
DEPARTMENT OF ENERGY**CFDA 81.042 WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS****I. PROGRAM OBJECTIVES**

The objective of the Weatherization Assistance for Low-Income Persons (WAP) program is to increase the energy efficiency of dwellings owned or occupied by low-income persons, reduce their total expenditures on energy, and improve their health and safety. WAP has a special interest in addressing these needs for low-income persons who are particularly vulnerable, such as the elderly, disabled persons and families with children.

II. PROGRAM PROCEDURES**Program Administration**

States may submit an application and plan to the Department of Energy (DOE). The submission describes the proposed weatherization projects and contains a budget, a production schedule of dwelling units to be weatherized with grant funds, a monitoring plan, a training and technical assistance plan, rental procedures, and a health and safety plan. Upon approval, States receive funds from DOE and may enter into subagreements with local administering agencies having approved plans. If a State does not submit an application or if the State plan is rejected, a local applicant may submit a plan to carry out weatherization projects.

Source of Governing Requirements

WAP is authorized under Title IV, Part A, of the Energy Conservation and Production Act (Act), as amended (10 USC 6851 through 6872). Implementing regulations are published at 10 CFR part 440.

Availability of Other Program Information

Program notices are available on the Internet at www.waptac.org/regulations_and_guidance1.htm.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for a Federal program, the auditor should first look to Part 2, Matrix of Compliance Requirements, to identify which of the 14 types of compliance requirements described in Part 3 are applicable and then look to Parts 3 and 4 for the details of the requirements.

A. Activities Allowed or Unallowed

1. *Allowable activities include only:*
 - a. The cost of purchase and delivery of weatherization materials (10 CFR section 440.18(c)(1)). Funds may only be expended on weatherization materials listed in Appendix A of 10 CFR part 440 or as approved by DOE.
 - b. Labor costs in accordance with 10 CFR section 440.19.
 - c. Transportation of weatherization materials, tools, and equipment, and work crews to a storage site and/or to the site of weatherization work (10 CFR section 440.18(c)(3)).
 - d. Maintenance, operation, and insurance of vehicles used to transport weatherization materials (10 CFR section 440.18(c)(4)).
 - e. Maintenance of tools and equipment (10 CFR section 440.18(c)(5)).
 - f. Purchase or annual lease of tools, equipment and/or vehicles, except that any purchase of vehicles shall be referred to DOE in every instance (10 CFR section 440.18(c)(6)).
 - g. Employment of on-site supervisory personnel (10 CFR section 440.18(c)(7)).
 - h. Storage of weatherization materials, tools and equipment (10 CFR section 440.18(c)(8)).
 - i. The costs of incidental repairs to make the installation of weatherization materials effective (10 CFR section 440.18(c)(9)).
 - j. The cost of liability insurance for weatherization projects for personal injury and property damage (10 CFR section 440.18(c)(10)).
 - k. The cost of carrying out low cost/no cost weatherization assistance (10 CFR section 440.20).
 - l. The cost of WAP financial audits in accordance with 10 CFR section 440.23.
 - m. Administrative costs (10 CFR section 440.18(c)(13)).
 - n. The costs of eliminating health hazards, necessary to ensure the safe installation of weatherization materials (10 CFR section 440.18(c)(15)).

- o. Leveraging activities, as specified in leveraging section of the State Plan and grant agreement (10 CFR section 440.18(c)(14)). Leveraging entails a State obtaining additional program-targeted non-Federal or in-kind contributions as a result of WAP funded activities. Leveraging should be limited to contributions that can be clearly attributed to a State's weatherization activities, and that are used to augment those activities.

2. *Unallowable activities*

- a. Funds shall not be used to weatherize a dwelling unit which is designated for acquisition or clearance by a Federal, State or local program within 12 months from the date of the weatherization (10 CFR section 440.18(e)(1)).
- b. Funds may not be used to install or otherwise provide weatherization materials for a dwelling unit weatherized previously with grant funds, unless
 - (1) The weatherization activities may be considered "low cost/no cost" as described in 10 CFR section 440.20: inexpensive weatherization materials are used; no labor paid with funds provided is used to install weatherization materials referred to here; and a maximum of 10 percent of the amount allocated to a subgrantee, not to exceed \$50 in materials costs per dwelling unit, is expended (10 CFR section 440.18(e)(2)(i));
 - (2) Such a dwelling has been damaged by fire, flood or other Act of God and the repair of the damage is not paid for by insurance (10 CFR section 440.18(e)(2)(ii)); or
 - (3) The dwelling unit was weatherized under the Act or other Federal program during the period September 30, 1975 through September 30, 1985 (10 CFR section 440.18(e)(2)(iii)).

B. Allowable Costs/Cost Principles

1. Expenditures shall not exceed an average dollar amount per dwelling unit weatherized in the State. This number is adjusted annually by DOE and appears in the grant agreement (10 CFR section 440.18(b)(1)).
2. Expenditures on capital-intensive measures shall not exceed an average amount per unit weatherized in the State. This number may be found in the State Plan and grant agreement and may not be changed without a formal request for an amendment to the Plan (10 CFR section 440.18(b)(2)).

E. Eligibility

1. Eligibility for Individuals

- a. An individual or family dwelling is eligible for weatherization assistance provided that:
 - (1) The person or persons residing in the dwelling have an income that is at or below 125 percent of the Federal poverty level (10 CFR section 440.22(a)(1)). The poverty guidelines are issued each year in the *Federal Register* and HHS maintains a page on the Internet which provides the poverty guidelines (<http://aspe.os.dhhs.gov/poverty/poverty.htm>);
 - (2) The dwelling contains a member who has received cash assistance payments under Title IV or XVI of the Social Security Act or applicable State or local law during the 12 month period preceding the determination of eligibility for weatherization assistance (10 CFR section 440.22(a)(2)); or
 - (3) If the State elects, is eligible for assistance under LIHEAP, provided that such a basis is at least 125 percent of the Federal poverty level (10 CFR section 440.22(a)(3)).
- b. Written permission has been obtained from the owner of the dwelling or her agent (10 CFR section 440.22(b)(1)).
- c. Not less than 66 percent (50 percent for duplexes and four-unit buildings) of the dwelling units in the building:
 - (1) Are eligible dwelling units in the manner defined in Eligibility for Individuals, above (10 CFR section 440.22(b)(2)(i)); or
 - (2) Will become eligible within 180 days under a Federal, State or local program for rehabilitating the building or making similar improvements to the building (10 CFR section 440.22(b)(2)(ii)); and
- d. If the dwelling to be weatherized is rented, a formal agreement between landlord and tenant has been reached addressing issues of eviction from and sale of property receiving weatherization materials (10 CFR section 440.22(c)).

2. Eligibility for Group of Individuals or Area of Service Delivery - Not Applicable

3. Eligibility for Subrecipients

A subrecipient is eligible to provide weatherization services under WAP provided that:

- a. It is a public or non-profit entity, or a Community Action Agency (CAA) (i.e., a private corporation or public agency established under the Economic Opportunity Act of 1964, which is authorized to administer funds received from Federal, State or local entities to assess, design, operate, finance and oversee antipoverty programs) (10 CFR section 440.15(a)(1)); and
- b. It has been selected as a participant in the weatherization program on the basis of public comment received during a public hearing (10 CFR section 440.15(a)(2)).

G. Matching, Level of Effort, Earmarking

1. Matching - Not Applicable

2. Level of Effort - Not Applicable

3. Earmarking

- a. An average of at least 40 percent of the funds provided in a State shall be spent for weatherization materials, unless DOE approves a waiver (10 CFR section 440.18(a)). All States have obtained a waiver of this requirement, except Tennessee, Hawaii and Georgia. Supplemental information regarding these three States may be found in their grant agreements and State plans.
- b. Not more than 10 percent of funds may be used in total or in part for administrative costs. A State shall not expend more than 5 percent for such administrative costs, with at least 5 percent going to subrecipients for administration. Subrecipients may spend no more than 10 percent of the grant for administration; however, for subrecipients receiving grants less than \$350,000, a State may permit that entity to expend more than 10 percent of its subgrant for administrative purposes (10 CFR section 440.18(d)).
- c. Not more than 10 percent of the funds may be used to provide, directly or indirectly, training and/or technical assistance to any grantee or subgrantee (10 CFR section 440.23(e)).

L. Reporting**1. Financial Reporting**

- a. SF-269, *Financial Status Report* - Applicable
- b. SF-270, *Request for Advance or Reimbursement* - Not Applicable
- c. SF-271, *Outlay Report and Request for Reimbursement and Construction Programs* - Not Applicable
- d. SF-272, *Federal Cash Transaction Report* - Applicable

2. Performance Reporting - Not Applicable**3. Special Reporting** - Not Applicable