prudent Person Principle**

The policies and procedures included in the LIHEAP Manual are rules for determining eligibility, delivering benefits, and administering the program. It is impossible to foresee and give examples for all situations; therefore, staff is encouraged to use reason and apply good judgement in making decisions when addressing the specific needs and requests of a household or an unusual situation. Decision-making by staff based on the best information available, program knowledge, experience and expertise in a particular situation is referred to as the Prudent Person Principle. Prudence may also include discussing specific policy interpretation with the Sub-grantee's monitor.

### **1.2 Manual Availability and Reproduction**

#### **AVAILABILITY**

The LIHEAP manual, including all pertinent manual bulletins, must be available to the public for review, study, or reproduction in the Intergovernmental Human Services Bureau (IHSB) office and in each sub-grantee's office on regular workdays during regular office hours.

#### **REPRODUCTION OF MANUAL PAGES**

Copies of manual pages, necessary to determine whether a Fair Hearing should be requested, or to prepare for a Fair Hearing, will be provided at no charge. For copies of manual pages requested for all other purposes, there may be, depending on the office, a charge of 10¢ per page.

### **1.3 The Low-Income Home Energy Assistance Program (LIHEAP)**

#### **LIHEAP AND ACTIVITIES:**

The Low-Income Home Energy Assistance Program (LIHEAP) was established to assist eligible households to offset the rising costs of home energy that are excessive in relation to household income.

The program is designed to reach this goal through the provision of Emergency Assistance payments, Heating Assistance payments and Weatherization of the eligible household's home. LIHEAP benefit awards are established to assure that the highest level of assistance is provided to those with the lowest incomes and the highest energy costs in relation to income, with consideration for family size.

The applicant's physical address must be located within the state of Montana to be eligible for LIHEAP and weatherization benefits.

The Low-Income Home Energy Assistance Act of 1981 assigns the federal administration of **program funds to the Department of Health and Human Services which, in turn, is mandated to** provide to the state, under an allotment formula, funds to carry out the program. ([LIHEAP Statute and Regulations](#))

#### 1.4 Role of the Sub-Grantee

The primary functions the sub-grantees will be responsible for are eligibility determination and verification, client education, outreach, referrals, and local coordination of the LIHEAP program. Those functions include but are not limited to:

**ELIGIBILITY DETERMINATION AND VERIFICATION** – Determining the eligibility of households for participation in LIHEAP is the primary function of the program and is outlined in subsequent sections of this manual.

**CLIENT EDUCATION** – Conducting activities directed at non-participating households to inform and educate them on the availability and benefits of LIHEAP.

Client education also serves to assist households into utilizing energy conservation measures and/or making payment agreements with energy suppliers.

**OUTREACH** - Providing information to current recipients and/or potential recipients to facilitate the recipient's awareness of program requirements and restrictions.

Suggestions for application assistance to aid the elderly and handicapped:

1. Intake and certification by mail or telephone.
2. Scheduled appointments in rural areas.
3. Use of Senior Citizen Centers.
4. Residence intake for those who are homebound.
5. Online application assistance.

**LOCAL COORDINATION** – Conduct activities to facilitate the local and state coordination of the delivery of services to recipients of the LIHEAP and the administration and management of the services delivered. Examples of required coordination, administration and management responsibilities are:

- Administer and supervise LIHEAP within its area of jurisdiction.
- Interpret or obtain interpretations of policies and procedures for operation of the LIHEAP program set by the state Department of Public Health and Human Services (DPHHS) in accordance with federal program regulations and state policies.
- Act as an advisor to the Intergovernmental Human Services Bureau (IHSB), upon request, in the development of the state program design and policies.
- Prepare local operational budget estimates for fiscal needs for the LIHEAP and submission to the Intergovernmental Human Services Bureau (IHSB).
- Provide access to financial records and information to the Department.
- Submit required financial reports.
- Complete sole or shared requirements in making payments to recipients through the Contingency Revolving Fund (CRF).
- Present eligibility verification documentation for LIHEAP recipients to the Department.
- Investigate and refer fraud cases to the Department.
- Inform every applicant/recipient in writing at the time of application and at the time any action affects his/her benefits of the right to request a fair hearing. The fair hearing language must be sent anytime a notice is sent, including a letter of missing information.
- Assist recipients, or potential recipients, in filing all requests for hearings with the Office of Administrative Hearings of the Department of Public Health and Human Services (DPHHS).
- Refer applicants to other programs, federal, state, and/or local, available within the community according to their needs.
- Any other responsibilities as may be set forth within all sections of the contract or this manual.

## **APPLICATION PROCESSING**

### **2.1 Overview**

The following is an overview of the process followed for application, eligibility determination, and furnishing of assistance for Low Income Home Energy Assistance Program (LIHEAP) and Weatherization Assistance Program (WAP).

#### **OVERVIEW:**

An application for LIHEAP generally must be filed during the “heating season” for which assistance is being sought, between October 1<sup>st</sup> and April 30<sup>th</sup>, unless the application period is extended.

At the option of the Department, applicants who use propane, fuel oil, wood, and coal which are sold at lower prices during the summer months, may be permitted to file applications prior to October 1 of the heating season for which they are seeking assistance. This is referred to as “Early Fuel”. LIHEAP benefits may be retro-actively applied toward the cost of propane, fuel oil, wood, and/or coal delivered from July 1 through the end of the heating season.

**EMERGENCY ASSISTANCE** – Applicants for Emergency Assistance may file an application from October 1 through September 30 of the LIHEAP program year.

**WRITTEN APPLICATION REQUIRED** – Applications must be voluntary and initiated by the person in need, an authorized representative, or, where the applicant is incompetent or incapacitated, someone acting responsibly on behalf of the applicant. On a form prescribed by the Department, the person in need must attest to the truth, accuracy, and completeness of the information provided for eligibility determination and declare that he or she understands any misinformation will be investigated and prosecuted. An applicant who fails to provide information necessary for a determination of eligibility may be determined ineligible but may reapply for assistance.

**PLACE OF APPLICATION** – Applications may be accepted at the sub-grantee's office located in the district or county where the individual lives, by mail, telephone, online self-service portal, senior centers, a mutually agreed upon place or via home visit by the Eligibility Worker. Intake shall be available during normal business hours, Monday through Friday, except recognized holidays.

Computer-generated, pre-printed applications are sent to LIHEAP clients who were approved for the previous heating season and for whom CHIMES has a valid mailing address. CHIMES completes some of the client/household information on the application. These pre-printed applications are mailed to the households in September



each year.

Applications may also be submitted online through [Self Service Portal Online Application](#) Users will need to create an account.

**Note:** Applications can only be made for the dwelling the applicant is residing in at the time of application. The applicant's physical address must be located within the state of Montana to be eligible for LIHEAP and weatherization benefits.

**INTERVIEW AND CONTENTS OF INTERVIEW** – Applicants are given information in writing and orally, as appropriate, about conditions of eligibility, scope of the program related services available, and the rights and responsibilities of applicants for and recipients of LIHEAP. Specifically developed bulletins and pamphlets explaining the rules regarding eligibility and the appeals process written in simple, understandable terms are publicized and made available to applicants.

**DETERMINATION OF ELIGIBILITY** – The signed application provides the eligibility worker with the authority to proceed with the eligibility determination process. Each decision regarding eligibility is supported by the information presented in the application, much of which is further verified by the eligibility worker. Each decision regarding eligibility must be supported by facts documented in the case record.

**CONFIDENTIALITY** – LIHEAP case information is confidential under federal law. The LIHEAP program works to safeguard household member personally identifiable information (PII). The Department of Public Health and Human Services (DPHHS) may however, share participant information for purposes directly connected with the administration of the public assistance programs, other federal programs, and certain entitled entities.

**NATURE AND SCOPE OF INVESTIGATION** – There shall be no requirement of pre-application proof of eligibility; however, the recipient shall have the burden of proving eligibility at the time of application. Each application for LIHEAP shall be promptly and thoroughly investigated by the sub-grantee's Eligibility Worker. Investigations shall include securing information from the applicant that is reasonably available (e.g., proof of identity, wage stubs, W-2 forms, bank statements, heating obligation, fuel vendor, etc.). If a case is picked for Quality Control (Monitor) review, the applicant/recipient must cooperate or be subject to reduced, suspended, or terminated benefits.

**PERSONALLY IDENTIFIABLE INFORMATION (PII)** - is any data that could potentially identify a specific individual. Any information that can be used to distinguish one person from another and can be used for de-anonymizing anonymous data can be considered PII.

**RESTRICTIONS ON LIHEAP PAYMENTS** – Payments are made primarily to vendors. The

LIHEAP warrant shall not be mailed directly to the eligible individual, except when there is no participating vendor. Payments may not be forwarded from one address to another.

**PAYMENT TO FUEL VENDORS** – The amount of the LIHEAP benefit or adjusted benefit will be paid by check or electronic funds transfer (EFT) directly to the fuel vendor and will be applied by the fuel vendor against any unpaid balance incurred during the current heating season, including any future eligible energy costs of the household in accordance with the Department-approved vendor application and contract.

**FURNISHING OF ASSISTANCE** – Financial assistance shall be furnished promptly for eligible households primarily through vendors and is continued regularly through the period of certification except:

**WRITTEN NOTICE** – Written notice is sent to applicants and recipients when assistance has been authorized, denied, terminated, or pending. The notification letter of authorization states the action taken and the amount authorized. The notification letter of denial or termination states the specific reason for denial or termination and the individual's right to request a fair hearing. This notification, entitled "About Your Case", is auto generated upon authorizing the case in CHIMES.

**HOUSEHOLDS THAT MOVE** – If a household moves during the heating season, fuel vendors are required to return unused LIHEAP balances after applying allowable charges. Those households must reapply at the new address to reestablish LIHEAP eligibility for a prorated benefit.

**CHANGE OF CIRCUMSTANCES** – The household must complete a DPHHS-EAP-011 "Change of Fuel Vendor/Circumstances Form" under the following circumstances:

1. A household changes fuel vendor.
2. A household changes from a Tenant case status.
3. A household changes from Account Not in a Household Member's Name.
4. Other vendor-related changes in circumstance.

**Note:** For any of the above change in circumstances, the LIHEAP case change must be completed in CHIMES, including case notes for additional details of the change(s).

**Process for Change of Circumstances:**

1. Client must complete the DPHHS-EAP-011 "Change of Fuel Vendor/Circumstances Form".
2. Sub-grantee requests the existing vendor to return any remaining LIHEAP credit balance for the household after the existing fuel vendor applies allowable charges.
3. Sub-grantee will then update the household's vendor information in CHIMES in 'Case Change.'
4. Existing case will automatically close.

5. Register a new application and associate to the case.
6. Sub-grantee will manually issue the remaining balance of the benefit to the new vendor if applicable.
7. Any future benefits will be sent to the new fuel vendor (matrix adjustments).

## 2.2 Application Process and Furnishing Assistance

**APPLICATION TIME PERIOD:** An application for LIHEAP must be filed during the heating season for which assistance is being sought, between October 1 and April 30, unless the application period is extended.

**SECOND APPLICATION vs. DUPLICATE APPLICATION:**

A **second application** would be received and processed by the sub-grantee when the applicant has a change in circumstances (See Changes in Residence and/or Fuel Type). When a **second application** is received, the sub-grantee must:

1. Client must complete the DPHHS-EAP-011 "Change of Fuel Vendor/Circumstances Form".
2. Sub-grantee will-
  - a. In CHIMES enter the case in Case Change.
  - b. Update the applicable changed circumstance information and Circumstance Start/Change Date. Add a case note.
  - c. **Re-Run Wrap-up**- Case will automatically close for 'change in address, or fuel vendor'
3. Register the second application.
  - a. On the LIHEAP Details screen, the CDCD is the date household moved to new address/changed vendor to establish pro-rated benefits.
  - b. Run wrap up, benefit calculation will occur for pro-rated benefits.
4. Benefit amount will be sent to the vendor or manually issued if payment type is Reimbursement.
  - a. Contact the original fuel vendor to return the remainder of the benefit payment to the State.
  - b. Notify monitor.

A **duplicate application** would be received by the sub-grantee when the applicant does not have an eligible change in circumstance or re-applies during the same heating season. For example, the client uses all their benefit amount and applies again in the same heating season, or inadvertently submits both paper and online application forms. When a duplicate application is received, the sub-grantee must:

1. When paper duplicate application(s) are received, search for the persons and determine that a current LIHEAP benefit exists, do not enter it in CHIMES.
2. When Self-Service Portal (SSP) duplicate application(s) are received,
  - a. Delete the duplicate online application.

b. Generate Manual Correspondence: "Denied Duplicate Application" notice.

**Note:** Clients may only receive one LIHEAP benefit during the heating season, although the amount of the benefit may change.

#### APPLICATION PROCESSING:

Review the submitted application and verifications for completeness and accuracy.

If necessary: Ask client for supporting information and required documentation needed to complete the application. Record and date the applicant's responses.

Additionally:

1. Send correspondence requesting a release of confidential information and any other missing information.
2. The Release of Confidential Information must be signed and dated by all household members 18 years or older.
3. If a household member signs with an "X" or a rubber stamp, the signature must be witnessed.
4. An authorized Power of Attorney may sign for household members. Third party verification of the of Power of Attorney or payee/representative must be maintained in the LIHEAP case file via CHIMES and Perceptive procedure as outlined.
5. Attorneys-in-fact and representative payees may sign and file a LIHEAP application for the grantor or person they act as payee for, regardless of the person's physical or mental condition. Third party verification of the Power of Attorney or payee/representative must be maintained in the LIHEAP Case file via CHIMES and Perceptive procedure.
6. Applicants may also utilize an electronic signature to sign the LIHEAP application.
7. The Montana Uniform Electronic Transaction Act provides at section 30-18-106 MCA allows for the use of electronic signatures.
  - a. All household members 18 years of age and older must provide signatures.
  - b. When application is submitted online via SSP, the person submitting the application will sign electronically. A signature page must be generated manually for each additional household member 18 years of age and older.
8. Explain applicant rights and responsibilities.
9. Request necessary verifications:
  - a. Inform the applicant of additional services available (e.g., Weatherization Assistance Program and Emergency Assistance) and make referrals as appropriate.
  - b. Inform the applicant of reporting, redetermination, and Quality Control responsibilities.
  - c. Answer any questions the applicant may have.

- d. Determine eligibility and assistance needed as of the date of application.

## ELIGIBILITY DETERMINATION

The applicant provides requested verifications for review, including but not limited to: Photo ID's and birth certificates, a complete list of acceptable identification is included in the application materials. For returning applicants, identification is only required when there is a change of circumstance, or the applicant is unknown to CHIMES.

- Social Security Number, proof of citizenship, proof of lawful permanent residency, or qualified alien status.
- A non-citizen who has lawfully entered the U.S. with the intent of establishing permanent residency is commonly known to have a "green card". Officially such a person is called a "lawful permanent resident (LPR)".
- Individuals of households who refuse to submit social security numbers, proof of citizenship, proof of lawful permanent residency, or qualified alien status will be deemed ineligible members of the household. See the [Naturalization Eligibility Worksheet Instructions \(Form M-480\)](#)
- A voter's registration card is not acceptable verification for proof of citizenship when citizenship is questionable since an individual is not required to verify citizenship to register to vote.
- Marriage to a U.S. citizen has no effect on the ineligible member's eligibility for LIHEAP. A person does not automatically become a lawful permanent resident or a U.S. citizen by marrying a U.S. citizen.
- Proof of Income such as:
  - Pay stub/pay envelopes.
  - W-2 forms
  - State and/or Federal Income Tax returns
  - Self-employment bookkeeping records
  - Child Support
  - RSDI Benefit Check
  - RSDI Award Letter
  - Educational grant or scholarship Award letter
  - Unemployment Compensation Award letter
  - Pension Award Notice
  - Veteran's Administration Award Notice
  - Railroad Retirement Award Letter
  - Social Security and Supplementary Security Income (SSI) Award Letter

- Workers' Compensation Benefits Award Notice
- Correspondence on Benefits
- Proof of Resources such as:
  - Bank Statements
    - *Verification must include the most recent bank statement(s) for the month prior to the month of application.*
  - Copies of contracts for deed
  - Stockbroker's or other investment statements
  - Certificate of Deposit (C.D.) statements
- Proof of Heating need such as:
  - Current fuel bill or fuel receipt
  - Statement of new, pending, or current account from fuel vendor
  - Verification of obligation for energy costs, including but not limited to:
  - Lease or rental agreement for Heat Included in Rent (Tenant).
  - Rental agreement, mortgage, any proof of residence
  - EAP 050 Nontraditional Dwellings Self declaration form, if applicable

**Note of potential fraud:** At times an applicant will apply for an electrical benefit (for base load and not heat) when their primary heat source is included in the rent. When the sub-grantee suspects the applicant's primary heat source is not electric, a lease agreement should be obtained to determine the applicant's primary heat source. LIHEAP benefits can only be awarded for the primary heat source. An electric benefit would not be issued if the applicant's heating charges are included in the rent.

#### DETERMINE CASE ELIGIBILITY AND BENEFIT FURNISHING ASSISTANCE

1. Enter all required applicant and household information in CHIMES.
2. Upon Authorization, an "About Your Case" notice will be generated and mailed by CHIMES to the applicant, notifying them of any missing information, eligibility determination, and benefit amount.

#### "Release of Confidential Information"

CHARACTERISTICS AND PURPOSE The Low-Income Home Energy Assistance Program (LIHEAP) and Weatherization Assistance Program (WAP) application provides for each applicant or recipient, including any financially responsible relative or other individual age eighteen (18) or older, to authorize the Release of Confidential Information. This Release allows the Department/local contractor to secure information necessary for determining a household's eligibility and continued eligibility for payments and for

meeting federal Quality Control requirements and to collect data (e.g., fuel consumption) to affect program design.

This form also guarantees each applicant, recipient, or financially responsible relative or other individual age eighteen (18) or older, the right to know what information they are releasing, to whom the information is being released, and for what purpose or purposes.

**RESPONSIBILITY** The Release of Confidential Information must be signed by each applicant, recipient, or financially responsible relative or other individual age eighteen (18) or older. If the applicant, recipient, or financially responsible relative or other individual age eighteen (18) or older, refuses to sign this form or if he or she deliberately conceals a source of information, the applicant or recipient may be denied payments.

**PROCEDURE:**  
Eligibility Worker

1. Explain the purpose of the form and the policy it embodies to the applicant, recipient, or financially responsible relative or other individual age eighteen (18) or older.
2. List the types of information you will need, and why.

Applicant/ Recipient/ Financially Responsible Relative or Other Individual Age 18 or Older

3. Carefully Read Release of Confidential Information carefully.
4. Sign and date Release of Confidential Information.

Eligibility Worker

5. Make copies of the Release of Confidential Information for individuals, companies and agencies from which information is to be requested.
6. File the original copy of the Release of Confidential Information, in the applicant's case record.

### **2.3 Sub-Grantee Responsibilities**

**GENERAL RULE** – In taking an application a sub-grantee must:

- Explain to the applicant all factors of eligibility that must be verified.
- Provide the applicant with information needed to understand the sub-grantee's authority to investigate eligibility for assistance.
- Assist the applicant in understanding the regulations governing eligibility and

receipt of benefits. The Eligibility Worker shall inform the applicant of the availability of the regulations affecting eligibility as found in the Administrative Rules of Montana (ARM), 37.70.101 through 37.70.901. Copies of applicable Administrative Rules are available online and may be viewed in the office of the Intergovernmental Human Services Bureau (IHSB), Human and Community Services Division, Department of Public Health and Human Services, P.O. Box 202956, Helena, Montana 59620-2956.

- Provide the applicant with the information needed to understand their rights and responsibilities.
- Provide the applicant with information needed to understand the scope of the Program LIHEAP/Weatherization Assistance Program (WAP).
- Make referrals to other agencies and other divisions within the Department of Public Health and Human Services (DPHHS) when it appears that the individual or household may be eligible and/or benefit from access to other services.
- Review all necessary forms for accuracy and completeness.
- Document verification of information provided by the applicant for all members of the household. Review Montana Integrated System to Improve Customer Service (MUSE) which includes wage and unemployment benefit information.
  - CHIMES Universal Inquiry step will run verifications through all applicable interfaces, including MUSE, during data entry of application materials.
- Make collateral contacts, if necessary, to complete eligibility determination.
- Determine eligibility within forty-five (45) days of receipt of a completed application. If the forty-fifth day falls on a weekend or holiday the Sub-grantee has until the next business day to approve or deny the case.
- Notify applicants of determination of eligibility within forty-five (45) days of receipt of a completed application or forty-five (45) days from the date the last About Your Case (AYC) notice was sent. Written notice of the determination is automatically generated and sent to applicants, by CHIMES when assistance has been authorized, denied, terminated, or pending. The AYC notification states action taken, and the benefit amount authorized. If benefits are denied, AYC notification states denial or termination reason(s), and the individual's right to request a Fair Hearing.
- If there are extenuating circumstances that prevent notification of eligibility within forty- five (45) days, contact your Field Monitor and enter notes in CHIMES



Case Notes section. The Sub-grantee must deny the application or send a new AYC to restart the forty-five days.

- Notify eligible applicants that benefits are available for heating costs only for the period October 1 through April 30, unless the Heating Season is extended.
- Notify eligible applicants that Emergency Assistance is available from October 1 through September 30 of the LIHEAP program year.

## **2.4 Applicant and Recipient Rights and Responsibilities**

GENERAL RULE – The sub-grantee Eligibility Worker shall inform all individuals applying for, and receiving, assistance of their rights and responsibilities. Under this requirement, information is conveyed in oral or written form, at the time of application and redetermination.

RIGHTS – The rights of an applicant and recipient are:

- To tell their story in their own way.
- To continue to be responsible for themselves.
- To receive individual assistance in completion of the application.
- To inquire and be informed in writing and/or orally about coverage, conditions of eligibility, scope of the program and related services available, including systems conversions, regular benefits, and emergency benefits.
- To be determined eligible or ineligible, based upon the information and corresponding documentation provided for the completed application, within forty-five (45) days of receipt of the completed application.
- To receive timely written notice of denial, reduction, or termination of assistance.
- To be informed of the right to a Fair Hearing.
- To have a confidential relationship with the sub-grantee and the Department.
- To be informed of other services of the Department of Public Health and Human Services (DPHHS).
- To not be discriminated against on the grounds of race, color, sex, culture, age, creed, marital status, physical handicap, mental handicap, and national origin. LIHEAP is an equal opportunity program. Discrimination is prohibited.

## RESPONSIBILITIES:

The applicant or recipient is responsible for:

- Completely filling out and signing the application form.
- Signing the application's "Release of Confidential Information" and ensuring each member of the household, age 18 or older, has also signed the release. A guardian may sign for minors less than 18 years of age.
- Telling the worker their situation.
- Providing verification and documentation:
  - Including social security number, proof of U.S. citizenship, proof of lawful permanent residency, or qualified alien status for all household members, as well as photo identification for all household members if not previously provided.
  - Photo IDs for all household members or birth certificates for household members under 18 years of age are no longer required, as SSN will be verified through CHIMES Universal Inquiry.
  - For questions related to "permanent residency" refer to the [U.S. Citizen and Immigration Services website](#).

A non-citizen who has lawfully entered the U.S. with the intent of establishing permanent residency is commonly known to have a "green card". Officially such a person is called a "lawful permanent resident (LPR)".

- The definition of "qualified alien" is in 8 U.S.C. 1641(b), which states:
  - (b) "Qualified alien" means an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is-
    - 1) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act,
    - 2) an alien who is granted asylum under section 208 of such Act,
    - 3) a refugee who is admitted to the United States under section 207 of such Act,
    - 4) an alien who is paroled into the United States under

section 212(d)(5) of such Act for a period of at least 1 year,

- 5) an alien whose deportation is being withheld under section 243(h) of such Act,
  - 6) an alien who is granted conditional entry pursuant to section 203(a)(7) of such Act as in effect prior to April 1, 1980; or
  - 7) an alien who is a Cuban and Haitian entrant (as defined in section 501(e) of the Refugee Education Assistance Act of 1980).
- Birth certificates are allowable for children in the household who are under age 18 who do not have photo identification, or a verified SSN. Documentation must be presented in an orderly fashion.
  - Proof of gross income for all household members including non-court ordered child support.
- Providing the most recent heat and electric bill(s), or statement(s) from fuel vendor(s), or a lease agreement (for tenants).

**Note of potential fraud:** At times an applicant will apply for an electrical benefit (for base load and not heat) when their primary heat source is included in the rent. When the sub-grantee suspects the applicant's primary heat source is not electric, a lease agreement should be obtained to determine the applicant's primary heat source. LIHEAP benefits can only be awarded for the primary heat source. A base load electric benefit would not be issued if the applicant's heating charges are included in the rent.

- Cooperating fully with any request for Quality Control (Monitor) review.
- Accepting weatherization services if designated a high-energy consumer according to criteria set forth in ARM 37.71.401 and 601.
- Reporting changes in physical and/or mailing address within ten (10) days.

## ELIGIBILITY DETERMINATION

### 3.1 Eligibility Criteria/Income and Resources

#### NON-FINANCIAL CRITERIA –

1. Proof of identity for all household members must be provided. Information to be submitted by applicants for all household members include:
  - a. SSNs (A hospital abstract showing an SSN has been requested for newborn infants is acceptable).
  - b. Proof of citizenship, proof of lawful permanent residency, or qualified alien status, AND
  - c. Photo identification (Birth certificates may be accepted for children under age 18 who do not have photo identification.).

Verification must be provided. However, photo IDs for all household members or birth certificates for household members under age 18 are no longer required if the Sub-grantee has verified the SSN through CHIMES Universal Inquiry.

**Note:** Once documentation has been verified and on record in the client file, any subsequent year applications do not require the above non-financial criteria unless a change in household composition occurs.

2. In households consisting of eligible and ineligible household members, the income of all will be counted for benefit calculation purposes. Only the eligible household members will be counted toward the total “number in the household” when counting the number of household members for benefit calculation purposes.
  - a. Income calculation to determine eligibility is performed through the CHIMES System, using verified income data provided in the household’s LIHEAP application.
3. Current and future benefits will be denied to any persons and households who refuse to submit social security numbers; proof of U.S. citizenship; proof of status as a qualified alien as defined in 8 U.S.C. 1641(b); or whose social security numbers, proof of residency, or citizenship cannot be verified.
4. Proof of primary fuel type or obligation for energy costs must be provided.
5. Reside in the State of Montana.

### 3.2 Prorated LIHEAP Benefits

The benefit will be prorated:

- For applicants new to the state during the heating season
- For applicants not previously responsible for heating costs during this heating season who are now responsible for heating costs for the remainder of the heating season.
- To re-establish eligibility for a recipient household that moved during the heating season.
- If the household changes residence during the heating season making them ineligible for Tribal LIHEAP (i.e., moves from the reservation), the individual or household may apply for a prorated state LIHEAP benefit.
  - See Indian Tribe Service Population 3.3
- To count only those members in the household who are eligible household members.

**Note:** This procedure also applies to residents new to the state and persons not previously responsible for heating costs who are eligible for a prorated benefit from the date of move into the state or date of responsibility for the heating costs.

- Calculation: # of remaining days in heating season ÷ # of days in heating season matrix = new prorated benefit.
- There are 212 days in the heating season. A leap year has 213 days.

### 3.3 Indian Tribe Service Population

DPHHS provides funds directly to Montana Indian Tribes to administer Low Income Home Energy Assistance Program (Tribal LIHEAP). The State of Montana maintains a Memorandum of Understanding (MOU) with each tribe which outlines the households each tribe will serve. MOU's can be requested from the state office.

#### **Tribal LIHEAP eligibility criteria:**

- Member of Confederated Salish and Kootenai Tribes (CSKT) living on the CSKT Reservation
- CSKT direct decedents (1st generation) living on the CSKT Reservation
- Household contains a CSKT direct decedent 18 years of age or older living on the CSKT Reservation
- Native American (Member of any recognized tribe) living on any reservation, excluding CSKT and Crow Reservation

### **Confederated Salish and Kootenai Tribes (CSKT) only**

Eligible Indian Households: are defined as one in which the head or spouse is either an enrolled member or a direct descendant of CSKT. This includes any enrolled or direct decedents (1<sup>st</sup> generation) 18 years of age or older. CSKT can have a tribal member over the age of 18 that is not listed as head of household that is a tribal member and is eligible for Tribal LIHEAP.

**Example:** Grandma and grandpa are not enrolled members but grandson who is 19 is an enrolled member. The entire household is eligible for Tribal LIHEAP benefits. Tribal LIHEAP will make the grandson head of household. Anyone over the age of 18 and an enrolled or direct descendant of CSKT must apply with Tribal LIHEAP.

### **State LIHEAP eligibility**

- Native American not living on any reservation.
- Native American (Member of a recognized tribe), living on the CSKT reservation, excluding CSKT enrolled members.
- Native American (Member of a recognized tribe) living on the Crow Reservation
- Non-native American (head of household and spouse are not native American) living on any reservation.
- If a household changes residence during the heating season, making them ineligible for Tribal LIHEAP (i.e., moves from the reservation), the individual or household may apply for a prorated state LIHEAP benefit.

### **3.4 College Students**

- College students living off campus (not in dorms, must have a heating obligation) may apply for LIHEAP benefits. Applications are to be processed like any other application received.
- It does not matter if they were claimed on their parents' taxes.
- All household members (roommates) must be on the application.

### **3.5 Foster Care Households**

Foster care households may choose to include or exclude a foster care individual (child/adult). If the foster care household chooses to include the foster care individual at the time of application, the income and resources for the foster care individual are counted for eligibility. If the foster care household chooses not to include the foster care individual at the time of application, the income and resources of the foster care individual are not counted for eligibility.

### **3.6 Shelters**

Individuals living in shelters, including recipients of SNAP, SSI, or TANF are NOT eligible for LIHEAP benefits.

### **3.7 Licensed Group Homes**

An individual living in a facility licensed by the Department and in which housing is provided in a home-like setting on a long-term or permanent basis to individuals or households, including community homes for persons with developmental disabilities licensed under 53-20-305, MCA, are eligible to apply as a household for LIHEAP. Individuals living in licensed group-living situations may be eligible if they meet all other requirements for eligibility.

**Note:** Licensed group-living situations do NOT include community homes for persons with severe disabilities licensed under 52-4-203, MCA, youth care facilities licensed under 52-2-622 MCA, shelters for homeless or abused individuals, halfway houses, nursing homes, convalescent centers or other residential treatment facilities which provide shelter in an institutional setting.

### **3.8 Temporary Absences**

When a household has a member that is temporarily absent from the household, the following applies:

- Count the individual as a member of the household if they live in the household 50% or more of the time.
- Count the temporarily absent individual's income when that individual pays bills on behalf of the household, or if the LIHEAP applicant has access to the absent individual's resources. (i.e., LIHEAP applicant is on a joint bank account with away individual).

### **3.9 LIHEAP Processes from End of Regular LIHEAP Season through September 30**

Unless notified by IHSB only Emergency payments should be entered end of regular LIHEAP season through September 30<sup>th</sup>. IHSB will notify the sub-grantees when they can start entering Deliverable Fuel.

#### **Emergency Payments Between end of regular LIHEAP season through September 30**

1. Emergency Payment for currently approved LIHEAP cases without a new application
2. Emergency Payment for a new case with a new application

#### **Payment Schedule**

- All payments are generated through CHIMES.
- Payments are mailed weekly, end of day, each Wednesday.

- Payments are mailed or EFT to vendors, mailed to clients, and/or sub-contractors.

## **Correspondence**

About Your Case (AYC) notices are auto generated through CHIMES based on information about the individual case. AYC's may contain the following information:

- Missing Information – processed daily.
- Eligibility determination – processed daily.
- Summer and Weatherization Only Notices – processed daily.

SUMMER WEATHERIZATION – Household applied after the heating season and the application cannot be processed for heating assistance. However, the application must be processed to determine eligibility for emergency assistance (furnace, water heater and air conditioner) through the Contingency Revolving Fund (CRF) and for weatherization assistance. CHIMES will automatically process the LIHEAP application as summer weatherization only if the application received date end of regular LIHEAP season through September 30.

WEATHERIZATION ONLY – Household is over income for LIHEAP, but eligible for weatherization. These households are not eligible for emergency assistance through the Contingency Revolving Fund (CRF).

### **3.10 Application Processing Hierarchy**

Process LIHEAP cases by Hierarchy – Verify in the order below:

1. LIHEAP/SNAP Categorically Eligible
2. SSI, and TANF Categorically Eligible
3. LIHEAP Eligible

Determination of eligibility should follow the hierarchy by looking at SNAP eligibility of all household members listed on the application first. Followed by SSI and TANF Categorical Eligibility determination. If none of the above apply, process application as LIHEAP only without categorical eligibility.

### **3.11 Conditions of Categorical Eligibility**

CATEGORICALLY ELIGIBLE:



It is the intent of the Montana LIHEAP program to accept the determination of those agencies administering eligibility for SNAP, TANF, or SSI benefit awards.

Eligibility for SNAP, SSI, and/or TANF will be used in determining whether a household is categorically eligible for LIHEAP benefits in certain circumstances. The categorical eligibility determination for LIHEAP benefits based on a household’s eligibility for SNAP benefits differs somewhat from the process used for household’s which are categorically eligible based on SSI, and/or TANF benefits.

**SNAP Categorically Eligible Households:**

Households applying for LIHEAP who:

1. Are currently eligible for or receiving SNAP benefits.
2. Received or were approved to receive SNAP benefits during the month of the LIHEAP application.

**AND**

3. When all members of the LIHEAP household are SNAP eligible, even if there are additional members in the SNAP household, they will be determined to be SNAP categorically eligible for LIHEAP benefits.

LIHEAP/SNAP Categorically Eligible households applying for LIHEAP must:

1. Received or were approved to receive SNAP benefits during the month of the LIHEAP application.
2. Each household member must be SNAP eligible.

**SNAP Categorically Eligible Example #1**

LIHEAP Household	SNAP Info	LIHEAP Application Date	SNAP Eligibility Month	LIHEAP/SNAP Cat Eligible
Grandma	SNAP case 25434 of 1 Person	10/21/2024	Oct - 2024	Yes
Daughter	SNAP case 54321 of 2 People		Oct - 2024	Yes
Grandson	SNAP case 54321 of 2 People		Oct - 2024	Yes

Household is SNAP Categorically Eligible because all members in are household eligible for SNAP benefits in the month of application for LIHEAP.

**Note:** The LIHEAP household members are listed in multiple SNAP households which is allowable.

SNAP Categorically Eligible Example #2

LIHEAP Household	SNAP Info	LIHEAP Application Date	SNAP Eligibility Month	LIHEAP/SNAP Cat Eligible
Grandma	SNAP case 55521 of 1 Person	11/21/2024	Nov - 2024	No
Daughter	No SNAP		July 2024	No
Son	No SNAP		July 2024	No

Grandma is eligible for SNAP, but son and daughter who are members of the LIHEAP household are not, which makes the household NOT categorically eligible.

Household may still qualify for LIHEAP but are not categorically eligible under LIHEAP/SNAP. Use hierarchy to determine household categorical eligibility under SSI, TANF.

SNAP Categorical Eligible Example #3

LIHEAP Household	SNAP Info	LIHEAP Application Date	SNAP Eligibility Month	LIHEAP/SNAP Cat Eligible
Dad	SNAP case 333 of 3 People	10/21/2024	Oct - 24	Yes
Son	SNAP case 333 of 3 People			Yes
Daughter	SNAP case 333 of 3 People			Yes

Household is Categorically Eligible because all household members are eligible for SNAP benefits the month of application for LIHEAP.

**Note:** There could be 2 or more different SNAP cases that have the same combined Household members as the LIHEAP case.

**Note:** Resources and income do not need to be verified on SNAP categorically eligible cases, but all other LIHEAP rules apply. For SNAP categorically eligible households, the **Gross Monthly Income** as indicated on the CHIMES Eligibility Determination Results page is used.

**Note:** When all members of a LIHEAP household (case) are in multiple SNAP cases, only the income from the Primary Individual's SNAP case is used to calculate the benefit.

### **SSI, and/or TANF Households:**

SSI, and/or TANF benefit amount(s) of a household will be used to determine the amount of the LIHEAP benefit. Income documentation of SSI, and/or TANF benefit showing eligibility for the month prior to the month LIHEAP application is submitted, must be in the client file CHIMES/Perceptive bank statement, SSI letter, etc.

**Note:** Resources do not need to be verified on SSI and/or TANF categorically eligible cases, but all other LIHEAP rules apply. For SSI/TANF categorically eligible households, the **Gross Monthly Income** as indicated on the CHIMES Eligibility Determination Results page is used. CHIMES will calculate income for categorically eligible households.

**Note:** When the household is SSI categorically eligible, all UNEARNED income must be entered for all household members regardless of age. It does not have to be entered for SNAP or TANF categorically eligible cases.

The standard monthly amounts for SSI and TANF are used to calculate income when the applicant is SSI/TANF categorically eligible.

LIHEAP policy allows individuals who meet certain criteria to be determined categorically eligible for benefits. The criteria are:

**Criteria 1.** Households in which ALL members are eligible for have received SNAP benefits during the month of LIHEAP application:

- Supplemental Nutrition Assistance Program (SNAP)

**Criteria 2.** Households which consist of members receiving SSI and TANF the month prior to month of LIHEAP application; AND other individuals whose income and resources were considered in determining eligibility for SSI and TANF are categorically eligible.

- Temporary Assistance for Needy Families (TANF); or
- Supplemental Security Income (SSI); or
- A combination of Supplemental Security Income (SSI), and TANF cash assistance

**Note:** Social Security always uses the income of a spouse in determining eligibility for SSI

for the other spouse, and always uses the income of a parent in determining eligibility for SSI for a minor child.

**Note:** When a household member’s income is considered in determining the SSI or TANF benefit, the household is categorically eligible for LIHEAP. It is irrelevant whether the household member has income.

**Categorical Eligibility in 50/50 Custody Cases:**

For Household’s consisting of a parent with 50/50 custody of a minor receiving SSI, and a different household consisting of the other parent with 50/50 custody of the same minor, the household receiving the SSI check for the child would be categorically eligible. The household which does not receive the SSI check would not be categorically eligible.

However, include the entire SSI income in each household to determine each household’s LIHEAP benefit amount. However, the appropriate custody boxes in CHIMES must be marked.

**Note:** Even when SSI or SSI/TANF combination categorically eligible, the UNEARNED income of all members must be entered in CHIMES, including those under 18 years of age.

**Income Calculation:**

When determining the amount of annual income for an SSI and/or TANF categorically eligible household, the sub-grantee must use only the CURRENT STANDARD benefit amount from SSI and TANF to arrive at the annual income amount; regardless of the number of months the SSI, or TANF was received during the previous full month. (I.e., if the household only received TANF for one of the last three (3) months, use the Standard benefit amount from SSI or TANF)

**Note:** If the categorically eligible household’s income exceeds the LIHEAP program income limit, the household will still receive a LIHEAP benefit using the lowest multiplying factor.

**Note:** The Categorical Eligibility Standard SSI and TANF Amounts are in Appendix A of this manual.

**EXAMPLES OF HOUSEHOLD COMPOSITIONS WHEN CATEGORICAL ELIGIBILITY MAY BE APPLICABLE:**

Categorically Eligible (C/E) Situations	C/E Y/N	REASON	STANDARD AMOUNTS
Single person receives SSI of \$794	Y	Criteria 1	\$943
Single person receives SSI of \$550 because SSI is reduced in cases of free housing	Y	Criteria 1	\$943

Single person receives SSI of \$22 and SS of \$696	Y	Criteria 1	\$943
Single person had no income until SSI started last month	Y	Criteria 1	\$943
Single person who worked all year, made \$50,000 in 11 months but was just approved for SSI and got the first check during the month of application	Y	Criteria 1	\$943
Single person receives SSI of \$794 but lists a savings account with \$15,000	Y	Criteria 1	\$943
Married Couple both receiving SSI	Y	Criteria 1	\$1,415
Married Couple only one receives SSI which varies monthly, and the other is working	Y	Criteria 2	\$943
Two unmarried people living together-both get SSI	Y	Criteria 1	\$943each (2 x 943 = \$1,886)
Married couple, woman is seven months pregnant and receiving a one-person TANF grant; husband's income is considered in determining TANF grant	Y	Criteria 2	\$425
Mother and child in home and both receive TANF	Y	Criteria 1	\$575
Mother and child in home and both receive TANF, Mother's boyfriend in home receives SSI	Y	Criteria 1	\$575 (mom and child) \$943 (boyfriend)
Child receives TANF. Grandparent receives SSI and VA	Y	Criteria 1	\$425 (child) \$943 (Grandparent)
Child receives TANF. Parent receives SSI and works	Y	Criteria 1	\$425 (child) \$943 (parent)
Child receives SSI, Parent works	Y	Criteria 2	\$943

<b>NOT CATEGORICALLY ELIGIBLE SITUATIONS</b>		<b>REASON</b>
Child receives TANF, Grandparent receives VA	N	Grandparents' income is never considered. when determining a TANF benefit for a child
Two parents and one of the children are each receiving SSI, but one child is not.	N	The income of the child not receiving SSI was not taken into consideration when determining SSI
Parent receives SSI and has one child in the home receiving Child Support	N	Child's income is never considered in determining a parent's SSI eligibility
Two parents and two children, one child receives SSI	N	Although parent's income is always used in determining a child's SSI amount, the income of the other child is not used in determining a child's SSI amount
Two parents and three children. Everyone was on TANF until last month. Oldest child turned 18 and is not included on the TANF grant in the month of application	N	Not all household members are included in TANF, and the 18-year old's income would not be taken into consideration for TANF.

Dad, his child, and his new wife's child receive SSI	N	Although parent's income is always used in determining a child's SSI amount, the income of the other adult that is not the child's parent is not used in determining the child's SSI amount
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### 3.12 Income Guidelines

The income standards in the following table are either 150% of the U.S. Government Office of Management and Budget (OMB) poverty level or 60% of the U.S. Health and Human Services (HHS) state median income for households of different sizes. Households of one (1) to eight (8) member(s) with income at or below 60% of state median income are eligible. Households of nine (9) members or greater with income at or below 150% of federal poverty levels are income eligible. Household income level is also used to the determine benefit.

Only income from persons in the household 18 years old or older will be counted.

**Note:** The current table of income guidelines can be found in Appendix A.

### 3.13 Resource Guidelines

The table of the maximum non-business resources allowed can be found in Appendix A of this manual.

**Note:** The household may also have business assets whose equity value does not exceed \$25,000.

Resources include, but are not limited to the following:

1. Cash on hand.
2. Certificates of deposit.
3. Checking/savings accounts.
4. Market value of stocks, bonds, and/or other negotiable resources.
5. Equity value of real property which is not the primary residence; and

**Note:** If the applicant owns real property that is being used for business purposes, the equity value of that property is considered Business Equity as opposed to a Resource.

1. Contract for deed (countable resource if can be sold).

BUSINESS EQUITY – A household having equity value in business assets more than \$25,000 is ineligible. Formula for determining equity value:

Fair Market Value Less amount owing = Equity value\*

TRANSFER OF PROPERTY – LIHEAP benefits shall not be provided to any applicant or recipient who has deprived themselves directly or indirectly of any resources for the purpose of qualifying for LIHEAP. Any transfer of resources or interest in resources within twelve (12) months prior to the date of application without receiving adequate consideration shall be presumed to have been transferred for qualifying for LIHEAP.

This is a “rebuttable” presumption, and the LIHEAP applicant or recipient must provide documentation that the transfer of resources was not made for the purpose of qualifying for LIHEAP. It is the LIHEAP applicant or recipient’s responsibility to submit this documentation.

### **3.14 Resources: Included vs. Excluded**

Some types of resources could be either included or excluded in the eligibility determination process depending on the circumstance of the resource, such as whether the resource contract contains a statement or clause indicating it is “revocable” or “irrevocable”. Generally, “irrevocable = excluded” and “revocable = included”. Some examples of resources which could be either excluded or included follow:

JOINTLY OWNED RESOURCES – Resource ownership is always presumed to rest with the primary applicant. This action, for the purpose of eligibility determination and notification, is a “rebuttable presumption”. In other words, if the applicant can document lack of ownership, i.e., non-access to the resource, then the resource would be excluded.

TRUST FUND ACCOUNTS – Trust fund accounts may be designated either revocable or irrevocable.

- **INCLUDE:** A trust fund account is revocable if it can be terminated by the grantor of the trust. A revocable trust fund account is an accessible resource.
- **EXCLUDE:** A trust fund account is irrevocable if:
  - The trust fund account is not likely to cease during the period of eligibility and the household members have no power to revoke the trust arrangement or change the name of the beneficiary; and

- The trustee administering the trust fund account is either a court, institution, corporation, or an organization which is not under the direction or ownership of any household member, or an individual appointed by the court who has court-imposed limitations placed on the use of the trust fund account; and
- Trust investments made on behalf of the trust which do not directly involve or assist any business or corporation under the control, direction, or influence of a household member; and
- The funds held in the irrevocable trust are established from either the household's own funds, if the trustee uses the funds solely to make investments on behalf of the trust, or to pay the educational or medical expenses of any person named by the household creating the trust fund account, or non-household funds by a non-household member.

**BURIAL ACCOUNTS:** Burial accounts may be designated either revocable or irrevocable. Obtain verification and keep in the client file.

- **EXCLUDE:** A burial agreement that is inaccessible or irrevocable to the household is excluded as a resource. A burial account agreement is irrevocable if:
  - It is signed by both the participant and funeral home representative. This documentation must be maintained in the client file.
  - The price of all major services is specified.
  - The total dollar amount of the agreement is specified.
  - The participant was neither a minor nor legally declared incompetent when the agreement was signed.
  - The funeral home representative indicates in writing that the money is not refundable under any circumstances.

**PRIMARY RESIDENCE:** The household's primary residence including the land on which the home resides is excluded.

**Note:** In situations where the household is not living in their primary residence because it has become uninhabitable due to a "Disaster" or "Emergency" situation as defined in MCA 10-3-103 and declared such by the Governor of the State of Montana (see MCA 10-3-302, 10-3-303) within the twelve-month period prior to the month of application, the "uninhabitable" primary residence of the household will be excluded as a resource. The household's statement that the primary residence is uninhabitable will be accepted unless reasonable doubt exists about the condition of the residence. If reasonable



doubt exists that the residence is uninhabitable, verification by a disinterested third party such as a realtor or a city or county health department may be required.

**SALE OF THE PRIMARY RESIDENCE:** The proceeds from the sale of the primary residence are not included as income, and are excluded as a resource, for twelve (12) months from the date of sale of the primary residence if the applicant was living in the residence at the time of the sale. The date of the sale of the residence needs to be documented in case notes.

If the applicant was not living in the residence at the time of the sale, then the residence would not be considered the primary residence, and the proceeds would be included.

- If the sale of a personal resource is received in installment payments, the payments are countable income (Example: Contract for Deed)
- the installment contract (Example: Contract for Deed) cannot be readily liquidated (e.g., language states that it cannot be sold to a bank or other financial institution), it is inaccessible and excluded as a resource.
- If proceeds from the sale of a personal resource are received in ONE payment, it is not income but is considered a resource until spent.

**LAND:**

- **INCLUDE:** Land not connected or contiguous with the primary residence of the household.
- **EXCLUDE:** Land connected to or contiguous with the primary residence of the household regardless of the size or number of acres of land.

**TAX RETURNS:** Tax returns are not counted as a resource.

**PENSION PLANS:** The following types of retirement savings and pension plans are excluded as a resource, however distributions from these plans are counted as income during the month the distribution is taken.

- 457 Plans
- 401(k) Plan
- SIMPLE 401(k)
- Pension or traditional defined-benefit plan – employer-based retirement plan that promise retirees a certain benefit upon retirement regardless of investment performance.
- Public Employee Retirement System (PERS)
- Federal Employee Thrift Savings Plan
- Section 403(b) Plan
- Section 501(c)(18)
- Keogh Plans
- Individual Retirement Accounts (IRA's)
- Roth IRA
- SIMPLE IRA
- Simplified Employer Pension Plan
- Profit Sharing Plan; and,
- Cash Balance Plans
- Job-attached IRA's
- Life Insurance Policies (includes both term and whole)

The cash value of pension plans or funds shall be excluded, except that Keogh plans which involve no contractual relationship with individuals who are not household members.

**Note:** The intent of exclusion of pension and retirement savings is to not penalize someone saving for retirement, especially in an employer plan or another type of plan where if funds are withdrawn, they might not be able to re-enter the retirement plan or resume contributions later.

- If the client is of retirement age, the retirement plan/funds have reached maturity, and the client is able to access the funds without penalty, the resource is included.
- If the retirement plan/funds have reached maturity and the client is able to access the funds without penalty, the resource is included. Under IRS regulation those age 72 or older must begin drawing a mandatory percentage from their retirement account each year. Therefore, the applicant would be able to access the money without a penalty without question.

**Note:** Due to changes made by the SECURE Act, if your 70th birthday is July 1, 2019, or later, you do not have to take withdrawals until you reach age 72.

Roth IRAs do not require withdrawals until after the death of the owner.

HEALTH SAVINGS ACCOUNTS (HSA) – Health Savings Accounts are an excluded resource.

OTHER RESOURCE EXCLUSIONS:

- Special Needs Trusts
- Supplemental Needs Trusts

### 3.15 Income

INCOME TYPES: Applicants must provide information related to the gross income of all members of the household for the month prior to the month of application.

Income eligibility is based on the household's earned and unearned income in the month immediately preceding the month of application. Income is then annualized to estimate the household's annual income. Sources of earned and unearned income include, but are not limited to:

- TANF (Includes Tribal)
- SNAP/Food Stamps
- Supplemental Security Income (SSI)
- VA
- Social Security
- Self-Employment
- Wages/Tips
- Unemployment

- Interest/Dividend Income
- Child Support
- Retirement Income/Pension/Annuity
- Property Income
- Alimony Payments
- Worker’s Compensation
- Section 8 Utility Payments
- Educational Grants
- Loans
- Monetary Gifts
- Odd Job Income
- Tribal Income
- Per Capita Payments
- Other

**Note:** W2’s may be used to calculate income on LIHEAP applications received in the month of January.

**SOCIAL SECURITY INCOME CALCULATION:** The award letter from the Social Security Administration (SSA) or SSA 1099 Form may be used to verify Social Security income. The Sub-grantee may use bank statements to verify Social Security income when no benefit award letter is available. When a letter is available, and taxes are taken out, use the gross amount of the benefit, minus health insurance premiums.

**INCOME INCLUSIONS:**

**VENDOR PAYMENTS -**

- Payments which are payable to the household but are diverted by the provider of the payment to a third party for an expense or debt of the household.
- Federal, state, or tribal benefits which may be paid to the household but are diverted to a third party/protective payee for the expense or debt of the household.
- Rent or mortgage payments made by a county/relief program to a landlord/mortgagee.

**INELIGIBLE HOUSEHOLD MEMBER’S INCOME:** In households consisting of eligible and ineligible household members, the income of all must be counted for benefit calculation purposes. This determines the percent of poverty that will be used in benefit calculation. Only the eligible household members will be counted toward the total “number in the household” when counting the number of household members for benefit calculation purposes.

**UNEMPLOYMENT BENEFITS:** Regular weekly unemployment benefits are included income.

**GIFTS:**

- Only include gift(s) in minimum amount equal to or greater than \$500 per household.
- If the gift is determined to be a nonrecurring lump sum payment it will be excluded.
- If the gift is determined to be a recurring payment it will be included.

- Recurring means the payment was received three months or more in a row.
- A gift will only be counted if it is received by a household member 18 years of age or older.
- When recurring Monetary gifts are equal to or greater than \$500 per household, the entire amount of the gift is then included as income.

INTEREST/DIVIDEND INCOME: Interest income received from the following sources is included-

- |                                 |                             |
|---------------------------------|-----------------------------|
| ○ Annuities                     | (IRA)                       |
| ○ Certificate of Deposit (CD)   | ○ Keoghs and Deferred       |
| ○ Corporate/Municipal bonds     | Compensation plans, and     |
| ○ Individual Retirement Account | ○ Series E, EE, H or I bond |

NET INCOME FROM SELF-EMPLOYMENT: Net income from self-employment means annual gross receipts minus self-employment deductions. Depreciation costs are not an allowable self-employment deduction for LIHEAP purposes.

*Annual net self-employment income may also be calculated based on the federal income tax return for the calendar year immediately preceding the calendar year in which the application is filed.*

NON-RECURRING LUMP SUM PAYMENTS: Social Security, SSI, SSDI, unemployment, other disability compensation, child support arrearages, or workers compensation settlements

- Example: An applicant receives a Social Security benefit payment for the past 24-month period. Only the amount of the lump sum payment, which is applicable for the month prior to the month of application is included as income.

The remaining portion of the lump sum payment is excluded.

**Note:** The funds received in the excluded portion of the lump sum payment are considered a resource until spent. Lump sum payment means a single sum of money.

BLOOD DONATIONS: The sale of blood plasma is included as income.

INDIAN PER CAPITA PAYMENTS:

- The amount of all per capita payments over \$2,000 received per household in the twelve-month period preceding the month of application (not per payment) unless the household provides proof that the per capita payments a household member received were made under PL 98-500, Section 8, the Old Age Assistance Claim Settlement Act or were made from the judgment fund for members of the Seminole Nation of Oklahoma, Seminole Tribe of Florida, Miccosukee Tribe of Florida and independent Seminole Indians of Florida. In that case, the first \$2,000 of every

payment (per individual) would be excluded.

- Income from Indian Lease Lands over \$2,000 per individual (not household) in the twelve- month period preceding the month of application (not per payment).
- Income from Indian trusts over \$2,000 per individual (not household) in the twelve- month period preceding the month of application (not per payment).
- The Claims Resolution Act of 2010 (Cobell vs. Salazar) act states:
- Notwithstanding any other provision of law, for purposes of determining initial eligibility, ongoing eligibility, or level of benefits under any Federal or federally assisted program, amounts received by an individual Indian as a lump sum or a periodic payment pursuant to the Settlement shall not be treated for any household member, during the one-year period beginning on the date of receipt –
- As income for the month during which the amounts were received, or as a resource.

**Note:** If the sale of the land was part of the Cobell Land Buy-Back Program and therefore pursuant to the Claims Resolution Act of 2010 (Cobell vs. Salazar) the funds are excluded from being counted as income or a resource for a period of one year from the date of receipt.

#### OTHER INCLUDED INCOME TYPES:

- Income from the Department of Labor and the Division of Coal Mine Workers Compensation (DCMWC).
- Adoption Subsidies are included unearned income to the child but can be considered excluded income if used to offset childcare costs because the adoptive parents are working, seeking employment or it is a reimbursement for a medical expense.
- Trade Adjustment Assistance (TAA) benefits are countable income. The Trade Adjustment Assistance (TAA) Program - federal program that assists US workers who have lost their jobs because of foreign trade. A petition must be filed with the US Department of Labor by or on behalf of a group of workers who have experienced a job loss because of foreign trade. After the Department of Labor investigates the facts behind the petition, it determines whether statutory criteria are met. If the Department grants the petition to certify the worker group, individual workers may apply for TAA benefits and services through their State Workforce Sub-grantee.

UNEMPLOYMENT INCOME: Regular, weekly unemployment benefits are included income.

Indian Per Capita payments if greater than \$2000:

- Exclude only the first \$2,000 of all per capita payments received per household in the

twelve-month period preceding the month of application (not per payment), unless the household provides proof that the per capita payments received were made under PL 98-500, Section 8, the Old Age Assistance Claim Settlement Act, or were made from the judgment fund for members of the Seminole Nation of Oklahoma, Seminole Tribe of Florida, Miccosukee Tribe of Florida and independent Seminole Indians of Florida. In that case, the first \$2,000 of every payment would be excluded.

- All monies awarded to Indian Tribes by the Indian claims commission or court of claims shall be excluded (if less than \$2000) as authorized by P.L. 93-134, 92-254, 94-540 94-114 and 97-408, or other applicable awards as provided for in Public Law. If monies awarded are over \$2000, see the Income Inclusion Section of the Manual.
- Income from Indian Lease Lands is excluded up to \$2,000 per individual (not household) in the twelve-month period preceding the month of application (not per payment). **Any amount over \$2,000 per individual per year is included.**

#### INCOME EXCLUSIONS:

- Complementary assistance from other agencies and organizations which consists of goods and services not included in or duplicated by LIHEAP.
- Out-of-pocket Insurance Premiums. Insurance premiums paid directly by the client or insurance premiums paid by the employee but automatically deducted from an employee paycheck do not count as income. If an applicant has had automatic insurance premiums deducted from their paychecks, MUSE cannot be used to verify income. Similarly, Medicare premiums paid out of a Social Security benefit will not be counted as income.
- State of Montana Pay Stubs: The “State Share Credit” is not income; it is part of the insurance package offered to all state employees.

#### **Allowable Insurance Deductions:**

- Medical
- Dental
- Hardware
- Vision

- Medical FSA (Flexible Spending Account)
- State FSA Administration Fee
- State FSA Admi Fee Debit Card
- Short Term Disability Premiums
- Long Term Disability Premiums
- Health Savings Accounts

#### **Unallowable Insurance Deductions:**

- Basic Life
- Public Employees Retirement
- Optional Life Plan C
- New PERS Retirement
- AD&D (Accidental Death and Dismemberment)
- Deferred Compensation

**Note:** Out-of-pocket insurance premiums are not deducted when an applicant is determined categorically eligible. For all categorically eligible households, the Gross Monthly Income indicated on the CHIMES EA page for the applicant household is used.

- Home produce utilized for household consumption.
- Undergraduate student loans and grants for educational purposes made or insured under any program administered by the Commissioner of Education:
  - All repayable educational loans (PELL, SGIL, etc.)
  - Federal Family Education Loan Program
  - Stafford Loans
  - Parent PLUS Loans
  - State Student Incentive Grant (SSIG)
  - Work Study
  - Supplemental Educational Opportunity Grant (SEOG)
  - High School Honor Scholarship
  - Montana Tuition Assistance Program (MTAP)
  - Board of Regents Designated Tuition Waivers
  - Tuition Fee Waivers
- Extension of Old Age, Survivor's, and Disability Insurance (OASDI) benefits for 18 to 22-year-old full time students
- The value of the SNAP benefits
- The value of U.S. Department of Agriculture donated foods (Commodities distribution)
- Any benefits received under Title III of the Nutrition Program for the Elderly or the Older Americans Act of 1965 as amended.
- The value of supplemental food assistance received under the Child Nutrition Act of 1966, and the special food services program for children under the National School Lunch Act (P.L. 92-433 and P.L. 93-150)
- All monies awarded to Indian Tribes by the Indian claims commission or court of claims shall be excluded (if less than \$2000) as authorized by P.L. 93-134, 92-254, 94-540 94-114, and 97-408, or other applicable awards as provided for in Public Law. If monies awarded are over \$2000, see the Income Inclusion section.
- Payments received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970

- The tax-exempt portions of payments made pursuant to P.L. 92-203, the Alaska Native Claims Settlement Act, aka CIRI.
- All payments under Title I of the Elementary and Secondary Education Act
- All work incentive allowances paid under the Workforce Investment Act (WIA)
- Earnings or allowances paid under the Workforce Investment Act (WIA)
- Incentive payments or reimbursement of training-related expenses made to Workforce Investment Act (WIA) participants, (e.g., all Vocational Rehabilitation funding for college is paid through the Workforce Investment Act (WIA) and is therefore exempt as income.
- Payment for supportive services or reimbursement of out-of-pocket expenses made to individual volunteers serving as senior health aides, or senior companions, and to persons serving in service corps of the retired executives and active corps of executives, and any other program under Titles II and III of P.L. 93-113
- Payments from Experience Works or Green Thumb programs funded under Title V of P.L. 101-239
- Payments to individual volunteers under Title I (VISTA) of P.L. 93-113, pursuant to section 404(g) of that law. AmeriCorps NCCC, AmeriCorps\*State, and AmeriCorps\*VISTA administers several different programs. The funding source must be verified if questionable. AmeriCorps NCCC currently does not administer any programs in Montana. Payments from programs administered by AmeriCorps 'direct' are excluded.

**Note:** Montana Conservation Corp is a program administered by AmeriCorps 'direct' and payments are excluded.

- Payments from federal or state crime victim compensation programs
- Sale of a primary residence. Earnings from the sale of a primary residence is not included as income if the household is living in the residence at the time of the sale.
  - The proceeds from the sale of a primary residence are excluded as a resource for twelve (12) months from the date of sale. The date of the sale must be documented.
- Any payments or credits received from Earned Income Credit (EIC)
- A household has gross wages of \$500 every two weeks; \$140 in taxes and a \$40



EITC. Since EITC is excluded as income, the wages are prospectively budgeted using \$460 ( $\$500 - \$40 = \$460$ ).

- Veterans' Administration education payments if the participant is attending an institution of higher education or training, including amounts spent for expenses not directly related to the individual's school attendance, e.g., GI Bills.
- Veterans' Administration pension increases which are made to a veteran to compensate for paid out-of-pocket medical expenses are not considered income.
- In-kind income. Benefits where no monetary payment is made on behalf of or to a household and includes meals, clothing, housing or produce from a garden.
- If a household manages a duplex in exchange for rent, there would be no income to count.
- Valid loans, including reverse mortgages, where there is a monetary payment received from a source outside the household that must be repaid at a future date. The agreement to repay may be either oral or written. Funds received from a valid loan are excluded as income but are included as a resource.
- Monetary gifts less than \$500 per month for household members 18 years of age or older.
- Nonrecurring lump sum payments such as:
  - federal and state tax refunds
  - rebates or credit refunds
  - cash life insurance policies
  - lottery winnings
  - re-enlistment bonuses
  - inheritances
  - insurance reimbursement payments including those under health and accident coverage, and settlement for personal or property losses.
  - social security, SSI, SSDI, unemployment, other disability compensation, or workers compensation settlements
  - a Social Security benefit payment for the past 24-month period. The amount of the lump sum benefits for the month prior to the month of application is included as income. The remaining portion of the lump sum benefit payment is excluded.

**Note:** The funds received in the excluded portion of the lump sum payment are considered a resource until spent. Lump sum income means a single sum of money paid all at once rather than in part or in installment payments.

- Payments made from the Federal Emergency Management Sub-grantee (FEMA) or Section 8 (HUD) housing.
- Payments under P.L. 101-426 Radiation Exposure Compensation Act are excluded as income and as a resource.
- PASS – (Plan for Achieving Self-Support) Accounts - A PASS account lets disabled individuals set aside money and/or things they own to pay for items or services needed to achieve a specific work goal.
  - **Earned Income** - Money diverted from an individual’s income to a PASS account is excluded.
  - **Unearned Income** - Income paid to SSI recipient under a plan for achieving self- support (PASS) is excluded.
  - **Resources** - Any income SSI recipient places in an approved PASS account is excluded.
- Childcare payments made under the Child Care Block Grant program that are paid to the parent, whose child is receiving care, are excluded because the parent is obligated to give the payment to the childcare provider.
- Adoption Subsidies are included unearned income to the child but can be considered excluded income if used to offset childcare costs because the adoptive parents are working, seeking employment or it is a reimbursement for a medical expense.
- Community Services Administration: Payments from the Crisis Intervention Program (CIP) administered by the Community Services Administration (CSA) are excluded.
- Medicaid Incentives for Prevention of Chronic Diseases (MIPCD grant). Any incentives provided to a Medicaid beneficiary participating in the MIPCD grant program shall not be included for the purposes of determining the eligibility for, or benefit amount under any program funded in whole or part with Federal funding.
- CMS Incentives. CMS Innovation Grant is a collaborative effort for preventative health strategies and Medicaid. The participants receive incentives or a stipend for their participation. The incentives shall not be included for the purposes of determining the eligibility for or benefit amount for any Federal program that the person is eligible for or enrolled in.
- Combat Pay – Hostile Fire Pay (HFP) and Imminent Danger Pay (IDP) is referred to as “Combat Pay”. If a member of a household is deployed to a designated combat zone, the entire military pay of the person deployed, from the date of deployment and for the entire period the person is deployed to the designated combat zone shall

be excluded in determining LIHEAP household income. Once the household member is no longer deployed to a designated combat zone the military income will no longer be exempt for this reason.

- Combat Pay is payable at a monthly rate of \$225.00 and is in addition to all other pays or allowances. It is payable in the full amount without being prorated or reduced, for each month, during any part of which a member qualifies. To document the deployed person's income and location, the person's Leave and Earnings Statement (LES) will identify combat pay in Field 10, Entitlements as: HFP/IDP \$225.00.
- Deployment to a combat zone can also be verified through orders issued to the person being deployed. Additional information on Combat Zones, or Military Leave and Earnings (LES) statements can be found in Appendix C.
- Any payment specifically excluded from income by directive of the federal government shall be excluded in determining income for LIHEAP eligibility.
- Medically Needy – means an individual or family otherwise eligible for Medicaid assistance but whose income exceeds the benefit standard to be categorically eligible for Medicaid. A medically needy case may or may not have an incurred cost or spend down.
  - Incurred cost is the portion of a medically needy recipient's income that exceeds the Medically Needy Income Standard for the size of the filing unit for Medicaid. If a Medically Needy person has an incurred cost during the three (3) months preceding the month of application, the incurred cost amount would be excluded as income for LIHEAP.
  - Proof of the medical incurred cost from Medicaid is required, prior to excluding the amount of the incurred cost from income. CHIMES EA can be used to verify medical incurred cost.
- Special Needs Trusts
- Supplemental Needs Trusts

### **3.16 Self-Employment Income**

#### **DEFINITION OF SELF-EMPLOYMENT**

Self-employment is the act of engaging in a trade or business. A trade or business is generally an activity carried on for a livelihood or in good faith to make a profit. An individual does not have to make a profit to be in a trade or business if a profit motive exists. The individual maybe a contractor, franchise holder, owner/operator, partner, etc. The individual must meet the following criteria to be considered self-employed:

1. They earn income directly from their business or trade not from wages or salary from an employer.
2. They are responsible for the payment of their entire Social Security and Federal withholding taxes.
3. They do not have an employee/employer relationship with another individual, and the services performed cannot be controlled by an employer such as setting the job schedule, etc.
4. They should file self-employment tax forms (Schedule F, C, C-EZ, SE, Form 1065, etc.). However, not all individuals file tax forms and some may file incorrectly.

**Note:** It is the applicant's responsibility to provide "workable" documents. Applicants must organize their records in a format that can be used for calculation of business income, expenses, and, if necessary, losses.

**Note:** Odd jobs are considered Self-employment even if the client doesn't consider themselves self-employed.

**Agencies are not required to put together profit/loss information from "pieces" of business records.**

Agencies may calculate self-employment in one of three ways:

1. Annual Gross Receipts (all self-employment income before deductions for full twelve months) minus self-employment deductions. (This calculation would use actual deductions). (Depreciation is not an allowable deduction.)
2. At the request of the applicant, the Sub-grantee may use annual gross receipts (twelve months) times 60% (0.60) to calculate self-employment. (This is a straight calculation and does not require the Sub-grantee or applicant to calculate actual deductions).
3. Annual self-employment income may be calculated based on the federal income tax return for the calendar year immediately preceding the calendar year in which the application is filed.

## SELF-EMPLOYMENT STRUCTURES

There are many types of self-employment structures. Some of the more common structures are:

1. Sole Proprietorship: A self-employment business that is not incorporated and has one owner. The business income and liabilities are the responsibility of a single owner.
2. Partnership: A self-employment business set up with two or more partners. In addition to personal income tax forms, partnerships are also required to file 1065 and K-1 forms. The business income and liabilities are the responsibility of all the partners with the partnership defining shares of ownership and responsibility. Partnership income is determined in the same way as other self-employment.
3. Independent Contractor: An individual who pays their own employment taxes and does not have an employee/employer relationship is considered self-employed.
4. Sharecropper: If the sharecropper pays the costs of doing business and receives a portion of the net income in exchange for labor, the sharecropper is considered self-employed. The sharecropper is not considered self-employed if the sharecropper is not responsible for paying the costs of doing business.
5. Corporations: In corporations, prospective shareholders exchange money, property, or both, for the corporation's capital stock. A corporation generally takes the same deductions as a sole proprietorship to figure its taxable income. A corporation can also take special deductions.

'C' Corporations: For federal income tax purposes, a 'C' corporation is recognized as a separate taxpaying entity. A corporation conducts business, realizes net income or loss, pays taxes, and distributes profits to shareholders.

The profit of a corporation is taxed to the corporation when earned, and then is taxed to the shareholders when distributed as dividends. This creates a double tax. The corporation does not get a tax deduction when it distributes dividends to shareholders. Shareholders cannot deduct any loss of the corporation.

Corporations, S Corporations, and LLCs can be considered self-employment enterprises; however, the income individuals receive is not considered self-employment income. Any wages received by an individual from the corporation are included as earned income and must be entered as such in CHIMES as 'wages.'

## EARNED VS UNEARNED INCOME

Self-employment income is generally considered earned income.

The income is considered unearned income if any of the following occur:

1. Rental self-employment income and rental partnership income, in which the individual is not actively participating in the business at least 20 hours per week.
2. Contract for deed income.

#### INCOME EXCLUSIONS:

The following are income exclusions:

1. Federal gasoline tax credit
2. State gas tax
3. Disaster payments
4. Crop insurance payments
5. Patronage dividends paid to a self-employment enterprise. Patronage dividends, paid by cooperatives in cash, are included unearned self-employment income. If the patronage dividends are paid in stock, they are included as a resource.
6. State or federal tax refunds
7. Pandemic Unemployment Assistance (PUA)– Is paid to Independent Contractors and Self-Employed individuals who aren't covered under regular Unemployment Insurance benefits. None of the PUA income is countable for LIHEAP purposes. All PUA program funds are directly related to the pandemic.

#### **DESCRIPTION OF VARIOUS PAYMENT TYPES: AGRICULTURAL STABILIZATION and**

##### CONSERVATION:

Cash payments are counted as earned self-employment income. These include but are not limited to: Commodity Credit Corporation, acreage reduction and conservation payments, and other one-time or installment payments made to farmers for crop or other losses unrelated to a presidentially declared disaster.

If the payment is due to a presidentially declared disaster, it is excluded as both income and a resource due to the Disaster Relief Act.

##### CANCELED DEBT:

If canceled debt appears on any of the tax forms, it should not be counted. Before disregarding canceled debt claimed by a household, the household is required to provide a statement from the lending institution verifying the canceled debt.

##### CAPITAL GAINS AND LOSSES:

Capital gains are increases in the value of property between the time purchased and the time sold. Capital losses are decreases in the value of property between the time purchased and the time sold. Depreciation is considered when determining whether capital gains/losses occur for self-employment businesses. Capital gains/losses are

usually determined at the time property is sold.

Capital gains from the sale of self-employment property must be included as part of the net earnings from self-employment whether paid in a lump sum or in installments. Capital losses are not used in any self-employment income determination. They are not considered business expenses or deductions.

#### BARTERING:

Bartering is considered in-kind services exchanged between two self-employed businesses such as an exchange of storage space for furnace repair. Bartering is excluded as income or resources.

#### ALLOWABLE EXPENSES OF PRODUCING SELF-EMPLOYMENT INCOME:

Allowable expenses of producing self-employment income are excluded from the gross self-employment income. Most costs of doing business are allowable expenses and may be accepted as listed on the income tax forms with few exceptions. LIHEAP self-employment income is not computed the same as it is for Internal Revenue Service (IRS) purposes. The IRS forms may only be used for verification purposes. Expenses must be current, not due from a previous fiscal period and are allowed when they are billed or otherwise become due.

**Note:** Some self-employed individuals do not claim all expenses on their Schedule C to qualify for Earned Income Tax Credit (EITC). The allowable expenses not shown on the Schedule C can be verified by the household and used in determining accurate self-employment earnings.

Allowable deductions from self-employment income include, but are not limited to:

- Payments on the principal of the purchase price of income producing real estate and capital assets, equipment, machinery, and other durable goods even if the capital asset or durable goods are not set up on a depreciation schedule. Capital assets and durable goods are objects used in business expected to last a long time such as farm machinery, equipment, buildings, computers, furniture, vehicles, etc.
- Interest paid to purchase income producing property, insurance premiums, and taxes paid on income producing property.
- Materials/Inventory Costs
- Advertising
- Professional Fees (Legal/Accounting/Bank Fees, etc.)
- Business License Fees, Dues and Professional Publications
- Commissions paid to employees.
- Freight
- Business Insurance
- Car and truck expenses essential to the transport of good/services
- Employee benefit programs including employee pension/profit sharing plans.

- Office Supplies and Postage
- Repairs/Maintenance
- Utilities/Telephone
- Labor paid to non-household members (individuals not included in the filing unit), materials, seeds, supplies, plants and fertilizer, interest payments on business loans and operating loans, business portion of home property or expense, repairs, etc.

**Note:** Supplies include small tools, paper, pencils, scissors, oil, gas, envelopes, shampoo, hairbrushes, crayons/color books, etc. Supplies are generally described as objects usually used up or consumed in service.

**Note:** Transportation costs for doing business may be allowed; however, the cost of commuting to the business from home is not allowed. Mileage expense is allowed at the Federal business expense rate. The current rate can be found by searching for the current year standard mileage rate.

#### EXPENSES NOT ALLOWED FOR PRODUCING SELF-EMPLOYMENT INCOME:

Non-allowable expenses must be added back into the self-employment income if income tax forms are used or not allowed as a deduction in the monthly calculation of self-employment income.

Expenses not allowable include:

- Net losses from previous periods
- Personal federal, state, and local income taxes; money set aside for retirement purposes; and other work-related expenses such as transportation to and from work
- Depreciation is added back into income when it is used as a deduction from self-employment income. Self-employment forms must be reviewed to ensure all depreciation expenses are considered (e.g., Schedule C, line 13; Schedule E, line 20; Schedule F, line 14; Form 8829, line 30; Form 1065-16a; or any income forms attached to the 1065). Depletion and amortization are also not allowed.
- Social Security taxes
- Meal and entertainment costs
- Charitable contributions
- Clothing not specific to any one job
- Penalties and fines
- Personal Expenses

#### SELF-EMPLOYMENT CONNECTED TO HOME (E.G. FARM EXPENSES)

When a household's home is on property connected to the property used for farming or another self-employment business enterprise you must determine if the shelter costs (e.g., rent or mortgage) and the self-employment costs can be separately identified.



You may be required to determine a breakdown of farm (business) expenses from personal home shelter expenses by using:

- Household's calculation of breakdown
- Income tax form breakdown; OR,
- Verifications submitted by the household such as: tax verifications (Ag/Nag); loan papers indicating costs of farmland, buildings, equipment, etc. versus costs for house/garage/personal equipment; insurance policy breakdowns of cost of premiums for farm and personal home costs.

If utilities are measured and billed separately, the household is entitled to the separately billed utility costs as a self-employment cost of doing business.

### IN-HOME BUSINESS EXPENSE

When the self-employment business is conducted in the household's home, and the household wants to claim a portion of its shelter expenses as a business deduction, you must separate business expenses from personal shelter expenses. The portion of the home used on an exclusive basis for a business is allowed as a business expense.

A substantial amount of time must be spent doing business in the home (not occasionally) to use home shelter costs as a business expense.

If the in-home business **is NOT** related to dependent care, the business must also meet one of the following two conditions.

- An allowance for space regularly used for inventory storage may be allowed if the space is identifiable and only used for self-employment; OR,
- The portion of the home must be used on an exclusive basis. The space allocated to the business must be used only for the business.

You determine the usage of home with the agreement of the household for business purposes by:

- The household's calculation of use
- IRS Form 8829 percentage (only if the business and personal home costs are separated on this form)
- The ratio of business square footage to square footage of the entire home; OR,
- The business share of home expenses is allowed as a deduction from the self-employment income.

### **Business Use of Home – Figuring the Percentage**

To find the business percentage, compare the size of the part of your home that you use for business to your whole house. Use the resulting percentage to figure the business part of the expenses for operating your entire home. You can use any reasonable method to determine the business percentage. The following are two commonly used methods for figuring the percentage.

1. Divide the area (length multiplied by the width) used for business by the total area of your home.
2. If the rooms in your home are all about the same size, you can divide the number of rooms used for business by the total number of rooms in your home.

#### **Example 1.**

- Your office is 240 square feet (12 feet × 20 feet).
- Your home is 1,200 square feet.
- Your office is 20% ( $240 \div 1,200$ ) of the total area of your home.
- Your business percentage is 20%.

#### **Example 2.**

- You use one room in your home for business.
- Your home has 10 rooms, all about equal size.
- Your office is 10% ( $1 \div 10$ ) of the total area of your home.
- Your business percentage is 10%.

### **NEW BUSINESS**

If a new business, the income, and expenses from the months the business has been in operation would be counted.

### **RENTAL INCOME**

Rental income can be considered either earned self-employment or unearned income. For federal tax purposes, this depends on how active an individual is in managing rental property. The cost of doing business (e.g., mortgage, insurance, property taxes, repairs, grounds maintenance, utilities, etc.) is deducted from the gross income to determine net included income for benefit calculation regardless of whether it is earned self-employment or unearned income.

**Example:** A household owns a house separate from its residence and rents out the house. The house is rented for \$600 a month and the renter are responsible to pay all utilities. The only allowable cost of doing business the household reports and verifies is \$325 mortgage including property taxes and insurance. You must document in case notes the gross rental income along with the allowable costs of doing business by manually deducting the cost of doing business from the gross rental income ( $\$600 - \$325 = \$275$ ) to arrive at net countable income (business income – business expenses).

## INCOME/LOSSES

Losses from corporations are not used to offset any other income.

Negative self-employment income is not to be subtracted from other household income but is counted as "\$0.00."

## SELF-EMPLOYMENT BUSINESS TAX FORMS

- Sole Proprietorship: A signed copy of the prior year's tax return (Form 1040) complete with copy of Schedule C ("Profit or Loss from Business or Profession). If there are employees, a copy of Form 941 (Quarterly Return) must also be provided.
- Partnership: A signed copy of the prior year's tax return (Form 1040) with Form 1065 ("Partners Share of Income, Credits, Deductions, etc."). The Quarterly Return should also be provided.
- Corporation: A signed copy of the prior year's return (Form 1120S) "U. S. Income Tax Return for an S Corporation") if the LIHEAP applicant is himself/herself the entire corporation; a signed copy of the prior year's Form 1040 with 1120 and Schedule K-1 if the LIHEAP applicant is only a shareholder in the corporation. If there are employees in either of the above situations, then a copy of Form 941 must also be provided.
- Real Estate Income: A signed copy of the prior year's tax return (Form 1040) with a Schedule E form.

### 3.17 Tax Forms – Listed in CHIMES

- Schedule C Profit or Loss
  - Line E - Check if this is home address. If there are deductions on lines 16a, 20b and 25, an explanation of the percentage of the mortgage or utilities would be necessary.
  - If the utilities are the primary source of heat for the household, the amount entered in CHIMES for home heating/baseload must be only the percentage that is non-business. If a percentage of the home mortgage is deducted, a percentage of the home residence is considered business.
  - Line 7 check with amount on 1040 (if this is the only income for the taxpayer).

**Note:** Tax forms from the previous year can be used to verify self-employment income.

### 3.18 Verifications

RESPONSIBILITY – It is the responsibility of the applicant to provide verification of earned income, unearned income (unless already verified in the file), income exclusions,

negotiable resources, citizenship, or lawful permanent residency, or qualified alien status proof of primary fuel type and obligation for energy costs. **Unearned income must be entered for all members of the household, regardless of age, even for SSI categorically eligible cases.**

#### EARNED INCOME:

Verification Information Generally Available from the Applicant or Recipient

- Pay stubs.
- Pay envelopes.
- Employee's W-2 forms
- Income tax returns-state/federal
- Self-employment bookkeeping records or the most recently filed Income tax return (within the last 12-18 months)
- Sales and expenditure records

Verification Information from Other Sources

- Employer's wage/payroll records
- State form for clearance of earnings for employment
- Employment Security Office
- Occupation Tax Sub-grantee
- State Income Tax Bureau – Department of Revenue (DOR)
- Tax statements-Federal/State
- LIHEAP/CHIMES Inquiry
- MUSE (Wage and UI Inquiry)
- State Compensation Insurance Fund

#### UNEARNED INCOME:

Verification Information Generally Available from the Applicant or Recipient

- RSDI Benefit Check
- RSDI Award Letter
- Correspondence on SSA Benefits.
- Educational grant or scholarship award letter
- Unemployment Compensation Award letter
- Pension Award Notice
- Veteran's Administration Award Notice
- Correspondence on Benefits
- Income Tax Record-state and federal
- Railroad Retirement Award Letter
- Social Security and Supplementary Security Income (SSI) Award Letter
- Workers' Compensation Benefits

#### Award Notice Verification Information from other sources

- Utilities Subsidy Payments (Section 8)
- Social Security District Office
- Bureau of Employment Security – Unemployment Compensation Section
- Employer's Records
- Union Records
- Workers' Compensation Records
- Veteran's Administration
- Lawyer's Records
- Insurance Company Records
- Lodge, Club, or Fraternal Organization Records
- Personal or Income Tax Records
- Railroad Retirement Board Records
- United Mine Workers Union (Black Lung Benefits)
- Social Security Administration Records
- College and University Financial Aid Records
- Bureau of Indian Affairs Records
- Indian Tribal Business Council Records
- County Clerk of the Court Records
- Child Support Enforcement Sub-grantee Records
- Financial Institution Records
- Personal Records of Contributions
- Money orders
- Personal checks
- Statement from person making the contribution.
- Income tax

#### Negotiable Resources

- Copies of contracts for deed
- Stockbrokers' statements
- Certificate of deposits (C.D.)

#### CITIZENSHIP (Required):

- Social Security Number
- Birth certificate
- Religious document
- Voter's registration card
- U.S. Passport
- Adoption Papers
- Military Records if it shows where born.

To Verify Lawful Entry into the United States as A "Qualified Alien"

- Certificate of Naturalization (DHS Forms N-550 or N-570).
- Certification of U.S. Citizenship (DHS Forms N-560 or N-561).
- Certification of Birth Abroad of a U.S. Citizen (Form FS-240 or FS-545).
- U.S. Citizen Identification Card (Form I-197)
- Alien Registration Receipt Card (Form I-551)
- Arrival-Departure Record (Form I-94)
- Temporary Resident Card (Form I-688)
- Or other proof of Qualified Alien status as provided by the Department of Homeland Security.

**Note:** Some of the above forms (e.g., Arrival- Departure Record (Form I-94)) may prove lawful entry but do not prove intent to establish permanent residency. See the US Citizenship and Immigration Services website at <http://www.uscis.gov/portal/site/uscis>:

#### PRIMARY FUEL TYPE/ANNUAL HOUSEHOLD FUEL COSTS:

- Current fuel bill or fuel receipt
- Statement from fuel vendor
- Verification of obligation for energy costs (lease agreement)

#### VERIFICATION - REASONABLE ATTEMPT - SELF-DECLARATION:

Applicant households are responsible to provide verification of information to determine eligibility. If the applicant household cannot acquire the required information, the applicant household should contact the Sub-grantee for assistance in obtaining the required verification. If a reasonable attempt has been made to secure the verification by the applicant household and/or the sub-grantee, and the verification cannot be acquired, the applicant household may sign a self-declaration statement regarding the missing verification.

### 3.19 Notification Letters

#### CORRESPONDENCE TO HOUSEHOLDS:

Most correspondence is auto generated and mailed through CHIMES. All correspondence includes the required Fair Hearing section.

**Note:** All pending notices and forms will compile together and be mailed to the client in one packet.

**Note:** Pending correspondence is mailed out daily Monday - Friday. If a notification is pending by 5:00pm it will go out that day. Anything pending AFTER 5:00pm will be

mailed the following business day.

CHIMES Automatically generated forms:

- About Your Case (AYC): Case approved (benefit amount, payee info), case denied, missing verifications, missing signatures, etc.
- Energy Assistance Request for Fair Hearing– EAP 002
- Automatically attached to every notice- both auto and manually generated.
- Account Not in Household Member Name – EAP 055
- Generated automatically when building an ANIHHN case.
- Agreement to Utilize LIHEAP Benefits to Purchase Wood – EAP 006
- Generated automatically on wood as primary heat cases.
- Self-Declaration of Non-Traditional Dwellings on an Eligible LIHEAP Case – EAP 050
- Generated automatically on Non-traditional dwelling cases.
- Includes policy guidance document.

Generate Manually - Available Forms:

- General Information – CO-COMM-900
- Customizable letter to households
- LIHEAP Change of Fuel Vendor Circumstance – EAP 011
- Agreement to Utilize LIHEAP Benefits to Purchase Wood – EAP 006
- Generated automatically on wood as primary heat cases.
- Self-Declaration of Non-Traditional Dwellings on an Eligible LIHEAP Case – EAP 050
- Generated automatically on Non-traditional dwelling cases.
- LIHEAP and Weatherization Application – EAP 88
- LIHEAP Denied Duplicate Application – EAP 070
- Self-Employment, Rental Property and Business Equity – EAP 075
- LIHEAP Worksheet Form EAP 080
- LIHEAP Signature Declaration Form EAP 090
- LIHEAP Zero or Cash Income Form EAP 095
- LIHEAP Overpayment Letter – EAP 100

**NOTIFICATION TO VENDORS:**

All vendors will be notified of the household's LIHEAP benefit. Notifications are auto generated and mailed through CHIMES.

**3.20 LIHEAP Benefit Calculation**

**FIVE FACTORS OF BENEFIT CALCULATION**

1. Number of people in the household (to determine percent of poverty)
2. Fuel type: Electric, Natural gas, Propane, Deliverable fuels
3. Income (calculate percent of poverty)
4. Number of physical bedrooms in the home

5. Type of dwelling: Mobile Home, House –Modular (single family), Apartment or Duplex, Nontraditional *dwelling*

#### CALCULATING BENEFITS

1. Determine the household income.
  - The income amount that will be used in this example will be \$12,500.
2. Determine 100% of poverty level for the household size.
  - The household size of 2 will be used in this example.

OFFICE OF MANAGEMENT AND BUDGET (OMB) [100% POVERTY LEVELS](#)

Household Size	Poverty Level 100%
1	\$15,060
2	\$20,440
3	\$25,820
4	\$31,200
5	\$36,580
6	\$41,960
7	\$47,340
8	\$52,720
9	\$58,100
10	\$63,480
Each additional household member add \$8,070	

3. Divide income by 100% of poverty level.
4.  $\$12,500 / \$20,440 = 0.611$  or 0.61 Multiply the figure by 100 to calculate the percent of poverty
  - $0.611 \times 100 = 61$  or 61% of Poverty
5. Determine Income/Heating Degree Day (HDD) multipliers for the sub-grantee’s service area using the percent of poverty previously calculated.
  - The Income/Heating Degree Day Multiplier for District VII is 0.80 for 61% of poverty.

#### INCOME/HEATING DEGREE DAY MULTIPLIERS



6. Identify the dwelling type (Single)
7. Identify number of eligible bedrooms (2)
8. Identify the fuel type (Propane)
9. Determine the base benefit using the base benefit matrix.
  - The base benefit for a single dwelling, with 2 bedrooms and a fuel type of propane would be \$1,827.
10. Multiply the base benefit amount \$1,921 by 0.80(Income/HDD multiplier) to find the LIHEAP benefit.
  - $\$1,921 \times 0.80 = \$1,536.80$  rounded to \$1,537.

**Note:** This is an example using the current poverty levels, heating degree day multiplier and benefit matrix can be found under Appendix A of this manual.

### 3.21 Bedrooms Limited to Household

No more than four (4) total bedrooms will be used in the benefit calculation.

### 3.22 Households Consisting of Eligible and Ineligible Household Members

In households consisting of both eligible and ineligible household members, the income of all members 18 years and older will be counted for benefit calculation purposes. However, only eligible members will be considered in the number of household members for benefit calculation.

Current and future benefits will be denied to any persons and households who refuse to submit social security numbers or proof of U.S. citizenship or proof of status as a qualified alien as defined in 8 U.S.C. 1641(b), or whose social security numbers, proof of residency, or citizenship cannot be verified.

### 3.23 Calculating LIHEAP Benefits with Ineligible Household Member(s)

The income of ineligible household members must be counted when determining the total household income. See **example**:

- Determine the household income.
  - *The income amount that will be used in this example will be \$15,000.*
- Determine 100% of poverty level for the household size using the number of eligible household members. (This has the effect of including the ineligible members' income, but the member is not counted when comparing the household income to the upper income limits).
  - The total household size is three; however, there are only *two eligible*

household members for this example. (They are in D7 service area)

- Divide income by 100% of poverty level for a household of two (eligible members).
- $\$15,000/\$20,440 = 0.73$  multiply the figure by 100 to calculate the percent of poverty.
  - $0.73 \times 100 = 73\%$  of Poverty
- Determine Income/Heating Degree Day (HDD) multipliers for the D7 service area using the percent of poverty previously calculated.
  - *The Income/Heating Degree Day Multiplier for D7 is 0.80 for 73% of poverty.*
- Identify the dwelling type (Single)
- Identify physical number of bedrooms (2)
- Identify the fuel type (Propane)
- Determine the base benefit using the base benefit matrix.
  - The base benefit for a single dwelling, with two bedrooms (2-eligible household members) and a fuel type of propane is \$1,503.

BASE BENEFIT MATRIX FOR THE 2024-2025 LIHEAP HEATING SEASON						
HOUSE - MODULAR (SINGLE FAMILY) BASE BENEFITS						
#BEDROOMS	NATURAL GAS	ELECTRIC	PROPANE	FUEL OIL	WOOD	COAL
ONE	\$531	\$839	\$1,034	\$1,234	\$641	\$462
TWO	\$772	\$1,219	\$1,503	\$1,794	\$932	\$671
THREE	\$1,052	\$1,661	\$2,048	\$2,444	\$1,270	\$914
FOUR	\$1,447	\$2,286	\$2,818	\$3,362	\$1,747	\$1,258

Income/Heating Degree Multipliers 2024-2025										
Percent of Poverty	LIHEAP Sub-grantees									
	AEM	D4	Opp Inc	D6	D7	RMDC	D9	CAPNM	DXI	Action Inc
0-25%	1	1.09	0.99	1.06	0.9	0.96	1.1	1.01	0.96	1.12
26-50%	0.95	1.04	0.94	1.01	0.85	0.91	1.05	0.96	0.91	1.07
51-74%	0.9	0.99	0.89	0.96	0.8	0.86	1	0.91	0.86	1.02
75-100%	0.85	0.94	0.84	0.91	0.75	0.81	0.95	0.86	0.81	0.97
101-125%	0.8	0.89	0.79	0.86	0.7	0.76	0.9	0.81	0.76	0.92
126-150%	0.75	0.84	0.74	0.81	0.65	0.71	0.85	0.76	0.71	0.87
151-175%	0.7	0.79	0.69	0.76	0.6	0.66	0.8	0.71	0.66	0.82
176-200%	0.65	0.74	0.64	0.71	0.55	0.61	0.75	0.66	0.61	0.77
>201%	0.6	0.69	0.59	0.66	0.5	0.56	0.7	0.61	0.56	0.72

- Multiply the base benefit amount \$1,503 by 0.8 (Income/HDD multiplier) to find the LIHEAP benefit.

- $\$1,503 \times 0.80 = \$1,202.40$  rounded to  $\$1,202$ .

### 3.24 Custody Arrangements

- The parent who that has the child most of the time may claim that child as a household member.
  - Child in HH > 15 days = included in the HH
  - Child in HH < 15 days = not included in the HH.
- Split custody 50/50 – Documentation is required.
  - With verification, both parents may claim the child as a household member.
    - Parenting plan
    - Divorce settlement
  - Without verification, the parents are responsible for deciding who claims the child. The burden lies with the applicant.

Example: Dad applies first and claims his child. Three (3) months later, mom applies and claims the same child. It is up to mom to provide documentation that a 50/50 custody exists or that she has the child most of the time. If mom has the child most of the time, then the benefit must be corrected and applied to the correct household where the child lives more than 50%.

### 3.25 Conversion of Benefits or Fuel Switch

Procedures for fuel switches are as follows:

An eligible applicant seeking to use LIHEAP benefits to convert to a less costly heating system/fuel shall: (fuel switch).

- Waive all future heating benefits for the current program year, including change of address or fuel type, except Emergency Assistance as defined in ARM 37.70.901.
- Hold harmless the sub-grantee and the state of Montana from any liability arising from the conversion of LIHEAP benefits to a less costly heating system/fuel.
- Provide the sub-grantee with all necessary information to determine validity of the conversion request.
- Responsibilities of the sub-grantee are:
- Review documentation of the cost and validity of the conversion request.

- File a waiver of future benefits, hold harmless agreement and documentation of the cost and type of conversion.
- Issue a two (2) party check to insured contractor and eligible applicant from the Contingency Revolving Fund (CRF).
- Issue a benefit through a manual benefit issuance in CHIMES.
- Any balance of benefits not used for the conversion is to be paid to the new fuel vendor account.

**Note:** When LIHEAP benefit funds are being used by an eligible applicant to convert to a less costly heating system/fuel, the sub-grantee must assure that the original primary heating system or fuel type is dismantled, reduced, or removed from the dwelling.

### 3.26 Emergency Assistance

Emergency Assistance benefits are available year-round.

Emergency Assistance under LIHEAP may be provided to an eligible household in the following circumstances only when such circumstances present an imminent threat to the health and safety of the household.

TIMELINES (18/48 Hour Rule):

In life threatening situations, the sub-grantee must provide some form of assistance to resolve the emergency within eighteen (18) hours from the request for Emergency Assistance if the household is financially and otherwise eligible to receive such assistance. In all other emergency situations, the sub-grantee must provide some form of assistance to resolve the emergency within forty-eight (48) hours if the household is financially or otherwise eligible to receive such assistance. The sub-grantee must document the request, including the date and time, for Emergency Assistance and the resolution using LIHEAP Emergency Assistance Request Form (DPHHS EAP-250) or its equivalent.

The above time limits do not apply in a geographic area affected by a disaster or emergency if the Secretary of the U.S. Department of Health and Human Services determines that the disaster or emergency makes compliance with the time limits impracticable. This exception to the time limits applies when the Secretary of the U.S. Department of Health and Human Services designates a natural disaster or if a major disaster or emergency is designated by the President under the Disaster Relief Act of 1974.

The 18 and 48-hour rules apply; therefore, the Sub-grantee will need to ensure the LIHEAP recipient has a back-up heat source. If a backup heat source is not available

space heaters will need to be provided.

**Note:** The household is responsible, at its own expense, for documenting that circumstances exist which present an imminent threat to the household. The sub-grantee may, in its discretion, assist the household in identifying and documenting such circumstances, if the sub-grantee has the expertise and resources to do so.

#### CONDITIONS OF EMERGENCY:

1. The household's primary supply of energy is interrupted because of weather conditions and another supply, or a different type of energy is necessary.
  2. Weather or other forces outside the control of the household damages the household's dwelling and causes the dwelling to suffer a severe loss of heat.
  3. Hazardous or potentially hazardous conditions exist in the household's primary home water heating and/or space heating system, and safety modifications are required.
  4. Any other home energy-related condition caused by severe weather conditions, fuel shortages, and/or acts of God.
  5. Documented Medical Need for home energy related safety modifications.
- CRF can be used to relight a furnace pilot light if it is the primary heat source.
  - CRF can be used to relight a water heater pilot light with a medical note. (Please discuss outliers with your monitor.)
  - Crisis cooling assistance is allowable during sustained high temperatures. Cooling assistance will be limited to the purchase of fans, operation or support of local cooling centers, coordination with local social service agencies, relocation to a hotel/motel and providing an air conditioner to cool one room (where medically necessary). CRF cannot be used to repair or replace central air conditioners.
  - The policy regarding cooling crisis involves: an eligible household that is income qualified must have a household member that has and provides a letter from a qualified medical provider stating that a life-threatening condition exists where an air conditioner will eliminate or significantly reduce the possibility of loss of life or heat related illness. The letter does not have to include the diagnosis or condition; it only must indicate there is a need for air conditioning and be signed by the qualified medical provider.
  - Cooling centers may be activated when the temperatures are expected to reach 90 degrees for at least three consecutive days. Transportation to the cooling center will not be provided.
  - The sub-grantee must obtain departmental approval before providing crisis cooling

assistance.

- Emergency CRF funds may be used to repair or replace hazardous hot water heaters
  - A medical note is required for repair or replacement of a water heater when it does not present hazardous conditions.
  - Emergency CRF funds may be used to purchase CO detectors when a furnace or water heater is repaired or replaced.
- One time crisis benefit up to \$250 is available to eligible households in threat of disconnection of their primary heat source to address fuel shortage situations.
  - Crisis benefit may be used for utility reconnections, emergency deliverable fuel refills, to address the threat of disconnection, other fuel shortage conditions as determined by Sub-grantee LIHEAP specialists and with approval of IHSB Monitor.

**Note:** Monitor approval is required for emergency payments \$9000 and greater.

**METHOD OF PAYMENT:** The sub-grantee will use funds from the Contingency Revolving Fund (CRF) with a voucher or similar internal form. Bids will be obtained. The voucher or similar internal form will then be sent to the awarded bidder. The voucher or similar internal form will specify the amount of payment, the quantity and description of the goods or service and the name of the goods or service recipient.

**PROCUREMENT:** The standards for procurement are outlined in the Office of Management and Budget (OMB) Uniform Guidance Code of Federal Regulation (CFR)- 45 CFR Part 75; 2 CFR 200 and 10 CFR 600. These standards are furnished to ensure materials and services are obtained in an effective manner and in compliance with applicable federal statutes and executive orders.

All procurement activities shall be conducted in a manner to provide, to the maximum extent practical, open, and free competition. It is up to each Sub-grantee to determine how the standards will be implemented.

**Note:** Departmental approval is required for sole source procurement (when more than one (1) bid is not obtained).

**VERIFICATION:** The participant will sign the voucher or similar internal form upon receipt of the authorized goods or service. This signature will be a verification of goods and/or service delivery. The provider shall also sign the voucher or similar internal form as verification of providing the specified goods and/or service.

**PROVIDER PAYMENT:** Upon presenting the voucher or similar internal form to the identified sub-grantee, the provider will receive payment through the Contingency

Revolving Fund (CRF) within thirty (30) days.

**Note:** Non-Environmental Protection Sub-grantee (EPA)-approved primary heating system wood stoves may be considered a hazardous or potentially hazardous condition.

**Note:** The identification, removal and/or abatement of asbestos and lead are not allowable uses of Emergency Assistance funds.

A household which would be eligible for LIHEAP had the household applied and which has an emergency as defined above is also eligible for Emergency Assistance.

Agencies are required to have assistance available for heating emergencies 24 hours a day, seven days a week. This does not mean an employee must be always available in the office. There are various ways to address an emergency over a weekend. Some agencies leave space heaters at the sheriff's office or local business to loan out until the emergency can be addressed. Other agencies allow the person in need to apply for services after addressing the emergency. Those steps are outlined below. Know your Sub-grantee policy.

### **3.27 LIHEAP Guidance RE: Rentals and Landlords**

Agencies are required to abide by the following process before repairing or replacing a home heating system in a rented unit using LIHEAP Contingency Revolving Funds (CRF).

#### **Document Back-Up Heat Source:**

The 18 and 48-hour rules still apply in landlord situations; therefore, the Sub-grantee will need to ensure the LIHEAP recipient has a back-up heat source. If a backup heat source is not available space heaters will need to be provided. The back-up heat source and timelines for the provision of temporary heat must be documented on the DPHHS-EAP 250 or IHSB approved equivalent Emergency Assistance Request Form and retained in the client file.

#### **Provide Client Education:**

The landlord is responsible for replacing or repairing the furnace as per the Montana Residential Landlord and Tenant Act. After providing and/or documenting that backup or temporary heat has been provided, the LIHEAP recipient (tenant/renter) needs to give the landlord written notice informing the landlord of the furnace problem and give the landlord "reasonable" time to fix the problem. Emergency situations, according to Section 70-24-406, Montana Code Annotated must be addressed by the landlord within three working days. Montana Legal Services has developed a form the LIHEAP recipient can use to notify the landlord of the emergency. The form is on page two of this guidance.

Montana Legal Services has also developed a Landlord-Tenant Law Information sheet. The LIHEAP recipient should send the Information Sheet to the landlord along with the letter notifying the landlord of the emergency. (See documents below.)

In addition, the Sub-grantee should encourage the LIHEAP recipient to contact Montana Legal Services at 1-800-666-6899 for assistance.

**Required Documentation (DPHHS-EAP-250 Form):**

The DPHHS-EAP-250 form needs to include the date and time the landlord was notified of the emergency. When possible, a copy of the letter the LIHEAP recipient sent to the landlord should be retained in the client file. All conversations with the LIHEAP recipient and landlord need to be documented on the DPHHS-EAP-250 form and the form needs to be retained in the client file.

**Documenting Mitigating Circumstance:**

Unless the landlord can demonstrate that they are low income or have some mitigating circumstance, the responsibility for the repair or replacement of a home heating system in a rental unit is the responsibility of the landlord. Mitigating circumstances may include, but are not limited to:

- The landlord is absentee, and the Sub-grantee cannot contact the landlord and the repair or replacement of the appliance is necessary to alleviate the health and safety related issue.
- The landlord refuses to repair or replace the appliance and the occupants of the dwelling have a health and safety issue with the appliance.
- The landlord cannot repair or replace the appliance in a timely manner to alleviate the health and safety issue.

All mitigating circumstances regarding the landlord not repairing or replacing an appliance in a health and safety related circumstance must be documented in the LIHEAP recipient's case file. IHSB would strongly encourage that agencies pursue written documentation of mitigating circumstances from landlords whenever practical, but detailed notes on the EAP-250 will suffice if written documentation cannot be obtained. The Sub-grantee may contact the Department for guidance in determining a mitigating circumstance.

**Note:** For the sub-grantee to be reimbursed for payments over \$5,000, contact IHSB for approval in CHIMES.

**3.28 Reimbursement for After Hour Emergencies:**

A household which would be eligible for LIHEAP had the household applied and which has an emergency as defined above is also eligible for Emergency Assistance.



Agencies are required to have assistance available for heating emergencies 24 hours a day, seven days a week. This does not mean an employee must be always in the office. There are various ways to address an emergency over a weekend. Some agencies leave space heaters at the sheriff's office or local business to loan out until the emergency can be addressed. Other agencies allow the person in need to apply for services after addressing the emergency. Those steps are outlined below. Know your Sub-grantee policy.

Requests for Emergency Assistance payments for actual costs can be made **after** services are rendered, provided all the following conditions are met.

- The recipient contacts the Sub-grantee within a week of the emergency assistance.
- The recipient submits a completed application within a week of reporting the emergency assistance, or has a legitimate reason, i.e., icy roads, flood, medical condition, etc.
- The Sub-grantee determines eligibility.
- The Sub-grantee documents that the services were necessary to alleviate a life-threatening situation.
- The Sub-grantee obtains Departmental approval.

No Emergency Assistance payments will be made for costs which are the liability of a third party, unless the household assigns to the Department, in writing, its rights to such third-party payments. (The household assigns the rights to third party payments when the application for assistance is signed.) In an emergency circumstance, call your Department of Public Health and Human Services (DPHHS) Field Monitor for guidance.

### **3.29 Contingency Revolving Fund (CRF)**

The Contingency Revolving Fund (CRF) is a sum of money identified by the Department that will reside with the sub-grantee for emergencies, wood and coal deliveries and situations in which payment by the Department is not feasible. (Emergencies are defined in 3.26 Emergency Assistance.) Other situations are defined below.

**METHOD OF PAYMENT FOR SUB-GRANTEES:** In emergencies or other authorized situations, the sub-grantee will use funds from the Contingency Revolving Fund (CRF) with a voucher or similar internal form. Eligible LIHEAP participants (up to 150% of the federal poverty level (FPL)) will present this voucher or similar internal form to the provider of emergency relief. The voucher or similar internal form will specify the amount of payment, the quantity and description of the goods or service and the name of the goods or service recipient.

**Note:** "Weatherization only" clients are not eligible for CRF payments.

**VERIFICATION:** The participant will sign the voucher or similar internal form upon

receipt of the authorized goods or service. This signature will be a verification of goods and/or service delivery. The provider shall also sign the voucher or similar form as verification of providing the specified goods and/or service.

**PROVIDER PAYMENT:** Upon presenting the voucher or similar form to the identified sub-grantee, the provider will receive payment through the Contingency Revolving Fund (CRF) within thirty (30) days.

CRF payments will also be used for payments to eligible wood and coal participants, tenant households, subsidized households, and to reimburse eligible households that do not have the fuel account in a household member's name. Voucher verification is not required for these situations.

**Note:** Requests for reimbursement of paid energy costs must be made to the Sub-grantee by June 20th. Failure to request reimbursement on or before June 20<sup>th</sup> will result in forfeiture of any remaining benefits for the heating season.

An appropriate, reimbursement amount will be sent to the sub-grantee based on certification of qualified Contingency Revolving Fund (CRF) expenditures. CRF payments need to be entered into CHIMES for the Sub-grantee to be reimbursed.

For Emergency payments greater than \$9,000, IHSB Monitor Approval is required through CHIMES.

### **3.30 Heat Included in Rent**

**HEAT INCLUDED IN THE RENT (TENANTS):** For eligible non-subsidized housing LIHEAP tenant households where energy costs are included in rental payments, reimbursement will be made by check directly to the household from the Contingency Revolving Fund (CRF).

**Note:** Paid rent must be verified by receipts before reimbursement. Payments shall not exceed fifty percent (50%) of the amount of paid rent evidenced by the monthly rent receipt(s) **or** a pro-rata monthly amount of the benefit, whichever is **less**. The pro-rata monthly amount of the benefit is determined by dividing the benefit amount for the eligible household by the number of months in the heating season. The heating season is usually October through April, which is a seven (7) month period, so the benefit amount will be divided by seven (7).

**Note:** Requests for reimbursement of paid rental costs must be made to the Sub-grantee no later than June 20th. Failure to request reimbursement on or before June 20<sup>th</sup> will result in forfeiture of any remaining benefits for the heating season.

**Note** Reimbursements to heat included in rent households are issued through CHIMES

monthly, based on submitted receipts. Reimbursements cannot exceed the household's benefit amount for the heating season.

### 3.29 Account Not in Household Members Name

Vendor payments cannot be made to accounts that are not in a household member's name. Accounts can never be in a business name and be eligible for LIHEAP.

If the fuel account for an applicant household is not in a household member's name or the applicant household cannot, or will not, have the fuel account put into a household member's name, the Sub-grantee can request the applicant household do one of the following:

1. Have the fuel vendor place the account in a household member's name. The Department will make payments to the fuel vendor. Make the primary individual in CHIMES the same person that the vendor account is under where possible.
2. The person/Sub-grantee responsible for the fuel account can complete and sign the "Local Vendor Contract" (DPHHS-EAP-002) for the sub-grantee. The sub-grantee can make payment using one of the following:
  - The LIHEAP payment can be made through the sub-grantee's CRF to the person/Sub-grantee responsible for the fuel account. The sub-grantee will request reimbursement for the CRF payment through the LIHEAP computer system.
  - The sub-grantee can reimburse the person/Sub-grantee responsible for the fuel account through the sub-grantee's CRF with documentation of paid energy receipts for the fuel account or verification of an amount owing for the account. The sub-grantee would request reimbursement of the CRF payment through the LIHEAP computer system.

**Note:** Requests for reimbursement of paid energy costs must be made to the Sub-grantee no later than June 20th. Failure to request reimbursement on or before June 20th will result in forfeiture of any remaining benefits for the heating season.

3. The sub-grantee can reimburse the eligible LIHEAP household for paid energy receipts only. The sub-grantee would reimburse the household in one of the following ways:
  - Reimburse the eligible household based upon verification of paid fuel costs. The sub-grantee will reimburse the household through the CRF for the paid fuel charges up to the household's benefit amount.

**Note:** Requests for reimbursement of paid energy costs must be made to the Sub-

grantee no later than June 20th. Failure to request reimbursement on or before June 20<sup>th</sup> will result in forfeiture of any remaining benefits for the heating season. The Sub-grantee would request reimbursement of the CRF payment through the LIHEAP computer system.

- Reimbursements for “account not in household name” households may be made monthly, in two (2) CRF payments, or in one (1) CRF payment. Reimbursements cannot exceed the household’s benefit amount for the heating season.

### 3.30 Reimbursement for Wood

1. Households using wood to heat their homes will be reimbursed based on submitted wood receipts, up to the maximum amount of benefit, from the Contingency Revolving Fund (CRF).

Households will be eligible for future benefits, if reimbursed based on submitted wood receipts.

2. PAYMENTS TO A WOOD VENDOR:

The wood vendor can complete and sign the “Local Vendor Contract” (DPHHS-EAP-002) for the sub-grantee. The sub-grantee can make payment using one of the following:

- The LIHEAP payment can be made through the sub-grantee’s CRF to the wood vendor for the fuel account. The sub-grantee will request reimbursement for the CRF payment through the CHIMES.
- The sub-grantee can reimburse wood vendor through the sub-grantee’s CRF with documentation of paid wood receipts for the fuel account or verification of an amount owing for the account. The sub-grantee would request reimbursement of the CRF payment through CHIMES.

**Note:** Requests for reimbursement of paid wood costs must be made to the Sub-grantee no later than June 20th. Failure to request reimbursement on or before June 20<sup>th</sup> will result in forfeiture of any remaining benefits for the heating season.

3. Households heating with wood may receive their benefit directly without payment receipt(s).

Households electing to receive direct benefits without payment receipt(s) must sign a waiver of all future current year LIHEAP benefits, including any benefits derived from changing address or fuel type except Emergency Assistance benefits as defined in ARM 37.70.901 and 4.7 Emergency Assistance. A copy of this waiver

must be given, or at least offered, to the applicant. The sub-grantee must also sign and maintain the waiver in the case file. (For a copy of the waiver contact the state office.)

### 3.31 Reimbursement for Coal

1. Households using coal to heat their homes will be reimbursed based on submitted coal receipts, up to the maximum amount of benefit, from the Contingency Revolving Fund (CRF).
2. PAYMENTS TO A COAL VENDOR:

The coal vendor can complete and sign the “Local Vendor Contract” (DPHHS-EAP-002) for the sub-grantee. The sub-grantee can make payment using one of the following:

- The LIHEAP payment can be made through the sub-grantee’s CRF to the coal vendor for the fuel account. The sub-grantee will request reimbursement for the CRF payment through the LIHEAP computer system.
- The sub-grantee can reimburse coal vendor through the sub-grantee’s CRF with documentation of paid energy receipts for the fuel account or verification of an amount owing for the account. The sub-grantee would request reimbursement of the CRF payment through the LIHEAP computer system.

**Note:** Requests for reimbursement of paid energy costs must be made to the Sub-grantee no later than June 20th. Failure to request reimbursement on or before June 20<sup>th</sup> will result in forfeiture of any remaining benefits for the heating season.

### 3.32 Subsidized Rent Households

Subsidized Rent households that have a heating obligation are eligible for LIHEAP and the benefit would be paid to the fuel vendor or the household if there is a rent plus utilities situation where the household provides paid receipts.

Residents of publicly subsidized housing whose energy costs are included as a portion of their rent and whose rent is a fixed portion of their income may be determined LIHEAP eligible.

Residents of publicly subsidized housing whose energy costs are included as a portion of their rent or who have an obligation to pay a base load electric bill are not eligible for a regular LIHEAP benefit as determined in ARM 37.70.601. However, these households would be eligible for a modified LIHEAP benefit. The modified LIHEAP benefit would be paid at the rate of 5% of the amount of a regular LIHEAP benefit as identified by Montana’s LIHEAP benefit award matrix. A minimum payment of \$25 or 5% whichever is

greater would be paid to the household annually for five (5) years. Basing payments issued to these households on the matrix described above will ensure that assistance is provided to them in proportion to need in accordance with LIHEAP statute (42 U.S. Code 8623) Applications and Requirements Section 2605 (b)(5).

Households determined eligible for the subsidized housing modified LIHEAP benefit, who's economic and housing situation does not change would be determined LIHEAP eligible for a period of five (5) years. These households would receive an annual benefit.

Residents of publicly subsidized housing whose energy costs are included as a portion of their rent and whose rent is a fixed portion of their income, who's economic or housing situation changes during the five (5) year eligibility period would need to reapply. The households would not be required to wait five (5) years before reapplying. Please refer to section 3.1.1 Prorated LIHEAP Benefits.

**Note:** LIHEAP benefits must be paid even if the household is not receiving SNAP benefits.

**Note:** Record retention policy for subsidized rent households in which the household is eligible for a modified benefit for the five (5) year eligibility period requires the records to be kept for eight (8) years from the end of the contract period.

Residents of publicly subsidized housing whose energy costs are included as a portion of their rent and whose rent is a fixed portion of their income must apply for the new heating season after the five (5) year eligibility period from the date of initial application. (Once the household is determined eligible for the initial heating season, the household is considered LIHEAP eligible for the following four (4) heating seasons).

**Note:** A Modified LIHEAP recipient is eligible for CRF emergency assistance.

**Note:** Utility subsidy payments made to a household by the Housing Authority are considered income for the LIHEAP program.

**Note:** The Modified LIHEAP benefit allows the LIHEAP recipient to receive the Standard Utility Allowance (SUA) through the Supplemental Nutrition Assistance Program (SNAP).

### **3.33 Changes in Residence and/or Fuel Type**

GENERAL RULE-Eligible LIHEAP households that report a change in residence will have the benefit computed based on changes in income/resources, housing type, fuel type, and allowable bedrooms (no more than 4). An eligible household must file a new application for a change in residence. (See 3.2 Prorated LIHEAP Benefits for eligible

households that report a change in residence.)

Households that change fuel vendors or change fuel types must complete the DPHHS-EAP-011 'Change of Fuel Vendor/Circumstance Form'. The household must also provide verification of the new fuel bill or service from the fuel provider. The benefit will be calculated, and prorated if applicable, based on new fuel type.

**Note:** Households that receive a direct payment to purchase wood are **not** eligible for re-determined benefits. Households that receive reimbursement for the purchase of wood **are** eligible for re-determined benefits. Households that switch to wood as the primary heat source will need to be determined as either direct payment or reimbursement. (See section 3.32 Reimbursement for Wood.)

PROCEDURE – To determine benefit, the calculation is that fraction of the remaining days in the LIHEAP heating season from the time the household acquires a change in residence and/or fuel type, multiplied by the benefit for the new circumstances. (See 3.2 Prorated LIHEAP Benefits for eligible households that report a change in residence.)

**Note:** This procedure also applies to residents new to the state and persons not previously responsible for heating costs who are eligible for a prorated benefit from the date of move into the state or date of responsibility for the heating costs.

Calculation: Remaining days in heating season ÷ # of days in heating season x matrix = new prorated benefit. There are 212 days in the heating season. A leap year has 213 days.

### 3.34 LIHEAP Eligibility of Nontraditional Dwellings

LIHEAP applicants who reside in Nontraditional dwellings, may qualify for LIHEAP fuel assistance benefits under certain conditions. It is the responsibility of the LIHEAP applicant to provide documentation of eligibility for LIHEAP fuel assistance as follows.

*Applicants with nontraditional dwellings must first meet general LIHEAP eligibility requirements and criteria unless otherwise specified below.*

- *MT Resident*
- *Proof of residential address\**
- *Proof of applicant's existing heating need or obligation*

Additional Eligibility Criteria for non-traditional dwellings:

- *\*Proof of residential address as evidenced by a mailing address within state of MT. Nontraditional dwellings do not require proof of residential address.*
- *Heating system operates according to manufacturer's guidelines and does not present a health or safety hazard to the non-traditional dwelling's occupant(s).*

- *Dwelling must be used as the applicant's primary residence.*
- *Dwelling unit is not accessing electricity from another living unit or building. Additionally, for Recreational Vehicles (RV's) and Campers, applicant must provide one of the following:*
  - Documentation from an established RV repair facility that the heating appliance appears to be installed and operating according to manufacturer's specifications.

**OR**

- Signed Self-declaration form (EAP 050) as applicant's attestation that the heating appliance is being used in accordance with the manufacturer's specifications.

**Note:** EAP 050 - Authorization of Property owner/Landowner section is only required if applicable to the nontraditional dwelling's circumstances.

**Note:** The one-bedroom mobile home matrix is used when calculating the benefit for an eligible nontraditional dwelling.

Eligibility for LIHEAP may be denied due to an unsafe condition present in the dwelling that may cause a potential health and safety hazard to the occupants. Due to the nature of nontraditional dwellings, there is a greater risk of fire and hazardous air quality. A heating appliance in a nontraditional dwelling that is not installed or operating according to the manufacturer's specification or current code is considered an unsafe condition. A non-operating heating appliance is not a primary cause for ineligibility. LIHEAP eligibility staff may request verification of the heating system's safe operation from a qualified third party. It is the obligation of the applicant to provide this verification.

Once LIHEAP eligibility has been established, LIHEAP recipients residing in nontraditional dwellings will be eligible for CRF emergency assistance and will be subject to the 18/48-hour timelines for assistance.

- If the dwelling is connected to an uninterruptible supply of electricity, the provision of plug-in space heaters may satisfy the timeline requirements until a service person can be arranged to address the heating emergency.
- The provision a battery, a generator, or fuel for the generator are specifically excluded from CRF emergency assistance.



## MATRIX TABLES

### 4.1 Benefit Matrix

The benefit award matrices in Appendix A establish the maximum benefit available to an eligible household for the heating season.

The maximum benefit varies by household income level, type of primary heating fuel, type of dwelling unit (single family unit, multi-family unit, and mobile home) and the number of bedrooms in the dwelling. The maximum benefit also varies by sub-grantee districts (service areas) to account for climatic differences across the state.

In households with ineligible members, the income of the total number of eligible and ineligible members will be counted for purposes of calculating the benefit. However, the total number of combined eligible and ineligible members will also be entered into CHIMES for weatherization purposes. Weatherization needs to count all members of the household due to ASHRAE requirements.

**Note:** Subsidized rent households whose energy costs are included as a portion of their rent or who have an obligation to pay a base load electric bill are not eligible for a regular LIHEAP benefit as determined in ARM 37.70.601. However, these households would be eligible for a modified LIHEAP benefit. The modified LIHEAP benefit would be paid at the rate of 5% of the amount of a regular LIHEAP benefit as identified by the benefit matrix. A minimum payment of \$25 or 5% of the regular LIHEAP benefit whichever is greater would be paid to the household annually. Households determined eligible for the subsidized housing modified LIHEAP benefit who's economic and housing situation does not change would be determined LIHEAP eligible for a period of five (5) years.

Households consisting solely of members receiving Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF) and a combination of SSI and TANF, are considered categorically eligible for LIHEAP. (See section 3.10 Conditions for Categorical Eligibility)

The applicable benefit amount will be determined by multiplying the appropriate base benefit by the appropriate Income/Heating Degree Day (HDD) multiplier.

**Note:** The tables for the Maximum Benefit Award Matrix and the Income/ Heating Degree Day Multipliers can be found in Appendix A.

## **CLIENT PROTECTIONS**

### **5.1 Energy Assistance Mailings**

**LIMITATIONS:** All materials sent or distributed to applicants, recipients, or vendors, including material enclosed in envelopes containing checks, must be limited to those which are directly related to the administration of LIHEAP and will not have political implications.

**NOT PROHIBITED FROM MAILING OR DISTRIBUTION:** Materials in the immediate interest of the health and welfare of applicants and recipients, such as free medical examinations, availability of surplus food, and consumer protection information are not prohibited.

**NAMES OF INDIVIDUALS:** Only the names of persons directly connected with the administration of the program are contained in material sent or distributed to applicants, recipients, and vendors. Such persons are identified only in their official capacity with the state or the sub-grantee.

**SPECIFICALLY EXCLUDED FROM MAILING OR DISTRIBUTION:** Materials such as "holiday" greetings, public announcements, voting information, and/or alien registration notices are specifically excluded.

### **5.2 Civil Rights in DPHHS Administered Programs**

**GENERAL RULE:** No person shall be subject to discrimination in any aspect of program administration, including but not limited to, the eligibility determination or certification of benefit group, the provision of benefits, the conduct of Fair Hearings, or the conduct of any program service, on the grounds of race, color, religion, sex, culture, age, creed, marital status, physical or mental handicap, political belief, or national origin, except when the distinction is based on reasonable grounds.

**SPECIFIC DISCRIMINATORY ACTIONS PROHIBITED:** The Department may not, directly or through contractual or other arrangements, on the grounds enumerated above:

1. Deny an individual any service, financial aid, or other benefit provided under LIHEAP.
2. Provide any service, financial aid, or other benefit to an individual which is different, or is provided in a different manner, from that provided to others in these programs.
3. Subject an individual to segregation or separate treatment in any matter related to his or her receipt of any service, financial aid, or other benefit under this

program.

4. Restrict an individual in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service, financial aid, or other benefit under this program.
5. Treat an individual differently from others in determining whether he satisfies any admission, enrollment, quota, eligibility, membership or other requirement or condition which individuals must meet to be provided any service, financial aid, or other benefit provided under this program.
6. Deny an individual an opportunity to participate in this program through the provision of services or otherwise or afford him an opportunity to do so which is different from that afforded others under this program.

### **5.3 Right to File a Complaint**

GENERAL RULE: Any individual who believes that he or she has been subject to discrimination as described in 6.2 Civil Rights in DPHHS Administered Programs may file a written complaint with either or both:

Department of Public Health and Human Services  
P.O. Box 4210  
Helena, Montana 59604; or

Secretary of Health and Human Services Washington, D.C. 20201.

The sub-grantee employee will explain both the state complaint system and the Department of Health and Human Services (HHS) complaint system (whichever is applicable) to everyone who expresses an interest in filing a discrimination complaint and will advise the individual of his/her right to file a complaint in either or both systems.

TIME LIMITATION: The complaints must be filed no later than one hundred eighty (180) days from the date of the alleged discrimination unless the time of filing is extended by the responsible Department official or designee. The responsible Department official is the Director of the Department of Public Health and Human Services (DPHHS) or the Secretary of Health and Human Services (HHS).

FORM OF COMPLAINT: The complaint must be in writing.

INVESTIGATION: A prompt investigation will be made whenever a complaint is filed. The investigation should include, where appropriate, a review of the pertinent practices and policies of the Department of Public Health and Human Services (DPHHS), the

circumstances under which the possible discriminatory action occurred, and other factors relevant to a determination as to whether the Department has failed to afford an individual his/her civil rights.

**COMPLAINTS FILED WITH STATE:** All complaints filed with the Department of Public Health and Human Services (DPHHS) will be investigated by the Field Monitors of the Human and Community Services Division (HCSD). Any complaint received for the state by the sub-grantee will be submitted to the Intergovernmental Human Services Bureau (IHSB) for routing to the appropriate Field Monitor.

**COMPLAINTS FILED WITH HEALTH AND HUMAN SERVICES (HHS):** All LIHEAP complaints filed with Health and Human Services (HHS) will be investigated by the appropriate Health and Human Services (HHS) official.

#### **5.4 Dissemination of Information**

**GENERAL RULE:** The Department provides information, both verbally and in writing, on the requirements of state and federal law on civil rights to each institution, Sub-grantee, organization, contractor, and individual vendor that provides benefits or services under any federally aided program administered by the state. The sub-grantee office informs applicants, recipients, and other interested persons of the purposes of state and federal law on civil rights, the protection afforded individuals by the law, the rights of individuals under the law, and remedies in the event of discrimination and noncompliance.

#### **INFORMATION TO INSTITUTIONS, AGENCIES, ORGANIZATIONS, CONTRACTORS, AND INDIVIDUAL VENDORS**

The Department provides the following written statement to institutions, agencies, organizations, contractors, and individual vendors:

Title VI of Public Law 88-352, the Civil Rights Act of 1964, is for the purpose of preventing discrimination in federally assisted programs. Regulations promulgated by the Department of Health and Human Services (HHS) or the United States Department of Agriculture pursuant to the Act provide that a state Sub-grantee administering federally aided child welfare services and public assistance programs may not directly or through contractual or other arrangements, utilize criteria or methods of administration which have the effect of subjecting individuals to discrimination because of their race, color, or national origin. The state Sub-grantee must take such steps as are necessary to assure that any other Sub-grantee, institution, or organization and any contractor or individual vendor participating in the federally aided programs under its administration will comply with regulations promulgated by Health and Human Services (HHS). These regulations provide that an individual who feels he/she or others have been discriminated against under the provisions of the act may file a complaint with the local eligibility office, the state Department of Public Health and Human Services

(DPHHS) or Health and Human Services (HHS). All such complaints will be investigated without delay and corrective action taken when indicated.

#### INFORMATION TO APPLICANTS, RECIPIENTS, AND OTHER INTERESTED PERSONS

1. The Department provides the following written information to applicants, recipients, and other interested persons:

The Civil Rights Act of 1964 (Public Law 88-352) provides: "No person in the United States shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

An individual who feels that he/she or others have been discriminated against under the provisions of the act may file a complaint with the local eligibility office, the Department of Public Health and Human Services (DPHHS), or the Department of Health and Human Services (HHS). All such complaints must be in writing and will be investigated without delay and corrective action taken when indicated.

2. The Department provides to applicants, recipients, and other interested persons access to information regarding nondiscrimination statutes, regulations, and policies, discrimination complaint procedures, and rights of program beneficiaries, within ten (10) days of the date of the request.
3. The Department displays, in all offices involved in administering any federally aided program, the Department's notice on nondiscrimination.

#### **5.5 Notice of Adverse Action**

**TIMELY AND ADEQUATE NOTICE:** For all programs, the state or sub-grantee must give timely and adequate notice in all cases of intended action to discontinue, terminate, suspend, or reduce assistance or to impose such conditions as protective payments, vendor payments, or work requirements, except as provided below.

**TIMELY:** A notice which is mailed at least ten (10) days before the date of action, that is, the date upon which the action would become effective.

**INSTANCES OF PROBABLE FRAUD:** A notice mailed at least five (5) days before the date of action is timely in instances of probable fraud.

**ADEQUATE:** For all programs, a written notice that includes:

1. A statement of what action the state or local office intends to take or has taken.
2. The reasons for the intended action.
3. The specific regulations supporting such action.
4. An explanation of the person's right to request a hearing, including:
  - a. How to obtain a Fair Hearing.
  - b. The right to representation at the hearing, including where the legal assistance might be obtained.
  - c. The circumstances under which benefits are continued if a hearing is requested, including the claimant's liability for any benefits incorrectly provided while awaiting the hearing if the hearing officer's decision is averse to the claimant; and
  - d. The name and telephone number of the person to contact for additional information.

**TIMELY NOTICE IS DISPENSED WITH:**

**ADEQUATE NOTICE ONLY:** The state or local office may dispense with timely notice but must send adequate notice no later than the date of action in the following situations:

1. **DEATH OF RECIPIENT:** Factual information confirms the death of a recipient (there is no relative to serve as a new payee).
2. **RECIPIENT NO LONGER WISHES ASSISTANCE/KNOWINGLY PROVIDES INFORMATION AFFECTING BENEFITS:** Clear, written statement, signed by recipient, is received reporting that he/she no longer wishes benefits or that he/she is knowingly providing information that will result in the termination or reduction of benefits.

**Note:** Timely notice is not waived merely because of a report from the recipient; to be effective, such a report must contain an acknowledgement that the recipient understands that his/her benefits may be reduced or terminated as a consequence of supplying the information.

3. **RECIPIENT ADMITTED OR COMMITTED TO AN INSTITUTION:** The recipient has been admitted or committed to an institution, and further benefits to that individual do not qualify for federal financial participation.
4. **RECIPIENT WHEREABOUTS UNKNOWN:** The person's whereabouts are unknown and State or local office mail to him has been returned by the post office.

5. **RECIPIENT MOVED TO NEW JURISDICTION:** The recipient has been accepted for benefits in a new jurisdiction and the fact has been established by the jurisdiction previously providing benefits.

**MASS CHANGES: AUTOMATIC ADJUSTMENT IN ELIGIBILITY AND SERVICES COVERED FOR CLASSES OF RECIPIENTS:** When changes in federal or state law require automatic adjustments in eligibility and services covered for classes of recipients, timely notice shall be given which shall be adequate, in that such notice states the intended action, the reasons for such action, the specific changes in law requiring the taking of such action, and a statement of the circumstances under which a hearing may be obtained and eligibility and services continued.

## **5.6 Notification Letter**

**PURPOSE:** Notification letters (About Your Case, AYC) regarding approvals, denials and pending status are to be sent to each household. AYC letters will be generated from the CHIMES computer system. At the time of any adverse action affecting the recipient's benefits, the sub-grantee must use a notification letter for providing, in accordance with the definitions and policies contained in 6.5 Notice of Adverse Action, timely notice which shall be adequate.

The sub-grantee shall notify every household:

1. Of the eligibility determination of the LIHEAP application and reason for any adverse action if applicable.
2. Of the Notice of Fair Hearing rights.
3. If the applicant has been determined eligible for Weatherization, notification to the household shall contain the following: "Because of limited funds, homes are prioritized for weatherization on a priority basis with special consideration given to disabled or elderly. You will be notified if funds become available to weatherize your home. If you haven't been notified within 1 year, you must reapply to be reassigned priority for service. If your home has been weatherized in the past, it may not be eligible to be weatherized again."
4. When they discontinue utility service, change address or fuel type, LIHEAP benefit will be returned to the Department.
5. That the household who is reimbursed for paid energy costs must provide paid receipts no later than June 20th, or the unused portion of the benefit will be returned to the Department.

DOCUMENTATION REQUIREMENTS: AYC letter is available in the CHIMES computer system. Special circumstance notices may be manually generated via CHIMES as needed.

## 5.7 Right to Fair Hearings

CIRCUMSTANCES UNDER WHICH FAIR HEARINGS ARE GRANTED: Any claimant who is aggrieved by any action of the Department is entitled to a Fair Hearing, including all rights to review and appeal provided by the Fair Hearing process. However, a hearing need not be granted when either state or federal law requires automatic grant adjustments for classes of recipients unless the reason for an individual appeal is incorrect eligibility, coverage, or benefit adjustment.

REPRESENTATION: A claimant may be represented by legal counsel, or by a relative, friend, or other spokesman, or he may represent himself/herself. However, such representatives must have written authorization from the claimant to act in such a capacity.

VENDORS: A hospital, nursing home, physician, fuel, or other vendor may act in a representational capacity for a claimant at the discretion of the Hearing Officer.

DEPARTMENT/SUB-GRANTEE EMPLOYEES: May not represent a claimant.

### CONTINUATION OF BENEFITS DURING APPEAL:

1. If a claimant requests a hearing within the period between the date of the notice and the date of the adverse action and the claimant is receiving benefits at that time, at the request of the claimant benefits shall be continued at the amount established just prior to the contested action until after a final hearing decision is rendered, except as provided under "REDUCTION OR TERMINATION OF ASSISTANCE" below.
2. If the claimant establishes that his or her failure to request a hearing within the notice period was for good cause, the local office shall reinstate the benefits to their prior level pending the hearing decision.
3. In any case where action is taken without timely notice and the applicant requests a hearing within ten (10) days of the mailing of the notice of the action, at the request of the claimant benefits shall be reinstated and continued until a hearing decision is rendered, unless the action resulted solely from an application of or change in state or federal law or policy.

NOTICE TO CLAIMANT: The local eligibility unit shall notify the claimant via the CHIMES computer system notification letter. This notice shall also contain a



statement that if the hearing decision is averse to a claimant, he/she will be asked to repay any assistance to which he/she was not entitled.

**REDUCTION OR TERMINATION OF ASSISTANCE:** Once continued or reinstated, benefits may not be reduced or terminated prior to a final hearing decision unless:

4. The certification or grant period expires, although the claimant may reapply and may be determined eligible for benefits.
5. A change affecting the claimant's benefit occurs while the hearing is pending, and a hearing is not requested after the notice of adverse action resulting from this change.
6. The Hearing Officer makes a preliminary determination, in writing and at the hearing, that the sole issue is one of state or federal law or policy and no issue of improper benefit calculation, or misapplication or misinterpretation of state or federal law or policy exists; or
7. A mass change affecting the claimant's eligibility or benefit level occurs while the hearing decision is pending.
8. Claimant refuses to cooperate with requests for information for Quality Control review.

**TIMELY ACTION ON HEARINGS:** Within ninety (90) days, the Department must conduct a hearing, and notify the claimant, the sub-grantee, and all other parties involved in the decision.

**REQUEST FROM TRANSIENT HOUSEHOLDS:** The Department shall expedite hearing requests from households, such as migrants and farm workers, who plan to move from the jurisdiction of the hearing official before the hearing decision would normally be reached.

Hearing requests from these households shall be processed faster than others, if necessary, to enable them to receive a decision and a restoration of benefits if the decision so indicates before they leave the area.

## **5.8 Request for Fair Hearing**

**SERVICE:** Service upon the Department shall be deemed completed upon the delivery of a request as defined below.

**DEFINITION OF REQUEST:** A request for a hearing is any clear expression, oral or

written, by the claimant or authorized representative to present his or her case to a higher authority. The claimant who orally requests a Fair Hearing will be asked to fill out the form on the LIHEAP notification letter. The sub-grantee shall assist the household in preparing the written request, if necessary.

**TIME ALLOWED TO FILE:** The claimant shall have a reasonable time, not to exceed ninety (90) days, in which to request a hearing.

**ASSISTING THE CLAIMANT:** In order to help the claimant to submit and preserve his or her request for a Fair Hearing, the sub-grantee shall carry out the following duties.

#### **DUTY OF SUB-GRANTEE STAFF**

1. Claimants who need assistance in making their Fair Hearing requests shall have such help as necessary extended by the staff of the sub-grantee office.
2. Requests for Fair Hearings shall be accepted, and date and time stamped by the sub-grantee office for submission to the Hearing Officer.
3. Upon request of a Fair Hearing, the sub-grantee shall make available, without charge, the specific materials, including the hearing rules, necessary for the claimant or his/her representative to prepare for a hearing.
4. The claimant will be advised of any free legal service available to him/her.

#### **REQUESTING A FAIR HEARING**

Prior to the steps below, the Eligibility Worker has sent a notification of adverse action from the CHIMES computer system.

1. Claimant completes the "Energy Assistance Request for Fair Hearing" Form (contact the state office for a copy of the form).

Mail the request form to the Hearing Officer, Box 202922, Helena, MT 59620

#### **5.9 Administrative Review**

**PURPOSE AND SCOPE:** The purpose of the Administrative Review is to prevent unnecessary Fair Hearings by providing for the resolution of the issue by a higher administrative authority.

The Administrative Review provides the claimant an opportunity to discuss the Eligibility Worker's decision with a Human and Community Services Division (HCSD) Representative/Reviewer or Designee. Through this review the claimant obtains an

explanation of the reasons for the proposed adverse action and is given the opportunity to present information to show why the proposed action is incorrect and should not be taken. An Administrative Review will be conducted at the request of the Hearing Officer and will include –

1. An informal review by the Human and Community Services Division (HCSD) Representative/Reviewer or Designee of the relevant facts, circumstances and regulations involved in the adverse action.
2. The Human and Community Services Division (HCSD) Representative/Reviewer or Designee shall prepare a written report of this review for the Hearing Officer within twenty (20) days of the date of the order for the Administrative Review.

**EFFECT ON RIGHT TO HEARING:** The opportunity for an Administrative Review shall not be used to diminish, delay, or avoid the claimant's right to a Fair Hearing. If the Administrative Review does not resolve questions and issues relating to the adverse action to the claimant's satisfaction, the Hearing Officer must proceed with the Fair Hearing.

**REVERSED OR MODIFIED DECISION:** At any time during the Administrative Review, an action may be reversed or modified by the Human and Community Services Division (HCSD) Representative or Designee in which case a hearing will not be held unless the claimant is aggrieved by the modified adverse action and requests that the hearing be held.

**SUB-GRANTEE DISAGREES WITH DIVISION REPRESENTATIVE OR DESIGNEE'S ACTION:** If the sub-grantee disagrees with the Human and Community Services Division (HCSD) Representative's modification or reversal of the adverse action, the sub-grantee office Director may request that the hearing be held.

#### SCHEDULING AN ADMINISTRATIVE REVIEW:

1. The Hearing Officer will notify the sub-grantee that an Administrative Review has been ordered.
2. Upon receipt of Form DPHHS-LS-007, set a time and place for the Administrative Review and notify the claimant.

Notification includes a statement indicating the purpose and scope of the Administrative Review, the effect the review has on the claimant's right to a Fair Hearing, and the claimant's right to representation.

3. Notify the Human and Community Services Division (HCSD) Administrator that an Administrative Review has been ordered by sending the pink copy of the

"Administrative Review Report".

4. Using Form DPHHS-LS-007, "Administrative Review Report," direct the local Reviewer/Designee to conduct an Administrative Review and return the results to the Hearings Officer within twenty (20) days of the date of the Order.

## RESPONSIBILITY ADMINISTRATIVE REVIEW PROCESS

### Sub-grantee

1. Open the Administrative Review by:
  - a. Stating its purpose and scope; and
  - b. Reminding the claimant that the review has no effect on his/her right to a Fair Hearing.
2. Ask the claimant or his/her representative to present their side of case.
  - a. Explain why the Fair Hearing and subsequent Administrative Representative
  - b. Present information in support of said position.

### Claimant or Sub-grantee

3. Present the sub-grantee's side of the case.
  - a. Explain the basis for the sub-grantee's action.
  - b. Present documentation in support of said action.
4. Resolve differences by:
  - a. Interpreting state policies and regulations which may not be entirely understood.
  - b. Explaining to the claimant the laws and regulations under which the Department operates.
5. Complete, sign and date the Reviewer's Narrative of Form DPHHS-LS-007.

### Claimant or Representative

6. Complete, sign and date the Results section of Form DPHHS-LS-007.

## RESPONSIBILITY ADMINISTRATIVE REVIEW PROCESS

### Sub-grantee

7. Report the outcome of the review to the Hearings Officer and Human and Community Services Division (HCSD) Reviewer or Designee.
  - a. Send the green copy of Form DHPPS-LS-007 to the HCSD Reviewer or Designee.

b. Send the white copy of the Form DPHHS-LS-7) to the Hearing Officer.

Hearing Officer

8. If the Claimant is still dissatisfied, the Hearing Officer sets the time and place of the Fair Hearing and notifies the claimant.

REDUCED COPY OF REQUEST FOR A FAIR HEARING FORM

ENERGY ASSISTANCE REQUEST FOR FAIR HEARING		
CLAIMANT'S NAME:	SOCIAL SECURITY NO:	PHONE
STREET ADDRESS:	CITY:	ZIP CODE:
This is to request a fair hearing. I am making this request because: _____ _____ _____		
I have an attorney: <input type="checkbox"/> Yes <input type="checkbox"/> No My attorney's name is: _____		
If you are requesting a hearing because of a reduction or termination in benefits, please check one of the following:  ( ) I want to continue receiving the benefits I now receive until the hearing. If I lose the hearing, I will repay any excess benefits I receive. ( ) I do not want to continue receiving the benefits I now receive until the hearing. If I win the hearing, I will be restored any benefits I lost.		
Complete this form and mail this entire document, to the Office of Administrative Hearings, P.O. Box 202922, Helena, Montana 59620-2922, or submit it to your local LIEAP/Wx Office. If you wish, please keep a copy for your records.		
_____ (Claimant or Authorized Representative)	_____ (Phone)	_____ (Date)

[DATE] CERTIFIED MAIL

John Doe  
123 Spring Street  
Helena, MT

Dear Mr. Doe:

Your request for a Fair Hearing regarding the denial of fuel assistance by the (*HRDC name*) has been received in this office. I would like to provide you with an opportunity to discuss this matter with the Director in your area, XXX.

You may engage legal counsel if you so desire, but this is not necessary. However, should you wish an attorney to represent you, the Montana Legal Services Association has an office serving your area, which is located at 616 Helena Avenue, Suite 100, Helena, Montana.

During the above-mentioned review, XXX will provide you with an explanation of the reasons for the action taken in your case and you can present your information to show that this action was incorrect and why it should not have been taken. will contact you within ten days to arrange a date for this review and if, after this discussion, you feel your reason for your appeal has not been resolved, arrangements will be made for a Fair Hearing.

Sincerely,

(name)  
Hearings Officer

HIF/  
cc: Director (HRDC name)  
Any other pertinent persons

### 5.10 Hearing Officer

**RESPONSIBILITY:** The Department's Hearing Officer shall conduct all Fair Hearings on issues arising out of the LIHEAP and Weatherization Assistance Program.

**POWERS AND DUTIES:** The Hearing Officer:

- May require witnesses, depositions upon oral examination, written questions, written interrogatories, and other materials as necessary for the hearing. For this purpose, the Hearing Officer may and, upon request of any party to the hearing, shall issue subpoenas for witnesses or subpoenas duces tecum.
- May order the Department, or where appropriate, the sub-grantee, to pay witness fees, mileage, and other actual and necessary expenses of a witness subpoenaed at the request of a claimant if, in the judgment of the Hearing Officer, the testimony of that witness is essential to the claimant's case.
- May disqualify him/her at any time on the filing of a timely and sufficient affidavit of personal bias or other disqualification.
- May direct the parties to appear and confer in a Pre-hearing Conference to consider definition and simplification of the issues.
- May allow, for good cause shown, a third party to represent a claimant as an authorized representative in those instances where written authorization of the claimant is not obtainable.

- May grant a continuance not to exceed thirty (30) days at the request of the claimant for good cause shown, or at the request of the Department or another party if the claimant agrees to such continuance in writing.
- May take judicial notice of state and federal laws and regulations and facts within the general knowledge of the public.
- Shall administer required oaths or affirmations.
- Shall consider all relevant issues.
- Shall request, receive, and make part of the record all evidence presented.
- Shall regulate the conduct of the hearing consistent with due process to ensure an orderly hearing.
- Shall render a proposal for decision in the name of the Department consisting of proposed findings of fact, conclusions of law and a recommended order deciding the case based on the evidence and testimony in the hearing record.

### **5.11 Decision**

**PROPOSAL FOR DECISION:** The Hearing Officer shall make a proposal for decision and mail the proposal to the claimant, authorized representative of the local eligibility office, the Human and Community Services Division (HCSD) Reviewer or Designee and all other parties. Within:

**LIHEAP/WEATHERIZATION:** Forty-five (45) days of the request for a hearing.

**PROPOSAL REQUIREMENTS –** The proposal for decision shall:

1. Be based on the facts and evidence produced at the hearing as applied to pertinent state and federal law.
2. Consist of proposed findings of fact, proposed conclusions of law and recommended order.

**EXCLUSIVE RECORD:** The proposal for decision, the verbatim transcript, if requested by a party, together with all exhibits, papers, and requests filed in the proceeding shall constitute the exclusive record.

**AVAILABILITY OF RECORDS:** Records shall be available to the claimant for inspection and copying at a place accessible to him/ her at a reasonable time. The record shall be

available to the public for inspection and copying, except that the names and addresses and any other identifying information of the claimant's shall be kept confidential.

**REQUEST FOR BOARD REVIEW OF PROPOSAL FOR DECISION:** Any party to the Fair Hearing who is aggrieved by the proposal for decision may request an opportunity to file exceptions and present briefs and, as appropriate, oral arguments within ten (10) days of the mailing of the proposal for decision. If a request is not filed within the ten (10) days, the proposal for decision shall become final, unless the party can show that failure to request an opportunity to file exceptions and present briefs or oral arguments was for good cause.

**SUB-GRANTEE DIRECTOR AND HUMAN AND COMMUNITY SERVICES DIVISION (HCSD) REVIEWER:** May request opportunity to file exceptions and present briefs but may not present oral arguments.

**CONTINUATION OF SERVICES DURING BOARD REVIEW:** Benefits shall continue after the end of the month in which an adverse determination by the Hearing Officer is proposed when, within the ten (10) days, the claimant files a request for Board Review. Once such a request is filed, services shall continue until such time as the Board completes its review and through the end of the month in which the final decision is reached by the Board.

**BOARD REVIEW:** The Board shall render a decision within ninety (90) days from the date of the request for a hearing and shall consider the proposal for decision, exceptions filed, briefs, oral arguments presented, and the record of the hearing before rendering said decision.

**NOTICE OF BOARD DECISION:** The Board shall:

1. Notify the claimant, the sub-grantee, and any other interested party of the Board's decision.
2. Notify the claimant or any other party of his/her right to judicial review.

**IMPLEMENTATION OF DECISION:**

**DECISION IS FAVORABLE TO CLAIMANT:** When a hearing decision is favorable to the claimant, the sub-grantee will promptly take the action necessary to correct any under provision of benefits resulting from the initiation of the hearing.

When a hearing decision is adverse to a claimant and the claimant has received continued benefits pending a hearing decision, the sub-grantee shall promptly take the appropriate action to recover the amount continued pending the hearing decision unless the claimant seeks Judicial Review, in which case the sub-grantee's action to recover



the payments (or that portion the claimant was not entitled to) shall be suspended pending the outcome of Judicial Review.

## **5.12 Judicial Review**

GENERAL RULE: A party to an appeal who is aggrieved by a final decision may seek Judicial Review of that decision by filing a petition in District Court within thirty (30) days after receipt of notice of the final decision. Judicial Review follows the Administrative Review, Fair Hearing, and Board Review.

"Party to an Appeal": This term includes the claimant or his authorized representative. It does not include the Department and its sub-units, including any sub-grantee office.

CONTINUATION OF BENEFITS DURING JUDICIAL REVIEW: Benefits to the claimant shall not continue during the Judicial Review, except by order of the court.

## **5.13 Denial or Dismissal**

GENERAL RULE: The Department shall not deny or dismiss a request for a Fair Hearing unless:

- The request for a hearing is withdrawn in writing by the claimant or his representative.
- The claimant or his representative without good cause fails to appear at the hearing.
- The request for hearing is filed more than ninety (90) days after the date of the notice of adverse action.
- The Department does not have jurisdiction over the subject matter or the appeal procedure.
- Either federal or state law requires automatic changes in eligibility or services covered or benefit amount for a class of claimants and the issue is not incorrect eligibility or coverage or benefit adjustment.

PROCEDURE FOR DENIAL OR DISMISSAL: When a hearing request is determined abandoned, notice of dismissal or denial, in which the claimant is offered the opportunity to explain his/her failure to appear, is sent to the claimant by the Hearing Officer. If an explanation is provided which shows good cause exists for the non-appearance of the claimant or his/her authorized representative, the Hearing Officer may reschedule the hearing.

## 5.14 Group Hearings

APPROPRIATENESS: The Department may respond to a series of individual requests for hearing by conducting a single Group Hearing. Such a hearing is appropriate when:

- The claimants involved agree to participate in a group rather than individual hearing.
- The cases involve related issues of state and/or federal law, regulations or policies and these issues are the only ones to be heard (i.e., non-related issues unique to a particular case will not be heard at this time).
- The claimants involved are to be allotted time to present the case, or have it presented by a representative.

POLICIES AND PROCEDURES: The policies and procedures governing individual hearings must be followed in a Group Hearing, with these guarantees:

- Each claimant must be allotted time to present his/her own case, or have it presented by a representative.
- Any claimant who does not wish to participate in a Group Hearing may request an individual hearing.

## 5.15 Safeguarding Information

TYPES OF INFORMATION TO BE SAFEGUARDED: include but are not limited to:

1. The names, addresses, SSNs, or other identifying information of applicants for or recipients of the LIHEAP (unless excepted under the paragraphs below).
2. Information related to the social and economic conditions or circumstances of a particular individual.
3. Department evaluation of information about a particular individual; and
4. Medical data, including diagnosis and history of disease or disability, concerning a particular individual.

The agencies should not accept documents from LIHEAP applicants via email. The documents contain Personal Identifiable Information (PII) is not secure sent via email.

RESTRICTIONS ON USE OR DISCLOSURE OF INFORMATION: Disclosing information about applicants for or recipients of LIHEAP is restricted to purposes directly connected with:

1. The administration of such aid. Such purposes include establishing eligibility, determining amount of assistance, and providing benefits to or on behalf of applicants and recipients. ARM 37.70.101.
2. Any investigation, prosecution, or criminal or civil proceeding conducted in connection with the administration of any such plans or programs; and
3. The administration of any other federal or federally assisted program which provide assistance (in cash or in-kind) or services directly to individuals based on need.

#### REQUEST FROM GOVERNMENT AUTHORITY, COURT, OR LAW ENFORCEMENT

SUB-GRANTEE: Proper requests for information from a government authority, a court, or a law enforcement Sub-grantee will be honored and the information released along with a notification of the confidentiality of the information and the penalty for misuse of such information.

PROPER REQUEST: A statement in writing specifying the information desired and the use to which it will be put that is determined to be in accord with state and federal law by the Office of Legal Affairs.

COURT ORDER, SUBPOENA, and DISCOVERY: Information must be released upon the request of other persons in the context of an administrative or judicial proceeding by court order, subpoena, discovery, or the like. If, for example, an applicant's or recipient's case record or the sub-grantee is subpoenaed, the Office of Legal Affairs is available for assistance.

APPLICANT'S OR RECIPIENT'S CONSENT: Whenever possible, the department will attempt to obtain prior consent from the applicant or recipient. Notification will be given after release of information in the following situations:

EMERGENCY SITUATIONS: Emergency situations, cases where the information is released for legal and investigative actions concerning fraud, collection of support, and third-party medical recover. Where the individual's consent for the release of information cannot be obtained, he/she will be notified immediately thereafter.

OUTSIDE SOURCE: An outside source does not include the DPHHS Office of Inspector General Program Compliance Bureau or other government authority, court, or law enforcement Sub-grantee in legal and investigative actions concerning fraud or overpayments.

MEDICAL INFORMATION: Both the applicant's or recipient's and the physician's or psychologist's permissions must be obtained before medical or psychological

information can be released.

**REQUESTS FOR MEDICAL SAFEGUARDED RELEASE TO APPLICANT OR RECIPIEN:** Send the request to your Field Monitor. The Field Monitor will acknowledge receipt of the request and forward it on to the Office of Legal Affairs. Medical or psychological information directly concerning an applicant or recipient shall not be released to the applicant or recipient without a written statement from the attending physician or psychologist that release of the information will not cause medical or psychological harm to the applicant or recipient. If the written statement cannot be obtained from the attending physician or psychologist, a physician or psychologist in the employ of the Department of Public Health and Human Services (DPHHS) shall review the records sought and, if appropriate, supply the statement authorizing release.

**PROCESSING REQUESTS FOR SAFEGUARDED INFORMATION OTHER THAN MEDICAL:** If request is by applicant or recipient, this procedure does not apply. Information other than medical directly concerning the applicant or recipient may be provided to the applicant or recipient without further authorization.

#### RESPONSIBILITY ACTION

Field Monitor

1. Acknowledge receipt of request, indicating that request has been forwarded to the Office of Legal Affairs.
2. Send request to Office of Legal Affairs.

Office of Legal Affairs

3. Determine whether request is "proper" and inform Administrator or Designee of the results of this determination.

Field Monitor

4. A. If Request Is Not "Proper" – Inform the requestor of the information that the request is not "Proper," the reasons why, and that the information will not be released.
4. B. If Request Is "Proper" – Obtain applicant's or recipient's permission to release the requested information.

Applicant or Recipient

5. Grants or denies permission to release the requested information.

Field Monitor

6. A. If Permission Is Denied – Inform the requestor that the information cannot be released because the applicant or recipient denied permission for such release.
6. B. If Permission Is Granted – Send information to requestor, along with a notification of the confidentiality of the information and the penalty for misuse of such information (Attach copy of LIHEAP 100-17, "Misuse of Low-Income Home Energy Assistance Program (LIHEAP) Information").

PROCESSING REQUESTS FOR SAFEGUARDED MEDICAL INFORMATION – If request is by applicant or recipient, follow this procedure, but skip from step 6A to step 8B.

#### Field Monitor

1. Acknowledge receipt of request, indicating that request has been forwarded to the Office of Legal Affairs.
2. Send request to Office of Legal Affairs.

#### Office of Legal Affairs

3. Determine whether request is "proper" and inform Administrator or Designee of the results of this determination.

#### Field Monitor

4. A. If Request Is Not "Proper" – Inform the requestor of the information that the request is not "Proper," the reasons why, and that the information will not be released.
4. B. If Request Is "Proper" – Request attending physician's or psychologist's permission to release the desired information.

#### Attending Physician or Psychologist

5. Grants or denies permission to release the requested information. If permission is granted, include in the authorization a statement that release of information will not cause medical or psychological harm to the applicant or recipient.

#### Field Monitor

6. A. If Permission Is Denied – Inform the requestor that the information cannot be released because the attending physician or psychologist denied permission for such release.
6. B. If Permission Is Granted – Request applicant's or recipient's permission to release desired information.

#### Applicant or Recipient

7. Grants or denies permission to release requested information.

#### Field Monitor

8. A. If Permission Is Denied – Inform the requestor that the information cannot be released because, though the attending physician or psychologist granted permission to release such information, the applicant or recipient himself did not.
8. B. If Permission Is Granted – Send information to requestor, along with a notification of the confidentiality of the information and the penalty for misuse of such information (See 5.16 Misuse of Low-Income Home Energy Assistance Program (LIHEAP) Information).

#### INFORMATION TO BE SHARED WITH THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES (DPHHS) OFFICE OF INSPECTOR GENERAL PROGRAM COMPLIANCE BUREAU:

The Department may release information on an applicant or recipient to the DPHHS Office of Inspector General Program Compliance Bureau or other government authority, court, or law enforcement Sub-grantee in legal and investigative actions, without obtaining the applicant's or recipient's consent for such release, concerning:

1. fraud or third-party liability
2. the collection of overpayments or fraudulent claims

All information secured will be shared with the DPHHS Office of Inspector General Program Compliance Bureau.

The Department and the sub-grantee shall make available to the DPHHS Office of Inspector General Program Compliance Bureau all records, files, memoranda, forms, or other papers relating to Energy Assistance matters.

DISCLOSURE OF CONFIDENTIAL INFORMATION BY THE DPHHS QUALITY ASSURANCE DIVISION PROGRAM COMPLIANCE BUREAU: No information obtained by the DPHHS Office of Inspector General Program Compliance Bureau because of an investigation shall be disclosed except in accordance with the laws applicable to the source of the information provided. However, such information may be used or disclosed as necessary in any court action.

#### REQUESTS FOR SAFEGUARDED INFORMATION BY THE DPHHS OFFICE OF INSPECTOR GENERAL PROGRAM COMPLIANCE BUREAU:

When the DPHHS Office of Inspector General Program Compliance Bureau makes a direct request to the sub-grantee for information concerning a case of fraud, third party

liability, or nonsupport, the material may be sent directly to the DPHHS Office of Inspector General Program Compliance Bureau. However, the request must be **in writing**.

## Department of Public Health and Human Services Fraud and Recovery Procedure LIHEAP Referral Form Instructions

The Gray area of the form is for the Referring Sub-grantee and IHSB use; The White sections are for Program Integrity Section use. **Use the tab key to negotiate the form fields.**

### **Referring Sub-grantee, please fill out the following:**

1. Case Name and Social Security Number
2. Case Address
3. Other Adult Household Members and Social Security Numbers
4. Description of Discovery and Circumstances of the LIHEAP referral
5. LIHEAP case number
6. Reporting Sub-grantee
7. Date the Sub-grantee sent the referral to IHSB.

### **IHSB, please fill out the following:**

1. IHSB Referral to QAD,
  2. Referred by IHSB Field Monitor, and
  3. Date IHSB sent the referral to QAD.
- IHSB will review the case and determine if a referral to QAD is warranted.
  - The referral form, along with any supporting documentation, is sent as an Attachment in an email notifying Program Integrity Section; HHSQADIPVS@mt.gov
  - Program Integrity Section enters the name of the Investigator who will be assigned the case and the date sent to Investigator.
  - The investigator fills out the remainder of the form as the case is worked.
  - When the investigator completes the case, the Results of the investigation section are completed, and the form is sent back to Program Integrity Section.
  - The finalized Referral form is sent back to IHSB.
  - The Investigator will make a SNAP IPV referral if necessary.
  - IHSB will report the results of the investigation to the referring Sub-grantee.

## 5.16 Misuse of Low-Income Home Energy Assistance Program Information

Presented are provisions of state law on misuse of public assistance information, including the legal sanctions imposed for improper disclosure and use.

LISTS OR NAMES OF APPLICANT'S FOR, OR RECIPIENT'S OF, PUBLIC ASSISTANCE:

It is "unlawful for any person, body, association, firm, corporation or other Sub-grantee to solicit, disclose, receive, make use of, or to authorize, knowingly permit, participate in, or acquiesce in the use of, any lists or names for commercial or political purposes of any nature, or for any purpose not directly connected with the administration of public assistance." (71-231.2, RCM 1947)

PENALTY: "Any person, body, association, corporation, firm, or other Sub-grantee who shall willfully or knowingly violate any provision... (above) shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than twenty-five (\$25.00) dollars nor more than one thousand (\$1,000.00) dollars, to which may be added imprisonment in the county jail for any determinate period not to exceed sixty (60) days." (71-231.3, RCM 1947)

VIOLATIONS BY OTHER THAN AN INDIVIDUAL: "If the violation is by other than an individual, the imprisonment may be adjusted against any officer, agent, employee, servant, or other person, of the association, corporation, firm or other Sub-grantee who committed or participated in such violation and is found guilty thereof." (71-321.3, RCM 1947)



## **PROGRAM INTEGRITY**

### **6.1 Requirements for Recipients' Records**

**GENERAL RULE:** Each sub-grantee shall retain all program records in an orderly fashion, for audit and review purposes, for a period of eight (8) years from the end of the contract period. The sub-grantee shall retain fiscal records and documents for eight (8) years from the end of the master contract period.

**Note:** Record retention policy for Subsidized Rent Households in which the household is eligible for a benefit for the five (5) year eligibility period requires the records to be kept for eight (8) years from the end of the eligibility period.

### **6.2 Organization of Recipient Records**

**RESPONSIBILITY:** The sub-grantee is responsible for initiating and maintaining records for each applicant or recipient of assistance. Current applications, redeterminations, change slips, correspondence, and verifications shall be filed in this record. Any other documentation that makes clear what is happening in the case shall be included. In CHIMES, check to be sure that the date of determination is entered, and that the benefit is accurate. The sub-grantee shall maintain the case notes in CHIMES to ensure any pertinent information is documented so the present case circumstances will be understood at the time of the next change.

Personal identifiable information (PII) of clients must be protected.

Common PII information:

- Full name(s)
- SSNs and Dates of birth
- Full address
- Banking and other accounts information

**REQUIRED CONTENTS OF FILE:** Case documentation may be kept in hard copy files, as secure digital records, or both. Whichever method is used case files should contain the following:

- APPLICATIONS AND REDETERMINATIONS
- CORRESPONDENCE
- DOCUMENTS OF VERIFICATION – proof of citizenship, proof of lawful permanent residency, or qualified alien status, photo identification or birth certificates for household members under age 18 who do not have photo identification, employment verifications, all gross incomes, all heat, and electric bills, signed Release of Confidential Information, and any other documents used to verify eligibility. Photo ID's and birth certificates are not required, if the Sub-grantee has verified the SSN.

- FUEL/HEATING BILL – A copy of all the household's fuel or heating bill or a statement of delivery. Note: the LIHEAP-attributable credit balance amount from the prior LIHEAP program year must be verified to be \$50 or less.

DIGITAL FILE REQUIREMENTS: Sub-grantees generating, maintaining, and using client/applicant's Personal Identifying Information (PII), in relation to recipients of State administered and funded services, must use secure digital storage system if client files will be stored outside of the Perceptive and CHIMES systems, using Sub-grantee owned local computers.

- Digital files for each case will exist in Perceptive and CHIMES. Adding required and supplemental documents to these platforms may eliminate the need for digital file storage using Sub-grantee owned local computers.
- Digital client/applicant files may not be transferred to, stored, or maintained using any personal computer, laptop, tablet.

DIGITAL COMMUNICATIONS CONTAINING PII: Protect client/applicant's PII in external and internal digital communications:

- Whenever possible, use only case numbers and descriptions to convey information on a case.
- When using screen shots or snips via email, TEAMS, or other messaging platform, use an edit tool to cover all PII in the image.
- When in doubt, use File Transfer Service to share documents containing PII.

### **6.3 Monitoring, Evaluation, and Training**

The Human and Community Services Division (HCSD) shall conduct ongoing monitoring and evaluation, and training of sub-grantees and ensure that funds are expended in keeping with the purposes for which they were contracted.

MONITORING: The Human and Community Services Division (HCSD) shall conduct on-going, in-house, desk monitoring of each sub-grantee. The monitoring will be performed using:

- All documents submitted by the sub-grantee for:
  - data collection,
  - reporting, and
  - requests for funds.
- Monthly reports generated from CHIMES.

EVALUATION: Human and Community Services Division (HCSD) shall:

- Conduct an evaluation of each sub-grantee on an individual basis.

- Evaluate each sub-grantee at least once annually.
- Provide written notification to each sub-grantee of the time individuals need to be present and the subject areas to be covered at the evaluation.
- Conduct the evaluation. The file review will take place prior to the monitoring visit, and the summary of the findings will occur on site. Case files must be uploaded and cataloged in Perceptive prior to the monitoring visit.
- Randomly visit fuel vendors in the Sub-grantee service area to ensure an understanding of the LIHEAP program and to strengthen and maintain sub-grantee relationships.
- Hold an exit interview with those staff designated by the sub-grantee Director to discuss the results of the evaluation.
- Send a written report to the sub-grantee detailing evaluation results, which shall include a timetable for any corrective action.
- Maintain evaluation reports on file at the Intergovernmental Human Services Bureau (IHSB) Helena office.
- Follow-up as appropriate, including specific recommendations with technical assistance within specified timetables.

TRAINING: Human and Community Services Division (HCSD) shall:

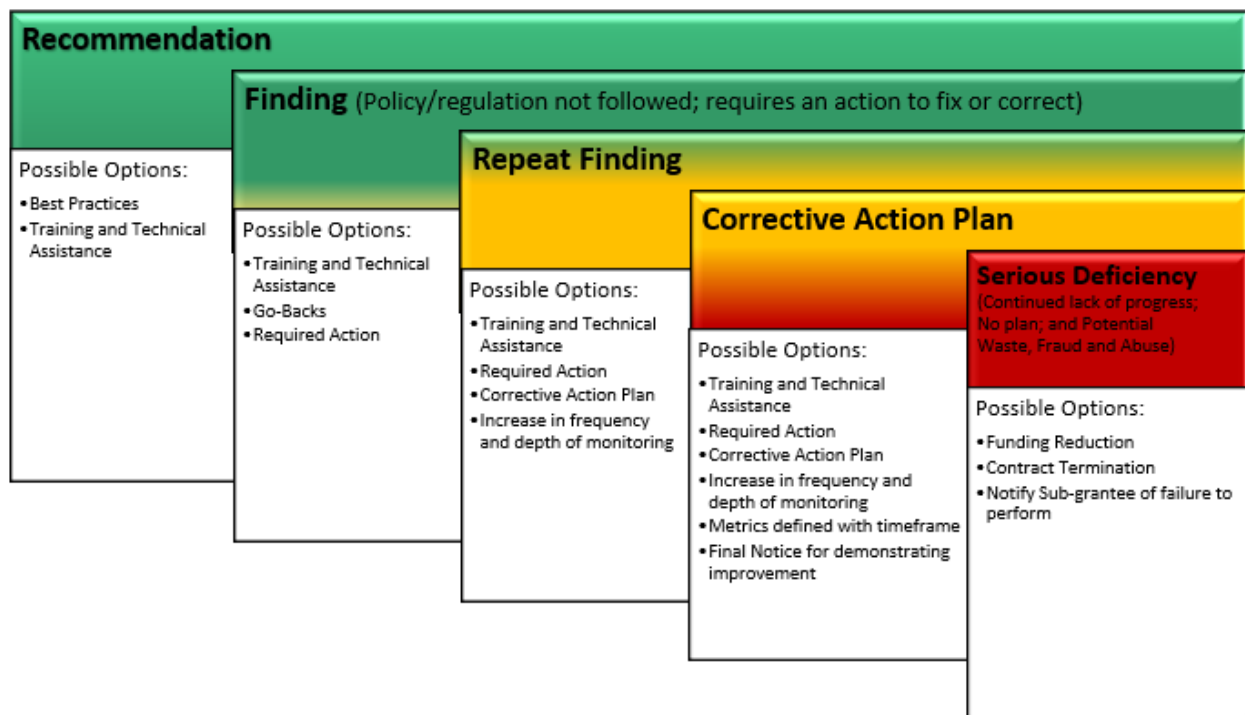
- Provide Annual LIHEAP Training covering program policy, operations, and system(s) functionality.
  - Make training materials available to Sub-grantees for internal use.
- Provide additional training as applicable throughout LIHEAP season.
- Provide engagement opportunities between HCSD and Sub-grantees as applicable throughout LIHEAP season.
- Communicate policy updates through Policy Bulletins, as applicable throughout LIHEAP season.

Sub-grantee shall:

- Ensure lead LIHEAP staff attend Annual LIHEAP Training.

- Ensure lead LIHEAP staff understand LIHEAP policy, operations, and system(s) functionality.
  - Lead LIHEAP staff must train additional/seasonal LIHEAP workers using Sub-grantees’ internal training or onboarding procedures.
  - Ensure that LIHEAP workers have the basic tools and technology training to successfully perform the job.
- Communicate any problems or additional training needs to HCSD as applicable throughout LIHEAP season.

## 6.4 Quality Improvement Sequence



If the monitoring process results in the identification of repeat findings, corrective actions, or deficiencies, a Quality Improvement Plan (QIP) including appropriate metrics and timeline for required action may be requested from the Sub-grantee. The IHSB staff will consider the seriousness of the identified issue(s) and may exercise discretion on whether a Quality Improvement Plan is appropriate or necessary. Examples include, but are not limited to the following:

- A repeat finding, corrective action or deficiency that has not been resolved within a reasonable timeframe.
- Failure of a Quality Control Inspector to adequately inspect weatherization jobs using the approved DOE field guide.
- Failure of the Sub-grantee to sufficiently monitor sub-recipients.
- A deficiency involving waste or abuse.

The Sub-grantee will have 60 days after the request to develop and submit their Quality Improvement Plan. The QIP should list actions that will be taken to correct the identified issue(s), staff responsible, and the amount of time required to reasonably implement the actions or resolve the issue(s).

The submitted Quality Improvement Plan will be reviewed by IHSB monitoring staff to ensure that it addresses appropriate actions to remedy or resolve the identified issue(s). A decision on whether the plan is approved or not will be issued within 14 days. This notification will specify the specific reason why the plan was not approved as well as the information and actions necessary for acceptance. Discretion will be exercised based on specific circumstances.

Agencies engaged in a Quality Improvement Plan will be identified as medium or high risk for the duration of the plan.

Should the Sub-grantee not comply with or work through the Quality Improvement Plan, additional actions may be taken which could include:

- Additional desk or on-site monitoring as well as increased depth of monitoring
- Final notice for demonstrating improvement and metrics defined with timeframe.
- De-certification from performing Final Inspections, Remedial training, written reprimand, and on the job training/oversite by a qualified QCI until such time as the disqualified QCI can demonstrate proficiency and be recertified (retake QCI Certification).
- Notification to BPI, employer and/or other impacted parties (Sub-grantee, State and/or Contractor) that despite remedial training efforts and repeated warnings, QCI has failed to perform and will be prohibited from performing any Final Inspections within the state's current Weatherization program for the remainder of the grant period or 1 year whichever is less or permanently depending upon circumstances.

The status of a subgrantee can improve, or decline based on how the Sub-grantee complies with repeat findings, deficiencies, and a corrective action plan. Once repeat findings, deficiencies or a corrective action plan has been resolved the Sub-grantee's status can be restored.

## **6.5 Fraudulent Acts/Sanctions**

**FRAUDULENT ACTS** – For the purpose of LIHEAP, fraud is the act of obtaining assistance to which one is not entitled, by means of willfully submitting false statements or withholding information pertinent to:

- The determination of a recipient's eligibility for assistance; or
- Benefit

- **Note:** Fraud also includes the willful retention of benefits by fuel vendors to which they are not entitled.

WILLFUL WITHHOLDING OF INFORMATION: Includes but is not limited to:

- Willful misstatements (either oral or written) made in response to oral or written questions from the sub-grantee.
- Willful failure by the recipient to report changes in status each year, at time of application or subsequent transfer to other sub-grantee jurisdictions.
- Willful failure by the recipient to report changes in status affecting the benefit award, such as family number, housing size and type, fuel type, etc.
- Willful failure by the recipient to report receipt of a benefit or payment on his/her behalf which he/she knows or should know represents an erroneous benefit award or overpayment.
- Willful transfer of property for the purpose of qualifying for assistance.

## 6.6 Fraud Referrals

SUB-GRANTEE: If an individual appears to have received assistance under LIHEAP fraudulently, the sub-grantee must report in writing all facts pertaining to the alleged fraudulent act to the Department. The Department may refer the matter to the Department of Public Health and Human Services Office of Inspector General Program Compliance Bureau.

INTERESTED PARTY: Any interested party may report any individual appearing to have received assistance under the LIHEAP fraudulently to the sub-grantee, or the Department. This referral should be done in writing. The information shall include the name of the recipient, the county in which he/she resides, and the type of assistance that he/she is receiving.

AMOUNT OF FRAUD UNDER \$10.00: When the net amount of alleged fraud is under \$10.00 no recoupment will be attempted.

REPORTING SUSPECTED FRAUD:

1. The 'LIHEAP Investigative Referral' form is completed by the Sub-Grantee with a brief explanation of events causing the referral to be made.
  - a. The sub-grantee must report, in writing, all facts pertaining to the alleged

fraudulent act to the Department.

**Note:** When the net amount of alleged fraud is under \$10.00 no recoupment will be attempted.

2. The Field Monitor will evaluate and determine if a referral is appropriate.
  - a. If not, report back to the Sub-grantee
  - b. If so, the case will be referred to DPHHS Office of Inspector General Program Compliance Bureau.
3. DPHHS Office of Inspector General Program Compliance Bureau will review the case.
  - a. If additional Information is needed the Program Compliance Bureau will contact the Sub-grantee directly.
  - b. Once investigation is complete findings will be reported to IHSB with one of the following recommendations:
    - i. Drop
    - ii. Pursue
4. The Field Monitor will review the investigative results and proceed as necessary.
  - a. Dropped cases will be reported to the Sub-grantee.
    - i. Document on the Investigation Spreadsheet
  - b. Overpayments will be calculated.
    - i. Overpayment Letter will be sent with the Fair Hearing language as provided in ARM 37.70.106
    - ii. Repayment Agreement will be sent.
5. The completed LIHEAP Investigative Referral form should be kept in the case file for future reference.
6. Overpayments will be recouped in one of the following ways:
  - a. Lump Sum Payment in Full
  - b. Installment Payments
  - c. Reduction of future LIHEAP benefits to repay entire unpaid balance.
7. Future LIHEAP and Weatherization benefits should not be provided until all overpayments are paid in full or departmental approval is provided.

**Note:** If there is no response to the repayment request, the household's tax refund may be offset to pay the LIHEAP overpayment.

**Note:** Refer to the Section on Incorrect Payments.

## 6.7 Fraud Investigation

UNIT'S OBJECTIVES: The Fraud Unit's major objectives are:

- To investigate all referrals of probable fraud from the Department of Public Health and Human Services (DPHHS) and to refer them for prosecution or civil collection.
- To coordinate fraud prosecutions with the appropriate County Attorney(s).
- To provide statistical reports on fraud activities.

FRAUD INVESTIGATOR'S CHECKLIST: The following items are presented here to show the kind of contact an investigator from the Fraud Unit will have with the staff of the sub-grantee.

These are some, but not all, of the Fraud Unit Investigator work steps.

- Discuss the case record with the sub-grantee staff who handled the case.
- Obtain all documentation that will help in the prosecution of the case, including those items that are not part of the case record. (e.g., payment checks issued by the Department, checks on behalf of the recipient issued by the Department, business office ledger cards or printouts, payroll and personnel information, court records, insurance policies, rent receipts, etc.)
- Review the case record and other evidence with the prosecuting attorney.
- Interview all witnesses as to the facts alleged in the fraud complaint.

## 6.2 Incorrect Payments

- If a LIHEAP vendor or fuel account number has been incorrectly entered in CHIMES the fuel vendor **must** return the benefit to IHSB, and the benefit reissued to the correct vendor or account.
  - Sub-grantee must update CHIMES data and notify their monitor.
  - Use case notes to provide details on the requested return from the vendor. Add the date of the request and any additional helpful information.
- When a dwelling type, income amount, resource amount, number of bedrooms and/or fuel type changes or has been incorrectly entered into CHIMES, it must be corrected to determine accurate benefit provision.
  - When a change is made which affects the benefit amount or fuel type a new AYC will be automatically generated and sent via CHIMES.



## OVERPAYMENTS:

When a fuel vendor or participant has received an excess payment, notify your IHSB Field Monitor for assistance, if required.

When it has been determined that a sub-grantee's administrative error resulted in an overpayment of LIHEAP benefits and weatherization, the Department may require the sub-grantee to repay the entire overpayment to the Department.

When the recipient is required to return the overpayment, the sub-grantee must send an overpayment letter and Fair Hearing Notification letter.

Current and future program year payments of LIHEAP benefits will be reduced by the full amount of prior overpayments, unless:

- The administrative costs would exceed the amount of overpayment.
- The fuel vendor returns the overpayment to the State.
- The recipient chooses to repay the overpayment in full.
- The recipient chooses to set up a repayment agreement.

Future LIHEAP and Weatherization benefits should not be provided until all overpayments are paid in full or departmental approval is provided.

There are no payments made by the LIHEAP computer system after a participant's closure date.

## UNDERPAYMENTS:

Whenever a fuel vendor or participant has received an underpayment, notify your IHSB Field Monitor for assistance in data entry requirements, if required.

**Note:** Overpayments and Underpayments are issued through CHIMES Benefit Issuance → LIHEAP Overpayments/Underpayments

### 6.9 Client Request for Copy of File

If a fair hearing has been requested, the client must be given copies of anything in the file related to the issue at the hearing without charge, including case notes.

If a client requests a copy of their entire file (over and above that related to a fair hearing or when no fair hearing has been requested), the Sub-grantee may charge a fee and/or staff time for copying the file pursuant to Sub-grantee policy.

EXCEPTIONS: The client is not entitled to anything in his file that was placed there with

the expectation of privacy such as:

- The name of a person who stated they wish to remain anonymous who gave a tip to the Sub-grantee regarding potential fraud by said client.
- Protected Criminal Justice Information. Information received from a law enforcement Sub-grantee or officer that is not open to the public at that time. This would include a police officer call who is investigating a crime about this client.

## **SUB-GRANTEE ORGANIZATION AND GENERAL INFORMATION**

### **7.1 State Sub-grantee Responsible for LIHEAP**

The Department of Public Health and Human Services (DPHHS) is the single state Sub-grantee responsible for:

1. Submitting the State Plan under Title XXVI, Low Income Home Energy Assistance of the Omnibus Budget Reconciliation Act of 1981.
2. Administering the State Plan with the authority to make rules and regulations governing the administration of the State Plan; and
3. Designating local administrative agencies to carry out the purposes of this Title to the extent it is necessary. The Department has the authority to make rules and regulations governing the administration of the State Plan that are binding on the sub-grantee. The Title XXVI Plan is mandatory upon the sub-grantees and is in effect throughout the state.

**LEGAL AUTHORITY:** The legal authority for the Department of Public Health and Human Services' administration of LIHEAP is Chapter No. 274, Montana Session Laws of 1981, and Executive Order No. 81-9 of the Office of the Governor.

### **7.2 Administrative Rules of Montana (ARM)**

#### **37.1.101 ORGANIZATION OF THE DEPARTMENT**

- (1) Organization of the Department of Public Health and Human Services.
  - (a) History - The Department of Public Health and Human Services was established by 1995 Laws of Montana, Chapter 546. The department is provided for in [2-15-2201](#), MCA.
  - (b) Director - The director of the Department of Public Health and Human Services, appointed by the Governor, heads the department.
  - (c) Branches and Divisions The three department branches are Operations Services, Medicaid and Health Services, and Economic Security Services supervised by branch managers, reporting directly to the director. The department has 11 divisions. The Public Health and Safety Division reports

directly to the director. Each of the divisions is headed by an administrator. The branches consist of the following divisions:

(i) Economic Security Services Branch

- (A) Disability Employment and Transition Division
- (B) Human and Community Services Division;
- (C) Child Support Services Division;
- (D) Child and Family Services Division; and
- (E) Intergovernmental and Health Services Branch.

(ii) Medicaid and Health Services Branch

- (A) Senior and Long-Term Care Division.
- (B) Developmental Services Division;
- (C) Addictive and Mental Disorders Division; and
- (D) Health Resources Division.

(iii) Operations Services Branch

- (A) Office of Administrative Hearings;
- (B) Business and Financial Services Division;
- (C) Office of Inspector General; and
- (D) Technology Services Division.

(d) Administratively Attached Boards and Councils Attached to the department for administrative purposes only are several boards and councils created by state statutes. These boards are listed in (4). Assistance from the department for the boards and councils is provided as required by [2-15-121](#), MCA.

- (2) Additional information on the divisions listed above may be obtained by accessing the [Administrative Rules of Montana \(ARM\)](#), rule 37.1.101.
- (3) General inquiries regarding the department may be addressed to the director. Specific inquiries regarding the functions of each division may be addressed to the administrator of that division. Requests for Fair Hearings should be addressed to the county or state office whose action is contested or to the Department of Public Health and Human Services, Office of Administrative Hearings, 2401 Colonial Drive, P.O. Box 202922, Helena, MT 59620-2922. Requests for Fair Hearings pertaining to child support should be addressed to the Office of Administrative Law Judge, 111 N. Jackson, Suite 2B, Helena, MT 59601. All requests for declaratory rulings and for participation in rulemaking may be addressed to the Office of Legal Affairs, unless the notice in the Montana Administrative Register makes specific provisions for submissions. The general address for the department, unless otherwise stated, is P.O. Box 4210, Helena, MT 59604-4210.
- (4) Sub-grantee Organizational Chart A descriptive organizational chart of the Department of Public Health and Human Services is available upon request.

## **GLOSSARY OF TERMS**

### **8.1 Definitions**

#### **ADVERSE ACTION –**

1. A failure of the Department to act promptly on a claimant's application for benefits.
2. A failure of the Department to provide a claimant an opportunity to make application or reapplication for benefits.
3. An action by the Department denying, suspending, reducing, or terminating benefits of a claimant; or
4. An action by the Department establishing conditions on the manner or form of benefits, including restrictive or protective payments, or establishing conditions for the receipt of benefits including a work requirement.

**ADMINISTRATIVE DEFICIENCY –** This is an error that, for technical reasons, cannot be included in the Quality Control statistics. Errors of this kind usually occur outside of the review period, or outside of the scope of the federally mandated review.

**APPLICANT –** Person 18 years or older or an emancipated minor applying for benefits for all eligible household members in the household at the time of application. The applicant does not need to be an eligible member of the household.

**ASSISTANCE UNIT or FILING UNIT –**All individuals within a household whose needs, income, and resources are considered in determining the amount of a benefit award payment for which federal financial participation is claimed.

**AUTHORIZED REPRESENTATIVE –** Legal counsel, relative, friend or other spokesman authorized by the claimant in writing to represent the claimant but does not include an employee of the Department or a local eligibility office employee.

**BASE LOAD ELECTRIC BILL -** Electricity used year-round that powers lights, plug-in appliances, and domestic water heating.

**BENEFIT –** Heating Assistance or Emergency Assistance under LIHEAP. The total amount of funds or encumbrance for the household for the current LIHEAP program year.

**BOARD –**Board of Public Health and Human Services.

**BUSINESS EQUITY –** The value of the business property exceeding obligations (for the purpose of LIHEAP) equity value more than \$25,000 will disqualify the applicant for

LIHEAP benefits.

**BUSINESS PROPERTY** – Any property used for the purpose of producing income.

**CASE ERROR** – An overpayment, underpayment, or payment to an ineligible recipient.

**CATEGORICALLY ELIGIBLE** – Households which consist solely of members receiving Supplemental Security Income (**SSI**), or Temporary Assistance for Needy Families (**TANF**), or combination of **SSI/TANF**, in the month prior to month of application are automatically financially eligible for LIHEAP benefits.

Households in which all members receive Supplemental Nutrition Assistance Program (**SNAP**) or are approved to receive SNAP in the month of application are automatically financially eligible for LIHEAP benefit awards.

**CHILD** – a person who is under age eighteen (18).

**CLAIMANT** – An applicant for or recipient of benefits from the Department, whether an individual or household, and includes the claimant's authorized representative.

**CONTIGUOUS LAND** – Contiguous land is any property adjoining the primary residence which is held on a separate deed from the primary residence. Property is considered to adjoin the primary residence if the only intervening real property is an easement or public right of way, such as a street, road or utility.

**CONVERSION or FUEL SWITCH**– The ability of eligible applicants to use their LIHEAP benefits to change their present heating system to a less costly fuel type.

**CREDIT BALANCE** – Any LIHEAP- attributable credit remaining with a fuel supplier. All fuel credits are presumed to be LIHEAP attributable unless proven otherwise by the applicant.

**DEPARTMENT** – The Department of Public Health and Human Services (DPHHS).

**DISABILITY** – Is as defined in 20 CFR 416.905, which is the basic definition of disability for Social Security law purposes.

**DISABLED PERSON HOUSEHOLD** – A household in which one (1) person who has been determined disabled by the Federal Social Security Administration (SSA) under Title II or Title XVI of the Social Security Act. Verification of disability will be determined by Supplemental Security Income (SSI) disability card, Social Security disability check, or award letter, or through SOLQ Interface in CHIMES.

**DELIVERABLE HEATING FUEL** – Heating fuel that can be delivered to the customer and stored for later use, for example, propane, fuel oil, wood, and coal.

ELDERLY – A person who is 60 years of age or older.

ELIGIBLE ENERGY COSTS – DELIVERABLE FUELS - Costs of the various types of energy supplied by the household's fuel vendors for the residence at the time of application. Eligible energy costs may include costs incurred prior to October 1 for applications filed after September 30, when the type of fuel and the vendor's normal billing procedures make the above definition impracticable.

Eligible energy costs include propane tank rental, off-route fees, re-light fees, pressure test fees, and replacing valves on portable propane tanks.

Ineligible costs: new account or equipment deposits, purchase of fuel tanks, or fuel tank setups.

ELIGIBLE ENERGY COSTS – NON-DELIVERABLE FUELS – Costs of the various types of energy supplied by the household's fuel vendors for the residence at the time of application. Excluding deliverable fuel clients, energy delivered by the household's fuel vendors prior to October 1st are ineligible for payment under the current year's program.

ELIGIBLE HOUSEHOLD MEMBER – Any individual who is a U.S. citizen, or qualified alien and is a member of a household that meets the eligibility requirements.

EMANCIPATED MINOR – An individual under the legal age of 18 who has been legally emancipated from control by his or her parents or guardian. Court documents proving this status must be provided when applicable.

ENERGY BURDEN - the percentage of a household's income which is allocated to energy costs for the household's dwelling. The energy burden is calculated by dividing the household's actual or estimated annual heating costs by the household's annual income.

EVALUATION – Is a periodic process through which the Human and Community Services Division (HCSD) determines whether the contractor is accomplishing expected activities in the time planned with the allocated resources. Evaluation is designed to gather and analyze information necessary to obtain a complete picture of the contractor's results.

FOSTER CARE HOUSEHOLDS – Any foster care child or foster care adult who lives in the household and for whom foster care payments are being made may be either included or excluded from the household at the option of the LIHEAP applicant. This option must be exercised at the time of application and cannot be changed until a new application for the next heating season is made.

FOSTER CARE PAYMENTS – Foster care payments received for a foster care child or adult may be excluded as income if the LIHEAP applicant has chosen to exclude the

foster care child or adult from the household at the time of application. Such foster care payments are not excluded if the LIHEAP applicant has chosen to include the foster care child or adult as a member of the household at the time of application. Foster care payments received by the household in the one full month prior to the month of application for a foster care child or adult that is no longer a household member at the time of application are excluded as income.

FUEL TYPES: LIHEAP heating assistance may be provided for only these allowable fuel types: Propane, Wood, Coal, Fuel Oil, Natural Gas and Electricity. Does not include portable generators, batteries, solar, gasoline, or diesel fuel.

GROSS RECEIPTS – Verification of income from self-employment, all income before any deductions, including any non-excluded income not from self-employment which was received by members of the household in the twelve months immediately preceding the month of application.

*Annual net self-employment income may also be calculated based on the federal income tax return for the calendar year immediately preceding the calendar year in which the application is filed.*

GROUP HOME – See Licensed Group-Living Situation

HEARING OFFICER – An individual hired or appointed by the Department to conduct a hearing at the request of claimants and to make findings of fact and conclusions of law and to render decisions thereon under the rules and policies of the Department.

HEAT INCLUDED IN RENT– Formerly known as Tenant Cases. Households whose rent includes utilities (heat).

HEATING NEED or HEATING OBLIGATION – Households/Applicants that are obligated to pay for fuel to heat their homes. Proof of the household's heating need and type of primary fuel for the residence must be verified.

HEATING SEASON – The period from October 1 through April 30 of the following year unless it is extended.

HOUSEHOLD – Any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common or who make undesignated payments for energy in the form of rent.

An unborn child may not be counted as a member of a household. (Also see Foster Care Household definition).

The physical address must be located within the state of Montana to be eligible for LIHEAP and weatherization benefits.

INCOME – Annualized gross income means net income from self-employment added to

all non- excluded income before deductions, including wages, salaries, commissions, tips, profits, gifts, interest or dividends, retirement pay, workers’ compensation, unemployment compensation, social security retirement and disability payments, supplemental security income payments, veterans administration payments, cash public assistance benefits such as temporary assistance for needy families or tribal, state or county general relief, and capital gains received by the members of the household for one month immediately preceding the month of application. The one-month figure will be annualized to arrive at the household’s annual income. Sale of a primary residence is excluded from income under capital gains. (See Income Section). W2’s may be used to calculate income on LIHEAP applications received in the month of January.

**INCOME AVERAGING** – The CHIMES System calculates income as follows:

- Bi-Monthly or Twice monthly = always paid two times per month, usually set dates such as 1<sup>st</sup> and 15<sup>th</sup> each month (24 paychecks/year).
- Bi-weekly = every other week throughout the year (26 paychecks per year)

<b>Pay Frequency</b>	<b>Conversion Factor</b>
Weekly	4.3
Bi- Weekly	2.15
Twice a month	2
Monthly	1
Daily	30

**INCOME LEVEL or POVERTY LEVEL** – The Office of Management and Budget (OMB) poverty income level that distinguishes the amount of benefit available to households.

**INCURMENT** – The portion of a medically needy recipient’s income that exceeds the Medically Needy Income Standard for the size of the household. In the Medically Needy case the household pays down the income to become Medicaid Eligible. Medically needy incurments, also known as spend downs, are excluded income.

**INELIGIBLE** – Denial of benefits to a household not having met income and/or resource restrictions or failing to meet non-financial eligibility requirements.

**INELIGIBLE HOUSEHOLD MEMBER** – Any individual who is not a U.S. citizen or qualified alien who is a member of a household that meets the LIHEAP eligibility requirements. An ineligible household member 18 years or older may apply for benefits on behalf of eligible household members.

**INSTITUTION OF HIGHER EDUCATION** – A college, university, or vocational or technical school at the post-high school level.



**LICENSED GROUP-LIVING SITUATION** – A facility that is licensed by the Department and in which housing is provided in a home-like setting on a long-term or permanent basis to individuals or households, including community homes for persons with developmental disabilities licensed under 53-20-305, MCA.

It does not include community homes for persons with severe disabilities licensed under 52-4-203, MCA; or youth care facilities licensed under 52- 2-622, MCA; shelters for homeless or abused individuals, halfway houses, nursing homes or convalescent centers or other residential treatment facilities which provide shelter in an institutional setting.

**LIFE THREATENING** – A life-threatening crisis exists when condition(s) are present that may cause death or severe permanent damage to the health of one or more household members. Such conditions include:

- Household is without primary heat source of electric or natural gas service, or has less than 10% of a deliverable fuel (propane, wood, coal, fuel oil)
  - and has no secondary or alternate heat source,
  - and the outside temperature is below 32°F.
- Household whose members' health and/or well-being would likely be endangered without the availability of their primary heat source or emergency cooling assistance which may include those who suffer more severe adverse effects from extreme temperature changes or exposure to extreme temperatures due to a medical condition.
- Additional special circumstances are considered on case-by-case basis and determined by LIHEAP specialists at sub-contracting local agencies.

**LOCAL CONTRACTOR (SUB-GRANTEE)** – The LIHEAP eligibility unit, local office.

**LOCAL ELIGIBILITY OFFICE (SUB-GRANTEE)** – Community-based organizations in the state that provide client education and receive and process applications for the LIHEAP and/or Weatherization Assistance Programs.

**LUMP SUM PAYMENTS** – Countable income A single sum of money paid all at once rather than in part or in installment payments.

**MEANS TESTED BENEFIT** – A benefit that requires examination of all countable income of all household members, and potentially other eligibility criteria such as household assets, to determine eligibility.

**MEANS TESTED VETERANS' PROGRAMS** – Need-based assistance for military veterans administered by the U.S. Department of Veterans Affairs. Examples may include pensions for wartime veterans, who are age 65 or older or have a permanent and total

non-service-connected disability, and who have limited income and net worth as well as needs-based programs for homeless veterans.

**MEDICALLY NEEDY** – A person or family otherwise eligible for Montana Medicaid (medical assistance) but whose income exceeds medically needy income levels. A medically needy case may or may not have an incurment.

**MOBILE HOME** – A single-wide mobile home, double-wide mobile home, or manufactured home, when connected to the required utilities (including plumbing, heating and electrical systems contained therein) and designed to be used as a permanent residence.

**MONITORING** – A series of checking functions focused on specific tasks and activities of the contracting Sub-grantee. It is a day-to-day process designed to ensure that all elements of the sub-grantee's programs are being accomplished.

**MULTI-FAMILY UNIT** – A building which contains two (2) or more shelter or rental units for living purposes. A duplex, or a home with a basement apartment, are considered multi-family units.

**NATIVE AMERICAN** – An enrolled member of a federally recognized tribe.

**NET INCOME FROM SELF-EMPLOYMENT** – Net income from self-employment means annual gross receipts minus self-employment deductions. Depreciation costs are not an allowable self-employment deduction for LIHEAP purposes.  
*Annual net self-employment income may also be calculated based on the federal income tax return for the calendar year immediately preceding the calendar year in which the application is filed.*

**NON-LIFE THREATENING** – Nonlife-threatening situations exist when household circumstances are not likely to result in the loss or quality of life without immediate heating related intervention. Nonlife threatening situations may affect the household member's comfort but do not directly cause adverse harm to health and/or well-being of individuals.

**NONTRADITIONAL DWELLING UNIT** – Structures not typically designed for year-round human habitation. This includes, but is not limited to, recreational vehicles (RV's), campers, and other structures such as storage sheds, garages, yurt, utility trailers, storage containers, railroad cars.

**OASDI** – Old Age and Survivors Disability Insurance benefits for 18 to 22 years of age who are full-time students (Social Security benefits). (Medicare deductions from Social Security benefits are excluded income.)

OFF GRID – Dwelling that does not use or depend on public utilities, especially the supply of electricity.

OVERPAYMENT – A financial assistance payment received by or for a household which is in excess by at least \$10.00 of the amount that should have been paid to or for the household.

PAID ELIGIBLE ENERGY COSTS – Heating costs paid in the form of rent, to a fuel account not in a household members' name, or paid to another party during the heating season, for the dwelling in which the household resides at the time of application.

PERMISSIBLE STATE PRACTICE – All written policy instructions issued by the Department for administering LIHEAP, so long as those written instructions are consistent with either the State Plan for LIHEAP or proposed amendments to the Plan which have been submitted to but have not been acted upon by the Department of Health and Human Services (HHS).

PRIMARY HEATING FUEL – Primary is defined as principal, not preferred, heating system or fuel.

PRIMARY RESIDENCE – Dwelling in which applicant resides most of the time.

PUBLICLY SUBSIDIZED HOUSING - Is government sponsored economic assistance aimed towards providing affordable housing for people in need.

QUALIFIED ALIEN – An alien who, at the time of application, is a qualified alien as defined by 8 U.S. Code 1641(b).

RECREATIONAL VEHICLES AND CAMPERS – Tow behind (camper, fifth wheel), self-propelled (RV, bus, camper van), or slide-in mobile units with living quarters generally including a facility for sleeping, cooking and sanitation.

REVIEW PERIOD – The specific period for which a particular assistance payment under review is received and/or the period used in eligibility determination. For LIHEAP, the review period is the one (1) month preceding the date of application.

RSDI – Retirement, Survivors and Disability Insurance. (Social Security benefits).

SELF-EMPLOYMENT DEDUCTIONS – All costs, excluding depreciation costs, necessary for the creation of any income from self-employment.

SELF-EMPLOYMENT INCOME – Gross receipts for twelve months preceding the month of application minus self-employment deductions for twelve months preceding the month of application.

This may be calculated by using either the business records provided by the applicant, or by using 60% of the annual gross receipts.

*Annual net self-employment income may also be calculated based on the federal income tax return for the calendar year immediately preceding the calendar year in which the application is filed.*

SHELTER(S) – A dwelling unit or units whose principal purpose is to house on a temporary basis, individuals who may or may not be related to one another, including homeless, students, or other individuals seeking short-term or non-permanent living situations.

SINGLE FAMILY UNIT – A building which contains a single shelter, modular or single rental for living purposes. A double-wide trailer, mobile home and manufactured home are not considered single family units. See: Mobile Homes

SNAP – Supplemental Nutrition Assistance Program is administered by the U.S. Department of Agriculture, provides nutrition benefits to supplement the food budget of needy families so they can purchase healthy food and move towards self-sufficiency.

SSA – Social Security Administration.

SSI – SUPPLEMENTAL SECURITY INCOME is administered by the Social Security Administration, is a federal income supplement program funded by general tax revenues (not Social Security taxes). It is designed to help aged, blind, and disabled people, who have little or no income; and it provides cash to meet basic needs for food, clothing, and shelter.

SSDI – Social Security Disability Insurance.

STANDARD UTILITY ALLOWANCE (SUA) – Formerly known as *Modified Benefit* or *Heat Included in Rent*. The fixed amount paid to eligible households who reside in publicly subsidized housing. The SUA LIHEAP benefit would be paid at the rate of 5% of the amount of a regular LIHEAP benefit as identified by the benefit matrix at the time of application.

- A minimum payment of \$25 or 5% of the regular LIHEAP benefit whichever is greater would be paid to the household annually.
- Households determined eligible for the publicly subsidized housing SUA LIHEAP benefit who's economic and housing situation does not change would be determined LIHEAP eligible for a period of five (5) years.

SUB-GRANTEE – Community-based organizations in the state that provide client education and receive and process applications for the LIHEAP and/or Weatherization Assistance Programs.

**SUBSIDIZED HOUSING** – Subsidized housing is government sponsored economic assistance aimed towards alleviating housing costs for low -income households. The amount of rent you pay is based on your monthly income.

**SUMMER WEATHERIZATION** – Households who applied after the heating season ended April 30, and the application cannot be processed for heating bill assistance. However, the application must be processed to determine eligibility for emergency assistance and weatherization assistance.

**TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)** – A program providing temporary financial assistance to needy families administered by the State Office of Public Assistance. States use TANF to fund monthly cash assistance payments to low-income families with children, as well as a wide range of services. TANF is a block grant and services, and procedures differ from State-to-State.

**TRADITIONAL DWELLING UNIT** – A residential housing structure, including, single family homes, mobile homes, multi-family units and a modular home when connected to the required utilities (including plumbing, heating and electrical systems contained therein) and designed to be used as a permanent residence.

**TRANSFER OF PROPERTY** – A transfer of resources or interest in resources within one (1) year of application for LIHEAP without receiving adequate consideration in money or money's worth. It is a rebuttable presumption that the transfer of property was made for the purpose of qualifying for LIHEAP.

**UNDERPAYMENT** – A benefit received by or for a household that is at least \$10.00 less than the amount that should have been paid.

**UNEARNED INCOME** – All money received that is not earned by providing goods or services. Unearned income includes, but is not limited to gifts, Social Security Income benefits, Veteran's benefits, Worker's Compensation payments, Unemployment Compensation payments, and Public Assistance grants.

**UNINTERRUPTABLE ELECTRICAL SUPPLY** – In nontraditional dwellings, when a primary heat source is electric or requires electricity for the operation of the heating appliance; it must be plugged into an uninterruptable electrical supply that is not accessing electricity from another living unit or building.

Generators, solar equipment, and batteries are not considered "uninterruptable" supplies of electricity; therefore, they may be outside the scope of LIHEAP.

**UNSAFE CONDITIONS** – Hazards, including but not limited to dangerous physical conditions, acts, or heating appliances not installed or operating according to the

manufacturer's specification that have the potential to harm or cause serious injury. The use or operation of a heating unit in such a way that may cause dangerous or unsafe conditions. Determination may be made by agency staff, or their agent, *or as client self-attestation of safety.*

**VALID LOAN** – A person's lawful promise to repay a monetary sum received from a source outside the household, including private individuals or commercial institutions, which must be repaid at a future date. Unless otherwise provided by law, the loan may be oral or written.

**VENDOR PAYMENT** – A monetary payment made on behalf of a household by a person or entity which is not a member of the household to a third party outside the household such as a creditor or a person or entity providing services or goods to the household.

**WEATHERIZATION ONLY** – Households over income for LIHEAP, but eligible for weatherization. These households are not eligible for emergency assistance.

## **8.2 Common Acronyms in LIHEAP**

**ABD** – Aged, Blind and Disabled

**ACA** – Affordable Care Act

**ANIHN** – Account Not in Household Name

**ARM** – Administrative Rules of Montana

**AYC** – About Your Case

**CFR** – Code of Federal Regulations

**CHIMES** – Combined Healthcare Information and Montana Eligibility System

**CRF** – Contingency Revolving Fund

**CSCD** – Circumstances Start/Change Data

**DC** – Data Collection

**DCBA** – Date Client Became Aware

**DPHHS** – Department of Health and Human Services

**DWH** – Domestic Water Heater

**EA** – Emergency Assistance Program

**EFT** – Electronic Funds Transfer

**FPL** - Federal Poverty Level

**HCSD** – Human and Community Services Division

**IHSB** – Intergovernmental Human Services Bureau

**IIM**- Individual Indian Money

**LIHEAP** – Low Income Home Energy Assistance Program

**MOU** – Memorandum of Understanding

**OMB** – Office of Management and Budget

**OPA** – Office of Public Assistance

**PII** – Personal Identifying Information

**PCR**- Parent, Caretaker, Relative

**PI** – Primary Individual

**QAD** – Quality Assurance Division  
**QIP** – Quality Improvement Plan  
**S-Number** – Energy Share Application Number  
**SNAP** – Supplemental Nutrition Assistance Program  
**SS, SSA** – Social Security, Social Security Administration  
**SSDI** – Social Security Disability Insurance  
**SSI** – Supplemental Security Income  
**SSP** – Self-Service Portal  
**SUA** – Standard Utility Allowance  
**T&TA** – Training & Technical Assistance  
**T-Number** – LIHEAP Application Number  
**TANF** – Temporary Assistance for Needy Families  
**TPL** – Third Party Liability  
**VA** – Veterans Assistance  
**WAP** – Weatherization Assistance Program

**APPENDIX A – TABLES FOR BENEFIT CALCULATIONS**

**9.1 Maximum Benefit AwardMatrix**

**BENEFIT MATRIX FOR THE 2024-2025 LIHEAP HEATING SEASON -08/15/2024**

<b>HOUSE - MODULAR (SINGLE FAMILY) BASE BENEFITS</b>						
#BEDROOMS	NATURAL GAS	ELECTRIC	PROPANE	FUEL OIL	WOOD	COAL
ONE	\$531	\$839	\$1,034	\$1,234	\$641	\$462
TWO	\$772	\$1,219	\$1,503	\$1,794	\$932	\$671
THREE	\$1,052	\$1,661	\$2,048	\$2,444	\$1,270	\$914
FOUR	\$1,447	\$2,286	\$2,818	\$3,362	\$1,747	\$1,258
<b>APARTMENT OR DUPLEX (MULTI FAMILY) BASE BENEFITS</b>						
#BEDROOMS	NATURAL GAS	ELECTRIC	PROPANE	FUEL OIL	WOOD	COAL
ONE	\$378	\$596	\$735	\$901	\$455	\$328
TWO	\$552	\$872	\$1,075	\$1,318	\$666	\$479
THREE	\$732	\$1,156	\$1,425	\$1,747	\$882	\$635
FOUR	\$817	\$1,290	\$1,590	\$1,949	\$985	\$709
<b>MOBILE HOME BASE BENEFITS</b>						
#BEDROOMS	NATURAL GAS	ELECTRIC	PROPANE	FUEL OIL	WOOD	COAL
ONE	\$532	\$841	\$1,036	\$1,296	\$643	\$463
TWO	\$802	\$1,266	\$1,561	\$1,952	\$968	\$697
THREE	\$1,176	\$1,857	\$2,290	\$2,865	\$1,420	\$1,022
FOUR	\$1,374	\$2,170	\$2,676	\$3,347	\$1,659	\$1,195



## 9.2 Income/Heating Degree Day Multipliers

Heating Degree Multipliers										
Percent of Poverty	LIHEAP Sub-grantees									
	AEM	D4	Opp Inc	D6	D7	RMDC	D9	CAPNM	DXI	Action Inc
0-25%	1	1.09	0.99	1.06	0.9	0.96	1.1	1.01	0.96	1.12
26-50%	0.95	1.04	0.94	1.01	0.85	0.91	1.05	0.96	0.91	1.07
51-74%	0.9	0.99	0.89	0.96	0.8	0.86	1	0.91	0.86	1.02
75-100%	0.85	0.94	0.84	0.91	0.75	0.81	0.95	0.86	0.81	0.97
101-125%	0.8	0.89	0.79	0.86	0.7	0.76	0.9	0.81	0.76	0.92
126-150%	0.75	0.84	0.74	0.81	0.65	0.71	0.85	0.76	0.71	0.87
151-175%	0.7	0.79	0.69	0.76	0.6	0.66	0.8	0.71	0.66	0.82
176-200%	0.65	0.74	0.64	0.71	0.55	0.61	0.75	0.66	0.61	0.77
>201%	0.6	0.69	0.59	0.66	0.5	0.56	0.7	0.61	0.56	0.72

### 9.3 Income Guidelines

<b>LIHEAP and Weatherization Programs</b>			
<b>2024-2025 Program Year Income Limits</b>			
<b>Number in Household</b>	<b>100% Poverty Level</b>	<b>LIHEAP and CRF Upper Income Limits*</b>	<b>Weatherization Upper Limits 200%</b>
<b>1</b>	\$15,060	\$32,102	\$30,120
<b>2</b>	\$20,440	\$41,979	\$40,880
<b>3</b>	\$25,820	\$51,857	\$51,640
<b>4</b>	\$31,200	\$61,735	\$62,400
<b>5</b>	\$36,580	\$71,612	\$73,160
<b>6</b>	\$41,960	\$81,490	\$83,920
<b>7</b>	\$47,340	\$83,342	\$94,680
<b>8</b>	\$52,720	\$85,194	\$105,440
<b>9</b>	\$58,100	\$87,150	\$116,200
<b>10</b>	\$63,480	\$95,220	\$126,960
<b>11</b>	\$71,550	\$103,290	\$143,100
<b>12</b>	\$79,620	\$111,360	\$159,240
<b>13</b>	\$87,690	\$119,430	\$175,380
<b>14</b>	\$95,760	\$127,500	\$191,520
<b>15</b>	\$103,830	\$135,570	\$207,660

\*LIHEAP and CRF Upper limit amounts:  
 Number in HH one (1) through eight (8) = 60% of the state median income.  
 Number in HH nine (9) and greater = 150% of the poverty threshold.  
 Households at 150 percent of HHS poverty guidelines with more than ten (10) members add \$8,070 for each additional member.

## 9.4 Resources Guidelines

<b>LIHEAP &amp; Weatherization</b>	
<b>2024-2025 Program Year Resource Limits</b>	
<b>Number in Household</b>	<b>Non-Business Resources</b>
1	\$13,675
2	\$20,920
3	\$22,315
4	\$23,710
5	\$25,105
6	\$26,500
7	\$27,895
8	\$27,895
9	\$27,895
10	\$27,895
11	\$27,895
12	\$27,895

Add additional \$1,395 for each member up to \$27,895 maximum per household.

### 9.5 Categorically Eligible Standard SSI Amounts (2024)

- [SSI Federal Payment Amounts](#)

Household Composition	Monthly Amount	Annual Amount
Eligible Individual	\$943	\$11,321
Eligible Couple (married, both receive SSI)	\$1,415	\$16,980

### 9.6 Categorically Eligible Standard TANF Amounts (2024)

- PAYMENT STANDARDS: (Based on 35% of 2023 FPL)
- [TANF 001 Monthly Income Standards \(mt.gov\)](#)

Household Size	Payment standards
1	425
2	575
3	725
4	875
5	1,025
6	1,175
7	1,325
8	1,475
9	1,625
10	1,775
11	1,924
12	2,074
13	2,224
14	2,374
15	2,524
16	2,674
17	2,824
18	2,974
19	3,124
20	3,274

## 9.7 LIHEAP Investigative Referral Form

**DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES  
OFFICE OF INSPECTOR GENERAL  
LIHEAP REFERRAL FORM**

<i>LIEAP USE ONLY:</i>	LIEAP CASE NO:
CASE NAME:	REPORTING AGENCY:
SSN:	REFERRED BY:
ADDRESS:	DATE:
	IHSB REFERRAL TO QAD: Yes <input type="checkbox"/> No <input type="checkbox"/>
ADDITIONAL ADULT HOUSEHOLD MEMBERS AND SSN:	REFERRED BY:
DATE OF DISCOVERY:	DATE:
DESCRIPTION OF DISCOVERY AND CIRCUMSTANCES OF REFERRAL:	<i>FRAUD &amp; RECOVERY USE</i>
	INVESTIGATOR:
	DATE REFERRED:
	DATE INVESTIGATION COMPLETED:
	LIEAP ACTION NEEDED - YES <input type="checkbox"/> NO <input type="checkbox"/>
	SNAP IPV REFERRAL - YES <input type="checkbox"/> NO <input type="checkbox"/>
	DATE RETURNED TO IHSB:

## 9.8 LIHEAP Alien Types

1. **Alien Type = Undocumented Alien – EXCLUDE**
  - Individual(s) will not be eligible for LIHEAP (Excluded Adult/Excluded Child) since he/she does not meet alien status requirement for LIHEAP/SNAP.
  - If the excluded individual is a primary applicant, LIHEAP benefits will be denied because the primary applicant is not a US Citizen or Qualified Alien.
2. **Alien Type = Battered Spouse/child –**

### **INCLUDE**

- ✓ Individual(s) will be eligible for LIHEAP if he/she has completed at least 5 years in U.S. OR
- ✓ Individual(s) will be eligible for LIHEAP if he/she is less than 18 years of age OR
- ✓ Individual(s) will be eligible for LIHEAP if he/she is blind/disabled OR
- ✓ Individual(s) will be eligible for LIHEAP if he/she was age 65 or older on 8/22/96 OR
- ✓ Individual(s) will be eligible for LIHEAP if he/she is an individual lawfully residing in the U.S. and was a Member of Hmong or Highland Laotian tribe, OR spouse of Hmong or Highland Laotian tribe, OR Unmarried surviving spouse of Hmong or Highland Laotian tribe OR  
Individual(s) will be eligible for LIHEAP if he/she is an individual lawfully residing in the U.S. and was an Unmarried dependent child of Hmong or Highland Laotian tribe AND his/her age is less than 22 years AND he/she is Full time Student.

### **EXCLUDE**

- Individual(s) will not be eligible for LIHEAP (Excluded Adult/Excluded Child) if any of the above conditions are not satisfied. This is because he/she does not meet alien status requirement for LIHEAP/SNAP
  - If the excluded individual is a primary applicant, LIHEAP benefits will be denied because the primary applicant is not a US Citizen or Qualified Alien.
3. **Alien Type = Enrolled member of an Indian Tribe - INCLUDE**
    - ✓ Individual(s) will be eligible for LIHEAP since he/she meets alien status requirement for LIHEAP/SNAP
  4. **Alien Type = Veteran - INCLUDE**
    - ✓ Individual(s) will be eligible for LIHEAP since he/she meets alien status requirement for LIHEAP/SNAP
  5. **Alien Type = Current spouse of a veteran - INCLUDE**
    - ✓ Individual(s) will be eligible for LIHEAP since he/she meets alien status requirement for LIHEAP/SNAP
  6. **Alien Type = Current spouse of an active-duty member of USAF - INCLUDE**
    - ✓ Individual(s) will be eligible for LIHEAP since he/she meets alien status requirement for LIHEAP/SNAP
  7. **Alien Type = Un Married child of a veteran - INCLUDE**
    - ✓ Individual(s) will be eligible for LIHEAP since he/she meets alien status requirement for LIHEAP/SNAP
  8. **Alien Type = Un Married child of an active-duty member of USAF - INCLUDE**
    - ✓ Individual(s) will be eligible for LIHEAP since he/she meets alien status requirement for LIHEAP/SNAP
  9. **Alien Type = Un remarried widow of a veteran - INCLUDE**

- ✓ Individual(s) will be eligible for LIHEAP since he/she meets alien status requirement for LIHEAP/SNAP
- 10. Alien Type = Hmong and other Highland Laotian veterans - INCLUDE**
  - ✓ Individual(s) will be eligible for LIHEAP since he/she meets alien status requirement for LIHEAP/SNAP
- 11. Alien Type = SSI Determined - INCLUDE**
  - ✓ Individual(s) will be eligible for LIHEAP since he/she meets alien status requirement for LIHEAP/SNAP
- 12. Alien Type = American Indian's born in Canada (50%+) - INCLUDE**
  - ✓ Individual(s) will be eligible for LIHEAP since he/she meets alien status requirement for LIHEAP/SNAP
- 13. Alien Type = LAPR (Lawfully Admitted Permanent Resident) –**

**INCLUDE**

- ✓ Individual(s) will be eligible for LIHEAP if he/she has completed at least 5 years in U.S.  
OR
- ✓ Individual(s) will be eligible for LIHEAP if he/she has met 40 qualifying work quarters.
- ✓ Individual(s) will be eligible for LIHEAP if he/she is less than 18 years of age OR
- ✓ Individual(s) will be eligible for LIHEAP if he/she is blind/disabled OR
- ✓ Individual(s) will be eligible for LIHEAP if he/she was age 65 or older on 8/22/96  
OR
- ✓ Individual(s) will be eligible for LIHEAP if he/she is an individual lawfully residing in the U.S. and was a Member of Hmong or Highland Laotian tribe, OR spouse of Hmong or Highland Laotian tribe, OR Unmarried surviving spouse of Hmong or Highland Laotian tribe OR
- ✓ Individual(s) will be eligible for LIHEAP if he/she is an individual lawfully residing in the U.S. and was an Unmarried dependent child of Hmong or Highland Laotian tribe AND his/her age is less than 22 years AND he/she is Full time Student.

**EXCLUDE**

- Individual(s) will not be eligible for LIHEAP (Excluded Adult/Excluded Child) if any of the above conditions are not satisfied. This is because he/she does not meet alien status requirement for LIHEAP/SNAP
- If the excluded individual is a primary applicant, LIHEAP benefits will be denied because the primary applicant is not a US Citizen or Qualified Alien.

- 14. Alien Type = Conditional Entry, Parolee**

**INCLUDE**

- ✓ Individual(s) will be eligible for LIHEAP if he/she has completed at least 5 years in U.S.  
OR
- ✓ Individual(s) will be eligible for LIHEAP if he/she is less than 18 years of age OR
- ✓ Individual(s) will be eligible for LIHEAP if he/she is blind/disabled OR
- ✓ Individual(s) will be eligible for LIHEAP if he/she was age 65 or older on 8/22/96  
OR
- ✓ Individual(s) will be eligible for LIHEAP if he/she is an individual lawfully residing in the U.S. and was a Member of Hmong or Highland Laotian tribe, OR spouse of Hmong or Highland Laotian tribe, OR Unmarried surviving spouse of Hmong or Highland Laotian tribe  
OR
- ✓ Individual(s) will be eligible for LIHEAP if he/she is an individual lawfully residing in the U.S. and was an Unmarried dependent child of Hmong or Highland Laotian tribe AND his/her age is less than 22 years AND he/she is Full time Student.

**EXCLUDE**

- Individual(s) will not be eligible for LIHEAP (Excluded Adult/Excluded Child) if any of the above conditions are not satisfied. This is because he/she does not meet alien status requirement for LIHEAP/SNAP
- If the excluded individual is a primary applicant, LIHEAP benefits will be denied because the primary applicant is not a US Citizen or Qualified Alien.

**15. Alien Type = Refugee - INCLUDE**

- ✓ Individual(s) will be eligible for LIHEAP since he/she meets alien status requirement for LIHEAP/SNAP

**16. Alien Type = Asylee - INCLUDE**

- ✓ Individual(s) will be eligible for LIHEAP since he/she meets alien status requirement for LIHEAP/SNAP

**17. Alien Type = Cuban/Haitian - INCLUDE**

- ✓ Individual(s) will be eligible for LIHEAP since he/she meets alien status requirement for LIHEAP/SNAP

**18. Alien Type = Deportation Withheld - INCLUDE**

- ✓ Individual(s) will be eligible for LIHEAP since he/she meets alien status requirement for LIHEAP/SNAP

**19. Alien Type = Amerasian - INCLUDE**

- ✓ Individual(s) will be eligible for LIHEAP since he/she meets alien status requirement for LIHEAP/SNAP

**20. Alien Type = Victim of Trafficking - INCLUDE**

- ✓ Individual(s) will be eligible for LIHEAP since he/she meets alien status requirement for LIHEAP/SNAP



**21. Alien Type = Iraqi Special Immigrant - INCLUDE**

- ✓ Individual(s) will be eligible for LIHEAP since he/she meets alien status requirement for LIHEAP/SNAP

**22. Alien Type = Afghani Special Immigrant - INCLUDE**

- ✓ Individual(s) will be eligible for LIHEAP since he/she meets alien status requirement for LIHEAP/SNAP

**23. Alien Type = Diplomats and Dips Families - EXCLUDE**

- Individual(s) will not be eligible for LIHEAP (Excluded Adult/Excluded Child) since he/she does not meet alien status requirement for LIHEAP/SNAP.
- If the excluded individual is a primary applicant, LIHEAP benefits will be denied because the primary applicant is not a US Citizen or Qualified Alien.

**24. Alien Type = Students (Temp Stay) - EXCLUDE**

- Individual(s) will not be eligible for LIHEAP (Excluded Adult/Excluded Child) since he/she does not meet alien status requirement for LIHEAP/SNAP.
- If the excluded individual is a primary applicant, LIHEAP benefits will be denied because the primary applicant is not a US Citizen or Qualified Alien.

**25. Alien Type = Visitors/Tourists - EXCLUDE**

- Individual(s) will not be eligible for LIHEAP (Excluded Adult/Excluded Child) since he/she does not meet alien status requirement for LIHEAP/SNAP.
- If the excluded individual is a primary applicant, LIHEAP benefits will be denied because the primary applicant is not a US Citizen or Qualified Alien.

## **APPENDIX B Combat Zones**

A combat zone is any area the President of the United States designates by Executive Order as an area in which the U.S. Armed Forces are engaging or have engaged in combat. An area usually becomes a combat zone and ceases to be a combat zone on the dates the President designates by Executive Order.

### **Combat Zone Tax Exclusions**

If you are a member of the U.S. Armed Forces who serves in a combat zone (defined below), you can exclude certain pay from your income when determining your taxes.

Hostile Fire Pay (HFP) and Imminent Danger Pay (IDP) is referred to as “Combat Pay”. It is payable at a monthly rate of \$225. It is payable in addition to all other pays or allowances. It is payable in the full amount without being prorated or reduced, for each month, during any part of which a member qualifies.

## **APPENDIX C Military Leave and Earning Statements (LES)**

The Military Leave and Earnings Statement (LES) will contain information related to "Combat Pay".

To locate "Combat Pay" on a Military Leave and Earnings Statement (LES):

Field 10, ENTITLEMENTS: The paid entitlements and allowances listed in columns. If there are more than 15 entitlements and allowances, the overflow will be printed in the remarks block. Any retroactive entitlements and allowances will be added to like entitlements and allowances.

Field 10 of an LES would reflect a payment of: HFP/IDP      \$225.00