



**Subject:** Low Income Home Energy Assistance Program  
**Process Owner:** Division of Community Assistance and Development  
**Effective Date:** 9/13/23  
**Revision Number:** 4

## **Low Income Home Energy Assistance Program**

### **I. POLICY STATEMENT**

The Low Income Home Energy Assistance Program (LIHEAP or Program) assists households with low incomes in meeting their immediate home energy needs, particularly those with the lowest incomes that pay a high proportion of household income for home energy. The U.S. Department of Health and Human Services, Administration for Children and Families, administers LIHEAP at the federal level. LIHEAP is a federal block grant funded program, giving states broad latitude to develop programs that assist low income households to meet their energy needs in accordance with LIHEAP guidance. The Arizona Department of Economic Security (DES), Division of Community Assistance and Development (DCAD), administers LIHEAP for the state of Arizona in accordance with applicable federal guidance, the Arizona LIHEAP State Plan, and this Policy. Arizona utilizes a direct-service, Navigator model for distribution of LIHEAP benefits. Community Navigators, which work through state-designated Community Action Agencies (CAA) or other community partners, perform outreach and assist Applicants in understanding LIHEAP and completing applications. DES contracts with CAAs and community partners, receives and adjudicates applications, and disperses LIHEAP benefits. A LIHEAP applicant may apply online, using a paper application, or telephonically with the assistance of a Community Navigator or directly to DES.

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### III. APPLICABILITY

This policy applies to all DES Employees, including contractors who are involved with administration of LIHEAP.

### IV. AUTHORITY

[42 U.S.C. § 8621-8630](#)

Low Income Home Energy Assistance

[45 CFR 96](#)

Block Grants, parts A-F, H

[45 CFR 75](#)

Administration of Health and Human Services Awards

[LIHEAP IM 2023-01](#)

Federal Poverty Guidelines for Optional Use in FFY 2023 and Mandatory Use in FFY 2024

[LIHEAP IM 2023-02](#)

State Median Income Estimates for Optional Use in FFY 2023 and Mandatory Use in FFY 2024

[LIHEAP IM 2014-07](#)

HHS Guidance on the Use of Social Security Numbers (SSNs) and Citizenship Status Verification

[LIHEAP State Plan, FFY 2022-2023](#)

Detailed Model Plan (LIHEAP), Rev. 2

### V. DEFINITIONS

**Applicant:** A person who is 18 years or older requesting LIHEAP benefits. An Applicant may either be an Eligible Household Member, or an ineligible household member acting on behalf of their Eligible Household Member child.

**Arrearages:** An unpaid, past due bill for energy or utilities.

**Benefit Matrix:** A point system that outlines the LIHEAP benefit amount available to different households based on required factors including household income, household size, household vulnerability composition, and energy burden.

**Community Navigator:** Local, partner agencies that provide Applicants with assistance in understanding available benefits, completing LIHEAP applications, and providing Applicants with certain specific benefits. Applicants may, but are not required to apply for LIHEAP assistance through a Community Navigator.

**Crisis:** An urgent situation that requires more immediate heating and cooling intervention. A crisis benefit cannot exceed \$1,000. An Applicant may receive only one Crisis benefit in a 12-month period. There are two types of Crisis Assistance; Regular or Life-Threatening Crisis Assistance

**Eligible Household Member:** A member of a Household that is a U.S. citizen or Qualified Noncitizen.

**Eligibility Period:** The 12-month period for which an Applicant is eligible for an annual Standard and Crisis LIHEAP benefit. The Eligibility Period begins on the date the Applicant's Standard LIHEAP benefit is approved, and extends for 12-months (365 days) from the approval date.

**Employee:** Any full-time or part-time worker, or temporary paid or unpaid worker, who is employed directly by DES.

**Federal Poverty Level (FPL):** Federal income guidelines used to determine income eligibility for Households exceeding 8 members.

**Gross Income:** The total Household income for all Household members before taxes and other deductions.

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

**Low Income Home Energy Assistance Program (LIHEAP or Program):** The DES Program, administered by the Division of Community Assistance and Development (DCAD or Division) that provides heating and cooling energy assistance to eligible Arizona Households.

**Mixed-Status Household:** A Household in which one or more individuals are Eligible Household Members and one or more individuals are not.

**Portable Fuel:** Energy that is derived from propane, wood, coal, fuel for gas generators, and/or pellets.

**Qualified Noncitizen:** A "qualified alien" as defined by the *Personal Responsibility and Work Opportunity Reconciliation Act of 1996* ([Pub. L. 104-193, 8 U.S.C. § 1641\(b\)](#)), see also, [LIHEAP IM 1998-25 on Interpretation of "Federal Public Benefits" Under the Welfare Reform Law](#)), who is not a citizen of the United States but is eligible for state and local public benefits programs based upon enumerated criteria. Qualified Non Citizens may fall into any of the following categories: Lawful/legal permanent residents; asylees; refugees; noncitizens paroled in the U.S. for at least one year; noncitizens whose deportations are being withheld; noncitizens granted conditional entry (prior to April 1, 1980), battered noncitizen spouses, battered noncitizen children, the noncitizen parents

of battered children, and children of battered parents who fit certain criteria; Cuban/Haitian entrants; or victims of a severe form of trafficking.

**Standard LIHEAP:** Assistance that requires basic eligibility requirements be met and calculated based on the Benefit Matrix. This assistance is distinct from Crisis assistance.

**State Median Income (SMI):** Guideline used to determine income eligibility for Households of 8 or fewer members.

**Vendor:** A company who delivers fuel in bulk or sells portable energy, such as oil, liquid gas, wood, pellet, etc., or provides electricity or natural gas continuously via wire or pipes.

**Welfare Fraud:** As defined by A.R.S. § 46-215(A), “A person commits Welfare Fraud if the person knowingly obtains by means of a false statement or representation, by impersonation or by other fraudulent device any of the following:

1. Assistance or service to which the person is not entitled.
2. Assistance or service greater than that to which the person is entitled.
3. Payment of any forfeited installment grant, or aids and abets in buying or in any way disposing of the property of a recipient of assistance or service without the consent of the department.”

## VI. STANDARDS

### A. Eligibility for LIHEAP

1. An Applicant must require assistance with payment of energy related expenses. Expenses include:
  - a. Approved electric, gas, or Portable Fuel heating or cooling fees and costs, including:
    - i. Energy utility bills;
    - ii. Utility deposits and connection fees;
    - iii. Arrearages; and
    - iv. Restoration of energy services (including payment of reconnection charges, fees, and penalties).
  - b. Temporary Emergency Shelter if necessary due to a county declared energy related crisis.
    - i. Regular LIHEAP eligibility requirements and required documentation is not required to provide Temporary Emergency Shelter assistance.

- c. Water bills related to evaporative cooling for bills incurred for the period of May 1 through October 31.
2. An Applicant living in subsidized housing, and receiving a utility allowance or reimbursement greater than or equal to their monthly utility cost, is not eligible for LIHEAP assistance.
3. An Applicant, or the Applicant's child, must be an Eligible Household Member. The *Personal Responsibility and Work Opportunity Reconciliation Act of 1996* limits eligibility for benefits to citizens and Qualified Noncitizens, and prohibits benefits to other noncitizens, including nonimmigrants (or temporary residents) or undocumented immigrants.
4. The Applicant and Household must reside within Arizona at the time of application.
5. Members of tribal nations are eligible to apply for LIHEAP assistance if they have first applied and been denied benefits by the tribal nation.
  - a. If verification of the denied tribal nation LIHEAP assistance application is not available to the Applicant, the EAP-1004A Applicant Statement of Tribal LIHEAP Denial form may be used.
6. The Household's income must meet specific requirements:
  - a. Gross Income is at or below:
    - i. 60% of the SMI for Households of 8 or fewer; or
    - ii. 150% of the FPL for Households exceeding 8 people.

Note: See Appendix 1 for current SMI and FPL calculations.
  - b. In Mixed-Status Households:
    - i. Only Eligible Household Members will be considered as part of the Household size; and
    - ii. Income from all Household members aged 18 and older - regardless of eligibility - is considered Household income.
  - c. Countable Income for the purpose of determining eligibility for LIHEAP:
    - i. Earned income from employment, including self-employment (includes wages, salaries, tips, etc.) as evidenced by a 1099 tax form, pay stubs, Schedule C (Form 1040);

- ii. Unearned income, including SSA benefits, alimony, child support, gambling profits, retirement income;
  - iii. Income from Unemployment Insurance, including Pandemic Unemployment Assistance and Pandemic Unemployment Compensation; and
  - iv. Consistent income received from other sources.
  - v. Income from Household members under the age of 18 is not considered Countable Income.
  - vi. For the full list of earned and unearned, countable and uncountable income, please refer to section 1.9 of the [Arizona LIHEAP State Plan](#).
- b. Verification of Terminated Income
  - i. When job termination is reported in the prior 30 days from the date of the application, verify the following:
    - A) The date of termination;
    - B) All gross income received in the prior 30 days; and
    - C) The last payday and the gross amount paid.
- 7. A Household may not receive LIHEAP benefits for costs already paid by any other assistance program.
- 8. An Applicant may also be eligible for Crisis Assistance and receive additional, expedited benefits under certain urgent circumstances. Crisis Assistance is limited to one payment per 12 months. Applicants approved for LIHEAP Crisis Assistance will receive a single benefit of \$100 to \$1,000, based upon Household need. Crisis Assistance can be categorized as either a Regular or Life-Threatening Crisis.
  - a. Regular Crisis Assistance may be provided if the Applicant meets all standard eligibility criteria and one of the following conditions:
    - i. The Household has received a utility shut-off or delinquency notice;
    - ii. The Standard LIHEAP benefit does not pay the full amount of the Applicant's bill;
    - iii. The Household has received an eviction notice, if utilities are included in the rent; or

- iv. The Household utilizes portable fuel or pre-pay utility service and has seven days or less of energy available.
- b. Life-Threatening Crisis Assistance may be provided if the Applicant meets all standard eligibility criteria and one of the following conditions:
  - i. The termination of power or exposure to heat or cold would be dangerous to the health of a Household member, as evidenced by a statement from a licensed medical physician; or
  - ii. Life supporting equipment used in the home is dependent upon utility service for operation of such equipment.

**B. LIHEAP Benefits**

1. Standard LIHEAP Assistance

Payments will be calculated using the LIHEAP Heating/Cooling Benefit Matrix as set by the current LIHEAP State Plan. An Applicant's benefit will be based on the Household's:

- a. Income;
- b. Size;
- c. Energy burden; and
- d. Whether any one or more of the following Household members are:
  - i. Aged 6 and under;
  - ii. Aged 60 and over;
  - iii. A veteran; or
  - iv. A person with a disability.

2. Regular Crisis Assistance and Life-Threatening Crisis Assistance

Payments will be calculated based upon the requested need, up to the maximum crisis benefit available as set by the current LIHEAP State Plan. Standard LIHEAP assistance must be exhausted for Applicants to receive Crisis Assistance.

3. Use of Funds

LIHEAP funds will be distributed in accordance with federal law and the Arizona LIHEAP State Plan, Sections 2-5. LIHEAP recipients may only utilize LIHEAP benefits for their approved purposes; fraud and improper use



of funds may result in denial benefits, LIHEAP disqualification, or criminal prosecution.

### **C. Prudent Decision-Making Principles**

1. The policies and procedures included in this LIHEAP Policy compile and prescribe guidance for determining eligibility, delivering benefits, and administering the Program. Employees and Community Navigators will use reason and apply good judgment in making decisions when addressing specific needs or scenarios of an Applicant or Household not specifically addressed by this Policy or referenced Authority. Decision-making by Employees based on the best information available, program knowledge, experience and expertise is referred to as the Prudent Decision-Making Principle. Prudence may also include seeking DCAD or DES guidance on specific Program or policy interpretation. Employees should document their rationale used to make decisions not contemplated by this Policy or Authority, and cite any applicable references.

### **D. Policy Administration**

1. Updates and/or amendments to this Policy will be issued as complete numbered revisions, superseding this Policy, in conjunction with any relevant Policy Memorandum summarizing changes.
2. Minor clarification to this Policy may be issued in the form of Policy Memoranda, providing interim guidance between revisions.
3. Questions or requests for clarification regarding this policy should be submitted via email to:

[dcadcaps@azdes.gov](mailto:dcadcaps@azdes.gov), and  
[dcadpolicy@azdes.gov](mailto:dcadpolicy@azdes.gov)

Subject: LIHEAP Policy Questions & Clarifications

Please include your name, a contact phone number, and details regarding your inquiry.

## **VII. PROCEDURES**

### **A. Application Process**

1. Application Requirements

An application must contain the following information for DES to make an eligibility determination. The Applicant has the primary responsibility for providing all required information:

- a. Proof of Arizona Residency

- i. An Applicant must submit documentation demonstrating Arizona residency. Forms of documentation include:
    - A) A utility bill;
    - B) Lease agreement;
    - C) Mortgage statement;
    - D) Driver's license or state-issued identification; or
    - E) Any other documentation that demonstrates an Arizona address.
  - ii. An Employee must handle Address Confidentiality Program (ACP) participant information according to *Address Confidentiality Program Policy and Procedures* (DES 1-01-45, DES 1-01-45-01), and [DCAD Address Confidentiality Program Policy](#).
- b. Verification of Income
- An Applicant must submit verification of income for all Household members ages 18 and older.
- i. Income includes all earned and unearned income of any Household member, including but not limited to:
    - A) Employment payments as indicated on a W2, 1099, tax documents, or pay stubs;
    - B) Profit or loss documentation from self-employment or sole-proprietorship, as indicated on a Schedule C (Form 1040);
    - C) Unemployment Insurance benefits;
    - D) Social Security, Veterans Administration, or retirement benefits;
      - Note: Medicare Part B premiums should be subtracted when determining gross income.
    - E) Alimony, spousal maintenance, child support, or other such income; or
    - F) Other monies coming into the Household.
  - ii. Documentation showing that the Household's income is less than 60% of the SMI (for Households of up to 8) or 150% of the FPL. Documentation may include:

- A) The most recent pay stubs from 30 calendar days from the date of the LIHEAP application;
  - B) Tax Documents for the previous calendar year; or
  - C) Award Letters (e.g., SNAP, TANF, SSI, or Social Security).
- iii. If an Applicant does not have the most recent pay stubs for all members of the Household, the Applicant shall provide other evidence of income amounts.
  - iv. If any Household members have no income, the Applicant shall provide a self-attestation of no income for each Household member by completing and signing the EAP-1007A Applicant Statement of No Income form. If further verification is required, an Applicant shall provide additional evidence of no income for each Household member. Evidence may include:
    - A) The last date of employment;
    - B) The last date of income received;
    - C) All other sources of income; and
    - D) Any documentation or information pertaining to a Household's member's current financial situation and employment status.
- c. Bill(s), invoice(s), shut-off notice, or other evidence of the energy account status in the Applicant's name or a member of the Household.
    - i. If an Applicant or Household member's name is not listed on the Household utility bill, additional verification of the Applicant's obligation to pay for the utilities may be required.
    - ii. For Households utilizing and seeking Portable Fuel assistance, an Applicant may provide self-certification using the EAP-1006A LIHEAP Portable Fuel Certification form, solely to evidence Portable Fuel requirements. Self-certification for Portable Fuel will require the following information:
      - A) Total requested Portable Fuel and estimated cost;
      - B) Type(s) of heating/cooling generation source(s) using Portable Fuel (specifying size, make/model as applicable);

- C) Specific type(s) of Portable Fuel required (e.g. propane, wood, gasoline);
  - D) Estimated monthly Portable Fuel use per type;
  - E) Estimated cost of Portable Fuel per unit (e.g., per sold gallon, weight). The cheapest available Portable Fuel of its type will be used, absent specific justification; and
  - F) Amount of any Portable Fuels currently owned and available for use by the Household.
- d. Proof of Veteran status (if applicable), as evidenced by a copy of any of the following:
    - i. DD-214;
    - ii. Military or veteran identification card;
    - iii. Veteran Health Identification Card; or
    - iv. Department of Veterans Affairs Discharge Certification Letter.
  - e. Self-Certification of the following:
    - i. Household did not receive any other assistance for the same energy cost;
    - ii. U.S. citizenship or Qualified Non Citizen status of Eligible Household Members. Any Households which do not provide self-certification for all Household members will be treated as a Mixed-Status Household, and those Household members without a self-certification of U.S. citizenship or Qualified Non Citizen status will be treated as ineligible Household members;
    - iii. Disability status (if applicable); and
    - iv. Statement of Tribal LIHEAP Denial (if applicable).
  - f. Crisis Assistance (as applicable):
    - i. Proof that Standard LIHEAP benefits have been exhausted; and
    - ii. Proof of Regular Crisis or Life-Threatening Crisis, evidenced by:
      - A) For Regular Crisis:
        - 1) A utility shut-off or delinquency notice;

- 2) An eviction notice, if utilities are included in the rent;
- 3) Collateral contact with energy Vendor to verify crisis status;
- 4) Documentation showing that the Household has less than seven days of prepaid utility services left; or
- 5) Self-certification that the Household has less than seven days of Portable Fuel.

B) For Life-Threatening Crisis:

- 1) A statement from a licensed medical physician stating that termination of power or exposure to heat or cold would be dangerous to the health of a Household member; or
- 2) Self-certification stating that life supporting equipment is used in the home and the equipment is dependent upon utility service for operation.

g. Data Collection. Certain information is required to be collected per federal guidelines, including:

- i. Demographic information of the primary Applicant, including race, ethnicity, veteran status, and gender. There is a “choose not to answer” option for all demographic data collection elements.
- ii. LIHEAP Performance Measures information, including vendor information, household size, fuel type, primary heating type, and annual household income. See performance measures guideline [LIHEAP Performance Measures Data Collection Guide](#).

2. Application Submission and Verification of Identity

Applicants seeking Standard LIHEAP assistance and/or Crisis Assistance may apply for LIHEAP through any of the following methods. To prevent fraud, an Applicant must verify their identity.

- a. By completing an application online through the LIHEAP Portal at <https://era.azdes.gov/>;

- i. When applying online, an Applicant must verify their identity through ID.me at <https://www.id.me/>. Use of ID.me will require a Social Security Number (SSN) or Taxpayer Identification Number (TIN).
  - A) An Applicant's disclosure of their SSN or TIN is optional and is used to verify the Applicant's identity and assist in the timely processing of the application.
  - B) If an Applicant wishes not to disclose their SSN or is otherwise unable to verify through ID.me, they may submit a paper or phone-based application and provide identity documents. This method may lengthen processing time.
- b. By providing a paper application to, or completing an online application with a Community Navigator;
  - i. When applying with assistance from a Community Navigator, an Applicant is required to provide identification documents. Identification documents may include:
    - A) State issued ID;
    - B) Driver's license;
    - C) Birth Certificate;
    - D) Passport; or
    - E) Any other documentation that can demonstrate a person's identity.
- c. By telephone, by calling 1-866-494-1981; or
  - i. An oral acknowledgement of the application will be deemed a signature for the purposes of a telephonic application.
- d. By printing an application and returning it to DES via:
  - i. Fax to (602) 612-8282;
  - ii. Delivering the application to a local DES office or Community Navigator; or
  - iii. Mailing the application to:

Department of Economic Security  
Low-Income Home Energy Assistance Program  
PO Box 19130  
Phoenix, AZ 85009-9998

### 3. Recertification

#### a. Senior Utility Assistance Program (SUAP)

Eligible senior Applicants may apply for SUAP when recertifying for LIHEAP benefits. SUAP recipients are eligible to receive the maximum Standard LIHEAP benefit.

#### i. To be eligible to recertify under SUAP:

1. All adult Household members must be 60 years of age or older or 17 years of age or younger; and
2. One Household member must either:
  - a. Be the current recipient of Federal or State benefits;
  - b. Have expenses related to Medicare; or
  - c. Receive Social Security or Social Security Disability income.

#### b. SUAP Applicants

#### i. Nine (9) months from the approval date, eligible SUAP Applicants will be notified of:

1. Eligibility for SUAP; and
2. Eligibility to apply to recertify 11 months from the approval date of their application.

#### c. All LIHEAP Applicants (Including SUAP)

#### i. Applicants are eligible to apply to recertify for LIHEAP 11 months from the approval date of their LIHEAP Standard application.

1. Applicants will be notified by email of eligibility, and how to apply.

#### d. Recertification applications will automatically carry over all prior Applicant Household information for the purposes of the application. The applicant must:

- i. Verify that all information is current and accurate;
- ii. Provide the current cost of utilities (this information will not be carried over from a prior application);
- iii. Provide any documentation required for the application; and

- iv. Sign and submit the application.
  - e. All Application Requirements, and Application Submission and Verification of Identity provisions apply for recertification applications, except that recertifications must be submitted:
    - i. By completing an application online through the LIHEAP Portal at <https://era.azdes.gov/>; or
    - ii. By completing an online application with a Community Navigator.
4. Application Processing
- a. Adjudication Timelines
    - i. Standard LIHEAP applications will be processed by DES within three (3) business days, from the date an application is received online, by mail, or by phone by DES until a decision is issued.

Note: This time does not include any days during which an incomplete application was returned to an Applicant for processing.
    - ii. Crisis LIHEAP applications will be processed as soon as possible, but no later than 48 hours for Regular Crisis applications and no later than 18 hours Life-Threatening Crisis LIHEAP Applications, from the time an application is received by DES until a payment is issued.
  - b. Community Navigators
    - i. Provide integral support to the LIHEAP program to ensure applicants have an option for local, in-person LIHEAP resources. Further, Community Navigators enhance the availability of LIHEAP, and improve the quality of applications to streamline DES adjudication.
    - ii. Work through state-designated Community Action Agencies (CAA) or other community partners to perform outreach in accordance with contractual agreements.
    - iii. Perform appointments with Applicants for services as soon as practicable and in accordance with contractual requirements. Navigators must screen for crisis circumstances and priority will be given to Crisis Assistance Applicants.



- iv. Receive applications and requests for application services from Applicants. Specifically, Community Navigators:
  - 1. Ensure an application complies with the requirements of this policy, including necessary documentation to make an eligibility determination;
  - 2. Assist the Applicant in locating and submitting an application and/or related application document(s); and
  - 3. Comply with all applicable Community Navigator and DES training, contractual agreements, law, and regulations in providing services.
- v. Submit complete LIHEAP applications to DES within one (1) business day.
- vi. Conduct initial screening and reporting of potential Welfare Fraud.
  - 1. For additional guidance on Welfare Fraud, please refer to Section VII, Subsection E of this policy.
- c. DES, DCAD
  - i. Contracts with CAAs and community partners for navigator and outreach services.
  - ii. Receives and adjudicates applications in accordance with applicable law, the Arizona LIHEAP State Plan, and this Policy.
    - 1. Applications may be received online, on paper, or telephonically; any form of application type may be submitted directly to DCAD, or through or in coordination with a Community Navigator.
  - iii. Notifies Applicants of adjudication decisions, and disperses approved Applicant benefits to Vendors or Applicants (see para. VII(B)(3)).
  - iv. Notifies applicants of eligibility to recertify for LIHEAP benefits:
    - 1. Applicants eligible for SUAP will be notified of their eligibility for SUAP nine (9) months from the approval date of their application.

2. All applicants will be notified of their eligibility to recertify for LIHEAP benefits 11 months from the approval date of their application.

d. Incomplete Applications

- i. When received or reviewed by a Community Navigator, the Community Navigator will make best attempts to resolve incomplete applications with the Applicant prior to submission of the application to DES and within prescribed timelines.

A) For example, the Community Navigator may request any missing information or assist the applicant in locating missing documentation.

- ii. When incomplete applications are received by DES, DCAD via online portal, fax, or mail, and as a result an eligibility determination is unable to be made, the application will be placed in a 'needs information' status. An email notice will be sent to the Applicant explaining the information or documentation that is required to complete the application for an eligibility determination to be made.

A) Incomplete applications cannot be acted upon by DES until Applicants provide required information/documentation to complete their application.

B) After an application is placed in 'needs information' status and Applicant is notified of missing information/documentation, the Applicant will be provided 45 days to complete the application.

C) Applications that remain in a 'needs information' status for more than 45 days will be denied as incomplete and/or missing required documentation. The Applicant may reapply.

e. Conflicts of Interest

An Employee or Community Navigator may not process a LIHEAP application submitted by any person, or which pertains to a Household member, that the Employee or Community Navigator knows or otherwise has a personal relationship, including a friend, neighbor, relative, or other individual. Any such relationship, which

may raise a question of the Employee or Community Navigator's impartiality, must be avoided.

- i. Any Employee who identifies a Conflict of Interest in an application (e.g. with an Applicant, member of the Applicant's Household, or other information) will notify their immediate supervisor and take no action on the Applicant's case. The supervisor will then transfer the application to another Employee within one business day for continued processing.

## **B. Authorization of Benefits**

### **1. Benefit Calculations**

- a. Standard LIHEAP benefits will be calculated using the LIHEAP Heating/Cooling Benefit Matrix as set by the current LIHEAP State Plan. The Department may authorize up to \$1,200 for a standard LIHEAP payment.
  - i. This payment may be provided to approved Applicants one time within the Eligibility Period (For example, see "Benefit Limits" below). The payment may be used to:
    - A) Pay energy utility bills;
    - B) Pay utility deposits and connection fees;
    - C) Pay Arrearages; and
    - D) Restore energy services (including payment of reconnection charges, fees, and penalties).
- b. The Department may authorize up to an additional \$1,000 for a Crisis Assistance payment.
  - i. Crisis Benefit Calculation
    - A) Crisis Assistance payments start at a minimum \$100 benefit.
    - B) Any additional Crisis Assistance benefit is based upon Household need.
  - ii. This payment may be provided one time within the Eligibility Period, and
  - iii. The applicant has exhausted their standard LIHEAP benefit. A Standard LIHEAP benefit is exhausted when:
    - A) The Standard LIHEAP benefit is not enough to cover the outstanding amount due at time of approval (in this

case, Crisis LIHEAP payment may be made at the same time as an approved Standard LIHEAP payment); or

B) The Applicant was previously approved for, and has since exhausted their full standard LIHEAP benefit.

- c. LIHEAP assistance payments are not considered Household income.
- d. A Household's participation in LIHEAP must not adversely impact the Household's eligibility for other public assistance programs provided by DES.

## 2. Decision Notices

a. DES will issue decision notices to Applicants via email through the LIHEAP Portal.

i. Approval Notices. Approval notices will be issued when the decision is made to grant benefits. An approval notice will include the application approval date and the amount of the benefit.

ii. Denial Notices. Denial notices will be issued when the decision is made to deny benefits due to ineligibility, missing documentation, or another reason. A denial notice will include:

A) the date of the decision;

B) the basis for the denial;

C) the Applicant's right to request reconsideration of the decision; and

D) the Applicant's right to appeal.

iii. Updated Notices. If a subsequent DES decision is made affecting an Applicant's existing benefits eligibility or amount, an updated notice will be provided. Updated notices will include the same information as denial notices.

## 3. Payment Issuance

a. The Department will:

i. Issue a LIHEAP payment directly to an energy Vendor via Electronic Fund Transfer (EFT) or check.

ii. Issue a payment directly to the Applicant when:

- A) Payment cannot be made directly to the energy Vendor.
      - B) An Applicant's energy utilities are included in their rent.
    - iii. Issue a Notice of Payment Letter directly to an energy Vendor or Applicant for a Crisis within 48 hours.
  - b. Any payment made to a bank account or to a mailing address outside the United States is subject to an additional review before processing.
  - c. Any LIHEAP payment received by the energy Vendor under this section will be used to satisfy all or a portion of the Household's energy bill.
4. **Benefit Limits**
- a. An eligible Household will not receive Standard LIHEAP payments in excess of \$1,200 per every 12 months from the eligibility date.
  - b. An eligible Household will not receive Crisis LIHEAP payments in excess of \$1,000 per every 12 months from the Standard LIHEAP eligibility date.
  - c. Eligible SUAP participants will qualify to receive the maximum standard LIHEAP benefit of \$1,200.
  - d. A Household approved for LIHEAP benefits:
    - i. Is eligible to recertify for LIHEAP benefits under a new eligibility period 11 months from the approval date of their previous application with reduced documentation; and
    - ii. Is eligible to receive benefits under a new eligibility period 12 months from the approval date of their previous application.
  - e. Example. Applicant A applies for LIHEAP benefits on November 1, 2022, and their application is approved on November 4, 2022. Applicant A's 12-month Eligibility Period begins on November 4, 2022, and they may recertify for Standard LIHEAP on October 4, 2023 after 11 months. Applicant A is eligible to receive a new period of LIHEAP benefits beginning November 4, 2023

### **C. Grievances**

- 1. Applicant grievances will be processed in accordance with the DCAD Grievances Policy.

## **D. Program Monitoring**

1. Program monitoring generally consists of evaluations of internal processes and procedures for compliance with all requirements of federal, state and local laws, LIHEAP contracts, and this Policy.
  - a. Community Action Agencies (CAA). CAAs will be monitored a minimum of once every three (3) years, focusing on program, fiscal, policy, general contract, and navigator model compliance. Monitoring will be performed in accordance with the LIHEAP State Plan, Section 10.
  - b. DES will complete internal case audits on a monthly basis to ensure accurate determinations are made.
    - i. LIHEAP adjudicators will complete initial monthly case audits.
    - ii. Second-level audits will also be completed to ensure quality and accuracy of the monthly audit process. Second-level audits will be completed on no less than a quarterly basis, by a LIHEAP employee with adjudicator supervisory authority.
  - c. Arizona Auditor General's Office. Audits LIHEAP in its audit of program expenditures in accordance with the Single Audit Act of 1984.

## **E. Welfare Fraud Prevention and Penalty**

1. Employees will take multiple steps to detect and prevent instances of Welfare Fraud. Specifically, Employees will review the energy bill and other associated documents and evidence for signs of fraud.
2. Applicants are required to attest they are not receiving benefits under LIHEAP for energy or utility expenses already paid by any other assistance program. Providing false statements may be punishable by law and/or result in denial or disqualification from LIHEAP benefits.
3. In cases where potential Welfare Fraud is detected, Employees will document the suspected nature of the fraud, any relevant information (e.g., known facts, statements, witnesses, or other knowledge possessed by the employee regarding the matter) and refer the matter to the Office of the Inspector General for investigation.
4. When Welfare Fraud is detected, external parties shall:
  - a. Call the DES Fraud Hotline at (800) 251-2436; or
  - b. Complete the online form at <https://fraudreferralexternal.azdes.gov/>.

5. If DES determines that an Applicant has committed an intentional program violation or defrauded LIHEAP, the Applicant will be subject to denial of LIHEAP benefits, disqualification from the Program, and criminal prosecution.
  - a. Applicants are subject to 12-month disqualification for a 1st violation, 24-month disqualification for a 2nd violation, and permanent disqualification for a 3rd violation.

**F. Confidentiality**

1. Information collected by the Program and during an appeal is confidential under A.R.S. § 41-1959 unless such confidentiality is waived.
2. The U.S. Treasury Office of Inspector General, U.S. Department of Health and Human Services, and the U.S. Government Accountability Office, or authorized representatives of either, shall have the right of access to confidential records to conduct audits or investigations.

**G. Records Retention**

1. DES and Community Action Agencies shall maintain a copy of all records for at least five years, according to *Records Management and Reports Policy* (DES 1-37-12) and associated procedures (DES 1-37-12-01), after all funds allocated to the state have been expended.
2. DES shall maintain records including financial documents and documents pertaining to eligibility determinations.

**APPENDIX 1 - Income Eligibility by Household Size**

<b>Household size</b>	<b>Monthly Gross Income Limit</b>
1	\$2,403
2	\$3,143
3	\$3,883
4	\$4,622
5	\$5,362
6	\$6,101
7	\$6,240
8	\$6,379
9	\$6,962
10	\$7,605
11	\$8,247
12	\$8,890
13	\$9,532
14	\$10,175
15	\$10,817
16	\$11,460
17	\$12,102
EACH ADDL OVER 17	EACH ADDL
	\$642