

Texas Department of Housing and Community Affairs Comprehensive Energy Assistance Program (CEAP) Frequently Asked Questions

(Updated February 2017)

The Texas Department of Housing and Community Affairs (The Department) has created the following document to assist its CEAP funded Subrecipients to answer applicable program questions. The document contains answers to the questions the Department has received that are relevant to the network. In addition to this document, Subrecipients are encouraged to take the following steps to respond to their questions:

1. Review your CEAP Contract(s)
2. Reference applicable TAC Rules
3. Reference other applicable program rules/guidelines (OMBs, CFRs, UGMS, etc)
4. Review Department guidance on TDHCA Website

If after reading and referencing all these materials you still have questions, you may submit a program question by completing this form: <https://tdhca.wufoo.com/forms/request-for-ca-program-assistance/>

You may click on the hyperlinks below to move to the most appropriate category that applies to your question.

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GENERAL CEAP PROGRAM QUESTIONS:

For information regarding income guidelines, please refer to the Department's *Frequently Asked Income Questions* document: <http://www.tdhca.state.tx.us/community-affairs/ceap/guidance.htm>

1. Can you pay more than one bill in a month if you are using two different benefit components?

- **For example, could we pay electric in UA and also pay a disconnect for gas/propane in HCC (if a crisis criteria was met)?**

No. TAC Rule §6.309(g)(2) states *"Payments to Vendors – only one energy bill payment per month."* Subrecipients may pay only one energy bill per month. For that particular month, Subrecipients could pay the higher of those two bills, without exceeding the determined benefit amount

- **Could we pay a disconnect under HCC and current bill under UA?**

Yes. TAC Rule §6.309(g)(2) states *"Payments to Vendors – only one energy bill payment per month."* Subrecipients may pay one energy bill using both components.

2. During winter months, some residences are heated by a central heat unit that requires both electric and gas to heat the residence. Will sub-recipients be allowed to pay two vendors in the same month, in this limited circumstance, to keep the heating equipment operable in the winter months?

No. TAC Rule §6.309(g)(2) states *"Payments to Vendors – only one energy bill payment per month."* Subrecipients may pay only one energy bill per month. For that particular month, Subrecipients could pay the higher of those two bills, without exceeding the determined benefit amount.

3. If the Client has both propane and electric that is the highest in the same month, are we able to pay both bills that month or do we pick another month?

Subrecipients cannot pay both bills in the same month. TAC Rule §6.309(g)(2) states *"Payments to Vendors – only one energy bill payment per month."* Subrecipients may pay only one energy bill per month. For that particular month, Subrecipients would pay the higher of those two bills, without exceeding the determined benefit amount.

4. Can a client who is set up under UA receive the difference on their actual bill and the amount to be paid under UA with HCC assistance to cover the difference not paid with UA?

Yes, this is allowable. TAC Rule §6.309(g)(2) states *"Payments to Vendors – only one energy bill payment per month."* Subrecipients may pay only one energy bill per month. Subrecipients should have clear and sufficient documentation, both in the client file and financial documentation, to show this process.

- **EXAMPLE 1:** A client qualifies in February and is scheduled to receiving a pledge of \$100 for July under the UA component. The client's actual July bill is \$150, and July met the crisis criteria. Could the Subrecipient pay \$100 with UA, and \$50 with HCC for this client?

Yes. The Subrecipient could make the \$100 UA payment and pay the \$50 difference with HCC funds, assuming the HCC amount is still available under the client's HCC benefit amount, because while there is a payment coming out of both components, those payments in fact only pay one energy bill, so it is allowable.

- **EXAMPLE 2:** A client qualifies in February and is scheduled to receiving a pledge of \$150 for July under the UA component. The client's actual July bill is \$100, and July met the crisis criteria. Does the Subrecipient pay the \$150 UA pledge or the \$100 with HCC for this client?

The Subrecipient could either make the \$150 UA pledged payment (creating a \$50 credit going into August), or make the \$100 HCC payment, assuming the HCC amount is still available under the client's HCC benefit amount.

5. The program requires priority be given to those in the vulnerable population. If a household that

does not have one of the "vulnerable" individuals in the household nor has a high energy use or high energy burden, do we not provide services to that household until we have assisted all those that have a vulnerable individual in the household?

The TAC rules do not direct Subrecipients to serve only those with a vulnerable member in the household; the TAC does ask that you prioritize those groups that are considered vulnerable. Subrecipients should have a priority rating sheet to provide documentation that priority is occurring and following the TAC. Requirements for the prioritization of clients are outlined in TAC Rule §6.302 and TAC Rule §6.309(c).

6. What is the prioritization process that the Department wants the Subrecipient network to follow?

Requirements for the prioritization of clients are outlined in TAC Rule §6.302 and TAC Rule §6.309(c). Requirements for program assistance in accordance with these priorities are outlined in TAC Rule §6.309(d) and in TAC Rule §6.311(a) and (b). The LIHEAP statute states that the funds must be used to provide the highest level of assistance to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size. The sliding scale benefit and the priority given to households containing elderly, disabled, and children 5 and younger are meant to meet this requirement.

In accordance with all other program rules and regulations, Subrecipients should provide the maximum qualified benefit as determined within the agency's Service Delivery Plan, to the client throughout the program year, with consideration for the total benefit amount AND the number of payments provided to the client. The amount of the payments should be based on usage information and the income percentage as directed in TAC Rule §6.309(d), and the number of payments should be determined based on the number of months remaining in the contract term at the time the application is received and the determination of six or eight payments, as directed in TAC Rule §6.309(g)(1)(B) and (C).

7. Regarding high energy burden, and high energy consumption; what is considered "high"?

High Energy Burden is defined in TAC Rule §6.2(b)(24): *High Energy Burden--Households with energy burden which exceeds 11% of annual gross income (as defined by the applicable program), determined by dividing a Household's annual home energy costs by the Household's annual gross income.*

High Energy Consumption is defined in TAC Rule §2.2(b)(25): *High Energy Consumption--A Household that is billed more for the use of gas and electricity in their Dwelling Unit than the median of Low Income home energy expenditures. The amount is identified in the Contract.*

8. Can Subrecipients only provide utility assistance and not the repair of existing heating and cooling units or crisis related purchase of portable heating and cooling units?

No, all possible activities of the CEAP program must be available to clients depending upon Household needs.

9. Can agencies conduct all business by mail with the clients instead of going to sites to accept applications? We post our application online and they are also located at all utility companies in our area or we will mail applications.

No, Subrecipient cannot only use mail; Subrecipient must make reasonable accommodations. Subrecipients should consider multiple Household situations to include health and income considerations. Subrecipient should provide access for clients who cannot leave their residence.

The LIHEAP Act requires outreach activities to inform eligible households, especially vulnerable households, or households with high home energy burdens, of available assistance. Subrecipients should also attempt to serve counties equitably by considering the poverty population of each county in their service area.

10. TAC Rule §6.309(g)(10) says "In lieu of deposit required by an energy vendor, Subrecipient may make

advance payments... Advance payments may not exceed an estimated two months' billings;" What exactly does this mean?

It all depends on what the utility vendor offers. In some cases the utility vendor offers an advance payment which will be credited to the account. Deposits are usually held as security in a separate account and returned when the account is closed. Advances usually occur with vendors who operate a pay meter system. Ultimately find out if your vendor accepts deposits or advance payments. Subrecipients may apply the advance payment option to the UA Component.

11. Can faxed copies of client applications received be used or do we need originals?

Yes, faxed or scanned copies can be acceptable. There is nothing within the rules that prohibit faxed documents, just make sure all forms are signed and completed. Please refer to CEAP Contract Section on Recordkeeping.

12. In an effort to save money, can Subrecipients use electronic files? Including electronic signatures? Including WAP assessments?

The Department supports and encourages going paperless. According to the program contracts for CEAP, CSBG, and WAP, the requirement is that all the outlined information is collected and kept, but it does not specifically say it has to be in paper form; the important thing is that all the appropriate information is gathered and retained. Additionally, 2 CFR 200.333-.337 addresses record keeping requirements. Specifically, in 200.335, it outlines the option of original documents being generated electronically and there being no need to create and retain paper copies. Finally, there is even more thorough guidance in the Implementation of the Government Paperwork Elimination Act (GPEA), so please refer to all of these references for additional guidance.

- Electronic signatures need to be from the appropriate person. If the Subrecipient has the ability to collect the signatures electronically in the appropriate locations on the appropriate forms, this is acceptable. The definition and criteria for "electronic signature" is identified in GPEA Part II, Section 2.
- WAP assessments/inspections can be done electronically, yes. The signatures required must follow the guidance above. The Department is aware that there are already multiple agencies around the state that are doing assessments electronically, so peer-to-peer information sharing/networking is encouraged and could possibly be the most efficient way to make this transition if your agency wants to move that direction. Remember all program requirements are still applicable.

There are policies, procedures, and the implementation of those identified in GPEA Part I that Subrecipients should review prior to any implementation. GPEA Part II, Sections 3-9 also provide additional information on the analysis of the potential switch. The Department reminds the network that electronic files would require some things that need to be in place prior to making this transition:

- Applicable documents created as originals and un-editable after-the-fact;
- System must be secure to protect information and mitigate the risk of hacking, etc.;
- There must be a good backup process in place to prevent potential for system crashing and potentially losing information (applicable record retention remains a program requirement).
- Any other applicable safeguard for the files.

13. Are late fees to vendors an allowable program expense?

Late fees are considered penalties or fines as identified in TAC Rule §6.309(g)(11) and are not allowable.

14. Are fees assessed to a client by a company due to using less than 1000 kWh considered a penalty or fine?

Penalties or fines are not allowable program expenditures according to TAC Rule §6.309(g)(11).

However, if the bill does not specifically note a penalty or fine assessed to clients, that bill could be possibly be paid in full, according to proper program procedures.

15. If you pay the landlord for the client's utilities, do you require a vendor agreement?

Yes. Up-to-date vendor agreements are required with all vendors that receive CEAP payments. Always use the latest Vendor Agreement found on the [CEAP Program Guidance](#) page.

16. If some family members live in a house and other members live in another house right next to each other and share an electric meter and propane tank may we assist the households as a combined application?

No. TAC Rule §6.307(e) *"A Household unit cannot be served if the meter is utilized by another Household that is not a part of the application for assistance. In instances where separate structures share a meter and the applicant is otherwise eligible for assistance, Subrecipient must provide services if:*

- (1) the members of the separate structures that share a meter meet the definition of a Household per §6.2 of this Chapter;*
- (2) the members of the separate structures that share a meter submit one application as one Household; and*
- (3) all persons and applicable income from each structure are counted when determining eligibility."*

Household is defined in TAC Rule §6.2(b)(26): *"Household--Any individual or group of individuals who are living together as one economic unit. For DOE WAP this includes all persons living in the Dwelling Unit. For LIHEAP these persons customarily purchase residential energy in common or make undesignated payments for energy."*

17. Removed "electrical wiring, propane, butane tanks, and lines, etc."-- Does this include no repair of gas lines or leaks?

Repair of gas lines and or leaks would not be allowable use of CEAP funds; only those items listed in current TAC Rule §6.310(b)(3): *"Emergency deliveries of fuel up to 250 gallons per crisis per Household, at the prevailing price. This benefit may include coverage for tank pressure testing."* or under TAC Rule §6.310(b)(4)(5): *"...If any component of the central system cannot be repaired using parts, the Subrecipient can replace the component in order to repair the central system. Any service or repair of air conditioning or heating units must comply with the 2015 International Residential Code ("IRC") to ensure proper installation...."*

18. Is assistance with propane or natural gas limited only to the months of Dec, Jan, and Feb? Propane is not used to cool the home.

No. There is no distinction as to what time of year that clients that use bulk fuels are to be assisted. Each agency will need to evaluate the consumption for the various utility vendors the client uses and determine which months and type of energy bill would best benefit the client within the parameters of the CEAP.

DISABILITY QUESTIONS:

1. What defines a person with a disability?

"Persons with disabilities" is defined in TAC Rule §6.2(b)(36): *"Persons with Disabilities--Any individual who is:*

- (A) a handicapped individual as defined in 29 U.S.C. §701 or has a disability under 42 U.S.C. §§12131 - 12134;*
- (B) disabled as defined in 42 U.S.C. 1382(a)(3)(A), 42 U.S.C. §423, or in 42 U.S.C. 15001; or*
- (C) receiving benefits under 38 U.S.C. Chapter 11 or 15."*

2. Can we accept a note from their doctor that simply states the client is disabled?

No, doctor's notes are not to be accepted. Clients may now self certify themselves as disabled on the

application. Please refer to the [Texas Health and Safety Code](#): As per TAC Rule §1.24:

“(b) If Subrecipients or Affiliates collect or receive Protected Health Information in the course of administering Department programs, they are required to follow the procedures in Texas Health and Safety Code, Subtitle I, Chapter 181.

(c) A nonprofit agency is exempt from this subchapter, unless the nonprofit's primary business is the provision of health care or reimbursement for health care services.”

3. Will individuals be able to self identify as disabled? Is documentation required to support the disability?

As of January 7, 2013, program requirements will allow self-certification on the application. Additional documentation is not required to determine participation under HCC or UA. Remember, income requirements remain the same. Self certification is when a client provides information about oneself in a formal statement or in this case the application rather than being obliged to ask a third party. What this means is that a client can declare himself to be disabled and you will not be required to verify by receiving documentation from a third party such as a doctor or Social Security. This will be used only for the purpose to determine if the client falls into one of the targeted populations such as elderly, disabled, and children ages 5 and under. Please be aware that income documentation is a separate part of the application process. Documentation is needed to determine if the income is included or excluded.

- *EXAMPLE:* A client may self-certify/identify themselves as disabled on the application. However, if the client has any income that might be excluded they must provide documentation of that income.

4. Can a CEAP applicant certify a minor as disabled or another adult as disabled not present at application intake? What is the minimum documentation required for self certification?

The applicant can certify a disabled minor or another disabled household member on the application. The applicant will be self certifying when they sign the application.

TAC Rule §6.310 - HOUSEHOLD CRISIS COMPONENT (HCC):

1. What is life threatening?

TAC §6.301 defines: (3) Life Threatening Crisis--A life threatening crisis exists when at least one person in the applicant Household would be adversely affected without the Subrecipient's utility assistance, because there is a shut-off notice or a delivered fuel source is below a ten (10) day supply (by customer report) to the degree that, in the opinion of a reasonable person, the effect could cause loss of life. Examples of life-sustaining equipment include, but are not limited to, kidney dialysis machines, oxygen concentrators, cardiac monitors, and in some cases heating and air conditioning when ambient temperature control is prescribed by a medical professional. Documentation must not be requested about the medical condition of the applicant/customer but must state that such a device is required in the Dwelling Unit to sustain life.

2. Is TAC Rule §6.310(d)(3) all crisis related? Disconnect or weather related?

Weather related. TAC Rule §6.310(c)(4)(5) is all crisis related and households may receive the repair of existing heating and cooling units (not to exceed \$3,000). TAC Rule §6.310(c)(5) *“For Vulnerable Population Households regardless of weather conditions, service and repair or purchase of portable air conditioning/evaporative coolers and heating units (portable electric heaters are allowable only as a last resort), when the Household has an inoperable or there is a nonexistent heating or cooling system.”*

3. How many HCC payments could a household potentially receive for the year?

Clients may receive as many crisis payments, when properly triggered by HCC criteria (extreme weather, fuel supply, natural disasters, etc.) as their approved benefit amount will allow. However, per TAC Rule §6.310(a)(2), clients may only receive a maximum of 2 disconnect payments per program year – 2 total.

- *EXAMPLE:* If an electric disconnect is paid in March, and a gas disconnect is paid in April, that client can receive no more disconnect payments during that program year.

4. Can CEAP funds pay for the installation of the window AC Units?

TAC Rule §6.310(c)(5) states that regardless weather conditions a Household that contains a vulnerable member, may receive a window AC which is considered a portable unit. Complete installation costs, including blocking around the window AC, should be included in procurement pricing.

5. Can we purchase air conditioners/evaporative coolers for someone that has no cooling?

Yes. TAC Rule §6.310(c) *“Where necessary to prevent undue hardships from a qualified crisis, Subrecipients may provide:*

(5) For Vulnerable Population Households regardless of weather conditions, service and repair or purchase of portable air conditioning/evaporative coolers and heating units (portable electric heaters are allowable only as a last resort), when the Household has an inoperable or there is a nonexistent heating or cooling system.”

6. If there is more than one family member in the household that needs a portable unit (ex. child, elderly), are we allowed to buy 2 units?

TAC Rule §6.310(d) identifies when portable heating and cooling units can be purchased. TAC Rule §6.310(d)(1) states that purchase of more than 2 portable heating/cooling units per household require prior written approval from the Department (contact Department Training Staff for approval).

7. Regarding emergency time line - does the application have to be approved/accepted already? It seems unreasonable that a client be allowed to show up at 4:45 on Friday and allow them to get payments that day if they have are not currently determined eligible.

TAC Rule §6.310(f) states: *“The time limit commences upon completion of the application process. The application is considered to be complete when an agency representative accepts an application and completes the eligibility process.”* If the application is not yet complete, the time limit for resolution will not begin.

8. Under Household Crisis, if it is determined that a repair of existing heating and cooling equipment is necessary to resolve the crisis, how long do we have to repair/replace component(s)?

TAC Rule §6.310(f): *Time Limits for Assistance--Subrecipients shall ensure that for clients who have already lost service or are in immediate danger of losing service, some form of assistance to resolve the crisis shall be provided within a 48-hour time limit (18 hours in life-threatening situations).* TAC Rule §6.310(g): *“Subrecipients must maintain written documentation in customer files showing crises resolved within appropriate timeframes. Subrecipients must maintain documentation in customer files showing that a utility bill used as evidence of a crisis was received by the Subrecipient during the effective contract term. The Department may disallow improperly documented expenditures.”*

Please remember that for repair of existing heating and cooling equipment, Subrecipient must document that weather criteria was met, or a non-existence of heating or cooling in a vulnerable household if no weather condition, per TAC Rule §6.310(g)(4)(5).

- *EXAMPLE 1:* Client comes in on Friday morning and completes the eligibility process. The client has no heating or cooling, during a weather-related crisis, some form of cooling or heat must be provided to the resolve the crisis within 48 hours (18 hours if life-threatening).
- *EXAMPLE 2:* Client comes in on Friday morning with a disconnect notice, a pledge to prohibit their service from being disconnected resolves the crisis.

9. TAC Rule §6.310(c)(4) does not state that criteria of household must include an elderly, disabled or child age 5 and younger and the weather criteria still have to be met. However, TAC Rule §6.310(g)(4) does require the household and weather criteria. Is this correct?

TAC Rule §6.310(c)(4) refers to the service and repair of existing heating and cooling units – this does not require a vulnerable household member, just that weather criteria are met.

TAC Rule §6.310(c)(5) refers to the purchase of portable air conditioning/evaporative coolers and heating units (portable electric heaters are allowable only as a last resort) – in order to purchase these portable units, yes, the household must include at least one member that is elderly, disabled, or a child age 5 or younger AND the that the local weather crisis criteria has been met or that the client has no heating or cooling present.

10. Regarding the service and repair of existing heating and cooling units; does the service and repair cap of \$3,000 include an assessment charge to determine the type of repairs needed for the heating/cooling unit?

Yes, the \$3,000 cap includes everything associated with the service and repair of the existing heating and cooling units, which includes the initial assessment.

11. Can you please define what are the acceptable heating and cooling units allowable for repair under HCC?

There are 3 main components of a central HVAC system – condenser (AC component, typically outside); furnace (heating component, typically located in the air handler); blower (fan that blows the conditioned air throughout the house, typically located in the air handler). The heating/cooling components both utilize the blower of the system. Additionally, these 3 components have smaller parts/pieces that they need to operate functionally – parts, valves, hoses, pipes, etc. Acceptable heating/cooling repairs, not to exceed \$3,000, as triggered by a local weather crisis, could include the repair of any of the components, or parts/pieces of those components listed above; repair of any of the 3 components, repair/replacement of any of the parts/pieces of those components to make them functional and working again. Regarding TAC Rule §6.310(g), allowable CEAP expenditures no longer include “electrical wiring, propane or butane tanks, and lines, etc.” TAC Rule §6.310(c)(4)(5) states “*If any component of the central system cannot be repaired using parts, the Subrecipient can replace the component in order to repair the central system. Any service or repair of air conditioning or heating units must comply with the 2015 International Residential Code ("IRC") to ensure proper installation. Documentation of service/repair and related warranty must be included in the customer file.*” Component in this rule means one of the 3 components identified above.

Regarding the procurement for the aforementioned services, Subrecipients should contact other Subrecipients (both CEAP and/or WAP funding) in the local area to get an understanding of what repairs are applicable/common in your service area to make sure that the procured services will be able to provide the most effective and beneficial assistance to the clients.

12. Is repair to the duct system an allowable CEAP program expenditure under HCC?

The duct system delivers the conditioned air throughout the house, so yes; repair to the duct system is potentially allowable program expenditure under HCC. Repair to the duct system would be covered under the \$3,000 service/repair cap for HCC; all applicable justification and documentation is still required.

13. Regarding the service and repair of existing heating and cooling units not to exceed \$3,000: Does each individual part/component that is replaced have to be procured or can we service and repair and document as long as it does not exceed \$3,000?

Proper procurement processes must be followed when expending any program funds. A Sealed Bid or Competitive Proposal (RFP) procurement is required if Subrecipients will expend more than \$25,000 with any vendor within the program year. Small Purchase procurement procedures can be followed if expending less than \$25,000 in a program year per vendor. The Department [Procurement](#) Webpage contains step guidance for the various procurement types.

Any service/repair or replacement of all components cannot exceed \$3,000. As an example if a gas valve (\$350), a control board (\$300), and blower fan motor (\$175) are not working on a central furnace, weather crisis has been met, all three components can be serviced/repared or replaced but the total cost cannot exceed \$3,000. In the example provided, the total cost of \$825.00 does not exceed \$3,000, the

total amount allowable to resolve the crisis. The RFP procurement should include enough information to cover every conceivable “component” that may need serviced/repaired, or replaced. If however, a particular part including labor was not procured for, then the spending limits according to TAC Rule §1.404, Purchase and Procurement Standards, are applicable.

14. What if the house does not have a conventional HVAC system? Say for instance a central furnace and evaporative cooler, with a shared duct system, is that considered a “central system?” Could the components of the furnace either of those heating/cooling components be replaced to repair the central system, if HCC criteria was met?

Refer to TAC Rule §6.310(c)(4)(5). The spirit of the rule is that a central system is when both a heating and cooling unit share a duct system to heat/cool the entire home. In the case described above, yes, the replacement of either of those components could be allowable program expenditures. Remember there is a \$3,000 cap for this aspect of the rule.

- *EXAMPLE 1:* Home has a typical HVAC system, with a furnace/air handler inside, and condenser outside. The HVAC system uses the duct system to heat/cool the house. In this case, repairing any aspects of those components, or possibly replacing one of those 3 major components could be done in an effort to repair the central system, when a local weather crisis has been met.
- *EXAMPLE 2:* Home has an evaporative cooler and a central furnace that share a duct system to heat/cool the entire house. In this case, either of those heating/cooling components could be replaced individually in an effort to repair the central system, when a local weather crisis has been met.
- *EXAMPLE 3:* Home has window air conditioners and a central furnace, then the central furnace is not a component of a “central system” and therefore cannot be replaced, but could still be repaired under the crisis component when local weather crisis has been met.

15. If the unit they have can't be repaired. Can we replace it?

That depends on what is meant by “unit.”

If “unit” means a portable unit, like room AC, etc, then yes: TAC Rule §6.310(c)(4)(5). If “unit” means central system, then no: TAC Rule §6.310(d)(3) *“Replacement of central systems and combustion heating units is not an approved use of crisis funds.”*

16. Subrecipients have said blankets can be purchased if the agency meets their definition of crisis as written in the CEAP SDP. What sort of approval process would we need from the department in order to purchase blankets if we meet our definition of a crisis?

Please refer to TAC Rule §6.310(e). In order to purchase blankets under HCC, a natural disaster must occur first then resulting in energy supply shortages or other energy-related emergencies would have needed to have affected your service area. If this has occurred in your service area then procurement procedures would need to be implemented. If the purchase is under \$25,000, then the small purchase procurement method can be utilized. For small purchase only three bids need to be documented. If the purchase is over \$25,000, the competitive process, such as Sealed Bid or Request for Quotes, would need to be utilized.

17. Is it allowable this year to assist clients with purchase of propane using HCC funds?

Yes, the purchase of propane is allowable under HCC. Under HCC, once the weather crisis has been met, Subrecipients may make a propane payment up to 250 gallons. This benefit may include coverage for tank pressure testing. Refer to TAC Rule §6.310(c)(3).

18. Can Subrecipients pay for the replacement of a propane valve, including service call charge, with HCC funds?

No, valve replacement (Labor & Materials) may not be charged to the HCC component. Refer to TAC

Rule §6.310(c)(3): “Emergency deliveries of fuel up to 250 gallons per crisis per Household, at the prevailing price. This benefit may include coverage for tank pressure testing.”

TAC Rule §6.311 - UTILITY ASSISTANCE COMPONENT (UA):

- 1. We have clients that have the Lite-Up credit reflected on the past 12 months billing history. How should we proceed with determining which months to pay under U.A.?**

TAC Rule §6.309(g)(1)(a) *Subrecipients may make utility payments on behalf of Households based on the previous twelve (12) month's home energy consumption history, including allowances for cost inflation. If a twelve (12) month's home energy consumption history is unavailable, Subrecipient may base payments on current program year's bill or utilize a Department-approved alternative method. Subrecipients will note such exceptions in client files. Benefit amounts exceeding the actual bill shall be treated as a credit for the client with the utility company.*

Agencies should use the 12-month billing history to determine the highest six or eight months of consumption. This may create a credit or a balance due on the client's utility bill in future months.

- 2. How do we treat propane consumption history when trying to determine monthly consumption?**

Department staff believes that what is in the client's best interest, and will not harm the CEAP program, is to:

Obtain the client's 12 month billing history; including 12 month's worth of propane payments, and base the amount to pay on the client's highest monthly utility bills. The months they filled their propane tank, would possibly be some of the highest months. The 12 month billing history for propane will not consist of an amount for each month; as other utility bills do—however, it will need to be a 12 month history. You may make the payment for propane and mark that as one bill payment.

- *EXAMPLE:* Eligible client (with benefit allowance of \$1,200) comes in February and has no propane and the household crisis component has not been triggered. The 12 month consumption history for the client's propane bill is \$500 payment in February, \$200 payment in July, and \$500 in October. When comparing the consumption history of the utilities (electric and propane) for the client to determine the 6/8 highest months, you would use those 3 propane payments as monthly payments – do not divide the propane payment by the number of months the propane covered. In this example, if the February propane payment of \$500 is one of the highest 6/8 months, then that \$500 payment could be made for propane. If the February payment was the first payment for the client under UA, then the client would have \$700 of benefit remaining for 5/7 remaining highest bills between electricity and propane.

- 3. In the Poverty Guidelines. TAC rules identify (\$1200 = 0-50%), (1100 = 51-75%) and \$1000 = (76-150% or if categorically eligible). If the poverty level falls in between for ex.: 50.1% through 50.9%, what benefit level do we provide to the client?**

Agencies should round *down* to avoid under applying the benefit. So if the client's income falls in between the percentages but less than the next highest or lower percentages, please apply the benefit associated with the whole number. For example if the client's income falls at 50.9%, that is less than 51%, \$1,200 would be the maximum benefit. Likewise if the income calculates at 75.9% the maximum benefit would \$1,100. So just use the whole numbers to apply the benefit amount.

- 4. Under UA, do we pay current bill/arrears PLUS 6/8 payments? Or is it current bill and 5/7 more payments?**

The 6/8 payments include the initial payment of current bill and arrears, up to the maximum benefit amount for the client.

- 5. Under UA, Subrecipients are allowed to pay up to 6/8 months of highest bills based on billing**

history. The question is, does the Subrecipient go ahead and commit those funds and make payments at time of enrollment in program? Or does the Subrecipient have to wait for clients to come in and bring bills and pay only on highest months per billing history? Or do we pay as they come in to request the assistance every month?

Subrecipients may commit to the client for the 6/8 highest bills, based on their 12 month billing history, not to exceed the maximum benefit allowance. The actual pledge/payment needs to be made in the appropriate month for the payment. The client only needs to bring in monthly bills if you do not have 12 months billing history available.

- 6. If there is a household that has a 5yr old or younger can they be set up on 8 payments? They don't have to have an elderly or disabled person in the home, correct?**

According to TAC Rule §6.302, the vulnerable groups are: elderly, disabled, and children 5 or younger. Any household with at least one member in this vulnerable group qualifies the household for the applicable benefits.

- 7. Can Subrecipients require activities of applicants whose household does not have a member of a vulnerable group to receive that household's initial payment for the UA Component?**

UA is outlined in TAC Rule §6.311. UA will require Subrecipients to combine home energy payments with energy conservation tips, and coordination with other services in or order to assist the household to reduce their home energy needs. The TAC will not require any activities from the client.

- 8. If the client does not have a complete twelve (12) month consumption history, what options do Subrecipients have for making UA pledges?**

For clients with incomplete consumption histories, Subrecipients must note the reason for the incomplete consumption history (recently moved, changed utility companies, etc) in the client file, and then utilize one of the following two options to make UA pledges, in accordance with TAC Rule §6.309(g)(1)(A):

Subrecipients may base payments on current program year's bill. Subrecipient would obtain the monthly bill from the client, and make the payment based on that month's bill, or Subrecipients can utilize a Department-approved alternative method to determine the UA pledges. The alternative method needs to be provided to Community Affairs Program Administrators for review and approval, annually, prior to implementation of the alternative method.

- 9. If the client has an incomplete billing history, what guidance can the Department give the network about the requirements for the "Department-approved alternative method" to be used if there is an incomplete billing history?**

For clients with incomplete consumption histories, Subrecipients must refer to TAC Rule §6.309(g)(1)(A). In order to utilize the "Department-approved alternative method," Subrecipients must submit the alternative method, both the final data as well as the process used to get to that final data, to Department [CA Program Administrators](#) for review. Subrecipients must receive written approval of the alternative method from the Department prior to utilizing any alternative method.

The most used option for the alternative method option has one where the Subrecipient determines the average consumption amount (kWh, therms, MCF, gallons, etc), per month, for each household size and type. A separate calculation must be made for single family site built homes, multifamily units, and mobile homes. Parameters for using this method:

The sample size must be at least 30 files with complete billing histories, per household size:

- a. 30 files for 1 person households;
- b. 30 files for 2 or 3 person households;

- c. 30 files for 4 or 5 person households;
 - d. 30 files for 6 or 7 person households;
 - e. 30 files for 8 or 9 person households
 - f. 30 files for 10+ person households;
 - i. If Subrecipients do not have at least 30 files per household size to pull to create an average consumption amount, use all the applicable files to determine the average consumption; make documentation of the lack of files for that household size.
- The data collected from these files must be averaged, per household size, to determine the average consumption amount (kWh, therms, MCF, gallons, etc) per household size.
 - From that average consumption amount, Subrecipients can then apply the appropriate charge per kWh, therms, MCF, gallons, etc, for the applicable utility vendor to the average consumption usage to get the most accurate billing amount for the client. These are the billing amounts that the Subrecipient must use to select the appropriate UA pledges for the remainder of the program year for those clients that do not have a complete billing history.
 - These amounts should also be used to compute the energy burden for the household.
 - Subrecipients may use this data to determine payments for pre-paid meter clients who do not have a billing history.
 - Subrecipients must keep in mind the benefit amount, as outlined in TAC Rule §6.309(d), and the number of potential payments, as outlined in TAC Rule §6.309(g)(1)(B) and (C).
 - To ensure that the most up-to-date billing and usage information is used, Subrecipients must update the data used (pull new files, use current utility rates, etc) to calculate the average prior to the beginning of each program year

BUDGETS/REPORTING QUESTIONS:

1. What will the Administration and Program Services Cost (PSC) percentages be?

The applied percentages are outlined in your CEAP Contract, and may vary from year to year. For the 2017 program year, the percentages are set at 7.22% for Admin and 13.29% for PSC. These percentages are calculated based on the expenditure of direct service dollars.

2. Please provide an overview on what is allowable under Admin and Program Services Costs.

Please refer to TAC Rule §6.308. Additional guidance can currently be found in the CEAP Contract Section 8.

3. Does client intake include processing and pledging the client's file? Those activities are never mentioned as to where we would pay those employee hours.

Regarding the client intake process: processing the eligibility portion would be an administrative charge; processing the rest of the file would be a PSC activity; making pledges on the client's utility bills would also be a PSC activity. For additional guidance see: [CEAP Admin and Program Services Costs \(PDF\)](#)

4. Between the two CEAP components, UA & HCC, is there a minimum percentage per component that must be expended by the end of the contract period?

There are no specific minimum limits established in the TAC. You could weigh one category more heavily than the other, based upon your area needs, as long as they two components still equal the total amount for Direct Services. Please keep in mind the Administrative and PSC limits.

5. Why is the final reporting due date 45 days?

The final date is 45 days in order to recoup unexpended fund balances from the previous year in a timely manner, so the Department may redistribute the funds for the upcoming year.

6. Within the contract system, can we have 2 designees for approvals of amendments and monthly reports?

Yes. The Subrecipient would need to submit an Access Request with both of the individual's names listed to the Department.

7. How will the reporting change? Will we still be able to track the Elderly/Disabled separately?

Demographic information for clients served will still need to be properly captured and reported in the Monthly Performance Reports. The program components listed under Direct Services will be Household Crisis and Utility Assistance. For additional reporting guidance see: [CEAP Reporting Instructions \(PDF\)](#) and [LIHEAP Performance Measures Module User Guide \(PDF\)](#)

8. Who do we submit the Cumulative Inventory Report to?

Inventory reports should be submitted to Department Fiscal & Reporting staff. The contact information for those staff can be found at: <http://www.tdhca.state.tx.us/community-affairs/contacts.htm>

PROCUREMENT:

For procurement questions, please refer to TAC Rule §1.404 and the Department's CA Procurement webpage: <http://www.tdhca.state.tx.us/community-affairs/procurement/index.htm>

1. Regarding procurement for office supplies, we have 2 choices to purchase toner and paper which will be above \$500. Do we need to go through separate procurement and get 3 bids per this new guidance?

Yes. In this instance, you will need to follow the small purchase procedure, which requires a minimum of three quotes.

2. Could Subrecipients use the WAP contractor to complete CEAP heating and cooling work without going through procurement?

Yes, potentially. Allowability depends upon how the procurement process was documented. In this example, if the procurement bid package stated the WAP and CEAP programs, then those stated programs may use that contractor.

3. Who do we contact to get approval for procurement?

In the case where purchases of personal property, equipment, goods, or services with a unit acquisition cost of over \$25,000 contact the Department for approval to proceed before making the award. Subrecipients should contact their assigned trainer, [CA Program Administrators](#), for the review approval letter.

Approval for a small purchase threshold under \$25,000 is not needed. A competitive process such as Sealed Bid, Request for Proposals, or Request for Quotes is needed for procurement purchases that will exceed \$25,000, will need prior Department review. These types of procurement would be used when you are trying to procure WAP services or client management software. The entire contract would exceed \$25,000 but a single unit would not.

BOARD QUESTIONS:

1. Does the board have to accept contract amendments before the Executive Director accepts it? Is the board's acceptance post facto?

According to [TAC Rule §6.3\(b\)](#): *"The governing body of the Subrecipient must pass a resolution authorizing its Executive Director or his/her designee to have signature authority to enter into contracts, sign amendments, and review and approve reports. All Contract actions including extensions, amendments or revisions must be ratified by the governing body at the next regularly*

scheduled meeting. Minutes relating to this resolution must be on file at the Subrecipient level.”