DEPARTMENT OF ECONOMIC SECURITY
Your Partner For A Stronger Arizona

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April 30, 2020

To: Community Action Network

From: Frank Migali
DES Deputy Assistant Director of Community Services Programs
Division of Aging and Adult Services

Subject: State Fiscal Year (SFY) 2020-2021: General Policy Updates: Carryover Policy for Community Service Block Grant (CSBG), Low-Income Home Energy Assistance Program (LIHEAP), Temporary Assistance for Needy Families (TANF), Social Services Block Grant (SSBG) and Neighbors Helping Neighbors (NHN); LIHEAP Cost Types; TANF Cost Types; LIHEAP Policy Manual Updates

The following ALERTS are attached:

ALERT	**FUND SOURCE/TYPE**
ALERT SFY-20-J3	Policy Update: General Policy 2019-1 Carryover
ALERT SFY-20-J4	Policy Update: STCS Cost Types and Allowable Percentages
ALERT SFY-20-J5	Policy Update: LIHEAP Cost Types and Allowable Percentages
ALERT SFY-20-J6	Policy Update: LIHEAP Policy Manual Updates

ALERTS are available on the DAAS Website using the link: https://des.az.gov/services/aging-and-adult/division-aging-and-adult-services/alerts-arizona-division-aging-and-adult. Community Action Network ALERTs are located approximately halfway down the webpage.

Should you have any questions, please contact your assigned Contract Specialist, or Edward Chien at (602) 542-3269 or echien@azdes.gov.

cc: Molly McCarthy, Frank Migali, Rebecca Clayton, Shelley Morgan, Edward Chien, Diana Gravett, Cynthia Saverino, Bridget Casey, and DAAS FSA Team, DAAS file

DEPARTMENT OF ECONOMIC SECURITY
Your Partner For A Stronger Arizona

Division of Aging and Adult Services
ALERT

SFY-20-J3

SPECIAL ALERT - Policy and Procedures for SFY 2020

Policy and Procedure ALERTS are intended to notify Community Action Program (CAP) Agencies on newly developed, updated or revised Division of Aging and Adult Services (DAAS) Policies and Procedures. Please ensure that all appropriate CAP staff is provided with this information.

Background

Funding for Community Action Programs administered by DAAS is subject to federal and state rules and regulations regarding the reallocation and distribution of funds carried over from a previous State Fiscal Year. Carryover award rules vary by funding source.

CAPS Policy Update 2019-1 – Carryover Policies

Summary

The purpose of this policy update is to clarify DAAS policy and procedure regarding awarding carryover for each of the following funds: Low Income Home Energy Assistance Program (LIHEAP), Community Services Block Grant (CSBG), Temporary Assistance to Needy Families (TANF), Social Services Block Grant (SSBG), and Neighbors Helping Neighbors (NHN).

Implementation

This policy takes effect immediately.

Please direct any questions regarding the policies and procedures to Edward Chien at (602) 542-3269, or echien@azdes.gov.

Revised 2/13/2020

DAAS/CAAPA
General Policy 2019-1:
Carryover of CSBG, LIHEAP, SSBG, TANF, and NHN Funding
Effective immediately

1.0 Definitions

1.1 "Community Action Agency" (CAA) here refers to an eligible entity as defined by the Community Services Block Grant Act at 42 U.S.C. §9902(1)(A). It is thus inclusive of "limited purpose agencies" which were so designated under Title II of the Economic Opportunity Act of 1964.

1.2 "Agency" here refers to any organization which receives funding from the Division of Aging and Adult Services (DAAS) under the Community Action Program Services Scope of Work.

2.0 General – All Funding Sources

2.1 Agencies will submit final, close-out invoices within 45 days following the end of a fiscal year.
   a. If an agency does not submit its final invoice for a fiscal year within that timeframe, DAAS, at its discretion, may proceed with the carryover allocations process without that agency. In this scenario, an agency would still eventually receive its full CSBG carryover per §3.1, but it would not be included in the reallocation of LIHEAP funds described in §c1 *et seq.*

2.2 DAAS will publish an ALERT announcing allocation of carryover funds within 120 days following the end of a fiscal year.

3.0 CSBG Carryover

3.1 All CSBG funds allocated to a CAA which are unspent at the end of a fiscal year will be reallocated to that agency in the following fiscal year. If federal statute changes, this policy may be revised in accordance with statute (see Appendix C).

3.2 Unspent funds allocated to a CAA will only be reallocated to that agency in the fiscal year immediately following the year of their original allocation. In other words, if funds originally allocated to a CAA in Year 1 remain unspent even in Year 2, they may be recouped by DAAS for reallocation in Year 3 (see Table 1 in Appendix A).
   a. This eventuality is unlikely, since the State will consider carryover funds to have been expended first (see Table 1 in Appendix A).
   b. However, in case this eventuality does come to pass:
      i. Regular CSBG funds will be reallocated per the funding formula.
      ii. Discretionary CSBG funds will be reallocated per the State's discretion.

3.3 CSBG discretionary funds allocated to an agency other than a CAA which are unspent at the end of a fiscal year will be recouped by DAAS and used for discretionary purposes in the following fiscal year.

3.4 Discretionary funds awarded to an eligible entity in Year 1 will be carried over as discretionary funds for that entity in Year 2. The entity must spend such funds either for the originally approved purpose or for a different purpose subsequently approved in writing by DAAS.

4.0 LIHEAP Carryover

4.1 In an amount up to 10 percent of the agency's allocation for that fiscal year, LIHEAP funds allocated to an agency which are unspent at the end of a fiscal year will be reallocated to that same agency in the following fiscal year. See Table 2 in Appendix A.

a. This reallocation is contingent on the agency submitting its final fiscal year invoice within the specified timeframe (see §2.1a).
b. The 10 percent carryover limit will be assessed against the agency's allocation for that fiscal year *excluding carryover from prior years*. See Table 3 in Appendix A.
c. The 10 percent carryover limit will be assessed separately against each type of LIHEAP funding (i.e. admin, voucher, intake, leveraging, and Assurance 16). See Table 2 in Appendix A. The amount of each funding type that an agency was allocated will be determined by the agency's most recently approved Itemized Service Budget.
d. In the case that an agency has transferred funding from one type to another in their Itemized Service Budget, e.g. LIHEAP admin to LIHEAP vouchers, it will be assumed that current-year funding was transferred first, followed by prior-year carryover as applicable. See Table 4 in Appendix A.
e. LIHEAP funds which DAAS has approved for a specific multi-year purpose will not be subject to the 10 percent carryover limit. Except as restricted in the terms of their approval, such funds will be carried over in full for the duration of their period of approval. Once the period of approval ends, unspent such funds will be recouped and added to the Carryover Pool described in §4.3.

4.2 Unspent funds exceeding the 10 percent limit will be recouped and added to the Carryover Pool described in §4.3.

4.3 Recouped LIHEAP funds will be aggregated into a single Carryover Pool. Funds in the Carryover Pool will be reallocated to CAAs only.

4.4 Recouped funds will retain their character as admin, voucher, etc. in the Carryover Pool.

4.5 Recouped LIHEAP-Weatherization admin and voucher funds will be converted to regular LIHEAP admin and voucher funds in the Carryover Pool.

4.6 Recouped LIHEAP-Intake funds will be converted to regular LIHEAP voucher funds in the Carryover Pool.

4.7 Carryover Pool funds will be reallocated to CAAs according to the following procedure:

a. Each agency's share of the LIHEAP funding formula will be multiplied against the percentage of its LIHEAP allocation expended in the previous fiscal year to obtain that agency's Carryover Score. E.g., the Carryover Score for an agency which receives 8 percent of the funding formula and which spent 90 percent of its allocation in the previous year would be .08 x .9 = 0.072.
b. Each agency's Carryover Score will be divided by the sum of all agencies' Carryover Scores to obtain the proportion of the Carryover Pool which that agency will receive. See Appendix B for a demonstration.

5.0 TANF, SSBG, and NHN Carryover

5.1 TANF, SSBG, and NHN funds allocated to an agency which are unspent at the end of a fiscal year will not be reallocated in the following fiscal year. This is because DAAS itself only has spending authority of one year for such funds.

Appendix A

Tables Illustrating Carryover Policies

Table 1: *Unexpended Year 1 CSBG funds carrying over into Year 2 but not into Year 3*

	Year 1	**Year 2**	**Year 3**
Allocation	$100	$100 (Year 2 money) + $20 (Year 1 carryover)	$100 (Year 3 money) + $100 (Year 2 carryover)
Expenditures	$80	$10	$150
Remaining	$20	$100 (Year 2 money) + $10 (Year 1 money; was spent first)	$50 (Year 3 money)
To Carryover	$20	$100 (Year 2 money) (Year 1 funds have expired)	$50 (Year 3 money)

Table 2: 10% LIHEAP carryover limit assessed separately against each funding type

	Year 1 Allocation	**Year 1 Expended**	**Year 1 Remaining**	**Carryover for Year 2**
Admin	$70	$70	$0	$0
Voucher	$930	$800	$130	$93 (= 10% of $930)

Table 3: 10% LIHEAP carryover limit assessed against Year 2's new money, excluding Year 1 carryover

	Year 1	**Year 2**
Allocation	$100	$120 (Year 2 money) + $10 (Year 1 carryover)
Expenditures	$90	$90
Remaining	$10	$40
To Carryover	$10	$12 (= 10% of $120)

Table 4: 10% limit when funds are transferred between types

	LIHEAP admin	**LIHEAP vouchers**
New allocation	$70	$930
Carryover from prior year	$5	$100
Total allocation	$75	$1,030
Carryover limit	$7 (= 10% of $70)	$93 (= 10% of $930)
Agency moves $5 from admin to voucher. New allocation is assumed to have been moved first		
New allocation	$65	$935
Carryover from prior year	$5	$100
Total allocation	$70	$1,035
Carryover limit	$6.50 (= 10% of $65)	$93.50 (= 10% of $935)
Agency moves $68 more from admin to voucher. New allocation is assumed to have been moved first		
New allocation	$0	$1,000
Carryover from prior year	$2	$103
Total allocation	$2	$1,103
Carryover limit	$0 (= 0% of $0)	$100 (= 10% of $1,000)

Appendix B

Carryover Pool Procedure

	A	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**	**K**
	Allocation	**Spent**	**Unspent**	**% Expended**	**Guaranteed Carryover (10% of C)**	**Unspent Funds for Carryover Pool (C minus E)**	**Share of Funding Formula**	**Carryover Score (D times G)**	**% Share of Carryover Pool (H divided by Total H)**	**$ Share of Carryover Pool (I times Total F)**	**Total Carryover (E plus J)**
Agency 1	$100	$90	$10	90%	$10	$0	7.41%	0.067	8.7%	$17.74	$27.74
Agency 2	$150	$140	$10	93%	$10	$0	11.11%	0.104	13.5%	$27.60	$37.60
Agency 3	$200	$100	$100	50%	$20	$80	14.81%	0.074	9.6%	$19.71	$39.71
Agency 4	$250	$250	$0	100%	$0	$0	18.52%	0.185	24.0%	$49.28	$49.28
Agency 5	$300	$260	$40	87%	$30	$10	22.22%	0.193	25.0%	$51.25	$81.25
Agency 6	$350	$200	$150	57%	$35	$115	25.93%	0.148	19.2%	$39.42	$74.42
TOTAL	**$1,350**	**$1,040**	**$310**	**N/A**	**$105**	**$205**	**100%**	**0.771**	**100.0%**	**$205**	**$310.00**

Appendix C

Federal Statutes Governing CSBG Carryover

Distribution of CSBG carryover funding to eligible entities will be done in accordance with relevant federal statutes. The Community Services Block Grant Act at 42 U.S.C. §9907(a)(3)(A) provides that:

> *"…a State may recapture and redistribute funds distributed to an eligible entity through a grant made under paragraph (1) that are unobligated at the end of a fiscal year if such unobligated funds exceed 20 percent of the amount so distributed to such eligible entity for such fiscal year."*

In other words, the CSBG Act guarantees that eligible entities must receive back their unspent CSBG funds as carryover in an amount up to 20% of their original allocation. Per the CSBG Act, unspent funds in excess of 20% may be recouped and redistributed by the State.

However, per the Terms and Conditions attached to the CSBG grant awards made to States, States are required to follow all requirements in the most current federal appropriations act. For many years, the Consolidated Appropriations Act of each year has included the following language:

> *"…to the extent Community Services Block Grant funds are distributed as grant funds by a State to an eligible entity as provided under the CSBG Act, and have not been expended by such entity, they shall remain with such entity for carryover into the next fiscal year for expenditure by such entity consistent with program purposes."*

In other words, the Consolidated Appropriations Act requires that eligible entities must receive back *all* of their unspent CSBG funds as carryover, regardless of the amount. The Appropriations Act takes precedence over the CSBG Act, and thus the State of Arizona has adopted the policy at §3.1 in this document. However, if the Consolidated Appropriations Act of any given year were not to include the language above, then the 20% limit from the CSBG Act would become the applicable law, and it is possible that the State of Arizona would revise the policy at §3.1 in this document.

DEPARTMENT OF ECONOMIC SECURITY
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Division of Aging and Adult Services
ALERT

SFY-20-J4

SPECIAL ALERT - Policy and Procedures for SFY 2020

Policy and Procedure ALERTS are intended to notify Community Action Program (CAP) Agencies on newly developed, updated or revised Division of Aging and Adult Services (DAAS) Policies and Procedures. Please ensure that all appropriate CAP staff is provided with this information.

Short-Term Crisis Services (STCS) Policy Update 2020-1

Background

The Short-Term Crisis Services (STCS) program is funded by the Temporary Assistance to Needy Families (TANF) block grant (in whole or in part, depending on State appropriations). These funds are allocated to DAAS by the State Legislature. These funds are allocated by DAAS to designated local contractors that provide short-term crisis assistance to qualified low-income families with children. Federal rules determine allowable cost types and activities that may be carried out under this grant. State rules determine which federally allowable activities will be conducted by the STCS program under this grant.

Summary

The purpose of this policy is to describe and define cost types and allowable percentages of each cost type for activities conducted under the STCS program using TANF funds.

Implementation

This policy takes effect immediately.

Please direct any questions regarding the policies and procedures to Edward Chien at (602) 542-3269, or echien@azdes.gov.

DAAS/CAAPA
STCS Policy 2020-1:
TANF Cost Types
Effective July 1, 2020

A. Background

1. The Short-Term Crisis Services (STCS) program is funded by the Temporary Assistance to Needy Families (TANF) block grant (in whole or in part, depending on State appropriations).
2. 45 C.F.R. §263.13 specifies that "a State may not spend more than 15 percent of the amount [of TANF] that it receives…on 'administrative costs,' as defined at §263.0(b)".
3. 45 C.F.R. §263.0(b) defines TANF administrative costs as those "for general administration and coordination." It **excludes** from administrative costs the "direct costs of providing program services," such as "providing program information to clients" and "screening and assessments."

B. Policy

1. CAAPA contractors may not spend more than 15 percent of their TANF allocation from CAAPA on administrative costs.
2. TANF costs fall into three categories:
    a. *Vouchers.* Voucher costs include the actual purchase cost of emergency shelter, rent or mortgage assistance, utility assistance, utility repair and replacement, or special items and services needed by clients for securing or maintaining employment.
    b. *Intake.* Intake is defined as meeting with clients, determining their need and eligibility, establishing the assistance to be provided to them, and providing referrals to other resources. These costs include the salaries/benefits of the staff who **directly** perform that work as well as the supplies, equipment, space, travel, and operating expenses which those staff directly incur in the course of intake meetings.
        i. STCS providers may transfer funding from their vouchers allocation to the Intake category. The amount of funding which may be transferred is limited to 15 percent.
    c. *Administration*. All other costs are considered administrative costs. STCS providers may transfer unlimited funding from their Administration allocation to the Vouchers and Intake categories.
3. In cases where a resource is used for administration of both STCS and other programs, the provider must have a reasonable cost allocation procedure in place to determine what portion of that resource is charged to TANF (cf. 2 C.F.R. §200.405(d)).
4. The State may review agencies' cost allocation procedures as a component of contract monitoring.

DEPARTMENT OF ECONOMIC SECURITY
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Division of Aging and Adult Services
ALERT

SFY-20-J5

SPECIAL ALERT - Policy and Procedures for SFY 2020

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Low Income Home Energy Assistance Program (LIHEAP) Policy Update 2020-1

Background

The Community Action Utility Assistance program is funded in whole or in part by the Low-Income Home Energy Assistance Program (LIHEAP) block grant which is allocated to states by the U.S. Department of Health and Human Services, Administration of Family Services, Office of Community Services (HHS/ACF/OCS). This program is administered by DAAS. These funds are allocated by DAAS to designated local contractors that provide utility assistance to low-income households. Federal rules determine allowable cost types and activities that may be conducted under this grant.

Summary

The purpose of this policy update is to describe and define cost types and allowable percentages of each cost type using LIHEAP funds. This policy updates existing policy regarding cost types and allowable percentages for activities conducted under the LIHEAP program.

Implementation

This policy takes effect immediately.

Please direct any questions regarding the policies and procedures to Edward Chien at (602) 542-3269, or echien@azdes.gov.

DAAS/CAAPA
LIHEAP Policy 2019-1:
LIHEAP Cost Types and Chargeability
Effective July 1, 2020

Summary
LIHEAP costs fall into the categories of Vouchers, Intake, and Administration. Up to 20% of a LIHEAP provider's Vouchers budget may be transferred to the Intake category. LIHEAP Administration may not be supplemented by other federal grants, per LIHEAP statute and regulations. When a resource supports both LIHEAP and other services, a reasonable cost allocation procedure must dictate how much of the resource is charged to LIHEAP and how much to other funding sources.

A. Background

1. 42 U.S.C. §8624(b)(9)(A) specifies that "the State may use for planning and administering [LIHEAP funds] an amount not to exceed 10 percent of the funds payable to such State".
2. 45 C.F.R. §96.88(a) specifies that all administrative costs count against the 10 percent limit, "regardless of whether the expenditure is incurred by the State, a subrecipient, a grantee, or a contractor of the State".
3. 42 U.S.C. §8624(b)(9)(B) requires that "the State will pay from non-Federal sources the remaining costs of planning and administering the program".
4. The State of Arizona dedicates a full 10 percent of its LIHEAP grant to administration, dividing this administrative portion between itself and its contracted service providers.
5. Therefore, if providers charged other federal grants for the administration of LIHEAP, this would result in the State exceeding its 10 percent limit.

B. Policy

1. LIHEAP costs fall into four categories:
    a. *Vouchers*. Voucher costs include:
        i. The cost of physical energy resources given to clients, such as portable fuels or other materials defined as allowable per the ADES LIHEAP Policy and Procedure Manual;
        ii. The cost of energy bill payments made to vendors on clients' behalf; and
        iii. Other special costs as allowed by the State of Arizona on a case-by-case basis.
    b. *Intake*. Intake is defined as meeting with clients, determining their need and eligibility, establishing the assistance to be provided to them, and providing referrals to other resources. These costs include the salaries/benefits of the staff who **directly** perform that work as well as the supplies, equipment, space, travel, and operating expenses which those staff directly incur in the course of intake meetings.
        i. LIHEAP providers may transfer funding from their Vouchers allocation to the Intake category. The amount of funding which may be so transferred is limited to 20 percent of the Vouchers allocation or $60,000, whichever is greater. 20 percent is assessed against the provider's Vouchers allocation **including** funds transferred from the Assurance 16 or Administration categories but **excluding** any funds carried over or redistributed from prior years.

c. *Assurance 16*. Assurance 16 is an optional program for the purpose of encouraging and enabling households to reduce their home energy needs, authorized at 42 U.S.C. §8624(b)(16) and described in greater detail in the LIHEAP Policy Manual. Providers may transfer unlimited funding from Assurance 16 to the Vouchers category.

d. *Administration.* All other costs are considered administrative costs. LIHEAP providers may transfer unlimited funding from their Administration allocation to the Vouchers and Intake categories.

2. LIHEAP providers may not use other federal grants to pay for the administrative costs associated with LIHEAP services. This restriction does not apply to costs associated with Assurance 16 activities.
3. In cases where a resource is used for administration of both LIHEAP and other services, the provider must have a reasonable cost allocation procedure in place to determine what portion of that resource is charged to LIHEAP (cf. 2 C.F.R. §200.405(d)).
4. The State may review agencies' cost allocation procedures as a component of contract monitoring.

DEPARTMENT OF ECONOMIC SECURITY
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Division of Aging and Adult Services
ALERT

SFY-21-J6

SPECIAL ALERT - Policy and Procedures for SFY 2020

Policy and Procedure ALERTS are intended to notify Community Action Program (CAP) Agencies on newly developed, updated or revised Division of Aging and Adult Services (DAAS) Policies and Procedures. Please ensure that all appropriate CAP staff is provided with this information.

Background

The Low-Income Home Energy Assistance Program (LIHEAP) block grant is allocated to states by the U.S. Department of Health and Human Services, Administration of Family Services, Office of Community Services (HHS/ACF/OCS). This program is administered by DAAS. These funds are allocated by DAAS to designated local contractors that provide utility assistance to low-income households. Federal rules determine general program eligibility and activities that may be conducted under this grant. States must set forth policies and procedures for determining seasonal and crisis programs, benefit levels, application procedures and required documentation from applicants. DAAS LIHEAP operates a year-round program and offers crisis assistance to qualified households in need of assistance in paying for home energy.

LIHEAP Policy Manual Revisions

The purpose of this policy update is to create, revise and clarify the following policies in the LIHEAP Manual:

LIHEAP Manual: Social Security Numbers **Section: 300.07 Part E**
LIHEAP Manual: Mixed Status Households **Section: 400.04**. New.
LIHEAP Manual: Revision: Citizenship and Qualified Alien Policy **Section: 300.07 Part B**

- References to Legal Permanent Resident (LPR) as a qualifying non-citizen immigration status have been replaced with the phrase "Qualified Alien" or "Resident Alien" as defined in 8 U.S.C. § 1641 - U.S. Code - Unannotated Title 8. Aliens and Nationality § 1641.

LIHEAP Manual: Utility Shut-off Moratorium Policy Language **Section: 400.02**

- Changes in the moratorium note include removal of the phrase "State Mandated" and "addition of "If the household is in arrears for more than 5 days, agencies may apply a Supplemental benefit at the same time as the regular LIHEAP benefit to meet a household's energy obligation. Agencies may apply the LIHEAP Supplemental benefit while the moratorium is in effect, even if no shutoff or delinquency notice has been sent to the client."

Implementation

These policies amend or replace policy language in the above-mentioned sections. These policy revisions take effect immediately.

Please direct any questions regarding the policies and procedures to Edward Chien at (602) 542-3269, or echien@azdes.gov.

1. Documentation can be recorded with a hard copy (HC), collateral contact (CC), visual verification (VV) or client statement (CS). Visual verification may only be used when providing a home visit.
2. Documentation is written by the caseworker to support or clarify any information on the application.
3. A declaratory statement may be used, but only after all other resources have been exhausted. To be considered valid this statement must include:
    A. Date the statement was made
    B. All information required must be included in the statement for verification and documentation
    C. Client's signature

A declaratory statement CANNOT be taken to verify citizenship or legal resident status.

300.07 (III) Mandatory Verification

The following eligibility criteria must be verified:

A. **Identity of the Applicant (to be verified once by the agency)**; any document that establishes the applicant's identity will be accepted. Documents include, but are not limited to:

- Driver's license
- Work or school ID
- ID card from health benefits or another assistance or social service program
- Voter registration card
- Wage stubs
- Birth certificate
- Family census card
- Other reasonable sources

B. **Citizenship or Qualified Alien Status** for the **applicant (If method of proving citizenship does not expire or is not likely to change, such as a birth certificate, these documents only need to be verified once by the agency)**. See **EXHIBITI** "Instructions for verifying Citizenship and Qualified Alien Status".

C. **Residential Address**; applicant may provide, lease agreement, utility bills (in client's name), etc.

D. **Gross Non-Exempt Income** of **all household members**; income may not exceed 60 percent of the State Medium Income (SMI)Threshold Chart (**ATTACHMENT 5**) or Simplified LIHEAP Income Chart (**ATTACHMENT 4**).

E. **Social Security Numbers for applicant (NEW)Community Action Agencies are required to collect all proper documentation regarding household size and income**

from applicants seeking LIHEAP utility assistance. Documents are only required for individuals who are benefit eligible members of a household. Additionally, only benefit eligible members of the household applying for assistance with LIHEAP block grant funds are required to provide or apply for a Social Security Number.[1] See Mixed Status Households

When documents are not available; a collateral contact may be used. If all other resources have been exhausted a client statement may be taken, but not for verifying Citizenship, Legal Resident Status or Social Security number verification.

The DES SNAP/TANF case management system may be accessed by providers to verify that eligibility requirements (Social Security Number, Residency requirements, Citizenship requirements, and income requirements) have been met for LIHEAP.

Collateral contact CANNOT be used to verify citizenship or legal resident status.

400 ELIGIBLE APPLICANTS

LIHEAP assistance is available to singles and/or families with children including those receiving cash assistance. The following must apply:

1. Must be vulnerable to the rising costs of utilities by having either an obligation to pay a utility bill directly to a utility company, to purchase alternative fuel from a vendor or in subsidized rent which includes utilities.

Note: In situations where the accountholder is not the applicant, documentation must be obtained that transfers responsibility for utility costs from the accountholder to the applicant. Such documentation may include:

a. A written statement from the landlord or accountholder, or lease agreement indicating a responsibility for the applicant to pay utility costs (only the energy portion of the cost may be paid with LIHEAP funds unless the client qualifies for water assistance. See Section 700 for guidelines).

b. Power of Attorney has been granted from the accountholder to the applicant.

c. A Death Certificate for the accountholder, plus client or landlord statement indicating the applicant's responsibility for paying the utility bill.

2. At least one household member must be a U.S. Citizen or a Qualified Alien Status household member

3. An eligible applicant must execute a sworn affidavit (**ATTACHMENT 1**) or another DES/DAAS approved affidavit form affirming the documentation provided as listed in Exhibit I, Instructions for Verifying Citizenship and Qualified Alien Status during the verification process is/are true.

[1] This is stated in policy FAA2.L03C SSN Requirements in the Cash and Nutrition Assistance Policy (CNAP) Manual. This policy supports Federal regulation 7 CFR 273.6 on Social security numbers.

B. Does the household have children who attend school in Arizona or does?
C. The household pay Arizona resident rates for school tuition for children in the household?
D. Does the household own a business that has an office, base, or vehicles operating in Arizona?
E. Do household members have Arizona State Driver's License?
F. Does the applicant reside in Arizona seven or more months of every year?
G. Are household members employed in Arizona?
H. Does the household pay Arizona State taxes?
I. Are members of the household established with an Arizona medical provider?
J. Does the household have a rental agreement/lease or own the home they are residing in, in Arizona?

If "Yes" is the answer to any of the above questions, the applicant is considered an Arizona resident. Students who are deemed "out-of-state" by their university and do not take more than seven (7) hours of course work each semester are not residents, even if they are employed in the state. Similarly, military personnel based in Arizona who are exempt under the Soldiers and Sailors Relief Act, are not considered residents of the state.

Military Households

Military households whose primary residence is in Arizona at the time of application may receive LIHEAP assistance if determined eligible unless they are exempt under the Soldiers and Sailors Relief Act. If the head of household is deployed the household may receive LIHEAP assistance if determined eligible. See income eligibility section: 900.05

Mixed Status Households (NEW)

It is important to note that benefit eligible children, regardless of immigration status of their parents or guardians, have the same rights to public benefits as all other citizens or qualifying aliens. For example, undocumented parents may apply for public benefits for their U.S. citizen children.
For the purpose of the application process, benefits may be issued in the name of a non-qualified alien only when the only eligible household members are minor children or when the non-qualified alien is the customer of record for the energy bill.
Non-qualified household members are not counted toward the household size for the purpose of determining energy points; however, countable income for all household members is required regardless of immigration status of household members. See Citizenship

400.05 Institutionalized Residents

The applicant shall **not** be a resident of an institution. Institutions include but are not limited to:

- Hospitals
- Licensed Domiciliary Care Facilities (family care homes, homes for the aged and family care homes for developmentally disabled adults)
- Intermediate Care Facilities

1. Documentation can be recorded with a hard copy (HC), collateral contact (CC), visual verification (VV) or client statement (CS). Visual verification may only be used when providing a home visit.
2. Documentation is written by the caseworker to support or clarify any information on the application.
3. A declaratory statement may be used, but only after all other resources have been exhausted. To be considered valid this statement must include:
    A. Date the statement was made
    B. All information required must be included in the statement for verification and documentation
    C. Client's signature

A declaratory statement CANNOT be taken to verify citizenship or legal resident status.

300.07 (III) Mandatory Verification

The following eligibility criteria must be verified:

A. **Identity of the Applicant (to be verified once by the agency)**; any document that establishes the applicant's identity will be accepted. Documents include, but are not limited to:

- Driver's license
- Work or school ID
- ID card from health benefits or another assistance or social service program
- Voter registration card
- Wage stubs
- Birth certificate
- Family census card
- Other reasonable sources

B. **Citizenship or Qualified Alien Status** for the **applicant (If method of proving citizenship does not expire or is not likely to change, such as a birth certificate, these documents only need to be verified once by the agency)**. See **EXHIBITI** "Instructions for verifying Citizenship and Qualified Alien Status".

C. **Residential Address**; applicant may provide, lease agreement, utility bills (in client's name), etc.

D. **Gross Non-Exempt Income** of **all household members**; income may not exceed 60 percent of the State Medium Income (SMI)Threshold Chart (**ATTACHMENT 5**) or Simplified LIHEAP Income Chart (**ATTACHMENT 4**).

E. **Social Security Numbers for applicant (NEW)Community Action Agencies are required to collect all proper documentation regarding household size and income**

LIHEAP beneficiary, the applicant may receive a benefit equivalent to the last received LIHEAP payment, unless the applicant indicates a change in household composition, income, or other circumstance that may affect the benefit level. New, complete applications must be received a minimum of every five years for such clients.

Once permanent identity documents are verified by the agency, agencies do not need to verify these documents during future visits to the same agency. Documents that are likely to change in the future (e.g. a document is likely to expire, or an updated version will be needed), will need to be re-verified. The client may provide the agency with medical documentation that contains client Personal Identifying Information (PII), the caseworker should review and document relevant information regarding the client's crisis or situation in case notes. Medical documents containing client PII will not be kept in LIHEAP client files.

400.02 Right to Request Financial Assistance

All persons have the right to request financial assistance by following the procedures established by the state and the local agency that provides the services for the area in which they live.

NOTE: Utility Moratorium

Please note that during a moratorium on utility shutoffs, Community Action Agencies should encourage households to continue to apply for LIHEAP benefits, as these households may be compounding fees and charges that will be detrimental to their fiscal stability once the moratorium is lifted. If the household is in arrears for more than 5 days, agencies may apply supplemental benefit at the same time as the regular LIHEAP benefit to meet a household's energy obligation. Agencies may apply the LIHEAP Supplemental payment while the moratorium is in effect, even if no shutoff or delinquency notice has been sent to the client. Agencies are also encouraged to plan and execute increased outreach to special populations such as older adults and individuals with disabilities during these times.

400.03 Residency

Applicant must be a resident of Arizona at the time the application is submitted. Services cannot be authorized or provided to an applicant who is traveling through the state or living in Arizona for a temporary reason. Assistance may be provided to homeless households if they are requesting assistance to establish utility services. Seasonal residents and migrant workers may be considered residents if they are able to provide documentation that their current residence is in Arizona and they are able to provide documentation that they will reside in Arizona for at least seven (7) months or more.

400.04.1 (I) Determining Arizona Residency

Many residents in Arizona are technically seasonal inhabitants (students, seasonal workers), however; in some cases, they could be considered residents of Arizona. The Arizona Motor Vehicle Division's (MVD) guidelines should be used to assist in determining residency. The following questions should be considered (Community Service Memo [CM] Q&A 2013-002 Residency):

A. Does the client work in Arizona in an occupation that is not seasonal?