



**Division of Community Assistance and Development**

*Policy & Procedures*

**Subject:** Low Income Household Water Assistance Program  
**Process Owner:** Division of Community Assistance and Development  
**Effective Date:** 7/1/23  
**Revision Number:** 6

**Low-Income Household Water Assistance Program**

**I. POLICY STATEMENT**

The Low-Income Household Water Assistance Program (LIHWAP or Program) is a pilot program established in response to the COVID-19 pandemic. This program assists low income households by providing financial relief toward water and waste water bills to prevent water utility disconnection for non-payment. LIHWAP prioritizes households with the most vulnerable members, and those who are subjected to the greatest financial burden from this cost. This program is administered by the Department of Economic Security (DES), Division of Community Assistance and Development (DCAD), in accordance with applicable federal guidance, the Arizona LIHWAP State Plan, and this Policy. It is federally funded by the United States Department of Health and Human Services (HHS), under the American Rescue Plan Act of 2021 (ARPA) and the Consolidated Appropriations Act of 2021. Arizona utilizes a direct-service model for distribution of LIHWAP benefits. These benefits will be utilized to address water service restoration, past-due obligations, and future bills. Benefits received may not exceed \$3000 per household, except in Exigent Circumstances. LIHWAP applicants may apply online, by phone, or by a paper application found on the DES website that must be submitted via fax or mail. Certain County Housing Authorities and Community Action Agencies (CAA) may assist the applicant with completing the application online. DES also contracts with water utility service providers, assisting in identifying households who are potentially eligible for LIHWAP benefits to offer bulk utility benefits.

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### III. APPLICABILITY

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

### IV. AUTHORITY

Funding for Water Assistance Program	<a href="#">American Rescue Plan Act, 2021</a> <a href="#">Pub. L. 117-2</a> <a href="#">Section 2912</a>
General Provisions	<a href="#">Consolidated Appropriations Act, 2021</a> <a href="#">Pub. L. 116-260, Division H,</a> <a href="#">Section 553</a>
National Declaration of Emergency	<a href="#">Proclamation on Declaring a National</a> <a href="#">Emergency Concerning the Novel</a> <a href="#">Coronavirus Disease (COVID-19)</a> <a href="#">Outbreak</a> (March 13, 2020)  <a href="#">Continuation of the National Emergency</a> <a href="#">Concerning the Coronavirus Disease 2019</a> <a href="#">(COVID-19) Pandemic</a> (February 26, 2021)
U.S. Department of Health and Human Services	<a href="#">U.S. Dept. of Health &amp; Human Services</a> <a href="#">Frequently Asked Questions and Answers</a> <a href="#">about Administering the Low Income</a> <a href="#">Household Water Assistance Program</a> (July 23, 2021)
Arizona Revised Statute	<a href="#">A.R.S. § 41-1959 Confidential information;</a> <a href="#">permissible disclosure; rules; violation;</a> <a href="#">classification</a>
Household Income Eligibility Guidelines	<a href="#">Department of Health and Human</a> <a href="#">Services - 45 CFR § 96.85</a>

### V. DEFINITIONS

**Applicant:** A person who is 18 years or older requesting LIHWAP. 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 Household Drinking Water and/or Wastewater utility services.

**Community Navigator:** Individuals employed by local, partner agencies that provide Applicants with assistance in understanding available benefits, completing LIHWAP applications, and providing applicants with certain specific benefits. Applicants may, but are not required to, apply for LIHWAP assistance through a community navigator.

**Drinking Water:** Any water used for domestic purposes, drinking, cooking, and personal hygiene.

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

**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 people.

**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 Drinking Water and/or Wastewater services are customarily purchased in common or who make undesignated payments for those services in the form of rent.

**Income:** Taxable Income as defined by the Internal Revenue Service.

**Landlord:** A person who owns a residential unit or otherwise has permission to collect rent on a residential unit. A person who is listed as a Tenant in the housing agreement is not considered a Landlord.

**LIHWAP (or Program):** The DES Program, administered by the Division of Community Assistance and Development (DCAD), that provides Drinking Water and Wastewater services financial assistance to eligible Arizonans in need.

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

**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, Federal Register notice dated August 4, 1998 ([63 FR 41657](#)), who is not a citizen of the United States but is eligible for state and local public benefits programs based upon enumerated criteria. Qualified Noncitizens 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.

**State Median Income (SMI):** Guidelines used to determine Income eligibility for Households of one to eight people.

**Tenant:** The person or persons listed as a leaseholder in a rental agreement at the time of application for the LIHWAP.

**Water Burden:** The proportion of total Household Income spent on Drinking Water and Wastewater bills in a month.

**Wastewater:** Water that has been used in a Household. This may include stormwater.

**Water Vendor:** A company or organization that provides Drinking Water and Wastewater services.

**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 LIHWAP

1. An Applicant must be in need of assistance with payment for Drinking Water and Wastewater.
2. An Applicant must be a U.S. Citizen or Qualified Noncitizen according to the *Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA)* ([Pub. L. 104-193](#) Title IV, Subtitle B, Section 742), which limits eligibility for benefits to citizens and Qualified Noncitizens and prohibits benefits to other noncitizens, including nonimmigrants (or temporary residents) or undocumented immigrants.
3. The Applicant and Household must reside within Arizona at the time of application.
4. The Household’s Income must meet specific requirements:
  - a. Gross Income is at or below the greater of:
    - i. 60% of the SMI; or
    - ii. 150% of the FPL
  - A) 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 - regardless of eligibility - is considered Household income.
  - c. Countable Income means Gross Income for all Household Members age 18 and older and includes:
    - i. Employment payments as indicated on a W2, 1099, tax documents, or pay stubs;
    - ii. Unemployment Insurance benefits;
    - iii. Social Security benefits; and
    - iv. Other other types of income for the Household, except those excluded by law.
5. The Household or Landlord who pays the water bill must pay for water through a Water Vendor.
- a. Water payments billed through a third party billing company, and not directly to a Water Vendor, are not eligible.
6. Landlord participation is required when the water bill is included in the Household's rent.
- a. Landlord must provide Water Vendor account information; and
  - b. Landlord must agree to reduce Tenant's rent in the amount paid on the Tenant's behalf.
7. A Household may not receive LIHWAP benefits for water and wastewater costs already paid by any other assistance program.
8. An Applicant's Household must not have reached the program maximum benefit of \$3000.
- B. LIHWAP Benefits
- 1. Water Utility Financial Relief
    - a. The Department may authorize a one-time assistance payment of up to \$3,000 in total financial assistance to:
      - i. Pay Arrearages incurred after March 2020;
      - ii. Restore water services (including payment of reconnection charges, fees, and penalties); and

- iii. Authorized prospective water services payments (credits).
  - b. In identified exigent circumstances, the Department may authorize payment of greater than \$3000, based on the needs of the Applicant. The total benefit an Applicant is eligible to receive will be determined on a case by case basis.
- 2. Payment Issuance
  - a. The Department will:
    - i. Issue a LIHWAP payment directly to a Water Vendor via Electronic Fund Transfer (EFT) or check.
    - ii. Contact the Landlord, if applicable, to obtain relevant account information in order to pay the Water Vendor.
  - 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 LIHWAP payment received by the Water Vendor under this section will be used to satisfy all or a portion of the Household's water bill.
    - i. The Water Vendor must agree to the *Water/Wastewater Services Vendor Terms and Conditions* as a condition of receiving LIHWAP payment and must agree not to attempt to disconnect water services for 30 days from the date of the Department's payment is received, or the maximum number of days allowed by the policies and procedures that apply to all of the Vendor's customers (whatever is longer).
    - ii. Any disputes arising out of the *Water Vendor Terms and Conditions* must be resolved in an Arizona court of competent jurisdiction according to Arizona law, and not as a small claims lawsuit without the Household's consent.
- 3. Benefit Limits
  - a. An eligible Household will not receive LIHWAP payments in excess of \$3,000 in total assistance, except as approved in exigent circumstances.
  - b. First-Time LIHWAP Applicants
    - i. Households that have not previously received a LIHWAP benefit are eligible to receive a one-time benefit of \$3,000 for any water/wastewater arrears balance, fees to restore water services, and authorized future services.

- c. Prior LIHWAP Applicants
  - i. LIHWAP Applicants who applied prior to the effective date of this Policy, whose Households were approved for and received less than the Program maximum of \$3,000, are eligible to receive a one-time payment of the difference between the total prior benefit and the program maximum, not to exceed \$3,000.
  - ii. Example: LIHWAP Applicant A previously applied for and received a LIHWAP benefit of \$1,200 for A's household. A reapplied and received another additional \$400 benefit. As a Prior LIHWAP Applicant, A is eligible to receive \$1,400; the difference between the A's total prior benefit ( $\$1,200 + \$400 = \$1,600$ ) and the program maximum (\$3,000).
- d. Exigent Circumstances
  - i. In exigent circumstances, an Applicant may be eligible for a LIHWAP benefit payment in excess of \$3,000.
  - ii. An Applicant may only receive an exigent circumstances benefit in conjunction with an qualifying LIHWAP benefits payment.
    - 1. An Applicant is not eligible for an exigent circumstances LIHWAP benefit if the Household has already reached the program maximum benefit of \$3,000.
    - 2. Example 1: LIHWAP Applicant A previously received a LIHWAP benefit of \$1,200 for A's household. A reapplied for LIHWAP benefits under exigent circumstances, and may be approved for a benefit \$1,800, plus any exigent circumstances benefit in conjunction with A's existing benefit based upon A's specific circumstances.
    - 3. Example 2: LIHWAP Applicant B previously received LIHWAP benefits totaling the \$3,000 program maximum. B now applies for an additional benefit under exigent circumstances. B is not eligible for a benefit as B has reached the program maximum.
  - iii. Exigent circumstances and an Applicant's need for an increased benefit will be evaluated on a case by case basis, including situations such as;



1. When an increased benefit is required to pay an entire bill to restore services; or
    2. In other crisis situations where an increased benefit is required for the health, safety, or welfare of the applicant's household.
  4. Other
    - a. Households who receive a LIHEAP benefit for eligible water costs related to evaporative cooling during the months of May through October are not eligible to receive a duplicate LIHWAP benefit for the same expenses.
    - b. A LIHWAP assistance payment is not considered Household Income.
    - c. A Household's participation in LIHWAP must not adversely impact the Household's eligibility for other public assistance programs provided by DES.
- C. Prudent Decision-Making Principles
  1. The policies and procedures included in this LIHWAP Policy compile and prescribe guidance for determining eligibility, delivering benefits, and administering the Program. DES 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:  
  
[lihwapservices@azdes.gov](mailto:lihwapservices@azdes.gov), and  
[dcadpolicy@azdes.gov](mailto:dcadpolicy@azdes.gov)  
Subject: LIHWAP Policy Questions & Clarifications

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

## VII. PROCEDURES

### A. Application Process

1. Application Submission. An Applicant must complete a LIHWAP application online. Applicants who are unable to submit an application and require an accommodation may complete an application by telephone or mail/fax. Submissions by mail/fax may result in increased processing times.
  - a. Online Applications. An Applicant may complete a LIHWAP application online at <https://era.azdes.gov/>.
  - b. Community Navigation Assistance. An Applicant may receive assistance from a Community Navigator through their local Community Action Agency.
    - i. A Community Navigator may provide assistance with completing an online application.
      - 1) If the online application portal experiences a malfunction or requires another accommodation, a Community Navigator may provide assistance completing a paper application.
    - ii. Community Navigators may also assist with answering questions or providing other assistance with LIHWAP applications.
  - c. Telephone Applications. For accommodations requiring a telephonic application, call (833) 453-2142. For telephone applications, an oral acknowledgment of the application will be deemed a signature;
  - d. Mail/Fax Applications. For accommodations requiring a printed application:
    - i. A paper LIHWAP application form WAP-1000A can be obtained and printed from the [DES Documents Center](#), the application portal [Forms page](#), or with the assistance of a Community Navigator.
    - ii. Complete the printed application and attach appropriate documents; and
    - iii. Return the completed application to DES by
      - A) Faxing to (602) 612-8282;
      - B) Submitting the application to a local Community Navigator; or

C) Mailing the application to:  
Department of Economic Security  
Low-Income Household Water Assistance Program  
PO Box 19130  
Phoenix, AZ 85009-9998

- e. LIHWAP Bulk Utility Assistance.
- i. Under the DES LIHWAP Bulk Utility Assistance Agreement, potentially eligible LIHWAP Applicants will be contacted by their Water Vendors to complete an eligibility survey.
  - ii. Water Vendors will forward all responsive surveys to DES for review. Any household found to be eligible will be contacted by a DES representative with further instructions on how to apply.
  - iii. More information on this LIHWAP Bulk Utility Assistance can be found in Section B of this Policy.

2. Documentation Requirements:

- a. Proof of Arizona Residency
- i. An Applicant must submit a water bill that lists their Arizona address.
  - ii. An Employee must handle Address Confidentiality Program (ACP) participant information according to *Address Confidentiality Program Policy* (DES 1-01-45), [DCAD Address Confidentiality Program Policy](#), and associated procedures (DES 1-01-45-01).
- b. Demographic information of the primary Applicant, which is required to be collected per federal guidelines, including race, ethnicity, and gender. There is a “choose not to answer” option for all demographic data collection elements.
- c. Proof of Income
- An Applicant must demonstrate proof of Income. This may be demonstrated through any of the following:
- i. Participation in one of the following programs:
    - A) Supplemental Nutrition Assistance Program (SNAP); or
    - B) Temporary Assistance for Needy Families (TANF).
  - ii. Proof of Income for all Household Members that includes:

- A) The most recent pay stubs from 60 calendar days from the date of the LIHWAP application; or
    - B) Tax documents for the previous calendar year.
  - 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 an Applicant has no Income the Applicant shall sign a self-certification of no Income.
- d. Bill(s), invoice(s), shut-off notice, or other evidence of the water account status.
- e. The Landlord's contact information is needed when Drinking Water and/or Wastewater is included in the Tenant's rent.
- f. Self-Certification of the following:
  - i. Household did not receive any other assistance for the same water cost;
  - ii. U.S. citizenship or Qualified Noncitizen status for 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 Noncitizen status will be treated as ineligible Household Members.

### 3. Verification of Identity

To prevent Welfare Fraud, an Applicant must verify their identity.

- a. 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).
  - i. 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.
  - ii. 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, or through a Community Navigator, and provide identity documents. This method may lengthen processing time.

- b. When submitting a paper application or applying through a Community Navigator, an Applicant is required to provide identification documents, including;
  - i. State issued ID;
  - ii. Driver's license;
  - iii. Birth certificate;
  - iv. Passport; or
  - v. Two or more other documents that can demonstrate a person's identify.

#### B. DES LIHWAP Bulk Utility Payment Assistance

- 1. The DES LIHWAP Bulk Utility Assistance (LIHWAP Bulk) program identifies eligible households and extends LIHWAPs reach of providing financial relief for water utility services to as many Arizonans as possible. LIHWAP Bulk is operated through contracts with participating Water Vendors who assist in providing this service based upon required criteria.
- 2. Water Vendor Eligibility.
  - a. Water Vendors may participate in the LIHWAP Bulk program if they meet the LIHWAP Bulk reporting and service requirements and contractual terms provided in the standard DES Utility Payment Assistance Agreement.
  - b. Water Vendors may be contacted directly by DES for information about participating in this program, or contact DES for more information at [lihwapservices@azdes.gov](mailto:lihwapservices@azdes.gov).
- 3. Participating Water Vendors
  - a. Identify and contact low-income Households who may be possible candidates for LIHWAP benefits by requesting eligibility information in the form of a survey.
  - b. Bundle survey results and account information from the potential households, then transmit the data securely to DES. This household data will be reviewed by the DES to determine if any Households meet LIHWAP eligibility criteria.
  - c. Shall refrain from disconnecting services or charging additional fees related to non-payment for any of these Households while DES determines eligibility.
- 4. LIHWAP Bulk Benefit Payment.

- a. Once eligible customers have been screened and confirmed, DES will process the applications and send payment for eligible Households to the Water Vendor
- b. The Water Vendor will apply payments directly to eligible Household accounts.
- c. Any Households that are determined ineligible for LIHWAP assistance will no longer be eligible for service disconnection and fee freezes, but will be referred to any additional services or benefits which may assist them.

C. Application Processing

1. Adjudication Timelines

- a. LIHWAP applications will be processed by DES within thirty (30) 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.

2. Community Navigators

- a. Provide integral support to the LIHWAP program to ensure applicants have an option for local, in-person LIHWAP resources. Further, Community Navigators enhance the availability of LIHWAP, and improve the quality of applications to streamline DES adjudication.
- b. Work through state-designated Community Action Agencies (CAA) or other community partners to perform outreach in accordance with contractual agreements.
- c. Perform appointments with Applicants for services as soon as practicable and in accordance with contractual requirements.
- d. Receive applications and requests for application services from Applicants. Specifically, Community Navigators:
  - i. Ensure an application complies with the requirements of this policy, including necessary documentation to make an eligibility determination;
  - ii. Assist the Applicant in locating and submitting an application and/or related application document(s); and
  - iii. Comply with all applicable Community Navigator and DES training, contractual agreements, law, and regulations in providing services.

- e. Submit complete LIHWAP applications to DES within one (1) business day.
  - f. Conduct the initial screening and reporting of potential Welfare Fraud.
    - i. For additional guidance on Welfare Fraud, please refer to Section VII, Subsection I of this policy.
3. DES, DCAD
- a. Contracts with CAAs and community partners for navigator and outreach services.
  - b. Receives and adjudicates applications in accordance with applicable law, the Arizona LIHWAP State Plan, and this Policy.
    - i. 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.
  - c. Notifies Applicants of adjudication decisions, and disperses approved Applicant benefits to Vendors or Applicants (see para. VII(B)(3)).
4. Incomplete Applications
- a. 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.
    - i. For example, the Community Navigator may request any missing information or assist the applicant in locating missing documentation.
  - b. 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.
    - i. Incomplete applications cannot be acted upon by DES until Applicants provide required information/documentation to complete their application.
    - ii. 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.

- iii. 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.

5. Conflicts of Interest

- a. An Employee or Community Navigator may not process a LIHWAP 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.
- b. 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.

D. Decision Notices

- 1. DES will issue decision notices to Applicants via email through the LIHWAP Portal.
  - a. Approval Notices. Approval notices will be issued when the decision is made to grant benefits. An approval notice will include the date of the decision and the amount of the benefit.
  - b. Denial Notices. Denial notices will be issued when the decision is made to deny benefits due to ineligibility, or another reason. A denial notice will include:
    - i. the date of the decision;
    - ii. the basis for the denial;
    - iii. the Applicant's right to request reconsideration of the decision; and
    - iv. the Applicant's right to appeal.
  - c. 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.

E. Case Prioritization

- 1. When case prioritization is necessary, a Household Higher prioritization will



be granted for Households in which water services have already been disconnected or are pending disconnection will be given priority in application processing. Households that meet any of the following conditions will be prioritized:

- a. A Household Member is over 60 years of age;
  - b. Household has a high Water Burden (>5%);
  - c. A Household Member has a disability; or
  - d. A Household Member is under 6 years of age.
2. Case prioritization will occur if the Department has a backlog.
- 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 Department may refer an Applicant to a partner organization that may provide the Applicant with additional benefits in order to pay the Applicant's entire water bill. In this situation, some basic information about the Applicant may be provided to the partner organization.
  3. The U.S. Treasury Office of Inspector General and the U.S. Government Accountability Office, or authorized representatives of either, must have the right of access to confidential records to conduct audits or investigations.
- G. Record Retention
1. DES will 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.
- H. 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, LIHWAP contracts, and this Policy.
    - a. Navigation services will be monitored a minimum of once every three (3) years, focusing on program, policy, general contract, and navigator model compliance. Monitoring will be performed in accordance with the LIHWAP State Plan, Section 7.
    - b. DES will complete internal case audits on a monthly basis.
      - i. LIHWAP 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 LIHWAP employee with adjudicator supervisory authority.
- c. Arizona Auditor General's Office. Audits LIHWAP in its audit of program expenditures in accordance with the Single Audit Act of 1984.

I. Welfare Fraud Prevention and Penalty

- 1. Employees will take multiple steps to detect and prevent instances of Welfare Fraud. Specifically, Employees will review the water bill and other associated documents and evidence for signs of fraud.
- 2. Applicants are required to attest they are not receiving benefits under LIHWAP 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 LIHWAP benefits.
- 3. In cases where fraudulent activity 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 LIHWAP, the Applicant will be subject to denial of LIHWAP 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.

## Appendix 1- Income Eligibility by Household Size

Household size	Monthly Gross Income Limit
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