

Chapter 7 WAP Agency's Grant Management and Program Operations

1. General Information

- 1.1. WAP Agency Qualification and Requirements
- 1.2. Weatherization Workflow
- 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. SAGE Guidance on Document Limitations
- 2.4.6. Benchmark and/or Other Reports
- 2.4.7. HESWAP and DCA SAGE Databases
- 2.4.8. Final Report
- 2.5. Grant Amendments/Revisions
 - 2.5.1. Extensions for HIP and LIHEAP Grants

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 Update
 - 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. Deferral Fee and Program Support
- 3.11. Weatherization Readiness
- 3.12. Rework
- 3.13. Partial Weatherization
- 3.14. Re-Weatherization
- 3.15. Allowable Average Cost Per Unit (ACPU)
- 3.16. Low Expenditure in Weatherization Units
- 3.17. Exceeding Maximum Allowable Cost per Unit
- 3.18. Shell Program Support

Chapter 7 WAP Agency's Grant Management and Program Operations

- 3.19. HIP Program Support
- 3.20. Call-Back/Add-On Work for reported and completed DOE units
- 3.21. HIP units with LIHEAP funds
- 3.22. Dual Shell Funding in a unit
 - 3.22.1. Unit Eligibility
 - 3.22.2. Ineligible Units
 - 3.22.3. Application of funds to measures
 - 3.22.4. Allowable Average Cost Per Unit for Dual Funding
 - 3.22.5. Savings Investment Ratio Applicable
 - 3.22.6. Health and Safety Applicable
 - 3.22.7. Limitations to Dual Funding in a Unit
 - 3.22.8. Submission of invoices for dual funded units
 - 3.22.9. Final Inspections on Dual Funded Units
- 3.23. Appeals Process
- 3.24. Client Complaint Process
- 3.24. 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

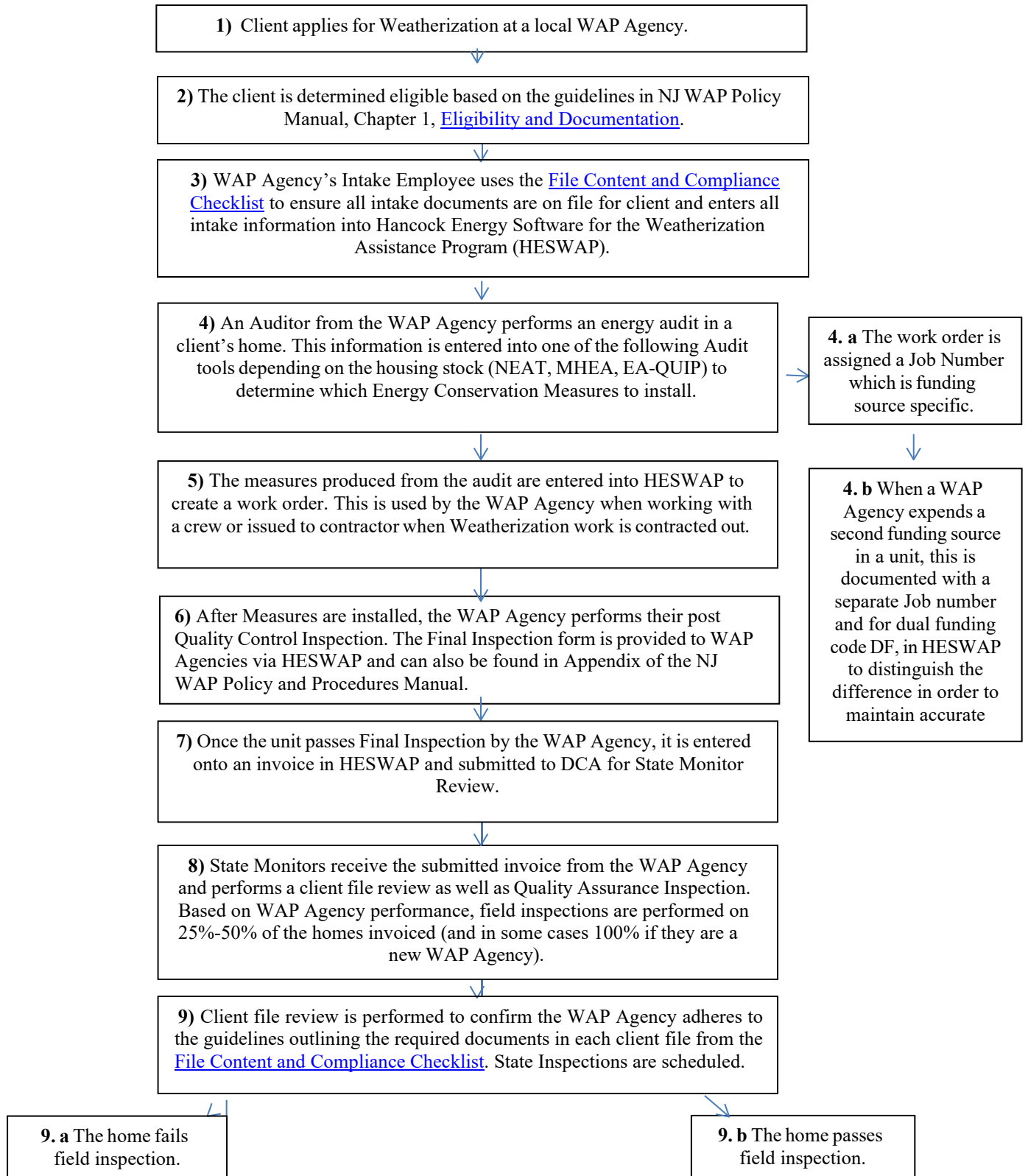
Successful applicants must have and/or meet the following criteria:

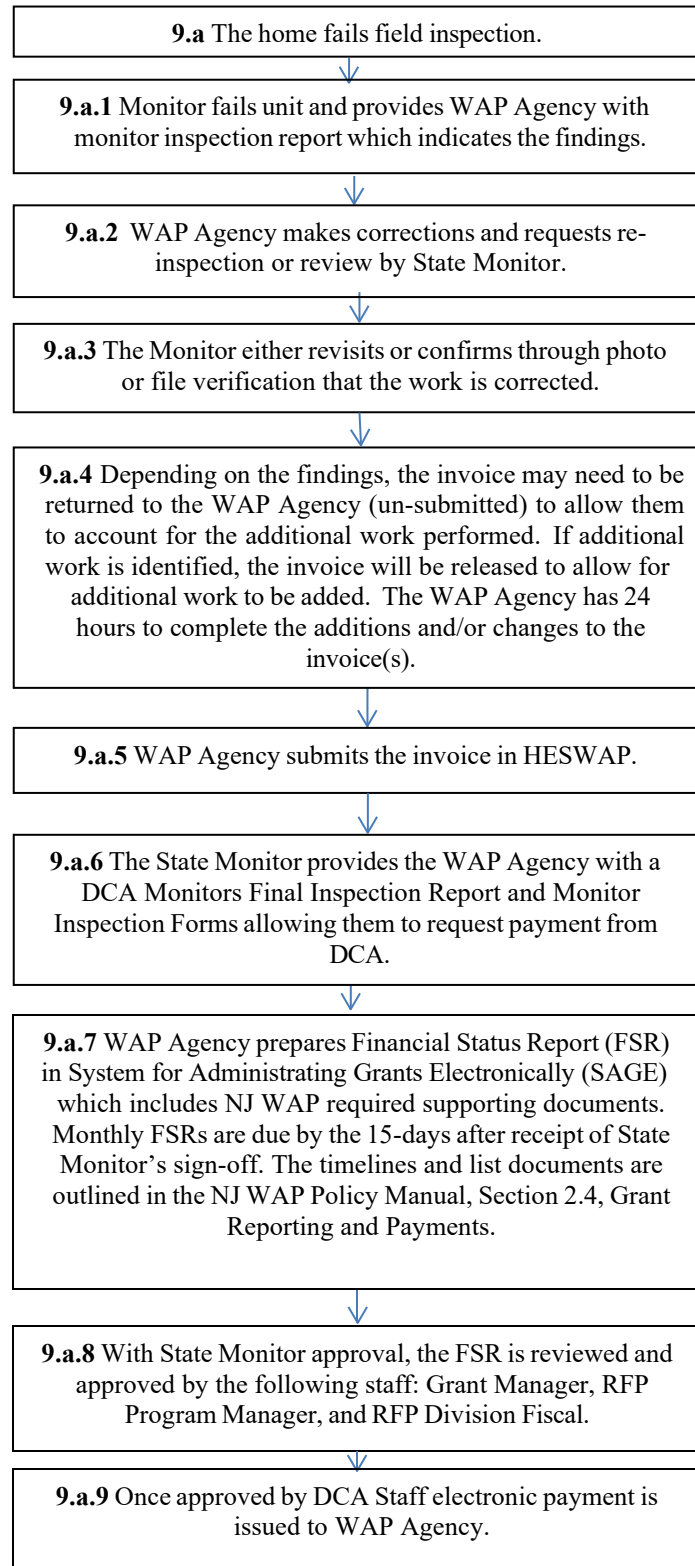
- Be certified as an RRP firm with the U.S. Environmental Protection Agency at the time of application.
- Must have on staff at least one Building Performance Institute (BPI)-certified Quality Control Inspector/Energy Auditor. WAP agencies may sub-contract with individuals, non-profits, or contractors with this certification.
- 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 current New Jersey State Plan for the Weatherization Assistance Program.
- Obtain required training, as indicated in the current NJ WAP State Plan, within 30 to 60 days of award. Training Plan can be found and reviewed at <https://www.nj.gov/dca/divisions/dhcr/offices/wap.html>
- Demonstrate the ability to accept payment on a reimbursable basis and in accordance with Grant Payments Policy.
- Demonstrate 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.
- Have a qualified technical field representative that can perform 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 Workflow





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. FSRs are due by the 15-days after receipt of State Monitor's sign-off. 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 15 target areas. Funding is based on poverty levels in each county in accordance with the most recent U.S. Census. The fifteen 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

WAP agencies must provide services within the service area it was approved for and as identified in the Grant Agreement. Any WAP agency that is approached by and or receiving a request for services from individuals or groups outside their service area must refer that request to the WAP agency assigned to that service area.

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-

Chapter 7 WAP Agency's Grant Management and Program Operations

Income Energy Conservation (OLIEC). The Certification Form can be found in the Appendix. WAP Agency must comply with the requirements of this law.

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

Chapter 7 WAP Agency's Grant Management and Program Operations

evaluation must include all alleged violations during the most recently completed Program Year, 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 and 2 CFR § 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, WAP Agency which receives DCA/OLIEC weatherization grants is 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 Agency of DOE, HIP and LIHEAP grants, 30% advance payment may be processed upon execution of the grant agreement. After the 30% advance has been fully expended, and another 30% advance payment may be processed upon request for the Agency. Finally, upon fully expending the 2nd advance payment, the agency may request a 3rd and final 30% advance payment, making the total advance payment available for the grant 90%.

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 can submit an 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 within 10 business days of after the end of the reporting period (monthly, bi-monthly, or quarterly) for completed units to be acknowledged for benchmarks.

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

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

- (i) Signed DCA Fiscal Status Report/Payment Voucher
- (ii) DCA Fiscal Status Report/Payment Request
- (iii) Signed HESWAP Request for Payment and Statistical Report
- (iv) Signed DCA Monitor Inspection Report
- (v) General Ledger
- (vi) Check Registry
- (vii) If FSR includes charges for Insurance and or Financial Audit, copies of paid invoices must be submitted.

2.4.5. SAGE Guidance on Document Limitations

SAGE has a file size limit for any upload (attachment) in the system which is equal or less than 5MB (5,000 KB). To work around this limitation, try any of the following steps to assist with FSR documentation:

- i. Compressing(zipping) the File
 1. Google Search "How to compress a file."
 2. [https://support.microsoft.com/en-us/windows/zip-and-unzip-files-8d28fa72-f2f9-712f-67df-f80cf89fd4e5#:~:text=To%20zip%20\(compress\)%20a%20file,created%20in%20the%20same%20location.](https://support.microsoft.com/en-us/windows/zip-and-unzip-files-8d28fa72-f2f9-712f-67df-f80cf89fd4e5#:~:text=To%20zip%20(compress)%20a%20file,created%20in%20the%20same%20location.)
- ii. Removing excess information/documentation
 1. General Ledger/Check Registry - Limiting to only the period of the FSR.
 2. Removing any of the Accounting Software Export instructions on another tab
 3. HESWAP Invoices - Only upload the first summary pages and the last signature page.
 4. Any other documentation - Remove any other information that is not required.
- iii. Lower Resolution for Scans
 1. Lower the scanner resolution for any physical documents scanned but still ensure that it is legible.

2.4.6. 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.

2.4.7. HESWAP and DCA SAGE Databases

WAP Agencies are required to have executed all budget revisions and amendments on DCA SAGE prior to requesting budget or other updates on the

Chapter 7 WAP Agency's Grant Management and Program Operations

HESWAP system. WAP Agencies must ensure that budget balances on both DCA SAGE and HESWAP are reconciled monthly.

2.4.8. 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 reporting 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 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.

2.5.1. Extensions for HIP and LIHEAP Grants

Requests for extensions for HIP and LIHEAP grants can be made for up to one year. Any request must be submitted prior to the 2-year federal obligation deadline and 30 days prior to the expiration of grant term.

Grant	Federal Obligation Deadline
LIHEAP/HIP 2015	September 30, 2016
LIHEAP/HIP 2016	September 30, 2017
LIHEAP/HIP 2017	September 30, 2018
LIHEAP/HIP 2018	September 30, 2019
LIHEAP/HIP 2019	September 30, 2020
LIHEAP/HIP 2020	September 30, 2021

LIHEAP/HIP 2021	September 30, 2022
LIHEAP/HIP 2022	September 30, 2023
LIHEAP/HIP 2023	September 30, 2024

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 split 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. 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.

WAP Agencies must have on staff at least one Building Performance Institute (BPI)-certified Quality Control Inspector (QCI) or subcontract with an energy audit company or individual with this certification.

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 and identify 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.

Other listed documents are:

- ✓ Signed and Completed Application

Chapter 7 WAP Agency's Grant Management and Program Operations

- ✓ 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 QCI
- ✓ Renovate Right Pamphlet Receipt or Lead-Free Certificate
- ✓ Health and Safety Client Intake Survey
- ✓ 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)
- ✓ Multi-Family Building Improvement Program Escrow Agreement (Agency Crew)
- ✓ Waiver for LLC (if applicable)
- ✓ State Historic Preservation Office Approval or website screen shot noting not historic.
- ✓ 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 Workflow.

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.
- ✓ Data Collection for MHEA, NEAT or EA-QUIP
- ✓ Legible Color Photographs of All Exterior Walls and Diagnostic Testing Measurements (including refrigerator line logger readings).
- ✓ Legible Color Photographs of Any Part of the Home to be addressed in Work-scope.
- ✓ For all one to four-unit buildings, Estimate Data Collection Form indicating pre- and post-blower door readings indicating house and fan pressure and Cubic Feet per Minute (CFM) flow.
- ✓ Refrigerator Order Form and with Delivery Confirmation
- ✓ [Refrigerator Replacement and Education Forms](#)

Chapter 7 WAP Agency's Grant Management and Program Operations

- ✓ 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 for replacement of windows, doors, and refrigerators.
- ✓ Certificate of Insulation Form with Prep Air-sealing Pictures & location (s): 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.
- ✓ Legible Color Photographs of All Final Installations on Work-scope
- ✓ Bid Documents (if applicable)
- ✓ Documents for incidental repair – costs, proposals, etc.
- ✓ HESWAP Agency Final Inspection Form & QCI Inspection form (for DOE Units)
- ✓ Copy of Signed Monitor's Inspection Form and QCA Form

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

- ✓ Heating System and Hot Water Heater Improvement Survey with Carbon Monoxide (CO) testing data in accordance with testing protocols stated in Chapter 6.
- ✓ 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.)

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

Section 4: Health and Safety

- ✓ Educational Material Notification/Health and Safety Assessment
- ✓ Legible Color Photographs of Health & Safety Issues and Post Repairs
- ✓ A completed Appliance/Heating System Evaluation Form signed by the client and Agency representative.
- ✓ Determination of Lead Safe Weatherization (LSW) Test on dwelling built before 1978. 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
- ✓ RED ASHRAE 62.2 2016 Target/Post Calculation
- ✓ Client Deferral Notification Form
- ✓ Radon Testing Waiver Form
- ✓ Radon Informed Consent 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 with DOE funds or braided with DOE funds before an invoice is submitted to OLIEC for quality assurances inspections and request for reimbursement. Units weatherized with either or both LIHEAP and or HIP funds must conduct an agency final inspection. As indicated in the executed grant agreements and Chapter 8,

Chapter 7 WAP Agency's Grant Management and Program Operations

of the WAP Policy and Procedures Manual, all units weatherized with DOE funds or braided with DOE funds must be inspected and passed by a Certified Quality Control Inspector. No unit should be included on an invoice if it has not passed final QCI (DOE or braided DOE) or agency final inspection (LIHEAP or HIP funds).

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 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. (2 CFR 200.333 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](#).

Agency WAP contractors/in-house crews must adhere to these standards. If compliance is not met at the Quality Control Inspection, the product must be removed and the proper product installed at the contractor/agency expense.

Contractors/agency material distributors shall provide the WAP agency with the Safety Data Sheets (SDS)/Technical Data Sheets for products installed in the program.

Please note the following regarding Appendix A:

- Lists only DOE approved weatherization materials.
- Doesn't include incidental or health and safety materials.

Chapter 7 WAP Agency's Grant Management and Program Operations

- 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 and/or Standard Work Specifications (SWS) must be followed for installing materials.

For the detailed Appendix A, please click on the link below of the NJ WAP Policy Manual Additional Resources: <http://www.gpo.gov/fdsys/pkg/CFR-2011-title10-vol3/pdf/CFR-2011-title10-vol3-part440.pdf>

For the required Standard Work Specifications, please refer to the New Jersey Field Guide Aligned with the SWS or visit [NREL Standard Work Specifications | Homepage | Standard Work Specifications](#).

On May 11, 2017, USDOE provided approval for the installation of light emitting diode lighting (LEDs) as an energy conservation measure with the restrictions that LEDs will be Energy Star qualified or of equal or better quality and efficiency. Please refer to <https://www.nj.gov/dca/divisions/dhcr/offices/docs/wap/New%20Jersey%20Energy%20Audit%20Manual.pdf>

On August 20, 2018, USDOE provided approval for the variance request on hot water tank installation. If additional tank insulation is warranted by the energy audit, it shall have a minimum R-value of 11. This specification will only apply to single family and manufactured homes.

On December 18, 2018, USDOE provided approval for the use of Spray Polyurethane Foam (SPF) also called Open or Closed Cell Spray Foam as an energy conservation measure.

SPFs are excellent at air-sealing and have high insulation R-values. It is this quality that makes SPF insulation performance superior to other typical insulations such as fiberglass or cellulose which are far less able to block air flow. Yet there are hazards associated with health and safety if improperly applied.

Energy Auditors must be well-versed with the physical characteristics of the two different SPFs. Additional information can be found in the New Jersey Weatherization Field Guide section 3.6.5 Spray Foam Insulation Material, 3.6.6 Special Safety Precautions, and 3.6.7 Fire Protection.

WAP contractors shall provide the agency with the Safety Data Sheets (SDS) and the International Code Council (ICC) ES Evaluation Report for SPF used in the weatherization program. To ensure the following requirements are met.

If the SPF has Class I or A Fire Rating. These SPF products meet the flame spread, and smoke generation as measured by ASTM Standard E 84 (less than 25 flame-spread index, and less than 450 on the smoke-developed index).

Exceptions allowing exposed SPF without a thermal barrier are defined in International Residential Code (IRC). In these exceptions where “the space is entered only for the service of utilities” (no storage or other ancillary uses permitted).

OR

If the SPF has a Class II or B Fire Rating the following applies.

The space intended for application is used only for the service of utilities, the SPF will be separated from the space using a suitable ignition barrier covering or coating that meets the flame spread, and smoke generation as measured by ASTM Standard E 84, according to building code and manufacturer's specifications.

Applies to all SPF

If the space is used for storage or occupancy, the SPF product must be separated from the space using a 15-minute thermal-barrier covering (the equivalent of ½” gypsum board) as tested under ASTM E 119.

SPF applied to the rim joist thicker than 3 ¼”, does not meet the flame and smoke index, or is not between 0.5 and 2.0 lb./ft³ density, the SPF must be separated from the subspace with a suitable thermal barrier covering or coating as indicated in applicable building code and manufacturer's specifications.

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 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.

Chapter 7 WAP Agency's Grant Management and Program Operations

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

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

Upon approval and purchase of vehicle, WAP agency must include vehicle information in HESWAP. WAP agency must include the federal award identification number (FAIN) in HESWAP. Please see Section 3.7.6, Inventory Control, for FAIN.

WAP agencies must list DCA as the lien holder and provide original titles to DCA.

3.7.3. Disposal of Vehicles

If a vehicle is to be sold or disposed of, WAP Agency must submit a written request on their letterhead to OLIEC for release of lien. WAP agency must provide documentation on the value of the vehicle. If vehicle value is less than \$5,000 then no funds shall be returned to DCA or USDOE. If value is more than \$5,000, upon sale or disposal, funds must be refunded to DCA for forwarding to the federal funding source. WAP Agency must provide copy of receipt as proof of sale or vehicle disposal.

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

Chapter 7 WAP Agency's Grant Management and Program Operations

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. WAP agency must include the federal award identification number (FAIN) in HESWAP. Please see Section 3.7.6, Inventory Control, for FAIN.

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, 2 CFR § 200 Subpart D, set standards for the management of equipment purchased in whole or in part with Weatherization Assistance Program funds.

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.

Chapter 7 WAP Agency's Grant Management and Program Operations

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 procedure should be incorporated in each Agency's Standard Operating Procedures Manual and must, at a minimum, comply with the provisions of 2 CFR § 200, Subpart D.

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 biannual basis to ensure compliance with inventory maintenance records. In addition to the requirements listed in 2 CFR § 200, Subpart D, 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 including the FAIN #.

WAP agency must include the federal award identification number (FAIN) in HESWAP. The FAIN number for each grant are listed below.

Funding Source/Grant	FAIN
DOE 2017-2019	EE0007936
LIHEAP/HIP 2017	G-1701NJLIEA
LIHEAP/HIP 2018	G-1801NJLIEA
LIHEAP/HIP 2019	1901NJLIEA
LIHEAP/HIP 2020	2001NJLIEA
LIHEAP/HIP 2021	2102NJLIEA
LIHEAP/HIP 2022	2202NJLIEA
LIHEAP/HIP 2023	LIHEAP-IN-2022-04

3.8. Program Income, Leveraging and Rebates

In accordance with 10 CFR § Chapter II Part, 10 C.F.R. § 440, 2 CFR § 200.80, Program Income is defined as any funds earned from non-federal sources during performing DOE weatherization work by WAP Agencies. The income generated must be used to complete additional dwelling units in accordance with DOE rules.

Chapter 7 WAP Agency's Grant Management and Program Operations

Program income is subject to the specific guidance provided in the DOE Financial Assistance Rule of 2 CFR § 200.307, as appropriate and should be treated as an addition to program funds subject to the same rules as appropriated funds. 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.

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.

Manufacturer rebates must be applied in the same manner as landlord contributions. WAP agency must apply the rebate as a leveraged funding source. WAP agency is responsible for applying for the rebate in order to be reimbursed. In HESWAP, WAP agency must choose the Manufacturer Rebate under funding source for the measure it would apply to. For example, for a boiler replacement if the rebate is available, WAP agency would the funding sources would be HIP and Manufacturer Rebate. It would show up on the report as “Multiple Funding”.

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 DOE 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 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).

Chapter 7 WAP Agency's Grant Management and Program Operations

WAP Agency must provide photographic documentation in the client file for State Monitor Review. A site visit may be required.

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 deciding 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.

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.

When a unit is deferred, WAP agency can submit the unit for review and consideration for possible weatherization through the WAP and Comfort Partners Partnership. Chapter 9 in the NJWAP Policy Manual provides an overview of the Memorandum of Understanding (MOU) and partnership workflow process with Comfort Partners. WAP sub-grantees will seek a possible joint audit with Comfort Partners. If the unit does not meet the eligibility criteria for the Partnership Program, then the house would be deferred. The joint venture is limited to single-family owner-occupied households with natural gas or electrical utilities.

3.10. Deferral Fee and Program Support

\$250.00 fee is allowable for deferred units. The fee must be charged to the Health and Safety Deferral budget line item in HESWAP. If there are materials costs associated with the deferred unit, the material costs can be charged to the Health and Safety Deferral budget line item in HESWAP. WAP agency must complete the Program Support Deferral Request Form found in the Appendix under Chapter 3 forms. The form must be submitted for review and approval to the assigned State Monitor. Upon State Monitor's, form must be submitted to the HESWAP Administrator for processing. Form must be submitted to the HESWAP via email to HESWAP@dca.nj.gov. HESWAP Administrator will adjust WAP agency budget on HESWAP.

3.11. Weatherization Readiness Funds

The Weatherization Readiness Fund (WRF) will assist NJWAP with reducing the number of deferrals. The WRF allocations will be based on the population in poverty,

Chapter 7 WAP Agency's Grant Management and Program Operations

utilizing the 2019 American Community Survey, U.S. Census data, and proximity of surrounding counties and a base award of \$10,000.

A maximum cap of \$10,000 will be allowed for repairs to prepare a home for weatherization. NJ WAP will establish a funding source labeled as WRF in the Hancock Energy Software for WAP (HESWAP) and a budget category in the System for Administering Grants Electronically (SAGE). This will allow for the tracking of these funds. Sub-grantees will be required to obtain approval from the assigned State Monitor to ensure that the repair will result in weatherization occurring and costs are justified. HESWAP and SAGE will be the tracking mechanism that will provide the following information: • Address of Unit • Unit Type • WAP Measures Installed and costs • Health and Safety measures and costs • WRF measures and costs • Other costs Each WAP Agency undergoes a comprehensive monitoring review of its administrative and fiscal operations by a contracted Certified Public Accounting (CPA) firm. Through the CPA firm, a risk-based analysis will be conducted concerning each WAP Agency to establish that sound accounting practices are in place, which safeguard the WAP Agencies' funds as well as ensure compliance with all applicable State and Federal Regulations and OMB Circulars. The monitoring of WRF will be included in the annual monitoring visit to ensure that funds are expended in accordance with the NJ WAP WRF Plan. A copy of the monitoring report is provided to the WAP Agency within 30 days after the completion of monitoring review. If deficiencies are noted in the report, then WAP Agencies are required to provide a corrective action plan within 20 days after receiving the report. State Monitors will conduct follow-up visits within 30 days to ensure corrective action has been implemented.

WRF can be used to address the following:

1. Major moisture and mold problems
2. Major roof leakage
3. Major electrical problems or fire hazards
4. Hoarding
5. Major Foundation damage

3.12. 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 if they were the original agency that weatherized the unit. If the original WAP agency that weatherized the unit is no longer in the network, then current WAP agency can receive program support. If the original WAP agency is in the network, then current WAP agency must transfer the unit to that WAP agency for rework.

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

3.13. 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

Chapter 7 WAP Agency's Grant Management and Program Operations

prioritized list of measures would be considered partial weatherization. The unit will be disallowed.

3.14. 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.

The following, in accordance with the 10 CFR 440, applies to all units weatherized with U.S. Department of Energy (DOE), LIHEAP Weatherization and Heating Improvement grant funds.

DATE OF ORIGINAL SERVICE – If the dwelling unit was originally weatherized 15 years ago, 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 – DAMAGE TO BUILDING – A previously weatherized dwelling unit which was completed less than 15 years ago may only be re-weatherized when the dwelling unit has been damaged due to an Act of God, i.e., storm, flood, etc., and is free and clear of any insurance claim or other form of compensation resulting from damage incurred from the disaster. If repair/replacement of damaged weatherization materials is not paid for by insurance and or FEMA. The agency must submit the request for Re-Weatherization Form with an estimate detailing the cost of materials for approval to the OLIEC along with a copy of the insurance company's claim approval or denial and or FEMA approval or denial, if applicable.

WAP Agencies must maintain a list or database of homes weatherized for cross referencing with new applications. Weatherization Agencies must maintain, at a minimum, records of homes weatherized back to 15 years ago.

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 is found in the Appendix.

3.15. Allowable Average Cost per Unit (ACPU)

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.

Below chart identifies the allowable average cost per unit (ACPU) for the current open grants:

Chapter 7 WAP Agency's Grant Management and Program Operations

Program Year	ACPU Allowable
2013	\$6,904
2014	\$6,987
2015	\$7,105
2016	\$7,105
2017	\$7,212
2018	\$7,371
2019	\$7,541
2020	\$7,669
2021	\$7,776
2022	\$8,009
2023	\$8,250
2024	\$8,497

WAP agency must monitor program support and materials costs to ensure that it does not exceed the ACPU. If WAP agency exceeds the ACPU, costs may be disallowed to ensure compliance. On a monthly basis, OLIEC will be conducting analysis of disallowable costs per grant and agency.

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, 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. State Monitor will visit all low costs units as part of the inspection process.

State Monitors are required to inspect all jobs that have a total cost of less than \$800 for crew-based agencies and less than \$1,000 for contractor installations. Units will not be approved if it is determined that effective weatherization jobs were not completed. If unit is dual funded and meets the minimum requirement of material costs collectively, this policy does not apply.

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 ACPU-\$8,000 (See Section 3.16. above for the applicable ACPU) 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.

Chapter 7 WAP Agency's Grant Management and Program Operations

Any job with a total cost exceeding \$8,001 must be approved by the OLIEC Supervisor by submitting the approval form to exceed maximum allowable cost per unit.

Heating Improvement Services (HIP):

State Monitors will have authorization to approve the expenditures of ACPU-\$8,000 (See Section 3.16. above for the applicable ACPU) 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.

Any job with a total cost exceeding between \$8,001 must be approved by the OLIEC Supervisor by submitting the approval form to exceed maximum allowable cost per unit. As stated in Deferral Policy, Chapter 7, Section 3.9, if total cost exceeds ACPU + \$3,500, then unit should be deferred.

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-\$3,500. 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 \$3,501 but not more than \$5,000 must be approved by OLIEC Supervisor by submitting the approval form to exceed maximum allowable cost per unit.

Shell Health & Safety:

To maintain the primary energy efficiency mission of the program, H&S budgets are limited to 14% of the ACPU or an estimated \$997 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 \$1,499 but is under \$2,500 for an individual unit. H&S estimates over \$2,501 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 more than \$2,500 per unit.

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 \$8,001, WAP Agency is required to forward approval form with required documents and signature from both WAP Agency and State Monitor to OLIEC for approval.

Chapter 7 WAP Agency's Grant Management and Program Operations

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

3.18. Shell Program Support

HESWAP will provide the total amount earned in program support based on units completed. Agencies are to ensure when submitting their FSRs that their financial ledgers clearly outline all costs applicable to program support. When reporting on grants, agencies must monitor their program support spend down keeping in mind that they are still required to complete the minimum number of units as per section C of the grant contract.

OLIEC will perform semi-annual Program Support analyses to ensure agencies are adhering to the program support guidelines set forth in their grant contracts.

3.19. HIP Program Support

For Single family units (1-4), \$1,000 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%.

Program Support for the Heating Improvement Program (HIP) is no longer automatically calculated by HESWAP. WAP Agency must adhere to the following process:

- For single family units, WAP Agency must include the calculated program support based on \$1,000 per unit. State Monitor will review invoice for accuracy prior to providing the WAP agency with a sign-off. Upon the sign-off being provided, the invoice cannot be unsubmitted. If an invoice needs to be unsubmitted, a written email request to the State Monitor with explanation must be provided.
- 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.

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

In accordance with WPN 11-03, additional work on units reported to DOE 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 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.

3.21. HIP units completed with LIHEAP funds.

HIP units can be completed with LIHEAP funds when HIP funds have been exhausted. WAP agency must request approval from OLIEC. When completing HIP units with LIHEAP funds, the HIP Program Support rule applies.

3.22. Dual Shell Funding in a unit

A single-family unit can be eligible for shell weatherization measures from both DOE and LIHEAP Weatherization grant funds if it meets the following criteria.

3.22.1 Unit Eligibility

1. For a unit to receive dual shell funding, a minimum of \$2,000 (contractors) or \$1,800 (crews) in materials must be installed. Agencies must ensure that the total amount in materials applied to a funding source must adhere to Section 3.16 of this Chapter. Failure to adhere to this policy will result in unit being denied.
2. Units audited within the last six months if the work of scope was not issued before July 1, 2019, are eligible for dual shell funding.
3. Units participating in the Comfort Partners/WAP partnership.

3.22.2. Ineligible Units

1. Multi-family buildings (5 units or more) are ineligible for dual shell funding.
2. Units being re-weatherized with LIHEAP funds are not eligible for dual shell funding.

3.22.3. Application and or selection of funds to measures.

1. Measures with the highest SIR must be applied to DOE grant funds.
2. The Work-Scope can be split among the dual shell grant funds". For example: Blower Door Air Sealing would go under DOE and a Refrigerator would go under LIHEAP (based on highest to lowest SIR measures). Splitting of a measure among the two funding sources is not allowed.
3. LIHEAP funds can be used for a broader range of measures. SIR in NEAT audit must be lowered to 0.5.
4. Energy Conservation Measures (ECM) not meeting the DOE required SIR of 1.0 or above will be allowed with LIHEAP WX grant funds.

3.22.4. Allowable Average Cost Per unit for Dual Shell Funding

The average cost per unit is determined by the USDOE on an annual basis and stated in executed grant agreements with WAP Agencies and in this Chapter. Please see Section 3.16 of this Chapter for the current average cost per unit per Program Year for each funding source.

3.22.5. Savings Investment Ratio Applicable

All measures applied to DOE grant funds must have an SIR of 1.0 above. Measures applied to LIHEAP WX grant funds must have an SIR of 0.5 or above. It is highly recommended that WAP agencies utilize a separate NEAT and MHEA audit program for dual shell funded units when changing the SIR to .5.

3.22.6. Health and Safety Stipulations

WAP Agencies must adhere to the approved Health and Safety Plan found in Chapter 3 of the NJ WAP Policy and Procedures Manual. All existing Health and Safety measures can be used on both grants except the following measures that can only be charged to LIHEAP grants:

1. Radon Mitigation
2. Stove/Oven Replacement (only if beyond repair to lower high CO or is a fire or electrocution hazard)
3. Asbestos Abatement
4. Minor Roof Repairs – maximum cap of \$2,500; effective October 1, 2019, but applicable to LIHEAP 2020 grants.
5. Mold Remediation - maximum cap of \$2,500; effective October 1, 2019, but applicable to LIHEAP 2020 grants.

Health and Safety will be capped at \$7,000 for dual shell funded units. No over-expenditure is allowed on Health and Safety. Any unit requiring more than \$7,000 in Health and Safety funds must be referred to the Comfort Partners/WAP Partnership or deferred. WAP agency can charge up to \$3,000 between the two grants under Health and Safety on dual shell funding units without approval. For example, H&S- DOE \$1,500 and LIHEAP \$1,500 equaling \$3,000. State Monitor will review and approve jobs from \$3,001 to \$5,000 and over expenditure form is required. Splitting Health and Safety measures is allowed on a case-by-case basis and with prior approval from OLIEC.

Any Health and Safety job from \$5,001 to \$7,000 will require OLIEC approval.

3.22.7. Limitations to Dual Shell Funding in a Unit

Over expenditures will not be allowed in a unit receiving dual shell funding. No exceptions or waivers will be allowed. Any unit exceeding the allowable average cost on each shell grant must be referred to the DCA/Comfort Partners Partnership.

3.22.8. Submission of Invoices for Dual Funded Units

Both invoices for dual funded units must be submitted at the same time.

3.22.9. Final Inspections on Dual Shell Funded Units

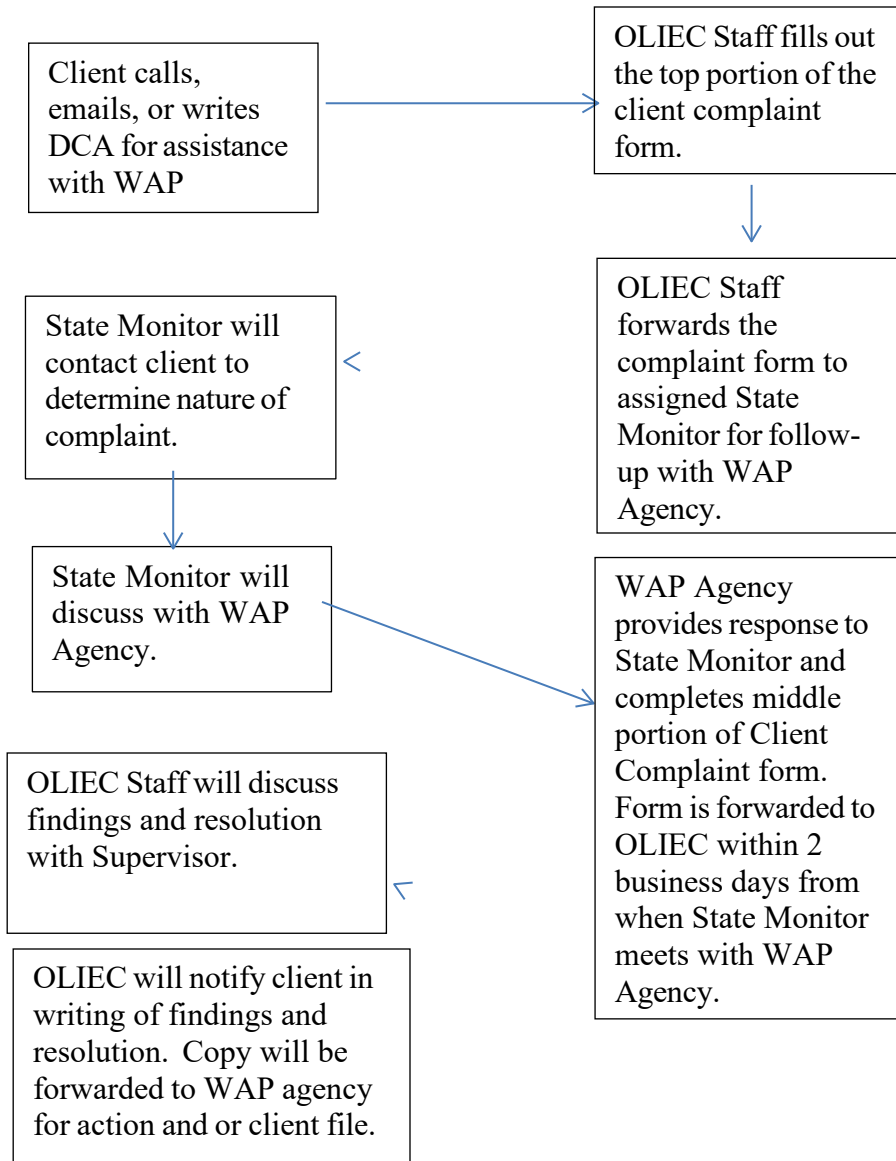
All DOE and dual funded units must undergo a final inspection by a certified Quality Control Inspector/Energy Auditor.

3.23. Dispute 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 dispute 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.

3.24. 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:



3.25. 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 plan 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