

Chapter 7 WAP Agency's Grant Management and Program Operations

1. General Information

- 1.1. WAP Agency Qualification and Requirements
- 1.2. Weatherization Work Flow
- 1.3. Service Areas

2. Grant Management Requirements

- 2.1. Grant Conditions and Stipulations
- 2.2. Federal Flow Down Provisions
- 2.3. Single Audits
- 2.4. Grant Reporting and Payments
 - 2.4.1. Advance Payment
 - 2.4.2. Method of Payment
 - 2.4.3. Submission Timelines
 - 2.4.4. Required Documents
 - 2.4.5. Benchmark and or Other Reports
 - 2.4.6. HESWAP and DCA SAGE Databases
 - 2.4.7. Final Report
- 2.5 Grant Amendments/Revisions

3. Program Operations

- 3.1. Adequacy of Staff
- 3.2. Severance Benefits
- 3.3. Client File Contents and Standardize File Format
 - 3.3.1. Mandatory Documents Required in the General File
- 3.4. Agency Quality Control Inspections (QCI)
- 3.5. Unresponsive Client Exception
- 3.6. Records Retention
- 3.7. Equipment, Materials and Vehicles
 - 3.7.1. Weatherization Materials
 - 3.7.2. Purchase Request – Vehicles
 - 3.7.3. Disposal of Vehicles
 - 3.7.4. Transfer of Vehicles
 - 3.7.5. Purchase Request - Equipment
 - 3.7.6. Inventory Control
- 3.8. Program Income and Leveraging
- 3.9. Deferral Policy
- 3.10. Rework
- 3.11. Partial Weatherization
- 3.12. Re-Weatherization
- 3.13. Re-Weatherization of Heating Improvement Services (HIP)
- 3.14. Material and Program Support Ratio
- 3.15. Average Cost Per Unit
- 3.16. Low Expenditure in Weatherization Units
- 3.17. Exceeding Maximum Allowable Cost per Unit
- 3.18. HIP Program Support

Chapter 7 WAP Agency's Grant Management and Program Operations

3.19. Call-Back/Add-On Work for reported and completed DOE units

3.20. HESWAP

3.20.1. Vacant Unit Reporting

3.20.2. Duplicate Client

3.20.3. Expired Client Record

3.20.4. Training Requests

3.20.5. Missing Data Report

3.20.6. Addition of New Measures

3.20.7. Helpdesk

3.21. Appeals Process

3.22. Client Complaint Process

3.23. Local WAP Program Closure Procedures

Chapter 7 WAP Agency's Grant Management and Program Operations

1. General Information:

The DHCR's Office of Low Income Energy Conservation (OLIEC) contracts non-profit organizations and/or local governments to provide weatherization services to the homes of income eligible households in New Jersey. WAP Agencies will be selected to provide weatherization services based on responses to a competitive Request for Proposals (RFP). Successful RFP respondents will receive contracts which carry a term of 3 years.

1.1. WAP Agency Qualification and Requirements

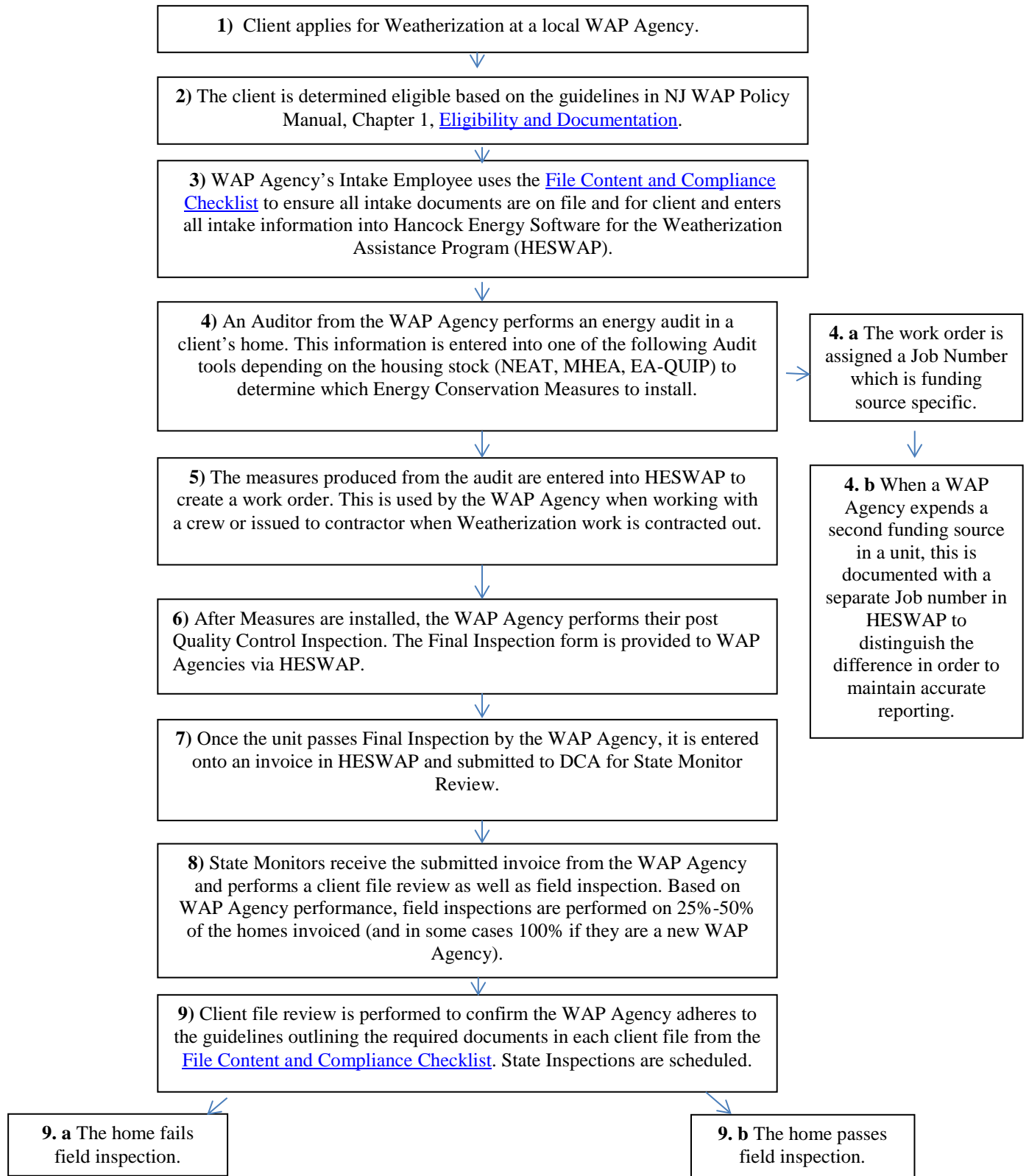
Successful applicants must have and/or meet the following criteria:

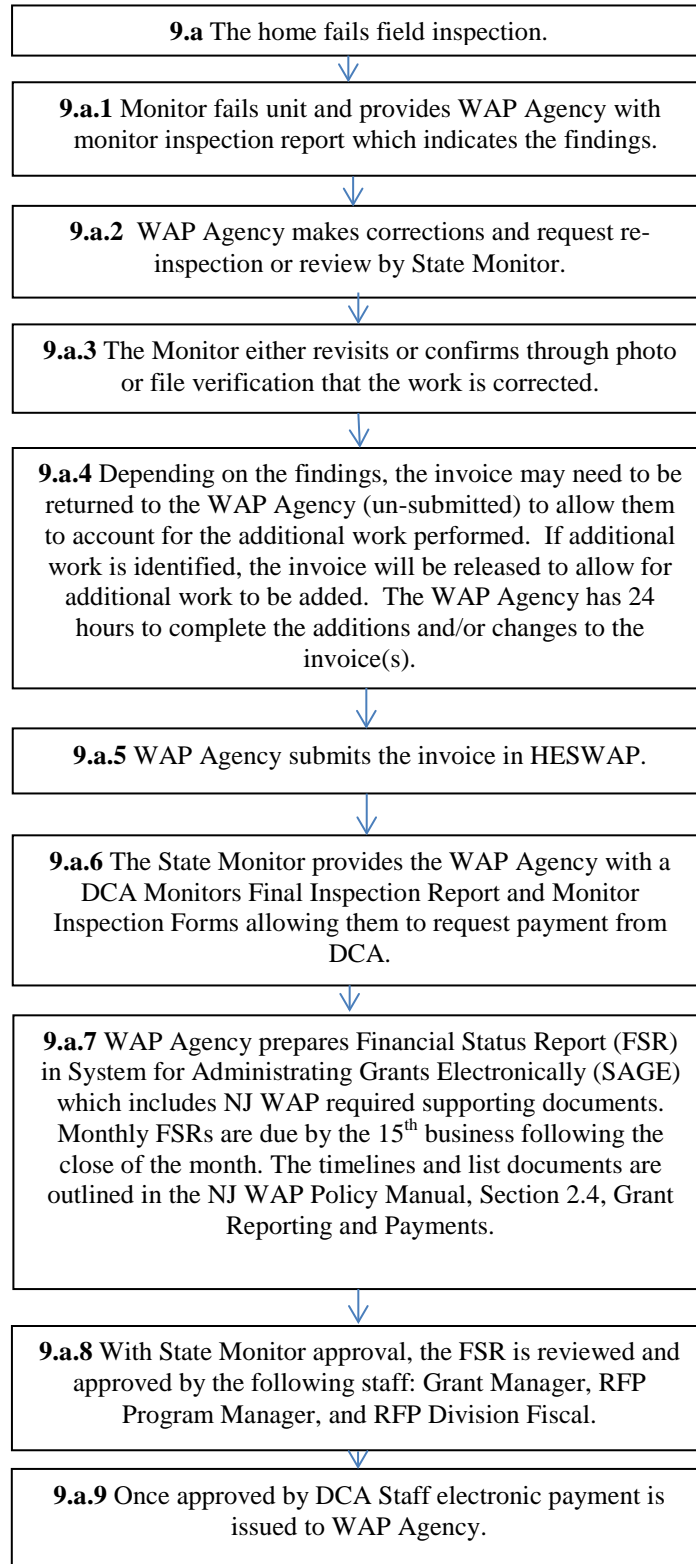
- Have the experience and the capacity to complete and undertake the program activities as reflected in the Weatherization Workflow Process chart.
- Demonstrate knowledge of the New Jersey State Plan for the Weatherization Assistance Program.
- Obtain required training, as indicated in the NJ WAP State Plan, within 30 to 60 calendar days of award. Training Plan can be found and reviewed at <http://www.state.nj.us/dca/divisions/dhcr/offices/wap.html>.
- Demonstrate the ability to accept payment on a reimbursable basis and in accordance with Grant Payments Policy.
- Demonstrate past experience in performing energy efficiency retrofits or related experience. Indicate the vehicles available and technical equipment necessary to perform all aspects of the program. Agencies with substantial need to acquire vehicles or equipment will not be discouraged. Have qualified staff or entities responsible for performing energy audits and quality assurance audits.
- Be certified as an RRP firm with the U.S. Environmental Protection Agency at the time of application.
- Effective April 1, 2015, must have on staff a Building Performance Institute (BPI)-certified Quality Control Inspector.
- Have a qualified technical field representative that is capable of performing the job duties performed by both the estimator/evaluator and the heating system specialist.

Preference is given to any Community Action Agency or other public or non-profit entity which has, or is currently administering an effective program under 10 C.F.R. § 440 et. seq. or under Title II of the Economic Opportunity Act of 1964.

Chapter 7 WAP Agency's Grant Management and Program Operations

1.2. Weatherization Work Flow





9.b.1 The home passes field inspection.



9.b.2 The Monitor provides the WAP Agency with a signed Final Inspection Report allowing them to request payment from DCA.



9.b.3 WAP Agency prepares Financial Status Report (FSR) in System for Administrating Grants Electronically (SAGE) which includes NJ WAP required supporting documents. Monthly FSRs are due by the 15th calendar day following the close of the month. The timelines and list documents are outlined in the NJ WAP Section 2.4, [Grantee Reporting and Payments](#).



9.b.4 With State Monitor approval, the FSR is reviewed and approved by the following staff: Grant Manager, RFP Program Manager, and RFP Division Fiscal.



9.b.5 Once approved by DCA Staff electronic payment is issued to WAP Agency.

1.3. Service Areas

NJ WAP is administered state-wide. The service areas are grouped into 11 target areas. Funding is based on poverty levels in each county in accordance with the most recent U.S. Census. The eleven target areas are:

- Essex
- Hudson
- Passaic
- Bergen
- Middlesex/Mercer
- Camden/Burlington
- Ocean/Monmouth
- Union/Somerset/Morris
- Atlantic/Cape May
- Cumberland/Gloucester/Salem
- Warren/Sussex/Hunterdon

2. Grant Management Requirements

2.1. Grant Conditions and Stipulations

Applicants selected through the competitive RFP process must adhere to and comply with grant conditions and stipulations stated in Sections A, B, C and D of the grant agreement. Production goals must be met in accordance with Section C. Full spend-down of grant funds is required. Section C will provide targeted percentage required on spend down and production goals to be met. There are four benchmarks indicated in Section C that will be utilized to measure and determine grant performance throughout the grant period. Additional benchmarks may be identified during the grant period as determined by OLIEC.

2.2. Federal Flow Down Provisions

There are federal stipulations that are required to be met by WAP Agency and are outlined in Section D of the grant agreement.

Drug-Free Workplace Requirements:

WAP Agency must certify compliance with the requirements of the Drug-Free Workplace Act of 1988 by completing and returning the Certification regarding Drug-Free Workplace form to the Department of Community Affairs (DCA), Office of Low-Income Energy Conservation (OLIEC). The Certification Form can be found in the Appendix. WAP Agency must comply with the requirements of this law.

Chapter 7 WAP Agency's Grant Management and Program Operations

Funding Disclosure Requirements of the Stevens Amendment:

WAP Agency, as a recipient of Federal funds must clearly state both the percentage and dollar amount of the total cost of a program or project which will be financed with Federal money. This disclosure requirement applies to any statements, press releases, requests for proposals, bid solicitations, or any other documents describing the projects or programs funded in whole, or in part, with Federal money.

Lobbying Restrictions and Disclosure:

The restrictions generally prohibit recipients of Federal grants, contracts, cooperative agreements, and loans from using appropriated funds for lobbying the executive or legislative branches of the Federal government in connection with a grant, contract, cooperative agreement, or loan. While lobbying using non-appropriated funds is permitted, disclosure reports on such activities are required along with quarterly updates should material changes occur.

Public Law 101-121; Section 319 places specific "limitation on [the] use of appropriated funds to influence certain Federal contracting and financial transactions". The law proceeds to stipulate the exact procedures that must be followed regarding the documentation and ethics involved when an entity seeks to secure Federal funding through a contract agreement, a Federal grant, a Federally-secured loan, or enter into a cooperative agreement with a Federal program or Agency. This includes the "extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement".

The act applies to any individual who is involved with the awarding of a contract, the making of a grant or loan, or responsible for entering into a cooperative agreement on behalf of an entity of the Federal government. Program participants must fulfill two (2) obligations: the filing of Declarations of Compliance and; the inclusion of documentation demonstrating compliance in a given program year when submitting the Agency annual budget justification to the sponsoring government Agency.

If a Grantee or sub grantee (WAP Agency) has received Federal funding, or a commitment to receive funding under a contract, grant, loan or cooperative agreement with any entity of the Federal government, the Agency is required to file a declaration that includes: whether or not any payments have been made or if agreement to make such a payment exists, the amount to be paid and the method of payment, the activity for which payment was or is to be received, the names and addresses of any individual that is to receive or has received payment, and certification that such payments were not made and will not be made;

The Inspector General, his designee, or the head of a Federal Agency must include an annual evaluation of the Agency's compliance with this law at the time that the Agency submits annual budget justifications to the sponsoring government entity. This evaluation must include all alleged violations during the most recently completed Program Year, and any and all actions taken by the head of the Agency.

Section 1352 of the law states that reasonable compensation to a regularly employed person getting the grant is permitted (i.e., business development expenses incurred by persons seeking subcontract with an organization that receives Federal funds). This section cannot be construed to violate the intent or specific application of this law.

Located in Appendix is the Certificate of Lobbying pertaining to restrictions on lobbying. This form is required by Section 319 of Public Law 101-121 (31 U.S.C. 1352), effective December 22, 1989. The form is required to be submitted with the grant application.

Debarment:

WAP Agency may not contract the services of licensed contractors or sub-contractors whose business or corporate license has expired; that are debarred, suspended, or proposed for debarment; or whose license, business, or corporation has had a civil judgment rendered against them within the last three years. Copy of Certificate of Debarment and Suspension can be found in the Appendix. The form is required to be submitted with the grant application.

2.3. Single Audits

Consistent with the requirements of the Single Audit Act of 1984, WAP Agency which receives DCA/OLIEC weatherization grants are required to have a single Agency-wide annual audit which complies with the Standards for Audits of Governmental Organizations, Programs, Activities and Functions (Yellow Book) issued by the U.S. General Accounting Office.

WAP Agency is required to submit a copy of the single audit directly to the Department of Community Affairs, Office of Auditing, at the time the audit is submitted to the cognizant Agency.

2.4. Grant Reporting and Payments

This section is intended to provide guidance on the required and supplementary documentation to be submitted with Fiscal Monitoring and or Program Monitoring.

2.4.1. Advance Payment

As stated in Section A of the DCA Grant Agreement signed and executed by the WAP Agency and in accordance with DCA Administrative Policy 1.70.11, 35% advance payment may be processed upon execution of the grant agreement. Requests for advances must include a written justification. Justification must be uploaded to the "Summary" link on the payment voucher on the Department of Community Affairs' System for Administering Grants Electronically (DCA SAGE).

Unless otherwise stipulated by the Grant Agreement, a grant recipient that receives an advance payment must expense the advanced funds and submit a Fiscal Status Report (FSR) certifying the expensing of the advance payment before receiving reimbursement for expenses incurred. If it has been determined that the grantee is allowed to submit a FSR for reimbursement and not apply available cash on hand, then the department, at its discretion, can decide the amount of cash on hand to apply. Such requirements shall be reflected in all Grant agreements executed by the Department.

2.4.2. Method of Payment

Succeeding payments will be made on a monthly reimbursement and contingent upon full expenditure of advance. No payment will be processed if the advance is not fully expended and reported on SAGE unless WAP Agency has obtained a waiver from the OLIEC.

If WAP Agency is facing cash flow problems more frequent reimbursement requests (FSRs) can be submitted to assure cash flow for continual program operations and production.

FSR may not be submitted on the DCA SAGE without an approved DCA Unit Inspection Report. DCA Monitor will provide the Agency with a signed Monitor's Inspection Report and HESWAP Monitor Inspection Form providing approval to submit the FSR on the DCA SAGE System. Any reports submitted on the DCA SAGE without the approval of the DCA Monitor will be automatically rejected.

DCA SAGE Payment Vouchers will be signed electronically. WAP Agency will no longer be required to print out and mail in a signed Payment Voucher. DCA SAGE will accept electronic signatures on a Payment Vouchers from anyone authorized by the WAP Agency (Grantee) with the status of Grant Administrator or Financial Officer.

WAP Agency can still view, save and print both the FSR and Payment Voucher including the electronic signature, in PDF format.

2.4.3. Submission Timelines

Production invoices must be submitted in HESWAP the 10th business day of the month for completed units to be acknowledged on monthly production goals.

FSRs must be submitted on DCA SAGE within 15 business days of receipt of the signed State Monitor's Final Inspection Report.

Chapter 7 WAP Agency's Grant Management and Program Operations

Timely submission of these reports is one of several factors considered for the Grantee Rating System as outlined in NJ WAP State Plan and as indicated in Chapter 8.

2.4.4. Required Documents

When submitting a FSR, WAP Agency must upload the following backup documentation on DCA SAGE in the "Summary" link of the Payment Voucher:

- Signed HESWAP Request for Payment and Statistical Report
- Signed DCA Monitor Inspection Report and HESWAP Monitor Inspection Form for failed units.
- If FSR includes charges for Insurance and or Financial Audit, copies of paid invoices must be uploaded.
- General Ledger reflecting expenditures reported on the FSR
- Check Register reflecting payables on expenditures reported on the FSR.
- For Multi-Family Projects, a copy of File Content and Compliance Check list indicating State Monitor's confirmation of property on HUD list.

2.4.5. Benchmark and or Other Reports

Optional interim reports can be requested by the OLIEC. The request for these reports does not relieve the WAP Agency from its contractual obligation to submit required reports.

2.4.6. HESWAP and DCA SAGE Databases

WAP Agencies are required to have executed all budget revisions and amendments on DCA SAGE prior to requesting budget updates on the HESWAP system. WAP Agencies must ensure that budget balances on both DCA SAGE and HESWAP are reconciled monthly.

2.4.7. Final Report

A final report which demonstrates that all production has been completed and all funds have been expended must be submitted no later than 30 days following the final monthly period.

2.5 Grant Amendments/Revisions

As stated in the GENERAL TERMS AND CONDITIONS FOR ADMINISTERING A GRANT/LOAN, budget revisions and or amendments are permitted and must be requested by the Recipient and approved by the Department in writing when there is

Chapter 7 WAP Agency's Grant Management and Program Operations

reason to believe a change will be necessary in the budget and/or agreement for any of the following reasons:

1. An increase or decrease in grant funding.
2. Direct and indirect budget line item transfers.
3. Budget category transfers.
4. Need to modify the period of availability of funds.
5. Changes in the project scope of services or objectives.
6. Changes in key personnel.
7. Need to sub grant, contract out or obtain the services of a third party to perform activities which are central to the purpose of the award.

The request including a justification must clearly indicate the activities and/or budget categories affected by the request for the proposed changes. Should the Department decide changes to the agreement are necessary, including any increase or decrease in the amount of compensation, a formal written amendment to the agreement will be executed between the Department and the Recipient. Once the amendment is executed, a copy must be attached to the original Grant/Loan Agreement.

Amendments requesting a reduction in production goals must be submitted prior to the end of the second quarter of the grant term. Requests after the second quarter of the grant period has ended will be automatically rejected.

3. Program Operations

3.1. Adequacy of Staff

Effective administration of the Weatherization Program at the local implementation level requires considerable skill and knowledge in a wide variety of subject areas as outlined in the NJ WAP State Plan. There are numerous methods available to meet these needs.

WAP Agency may maintain direct hire work crews (employees) or may hire sub-contractors to complete all or part of the grant activities.

The most traditional approach is to employ an already knowledgeable individual on a full-time basis. There are also innovative strategies which can supply the needed expertise. Neighboring WAP Agencies can consider a joint hire, for example, whereby one individual splits his/her time between two or more WAP Agencies. Heating system evaluations and inspections can be subcontracted on a per-job or piece-rate basis. Moreover, promising candidates can be identified within the organization and provided with learning opportunities and gradually increasing job responsibilities.

Whatever methods are used, it is the responsibility of the WAP Agency to ensure that sufficient expertise is available to operate the Weatherization Program effectively.

Chapter 7 WAP Agency's Grant Management and Program Operations

The number of full-time staff required for effective implementation is proportional to the size of the individual program. OLIEC will continue to provide cross-training opportunities to facilitate the skills development of all WAP personnel (State and Local Agency).

OLIEC encourages an ongoing program of staff development to expand the abilities of everyone involved with the program at all levels. Operational duties currently beyond the abilities of regular full-time staff should be delegated to others (through sub-contracting, job-sharing, etc.) while the missing expertise is developed.

Effective July 1, 2015, WAP Agencies must have on staff a Building Performance Institute (BPI)-certified Quality Control Inspector (QCI).

3.2. Severance Benefits

Severance benefits cannot be paid to weatherization personnel from grant funds. Expenditure of administrative and program support funds must have a direct or indirect association with the provision of weatherization service. WAP Agency personnel that retire, resign, are terminated, or separated from their position for any reason are not entitled to payments for unearned time. Earned time such as vacation or sick leave benefits are not covered by this Chapter. Severance payments, i.e., payments for time not earned, if paid must come from a WAP Agency's discretionary funds. This means funds other than Weatherization administrative or program support funds.

3.3. Client File Contents and Standardize File Format

WAP Agency must maintain clients' files that demonstrate eligibility, identified weatherization tactics, costs, final inspections, etc. All files presented to DCA State Monitors for review and approval must include documentation within every file for each client who receives weatherization services. WAP Agency is required to certify that an Agency representative has viewed the file and can attest that all required documents are found within the file. The Client File Content and Compliance Checklist must be placed on the inside cover of the file for review by a DCA State Monitor. A DCA State Monitor will randomly pick 25% of the files for a full review. The percentage for review may change according to WAP Agency's performance ranking. See Appendix for Client File Content and Compliance Check List.

WAP Agency is required to maintain current information concerning the contents of a client, facility, or building file in a file folder that either has individual sections or place separation tabs to note the different sections for: INTAKE, AUDIT/FIELD PAPERWORK, HEATER SYSTEM IMPROVEMENT SERVICES, HEALTH AND SAFETY and ADDITIONAL DOCUMENTS REQUIRED IN SPECIFIC CASES.

3.3.1. Mandatory Documents Required in the General File:

WAP Agency must maintain adequate records for each individual or family served under its weatherization contracts. A separate client file must be maintained for each client who receives weatherization services. This file must always contain the following documents in ascending order (unless a specific exemption applies) and in the file section stated below. NJ WAP issued forms can be found in the Appendix and are to be used by all participating WAP Agencies. **These documents are not to be altered and are required in all client files when applicable.**

Section 1: Intake

This section must include documentation that will provide proof of eligibility and verification of income or categorical eligibility in accordance with Chapter 1 of this Policy Manual. Please refer to the Client File Content and Compliance Checklist found in the Appendix for required documents. The documents listed, required and found in the Appendix are inclusive of any additional documents deemed necessary or identified by the WAP Agency.

Client application must be completed and verified with the weatherization manager's (or the manager's designated agent's) signature. Eligibility and WAP ranking will be calculated in the HESWAP database. WAP Agency management must ensure that the data required to support priority status per Chapter 1 is properly entered into the database. If the file has been submitted to Program Integrity and Compliance Unit (PIC) formerly known as the Income Integrity Unit (IIU), copy of memorandum must be included.

Other listed documents are:

- ✓ Signed and Completed Application
- ✓ Income Eligibility Documents and Net Rental Income Form (if applicable)
- ✓ Copies of social security cards for all household members
- ✓ Proof of Ownership (copy of mortgage deed, or rental agreement, or county tax record)
- ✓ Utility Bill and one year energy consumption usage data from the client's utility company(s) and or fuel supplier(s)
- ✓ Owner's Permission to Weatherize, Client Sign Off and Agency Final
- ✓ Renovate Right Pamphlet Receipt or Lead Free Certificate
- ✓ Health and Safety Client Intake Survey
- ✓ Affidavit for vacant Unit(s) Multi Family (5 units or more) if applicable
- ✓ Landlord/Tenant Agreement Multi Family (5 units or more) if applicable
- ✓ Landlord Contribution Agreement (LLC) if 1-4 units in building (if applicable)
- ✓ Multi-Family Building Improvement Program Escrow Agreement (Contractor)

Chapter 7 WAP Agency's Grant Management and Program Operations

- ✓ Copy of HUD list 1 or 2, if applicable
- ✓ Multi-Family Building Improvement Program Escrow Agreement (Agency Crew)
- ✓ Waiver for LLC (if applicable)
- ✓ State Historic Preservation Office Documentation (if applicable)
- ✓ Proof of No Tax Lien (if applicable)

Section 2: Audit/Field Paperwork

The documentation required in this section of the Client File must demonstrate weatherization process and or workflow. See Section 1.2 of this Chapter for the Weatherization Work Flow.

Please refer to the Client File Content and Compliance Checklist found in the Appendix for required documents. The documents listed, required and found in the Appendix are inclusive of any additional documents deemed necessary or identified by the WAP Agency.

- ✓ Copy of HESWAP install list with comments.
- ✓ A completed copy of the approved energy audit, i.e. NEAT, MHEA, or EA-Quip or other audit as specified in Chapter 4 with input and recommendations.
- ✓ Completed Data Collection/Health and Safety Assessment/Educational Material Notification. For all one to four unit buildings, Estimate Data Collection Form indicating pre and post blower door readings indicating house and fan pressure and CFM flow.
- ✓ Refrigerator Order Form and with Delivery Confirmation
- ✓ Refrigerator Replacement and Education Forms Copies of invoices for work completed in unit only if purchased specifically for the unit not within a bulk purchase. If items used from bulk, provide a copy of Inventory Form.
- ✓ Pre-and post-photographs of windows, doors, and refrigerators were replaced.
- ✓ Certificate of Insulation with pre- and post- pictures. In accordance with USDOE regulations, a permanent certificate must be posted either on or in the electrical distribution panel, fuse box, attic, rafters, or by domestic hot water heater (mobile homes). The certificate shall not cover or obstruct the visibility of the circuit directory label, service disconnect label or other required labels. The certificate shall list the predominant R-values of insulation installed in or on ceiling/roof, walls, foundation (slab, basement wall, crawlspace wall and/or floor) and ducts outside conditioned spaces. A copy of the certificate must be retained in client file.
- ✓ Photographs, if deemed necessary
- ✓ Bid Documents (if applicable)
- ✓ Documents for incidental repair – costs, proposals, etc.

Chapter 7 WAP Agency's Grant Management and Program Operations

- ✓ HESWAP Agency Final Inspection Form & QCI Inspection form (for DOE Units)
- ✓ Copy of Signed Monitor's Inspection Form
- ✓ Heating System and Hot Water Heater Improvement Survey with Carbon Monoxide (CO) testing data in accordance with testing protocols stated in Chapter 6.

The weatherization manager or designated agent will sign a certification that the work has been completed and passed final inspection. WAP Management will also enter the appropriate data in the HESWAP database required to confirm unit completion. The applicant must sign off on the completed work, and any comments entered on the sign off form must be recorded in the comments section in the HESWAP database.

For those units which are rental properties, either:

- ✓ An executed copy of the Low-Income Dwelling Weatherization Agreement (Landlord/Tenant Agreement), or
- ✓ An executed assurance that the unit is rent controlled, or
- ✓ An executed assurance that any vacant unit will be rented to an income- or categorically-eligible household within three months of the estimated date that weatherization will be completed, or within one hundred and eighty days if a publicly financed rehabilitation project is in progress. (Only for 5 or more dwelling units and WAP Agency must follow-up to ensure compliance.)

Section 3: Heating Improvement Program Services

- ✓ A completed Heating System Improvement Checklist when a heating system replacement has been completed.
- ✓ Separate bid request letters and bid proposals received indicating bid opening date and time in accordance with Chapter 6.
- ✓ Contractor(s) Order to Proceed
- ✓ Copy(s) of any required permits.
- ✓ AHRI Certification for heating/hot water heater replacement.
- ✓ Record of Agency's final test results- Heating System and Hot Water Heater Post Installation Report
- ✓ Installer Certification with test results.
- ✓ Pre and post photographs of Heating Improvement Program Services
- ✓ Utility Company "Red Tag" (a legible copy or transcription.)
- ✓ OLIEC Approval (if applicable)

WAP Agency must maintain the signed Contractor Assurance Form and Certificate of Insurance on file.

Section 4: Health and Safety

- ✓ A completed Appliance/Heating System Evaluation Form signed by the client and Agency representative.

- ✓ Determination of Lead Safe Weatherization (LSW) on dwelling built before 1978-Test. Test results must be attached and the completed form signed by a Certified Renovator.
- ✓ Checklist for Performing RRP on dwelling built before 1978 – Form must be completed and signed by Certified Renovator. Photographs of LSW setup, containment, and cleaning verification must be attached.
- ✓ Lead, Mold, Radon, Asbestos Assessment Determination
- ✓ Auditor/Inspector Checklist (ASHRAE 62.2) and Calculation Sheet
- ✓ Client Deferral Notification Form
- ✓ Radon Testing Waiver Form
- ✓ Any other Hazardous Notifications
- ✓ Photographs, if applicable

Section 5: Additional Documents Required in Specific Cases

- ✓ OLIEC Approval for Re-Weatherization and Documentation of Prior Work
- ✓ If applicable, OLIEC Supervisor and or Monitor approval for exceeding Maximum Allowable Cost Per Unit Form.
- ✓ Copy of Group Home/Shelter Dwelling Operating License
- ✓ Services for Connected Applicant Documentation

3.4. Agency Quality Control Inspections (QCI)

WAP Agencies are required to complete a Quality Control Inspection of all (100%) units weatherized before an invoice is submitted to NJ WAP for quality assurances inspections and request for reimbursement. As indicated in the executed grant agreements and Chapter 8, of the WAP Policy and Procedures Manual, all units must be inspected by a Certified Quality Control Inspector.

The date and signature of the certified QCI must be included in the report for each unit reported on an invoice and file in client or building file. The inspector is certifying that the work is complete and adheres to the Standard Work Specifications. In addition, if the unit has undergone State Quality Assurance Inspection, the certification form must be filed in client or building file.

3.5. Unresponsive Client Exception

If the client is unresponsive to legitimate requests to visit the home in order to perform a WAP Agency and or DCA final inspection, the WAP Agency must document the number of attempts made with dates of attempts (minimum of three phone calls required). The final procedure for attempting to contact the client would be in a letter format requesting client's response within 7 business days, sent via certified mail. The copy of the certified mail receipt must be retained in the file. If the client is still unresponsive the final inspection may be waived upon State Monitor review and acknowledgement that process mentioned above was followed.

3.6. Records Retention

WAP Agencies must retain records for 3 years on site and 7 years in storage after submitting the final expenditure report. Records must be maintained until completion of action on all litigation, claims, negotiations, or audits. For property and equipment, the retention period starts upon disposition of the property/equipment. (10 CFR 600.153 and NJ Records Retention Schedule)

3.7. Equipment, Materials and Vehicles

3.7.1. Weatherization Materials

Allowable weatherization materials are those materials provided in 10 CFR440, Appendix A - Standards for Weatherization Materials.

Please note the following regarding Appendix A:

- Lists only USDOE approved weatherization materials;
- Doesn't include incidental or health and safety materials;
- Provides required industry standards for most materials;
- Materials not included shall not be used with WAP funds;
- Materials must have potential to be cost effective; and
- Jurisdictional code must be followed for installing materials.

For the detailed Appendix A, please click on the link below of the NJ WAP Policy Manual Appendix:

http://www.nj.gov/dca/divisions/dhcr/offices/wap_policies.html

3.7.2. Purchase Request – Vehicles

When the acquisition of a vehicle becomes necessary, WAP Agency must complete and submit the Vehicle Purchase/Lease Approval Form to OLIEC. OLIEC will forward to US DOE, if applicable, for approval. A copy must be maintained on file at the WAP Agency to document procedural compliance with the above-referenced contracts and circular.

The WAP Agency is to adhere to the rules and regulations contained in the aforementioned documents.

Please allow a minimum of 30 business days for processing of this request and receipt of approval from US DOE.

Chapter 7 WAP Agency's Grant Management and Program Operations

Property management standards contained in OMB Circular A-110 shall apply for vehicles purchased/leased under US DOE grants.

No purchases/leases of vehicles may be made without prior approval from the US DOE. A justification for the purchase/lease must be submitted to the OLIEC.

- All purchase/lease requests must include a copy of the bid solicitation, non-collusive bidding forms signed by the bidder and the actual bid documents.
- If a vehicle is being traded in, the trade-in value must be clearly indicated on the documents.

3.7.3. Disposal of Vehicles

If a vehicle is to be sold or junked WAP Agency must submit a written request on their letterhead to OLIEC for release of lien. WAP Agency must provide copy of receipt as proof of sale or junked upon vehicle being sold or junked.

3.7.4. Transfer of Vehicles

Vehicles purchased with WAP must be transferred in the following priority:

1. To another WAP Agency;
2. To another Federally funded Program

If a WAP Agency wishes to transfer a vehicle purchased with WAP funds to either of the priority listed above, it must submit written request to OLIEC.

When transferring vehicle to another WAP Agency, OLIEC will release the lien on title to the WAP Agency that owns the vehicle. The receiving WAP Agency will be notify in writing that vehicle is to be transferred to them. Receiving WAP Agency must coordinate physical transfer of vehicle with the releasing WAP Agency and register vehicle. DCA must be listed as lien holder on the title when receiving Agency completes the transfer. DCA/OLIEC must receive the original title for the grant file. A copy of title will be forwarded to the receiving Agency.

3.7.5. Purchase Request–Equipment

Equipment purchases that exceed \$5,000 must be approved by OLIEC prior to purchase. WAP Agency must complete and submit the Equipment Purchase Form Over \$5,000 found in the Appendix Section to OLIEC for approval.

Any equipment purchased with Weatherization Funds with a value of \$1,000 and above must be entered and recorded in HESWAP.

3.7.6. Inventory Control

WAP Agencies are responsible for the development of in-house procedures designed to ensure the proper management of tools and equipment purchased, in whole or in part, with Weatherization Assistance Programs' funds.

Federal regulations, 10 C.F.R. § 600.432 (d) (1-5), set standards for the management of equipment purchased in whole or in part with Weatherization Assistance Program funds. 10 C.F.R. § 600.432 (d) (1-5) reads as follows:

Property records must be maintained that include a description of the property, a serial number or other identification number, the source of the property, who holds the title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

A physical inventory of the property must be taken and the results reconciled with the property records on a quarterly basis in HESWAP.

A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.

Adequate maintenance procedures must be developed to keep the property in good condition.

If the grantee or sub grantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

WAP Agencies must develop a procedure for the purchase, inventory, storage, maintenance, assignment, and return of all property purchased in whole or in part with Weatherization Assistance Program funds. This

Chapter 7 WAP Agency's Grant Management and Program Operations

procedure should be incorporated in each Agency's Standard Operating Procedures Manual and must, at a minimum, comply with the provisions of 10 C.F.R. § 600.432 (d) (1-5).

To comply with these regulations, a sign-out/in procedure should be developed for the assignment of property. Upon termination of employment of an individual, all such property in the possession of the employee shall be returned, prior to the date of departure, to the Agency's Property Manager or other designated individual.

Property records are to be accessible for review by DCA State Monitors or other DCA representatives. DCA State Monitors to conduct physical review of agency WAP equipment on a quarterly basis to ensure compliance with inventory maintenance records. In addition to the requirements listed in 10 C.F.R. § 600.432 (d) (1), the property records must indicate the use of any proceeds realized from the sale of the property. This use must comply with all applicable regulations.

In the case of termination of an Agency as a WAP Agency arrangements will be made with the State for disposition of property.

Any equipment purchased with Weatherization Funds with a value of \$1,000 and above must be entered and recorded in HESWAP.

3.8. Program Income and Leveraging

In accordance with 10 CFR § Chapter II Part, 10 C.F.R. § 440, Program Income is defined as any funds earned from non-federal sources during the course of performing DOE weatherization work by WAP Agencies. The income generated must be used to complete additional dwelling units in accordance with DOE rules.

Program income is subject to the specific guidance provided in the DOE Financial Assistance Rule of 10 CFR § 600, Subpart B, Section 600.124 and Subpart C, Section 600.225 as appropriate and should be treated as an addition to program funds subject to the same rules as appropriated funds. Because of changes to 10 CFR 600, DOE will stipulate, in the grant award, the program income to be treated as an addition to program funds. Property owner contributions to the program are not considered program income.

DOE defines leveraging as any non-federal resources which are used to supplement the program or are used to run a parallel program (regardless of who initiates the action) and expands energy-efficient services and/or increases the number of dwelling units completed for Weatherization eligible clients. Leveraged resources are not considered to be program income for the purposes of the Weatherization Assistance Program.

Chapter 7 WAP Agency's Grant Management and Program Operations

Under leveraging, WAP Agencies work at developing partnerships with property owners, utility companies, and other entities that generate non-federal resources for the program. As a result of this effort, there may be an associated grantee or sub grantee cost that can be paid by using a percentage of the DOE grant. This is the purpose of DOE allowing a leveraging budget category.

3.9. Deferral Policy

WAP Agency must postpone work when problems occur that cannot be remedied within the scope of allowable measures identified in the NJ WAP State Plan or other available grantee and WAP Agency funds. Building rehabilitation and hazard remediation work are beyond the scope of WAP. Units must be deferred if necessary corrective work is beyond the scope of the NJ WAP State Plan.

Clients must be notified in writing within 7 business days of the site visit wherein a determination was made to defer the project. The notification form can be found in the Appendix must include reason(s) for deferral, any testing results, and appeal rights. WAP Agencies are expected to make reasonable efforts on behalf of their clients to find alternative assistance when USDOE funds are unable to address conditions that lead to deferral. When possible, the notice shall include a list of potential Agencies with funding designed to address the specific issue which precludes a client from participating.

Additional considerations that may lead to deferral shall include other good cause which includes any condition which may endanger the health and/or safety of the occupant, work crew, or subcontractor as determined by the DCA at its sole discretion (i.e., illegal activity, pets, animal waste, and hoarding).

Housing that is substandard, or has health and safety issues that require a capital intensive investment is beyond the scope of the Weatherization Assistance Program. While this policy does not cover every scenario that may be encountered, it includes the most common issues that Agencies must address when making a decision to defer a unit.

Structural Deficiencies, includes but is not limited to the following: Foundation is compromised or roof deficiencies exceed minor repairs.

Health Hazards, includes but is not limited to the following: Sewage problems, lack of plumbing, insect or rodent infestation, lead paint flaking, asbestos flaking and severe moisture problems.

Safety/Code Violations: Faulty electrical wiring or other issues documented by a local code inspector or public utility technician.

Chapter 7 WAP Agency's Grant Management and Program Operations

Uncooperative Clients: The client is uncooperative, abusive or threatening to the crew, subcontractors, auditors, inspectors or others who must work on or visit the home.

3.10. Rework

Rework is defined as weatherization measures that were either not installed properly, missed opportunities and or failed during State Monitor Final Inspection. WAP Agency is not eligible to receive Program support when rework is required.

Rework must be approved by State Monitor in HESWAP prior to agency proceeding with rework.

3.11. Partial Weatherization

All prioritized measures from the audit that meet the SIR ratio requirement must be installed in the unit in the order of cost-effectiveness. Deviating from the audit prioritized list of measures would be considered partial weatherization. The unit will be disallowed.

3.12. Re-Weatherization

Re-weatherization is the provision or service to a dwelling unit which has previously received the same type of service. Re-weatherization is generally prohibited, although there are exceptions. Such exceptions are:

DATE OF ORIGINAL SERVICE – If the dwelling unit was originally weatherized prior to September 30, 1994, re-weatherization is permitted as the unit may not have received the full complement of weatherization services, including the use of an advanced energy audit or addressing health and safety concerns. A new energy audit must be conducted to analyze the building.

DAMAGE TO BUILDING – A previously weatherized dwelling unit which was completed after September 30, 1994 may only be re-weatherized when the dwelling unit has been damaged by fire, flood, or act of God, and repair of the damage to weatherization materials is not paid for by insurance. An estimate detailing the cost of materials must be submitted for approval to the OLIEC along with a certified copy of the insurance company's claim denial, if applicable.

WAP Agencies must maintain a list or database of homes weatherized for the purpose of cross referencing with new applications. Weatherization Agencies must maintain, at a minimum, records of homes weatherized back to September 30, 1994.

The Re-Weatherization Approval Form must be completed and submitted along with the applicable documentation to the OLIEC. Form must be signed by WAP Agency

manager and State Monitor. Form can be scanned and email to OLIEC. The Re-Weatherization Approval Form can be found in the Appendix.

3.13. Re-weatherization of Heating Improvement Services (HIP)

If a unit that has received a heating system replacement or hot water heater replacement it is eligible for re-weatherization, once the following conditions are met:

- 1) Applicant is income eligible in accordance with Chapter 1, Eligibility and Documentation. A new application must be completed.
- 2) The Grant in which the original unit was reported on is closed.

WAP Agencies must submit request to OLIEC for approval prior to commencing any work. The Re-Weatherization Approval Form must be completed and submitted with 3 proposals from contractors.

3.14. Material and Program Support Ratio

WAP Agencies cannot charge all of the cost of a unit to material or labor. When funds are leveraged for weatherization, the percentage of material and labor charged for those funds must be the same percentage as used for the weatherization expended in the building.

OLIEC reserves the right to disallow units that have material and labor ratios that are not reflective of the work reported. To avoid disallowed costs, WAP Agencies can consult with the assigned State Monitor on the proper method of charging material and labor.

Effective with 2014 WAP grants, WAP Agencies are required to maintain an average of thirty percent (30%) of the total per unit costs expended for materials. The maximum limit for program support is 70%. This will allow for labor intensive measures while ensuring the percentage of material installed per units is adequate for maximum energy savings.

3.15. Average Cost per Unit

The average cost per unit is determined by the USDOE on an annual basis and stated in executed grant agreements with WAP Agencies. Please refer to Section C of the current Grant Agreements for DOE Annual, LIHEAP WAP and HIP for the current average cost per unit.

3.16. Low Expenditure in Weatherization Units

WAP Agencies must ensure that units are provided the maximum energy efficient measures as supported by the required energy audit. If a unit is energy efficient,

Chapter 7 WAP Agency's Grant Management and Program Operations

defined as a unit that requires less than \$200 (crew) or \$400 (contractors) in material costs as indicated by the energy audit, there is no justification for expending grant funds in that unit based solely on income eligibility.

3.17. **Exceeding Maximum Allowable Cost per Unit (Regular WAP, HIP and Health & Safety)**

Regular WAP:

WAP Agency can expend the maximum allowable in selected units, however, the WAP Agency is required to monitor and maintain an average cost not to exceed the current average cost per unit as stated in Section C of the Grant Agreement for each program.

State Monitors will have authorization to approve the expenditures of \$6,987-\$7,500 without approval from the OLIEC Supervisor. The monitor's approval indicates that a review of the total cost has been completed and the additional expenditure is justified.

The WAP Agency is responsible for tracking and ensuring that the program average costs are maintained.

Any job with a total cost exceeding \$7,500 must be approved by the OLIEC Supervisor by submitting the approval form to exceed maximum allowable cost per unit.

Heating Improvement Services (HIP) Health and Safety:

Any Heating Improvement Services' job exceeding \$1,499 in total Health and Safety costs will require approval. State Monitors will have authorization to approve the expenditures of \$1,500-\$2,000. The State Monitor's approval indicates that a review of the total cost has been completed and the additional expenditure is justified. Units exceeding H&S costs over \$2,000 must be approved by OLIEC Supervisor by submitting the approval form to exceed maximum allowable cost per unit.

Health & Safety:

In order to maintain the primary energy efficiency mission of the program, H&S budgets are limited to 14% of \$4,650 or an estimated \$1,000 per unit adjusted based on actual Program Operation expenditures. WAP Agencies must maintain this H&S expenditure limit of 14%, on average, across all units reported to DCA or face disallowed costs except that DCA may approve waivers on a case-by-case basis. Waivers must be submitted to State Monitors for approval when the total H&S cost exceeds \$1,000 but is under \$1,500 for an individual unit. H&S estimates over \$1,501 for an individual unit must be approved by the OLIEC Supervisor. WAP Agencies must receive OLIEC approval to perform work in a home with estimated H&S costs in excess of \$1,000 per unit.

Chapter 7 WAP Agency's Grant Management and Program Operations

Procedure:

Approval form along with documents listed on the form must be submitted to the assigned State Monitor along with client file. State Monitor will be required to review client file and inspect the unit. State Monitor will provide Agency with a signed approval form indicating approval or denial.

If the total cost of unit exceeds \$7,500, WAP Agency is required to forward approval form with required documents and signature from both WAP Agency and State Monitor to OLIEC for approval.

The Approval Form to Exceed Maximum Allowable Cost per Unit can be found in the [Appendix](#) under Chapter 7.

3.18. HIP Program Support

For Single family units (1-4), \$800 flat fee can be charged to program support by the WAP Agency. For Multi-Family buildings (5 and above), a sliding scale will apply as follows: The first \$50,000 will be eligible for 10% Program Support, the next \$100,000 will be 5% and the balance remaining will be at 1%.

Effective August 20, 2015, Program Support for the Heating Improvement Program (HIP) will no longer be automatically calculated by HESWAP neither will WAP Agency be allowed to input amount. WAP Agency must adhere to the following process:

- For single family units, prior to submitting the invoice, WAP Agency must send an email request to HESWAP Administrator to input Program Support amount eligible based on the number of completed units indicated on the invoice. Email must include invoice # and total number of units. HESWAP Administrator will then confirm the total units and eligible program support amount in consultation with the assigned State Monitor.
- For multi-family projects, WAP agency must submit the HIP Program Support Request and Calculation Form for Multi Family Project, found in the Appendix, signed by Fiscal Officer or Weatherization Manager and assigned State Monitor, to HESWAP Administrator prior to submitting invoice. HESWAP Administrator will review and authorize the eligible Program Support in HESWAP.
- If WAP Agency is reporting multi-family project by floor, program support will be applied upon completion of the project.

3.19. Call-Back/Add-on Work for completed and reported DOE units

In accordance with WPN 11-03, additional work on units reported to USDOE by OLIEC is not allowed. When the FSR is processed on SAGE, units reported within that invoice earmarked as DOE, are reported in the quarter performance report to DOE. If additional work, missed opportunities are identified, maintenance, repairs, or

Chapter 7 WAP Agency's Grant Management and Program Operations

warranty type work are required and the unit has been reported to DOE, WAP Agency must consult with State Monitor to ensure proper allocation to LIHEAP.

3.20. HESWAP

3.20.1 Vacant Unit Reporting

1. When entering vacant units in HESWAP the following steps must be followed for the client file:
 - First Name: Vacant
 - Last Name: Unit (and include unit number) i.e. "Unit 4B"
 - Apartment number must also be entered in the Apt# field
 - Categorical Eligibility will be chosen based on the following:
 - **DOE Rule 50%**- if 50% eligibility of the occupied dwelling units must be met for duplexes and four-unit buildings
 - **DOE Rule 66%**- if no less than 66% of the occupied dwelling units must be eligible dwelling units in a complex of five or more units.
 - **DOE Vacant Rule**- if vacant units are used in a Multi Family Project to deem the building eligible then WAP agency is required to confirm that the unit(s) is (are) occupied by an eligible household (s) prior to including project on invoice for State Quality Assurance inspection or payment. Please note: Unoccupied units within multi-family buildings may be weatherized only if they will become eligible dwelling units within 180 days under a Federal, State or Local government program for rehabilitating the building or making similar improvements to the building.
2. On the Family Screen, WAP Agencies must use the following birthday: **July 1, 1990**. This is to ensure no demographics are triggered i.e. Senior Citizen or Child. No Social Security Number is to be entered in HESWAP for vacant units.
3. "No income" should be chosen for the income type for the vacant unit.
4. When a vacant unit is used in qualifying a building as eligible, The Affidavit for Vacant Units form is required to be in the file. In HESWAP, this serves as the "Categorical Eligibility" document required on the Documents page. WAP Agencies are to complete this item on the list of documents for each vacant unit. And use "Not Required" for all other documents listed.

When a vacant unit that is eligible unit is served based on the DOE Rule 50% or DOE Rule 60%, in HESWAP, "Not required" should be selected for all documents.

5. Quick Audit should always be chosen for the Audit Type on the Audit information screen. Agency is to proceed as normal when entering audit, work order, installation and inspection information for the vacant units.

3.20.2 Duplicate Client

If a WAP Agency receives a message in HESWAP stating that the address is a duplicate, an email is sent to OLIEC requesting information on the client from the originating WAP Agency listed in HESWAP. If the client did not receive weatherization (either shell or heating), the secondary WAP Agency is advised by OLIEC to contact the originating Agency to release the client record on HESWAP.

If the client received only shell or heating by the originating WAP Agency, secondary WAP Agency can provide the other (shell or heating) after receiving the order to proceed from the originating WAP Agency.

Originating WAP Agency must provide a response to the secondary WAP Agency within 5 business days, otherwise OLIEC make the final determination. The final determination will be provided in writing to both WAP Agencies.

3.20.3 Expired Client Record

If a client has not been served within a calendar year, HESWAP will automatically lock the record requiring recertification of the client record. WAP Agency must update the certification field on the Client Information Screen to reflect the new recertification date.

3.20.4 Training Requests

WAP Agencies seeking training on HESWAP must complete the HESWAP Training Request form located on WAP webpage at <http://www.state.nj.us/dca/divisions/dhcr/offices/wap.html>.

3.20.5 Missing Data Report

USDOE requires OLIEC to report demographics on units weatherized on a quarterly basis. It is imperative that all data be inputted into HESWAP in all fields noted as required. These are identified with a red asterisk. To ensure accurate demographics are reported, OLIEC will provide on a monthly basis WAP Agencies with a Missing Data Report. WAP Agency must address the Missing Data Report within 15 business days upon receipt.

3.20.6 Addition of New Measures

Any request to add an Energy Conservation or Health and Safety measure in HESWAP must be submitted in writing to DCA with the approval of your assigned State Monitor.

3.20.7 Helpdesk

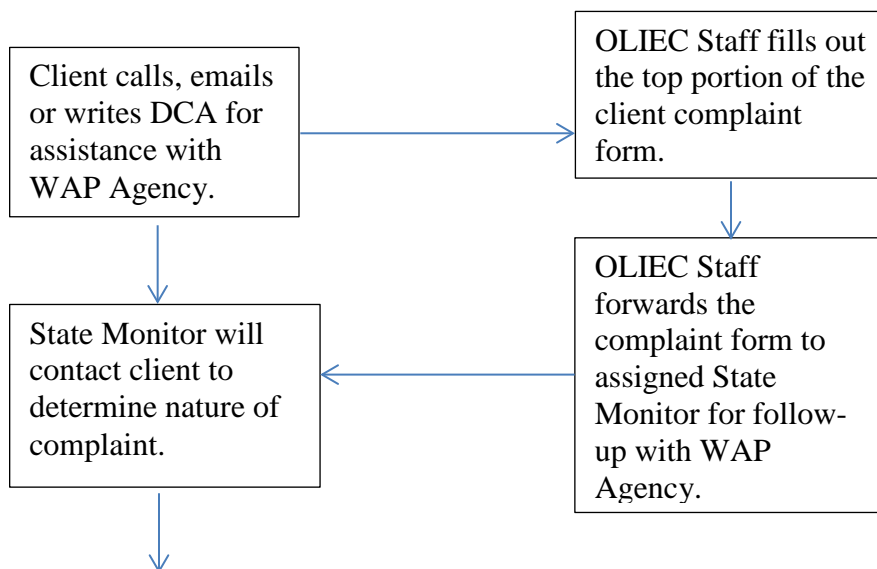
WAP Agency needing assistance troubleshooting or concerns with HESWAP must contact OLIEC via email to HESWAP@dca.nj.gov.

3.21. Appeals Process

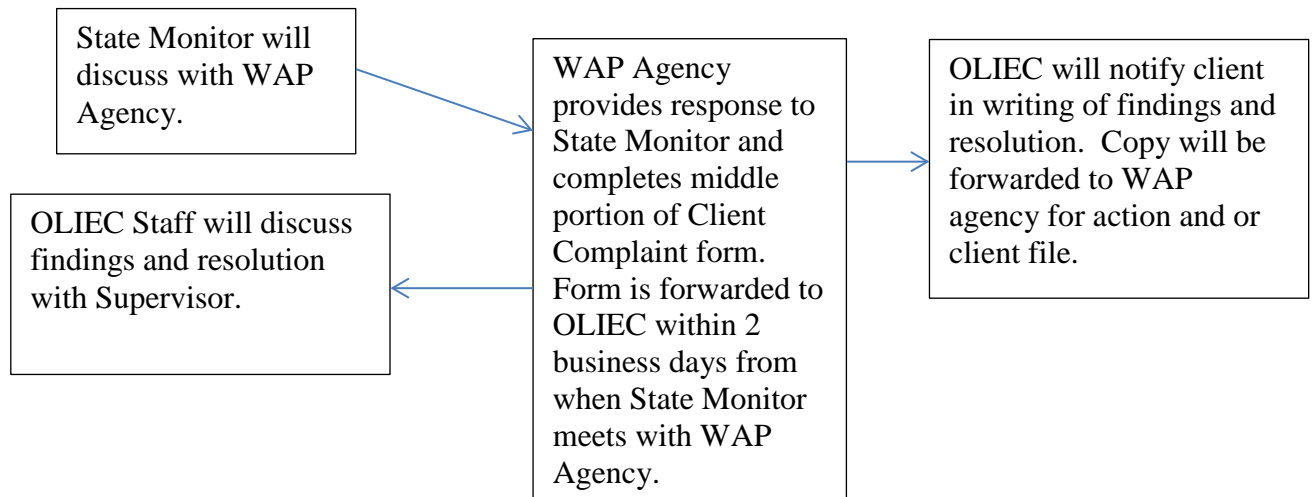
If a unit cannot be weatherized, the applicant must be notified in writing and given the option to reapply if the problem is corrected. The applicant may appeal the decision with the OLIEC. OLIEC will review the situation and advise WAP Agency and the applicant of the findings. If the deficiencies are corrected and the applicant re-applies, the WAP Agency will provide services as soon as possible, i.e., the client is not placed on waiting list.

3.22. Client Compliant Process

WAP Agencies must ensure that applicants are advised of their internal Compliant Process that will allow applicants to file formal complaints when necessary. Complaints can be filed with OLIEC when WAP Agencies are unable to resolve the matter with clients. Complaints filed with OLIEC by applicants/clients will follow the process charted below:



Chapter 7 WAP Agency's Grant Management and Program Operations



3.23. Local WAP Program Closure Procedures

The following steps must be followed if WAP Agency is to close due to internal Agency decision or defunding decision by DCA:

1. WAP Agency must officially, in writing, notify DCA of the Board's decision to close the WAP.
2. Any advances not accounted for must be returned to DCA. Check must be made payable to the Treasurer, State of New Jersey within 10 business days of notifying DCA of program closure.
3. WAP Agency must provide an inventory of WAP equipment, furniture, and or vehicles.
4. DCA will make arrangements with other Agencies for the transfer of furniture, equipment, etc.
5. If there is an available balance remaining in grant(s), WAP Agency will process amendments on SAGE for closeout.
6. OLIEC will reconcile HESWAP and SAGE to ensure all funds are accounted for.
7. WAP Agency must maintain clients in storage for a period of 7 years after the program end date. After seven years, the files can be destroyed.
8. Any open or not processed, client applications must be transferred to WAP Agency in the target area. If there are applications that are pending but not reflected in HESWAP, then those applications must be sent to OLIEC