



# CALIFORNIA LOW INCOME HOME ENERGY ASSISTANCE PROGRAM DRAFT STATE PLAN



## LOW INCOME HOME ENERGY ASSISTANCE PROGRAM Federal Fiscal Year 2026

Gavin Newsom  
GOVERNOR

Kim Johnson  
SECRETARY

Jason Wimbley  
DIRECTOR

State of California  
Health and Human Services Agency

Department of Community Services and Development  
*U.S. Department of Health and Human Services  
Administration for Children and Families  
Office of Community Services*

## Mandatory Grant Application SF-424

U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01

OMB Clearance No.: 0970-0075

Expiration Date: 02/28/2027

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

#### MODEL PLAN

#### SF – 424: MANDATORY

<b>* 1.a. Type of Submission:</b> <input checked="" type="checkbox"/> Plan	<b>* 1.b. Frequency:</b> <input checked="" type="checkbox"/> Annual	<b>* 1.c. Consolidated Application/Plan/Funding Request?</b>  <b>Explanation:</b>  <b>2. Date Received:</b>  <b>3. Applicant Identifier:</b>  <b>4a. Unique Entity Identifier (UEI): F4LGDJEVBFK4</b>  <b>4b. Federal Award Identifier:</b>	<b>* 1.d. Version:</b> <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Resubmission <input type="checkbox"/> Revision <input type="checkbox"/> Update  <b>State Use Only:</b>  <b>5. Date Received By State:</b>  <b>6. State Application Identifier:</b>
---	--	---	--

#### 7. APPLICANT INFORMATION

**\*a. Legal Name:** State of California

**\*b. Address:**

<b>*Street 1:</b>	2389 Gateway Oaks Dr, Ste. 100	<b>Street 2:</b>	
<b>*City:</b>	Sacramento	<b>County:</b>	Sacramento
<b>*State:</b>	CA	<b>Province:</b>	
<b>*County:</b>	United States	<b>*Zip/Postal Code:</b>	95833

**c. Organizational Unit:**

<b>Department Name:</b>	Department of Community Services and Development	<b>Division Name:</b>	Energy and Environmental Services
-------------------------	--	-----------------------	-----------------------------------

**d. Name and contact information of person to be contacted on matters involving this application (person will be listed on the Notice of Funding Awards and on the U.S. Department of Health and Human Services' LIHEAP contact list web page):**

<b>*First Name:</b>	Kathy	<b>*Last Name:</b>	Andry
<b>Title:</b>	Branch Chief	<b>Organizational Affiliation:</b>	N/A
<b>*Telephone Number:</b>	916-426-9985	<b>Fax Number:</b>	916-263-1406
<b>*Email:</b>	kathy.andry@csd.ca.gov		

#### \*8. TYPE OF APPLICANT:

State Government

**a. Is the applicant a Tribal Consortium:**

No

**If yes, please attach at least one of the following documents:**

1. Current State-Tribe agreement between their state and the Consortium, signed by the State Chief Executive Officer (such as the Governor or the delegate) and the Consortium President;
2. Consortium letter listing the tribes, signed by the elected Tribal Chief or President of each tribe in the Consortium and signed by the Consortium President;
3. A current resolution letter from each tribe in the Consortium, signed by the elected Tribal Chief or President of that tribe. Each resolution letter needs to state that the Consortium has the tribes' permission to apply for, and administer, LIHEAP on their behalf and needs to designate a time period for the permission or until rescinded or revoked.

	<b>Catalog of Federal Domestic Assistance Number</b>	<b>CFDA Title:</b>
<b>9. CFDA NUMBERS AND TITLES</b>	93.568	Low-Income Home Energy Assistance

#### 10. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:

LIHEAP provides assistance to eligible low-income households to reduce the financial burden of home energy and meet their immediate home heating and/or cooling needs.

<b>11. AREAS AFFECTED BY FUNDING:</b>	
State of California	
<b>12. CONGRESSIONAL DISTRICTS OF APPLICANT:</b>	
5	
<b>13. FUNDING PERIOD:</b>	
a. Start Date: 10/1/2025	b. End Date: 9/30/2026
<b>*14. IS SUBMISSION SUBJECT TO REVIEW BY STATE UNDER EXECUTIVE ORDER 12372 PROCESS?</b>	
a. This submission was made available to the State under Executive Order 12372	
Process for review on:	
b. Program is subject to E.O. 12372 but has not been selected by State for review.	
c. Program is not covered by E.O. 12372.	
<b>*15. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?</b>	
<input type="checkbox"/> YES	
<input checked="" type="checkbox"/> NO	
If yes, explain:	
16. By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)	
<input checked="" type="checkbox"/> I AGREE	
**The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.	
17a. Typed or Printed Name and Title of Authorized Certifying Official	17c. Telephone (area code, number, and extension)
17b. Signature of Authorized Certifying Official (on)	17d. Email Address:
17e. Date Report Submitted (Month, Day, Year)	
Attach supporting documents as specified in agency instructions	

## Section 1 - Program Components

U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01  
OMB Clearance No.: 0970-0075  
Expiration Date: 02/28/2027

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM(LIHEAP) MODEL PLAN

#### Section 1 – Program Components

THE PAPERWORK REDUCTION ACT OF 1995 (Pub. L. 104-13) Use of this model plan is optional. However, the information requested is required in order to receive a Low Income Home Energy Assistance Program (LIHEAP) grant. Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

#### Section 1 Program Components

##### Program Components, 2605(a), 2605(b)(1) - Assurance 1, 2605(c)(1)(C)

##### 1.1 Check which components you will operate under the LIHEAP program.

(Note: You must provide information for each component designated here as requested elsewhere in this plan.)

##### Dates of Operation

		Start Date:	End Date:
<input checked="" type="checkbox"/>	Heating assistance	10/01/2025	9/30/2026
<input checked="" type="checkbox"/>	Cooling assistance	10/01/2025	9/30/2026
<input checked="" type="checkbox"/>	Weatherization assistance	10/01/2025	9/30/2026
<input type="checkbox"/>	Summer Crisis assistance		
<input type="checkbox"/>	Winter Crisis assistance		
<input checked="" type="checkbox"/>	Year-round crisis assistance	10/01/2025	9/30/2026

##### Provide further explanation for the dates of operation, if necessary

The 2026 Contract Term runs from October 1, 2025 through June 30, 2027. The program's dates of operation are October 1, 2025 to September 30, 2026. These dates were chosen because the U.S. Department of Health and Human Services required CSD to align the dates of operation with the federal fiscal year for reporting purposes. Funds will be available through June 30, 2027; however, contracts with Local Service Providers emphasize the full expenditure of funds by March 31, 2027.

##### Estimated Funding Allocation, 2604(C), 2605(k)(1), 2605(b)(9), 2605(b)(16) - Assurances 9 and 16

##### 1.2 Estimate what amount of available LIHEAP funds will be used for each component that you will operate: The total of all percentages must add up to 100%

	Percentage (%):	Prior year totals (auto-populate)
Heating assistance	16.00%	16.00%
Cooling assistance	6.00%	6.00%
Summer crisis assistance	0.00%	0.00%
Winter crisis assistance	0.00%	0.00%
Year-round crisis assistance	38.00%	38.00%
Weatherization assistance	15.00%	15.00%
Carryover to the following federal fiscal year	10.00%	10.00%
Administrative and planning costs	10.00%	10.00%
Services to reduce home energy needs including needs assessment (Assurance 16)	5.00%	5.00%
Used to develop and implement leverages activities	0.00%	0.00%
<b>TOTAL:</b>	<b>100.00%</b>	<b>100.00%</b>

Tribal grant recipients: direct-grant tribes, tribal organizations, or territories with allotments of \$20,000 or less may use for planning and administration up to 20% of the funds payable. Grant recipients that are direct grant tribes, tribal organizations, or territories with allotments over \$20,000 may use for planning and administration purposes up to 20% of the first \$20,000 (or \$4,000) plus 10% of the funds payable that exceeds \$20,000. Any administrative costs in excess of these limits must be paid from non-federal sources.

##### Alternate Use of Crisis Assistance Funds, 2605(c)(1)(C)

##### 1.3 The funds reserved for winter crisis assistance that have not been expended by March 15 will be reprogrammed to:

<input checked="" type="checkbox"/>	Heating assistance	<input checked="" type="checkbox"/>	Cooling assistance					
<input checked="" type="checkbox"/>	Weatherization assistance	<input checked="" type="checkbox"/>	Other (specify): CSD provides crisis assistance throughout the program year.					
<b>Categorical Eligibility, 2605(b)(2)(A) - Assurance 2, 2605(c)(1)(A), 2605(b)(8A) - Assurance 8</b>								
<b>1.4 Do you consider households categorically eligible if at least one household member receives at least one of the following categories of benefits in the left column below?</b>								
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No					
<b>If you answered "Yes" to question 1.4, you must complete the table below and answer questions 1.5 and 1.6.</b>								
	<b>Heating</b>		<b>Cooling</b>		<b>Crisis</b>		<b>Weatherization</b>	
<b>TANF</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<b>SSI</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>SNAP</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<b>Means-tested Veterans programs</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>1.4 a. Provide your definition of categorical eligibility. Please explain how households are categorically eligible (i.e., do all household members need to receive the benefits or just one member, is there a data exchange in place?) and how categorical eligibility streamlines the LIHEAP application process.</b>								
Assistance is provided to households that are categorically eligible, if any member of the household is receiving CalFresh (SNAP) or CalWORKs (TANF) at the time of application, regardless of income level. Categorical eligibility simplifies the income eligibility verification of categorically eligible households by eliminating the need to complete a full income verification for the applying household.								
<b>1.5 Do you automatically enroll households without a direct annual application?</b>								
<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No					
<b>If Yes, explain:</b>								
<b>1.6 How do you ensure there is no difference in the treatment of categorically eligible households from those not receiving other public assistance when determining eligibility and benefit amounts?</b>								
In determining benefits for every LIHEAP component, there is no differentiation between non-categorically and categorically eligible households. The benefit amount received by an eligible household is based on income, household size, and home energy cost or need. Benefit amounts in the weatherization program are determined based on dwelling needs.								
<b>SNAP Nominal Payments</b>								
<b>1.7a Do you allocate LIHEAP funds toward a nominal payment for SNAP households?</b>								
<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No					
If you answered "yes" to question 1.7a, you must provide a response to questions 1.7b, 1.7c and 1.7d.								
<b>1.7b Amount of Nominal Assistance:</b>				\$0.00				
<b>1.7c Frequency of Assistance</b>								
<input type="checkbox"/>	Once per year							
<input type="checkbox"/>	Once every five years							
<input type="checkbox"/>	Other – Describe:							
<b>1.7d How do you confirm that the household receiving a nominal payment has an energy cost or need?</b>								
<b>Determination of Eligibility - Countable Income</b>								
<b>1.8. In determining a household's income eligibility for LIHEAP, do you use gross income or net income?</b>								
<input checked="" type="checkbox"/>	Gross Income							
<input type="checkbox"/>	Net Income							
<input type="checkbox"/>	Other – Describe:							
<b>1.9. Select all the applicable forms of countable income used to determine a household's income eligibility for LIHEAP</b>								
<input checked="" type="checkbox"/>	Wages							
<input checked="" type="checkbox"/>	Self - Employment Income							
<input type="checkbox"/>	Contract Income							
<input type="checkbox"/>	Payments from mortgage or Sales Contracts							

<input checked="" type="checkbox"/>	Unemployment insurance
<input checked="" type="checkbox"/>	Strike Pay
<input checked="" type="checkbox"/>	Social Security Administration (SSA) benefits
	<input type="checkbox"/> Including Medicare deduction <input checked="" type="checkbox"/> Excluding Medicare deduction
<input checked="" type="checkbox"/>	Supplemental Security Income (SSI)
<input checked="" type="checkbox"/>	Retirement/pension benefits
<input checked="" type="checkbox"/>	General Assistance benefits
<input checked="" type="checkbox"/>	Temporary Assistance for Needy Families (TANF) benefits
<input type="checkbox"/>	Loans that need to be repaid
<input type="checkbox"/>	Cash gifts
<input type="checkbox"/>	Savings account balance
<input type="checkbox"/>	One-time lump sum payments, such as rebates or credits, winnings from lotteries, refund deposits, etc.
<input checked="" type="checkbox"/>	Jury duty compensation
<input checked="" type="checkbox"/>	Rental income
<input type="checkbox"/>	Income from employment through Workforce Investment Act (WIA)
<input type="checkbox"/>	Income from work study programs
<input checked="" type="checkbox"/>	Alimony
<input checked="" type="checkbox"/>	Child support
<input checked="" type="checkbox"/>	Interest, dividends, or royalties
<input checked="" type="checkbox"/>	Commissions
<input type="checkbox"/>	Legal settlements
<input checked="" type="checkbox"/>	Insurance payments made directly to the insured
<input type="checkbox"/>	Insurance payments made specifically for the repayment of a bill, debt, or estimate
<input checked="" type="checkbox"/>	Veterans Administration (VA) benefits
<input type="checkbox"/>	Earned income of a child under the age of 18
<input type="checkbox"/>	Balance of retirement, pension, or annuity accounts where funds cannot be withdrawn without a penalty
<input type="checkbox"/>	Income tax refunds
<input type="checkbox"/>	Stipends from senior companion programs, such as VISTA
<input type="checkbox"/>	Funds received by household for the care of a foster child
<input type="checkbox"/>	Ameri-Corp Program payments for living allowances, earnings, and in-kind aid
<input type="checkbox"/>	Reimbursements (for mileage, gas, lodging, meals, etc.)
<input type="checkbox"/>	Other

**If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.**

**1.10 Do you have an online application process?**

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
-------------------------------------	-----	--------------------------	----

**1.10a If yes, describe the type of online application (select all boxes that apply)**

<input checked="" type="checkbox"/>	A PDF version of the application is available online and can be downloaded, filled out, and mailed, emailed, dropped off in-person, or faxed in for processing.
<input type="checkbox"/>	A state-wide online application that allows a customer to complete data entry and submit an application electronically for processing
<input checked="" type="checkbox"/>	One or more local subgrant recipients have an online application that allows a customer to complete data entry and submit an application electronically for processing
<input checked="" type="checkbox"/>	Online application that is also mobile friendly
<input type="checkbox"/>	Other, please describe
<input type="checkbox"/>	Please include a link(s) to a statewide application, if available:

**1.10b Can all program components be applied for online?**

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
--------------------------	-----	-------------------------------------	----

If no, explain which components can and cannot be applied for online:	
An online application may not be available in all areas; however, where an online application exists, all program components can be applied for online.	
<b>1.11 Do you have a process for conducting and completing applications by phone:</b>	
Yes	
<b>1.12 Do you or any of your subrecipients require in person appointments in order to apply?</b>	
No	
If yes, please provide more information regarding why in-person appointments are required and in what circumstances they are required.	
<b>1.13 How can applicants submit documentation for verification? Select all that apply:</b>	
<input checked="" type="checkbox"/>	In-person
<input checked="" type="checkbox"/>	Mail
<input checked="" type="checkbox"/>	Email
<input checked="" type="checkbox"/>	Portal application
<input checked="" type="checkbox"/>	Other, describe: Fax/toll-free fax, drop box, in-home visit, scheduled site visit, texting



## Section 2 - HEATING ASSISTANCE

U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01

OMB Clearance No.: 0970-0075

Expiration Date: 02/28/2027

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

#### MODEL PLAN

#### Section 2 – Heating Assistance

#### Eligibility, 2605(b)(2) - Assurance 2

##### 2.1 Designate the income eligibility threshold used for the heating component:

Add	Household Size	Eligibility Guideline	Eligibility Threshold
1	All Household Sizes	State Median Income	60.00%

##### 2.2 Do you have additional eligibility requirements for heating assistance?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
--------------------------	-----	-------------------------------------	----

##### 2.3 Check the appropriate boxes below and describe the policies for each.

Do you require an Assets test?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
--------------------------------	--------------------------	-----	-------------------------------------	----

If yes, describe:

##### Do you have additional or differing eligibility policies for:

Renters?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
----------	--------------------------	-----	-------------------------------------	----

If yes, describe:

Renters living in subsidized housing?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
---------------------------------------	--------------------------	-----	-------------------------------------	----

If yes, describe:

Renters with utilities included in the rent?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
--	--------------------------	-----	-------------------------------------	----

If yes, describe:

##### Do you give priority in eligibility to:

Older adults?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
---------------	-------------------------------------	-----	--------------------------	----

If yes, describe:

Based on an assessment of each client, Local Service Providers assign points and priority may be given to households with life-threatening emergencies.

Additional points are provided to households that include persons 60 years or older.

Individuals with a disability?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
--------------------------------	-------------------------------------	-----	--------------------------	----

If yes, describe:

Based on an assessment of each client, Local Service Providers assign points and priority may be given to households with life-threatening emergencies.

Additional points are provided to households that include individuals with a disability.

Young children?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
-----------------	-------------------------------------	-----	--------------------------	----

If yes, describe:

Based on an assessment of each client, Local Service Providers assign points and priority may be given to households with life-threatening emergencies.

Additional points are provided to households that include persons 5 years or younger.

Households with high energy burdens?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
--------------------------------------	-------------------------------------	-----	--------------------------	----

If yes, describe:

Based on an assessment of each client, Local Service Providers assign points and priority may be given to households with life-threatening emergencies.

Additional points are provided to households with high energy burden.

Other?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
--------	--------------------------	-----	-------------------------------------	----

If yes, describe:

#### Determination of Benefits 2605(b)(5) - Assurance 5, 2605(c)(1)(B)

##### 2.4 Describe how you prioritize the provision of heating assistance to vulnerable populations, e.g., benefit amounts, early application periods, etc.

Based on an assessment of each client, Local Service Providers assign points and priority may be given to households with life-threatening emergencies.



Additional points are provided to households that include persons 60 years or older, persons five years or younger, and individuals with a disability.			
<b>2.5 Check the variables you use to determine your benefit levels. (Check all that apply):</b>			
<input checked="" type="checkbox"/>	Income		
<input checked="" type="checkbox"/>	Family (household) size		
<input checked="" type="checkbox"/>	Home energy cost or need:		
<input checked="" type="checkbox"/>	Fuel type		
<input checked="" type="checkbox"/>	Climate/region		
<input type="checkbox"/>	Individual bill		
<input type="checkbox"/>	Dwelling type		
<input checked="" type="checkbox"/>	Energy burden (% of income spent on home energy)		
<input type="checkbox"/>	Energy need		
<input checked="" type="checkbox"/>	<p>Other - Describe: CSD conducts an "Individual Utility Company Rate Survey" each year. In the survey, utility companies report their residential rates, by county, for gas and electricity. CSD uses this information to establish average utility costs for each county. These costs are factored into the heating and cooling benefit formula to determine LIHEAP benefit levels.</p> <p>For WPO, the benefit formulas created by CSD are based on county heating degree days. The wood benefits consist of 1 - 3 cords of wood or equivalent. The liquid fuel benefits are also based on the average gas usage and price in California, and they are then modeled on the electricity and gas benefit formulas. The maximum benefit is \$1,000, to which a \$500 maximum supplemental benefit can be added if deemed necessary for the vendor to deliver WPO services to the customer.</p>		
<b>Benefit Levels, 2605(b)(5) - Assurance 5, 2605(c)(1)(B)</b>			
<b>2.6 Describe estimated benefit levels for the fiscal year for which this plan applies. Please note, the maximum and minimum benefits must be shown in the payment matrix.</b>			
Minimum Benefit	\$94	Maximum Benefit	\$1,500
<b>2.7 Do you provide in-kind (e.g., blankets, space heaters) or other forms of benefits?</b>			
<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
If yes, describe.			
<b>If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.</b>			

### Section 3 - COOLING ASSISTANCE

U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01

OMB Clearance No.: 0970-0075

Expiration Date: 02/28/2027

#### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

#### MODEL PLAN

#### Section 3 – Cooling Assistance

#### Eligibility, 2605(b)(2) - Assurance 2

#### 3.1 Designate the income eligibility threshold used for the cooling component:

Add	Household size	Eligibility Guideline	Eligibility Threshold
1	All Household Sizes	State Median Income	60.00%

#### 3.2 Do you have additional eligibility requirements for cooling assistance?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
--------------------------	-----	-------------------------------------	----

#### 3.3 Check the appropriate boxes below and describe the policies for each.

Do you require an Assets test?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
--------------------------------	--------------------------	-----	-------------------------------------	----

If yes, describe:

#### Do you have additional or differing eligibility policies for:

Renters?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
----------	--------------------------	-----	-------------------------------------	----

If yes, describe:

Renters living in subsidized housing?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
---------------------------------------	--------------------------	-----	-------------------------------------	----

If yes, describe:

Renters with utilities included in the rent?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
--	--------------------------	-----	-------------------------------------	----

If yes, describe:

#### Do you give priority in eligibility to:

Older adults?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
---------------	-------------------------------------	-----	--------------------------	----

If yes, describe:

Based on an assessment of each client, Local Service Providers assign points and priority may be given to households with life-threatening emergencies.

Additional points are provided to households that include persons 60 years or older.

Individuals with a disability?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
--------------------------------	-------------------------------------	-----	--------------------------	----

If yes, describe:

Based on an assessment of each client, Local Service Providers assign points and priority may be given to households with life-threatening emergencies.

Additional points are provided to households that include individuals with a disability.

Young children?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
-----------------	-------------------------------------	-----	--------------------------	----

If yes, describe:

Based on an assessment of each client, Local Service Providers assign points and priority may be given to households with life-threatening emergencies.

Additional points are provided to households that include persons 5 years or younger.

Households with high energy burdens?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
--------------------------------------	-------------------------------------	-----	--------------------------	----

If yes, describe:

Based on an assessment of each client, Local Service Providers assign points and priority may be given to households with life-threatening emergencies.

Additional points are provided to households with high energy burden.

Other?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
--------	--------------------------	-----	-------------------------------------	----

If yes, describe:

#### Determination of Benefits 2605(b)(5) - Assurance 5, 2605(c)(1)(B)

#### 3.4 Describe how you prioritize the provision of cooling assistance to vulnerable populations, e.g., benefit amounts, early application periods, etc.

Based on an assessment of each client, Local Service Providers assign points and priority may be given to households with life-threatening emergencies.

Additional points are provided to households that include persons 60 years or older, persons five years or

younger, and individuals with a disability.			
<b>3.5 Check the variables you use to determine your benefit levels. (Check all that apply):</b>			
<input checked="" type="checkbox"/>	Income		
<input checked="" type="checkbox"/>	Family (household) size		
<input checked="" type="checkbox"/>	Home energy cost or need:		
<input type="checkbox"/>	Fuel type		
<input type="checkbox"/>	Climate/region		
<input type="checkbox"/>	Individual bill		
<input type="checkbox"/>	Dwelling type		
<input type="checkbox"/>	Energy burden (% of income spent on home energy)		
<input checked="" type="checkbox"/>	Energy need		
<input checked="" type="checkbox"/>	Other - Describe: CSD conducts an "Individual Utility Company Rate Survey" each year. In the survey, utility companies report their residential rates, by county, for gas and electricity. CSD uses this information to establish average utility costs for each county. These costs are factored into the heating and cooling benefit formula to determine LIHEAP benefit levels.		
<b>Benefit Levels, 2605(b)(5) - Assurance 5, 2605(c)(1)(B)</b>			
<b>3.6 Describe estimated benefit levels for the fiscal year for which this plan applies. Please note, the maximum and minimum benefits must be shown in the payment matrix.</b>			
Minimum Benefit	\$283	Maximum Benefit	\$837
<b>3.7 Do you provide in-kind (e.g., fans, air conditioners) and/or other forms of benefits?</b>			
<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
If yes, describe.			
<b>If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.</b>			

## Section 4 - CRISIS ASSISTANCE

U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01

OMB Clearance No.: 0970-0075

Expiration Date: 02/28/2027

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

#### MODEL PLAN

#### Section 4 – Crisis Assistance

#### Eligibility, 2605(b)(2) - Assurance 2

##### 4.1 Designate the income eligibility threshold used for the cooling component:

Add	Household size	Eligibility Guideline	Eligibility Threshold
1	All Household Sizes	State Median Income	60.00%

##### 4.2 Provide your LIHEAP program's definition for determining a crisis. If you administer multiple crisis assistance programs (i.e. winter, summer, or year-round), include all program definitions.

CSD uses the federal definition of a crisis (Low Income Energy Assistance Act § 2603 (3)): "weather-related and supply shortage emergencies and other household energy related emergencies." Crisis funds may only be used in accordance with the federal definition, including:

1. A natural disaster (whether or not officially declared),
2. A significant home energy supply shortage or disruption,
3. An official declaration of a significant increase in:
4. Home energy costs,
5. Home energy disconnections,
6. Enrollment in public benefit programs, or
7. Unemployment and layoffs, or
8. An official emergency declaration by the Secretary of Health and Human Services.

In those situations where there is not an official federal, state, or local declaration of emergency, an emergency may be deemed to exist by CSD where there is imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

##### 4.3 What constitutes a life-threatening crisis?

Life-Threatening: Applicant is without heating, cooling, or utility service during extreme weather conditions, as determined by the local administrative agency. This may include energy-related situations that pose a threat to the health and safety of one or more members of the household.

##### Crisis Requirement, 2604(c)

##### 4.4 Within how many hours do you provide an intervention that will resolve the energy crisis for eligible households? 48 hours

##### 4.5 Within how many hours do you provide an intervention that will resolve the energy crisis for eligible households in life-threatening situations? 18 hours

##### Crisis Eligibility, 2605(c)(1)(A)

	Winter Crisis	Summer Crisis	Year-Round Crisis
4.6 Do you have additional eligibility requirements for crisis assistance?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4.7 Check the appropriate boxes below to indicate type(s) of assistance provided			
Do you require an assets test?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you give priority in eligibility to:			
Older adults?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Individuals with a disability?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Young children?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Households with high energy burdens?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

##### In Order to receive crisis assistance:

Must the household have received a shut-off notice or have a near empty tank?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Must the household have been shut off or have an empty tank?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Must the household have exhausted their regular heating benefit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Must renters with heating costs included in their rent have received an eviction notice?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Must heating or cooling be medically necessary?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Must the household have non-working heating or cooling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

equipment?			
<b>Other (Specify):</b> In order to receive crisis assistance, a household can have: - Proof of utility shutoff notice, - Proof of energy termination, - Insufficient funds to establish a new energy account, - Insufficient funds to pay a delinquent utility bill, - Insufficient funds to pay for essential firewood, oil or propane, - Insufficient funds to pay the cost of repairing or replacing an eligible heating or cooling appliance or for a new heating or cooling appliance, and/or - Applicant has a medical condition that requires temperature or climate control, and the heating/cooling appliance is considered hazardous, nonexistent, or inoperable.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Do you have additional or differing eligibility policies for:</b>			
Renters?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Renters living in subsidized housing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Renters with utilities included in the rent?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Explanations of policies for each "yes" checked above:			
<p>Each Local Service Provider is required to submit a priority plan as an attachment to their contract. The priority plans are in narrative form and identify multiple categories used to prioritize services, such as: Poverty Level, Energy Burden, Vulnerable Population. Based on an assessment of each applicant, Local Service Providers prioritize by assigning points for each of these categories though priority may be given to households with life-threatening emergencies.</p> <p>In order to receive crisis assistance, a household can have:</p> <ul style="list-style-type: none"> <li>- Proof of utility shutoff notice,</li> <li>- Proof of energy termination,</li> <li>- Insufficient funds to establish a new energy account,</li> <li>- Insufficient funds to pay a delinquent utility bill,</li> <li>- Insufficient funds to pay for essential firewood, oil or propane,</li> <li>- Insufficient funds to pay the cost of repairing or replacing an eligible heating or cooling appliance or for a new heating or cooling appliance, and/or</li> <li>- Applicant has a medical condition that requires temperature or climate control, and the heating/cooling appliance is considered hazardous, nonexistent, or inoperable.</li> </ul>			
<b>Determination of Benefits</b>			
<b>4.8 How do you handle crisis situations?</b>			
<input checked="" type="checkbox"/>	Separate component.		
<input checked="" type="checkbox"/>	Benefit Fast Track, no separate amount of crisis funds is issued. Rather, benefits are issued to crisis customers within crisis response time frames.		
<input checked="" type="checkbox"/>	<p>Other - Describe: The Crisis Program is limited to five activities:</p> <ol style="list-style-type: none"> <li>1. Fast Track (electric and gas) utility payments</li> <li>2. Energy Crisis Intervention Program Wood, propane and oil (ECIP WPO) payments</li> <li>3. Heating and cooling services (HCS)</li> <li>4. Severe Weather Energy Assistance and Transportation Services (SWEATS)</li> <li>5. Public Safety Power Shutoff (PSPS) Program</li> </ol> <p><i>Fast Track</i> benefits are determined by the Local Service Providers, but payments to the utility companies are processed centrally by CSD, where ECIP WPO assistance, HCS and SWEATS benefits are provided locally. Local Service Providers have the ability to increase the Fast Track base amount by adding a supplemental benefit. The total benefit amount cannot exceed the total amount of the entire utility bills (to include energy charges, reconnection fees, and other assessed utility fees/surcharges to alleviate the crisis situation) or \$1,500, whichever is less.</p> <p><i>ECIP WPO</i> benefits are determined at the local level based on clients' inability to pay for essential firewood, oil, or propane. The amount of the benefit is based on the cost to resolve the crisis.</p> <p><i>HCS</i> services provide payment for energy-related repairs or replacement of non-functioning heating, cooling appliances and water-heating appliances. The benefit amount is based on the cost of the repair or replacement, up to the maximum amount as determined annually.</p> <p><i>SWEATS</i> services provide payment to address energy-related emergency needs of low-income households affected by a natural disaster and PSPS. Typical services include additional utility assistance, temporary housing services, transportation services, temporary heating/cooling devices, and battery backup devices. The amount of the benefit may vary depending on the benefit offered.</p> <p><i>PSPS</i> Emergency Preparedness Program services low-income households medically vulnerable to the effects of energy-related emergencies and residing in designated High Fire Risk Areas. Services</p>		

	include household emergency risk assessment, PSPS preparedness education, emergency preparedness supplies, and backup power appliances.			
<b>4.9 If you have a separate component, how do you determine crisis assistance benefits?</b>				
<input checked="" type="checkbox"/>	Amount to resolve the crisis.	\$1,500		
<input checked="" type="checkbox"/>	Other - Describe: <i>Fast Track</i> benefits are determined by the Local Service Providers, but payments to the utility companies are processed centrally by CSD, where ECIP WPO assistance, HCS and SWEATS benefits are provided locally. Local Service Providers have the ability to increase the Fast Track base amount by adding a supplemental benefit. The total benefit amount cannot exceed the total amount of the entire utility bills (to include energy charges, reconnection fees, and other assessed utility fees/surcharges to alleviate the crisis situation) or \$1,500, whichever is less.			
<b>Crisis Requirements, 2604(c)</b>				
<b>4.10 Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served?</b>				
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	
Explain.				
Large service territories typically have satellite offices or other non-profit agencies which accept applications.				
<b>4.11 Do you provide individuals with a disability the means to:</b>				
<b>Submit applications for crisis benefits without leaving their homes?</b>				
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	
If no, explain.				
<b>Travel to the sites at which applications for crisis assistance are accepted?</b>				
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	
If no, explain.				
<b>If you answered "No" to both options in question 4.11, please explain alternative means of intake to those who are homebound or physically disabled?</b>				
<b>Benefit Levels, 2605(c)(1)(B)</b>				
<b>4.12 Indicate the maximum benefit for each type of crisis assistance offered.</b>				
Winter Crisis	Maximum Benefit	\$0		
Summer Crisis	Maximum Benefit	\$0		
Year-Round Crisis	Maximum Benefit	\$1,500		
<b>4.13 Do you provide in-kind (e.g., blankets, space heaters, fans) or other forms of benefits?</b>				
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	
If yes, describe.				
Space heaters are allowable under the Emergency Heating and Cooling Program (EHCS). Evaporative coolers, heaters, fans, battery power backup devices, and generators are allowable under the Severe Weather Energy Assistance and Transportation Program (SWEATS).				
<b>4.14 Do you provide for equipment repair or replacement using crisis funds?</b>				
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	
<b>If you answered "Yes" to question 4.14, you must complete question 4.15.</b>				
<b>4.15 Check appropriate boxes below to indicate type(s) of assistance provided.</b>		Winter Crisis	Summer Crisis	Year-Round Crisis
Heating system repair		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Heating system replacement		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cooling system repair		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cooling system replacement		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Wood stove purchase		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pellet stove purchase		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Solar panel(s)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Utility poles/gas line hook-ups		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (Specify): Water Heater		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>4.16 Do any of the utility vendors you work with enforce a moratorium on shut offs?</b>				
<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	

<b>If you responded "Yes" to question 4.16, you must respond to question 4.17.</b>			
<b>4.17 Describe the terms of the moratorium and any special dispensation received by LIHEAP clients during or after the moratorium period.</b>			
<b>4.18 If you experience a natural disaster, do you intend to utilize LIHEAP crisis funds to address disaster related crisis situations?</b>			
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
<p>If yes, describe:</p> <p><i>SWEATS</i> services provide payment to address energy-related emergency needs of low-income households affected by a natural disaster and PSPS. Typical services include additional utility assistance, temporary housing services, transportation services, temporary heating/cooling devices, and battery backup devices. The amount of the benefit may vary depending on the benefit offered.</p> <p><i>PSPS</i> Emergency Preparedness Program services low-income households medically vulnerable to the effects of energy-related emergencies and residing in designated High Fire Risk Areas. Services include household emergency risk assessment, PSPS preparedness education, emergency preparedness supplies, and backup power appliances.</p>			
<b>If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.</b>			



## Section 5 - WEATHERIZATION ASSISTANCE

U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01

OMB Clearance No.: 0970-0075

Expiration Date: 02/28/2027

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

#### MODEL PLAN

#### Section 5 – Weatherization Assistance

#### Eligibility, 2605(c)(1)(A), 2605(b)(2) - Assurance 2

#### 5.1 Designate the income eligibility threshold used for the Weatherization component

Add	Household Size	Eligibility Guideline	Eligibility Threshold
1	All Household Sizes	State Median Income	60.00%

#### 5.2 Do you enter into an interagency agreement to have another government agency administer a Weatherization component?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
--------------------------	-----	-------------------------------------	----

#### 5.3 If yes, name the agency and attach a copy of the internal agreement or contract.

#### 5.4 Is there a separate monitoring protocol for weatherization?

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
-------------------------------------	-----	--------------------------	----

#### Weatherization - Types of Rules

#### 5.5 Under what rules do you administer LIHEAP weatherization? (Check only one.)

<input type="checkbox"/>	Entirely under LIHEAP (not DOE) rules
<input type="checkbox"/>	Entirely under DOE WAP (not LIHEAP) rules
<input checked="" type="checkbox"/>	Mostly under LIHEAP rules with the following DOE WAP rule(s) where LIHEAP and WAP rules differ (Check all that apply):
<input type="checkbox"/>	Income Threshold
<input checked="" type="checkbox"/>	Weatherization of entire multi-family housing structure is permitted if at least 66% of units (50% in 2- and 4-unit buildings) are eligible units or will become eligible within 180 days.
<input checked="" type="checkbox"/>	Weatherize shelters temporarily housing primarily low income persons (excluding nursing homes, prisons, and similar institutional care facilities)
<input type="checkbox"/>	Other - Describe:
<input type="checkbox"/>	Mostly under DOE WAP rules, with the following LIHEAP rule(s) where LIHEAP and WAP rules differ (Check all that apply.)
<input type="checkbox"/>	Income threshold
<input type="checkbox"/>	Weatherization not subject to DOE WAP maximum statewide average cost per dwelling unit
<input type="checkbox"/>	Weatherization measures are not subject to DOE Savings to Investment Ratio (SIR) standards.
<input type="checkbox"/>	Other - Describe:

#### Eligibility, 2605(b)(5) - Assurance 5

#### 5.6 Do you require an assets test?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
--------------------------	-----	-------------------------------------	----

#### 5.7 Do you have additional or differing eligibility policies for:

Renters?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Renters living in subsidized housing?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Renters with utilities included in the rent?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No

#### 5.8 Do you give priority in eligibility to:

Older adults?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Individuals with a disability?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Young children?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Households with high energy burdens?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Other?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No

If you selected "Yes" for any of the options in questions 5.6, 5.7, or 5.8, you must provide further explanation of these policies in the text field below.

CSD will implement the Priority Plan for 2026 that prioritizes applicants based on income, energy burden, and vulnerable population (older adults, individuals with a disability, and families with young children). CSD requires landlords to sign a form that allows CSD to weatherize the home.

#### Benefit Levels

<b>5.9 Do you have a maximum LIHEAP weatherization benefit or expenditure per household?</b>			
<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
If yes, what is the maximum:		\$0	
<b>Types of Assistance, 2605(c)(1), (B) &amp; (D)</b>			
<b>5.11 What LIHEAP weatherization measures do you provide? (Check all categories that apply.)</b>			
<input checked="" type="checkbox"/>	Weatherization needs assessments/audits	<input checked="" type="checkbox"/>	Energy-related roof repair
<input checked="" type="checkbox"/>	Caulking and insulation	<input checked="" type="checkbox"/>	Major appliance repairs
<input checked="" type="checkbox"/>	Storm windows	<input checked="" type="checkbox"/>	Major appliance replacement
<input checked="" type="checkbox"/>	Furnace/heating system modifications/repairs	<input checked="" type="checkbox"/>	Windows/sliding glass doors
<input checked="" type="checkbox"/>	Furnace replacement	<input checked="" type="checkbox"/>	Doors
<input checked="" type="checkbox"/>	Cooling system modifications/repairs	<input checked="" type="checkbox"/>	Water Heater
<input checked="" type="checkbox"/>	Water conservation measures	<input checked="" type="checkbox"/>	Cooling system replacement
<input type="checkbox"/>	Compact florescent light bulbs	<input type="checkbox"/>	Community Solar projects
<input type="checkbox"/>	Rooftop solar	<input checked="" type="checkbox"/>	Other - Describe: Please see attachment
If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.			

## Section 6 - Outreach, 2605(b)(3) - Assurance 3, 2605(c)(3)(A)

U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01

OMB Clearance No.: 0970-0075

Expiration Date: 02/28/2027

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

#### MODEL PLAN

#### Section 6 – Outreach

### Section 6: Outreach, 2605(b)(3) - Assurance 3, 2605(c)(3)(A)

**6.1 Select all outreach activities that you conduct that are designed to assure that eligible households are made aware of all LIHEAP assistance available:**

<input checked="" type="checkbox"/>	Place posters/flyers in local and county social service offices, offices of aging, Social Security offices, VA, etc.
<input checked="" type="checkbox"/>	Publish articles in local newspapers or broadcast media announcements.
<input checked="" type="checkbox"/>	Include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.
<input checked="" type="checkbox"/>	Mass mailing(s) to prior-year LIHEAP recipients
<input checked="" type="checkbox"/>	Inform low-income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.
<input checked="" type="checkbox"/>	Execute interagency agreements with other low-income program offices to perform outreach to target groups.
<input checked="" type="checkbox"/>	Web posting
<input checked="" type="checkbox"/>	Email
<input checked="" type="checkbox"/>	Texting
<input checked="" type="checkbox"/>	Events
<input checked="" type="checkbox"/>	Social Media
<input checked="" type="checkbox"/>	<p>Other (specify):</p> <ul style="list-style-type: none"> <li>• Partnerships with utility companies</li> <li>• Outreach to legislative offices, community organizations, County Health Departments, and attendance at community events</li> <li>• Referrals to CSD's programs from child care centers</li> <li>• Pamphlets</li> <li>• Toll-free phone line</li> <li>• Canvass neighborhoods and go door to door</li> <li>• Distributing flyers at schools</li> <li>• Distributing bilingual literature</li> <li>• Bilingual web posting and boosting</li> <li>• Live television interviews on local news platforms</li> <li>• Geofencing advertising on multiple digital platforms</li> <li>• Advertising on billboards and public and private transportation</li> <li>• Contractors' marketing reports</li> <li>• Distributing a monthly electronic calendar of agency resources to database contacts</li> <li>• Telephone and mail outreach to utility customers with arrearages and on shut-off lists</li> <li>• Partnerships with agency vendors</li> <li>• Traveling to utility companies on shut-off notice days</li> <li>• Visiting low-income housing complexes</li> <li>• QR codes on outreach materials</li> </ul>

**If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.**

## Section 7 - Coordination, 2605(b)(4) - Assurance 4

U.S. Department of Health and Human Services Administration for Children and Families	August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01 OMB Clearance No.: 0970-0075 Expiration Date: 02/28/2027
<b>LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)</b> <b>MODEL PLAN</b> <b>Section 7 – Coordination</b>	
<b>Section 7: Coordination, 2605(b)(4) - Assurance 4</b>	
<b>7.1 Describe how you will ensure that the LIHEAP program is coordinated with other programs available to low-income households (TANF, SSI, WAP, etc.).</b>	
<input type="checkbox"/>	Joint application for multiple programs
<b>Indicate programs included:</b>	
<input checked="" type="checkbox"/>	Intake referrals to or from other programs
<p><b>Indicate programs included:</b> CalWORKs (TANF), CalFresh (SNAP), DOE, SSI, CARE, Affordable Housing/Section 8, Homeless Shelter, Mental Health Housing, Mental Health Programs/Services, Head Start, Charter Schools, Child Development Centers and State Preschools, After-School Programs, Food Bank, WIC or Nutrition Programs (e.g., Meals on Wheels, Senior Food Delivery, etc.), Employment Training, One Stop Center, Computer Training Programs, Computer Access, Youth Job Training, Youth Crisis Services, Family Counseling, Parenting Classes, Covered California, Tax Services (VITA), Court Appointed Special, Transportation Services, Workforce Development, Income Management/Asset Building Classes, Foster Youth, Lifeline, Energy Savings Assistance Program (ESAP), Family Resource Centers, 211, Relief for Energy Assistance through Community Help (REACH), Richard Heath &amp; Associates (RHA) Weatherization Program, Veterans Programs, Health Services, Clean Vehicle Rebate Project (CVRP), Portable Battery Program, USDA Commodities and other Food Programs, CDBG Funded Utility Assistance, Lead Abatement, Public Access Television Program Members, Homelessness Prevention System, Housing Assistance, Water Rate Assistance Program, Rural Development Rehab Program, Fall Prevention Program</p>	
<input checked="" type="checkbox"/>	One-stop intake centers
<input checked="" type="checkbox"/>	<p>Other - Describe:</p> <p>CSD and Local Service Providers coordinate activities with similar and related programs administered by the federal, state, and the public and private sector, particularly low-income energy conservation programs. CSD works with the California Public Utilities Commission (CPUC) and the state's investor owned utility companies to develop strategies to leverage and coordinate our mutual resources to benefit low-income households in the state.</p> <p>Local Service Providers refer potentially eligible applicants, including heating and cooling and crisis applicants, to the weatherization program, California Alternate Rates for Energy (CARE), Reduced Rate Programs (RRP), and other energy or conservation programs. This referral is accomplished through interagency agreements, communications with pertinent agencies, one-stop centers, utility companies, and public/private partnerships. Local Service Providers provide assistance in coordinating the payment of clients' utility bills with the appropriate energy vendor or utility company.</p> <p>CSD administers a state funded Low-Income Weatherization (LIWP) program that offers weatherization and renewable energy services to low-income households. CSD is working on policies to prevent duplication.</p>
<b>If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.</b>	

## Section 8 - Agency Designation, 2605(b)(6) - Assurance 6

U.S. Department of Health and Human  
Services  
Administration for Children and  
Families

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01  
OMB Clearance No.: 0970-0075  
Expiration Date: 02/28/2027

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

#### MODEL PLAN

#### Section 8 – Agency Designation

**Section 8: Agency Designation, 2605(b)(6) - Assurance 6 (Required for state grant recipients and the Commonwealth of Puerto Rico)**

#### 8.1 How would you categorize the primary responsibility of your state agency?

<input checked="" type="checkbox"/>	Administration Agency
<input type="checkbox"/>	Commerce Agency
<input type="checkbox"/>	Community Services Agency
<input type="checkbox"/>	Energy/Environment Agency
<input type="checkbox"/>	Housing Agency
<input type="checkbox"/>	State Department of Welfare Agency (administers TANF, SNAP, and/or Medicaid)
<input type="checkbox"/>	Economic Development Agency
<input type="checkbox"/>	Other - Describe:

#### Alternate Outreach and Intake, 2605(b)(15) - Assurance 15

If you selected "Welfare Agency" in question 8.1, you must complete questions 8.2, 8.3, and 8.4, as applicable.

#### 8.2 How do you provide alternate outreach and intake for heating assistance?

N/A

#### 8.3 How do you provide alternate outreach and intake for cooling assistance?

N/A

#### 8.4 How do you provide alternate outreach and intake for crisis assistance?

N/A

8.5 LIHEAP Component Administration	Heating	Cooling	Crisis	Weatherization
8.5a Who determines client eligibility?	Community Action Agencies	Community Action Agencies	Community Action Agencies	Community Action Agencies
8.5b Who processes benefit payments to gas and electric vendors?	State Administration Agency	State Administration Agency	State Administration Agency	
8.5c Who processes benefit payments to bulk fuel vendors?	Community Action Agencies	Community Action Agencies	Community Action Agencies	
8.5d Who performs installation of weatherization measures?				Community Action Agencies

Include a current list of subrecipient(s) name, main office address (do not list P.O. Box), phone number, county(s) served, Congressional District, and UEI number.

If any of your LIHEAP components are not centrally-administered by a state agency, you must complete questions 8.6, 8.7, 8.8, and, if applicable, 8.9.

**8.6 What is your process for selecting local administering agencies?** LIHEAP Local Service Providers were designated pursuant to California Government Code section 16367.5. The Local Service Provider network is comprised of 41 Local Service Providers (LSPs), which include private, non-profit and local government service providers. These LSPs have strong ties to their local communities and have many years of experience providing public assistance programs to the low-income customers in their respective service territory.

**8.7 How many local administering agencies do you use?** 41

**8.8 Have you changed any local administering agencies in the last year?**

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
--------------------------	-----	-------------------------------------	----

<b>8.9 If so, why?</b>			
<input type="checkbox"/>	Agency was in non-compliance with grant recipient requirements for LIHEAP -		
<input type="checkbox"/>	Agency is under criminal investigation.		
<input type="checkbox"/>	Added agency		
<input type="checkbox"/>	Agency closed		
<input type="checkbox"/>	Other – describe		
<b>8.10 If a subrecipient is no longer providing LIHEAP, are you aware of prior-year LIHEAP funds being mismanaged or misspent?</b>			
<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
<b>8.10a If yes, please explain:</b>			
<b>8.10b If you are aware, were other federal programs impacted such as CSBG, SSBG, Head Start, TANF, and Department of Energy Weatherization funding, etc.</b>			
<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
<b>8.10c if yes, please explain:</b>			
<b>If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.</b>			

## Section 9 - Energy Suppliers, 2605(b)(7) - Assurance 7

U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01

OMB Clearance No.: 0970-0075

Expiration Date: 02/28/2027

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

#### MODEL PLAN

#### Section 9 – Energy Suppliers

### Section 9: Energy Suppliers, 2605(b)(7) - Assurance 7

#### 9.1 Do you make payments directly to home energy suppliers?

Heating	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Cooling	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Crisis	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Are there exceptions?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No

If yes, Describe.

In most cases, direct payments are issued to energy vendors. Occasionally, dual-party warrants are issued and are made payable to the client and the energy vendor. On those few occasions when utilities are included in the rent or sub-metered, warrants are issued directly to the client.

For those heating and cooling and crisis clients whose energy source is WPO, Local Service Providers make payments directly to energy vendors.

#### 9.2 How do you notify the client of the amount of assistance paid?

1. When a WPO payment is made directly to an energy vendor, the Local Service Provider sends the client a letter, advising them of the LIHEAP payment amount and approximate date the benefit will be credited to the account.
2. When a crisis or heating and cooling payment is made to an applicant with utilities included in rent, submetered utilities or with non-participating utility companies, the Local Service Provider provides the client with a letter indicating the amount of the benefit and the utility company to be paid, if applicable.
3. When a crisis or heating and cooling payment is made directly to an energy vendor, the vendor shows the amount of credit on the customer's bill, indicating that the payment was made by LIHEAP. The Local Service Provider provides the client with a letter indicating the amount of the benefit and the utility company to be paid.

#### 9.3 How do you assure that the home energy supplier will charge the eligible household in the normal billing process, the difference between the actual cost of the home energy, and the amount of the payment?

When a crisis or heating and cooling payment is made directly to an energy vendor, the vendor shows the amount of the credit on the customer's bill, indicating that the payment was made by LIHEAP. The Local Service Provider provides the client with a letter indicating the amount of the benefit and the utility company to be paid.

CSD evaluates the notification process of LIHEAP payments during program evaluation.

A different process is in place for Crisis payments, depending on whether the home energy supplier is a regulated utility or non-regulated utility.

Regulated Utilities are audited by the California Public Utilities Commission (CPUC) to ensure that proper billing procedures are in place and the amount of the payments or credits are accurate. No modification of energy rates can occur without a public regulatory process, which is administered by the CPUC.

For Non-Regulated energy vendors:

1. Local Service Providers use a "Confirmation of Payment" form whereby the non-regulated energy vendors record the date and amount credited for each account.
2. Local Service Providers are required to have each home energy supplier sign an assurance agreeing to the requirements of this section. Local Service Providers keep this information on file and clients are advised of their right to fair and equal treatment at the time of service. CSD staff ensures compliance with this provision during program evaluation.
3. Local Service Providers verify, before paying suppliers for all types of delivered fuels, that the charges for the services and goods provided are reasonable and within fair-market value. The amounts of these charges are reviewed during program evaluation.

#### 9.4 How do you assure that no household receiving assistance under this title will be treated adversely because of their receipt of LIHEAP assistance?

Regulated Utilities sign a Direct Pay Agreement that stipulates that no customer receiving LIHEAP assistance pursuant to this Agreement will be subjected to disparate or adverse treatment by Utility due to receipt of such assistance. For Non-Regulated energy vendors, Local Service Providers require each home energy supplier to sign an agreement to adhere to the requirements of this assurance. Local Service Providers keep this information on file and clients are advised of their right to fair and equal treatment at the time of service. CSD staff ensures compliance with this provision during program evaluation.

#### 9.5. Do you make payments contingent on unregulated vendors taking appropriate measures to alleviate



<b>the energy burdens of eligible households?</b>			
<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
If so, describe the measures unregulated vendors may take.			
<b>Attach a copy of the template statewide vendor agreement or a policy that indicates local agreements must adhere to statewide policies and assurances.</b>			
<b>If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.</b>			

## Section 10 - Program, Fiscal Monitoring, and Audit, 2605(b)(10) - Assurance 10

U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01

OMB Clearance No.: 0970-0075

Expiration Date: 02/28/2027

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

#### MODEL PLAN

#### Section 10 – Program, Fiscal Monitoring, and Audit

#### Section 10: Program, Fiscal Monitoring, and Audit, 2605(b)(10)

**10.1. How do you ensure proper fiscal accounting and tracking of funds? Be specific about tracking of grant award, tracking of expenditures, tracking vendor (benefit) refunds, fiscal reporting process, and fiscal software systems being used.**

CSD maintains fiscal controls and accounting practices in accordance with the California Uniform Accounting System. Our financial management system maintains financial data and accounting records supported by source documentation for all federal funds administered. CSD's internal control structure conforms to state and federal procedures. See below for additional information.

##### **10.1a Provide Definitions for the following:**

Obligation:	<p>The California Department of Finance defines "obligations" as amounts that a governmental unit may legally be required to pay out of its resources. Budgetary authority must be available before obligations can be created. For budgetary purposes, obligations include payables for goods or services received, but not yet paid for, and outstanding encumbrances (i.e., commitments for goods and services not yet received nor paid for).</p> <p>The term "encumbrance" corresponds, to some degree, to the Federal definition of obligation, and is defined as follows:</p> <p>The commitment of all or part of an appropriation. Encumbrances represent valid obligations related to unfilled purchase orders or unfulfilled contracts. Outstanding encumbrances are recognized as budgetary expenditures in the individual department's budget documents and their individual annual financial reports.</p> <p>In California practice, the obligation of state operations funds is created by an act of the Legislature, typically through the annual budget act, which creates the authority to, and the perimeters for, the expenditure of such funds, independent of program appropriations. The built-in flexibility of this approach enables the expenditure of state operations funding on an "as needed" basis, thereby rationalizing the use the funds in the most effective and optimal manner.</p>
Expenditures:	<p>The term "expenditure" as used in California practice is defined as follows:</p> <p>Expenditures reported on a department's year-end financial statements and "past year" budget documents consist of amounts paid and accruals (including outstanding encumbrances and payables) for obligations created for the last fiscal year. "Current year" and "budget year" expenditures in budget documents are estimates for the respective fiscal year. (See "Encumbrance," also referred to as "budgetary expenditures.")</p> <p>The expenditure of California state funds is an adaptive process, enabling state agencies to address changing needs without being hamstrung by rigid restrictions. For example, the primary statutory provision concerning the time period for expenditure of state funds is found in the Government Code at §16304, which provides in part as follows:</p> <p>An appropriation shall be available for encumbrance during the period specified therein, or, if not otherwise limited by law, for three years after the date upon which it first became available for encumbrance. An appropriation containing the term "without regard to fiscal years" shall be available for encumbrance from year to year until expended...</p> <p>This means an appropriation of state funds may be expended in any of the following time frames, depending on the approach taken by the Legislature:</p> <ol style="list-style-type: none"> <li>1) In the period of time specified in the appropriation;</li> <li>2) Indefinitely, i.e. until fully expended; or</li> <li>3) If neither option 1) or 2) is specified, then in three years after becoming available.</li> </ol> <p>It is important to note that option 3) is, in practice, used as the default option because the Legislature always has the ability to extend the period of expenditure, if the need arises.</p>

Expenditure timeframe:	The State of California can use up to three years to expend funds it receives via LIHEAP grants. This is based on the State's standard General Fund appropriations which allows for 1 year to encumber and 2 years to liquidate an encumbrance after the year it was made. However, CSD emphasizes to our Local Service Providers the goal to expending the funds within two years or less as represented in our original contract terms with our local service providers and the project period on the grant award itself. On a few occasions CSD will amend a contract's end date to assist agencies who have had unanticipated issues arise and need additional time up to the end of the third year. This is the standard timeframe as applied to most state-funded programs.			
Administrative costs:	Actual costs for auxiliary functions such as salaries, wages, workers compensation, and fringe benefits for administrative staff, facilities, utilities, office and computer equipment, telephone, travel, accounting, auditing, monitoring assistance, office supplies, and like services necessary to sustain the direct effort involved in administering a grant program or an activity providing services to the grant program. Includes incurred costs associated with participation and attendance to policy advisory committee meetings and workgroups.			
<b>Audit Process</b>				
<b>10.2. Is your LIHEAP program audited annually under the Single Audit Act and OMB Circular A - 133?</b>				
<input checked="" type="checkbox"/>	Yes		<input type="checkbox"/>	No
<b>10.2a If yes, describe your auditor selection process.</b>				
The auditor is selected at the state level by the Bureau of State Audits of the California Department of Finance.				
<b>10.3. Describe any audit findings of the grant recipient (i.e., state, tribe, territory) rising to the level of a material weakness or reportable condition cited in the single audits, inspector general reviews, or other government agency reviews from the most recently audited fiscal year.</b>				
<input checked="" type="checkbox"/>	No Findings			
Finding	Type	Brief Summary	Resolved?	Action Taken
1.				
<b>10.4. Audits of Local Administering Agencies</b>				
<b>What types of annual audit requirements do you have in place for local administering agencies or district offices? Select all that apply.</b>				
<input checked="" type="checkbox"/>	Local agencies and district offices are required to have an annual audit in compliance with Single Audit Act and OMB Circular A-133.			
<input type="checkbox"/>	Local agencies and district offices are required to have an annual audit (other than A-133).			
<input checked="" type="checkbox"/>	Local agencies or district offices' A-133 or other independent audits are reviewed by Grant recipient as part of compliance process.			
<input checked="" type="checkbox"/>	Grant recipient conducts fiscal and program monitoring of local agencies or district offices.			
<b>Compliance Monitoring</b>				
<b>10.5. Describe your monitoring process for compliance at each level below. Check all that apply.</b>				
<b>Grant recipient employees:</b>				
<input checked="" type="checkbox"/>	Internal program review			
<input checked="" type="checkbox"/>	Departmental oversight			
<input checked="" type="checkbox"/>	Secondary review of invoices and payments			
<input type="checkbox"/>	Other program review mechanisms are in place. Describe:			
<b>Local Administering Agencies or District Offices:</b>				
<input checked="" type="checkbox"/>	On-site evaluation			
<input type="checkbox"/>	Annual program review			
<input checked="" type="checkbox"/>	Monitoring through central database			
<input checked="" type="checkbox"/>	Desk reviews			
<input checked="" type="checkbox"/>	Client File Testing/Sampling			
<input type="checkbox"/>	Other program review mechanisms are in place. Describe:			
<b>10.6 Explain or attach a copy of your local agency monitoring schedule and protocol.</b>				
CSD Field Operations Unit will conduct a combination of in-house and on-site compliance monitoring. In general, CSD's monitoring schedule runs from March 1 to October 31. Please refer to the CSD's Monitoring Scope and Overview for details on the monitoring protocols that will be implemented in the Federal Fiscal Year 2026.				

<b>10.7. Describe how you select local agencies for monitoring reviews. Attach a risk assessment if subrecipients are utilized.</b>	
Site Visits:	All LIHEAP agencies have on-site monitoring reviews at least every three years. After conducting an annual risk assessment, the agencies are selected for onsite visits based on the areas of concern identified during the annual risk review, or through whistle blower complaints. Agencies are monitored first with a subsequent follow up monitoring focusing on the issues identified to ensure full resolution.
Desk Reviews:	CSD will conduct an in-house compliance monitoring of all agencies that do not receive an on-site monitoring visit.
<b>10.8. How often is each local agency monitored? Please attach a monitoring schedule if one has been developed.</b>	
<input type="checkbox"/>	Annually
<input type="checkbox"/>	Biannually
<input checked="" type="checkbox"/>	Triannually
<b>10.9. How many local agencies are currently on corrective action plans? 1</b>	
<b>If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.</b>	

**Section 11 - Timely and Meaningful Public Participation, 2605(b)(12) - Assurance 12, 2605(c)(2)**U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01

OMB Clearance No.: 0970-0075

Expiration Date: 02/28/2027

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)****MODEL PLAN****Section 11 – Timely and Meaningful Public Participation****Section 11: Timely and Meaningful Public Participation, 2605(b)(12), 2605(C)(2)****11.1 How did you obtain input from the public in the development of your LIHEAP plan? Select all that apply. Note: Tribes do not need to hold a public hearing but must ensure participation through other means.**

<input type="checkbox"/>	Tribal Council meeting(s)
<input checked="" type="checkbox"/>	Public Hearing(s)
<input checked="" type="checkbox"/>	Draft Plan posted to website and available for comment.
<input type="checkbox"/>	Hard copy of plan is available for public view and comment.
<input checked="" type="checkbox"/>	Comments from applicants are recorded.
<input checked="" type="checkbox"/>	Request for comments on draft Plan is advertised.
<input checked="" type="checkbox"/>	Stakeholder consultation meeting(s)
<input type="checkbox"/>	Comments are solicited during outreach activities.
<input type="checkbox"/>	Other - Describe:

**Public Hearings, 2605(a)(2) - For States and the Commonwealth of Puerto Rico Only****11.3 List the date and location(s) that you held public hearing(s) on the proposed use and distribution of your LIHEAP funds?**

	Date	Event Description
1	TBD	
2		

**11.4. How many parties commented on your plan at the hearing(s)? TBD****11.5 Summarize the comments you received at the hearing(s).****TBD****11.6 What changes did you make to your LIHEAP plan as a result of public participation and solicitation of input?****TBD****If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.**

**Section 12 - Fair Hearings, 2605(b)(13) - Assurance 13**

U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01

OMB Clearance No.: 0970-0075

Expiration Date: 02/28/2027

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)  
MODEL PLAN**

**Section 12 – Fair Hearings**

**Section 12: Fair Hearings, 2605(b)(13) - Assurance 13**

**12.1 How many fair hearings did the grant recipient have in the prior federal Fiscal Year?**

0

**12.2 How many of those fair hearings resulted in the initial decision being reversed?**

N/A

**12.3 Describe any policy or procedural changes made in the last federal Fiscal Year as a result of fair hearings?**

There were no changes.

**12.4 Describe your fair hearing procedures for households whose applications are denied or not acted upon in a timely manner.**

CSD follows procedures outlined in 22 CCR Section 100805(c) – (d).

(c) Should the applicant decide to appeal to CSD, the applicant shall submit a written appeal request to CSD within ten (10) working days from the date of the contractor's final decision. Upon request from CSD, the contractor shall provide all supportive documentation to CSD, postmarked within ten (10) working days of the request.

(d) CSD shall provide an opportunity for an administrative fair hearing if an applicant's concern is not resolved by appeal to the contractor. Within five (5) working days, upon receipt of a request for a fair hearing, CSD shall schedule a fair hearing to be conducted no later than fifteen (15) working days from receipt of a request for a fair hearing. The fair hearing shall be conducted in accordance with the following criteria:

(1) The hearing shall be held in a place reasonably convenient to the applicant and open to the public.

(2) The applicant shall receive notification of the hearing no less than five (5) working days before the scheduled hearing, to enable a proper preparation of the applicant's appeal.

(3) The applicant shall have an opportunity to review his/her claim file, which contains all the evidence to be presented, prior to the hearing.

(4) The hearing officer shall be an impartial adjudicator who has not participated in the decision being appealed.

(5) The applicant is guaranteed the right to:

(A) Have a representative at the hearing;

(B) Present evidence, including oral and/or written statements on his/her behalf;

(C) Present witnesses; and

(D) Cross-examine witnesses.

(6) The applicant shall be given the opportunity to elect to have the matter determined through use of a declaration in lieu of personal appearance.

(7) The hearing officer shall issue a final decision, in writing, within thirty (30) calendar days following the conclusion of the fair hearing.

**12.5 When and how are applicants informed of these rights?**

Applicants are informed of their appeal rights by subgrantees pursuant to 22 CCR Section 100805(b) (excerpt below), as well as by CSD upon receipt of a service-related complaint or request or appeal.

(b) A written appeals process shall be established by each contractor and shall be provided to all applicants who are denied assistance.

(1) Procedures for the review of partial or complete denial of assistance to any person or household shall include the following:

(A) Provisions for notifying the applicant in writing of the reasons for denial of assistance and advising the applicant that he/she may request a review of the denial and may submit additional information (in writing or orally) which the applicant believes would warrant a favorable determination.

(B) Provisions for reviewing the denial of an application for assistance in an expeditious manner if such is requested by the applicant. This shall include the specific assignment of responsibility to a senior level official or standing committee other than the person making the initial determination.

(C) Provisions for notifying the applicant of the contractor's final decision.

(D) The methods the contractor will employ to notify applicant of the existence of the appeals process.

(E) Provisions for ensuring that every effort will be made to provide persons who do not

comprehend English with written materials and/or procedures in the appropriate language(s).

(F) Provisions for the retention of documents relating to specific denials of assistance and action(s) taken by the contractor. Such records must be maintained in the contractor's files for three years and shall be available for review by CSD officials upon request.

(G) Provisions to inform applicants that an appeal to CSD may be requested as part of the fair hearing process and provisions for providing a description to the applicant of the process and criteria for appeal to CSD as outlined in subsections (c) and (d) of this section.

(2) A written description of the aforementioned required procedures shall be maintained on file by the contractor and shall be available for public inspection.

California regulations regarding the LIHEAP appeal process can be found here: [Section 100805 - Appeal Process, Cal. Code Regs. tit. 22 § 100805](#)

**If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.**



**Section 13 - Reduction of home energy needs, 2605(b)(16) - Assurance 16**

U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01

OMB Clearance No.: 0970-0075

Expiration Date: 02/28/2027

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)****MODEL PLAN****Section 13 – Reduction of Home Energy Needs****Section 13: Reduction of Home Energy Needs, 2605(b)(16) - Assurance 16****13.1 Describe how you use LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance?**

Local Service Providers address the energy needs of low-income households by conducting a thorough energy needs assessment of each client, providing budget counseling, energy conservation education, and coordination with utility companies. Whenever possible, weatherization services are also provided to offer a preventive, holistic and long-term solution to energy needs.

Local Service Providers maintain a source document that substantiates that the client was provided these services. The document is kept on file by the contractor and is reviewed during routine program evaluation.

**13.2 How do you ensure that you don't use more than 5% of your LIHEAP funds for these activities?**

Contracts with Local Service Providers establish a budgetary cap on Assurance 16 expenditures and require the submission of monthly expenditure activity reports to CSD.

**13.3 Describe the impact of such activities on the number of households served in the previous federal Fiscal Year? Impact can be measured in many different ways: using logic models, data tracking systems, process evaluation, impact evaluation, number of households served versus applied, and performance management for example.**

The impacts of the budget and energy education are that clients are more aware of their energy and household costs, which may result in overall household savings.

CSD is working on policy updates to better track the impact of Assurance 16 activities, actively workshopping the plan with the Energy Council and the LSP network. The new policy will be implemented beginning with Program Year 2027.

**13.4 Describe the level of direct benefits provided to those households in the previous federal Fiscal Year.**

N/A

**13.5 How many households received these services?**

175,083

**If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.**

## Section 14 - Leveraging Incentive Program, 2607A

U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01

OMB Clearance No.: 0970-0075

Expiration Date: 02/28/2027

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

#### MODEL PLAN

#### Section 14 – Leveraging Incentive Program

#### Section 14: Leveraging Incentive Program, 2607(A)

##### 14.1 Do you plan to submit an application for the leveraging incentive program?

☒ Yes ☐ No

##### 14.2 Describe instructions to any third parties or local agencies for submitting LIHEAP leveraging resource information and retaining records.

Local Agencies participating in the Leveraging Incentive Program are required to submit a leveraging report to CSD. Agencies are required to retain all support documentation for period of three (3) years.

##### 14.3 For each type of resource or benefit to be leveraged in the upcoming year that will meet the requirements of 45 C.F.R. § 96. 87(d)(2)(iii), describe the following:

Resource	What is the type of resource benefit?	What is the source(s) of the resource?	How will the resource be integrated and coordinated with LIHEAP?
1	Discount/waiver	Utility companies	Local agencies and CSD coordinate the services provided under LIHEAP with existing reduced rate programs at California's larger investor-owned utilities, as well as many smaller municipal utilities. The coordination of these programs enables the agencies to expand services to families who otherwise would not receive assistance due to lack of information about the programs. This coordination occurs through prearranged agreements between the local CSD/LIHEAP contractors and the utility companies. The LIHEAP contractors work in direct conjunction with the utility companies by maintaining ongoing communication to screen and refer potential clients and coordinate benefits. In order to maximize the impact and effectiveness of both programs, applicants are screened to determine if the applicant from either source has already received any benefits. The applicant is provided assistance in completing an application for the reduced rate programs at the time the applicant is being assisted for HEAP.
2	Cash	Non-profits	This resource was integrated and coordinated with LIHEAP in two ways: a. Due to funds from both sources (LIHEAP and utility companies/third-party co-payments) being used in the same household, the low-income household benefited by receiving LIHEAP assistance in addition to assistance from either the utility company program or third-party co-payment once the LIHEAP programs maximum level of assistance was reached. b. To ensure that low-income households have year-around access to energy assistance and that the greatest number of low-income households receive assistance, local agencies have coordinated the services provided under LIHEAP with local private and public energy assistance programs. The coordination of these programs enables the agencies to expand emergency services to families who otherwise would not receive assistance through LIHEAP due to insufficient funds. The coordination occurs through prearranged agreements between the local LIHEAP contractors and the utility assistance providers. The LIHEAP contractors work in direct conjunction with the utility assistance providers by

			maintaining ongoing communication to screen potential clients and coordinate benefits. In order to maximize the impact and effectiveness of both programs, applicants are screened to determine if any benefits have already been received by the applicant from either source.
3	Cash	Utility companies	Utility companies provide funds to provider agencies, allowing agencies to install additional weatherization measures in qualifying low-income homes.
4	Cash	Utility companies	This resource was integrated and coordinated with LIHEAP due to funds from both sources (LIHEAP and utility companies) being used in the same household. The low-income household, therefore, was further weatherized to prevent the loss of heated and/or cooled air from the dwelling. As a result of the coordination of the weatherization contracts, additional LIHEAP-eligible households received weatherization measures, as appropriate and allowable within LIHEAP contract. The client files are documented and maintained at each respective agency.
5	Cash	Utility companies	This resource is coordinated with LIHEAP because LIHEAP eligible and other low-income households are identified as needing repair or replacement of appliances during the time the dwelling is being assessed for weatherization services. Additionally, the utility companies utilize a bid process to identify administering agencies. CSD-funded agencies are successful in the bid process in large part due to their experience in providing weatherization services under LIHEAP and because they are known entity in the low-income community.
6	In-Kind Contribution	Landlords	Coordination with landlords to provide additional LIHEAP eligible households weatherization and appliances as appropriate and allowable within the LIHEAP contract.
7	Discount/waiver	Local suppliers	Direct negotiations with local suppliers of weatherization materials for the LIHEAP Program resulted in lower than market costs for materials purchased in bulk quantities. As a result of the resources generated from the discount received from these bulk purchases, additional LIHEAP eligible homes received weatherization measures as appropriate and allowable within the LIHEAP contract.
<b>If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.</b>			

## Section 15 - Training

U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95,  
03/96, 12/98, 11/01  
OMB Clearance No.: 0970-0075  
Expiration Date: 02/28/2027

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM LIHEAP) MODEL PLAN Section 15 – Training

#### Section 15: Training

#### 15.1 Describe the training you provide for each of the following groups:

##### a. Grant recipient Staff:

☒ Formal training provided virtually, on-site, and/or formal training conference

##### How often?

☒ Annually

☐ Biannually

☒ As needed

☐ Other - Describe:

☒ Employees are provided with policy manual

☐ Other - Describe:

##### b. Local Agencies:

☒ Formal training provided virtually, on-site, and/or formal training conference

##### How often?

☒ Annually

☐ Biannually

☒ As needed

☒ Other - Describe: CSD provides LSP and subcontractor staff with comprehensive weatherization training year around based upon job duties. These trainings provide vital workforce development and skills building for agency field personnel, an integral component of the program's goals.

☒ Employees are provided with policy manual

☐ Other - Describe:

##### c. Vendors

☐ Formal training provided virtually, on-site, and/or formal training conference

##### How often?

☐ Annually

☐ Biannually

☐ As needed

☐ Other - Describe:

☒ Policies communicated through vendor agreements

☐ Policies are outlined in a vendor manual

#### 15.2 Does your training program address fraud reporting and prevention?

☒ Yes ☐ No

## Section 16 - Performance Goals and Measures, 2605(b)

U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95,  
03/96, 12/98, 11/01  
OMB Clearance No.: 0970-0075  
Expiration Date: 02/28/2027

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) MODEL PLAN

#### Section 16 – Performance Goals and Measures

#### Section 16: Performance Goals and Measures, 2605(b) - Required for States Only

**16.1 Describe your progress toward meeting the data collection and reporting requirements of the four required LIHEAP performance measures. Include timeframes and plans for meeting these requirements and what you believe will be accomplished in the coming federal Fiscal Year.**

CSD has implemented changes to its intake form to meet the required LIHEAP performance measures reporting.

CSD has modified its internal and external reporting systems to facilitate the reporting of LIHEAP performance measure data elements from LSPs into CSD's internal reporting systems.

Over the next federal fiscal year, CSD will continue its partnership with Investor Owned Utilities to continue obtaining utility cost and local energy consumption data. CSD will also work with local government utilities and municipal utility companies to obtain data exchange agreement to obtain utility cost and energy consumption data.

**If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.**

## Section 17 - Program Integrity, 2605(b)(10)

U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95,  
03/96, 12/98, 11/01  
OMB Clearance No.: 0970-0075  
Expiration Date: 02/28/2027

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) MODEL PLAN

#### Section 17 – Program Integrity

#### Section 17: Program Integrity, 2605(b)(10)

##### 17.1 Fraud Reporting Mechanisms

**a. Describe all mechanisms available to the public for reporting cases of suspected waste, fraud, and abuse. Select all that apply.**

<input type="checkbox"/>	Online Fraud Reporting
<input checked="" type="checkbox"/>	Dedicated Fraud Reporting Hotline
<input checked="" type="checkbox"/>	Report directly to local agency/district office or Grant recipient office
<input type="checkbox"/>	Report to State Inspector General or Attorney General
<input checked="" type="checkbox"/>	Forms and procedures in place for local agencies/district offices and vendors to report fraud, waste, and abuse
<input type="checkbox"/>	Posted in local administering agencies offices
	Other - Describe: CSD operates a toll free line that can be used by the public to report suspected fraud. The Bureau of State Audits has established a whistleblower hotline that is available to grant recipient staff to report information regarding possible fraud. The information is advertised via posters that are located throughout the department's office. Local administering agencies and vendors report fraud through various methods to the department via correspondence, telephone communication with grant recipient staff, and email to grant recipient staff. Upon notification of potential fraud, the department advises its legal office and an investigation commences.

**b. Describe strategies in place for advertising the above referenced resources. Select all that apply**

<input type="checkbox"/>	Printed outreach materials
<input type="checkbox"/>	Addressed on LIHEAP application
<input checked="" type="checkbox"/>	Website
	Other - Describe: CSD operates a toll free line that can be used by the public to report suspected fraud. The Bureau of State Audits has established a whistleblower hotline that is available to grantee staff to report information regarding possible fraud. The information is advertised via posters that are located throughout the department's office. Local administering agencies and vendors report fraud through various methods to the department via correspondence, telephone communication with grantee staff, and email to grantee staff. Upon notification of potential fraud, the department advises its legal office and an investigation commences.

##### 17.2. Identification Documentation Requirements

**a. Indicate which of the following forms of identification are required or requested to be collected from LIHEAP applicants or their household members.**

Type of Identification Collected	Collected from Whom?					
	Applicant Only		All Adults in Household		All Household Members	
Social Security card is photocopied and retained	<input type="checkbox"/>	Required	<input type="checkbox"/>	Required	<input type="checkbox"/>	Required
	<input checked="" type="checkbox"/>	Requested	<input type="checkbox"/>	Requested	<input type="checkbox"/>	Requested
Social Security number (Without actual Card)	<input type="checkbox"/>	Required	<input type="checkbox"/>	Required	<input type="checkbox"/>	Required
	<input checked="" type="checkbox"/>	Requested	<input type="checkbox"/>	Requested	<input type="checkbox"/>	Requested
Government-issued identification card (i.e., driver's license, state ID, Tribal ID, passport, etc.)	<input checked="" type="checkbox"/>	Required	<input type="checkbox"/>	Required	<input type="checkbox"/>	Required
	<input type="checkbox"/>	Requested	<input type="checkbox"/>	Requested	<input type="checkbox"/>	Requested

##### 17.3 Citizenship or Legal Residency Verification

**What are your procedures for ensuring that household members are U.S. citizens or qualified non-citizens who are qualified to receive LIHEAP benefits? Select all that apply.**

<input checked="" type="checkbox"/>	Clients sign an attestation of citizenship or U.S. citizen or qualified non-citizen.
<input type="checkbox"/>	Client's submission of Social Security cards is accepted as proof of U.S. citizen or qualified

	non-citizen.
<input type="checkbox"/>	Non-citizens must provide documentation of immigration status.
<input checked="" type="checkbox"/>	Citizens must provide a copy of their birth certificate, naturalization papers, or passport.
<input type="checkbox"/>	Non-citizens are verified through the SAVE system.
<input type="checkbox"/>	Tribal members are verified through Tribal enrollment records/Tribal ID card.
<input checked="" type="checkbox"/>	Other - Describe: County Local Service Providers are required to verify citizenship and legal residency. Read IDs can be used to verify citizenship/legal residency.
<b>17.4. Income Verification</b>	
<b>What methods does your agency utilize to verify household income? Select all that apply.</b>	
<input checked="" type="checkbox"/>	Require documentation of income for all adult household members
<input checked="" type="checkbox"/>	Pay stubs
<input checked="" type="checkbox"/>	Social Security award letters
<input checked="" type="checkbox"/>	Bank statements
<input checked="" type="checkbox"/>	Tax statements
<input checked="" type="checkbox"/>	Zero-income statements
<input checked="" type="checkbox"/>	Unemployment Insurance letters
<input checked="" type="checkbox"/>	Other - Describe: Individuals who provide proof of receipt of Supplemental Nutrition Assistance Program (known in California as CalFresh) or Temporary Assistance for Needy Families (known in California as CalWORKs) benefits are considered categorically eligible and are not required to submit additional income verification.
<input type="checkbox"/>	Computer data matches:
<input type="checkbox"/>	Income information matched against state computer system (e.g., SNAP, TANF)
<input type="checkbox"/>	Proof of unemployment benefits verified with state Department of Labor
<input type="checkbox"/>	Social Security income verified with SSA
<input type="checkbox"/>	Utilize state directory of new hires
<input type="checkbox"/>	Other - Describe:
b. Describe any exemptions to the above policies.	
<b>17.5. Identification Verification</b>	
<b>Describe what methods are used to verify the authenticity of identification documents provided by clients or household members. Select all that apply</b>	
<input type="checkbox"/>	Verify SSNs with Social Security Administration
<input checked="" type="checkbox"/>	Match SSNs with death records from Social Security Administration or state agency
<input type="checkbox"/>	Match SSNs with state eligibility/case management system (e.g., SNAP, TANF)
<input type="checkbox"/>	Match with state Department of Labor system
<input type="checkbox"/>	Match with state and/or federal corrections system
<input type="checkbox"/>	Match with state child support system
<input type="checkbox"/>	Verification using private software (e.g., The Work Number)
<input type="checkbox"/>	In-person certification by staff (for tribal grant recipients only)
<input type="checkbox"/>	Match SSN/Tribal ID number with tribal database or enrollment records (for tribal grant recipients only)
<input type="checkbox"/>	Other - Describe:
<b>17.6. Protection of Privacy and Confidentiality</b>	
<b>Describe the financial and operating controls in place to protect client information against improper use or disclosure. Select all that apply.</b>	
<input checked="" type="checkbox"/>	Policy in place prohibiting release of information without written consent
<input checked="" type="checkbox"/>	Grant recipient LIHEAP database includes privacy/confidentiality safeguards.
<input checked="" type="checkbox"/>	Employee training on confidentiality for:
<input checked="" type="checkbox"/>	Grant recipient employees
<input type="checkbox"/>	Local agencies/district offices
<input checked="" type="checkbox"/>	Employees must sign confidentiality agreement
<input checked="" type="checkbox"/>	Grant recipient employees
<input type="checkbox"/>	Local agencies/district offices
<input checked="" type="checkbox"/>	Physical files are stored in a secure location.



<input checked="" type="checkbox"/>	Electronic files are protected in a secure location.
<input checked="" type="checkbox"/>	Other - Describe: Statewide Information Management Manual (SIMM) SIMM 5340-C: Requirements to respond to incidents involving breach or personal information State Administrative Manual (SAM) SAM 5305: Information asset management and all subsections SAM 5310: Privacy and all subsections SAM 5320: Training and awareness for information security and privacy and all subsections SAM 5350: Operational Security and all subsections
<b>17.7. Verifying the Authenticity</b>	
<b>What policies are in place for verifying vendor authenticity? Select all that apply.</b>	
<input type="checkbox"/>	All vendors must register with the state/tribe.
<input type="checkbox"/>	All vendors must supply a valid SSN or TIN/W-9 form.
<input checked="" type="checkbox"/>	Vendors are verified through energy bills provided by the household.
<input type="checkbox"/>	Grant recipient and/or local agencies/district offices perform physical monitoring of vendors.
<input checked="" type="checkbox"/>	Other - Describe and note any exceptions to policies above: CSD documents authenticity of regulated energy vendors by collecting the Federal Employer ID number for Gas and Electric Vendors. Vendors are required to submit a Standard 204 Payee Record Data or Government Agency Tax Identification (GATI) form.
<b>17.8. Benefits Policy - Gas and Electric Utilities</b>	
<b>What policies are in place to protect against fraud when making benefit payments to gas and electric utilities on behalf of clients? Select all that apply.</b>	
<input type="checkbox"/>	Applicants required to submit proof of physical residency.
<input checked="" type="checkbox"/>	Applicants must submit current utility bill.
<input checked="" type="checkbox"/>	Data exchange with utilities that verifies:
<input type="checkbox"/>	Account ownership
<input type="checkbox"/>	Consumption
<input checked="" type="checkbox"/>	Balances
<input type="checkbox"/>	Payment history
<input checked="" type="checkbox"/>	Account is properly credited with benefit
<input type="checkbox"/>	Other - Describe:
<input checked="" type="checkbox"/>	Centralized computer system/database tracks payments to all utilities.
<input checked="" type="checkbox"/>	Centralized computer system automatically generates benefit level.
<input type="checkbox"/>	Separation of duties between intake and payment approval.
<input type="checkbox"/>	Payments coordinated among other energy assistance programs to avoid duplication of payments.
<input type="checkbox"/>	Payments to utilities and invoices from utilities are reviewed for accuracy.
<input type="checkbox"/>	Computer databases are periodically reviewed to verify accuracy and timeliness of payments made to utilities.
<input checked="" type="checkbox"/>	Direct payment to households are made in limited cases only.
<input checked="" type="checkbox"/>	Procedures are in place to require prompt refunds from utilities in cases of account closure.
<input type="checkbox"/>	Vendor agreements specify requirements selected above and provide enforcement mechanism.
<input checked="" type="checkbox"/>	Other - Describe: Payments to utilities and direct pay letters are reviewed for accuracy.
<b>17.9. Benefits Policy - Bulk Fuel Vendors</b>	
<b>What procedures are in place for averting fraud and improper payments when dealing with bulk fuel suppliers of heating oil, propane, wood, and other bulk fuel vendors? Select all that apply.</b>	
<input type="checkbox"/>	Vendors are checked against an approved vendor list.
<input type="checkbox"/>	Centralized computer system/database is used to track payments to all vendors.
<input checked="" type="checkbox"/>	Clients are relied on for reports of non-delivery or partial delivery.
<input checked="" type="checkbox"/>	Two-party checks are issued naming client and vendor.
<input checked="" type="checkbox"/>	Direct payment to households is made in limited cases only.

<input type="checkbox"/>	Vendors are only paid once they provide a delivery receipt signed by the client.
<input type="checkbox"/>	Conduct monitoring of bulk fuel vendors.
<input type="checkbox"/>	Bulk fuel vendors are required to submit reports to the grant recipient.
<input type="checkbox"/>	Vendor agreements specify requirements selected above, and provide enforcement mechanism
<input checked="" type="checkbox"/>	Other - Describe: Please see attachments.
<b>17.10. Investigations and Prosecutions</b>	
<b>Describe the Grant recipient's procedures for investigating and prosecuting reports of fraud, and any sanctions placed on clients, staff, or vendors found to have committed fraud. Select all that apply.</b>	
<input checked="" type="checkbox"/>	Refer to state Inspector General.
<input checked="" type="checkbox"/>	Refer to local prosecutor or state Attorney General.
<input checked="" type="checkbox"/>	Refer to U.S. DHHS Inspector General (including referral to OIG hotline).
<input checked="" type="checkbox"/>	Local agencies/district offices or Grant recipient conduct investigation of fraud complaints from public.
<input type="checkbox"/>	Grant recipient attempts collection of improper payments. If so, describe the recoupment process.
<input type="checkbox"/>	Clients found to have committed fraud are banned from LIHEAP assistance. For how long is a household banned?
<input type="checkbox"/>	Contracts with local agencies require that employees found to have committed fraud are reprimanded and/or terminated.
<input type="checkbox"/>	Vendors found to have committed fraud may no longer participate in LIHEAP.
<input type="checkbox"/>	Other - Describe:
<b>If any of the above questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.</b>	

U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95,  
03/96, 12/98, 11/01  
OMB Clearance No.: 0970-0075  
Expiration Date: 02/28/2027

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)  
MODEL PLAN**

**Section 18 – Certification Regarding Debarment, Suspension, and Other Responsibility Matters**

**Section 18: Certification Regarding Debarment, Suspension, and Other  
Responsibility Matters**

**Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary  
Covered Transactions**

**Instructions for Certification**

- 1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.**
- 2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.**
- 3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.**
- 4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.**
- 5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.**
- 6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.**
- 7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.**
- 8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant**

may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

#### **Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions**

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

#### **Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions**

##### **Instructions for Certification**

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, [[Page 33043]] should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled ``Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

**Certification Regarding Debarment, Suspension, Ineligibility a Voluntary Exclusion--Lower Tier Covered Transactions**

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal

<input checked="" type="checkbox"/>	By checking this box, the prospective primary participant is providing the certification set out above.
-------------------------------------	---

## Section 19: Certification Regarding Drug-Free Workplace Requirements

U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95,  
03/96, 12/98, 11/01  
OMB Clearance No.: 0970-0075  
Expiration Date: 02/28/2027

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) MODEL PLAN

#### Section 19 – Certification Regarding Drug-Free Workplace Requirements

##### Section 19: Certification Regarding Drug-Free Workplace Requirements

This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988: 45 CFR Part 76, Subpart, F. Sections 76.630(c) and (d)(2) and 76.645(a)(1) and (b) provide that a Federal agency may designate a central receipt point for STATEWIDE AND STATE AGENCY-WIDE certifications, and for notification of criminal drug convictions. For the Department of Health and Human Services, the central point is: Division of Grants Management and Oversight, Office of Management and Acquisition, Department of Health and Human Services, Room 517-D, 200 Independence Avenue, SW Washington, DC 20201.

##### Certification Regarding Drug-Free Workplace Requirements (Instructions for Certification)

1. By signing and/or submitting this application or grant agreement, the grant recipient is providing the certification set out below.
2. The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grant recipient knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. For grant recipients other than individuals, Alternate I applies.
4. For grant recipients who are individuals, Alternate II applies.
5. Workplaces under grants, for grant recipients other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grant recipient does not identify the workplaces at the time of application, or upon award, if there is no application, the grant recipient must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grant recipient's drug-free workplace requirements.
6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).
7. If the workplace identified to the agency changes during the performance of the grant, the grant recipient shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).

Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grant recipients' attention is called, in particular, to the following definitions from these rules:

*Controlled substance* means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

*Conviction* means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

*Criminal drug statute* means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;



**Employee** means the employee of a grant recipient directly engaged in the performance of work under a grant, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grant recipient's payroll. This definition does not include workers not on the payroll of the grant recipient (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grant recipient's payroll; or employees of subrecipients or subcontractors in covered workplaces).

**Certification Regarding Drug-Free Workplace Requirements Alternate I. (Grant**

**recipients Other Than Individuals)**

The grant recipient certifies that it will or will continue to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grant recipient's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
  - (b) Establishing an ongoing drug-free awareness program to inform employees about --
    - (1) The dangers of drug abuse in the workplace;
    - (2) The grant recipient's policy of maintaining a drug-free workplace;
    - (3) Any available drug counseling, rehabilitation, and employee assistance programs;and
  - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
  - c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
  - (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will --
    - (1) Abide by the terms of the statement; and
    - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
  - (e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
  - (f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted --
    - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
    - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
  - (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).
- (B) The grant recipient may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

**Place of Performance (Street address, city, county, state, zip code)**

\* Address Line 1, do not enter P.O. Box

2389 Gateway Oaks Drive #100

Address Line 2

Address Line 3



*City	*State	*Zip Code
Sacramento	CA	95833
<p><b>Check if there are workplaces on file that are not identified here. Alternate II. (Grant recipients Who Are Individuals)</b></p> <p><b>(a) The grant recipient certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;</b></p> <p><b>(b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.</b></p> <p><b>[55 FR 21690, 21702, May 25, 1990]</b></p>		
<input checked="" type="checkbox"/>	<p><b>By checking this box, the prospective primary participant is providing the certification set out above.</b></p>	

## Section 20: Certification Regarding Lobbying

U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95,  
03/96, 12/98, 11/01  
OMB Clearance No.: 0970-0075  
Expiration Date: 02/28/2027

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

#### MODEL PLAN

#### Section 20 – Certification Regarding Lobbying

#### Section 20: Certification Regarding Lobbying

The submitter of this application certifies, to the best of his or her knowledge and belief, that:

**(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.**

**(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions**

**(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.**

#### Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

**If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.**

☒ By checking this box, the prospective primary participant is providing the certification set out above.

## Section 21: Assurances

U.S. Department of Health and Human Services  
Administration for Children and Families

August 1987, revised 05/92, 02/95,  
03/96, 12/98, 11/01  
OMB Clearance No.: 0970-0075  
Expiration Date: 02/28/2027

### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

#### MODEL PLAN

#### Assurances

(1) use the funds available under this title to—

(A) conduct outreach activities and provide assistance to low-income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);

(B) intervene in energy crisis situations;

(C) provide low-cost residential weatherization and other cost-effective energy-related home repair; and

(D) plan, develop, and administer the State's program under this title including leveraging programs, and the State agrees not to use such funds for any purposes other than those specified in this title;

(2) make payments under this title only with respect to--

(A) households in which one or more individuals are receiving-- (i) assistance under the State program funded under part A of title IV of the Social Security Act;

(ii) supplemental security income payments under title XVI of the Social Security Act;

(iii) food stamps under the Food Stamp Act of 1977; or

(iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or

(B) households with incomes which do not exceed the greater of -

(i) an amount equal to 150 percent of the poverty level for such State; or

(ii) an amount equal to 60 percent of the State median income;

(except that a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income.

(3) conduct outreach activities designed to assure that eligible households, especially households with older adults or individuals with a disability, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act; coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-income weatherization assistance

program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses 2(A) and 2(B) of this subsection;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that -

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to --

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grant recipients and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;

(8) provide assurances that,

(A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and

(B) the State will treat owners and renters equitably under the program assisted under this title;

(9) provide that--

(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such

remaining cost (except for the costs of the activities described in paragraph (16));

(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");

(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;

(12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and

(14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.

(15) \* beginning in fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.

\* This assurance is applicable only to States, and to territories whose annual regular LIHEAP allotments exceed \$200,000. Neither territories with annual allotments of \$200,000 or less nor Indian tribes/tribal organizations are subject to Assurance 15.

(16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

<input checked="" type="checkbox"/>	By checking this box, the prospective primary participant is providing the certification set out above.
-------------------------------------	---

### **Plan Attachments**

**U.S. Department of Health and Human Services  
Administration for Children and Families**

**August 1987, revised 05/92, 02/95,  
03/96, 12/98, 11/01  
OMB Clearance No.: 0970-0075  
Expiration Date: 02/28/2027**

#### **LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) MODEL PLAN Plan Attachments**

The following documents must be attached to this application

- Delegation Letter is required if someone other than the Governor or Chairman Certified this Report.
- Heating component benefit matrix, if applicable
- Cooling component benefit matrix, if applicable
- Minutes, notes, or transcripts of public hearing(s).

Optional: Policy Manual

Optional: Subrecipient contract

Optional: Model Plan Participation notes for Tribes

## **Attachment. Section 1 – Program Components**

**Section 1.2:** Estimate what amount of available LIHEAP funds will be used for each component that you will operate: The total of all percentages must add up to 100%.

Re: Weatherization Assistance: 15%

CSD will submit a waiver request pursuant to Federal Regulation: 42 CFR Part 94 §8624(k), to increase the weatherization allocation from 15% to 25%.

Re: Cooling estimate: 6%

For reporting purposes, CSD's cooling season has been determined to be from July 1 through October 31.

Households to be reported under "Cooling" are tied specifically to applicants who have been assisted with their electricity bill under the non-crisis Home Energy Assistance Program (HEAP) component. However, even though the funding estimate for cooling is at 6%, there are additional households that receive assistance during the cooling season under the crisis component, Fast Track, which is reported under "Crisis Assistance". CSD estimates that 8% of the Fast Track funds will be used to help households with their cooling bill. Therefore, CSD estimates that 14% of the households will receive cooling assistance.

Please note: Because the use of non-electric fuels for cooling is rare in California, households assisted with natural gas, wood, propane, or other non-electric fuels are not taken into consideration.



Section 5.11 - What LIHEAP weatherization measures do you provide ? (Check all categories that apply.)

Other - Describe:	Measure
<b>SECTION: Assessments/Diagnostics</b>	
1	Dwelling Assessment
2	REM/Design Energy Audit
3	Combustion Appliance Safety Test
4	Blower Door Test
5	Duct Leakage Test
6	Environmental Testing
7	HERS Rater
8	Permits
9	Contractor Post-Weatherization Inspection
<b>SECTION: Health and Safety</b>	
1	Carbon Monoxide Alarm
2	Smoke Alarm
3	Cooking Appliance Repair, Free Standing Range or Cook Top
4	Cooking Appliance Replacement, Free Standing Range or Cook Top
5	Cooking Appliance Repair, Built-In Single Wall Oven
6	Cooking Appliance Replacement, Built-In Single Wall Oven
7	Cooling Repair
8	Cooling Replacement
9	CVA Venting
10	Environmental Hazard Work
11	Heating Source Repair
12	Heating Source Replacement
13	Heating Source Replacement (H&S-Fuel Switching)
14	Water Heater Repair
15	Water Heater Replacement
16	Water Heater Replacement (H&S-Fuel Switching)
<b>SECTION: Mandatory</b>	
1	Attic Ventilation
2	Ceiling Insulation
3	Door, Exterior (All Other Types)
4	Door, Sliding Glass
5	Duct Insulation
6	Duct Repair, Sealing, and Replacement
7	Filter Replacement
8	Hot Water Flow Restrictor
9	HVAC Blower Upgrades
10	Infiltration Reduction (Excludes both repair and replacement of Doors and Windows)
11	Kitchen Exhaust Installation, Repair & Replacement
12	Kneewall Insulation
13	Lighting (LED Replacements)
14	Limited Home Repair
15	Low Flow Toilet
16	Mechanical Ventilation (if required by blower door diagnostics and MV calculations)
17	Microwave Oven
18	Refrigerator Replacement
19	Thermostat
20	Vacancy Sensor Switch
21	Water Heater Blanket
22	Water Heater Pipe Wrap

Other - Describe:	Measure
23	Whole House Fan
24	Window Repair and Replacement
<b>SECTION: Optional</b>	
1	Ceiling Fan
2	Clothes Washer Replacement
3	Clothes Dryer Replacement
4	Dishwasher Replacement
5	Exterior Water Pipe Wrap
6	Floor Foundation Venting
7	Floor Insulation
8	Hot Water Flow Restrictor
9	Mechanical Ventilation
10	Power Strips
11	Shade Screens
12	Storm Windows
13	Timer, Electric Water Heater
14	Tinted Window Film
15	Wall Insulation, Stucco and Wood
<b>SECTION: Optional - Energy Audit Required</b>	
1	Ceiling Insulation
2	Cooling Replacement (Energy Efficiency Upgrades)
3	Duct Repairs & Replacement
4	Floor Insulation
5	Heating Source Replacement (Energy Efficiency Upgrades)
6	Heating Source Replacement (Energy Efficiency Upgrade-Fuel Switching)
7	Infiltration Reduction (Excludes both repair and replacement of Doors and Windows)
8	Kneewall Insulation
9	Lighting (LED Replacements)
10	Limited Home Repair
11	Refrigerator Replacement
12	Thermostat
13	Wall Insulation, Stucco and Wood
14	Water Heater Installation (Energy Efficiency Upgrade)
15	Water Heater Replacement (Energy Efficiency Upgrade-Fuel Switching)
16	Window Replacement

### California LIHEAP Subrecipients

Name	Main Office Address	Phone Number	County(s) Served	Congressional District(s)	UEI Number
Amador-Tuolumne Community Action Agency (ATCAA)	10590 Hwy 88 Jackson, CA 95642	(209) 223-1485	Amador, Calaveras, Tuolumne	CA-03, CA-04	C3ZZWMQNV37
Campesinos Unidos, Inc. (CUI)	1005 C Street Brawley, CA 92227	(760) 344-4500	Imperial, San Diego	CA-49, CA-50, CA-51, CA-52, CA-53	GN32L2K6ZE88
Central Coast Energy Services, Inc. (CCES)	135 Aviation Way #7 Watsonville, CA 95077	(888) 728-3637	Monterey, San Francisco, San Mateo, Santa Cruz	CA-02, CA-12, CA-13, CA-14, CA-17, CA-19, CA-20	LRE2AK9ADFN6
Central Valley Opportunity Center (CVOC)	3860 Brickit Court Ceres, CA 95360	(209) 537-9217	Stanislaus	CA-04, CA-10, CA-17, CA-18, CA-19, CA-20	JQGNKHCA9P63
Community Action Agency of Butte County	2640 South 5th Ave., Ste. 1 Oroville, CA 95965	(530) 712-2600	Butte	CA-01	MN43L8UL2X81
Community Action Commision of Santa Barbara County (CommUnify)	5638 Hollister Ave., Suite 230 Goleta, CA 93117	(805) 617-2897	Santa Barbara	CA-24	KK7EUL66M7C8
Community Action Marin	555 Northgate Dr., Ste. 201 San Rafael, CA 94903	(415) 526-7550	Marin	CA-02	JZ9FLAVMPEB9
Community Action of Ventura County	621 Richmond Ave. Oxnard, CA 93030	(805) 436-4000	Ventura	CA-26, CA-32	JS5YQ4D4G6S7
Community Action Partnership of Kern	300 19th St. Bakersfield, CA 93301	(661) 336-5200	Kern	CA-23	MH2JA4FK2WK1
Community Action Partnership of Madera County	1225 Gill Ave. Madera, CA 93637	(559) 673-9173	Madera	CA-05, CA-13, CA-20	V9D5YUNVFNA4
Community Action Partnership of Orange County (CAPOC)	11870 Monarch St. Garden Grove, CA 92841	(714) 839-6199	Orange	CA-38, CA-39, CA-40, CA-45, CA-46, CA-47, CA-48, CA-49	KZHNGKVTDN56
Community Action Partnership of Riverside County	2038 Iowa Ave., Suite B102 Riverside, CA 92507	(951) 955-4900	Riverside	CA-36, CA-41	E4E9EB8KFC15
Community Action Partnership of San Bernardino County	696 South Tippecanoe Avenue San Bernardino, CA 92408	(909) 723-1500	San Bernardino	CA-08, CA-31, CA-35	CNBFNEYWHRP8
Community Action Partnership of San Luis Obispo County (CAPSLO)	3970 Short Street, Ste. 110 San Luis Obispo, CA 93401	(805) 541-4122	San Luis Obispo	CA-24	GBL8FWWVCLC5
Community Resource Project (CRP)	250 Harris Ave, Suite 3 Sacramento, CA 95838	(916) 567-5200	Sacramento, Sutter, Yuba	CA-03, CA-06, CA-07, CA-09	HJY6AYNBPZR1
Community Services and Employment Training, Inc. (CSET)	312 N.W. 3rd Ave. Visalia, CA 93291	(844) 244-1316	Tulare	CA-03, CA-05, CA-13, CA-20, CA-21, CA-22, CA-23	EVC4Z5EGN1C1

### California LIHEAP Subrecipients

Name	Main Office Address	Phone Number	County(s) Served	Congressional District(s)	UEI Number
Contra Costa County Community Services Bureau	1470 Civic Court, Ste 200 Concord, CA 94520	(925) 267-6624	Contra Costa	CA-05, CA-09, CA-11, CA-15	W6AHS1UCWKX7
Del Norte Senior Center	1765 Northcrest Dr. Crescent City, CA 95531	(707) 464-3069	Del Norte	CA-02	FNY6FABNHU9
El Dorado County Health and Human Services Agency	937 Spring Street Placerville, CA 95667	(530) 621-6150	Alpine, El Dorado	CA-03, CA-05	HNUYLFNMNJR3
Fresno County Economic Opportunities Commission	1900 Mariposa Mall, Suite 260 Fresno, CA 93721	(559) 263-1320	Fresno	CA-04, CA-16, CA-20, CA-21, CA-22	QNDGXBBB63C5
Glenn County Community Action Department	345 Yolo Street Orland, CA 95963	(530) 865-6129	Colusa, Glenn, Trinity	CA-02, CA-03	NV42JM87MBC3
Great Northern Services (GNS)	310 Boles Street Weed, CA 96094	(530) 938-4115	Siskiyou	CA-01	L931ECN9E6J1
Inyo Mono Advocates for Community Action (IMACA)	145 East South Street Bishop, CA 93514	(760) 874-8188	Inyo, Mono	CA-03, CA-20, CA-23	JCTJHMGNEZD9
Kings Community Action Organization	1130 North 11th Ave. Hanford, CA 93230	(559) 582-4386	Kings	CA-21, CA-22	TL9CD2PTCSF2
Lassen Economic Development Corporation	200 Mooney Road Westwood, CA 96137	(530) 256-3531	Lassen	CA-01	YK7UVU7LVQU5
Long Beach Community Action Partnership	117 West Victoria Street Long Beach, CA 90805	(888) 351-4061	Los Angeles	CA-42, CA-47	JBFKZX9W8MB3
Maravilla Foundation	5729 E. Union Pacific City of Commerce, CA 90022	(323) 869-4500	Los Angeles	CA-24, CA-25, CA-26, CA-27, CA-28, CA-32, CA-34, CA-38, CA-39	JN6NMW3EM1N6
Mariposa County Human Services Department	5362 Lemee Ln. Mariposa, CA 95338	(209) 742-0855	Mariposa	CA-05	PNG4LUYEKK53
Merced County Community Action Agency	1235 Main St. Merced, CA 95344	(209) 723-4565	Merced	CA-04, CA-16	E4EKMGM64KM9
Metropolitan Area Advisory Committee (MAAC)	1355 Third Avenue Chula Vista, CA 91911	(619) 434-3829	San Diego	CA-49, CA-50, CA-51, CA-52	NWENKM2YL4A3
North Coast Energy Services, Inc. (NCES)	966 Mazzoni St., Ste 3B Ukiah, CA 95482	(707) 463-0303	Lake, Mendocino, Napa, Solano, Sonoma, Yolo	CA-03, CA-05	J2LJQHMCJWQ8
Pacific Asian Consortium in Employment (PACE)	1055 Wilshire Blvd, Suite 1475 Los Angeles, CA 90017	(213) 353-3982	Los Angeles	CA-28, CA-29, CA-30, CA-33, CA-34, CA-37, CA-43, CA-44	F9FNM8MD24F3
Plumas County Community Development Commission	183 W. Main Street Quincy, CA 95971	(530) 283-2466	Plumas, Sierra	CA-03	VPVVT8HCEM5

### California LIHEAP Subrecipients

Name	Main Office Address	Phone Number	County(s) Served	Congressional District(s)	UEI Number
Project Go, Inc.	801 Vernon St. Roseville, CA 95678	(916) 782-3443	Nevada, Placer	CA-04	SZ2VE2LBLZE3
Redwood Community Action Agency	539 T Street Eureka, CA 95501	(707) 444-3834	Humboldt	CA-02	C6J3JX17FBL9
Sacred Heart Community Service	1381 S. First St. San Jose, CA 95110	(877) 278-6455	Santa Clara	CA-13, CA-14, CA-15, CA-16, CA-17, CA-18, CA-19	HHVMXHNZ3MS8
San Benito County Community Services & Workforce Development	1161 San Felipe Road, #B Hollister, CA 95023	(831) 637-9293	San Benito	CA-13, CA-18	UX1PHLRE4Q3
San Joaquin County Dept. of Aging & Community Services	333 E. Washington St Stockton, CA 95202	(209) 468-1500	San Joaquin	CA-04, CA-05, CA-07, CA-09, CA-10, CA-13, CA-14	DZXSM6LBMM88
Self-Help Home Improvement Project, Inc. (SHHIP)	3777 Meadowview Dr., Ste. 100 Redding, CA 96002	(530) 378-6900	Shasta, Tehama	CA-01	WCC6TLQJ5WN1
Spectrum Community Services	2621 Barrington Court Hayward, CA 94545	(510) 881-0300	Alameda	CA-13	NZRBATZJBH83
Training, Employment and Community Help, Inc. (TEACH)	112 E. 2nd Street Alturas, CA 96101	(530) 233-3111	Modoc	CA-01	PP9YF9RNPXD2

STATE OF CALIFORNIA  
AGREEMENT

TABLE OF CONTENTS

AGREEMENT .....	i
<b>ARTICLE 1 – SCOPE OF WORK</b> .....	1
1.1    Purpose.....	1
1.2    Term .....	1
1.3    Project Coordinators .....	1
1.4    CSD Requirements.....	3
1.5    Utility Requirements.....	3
1.6    Payment Issuance and Processing .....	5
1.7    Direct Payment Summary and Account Reconciliation.....	6
1.8    Pledges Under Energy Crisis Intervention Program/Fast Track.....	6
<b>ARTICLE 2 – REPORTING REQUIREMENTS</b> .....	7
2.1    Quarterly Pledge Reports.....	7
<b>ARTICLE 3 -- CONTRACT CONSTRUCTION, ADMINISTRATION AND     PROCEDURE</b> .....	8
3.1    State Contracting Requirements – “Contractor Certification Clauses, CCC 04/2017” .....	8
3.2    Applicable Laws and Requirements .....	9
3.3    Additional Provisions.....	9
<b>ARTICLE 4 – STATE CONTRACTING REQUIREMENTS - GENERAL TERMS AND     CONDITIONS GTC 610</b> .....	11
<b>ARTICLE 5 – ADMINISTRATIVE POLICIES, TERMS AND CONDITIONS</b> .....	11
5.1    Confidentiality.....	15
Attachment I – LIHEAP Direct Payment Summary.....	17

**Utility Direct Payment Agreement  
Agreement No. 23Y-50XX**

This Agreement consists of this Direct Payment Agreement (“Agreement”), and Attachment 1, which is incorporated herein by this reference. This Agreement is entered into between the California **Department of Community Services and Development (CSD)**, and the **<Insert Utility Name>**, (“Utility”):

**ARTICLE 1 – SCOPE OF WORK**

**1.1 Purpose**

- A. CSD will make payments to Utility for the purpose of crediting the accounts of qualified low-income energy customers of Utility who have been identified as eligible for utility assistance payments under the Low-Income Home Energy Assistance Program (LIHEAP) or other utility assistance program being offered by CSD. Categories of payment assistance include the Home Energy Assistance Program (HEAP) and Energy Crisis Intervention Program – Fast Track (ECIP FT). HEAP provides one-time financial assistance to help offset an eligible household’s energy costs (utility bill). ECIP FT provides one-time assistance to low-income households that are in a crisis situation.
- B. In order to carry out the purpose of this Agreement, CSD’s LIHEAP Local Service Providers (LSPs) will submit LIHEAP benefit pledges for low-income utility customers at risk of service disconnection or interruption due to nonpayment, as set forth in section 1.8 of this Agreement. The LIHEAP benefit pledge is intended to immediately notify utility companies of a low-income utility customers participation in LIHEAP and the amount of qualifying assistance the customer is to receive.

**1.2 Term**

The term of this Agreement shall be April 1, 2023, through March 31, 2026.

**1.3 Project Coordinators**

The Project Coordinator is tasked with managing all CSD inquiries regarding pledge payments or issues with the pledge process, mishandled or incorrect payments, clarification and updates of reports, and fraud and abuse. The Project Coordinators during the term of this Agreement are listed below. Either Party may designate a different Project Coordinator by notifying the other party in writing. Utility may designate contact personnel below for Utility’s Payment Unit and/or Utility’s Information Technology (IT) Unit. The role for the designated contact is to handle, process and communicate any specific payment and/or IT system issues directly with CSD.



**Utility Direct Payment Agreement  
Agreement No. 23Y-50XX**

**UTILITY'S PROJECT COORDINATOR**

Name and Title: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, and ZIP Code: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

**UTILITY'S PAYMENT UNIT CONTACT**

Name and Title: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

**UTILITY'S INFORMATION TECHNOLOGY (IT) UNIT CONTACT**

Name and Title: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

**CSD'S PROJECT COORDINATOR**

Candy Chung, Staff Services Analyst  
Energy & Environmental Services Division  
Department of Community Services and Development  
2389 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833  
Email: Candy.Chung@csd.ca.gov  
Phone: (916) 573-2746

#### **1.4 CSD Requirements**

- A. CSD's LSPs, and/or CSD personnel, will process LIHEAP applications and make a determination of the applicant's eligibility for utility assistance based upon pre-established criteria in accordance with federal and state LIHEAP requirements.
- B. CSD will make every effort to ensure the timely fulfillment of benefit payment on LIHEAP pledges within the 60 days from the date the pledge was made.
- C. CSD will host a File Transfer Protocol (FTP) site and provide Utility with specifications, documentation, and samples of FTP Client configuration screens, as necessary, to enable Utility's use of the FTP site. The Utility must use the FTP site to retrieve all Direct Pay records. The Utility will use credentials furnished to them in order to receive Direct Pay data records provided by CSD.
- D. In the course of performing the services under this Agreement, CSD may have access to confidential, commercial, or personal information concerning, but not limited to, technology, rate making, legislative, and personnel matters and practices of the Utility, its subsidiaries, affiliates, or members of the public. CSD shall not disclose any such information obtained as a result of this access without the prior written approval of Utility.
- E. Any representation herein made by CSD relating to confidentiality or the operations, limitations, and requirements for the furnishing of personnel records, as set forth below shall be subject to the Information Practices Act of 1977, Section 1798 et seq. of the California Civil Code, and the California Public Records Act, Section 7920.000 et seq. of the California Government Code.
- F. The State Controller's Office (SCO) shall issue payments in the form of a State of California warrant, and CSD will provide a Direct Payment Summary (Attachment 1), Pay Run Funding File, and Pay Run Total Sheet. The Pay Run Funding File shall provide Utility with the pay run date, the account holder's name, account number and LIHEAP benefit amount associated with the warrant. The Pay Run Total Sheet provides the program year, total number of payments, and total amount of all payments associated with the warrant total.

#### **1.5 Utility Requirements**

- A. Utility shall review and reconcile the Direct Payment Summaries as necessary to ensure that undelivered LIHEAP benefits have been returned to CSD within 30 calendar days of receipt of warrant.
- B. Utility shall track the liquidation of applied LIHEAP benefit or credit for a period of 12 months or until credit is fully liquidated, whichever occurs first.

**Utility Direct Payment Agreement  
Agreement No. 23Y-50XX**

- C. If a LIHEAP benefit or credit is not fully liquidated and the client's account is closed within 12 months from the date of the LIHEAP benefit or credit, the Utility shall treat the credit as an overpayment and shall return the credit to CSD within 30 days of the account closure. Utility shall identify the account holder's name, the account number, account address, amount of credit returned, and date the original credit posted to the account.
- D. If a LIHEAP benefit or credit is not fully liquidated and the client's account is closed after 12 months from the date of the LIHEAP benefit or credit, the Utility shall treat the credit as a customer overpayment and shall return the credit to the account holder(s) within 30 days of the account closure.
- E. To enable CSD to effectively monitor the pledge process is working as intended and payment on LIHEAP pledges are made timely, CSD requires Utility to report specific information on broken and cancelled LIHEAP benefit pledges. Utility will establish a process to report "broken" or "cancelled" pledges" as defined in Article 1.8.
- F. Utility shall charge the eligible household, in the normal billing process, an amount not to exceed the difference between the actual cost of the home energy usage and the LIHEAP benefit amount. The actual costs of the home energy usage shall be consistent with appropriate utility company tariffs as approved by the CPUC, if applicable.
- G. No customer receiving LIHEAP assistance pursuant to this Agreement will be subjected to disparate or adverse treatment by Utility due to receipt of such assistance, in accordance with applicable state laws.
- H. CSD will notify Utility, via a phone call and following up with an e-mail, when a submission error has occurred that resulted in a payment to the wrong account or wrong utility, etc. and request a refund of the LIHEAP benefit. Utility shall respond within two business days and refund the LIHEAP benefit to CSD within ten days from the date of CSD's e-mail. Utility shall identify the account holder's name, the account number, and date of pay run with the returned payment.
- I. Utility shall notify CSD upon any changes or updates to new customer account numbering format. Utilities must submit a request to change or update account numbering format no later than 60 days in advance of implementing the proposed change. It is imperative to allow CSD IT Support enough time to gather all necessary information to conduct system testing with Utility and to ensure that such changes will not result in the rejection of LIHEAP payments. Utility shall notify CSD's Program Coordinator of such changes so CSD can identify the appropriate CSD IT personnel to conduct system testing and updates.

**1.6 Payment Issuance and Processing**

- A. Payment for applicant's electric and/or gas energy bills shall be made by CSD, via SCO, directly to Utility in the form of a warrant, payable to the Utility.
- B. The Utility must use the FTP site to retrieve all Direct Pay records. The Utility will use credentials furnished to them in order to receive Direct Pay data records provided by CSD.
- C. CSD will post to the FTP site Utility's Direct Pay Summary, Pay Run Funding File, and Pay Run Total Summary of payments for the purpose of reconciling the warrant.
- D. Within 30 calendar days of receipt of the warrant, Utility agrees to process the LIHEAP benefit in accordance with the following:
  - 1. Credit Accounts. Credit accounts of qualified low-income customers upon receipt of the State of California warrant. The credit should appear on the first billing statement after the credit has been posted. Utility will provide notification of LIHEAP benefit amount to each customer for whom a credit is made. The wording of said notification must contain the words "LIHEAP credit" and date credit was applied to customer's account.
  - 2. New Accounts. If the qualified low-income customer's account on the Pay Run Funding File has been closed and a new account has been opened with the same Utility, the LIHEAP benefit shall be credited to the new account.
  - 3. Closed Accounts. If the qualified low-income customer's account on the Pay Run Funding File has been closed, between the time a pledge has been made by the LSP and the Utility's receipt of the LIHEAP benefit, and the account has an owing balance, the Utility shall apply the LIHEAP benefit to the closed account. Any remaining amount of the LIHEAP benefit shall be refunded to CSD.

If the qualified low-income customer's account number is closed with no outstanding balance, the total amount of the LIHEAP benefit shall be returned to CSD. All LIHEAP benefits returned to CSD shall be in accordance with section 1.7 of this Agreement.
  - 4. Full Payment Return. The Utility shall make all reasonable attempts to identify the account and complete delivery of LIHEAP benefit. In the event the account cannot be identified, and the benefit cannot be posted to a customer's account, Utility shall return the full LIHEAP benefit with the Direct Payment Summary.

**1.7 Direct Payment Summary and Account Reconciliation**

A. Completion of Direct Payment Summary. Within 30 calendar days of receipt of the warrant, Utility is responsible for completing and returning the Direct Payment Summary to CSD. The Direct Payment Summary shall include the following information:

1. Total number of customer accounts where the Utility was successful in crediting full amount of eligible LIHEAP benefit;
2. Total number of customer accounts where the Utility was only able to credit a partial amount of the LIHEAP benefit, also referred to as Partial Payment Return; and
3. Total number of customer accounts where the Utility was unable to credit any of the eligible LIHEAP assistance amount, also referred to as Full Payment Return.

Failure to return the Direct Payment Summary may result in the Utility being removed from the Direct Pay Program.

B. Account Reconciliation Report. The Utility is responsible for completing and returning the Account Reconciliation Report to CSD. The Utility shall return an Account Reconciliation Report, as an attachment to the completed Direct Payment Summary. The Reconciliation Report shall include all details provided to the Utility on the Pay Run Funding file in addition to the following account information:

1. Identify each customer's account number and the LIHEAP benefit amount applied to the account as a partial or full payment.
2. Identify the date each LIHEAP benefit was posted to the account.
3. Identify each customer's account number and the amount of returned LIHEAP benefit resulting from unapplied benefits.
4. Identify the reason Utility was unable to apply the partial or full LIHEAP benefit.

**1.8 Pledges Under Energy Crisis Intervention Program/Fast Track**

A. Utility customers applying for LIHEAP assistance who have received a shutoff or disconnection notice may qualify for the Energy Crisis Intervention Program or Fast Track (ECIP FT) as determined by the LSP or CSD personnel processing the application. In order to render more timely assistance to low-income utility

**Utility Direct Payment Agreement  
Agreement No. 23Y-50XX**

customers at-risk of experiencing service disruption or service termination due to non-payment, CSD has devised a process whereby Utility can receive immediate notification of an at-risk low-income utility customer's participation in LIHEAP and the qualifying amount of LIHEAP assistance the utility customer is to receive. The notification of customer's participation in LIHEAP and the amount of the qualifying LIHEAP benefit will be made by LSPs using the Utility's preferred method of notification.

- B. The Utility agrees to accept a pledge submission as notification of the utility customer's participation in LIHEAP, from the LSP or CSD personnel and post the LIHEAP pledge amount as a credit pending on the customer's account. Utility agrees to honor the pledge for up to 60 days and take into account the LIHEAP benefit amount when determining any scheduled disconnection or shutoff against the account during the pledge period.
- C. Payment for LIHEAP pledges will be issued by CSD directly to the Utility in accordance with payment issuance and processing instructions reflected in Section 1.6.
- D. Fraud Prevention. If the Utility's personnel responsible for receiving pledges have any concerns or questions about the legitimacy of a pledge, or the caller's authority to make pledges, Utility should notify the LSP or CSD's Project Coordinator immediately to verify the validity of the pledge.

## **ARTICLE 2 – REPORTING REQUIREMENTS**

### **2.1 Quarterly Pledge Reports**

The Utility shall provide CSD with a Pledge Report, on a quarterly basis or as requested by CSD, to include:

- A. Number of pledges received during the quarter;
- B. Average value of pledges;
- C. Number of cancelled pledges;
- D. Broken Pledges:
  - 1. Number of pledged accounts that received a benefit, after 60 days from the initial receipt of the pledge.
  - 2. Number of pledged accounts that have not received a benefit after the initial receipt of the pledge and were not cancelled.

**Utility Direct Payment Agreement  
Agreement No. 23Y-50XX**

3. A detailed report of broken pledges to include the following:
  - a. Program Year;
  - b. Account number;
  - c. Pledge Date;
  - d. Pledge amount;
  - e. CSD's LSP that made the pledge (Provider name or Provider number);
  - f. Name of employee that made the pledge;
  - g. Date credit was applied to the account if account was credited; and
  - h. Number of days between initial receipt of pledge and delivery of benefit to customer's account, if account was credited.

E. Definitions:

1. LIHEAP Pledge: A guarantee of payment made by the LSP or CSD staff for low-income customers at-risk of experiencing service disruption or service termination due to non-payment, which is made to Utility using the Utility's preferred method of notification.
2. Broken Pledge: A pledge is deemed broken if the Utility does not receive a LIHEAP benefit payment for a pledged account from the LSP within 60 days, from the date the pledge was made, or if the benefit is never received by the Utility.
3. Cancelled Pledge: A pledge that is cancelled by the LSP due to an error with the benefit amount or eligibility determination detected during the final application processing or data entry.

**ARTICLE 3 -- CONTRACT CONSTRUCTION, ADMINISTRATION, AND  
PROCEDURE**

**3.1 State Contracting Requirements – “Contractor Certification Clauses, CCC  
04/2017”**

In accordance with State contracting requirements, specified contracting terms and conditions are made a part of this Agreement and are fully binding on the parties in



**Utility Direct Payment Agreement  
Agreement No. 23Y-50XX**

accordance with State law. The provisions in their entirety are found at the Department of General Services' website at:

<https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language>

Click the "CCC 04/2017" link to download the current requirements.

### **3.2 Applicable Laws and Requirements**

All services and activities undertaken by the parties in connection with this Agreement shall be performed in accordance with all applicable federal, state, and local laws and regulations, as may be amended from time to time, including any relevant memoranda of understanding and/or other cooperative agreements established between CSD, utility providers, and/or the Public Utilities Commission.

### **3.3 Additional Provisions**

- A. Amendment. Changes to this Agreement shall be made by formal amendment with exceptions specified in Section F, below.
- B. Assignment. Neither this Agreement nor any of the rights, interests, or obligations under this Agreement shall be assigned by any party without the prior written consent of the other parties, except in the case where responsibility for program implementation and oversight may be transferred by the State to another State agency. In the event of such transfer, this Agreement is binding on the agency to which the program is assigned.
- C. Cancellation/Termination. Either party may terminate this Agreement by giving 30 days written notice to the other party.
- D. Dispute Resolution. Unless otherwise mutually agreed to, any disputes between CSD and Utility regarding the construction or application of this Agreement and claims arising out of this Agreement or its breach shall be submitted to mediation within 30 calendar days of the written request of one party after the service of that request on the other party, in accordance with the following procedures:

The parties shall make best efforts to settle all disputes arising under this Agreement as a matter of normal business and without recourse to either mediation or litigation. If the parties are unable to resolve a dispute with respect to this Agreement, either party may send a notice to the other requesting a meeting at which senior officers or officials of the parties will attempt to resolve the dispute. If the parties are unable to resolve the dispute within ten days after the meeting notice is received by the party to whom it is directed, or such longer

**Utility Direct Payment Agreement  
Agreement No. 23Y-50XX**

period as the parties may agree, then either party may initiate mediation as set forth herein.

- E. Executive Order N-6-22 – Russia Sanction: On March 4, 2022, Governor Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering into any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.
- F. Merger/Entire Agreement. This Agreement, including the attachments, documents and instruments referred to in this Agreement, constitutes the entire agreement and understanding of the parties with respect to the subject matter of this Agreement and supersedes all prior understandings and agreements, whether written or oral, among the parties with respect to such subject matter.
- G. Minor Modifications. Utility and/or CSD may request modifications to the Agreement for minor adjustments during the contract term to implement process improvements and program efficiencies as appropriate.
- H. Nonwaiver. The waiver by either party of any breach of any term, covenant, or condition contained in this Agreement, or any default in the performance of any obligations under this Agreement, shall not be deemed to be a waiver of any other breach or default of the same or any other term, covenant, condition, or obligation; nor shall any waiver of any incident of breach or default constitute a continuing waiver of the same. All waivers shall be in writing.
- I. Severability. If any provision of this Agreement is found invalid or unenforceable in any respect for any reason, the validity and enforceability of any such provision in any other respect and of the remaining provisions of this Agreement will not be in any way impaired and shall remain in full force and effect.
- J. Subcontracts. No subcontracts shall be permitted under this Agreement; therefore, references to subcontractor or subcontracts as part of standard provisions that have been included herein shall have no applicability.
- K. Venue. In the event that suit shall be brought by either party to this Agreement, the parties agree that venue shall be exclusively vested in the State Courts of the County of Sacramento, or where otherwise appropriate, exclusively in the United

**Utility Direct Payment Agreement  
Agreement No. 23Y-50XX**

States District Court for the Eastern District of California in Sacramento,  
California.

**ARTICLE 4 – STATE CONTRACTING REQUIREMENTS - GENERAL TERMS AND  
CONDITIONS GTC 04/2017**

- 4.1**     AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
- 4.2**     ANTITRUST CLAIMS: The Utility by signing this Agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Utility shall comply with the requirements of the Government Codes Sections set out below.
- a.       The Government Code Chapter on Antitrust claims contains the following definitions:
- 1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
- 2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.
- b.       In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.
- c.       If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.

**Utility Direct Payment Agreement  
Agreement No. 23Y-50XX**

- d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.
- 4.3** APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Utility may not commence performance until such approval has been obtained.
- 4.4** ASSIGNMENT: This Agreement is not assignable by the Utility, either in whole or in part, without the consent of the State in the form of a formal written amendment.
- 4.5** AUDIT: Utility agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Utility agrees to maintain such records for possible audit for a minimum of three years after final payment unless a longer period of records retention is stipulated. Utility agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Utility agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
- 4.6** CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.
- 4.7** CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of \$100,000, the Utility acknowledges in accordance with Public Contract Code 7110, that:
- a. The Utility recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- b. The Utility, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- 4.8** COMPENSATION: The consideration to be paid Utility, as provided herein, shall be in compensation for all of Utility's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

**Utility Direct Payment Agreement  
Agreement No. 23Y-50XX**

- 4.9** DISPUTES: Utility shall continue with the responsibilities under this Agreement during any dispute.
- 4.10** GOVERNING LAW: This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- 4.11** INDEMNIFICATION: Utility agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Utility in the performance of this Agreement.
- 4.12** INDEPENDENT CONTRACTOR: Utility, and the agents and employees of Utility, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
- 4.13** LOSS LEADER: If this Agreement involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a “loss leader” as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)
- 4.14** NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Utility and its subcontractors shall not deny the contract’s benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Utility shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Utility and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Utility shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours’ notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Utility and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

**Utility Direct Payment Agreement  
Agreement No. 23Y-50XX**

Utility shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

- 4.15** PRIORITY HIRING CONSIDERATIONS: If this Agreement includes services in excess of \$200,000, the Utility shall give priority consideration in filling vacancies in positions funded by the Agreement to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.
- 4.16** RECYCLING CERTIFICATION: The Utility shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).
- 4.17** SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:
- a. If for this Agreement Utility made a commitment to achieve small business participation, then Utility must within 60 days of receiving final payment under this Agreement (or within such other time period as may be specified elsewhere in this Agreement) report to the awarding department the actual percentage of small business participation that was achieved. (Govt.Code § 14841.)
  - b. If for this Agreement Utility made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Utility must within 60 days of receiving final payment under this Agreement (or within such other time period as may be specified elsewhere in this Agreement) certify in a report to the awarding department: (1) the total amount the prime Utility received under the Agreement; (2) the name and address of the DVBE(s) that participated in the performance of the Agreement; (3) the amount each DVBE received from the prime Utility; (4) that all payments under the Agreement have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)
- 4.18** TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Utility fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Utility under this Agreement and the balance, if any, shall be paid to the Utility upon demand.

**Utility Direct Payment Agreement  
Agreement No. 23Y-50XX**

**4.19** **TIMELINESS:** Time is of the essence in this Agreement.

**4.20** **UNENFORCEABLE PROVISION:** In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

**ARTICLE 5 – ADMINISTRATIVE POLICIES, TERMS AND CONDITIONS**

**5.1 Confidentiality**

- A. Utility hereby agrees to provide required security to ensure the confidential, physical security and safekeeping of all data, information, files, and documents (“customer information”) pertaining to the recipients of LIHEAP utility assistance payments, while such customer information is in its possession. Utilizing security procedures and measures no less effective than those employed by CSD, Utility will, in accordance with applicable law and the terms of this agreement, protect from unauthorized use and disclosure all sensitive data, documentation, or other customer information provided to Utility by CSD for purposes of this Agreement.

**Utility Direct Payment Agreement  
Agreement No. 23Y-50XX**

**IN WITNESS WHEREOF, this Agreement has executed by the parties hereto:**

**Utility**

<Insert Utility Name>

By: \_\_\_\_\_  
Authorized Signature Date Signed

\_\_\_\_\_  
Printed Name and Title

Address: \_\_\_\_\_

\_\_\_\_\_  
Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

**STATE OF CALIFORNIA**

Department of Community Services and Development

By: \_\_\_\_\_  
Authorized Signature Date Signed

Name: Chris Vail

Title: Chief Financial Officer

Address: 2389 Gateway Oaks Drive, Suite 100  
Sacramento, California 95833

Telephone: (916) 469-5912

Email: [Chris.Vail@CSD.CA.GOV](mailto:Chris.Vail@CSD.CA.GOV)



STATE OF CALIFORNIA  
Department  
of  
Community Services and Development



## MONITORING SCOPE AND OVERVIEW

Energy & Environmental Services Division

Energy Field Operations Unit

Rev. 1/2025

## INTRODUCTION

---

The Department of Community Services & Development (CSD), as the recipient of the Federal funding, is responsible for oversight of the operations of the Low Income Home Energy Assistance Program (LIHEAP), the Department of Energy Weatherization Assistance Program (DOE WAP), and DOE Bipartisan Infrastructure Law WAP (DOE BIL WAP), and other programs as developed within CSD's Energy and Environmental Services Division. As such, CSD is required to monitor the activities of its Contractors (also referred to as 'agency,' 'Local Service Provider,' or 'subrecipient') and this is accomplished by conducting regular monitoring reviews. The purpose of the reviews is to ensure the Contractor meets the Administrative, Financial, Programmatic, Compliance, and other applicable requirements as prescribed in the contract and referenced therein (2 C.F.R. §200.328; 45 C.F.R. §75.342; 10 C.F.R. §440; DOE WAP, DOE BIL WAP, and LIHEAP Article 10.3).

U.S. Health and Human Services (HHS), as the federal administrator of LIHEAP, requires regular oversight of subrecipients. Per 45 CFR §75.342, CSD *"is responsible for the oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function or activity."* Additionally, 45 CFR §75.352 states that CSD must *"monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved."*

The Department of Energy (DOE), as the federal administrator of the Weatherization Assistance Program, requires a comprehensive monitoring review of all DOE agencies every program year. As stated in DOE's Weatherization Program Notices 16-4, 20-4, and BIL-4, and per 10 CFR 440.23, all Weatherization Grantees have the responsibility to perform annual monitoring and oversight of the program implementation and work performed by all its Subgrantees.

## MONITORING REVIEWS

---

The Energy Field Operations Unit conducts full On-Site monitoring reviews for each Local Service Provider at a minimum once every three years, to cover all open Energy contracts.

In order to meet DOE monitoring requirements, agencies with a DOE contract will receive a Desk Review in the year(s) they do not receive an On-Site.

Quarterly Reviews will be conducted throughout the duration of the three-year period.

### **Types of Monitoring Reviews**

On-site Visits are conducted at the Local Service Provider's location. The visit predominantly consists of verification of processes and activities such as, but not limited to administrative policy review, financial line-item reconciliation, and client file verification. Specific documents will be requested in advance of the review with the Monitoring Questionnaire, to identify any deficiencies and to prepare for any Training and Technical Assistance (T&TA) that will be provided during the monitoring review. Agencies will have 30 days to complete and return the Questionnaire with all pertinent attachments. A documentation request consisting of the client files and line-item documentation to be reviewed will be submitted to the agency and is due to Field Representative within five (5) business days. Depending on the outcome of the review, CSD Field Representatives may expand the sampling size to determine whether the issue is isolated or systemic. Lastly, CSD Field Representatives will also verify that all previous monitoring issues (including from desk reviews and/or quarterly reviews) have been resolved during the monitoring review.

Desk Reviews are conducted in-house at CSD and focus solely on the DOE program. Desk reviews will predominantly consist of verification of processes and activities such as, but not limited to, administrative policy review, client file verification, etc. Specific documents will be requested by the agency with the Monitoring Questionnaire. Agencies will have 30 days to complete and return the Questionnaire with all pertinent attachments. A documentation request consisting of the client files and line-item documentation to be reviewed will be submitted to the agency and is due to Field Representative within five (5) business days. Depending on the outcome of the client file review, CSD Field Representatives may expand the sampling size to determine whether the issue is isolated or systemic. Lastly, CSD Field Representatives will also verify that all previous monitoring issues (including from on-site/virtual visits and/or quarterly reviews) have been resolved during the desk review.

Quarterly Reviews are conducted in-house at CSD on a quarterly basis and focus on items including but not limited to expenditure status, contractor licensing, SWEATS expenditure review, follow up on CSD 558s, etc., and will be one of the tools used to assist in formulating the monitoring strategy for on-site or in-house desk reviews.

During the 3<sup>rd</sup> quarter of each year, Field staff will conduct a fiscal review of the current year LIHEAP contract for each of our LSPs. This will include line-item reconciliation of

material and support line items. This review will ensure timely expenditure tracking for all LSPs, at least annually.

## **Recommendations, Observations, and Findings**

CSD strives to maintain the highest levels of performance through a monitoring process that has the following goals:

- To ensure proper and timely use of funds and realization of expected benefits;
- To provide transparency and accountability;
- To provide quality control;
- To provide training and technical assistance; and
- To confirm corrective action implementation for prior Findings and Observations.

To provide transparency, the CSD Field Representatives will be identifying “POTENTIAL” Recommendations, Observations, and/or Findings throughout the on-site monitoring visit and during the on-site monitoring Exit Conference, as well as at the conclusion of the Desk Review. However, the ultimate determination will be made following the two-week review period of the draft monitoring report and will be reflected in the final monitoring report. Although the basic premise is to “standardize” the Monitoring process, the uniqueness of each agency and circumstances at the time of the visit will impact the ultimate outcome of the final Monitoring Review.

This section outlines the issues identified during the reviews. Those issues are categorized into three (3) categories: Recommendations, Observations, and Findings.

**‘Recommendations’** are offered by CSD as a suggestion for potential improvement of current processes, systems, or general business practices. Please note that ‘Recommendations’ do not require a Corrective Action Plan response.

**‘Observations’** are identified contractual noncompliance issues that are an identified ‘Significant Deficiency’ which is caused by a deficiency, or combination of deficiencies, in internal control that is less severe than a ‘Material Weakness,’ yet important enough to merit attention (*i.e. Missing or incomplete documents with no financial impact and is a federal and/or state requirement*). An Observation does not require a Corrective Action Plan response; however, the agency must immediately remedy the issue of noncompliance within 90 calendar days from the issuance of the final monitoring report. Thus, if the agency fails to document the remediation of and/or forsakes to remedy an ‘Observation’ by the specified timeframe, upon follow up the ‘Observation’ may then be elevated to a ‘Finding’ as it now carries material error.

**‘Findings’** are identified contractual noncompliance issues that: (1) cause a financial impact (*i.e. Billing expenses to the contract that are not allowable costs*); OR (2) was a previously identified Observation and/or Finding that was not found to be remedied; OR (3) is a Material Weakness caused by a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility of a material misstatement that will not be prevented, or detected and corrected on a timely basis. Findings are considered material noncompliance of the contract, and any materials referenced therein. A material noncompliance is defined as any issue which carries substantial financial,

personnel, public, and/or agency/CSD ramifications; a material noncompliance may or may not preclude the agency from further performance. Please note that 'Findings' require a Corrective Action Plan from the agency within 30 calendar days of the issue of the final report outlining how the issue of noncompliance will be remedied and other course of action as outlined in each topic. Findings will not be considered closed until the agency is able to demonstrate the issue has been completely resolved and has provided a sufficient response on how the issue will not reoccur.

Failure to submit the requested documentation, including but not limited to, Monitoring Questionnaire and attachments, client files, and financial supporting documentation, may be cause for automatic observations and/or findings and may result in questioned or disallowed costs.

## **MONITORING SCOPE**

---

### **I. ADMINISTRATIVE REQUIREMENTS**

#### **A. ADMINISTRATIVE POLICIES AND PROCEDURES**

1. Board Roster, By Laws, Resolution, and Minutes
2. Internal Controls Requirements
3. Record Retention Requirements
4. Travel and per diem
5. Conflict of Interest
6. Procurement Standards
7. Use and Disposition of Vehicles and Equipment
8. Subcontracts
9. Complaint Management Policies and Procedures
10. Fair Hearing Process for Applications for Denial of Benefits by Contractor
11. Fraud, Waste and Abuse

### **II. FINANCIAL REQUIREMENTS**

#### **A. ADMINISTRATIVE AND PROGRAM EXPENDITURES REQUIREMENTS**

1. Working Capital Advance and Major Purchase Advances
2. Wood, Propane and Oil Returned Payments
3. Allowable Costs
4. Service Area Expenditures Requirements
5. Reimbursement Guidelines

#### **B. REPORTING POLICIES AND PROCEDURES**

1. Reporting Requirements

### **III. PROGRAMMATIC REQUIREMENTS**

#### **A. PROGRAM POLICIES AND PROCEDURES**

1. Program Standards and Regulatory Requirements
2. Prioritization of Services
3. Service Priority Guidelines
4. Outreach and Intake Activity Guidelines
5. Client Education and Counseling Activities
6. Assurance 16 Activity Guidelines
7. Leveraging Activities
8. Record-Keeping Responsibilities

#### **B. PROGRAM IMPLEMENTATION**

1. HEAP/WPO Activity Guidelines
2. Weatherization Activity Guidelines
3. Energy Crisis Intervention Program (ECIP) Services Activity Guidelines
4. ECIP Fast Track and HEAP Electric and Gas Pledge Guidelines
5. SWEATS Activity Guidelines
6. Quality Assurance

### **C. TRAINING, LICENSING AND CERTIFICATIONS**

- 1. Training Requirements**
- 2. Quality Control Inspectors Certification**
- 3. Contractor Licensing**
- 4. Special Licensing – Weatherization**
- 5. Environmental Protection Agency (EPA) Certifications**
- 6. Mandatory Training**

## **IV. COMPLIANCE REQUIREMENTS**

### **A. COMPLIANCE POLICIES AND PROCEDURES**

- 1. Service Delivery and Expenditure Requirements**

## MONITORING SCOPE OVERVIEW

---

The general comprehensive scope for CSD's Energy & Environmental Services Division's monitoring includes, but is not limited to, the following areas:

---

### I. ADMINISTRATIVE REQUIREMENTS

#### A. ADMINISTRATIVE POLICIES AND PROCEDURES

##### 1. Board Roster, By Laws, Resolution and Minutes

*LIHEAP, DOE WAP, and DOE BIL WAP Article 4.1*

The purpose of this review is to ensure that the agencies are in compliance with their By Laws and that the Board is regularly updated with any impactful Energy Program issues.

- i. CSD Field Representatives will review the Board Minutes to verify that Board Meetings are being held in accordance with the Board By Laws, Board Meeting Minutes are being submitted to CSD, and whether Energy Programs are being discussed during meetings.

##### 2. Internal Controls Requirements

*2 CFR 200.313; 45 CFR 75.303; LIHEAP, DOE WAP, and DOE BIL WAP Article 4.2*

The purpose of this review is to ensure the agency regularly conducts internal reviews.

- i. CSD Field Representatives will review the agency's response(s) provided in the Monitoring Questionnaire and review agency policies and procedures.

##### 3. Record Retention Requirements

*2 CFR 200.343-338; 45 CFR 75.361; LIHEAP, DOE WAP, and DOE BIL WAP Article 4.3*

The purpose of this review is to ensure the agency retains records (financial, equipment, employee, and client) for at least three (3) years after the close-out of the contracts, or any audits or legal proceedings, and that those records are maintained in a secure and confidential manner.

- i. CSD Field Representatives will review the agency's response(s) provided in the Monitoring Questionnaire and its Record Retention policy to verify the agency is abiding by OMB requirements for retention.

##### 4. Travel and Per Diem

*2 CFR 200.475; 45 CFR 75.474; C.C.R. 599.615-638; LIHEAP, DOE WAP, DOE BIL WAP Article 4.6*

The purpose of this review is to ensure the agency follows its written travel policy or is abiding by the California Code of Regulations.



- i. CSD Field Representatives will review the agency's response(s) provided in the Monitoring Questionnaire and utilize the EARS database to verify if the agency has any out-of-state travel expenses budgeted, if any costs have been incurred, and will request to review the agency's CSD 536 forms (Out-of-State Travel), if applicable.

## **5. Conflict of Interest**

*2 C.F.R. 200.112, 200.318; LIHEAP, DOE WAP, and DOE BIL WAP Article 4.7*

The purpose of this review is to ensure the agency has and follows a documented policy relating to standards of conduct; and if electing to provide CSD services to employees, officers, board members, and/or friends and family, has a process in place that prevents the appearance of preferential treatment, and is adhering to the notification procedure as prescribed in the contract.

- i. CSD Field Representatives will review the agency's response(s) to the Monitoring Questionnaire and its Conflict-of-Interest Policy and Procedure. If services were provided to agency employees, relatives of employees, board members and/or officers, CSD Field Representatives will request to review a sampling of those files to ensure preferential treatment was avoided.

## **6. Procurement Standards**

*2 C.F.R. 200.317-326; 45 C.F.R. 75; CPA-A-12-01; LIHEAP, DOE WAP, DOE BIL WAP Article 4.8*

The purpose of this review is to ensure the agency's Procurement Policy and Procedures are in compliance with the OMB Uniform Guidance including, but not limited to, open and free competition including a cost analysis.

- i. CSD Field Representatives will review the agency's responses to the Monitoring Questionnaire, and its Procurement Policy and Procedure. On an on-going basis, CSD Field Representatives will review any CSD 558 Request for Pre-Approval of Purchase/Lease to follow-up on obtaining proof of purchase.
- ii. CSD Field Representatives will test the agency's procurement process via a review of the agency's subcontractor procurement or other item(s) procured with LIHEAP and/or DOE funds. If CSD Field Representatives have any questions on the procurement of materials, equipment, and/or subcontractors, supporting documentation may be requested, and agency staff may be interviewed for further clarification.

## **7. Use and Disposition of Vehicles and Equipment**

*2 C.F.R. 200.311, 200.313, 200.436; 45 C.F.R. 75.320; CPN-A 17-01; LIHEAP, DOE WAP, and DOE BIL WAP Article 4.9*

The purpose of this review is to ensure the agency's Use and Disposition Policy and Procedures are in compliance with the OMB Uniform Guidance including, but not limited to, use of vehicles, user fees, property logs, and limitation on use of funds.

- i. CSD Field Representatives will review the agency's responses to the Monitoring Questionnaire, its property log and compliance with the use, maintenance and disposition of vehicles and equipment purchased with LIHEAP and/or DOE funds. On an on-going basis, CSD Field Representatives will review any disposition requests for compliance with the contract requirements.

## **8. Subcontracts**

*2 CFR 200.300-331; LIHEAP, DOE WAP, and DOE BIL WAP Article 4.10*

The purpose of this review is to ensure the agency's Subcontractor Agreements are in compliance with all contract requirements, proper procurement was conducted, adequate oversight is in place, and that CSD was notified timely of any new agreements.

- i. CSD Field Representatives will review the agency's response(s) to the Questionnaire, its Subcontractor Oversight Policy, and all energy Subcontractor Agreements, including the original solicitation and procurement process.
- ii. CSD Field Representatives will review weatherization client files to verify proper subcontractor documentation is within the file, that reimbursement rates are being adhered to, and that there is proper oversight of the subcontractors.

## **9. Complaint Management Policies and Procedures**

*LIHEAP, DOE WAP, and DOE BIL WAP Article 4.11*

The purpose of this review is to ensure the agency has established policies and procedures for handling complaints, applicants are afforded an opportunity to register a complaint, the agency offers a reasonable remedy within the contract timeframes, and formal written complaints are documented.

- i. CSD Field Representatives will review the agency's response(s) to the Monitoring Questionnaire, its Complaint Management Policy and Procedure, 15-day notification letter, and formal complaint tracking log.

## **10. Fair Hearing Process for Applications for Denial of Benefits by Contractor**

*22 C.C.R. 100805; 22 C.C.R. 100904.5; LIHEAP, DOE WAP, and DOE BIL WAP Article 4.12*

The purpose of this section is to ensure the agency has a written appeals process in place providing applicants who are denied benefits or services, or who receive an untimely response or unsatisfactory performance, the right to appeal.

- i. CSD Field Representatives will review the agency's response(s) to the Monitoring Questionnaire and its Appeals Process.

## **11. Fraud, Waste and Abuse**

*2 C.F.R. 200.113, 31 U.S.C. 3321, 41 U.S.C. 2313; LIHEAP, DOE WAP, and DOE BIL WAP Article 4.13*

The purpose of this review is to ensure the agency has a system in place to notify CSD of incidents and activities, including suspected incidents and activities, involving the fraud, waste and/or abuse of Energy Program funds.

- i. Annually, CSD Field Representatives will review the agency's procedures for ensuring the agency has provided necessary information to their employees, subcontractors, clients, and other parties regarding contact information to report actual or suspected fraud, waste, and/or abuse.

## II. FINANCIAL REQUIREMENTS

### A. ADMINISTRATIVE AND PROGRAM EXPENDITURES REQUIREMENTS

#### 1. Working Capital Advance and Major Purchase Advances

*2 C.F.R. 200.305(b)(8), 22 C.C.R. 100840(a), 100855; LIHEAP Article 5.3; DOE WAP and DOE BIL WAP Article 5.2*

The purpose of this review is to ensure the agencies requesting Working Capital Advances (WCA) and/or Major Purchase Advances (MPA) are placing the funds in an interest-bearing account.

- i. CSD Field Representatives will review the agency's response(s) to the Monitoring Questionnaire and will request a copy of the interest-bearing account bank statement, if applicable.

#### 2. Wood, Propane and Oil Returned Payments

*LIHEAP Article 5.5*

The purpose of this review is to determine if the agency has a system in place for tracking Wood, Propane and Oil (WPO) payments in accordance with contract requirements.

- i. CSD Field Representatives will review the responses to the Monitoring Questionnaire and the submitted WPO Tracking Log.

#### 3. Allowable Costs

*DOE Weatherization Program Notice 20-4; LIHEAP Article 5.6; DOE WAP and DOE BIL WAP Article 5.4*

The purpose of this review is to determine whether the agency is claiming reimbursements for actual, allowable and allocable costs and if costs are billed to the appropriate line item.

- i. CSD Field Representatives will review the responses to the Monitoring Questionnaire.
- ii. CSD Field Representatives will perform a financial line-item reconciliation of reported costs for selected line items and months for the LIHEAP and DOE WAP contracts.

#### 4. Service Area Expenditures Requirements

*LIHEAP Article 5.7*

The purpose of this review is to ensure agencies are providing direct services in all target service areas the agency is the designated LSP for.

- i. CSD Field Representatives will review eCORE data during the quarterly assessment to identify if funds are being expended in all target service areas.

## **5. Reimbursement Guidelines**

*42 U.S.C. 8622(1), CPN 12-05; LIHEAP Article 5.8; DOE WAP and DOE BIL WAP Article 5.5*

The purpose of this review is to ensure the agency is reporting measures within the allowable maximums, is not reporting dwellings until after they have been fully inspected, the average cost per dwelling is within the contract limits, and the client file contains the required applicable documentation.

- i. CSD Field Representatives will review client files to ensure the dwelling was post inspected prior to billing, and the files contain the applicable required documentation. Field Representatives will also verify that the reimbursement amount is equal to the actual labor costs and actual cost of the materials, and that subcontracted services do not exceed the maximum reimbursement allowable.

## **B. REPORTING POLICIES AND PROCEDURES**

### **1. Reporting Requirements**

*2 C.F.R. 200.305, 200.343, CPN-E 19-002; LIHEAP, DOE WAP, and DOE BIL WAP Article 6.1*

The purpose of this review is to ensure the agency is submitting expenditures regularly and that expenditures reported are accompanied by the measure information submitted to the Weatherization Database (eCORE).

- i. CSD Field Representatives will review CSD's EARS Receipt and Approval spreadsheet to verify expenditure submissions, and the Weatherization Database (eCORE) to verify measure submission.

### III. PROGRAMMATIC REQUIREMENTS

#### A. PROGRAM POLICIES AND PROCEDURES

The purpose of this review is to ensure the agency is adhering to all appropriate program policies, procedures and standards, including those incorporated by reference in the contract. This includes a review of the following areas of the contract:

**1. Program Standards and Regulatory Requirements**

*10 CFR 440; 40 CFR 745; LIHEAP Article 7.2; DOE WAP and DOE BIL WAP Article 7.1*

**2. Prioritization of Services**

*LIHEAP Article 7.3*

**3. Service Priority Guidelines**

*LIHEAP Article 7.4; DOE WAP and DOE BIL WAP Article 7.2*

**4. Outreach and Intake Activity Guidelines**

*LIHEAP Article 7.5; DOE WAP and DOE BIL WAP Article 7.3*

**5. Client Education and Counseling Activities**

*DOE WAP and DOE BIL WAP Article 7.4*

**6. Assurance 16 Activity Guidelines**

*LIHEAP Article 7.6*

**7. Leveraging Activities**

*LIHEAP Article 7.7; DOE WAP and DOE BIL WAP Article 7.5*

**8. Record-Keeping Responsibilities**

*LIHEAP Article 7.8; DOE WAP and DOE BIL WAP Article 7.6*

- i. CSD Field Representatives will review the agency's responses to the Monitoring Questionnaire regarding programmatic requirements, including reviewing the ECIP Home Energy Supplier Assurance forms for agencies who conduct WPO services.
- ii. CSD Field Representatives will request and review client files, utilizing the Client File Checklist to confirm that all files contain the applicable documentation and follow all policies and standards as stated within the contracts. Additionally, a comparison between the client files and the client data submitted to the Weatherization Database will be conducted.

## B. PROGRAM IMPLEMENTATION

The purpose of this review is to confirm the agency's ECIP, HEAP, Weatherization and SWEATS activities are done in accordance with the contract terms and the agency's Local Plan and Priority Plan Narrative. This includes a review of the following areas of the contract:

- 1. HEAP/WPO Activity Guidelines**

*LIHEAP Article 8.1*

- 2. Weatherization Activity Guidelines**

*LIHEAP Article 8.2; DOE WAP and DOE BIL WAP Article 8.1; CPN-E-21-04 Previously Weatherized Dwelling Requirements*

- 3. Energy Crisis Intervention Program (ECIP) Services Activity Guidelines**

*42 USC Section 8623; LIHEAP Article 8.3; ECIP Policies and Procedures*

- 4. ECIP Fast Track and HEAP Electric and Gas Pledge Guidelines**

*LIHEAP Article 8.4*

- 5. SWEATS and PSPS Activity Guidelines**

*LIHEAP Article 8.5; CPN-E-20-01; CPN-E-20-02M, CPN-E-20-02E, CPN-E-20-02M3*

- 6. Quality Assurance**

*LIHEAP Article 8.6; DOE WAP and DOE BIL WAP Article 8.2*

- CSD Field Representatives will review client files, utilizing the Client File Checklist, to confirm that the agency is following the contract and Field Guide programmatic requirements, including conducting 100% post inspections. Additionally, a review will be conducted to ensure adequate separation of duties and that subcontracted DOE QCI services are not exceeding the maximum amount as specified in the contract.

## C. TRAINING, LICENSING AND CERTIFICATIONS

The purpose of this review is to confirm if that the agency's staff, including subcontractors and/or subrecipients, has received the appropriate training for their job duties as outlined in the contract, and has the appropriate certifications such as Quality Control Inspector (QCI), Contractor Licensing and Environmental Protection Agency (EPA) Certifications. This includes a review of the following areas of the contract:

- 1. Training Requirements**

*LIHEAP, DOE WAP, and DOE BIL WAP Article 9.1*

- 2. Quality Control Inspectors Certification**

*DOE WAP Article 9.2; DOE BIL WAP Article 9.3*

**3. Contractor Licensing**

*LIHEAP Article 9.2; DOE WAP Article 9.3; DOE BIL WAP Article 9.4*

**4. Special Licensing - Weatherization**

*LIHEAP Article 9.3; DOE WAP Article 9.4; DOE BIL WAP Article 9.5*

**5. Environmental Protection Agency (EPA) Certifications**

*LIHEAP Article 9.4; DOE WAP Article 9.5; DOE BIL WAP Article 9.6*

**6. Mandatory Training**

*LIHEAP Article 9.5; DOE WAP Article 9.6; DOE BIL WAP Article 9.7*

- i. CSD Field Representatives will review the completed matrices within the Monitoring Questionnaire to confirm the agency has staff trained for all weatherization job duties listed and has the appropriate licenses and certifications to perform weatherization work. Additionally, client files will be reviewed to confirm work is being performed by trained staff.



## **IV. COMPLIANCE REQUIREMENTS**

### **A. COMPLIANCE POLICIES AND PROCEDURES**

#### **1. Service Delivery and Expenditure Requirements**

*LIHEAP, DOE WAP, and DOE BIL WAP Article 10.5*

The purpose of this review is to verify whether the agency is meeting their expenditure and unit production goals and that expenditures are in compliance with the contract requirements.

- i. CSD Field Representatives will review the agency's expenditure status and compare the results to the agency's submitted CSD 622 Performance and Expenditure Benchmark and Performance Plan.

## **On-Site Visits for 2025**

- Campesinos Unidos, Inc.
- Community Action Partnership of San Luis Obispo County
- Community Action Partnership of Riverside County
- Community Resource Project
- Maravilla Foundation
- Community Action Marin
- Community Action Partnership of Madera County
- El Dorado County
- Del Norte Senior Center
- Lassen Economic Development Corporation
- Inyo Mono Advocates for Community Action
- San Benito County
- Training, Employment, and Community Help
- Mariposa County

## **On-Site Visits for 2026**

- MAAC
- CVOC
- Butte
- CAP Orange County
- GNS
- Spectrum Community Services
- Glenn County
- Project Go
- Contra Costa
- CAP Kern
- CAP Santa Barbara (CommUnify)
- Community Action of Ventura County
- CCES

## **On-Site Visits for 2027**

- Fresno
- Long Beach CAP
- Merced CAA
- North Coast Energy Services
- CSET
- Redwood CAA
- Kings Community Action Organization
- PACE
- CAP San Bernardino
- San Joaquin County
- SHHIP
- Sacred Heart Community Service
- Amador-Tuolumne CAA
- Plumas County

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**INFORMATION SECURITY PROGRAM**  
(Revised 6/14)

**5305**

**Policy:** Each state entity is responsible for establishing an information security program. The program shall include planning, oversight, and coordination of its information security program activities to effectively manage risk, provide for the protection of information assets, and prevent illegal activity, fraud, waste, and abuse in the use of information assets.

Each state entity shall:

1. Align the information security program, its activities, and staff with the requirements of this Chapter;
2. Establish a governance body to direct the development of state entity specific information security plans, policies, standards, and other authoritative documents;
3. Oversee the creation, maintenance, and enforcement of established information security policies, standards, procedures, and guidelines;
4. Ensure the state entity's security policies and procedures are fully documented and state entity staff is aware of, has agreed to comply with, and understands the consequences of failure to comply with policies and procedures;
5. Identify and integrate or align information security goals and objectives to the state entity's strategic and tactical plans;
6. Develop and track information security and privacy risk key performance indicators;
7. Develop and disseminate security and privacy metrics and risk information to state entity executives and other managers for decision making purposes; and
8. Coordinate state entity security efforts with local government entities and other branches of government as applicable.

**Implementation Controls:** [NIST SP 800-53: Planning \(PL\)](#); [Program Management \(PM\)](#)

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**INFORMATION SECURITY PROGRAM MANAGEMENT**  
(Revised 8/2015)

**5305.1**

**Policy:** Each state entity must provide for the proper use and protection of its information assets. Accordingly each state entity shall:

1. Develop, implement, and maintain a state entity-wide Information Security Program Plan.
2. Ensure the plan documentation provides the following:
  - a. an overview of the requirements for the state entity's information security program;
  - b. a description of the state entity's strategy and prioritization approach to information security, privacy, and risk management;
  - c. a plan for integrating information security resource needs into the state entity's capital planning and funding request processes; and
  - d. a plan of action and milestones (POAM) process for addressing program deficiencies. State entities shall use the standardized POAM reporting instructions and tool ([SIMM 5305-B](#) and [SIMM 5305-C](#), respectively).
3. Ensure the plan is approved and disseminated by the state entity head responsible and accountable for risks incurred to the state entity's mission, functions, assets, image and reputation.
4. Identify roles and responsibilities, and assign management responsibilities for information security program management consistent with the roles and responsibilities described in the Information Security Program Management Standard ([SIMM 5305-A](#)).

**Implementation Controls:** [NIST SP 800-53: Planning \(PL\)](#); [Program Management \(PM\)](#); [Information Security Program Management Standard \(SIMM 5305-A\)](#); [Plan of Action and Milestones \(SIMM 5305-B and SIMM 5305-C\)](#)

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**POLICY, PROCEDURE AND STANDARDS MANAGEMENT**  
(Revised 6/14)

**5305.2**

**Policy:** Each state entity must provide for the protection of its information assets by establishing appropriate administrative, operational and technical policies, standards, and procedures to ensure its operations conform with business requirements, laws, and administrative policies, and personnel maintain a standard of due care to prevent misuse, loss, disruption or compromise of state entity information assets. Each state entity shall adopt, maintain and enforce internal administrative, operational and technical policies, standards and procedures in accordance with [SIMM 5305-A](#) to support information security program plan goals and objectives.

**Implementation Controls:** [NIST SP 800-53: Planning \(PL\)](#); [Program Management \(PM\)](#); [SIMM 5305-A](#)

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**INFORMATION SECURITY ROLES AND RESPONSIBILITIES**

**5305.3**

(Revised 6/14)

**Policy:** Information security is a shared responsibility. All personnel have a role and responsibility in the proper use and protection of state information assets. Each state entity shall ensure information security program roles and responsibilities identified in [SIMM 5305-A](#) are acknowledged and understood by all state entity personnel.

**Implementation Controls:** [NIST SP 800-53: Planning \(PL\)](#); [Program Management \(PM\)](#); [SIMM 5305-A](#)



**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**PERSONNEL MANAGEMENT**  
(Revised 12/13)

**5305.4**

**Policy:** Each state entity must identify security and privacy roles and responsibilities for all personnel. This will ensure personnel are informed of their roles and responsibilities for using state entity information assets, to reduce the risk of inappropriate use, and a documented process to remove access when changes occur. Personnel practices related to security management must include:

1. Employment history, fingerprinting, and/or criminal background checks on personnel who work with or have access to confidential, personal, or sensitive information or critical applications may be necessary for a particular state entity. Each state entity should consult the California Human Resources Department and the Department of Justice for specific rules and regulations relative to employment history, fingerprinting, or criminal background checks.
2. Initial training of state entity personnel with respect to individual, state entity, and statewide security and privacy responsibilities and policies before being granted access to information assets, and annually thereafter.
3. Signing of acknowledgments of security and privacy responsibility by all personnel.
4. Transfer procedures that ensure access rights and permissions to state entity information assets are reviewed for appropriateness and reauthorized by program management when personnel is transferred within the state entity, so that access to information assets is limited to that which is needed by personnel in the performance of their job-related duties.
5. Termination procedures that ensure state entity information assets are not accessible to separated personnel.

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**INFORMATION ASSET MANAGEMENT**

**5305.5**

(Revised: 10/2023)

**Introduction:** Information Asset Management (IAM) is a collection of knowledge or data that is organized, managed, and valuable. It involves safeguarding sensitive data ensuring that information is readily available to support decision-making, innovation, and operational efficiency.

**Policy:** Each Agency/state entity must understand the value of its information assets and the level of protection those assets require. To this end, each Agency/state entity shall establish and maintain an inventory of all its information assets, including information systems, information system components, and information repositories (both electronic and paper). The inventory shall list all programs and information systems identified as collecting, using, maintaining, or sharing Agency/state entity information. The inventory must include categorization and classification of the information assets by program management and based on the Information Security Program Management Standard ([SIMM 5305-A](#)), California Public Records Act (Government Code sections [7920.000-7931.000](#)), Information Practices Act of 1977 (Civil Code Section [1798](#), et seq.), [FIPS Publication 199](#), and laws governing administration of the Agency/state entity's programs.

The categorization and classification of information assets shall be to determine an asset's needed level of protection. If the information asset's level of protection is not clear, the Agency/state entity is to protect the asset to the categorization level of "Moderate" as defined by [FIPS Publication 199](#). Where the Agency/state entity is the custodian or user of the information asset and not the owner, as in the case of Federal Tax Information, Criminal Justice Information Services information, and so forth the Agency/state entity shall ensure the data owner specifies the level of protection. The Agency/state entity shall adhere to the data owner's classification and level of protection requirements.

Each information asset for which the Agency/state entity has ownership responsibility shall be inventoried and identified to include the following:

1. Description and value of the information asset.
2. Owner of the information asset.
3. Custodians of the information asset.
4. Users of the information asset.
5. Classification of information.
6. [FIPS Publication 199](#) categorization and level of protection (Low, Moderate, or High).

(Continued)

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

(Continued)

**INFORMATION ASSET MANAGEMENT**

**5305.5 (Cont. 1)**

(Revised: 10/2023)

7. Importance of information assets to the execution of the Agency/state entity's mission and program function.
8. Potential consequences and impacts if confidentiality, integrity, and availability of the information asset were compromised.

The Agency/state entity must protect all personal information defined by the California Information Practices Act (Civil Code Sections 1798.3 and 1798.29), and medical information and individually identifiable information defined by the California Medical Information Act (Civil Code Section 56.05) to a minimum FIPS Publication 199 categorization level of "Moderate".

**Implementation Controls: NIST SP 800-53: [Planning \(PL\)](#); [Program Management \(PM\)](#); [Information Security Program Management Standard \(SIMM 5305-A\)](#); and [FIPS Publication 199](#).**

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**RISK MANAGEMENT**

**5305.6**

(Revised 6/14)

**Policy:** Each state entity shall create a state entity-wide information security, privacy and risk management strategy which includes a clear expression of risk tolerance for the organization, acceptable risk assessment methodologies, risk mitigation strategies, and a process for consistently evaluating risk across the organization with respect to the state entity's risk tolerance, and approaches for monitoring risk over time.

The state entity's risk management strategy and methodologies shall be consistent with [NIST SP 800-30](#) and [NIST SP 800-39](#), and must include:

1. Risk assessments conducted at the three various levels of the risk management hierarchy, including:
  - a. Organizational level;
  - b. Mission/Business process level; and
  - c. Information asset level.
2. A risk assessment process to identify and assess risks associated with its information assets and define a cost-effective approach to managing such risks; including, but not limited to:
  - a. Risk associated with introducing new information processes, systems and technology into the state entity environment;
  - b. Accidental and deliberate acts on the part of state entity personnel and outsiders;
  - c. Fire, flooding, and electric disturbances; and,
  - d. Loss or disruption of data communications capabilities.

**Implementation Controls:** NIST SP 800-53: [Planning \(PL\)](#); [Program Management \(PM\)](#); and [SIMM 5305-A](#)

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**RISK ASSESSMENT**  
(Revised 6/14)

**5305.7**

**Policy:** Each state entity shall conduct an assessment of risk, including the likelihood and magnitude of harm from the unauthorized access, use, disclosure, disruption, modification, or destruction of the information system/asset and the information it processes, stores, or transmits. Each state entity shall conduct a comprehensive risk assessment once every two years which assesses the state entity's risk management strategy for all three levels and documents the risk assessment results in a risk assessment report.

The risk assessment process must include the following:

1. Assignment of responsibilities for risk assessment, including appropriate participation of executive, technical, and program management.
2. Identification of the state entity information assets that are at risk, with particular emphasis on the applications of information technology that are critical to state entity program operations. Identification of the threats to which the information assets could be exposed.
3. Assessment of the vulnerabilities, e.g., the points where information assets lack sufficient protection from identified threats.
4. Determination of the probable loss or consequences, based upon quantitative and qualitative evaluation, of a realized threat for each vulnerability and estimation of the likelihood of such occurrence.
5. Identification and estimation of the cost of protective measures which would eliminate or reduce the vulnerabilities to an acceptable level.
6. Selection of cost-effective security management measures to be implemented.
7. Preparation of a report, to be submitted to the state entity head and to be kept on file within the state entity, documenting the risk assessment, the proposed security management measures, the resources necessary for security management, and the amount of residual risk to be accepted by the state entity.

**Implementation Controls:** NIST SP 800-53: [Risk Assessment \(RA\)](#)

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**PROVISIONS FOR AGREEMENTS WITH STATE  
AND NON-STATE ENTITIES**

**5305.8**

(Revised 6/14)

**Introduction:** State entities are required to enter into written agreements with state and non-state entities when they engage such entities in the development, use, or maintenance of information systems, products, solutions, or services.

**Policy:** Each state entity shall ensure agreements with state and non-state entities include provisions which protect and minimize risk to the state. Agreements shall include, at a minimum, provisions which cover the following:

1. Appropriate levels of security (confidentiality, integrity and availability) for the data based on data categorization and classification and [FIPS Publication 199](#) protection levels.
2. Standards for transmission and storage of the data, including encryption and destruction, if applicable.
3. Agreements to comply with statewide policies and laws regarding the use and protection of information resources and data, including those set forth in this Chapter.
4. Signed confidentiality statements.
5. Agreements to apply security patches and upgrades, and keep virus software up-to-date on all systems on which data may be used.
6. Agreements to notify the state data owners promptly if a security incident involving the information system or data occurs.
7. Agreements that the data owner shall have the right to participate in the investigation of a security incident involving its data or conduct its own independent investigation, and that data custodian shall cooperate fully in such investigations.

(Continued)

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

(Continued)

**PROVISIONS FOR AGREEMENTS WITH STATE  
AND NON-STATE ENTITIES**

**5305.8 (Cont. 1)**

(Revised 6/14)

8. Agreements that the data custodian shall be responsible for all costs incurred by the data owner due to security incident resulting from the data custodian's failure to perform or negligent acts of its personnel, and resulting in an unauthorized disclosure, release, access, review, or destruction; or loss, theft or misuse of an information asset. If the contractor experiences a loss or breach of data, the contractor shall immediately report the loss or breach to the data owner. If the data owner determines that notice to the individuals whose data has been lost or breached is appropriate, the contractor will bear any and all costs associated with the notice or any mitigation selected by the data owner. These costs include, but are not limited to, staff time, material costs, postage, media announcements, and other identifiable costs associated with the breach or loss of data.
9. Agreements that the data custodian shall immediately notify and work cooperatively with the data owner to respond timely and correctly to public records act requests.
10. Agreements between the data custodian and data owner to address the appropriate disposition of records held by the data custodian during the term of its agreement with the data owner.

**Implementation Controls:** NIST SP 800-53, [System and Services Acquisition \(SA\)](#)

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**INFORMATION SECURITY PROGRAM METRICS**

**5305.9**

(Revised 6/14)

**Introduction:** Performance with respect to security controls must be measured to determine whether the needs of the state entity are being met. Security metrics assist with adjustments to security controls in order to improve effectiveness.

**Policy:** Each state entity shall establish outcome-based metrics to measure the effectiveness and efficiency of the state entity's information security program, and the security controls deployed.

**Implementation Controls:** NIST SP 800-53: [System and Services Acquisition \(SA\)](#); [Security Assessment and Authorization \(CA\)](#); [Contingency Planning \(CP\)](#)



**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**PRIVACY**

(Revised 6/14)

**5310**

**Introduction:** Privacy can be understood as the rights of individuals, as defined by law, to control the collection and use of their personal information. This privacy policy is based generally on the Information Practices Act of 1977 (Civil Code section [1798](#), et seq.). In addition to its general application, the Information Practices Act of 1977 is broad in scope, drawing from the [Fair Information Practice Principles \(FIPPs\)](#), which form the basis for most privacy laws in the United States and around the world. The [FIPPs](#) help entities attain public trust and mitigate loss and risk stemming from privacy incidents.

Included among the principles are transparency, notice, and choice. Some state entities are also subject to additional state and federal privacy laws related to particular types of personal information.

**Governing Authority:** The following overarching privacy laws are applicable to state entities:

1. [Article 1, Section 1](#), of the Constitution of the State of California defines pursuing and obtaining privacy as an inalienable right.
2. The Information Practices Act of 1977 (Civil Code section [1798](#), et seq.) places specific requirements on each state entity in the collection, use, maintenance, and dissemination of information relating to individuals.
3. Government Code Section [11019.9](#) requires state agencies to enact and to maintain a privacy policy and to designate an employee to be responsible for the policy. The policy must describe the agency's practices for handling personal information, as further required in the Information Practices Act.

**Policy:** State entity heads shall direct the establishment of an entity-specific Privacy Program. The Privacy Program shall ensure, and privacy coordinators shall confirm, that the requirements contained in the California Information Practices Act, this policy and the associated standards are adhered to by the state entity and its personnel.

**Implementation Controls:** NIST SP 800-53: [Appendix J-Privacy Control Catalog](#)

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**STATE ENTITY PRIVACY STATEMENT  
AND NOTICE ON COLLECTION**

**5310.1**

(Revised 6/14)

**Policy:** Information asset owners shall be open about state entity information handling practices, including the purposes for which the state entity collects, uses, and discloses personal information of individuals. Each state entity Privacy Program Coordinator shall prepare, publish, and maintain a General Privacy Policy Statement and a Privacy Notice on Collection for each personal information collection in accordance with the Privacy Statement and Notices Standard ([SIMM 5310-A](#)).

General Privacy Policy Statement

Each state entity's general privacy policy, as required by Government Code section [11019.9](#), shall apply to the entire state entity and its subdivisions.

Privacy Notice on Collection

When personal information is collected from an individual on or with any form, the information asset owner shall ensure that notice is provided to the individual at or before the time of collection. The content and presentation of the notice shall comply with requirements outlined in the Privacy Statement and Notices Standard ([SIMM 5310-A](#)).

**Implementation Controls:** NIST SP 800-53: [Appendix J-Privacy Control Catalog](#), and [SIMM 5310-A](#)

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**LIMITING COLLECTION**

**5310.2**

(Revised 6/14)

**Policy:** Information asset owners shall collect the least amount of personal information that is required to fulfill the purposes for which it is being collected. Information asset owners shall obtain personal information only through lawful means and shall collect personal information to the greatest extent practicable directly from the individual who is the subject of the information rather than from another source. Information asset owners shall endeavor to collect non-personal information, instead of personal information, if it is able to fulfill the same requirements.

**Implementation Controls:** NIST SP 800-53: [Appendix J-Privacy Control Catalog](#)

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**LIMITING USE AND DISCLOSURE**

**5310.3**

(Revised 6/14)

**Policy:** Information asset owners, custodians and users shall not disclose, use, or make available personal information collected from individuals for purposes other than those for which it was originally collected, except in the following situations:

1. The disclosure is made to the individual who is the subject of the information;
2. The nature of the disclosure is included in the Privacy Notice on Collection provided at or before the time of collection;
3. The individual who is the subject of the information, subsequent to collection, provides explicit consent to the disclosure or use; or
4. The use or disclosure is explicitly allowed under Civil Code section [1798.24](#).

Accounting of Disclosures

Information asset owners shall keep an accurate accounting of the date, nature, and purpose of each disclosure of a record made under exception number 4 above. The accounting shall include the date of the disclosure, and the name, title, and business address of the individual or state entity to which the disclosure was made.

Information asset owners shall retain the above referenced accounting for at least three years after the disclosure for which the accounting is made, or until the record is destroyed in accordance with the state entity record retention policy, whichever is shorter.

Information asset owners shall inform any individual or state entity to whom a record containing personal information has been disclosed during the preceding three years of any correction of an error in the record or notation of a dispute about its accuracy.

Use of Information by Third Parties

Information asset owners and users shall apply the requirements of this policy to any third party who handles personal information collected by the state entity, in order to accomplish a state entity function that is consistent with the original purposes for which it was collected. Any such third party and its personnel or agent with access to the personal information shall formally agree to be subject to the state entity's privacy policies and practices in the same manner as an employee of the state entity.

(Continued)

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

(Continued)

**LIMITING USE AND DISCLOSURE**

**5310.3 (Cont. 1)**

(Revised 6/14)

Social Security Numbers

Information asset owners shall minimize the collection and use of Social Security numbers. Information asset owners shall not publicly post or publicly display in any manner an individual's Social Security number or otherwise permit handling of Social Security numbers in any manner inconsistent with the Privacy Individual Access Standard ([SIMM 5310-B](#)).

Information asset owners shall not permit Social Security numbers to be either entered into systems as authentication credentials or used as user unique identifiers within systems. This requirement shall apply to all new systems, and major changes or upgrades to existing systems.

**Implementation Controls:** NIST SP 800-53: [Appendix J-Privacy Control Catalog](#), and [SIMM 5310-B](#)

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**INDIVIDUAL ACCESS TO PERSONAL INFORMATION**

**5310.4**

(Revised 6/14)

**Policy:** Each state entity shall ensure individuals are provided with information about their access rights and the procedures for exercising those rights.

Individuals Right to Access

Each state entity Privacy Program Coordinator shall publish procedures for individuals to follow in exercising their rights to access records held by the state entity which contain their personal information. Such rights include the right to inquire and be informed as to whether the state entity maintains a record about the individual and the right to request a correction of or an amendment to their personal information. Such procedures shall be made available online if the state entity has a website, and shall otherwise comply with the Privacy Individual Access Standard ([SIMM 5310-B](#)).

Personal Information in Public Records

Each state entity head shall include in the state entity's procedures for access to public records, a provision requiring the redaction of personal information prior to allowing inspection or releasing records in response to a California Public Records Act request.

Mailing Lists

Upon written request of an individual, an information asset owner maintaining a mailing list shall remove the individual's name and contact information from such list, unless such name and contact information is exclusively used by the state entity to directly contact the individual. Information asset owners shall inform individuals, in the requisite Privacy Notice on Collection forms used to collect personal information, of their right to have their information removed from such mailing lists.

**Implementation Controls:** NIST SP 800-53: [Appendix J-Privacy Control Catalog](#) , and [SIMM 5310-B](#)

## **SAM – INFORMATION SECURITY**

### **(Office of Information Security)**

#### **INFORMATION INTEGRITY**

**5310.5**

(Revised 6/14)

**Policy:** Information asset owners shall maintain all records with accuracy, relevance, timeliness, and completeness.

##### Maintaining Record Integrity

When an information asset owner uses a record to make a determination about an individual or transfers a record to another state or non-state entity, the owner shall correct, update, withhold, or delete any portion of the record that it knows or has reason to believe is inaccurate or out of date.

##### Maintaining Information Sources

Whenever an information asset owner collects personal information, the owner shall either ensure that the individual is provided a copy of the source document or shall record and maintain the source of the information, unless the source is the individual record subject.

##### Ownership of Stored Records and State Archived Records

1. **Stored Records:** When records that contain personal information are transferred to the Department of General Services (DGS) for storage, information asset owners for the state entity transferring the records shall retain all owner responsibilities for the protection of the record as provided in this Chapter. The DGS shall not disclose the record except to the information asset owner or his designee, or in accordance with their instructions which must be in accordance with this policy and relevant laws.
2. **State Archives:** Information asset owners shall transfer a record pertaining to an identifiable individual to the State Archives only after determining, with concurrence by the state entity head, that the record has sufficient historical or other value to warrant its continued preservation by the California state government. In the event of this transfer, information asset ownership shall be formally transferred to an information asset owner in the State Archives, who shall accept all owner responsibilities contained in the enterprise information security and privacy policies and standards.

**Implementation Controls:** [NIST SP 800-53: Appendix J-Privacy Control Catalog](#)

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**DATA RETENTION AND DESTRUCTION**

**5310.6**

(Revised 6/14)

**Policy:** Information asset owners shall retain and/or destroy records of personal information in accordance with the state entity's record retention and destruction policy and the [Privacy Individual Access Standard \(SIMM 5310-B\)](#). Information asset owners shall take reasonable steps to keep personal information only as long as is necessary to carry out the purposes for which the information was collected.

However, no record of personal information shall be destroyed or otherwise disposed of by any state entity unless:

- a. It is determined by the state entity head that the record has no further administrative, legal, or fiscal value;
- b. The state entity head has determined that an audit has been performed for any record subject to audit; and
- c. The Secretary of State has determined that the record is inappropriate for preservation in the State Archives.

**Destruction of Electronically Collected Personal Information**

An information asset owner shall, upon request by the record subject, securely discard without reuse or distribution, any personal information collected through a state entity's website.

**Implementation Controls:** [NIST SP 800-53: Appendix J-Privacy Control Catalog](#), and [SIMM 5310-B](#)



**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**SECURITY SAFEGUARDS**

**5310.7**

(Revised 6/14)

**Policy:** Information asset owners shall apply all applicable statewide and state entity information security laws, policies, standards, and procedures in order to protect personal information under the information asset owner's responsibility.

**Implementation Controls:** [NIST SP 800-53: Appendix J-Privacy Control Catalog](#)

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**TRAINING AND AWARENESS FOR INFORMATION SECURITY  
AND PRIVACY**

**5320**

(Revised 10/20)

**Policy:** Each state entity must establish and maintain an information security and privacy training and awareness program. State entity personnel must possess the knowledge and skills necessary to use information technology to the best advantage for the state. Each state entity must regularly assess the skills and knowledge of its personnel in relation to job requirements, identify and document training and professional development needs, and provide suitable training within the limits of available resources.

The training and awareness program shall ensure:

1. All personnel receive general security and privacy awareness training so that they understand the state entity information security policies, standards, procedures, and practices; and are knowledgeable about the various management, operational, and technical controls required to protect the information assets for which they are responsible.
2. Groups of personnel with special security training needs, such as application developers receive the necessary training.
3. Assessments of personnel awareness, knowledge and skills shall include simulated phishing exercises in compliance with the SIMM 5320-A, Phishing Exercise Standard.
4. Training records are maintained to support corrective action, audit and assessment processes.
5. The program content is maintained and evaluated for effectiveness on an ongoing basis.

State entity heads, Chief Information Officers (CIOs), Information Security Officers (ISOs), management, and information asset owners have key roles in information security training and awareness. The state entity head is responsible for ensuring an effective program is implemented state entity-wide. The scope and content of the awareness program must align with statewide policy, and with any state entity specific security needs and requirements.

**Implementation Controls:** NIST SP 800-53: [Awareness and Training \(AT\)](#), SIMM 5320-A

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**SECURITY AND PRIVACY AWARENESS**

**5320.1**

(Revised 12/13)

**Policy:** Each state entity shall provide basic security and privacy awareness training to all information asset users (all personnel, including managers and senior executives) as part of initial training for new users and annually thereafter.

Each state entity shall determine the appropriate content of security awareness training based on statewide requirements, specific state entity requirements, and the information processes and assets to which personnel have access.

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**SECURITY AND PRIVACY TRAINING**

**5320.2**

(Revised 6/14)

**Policy:** Each state entity shall determine the appropriate content of security and privacy training based on the assigned roles and responsibilities of individuals and the specific security requirements of the state entity and the information assets to which personnel have access. Privacy training content will ensure personnel understand their responsibility for compliance with the Information Practices Act of 1977 and the penalties for non-compliance.

**Governing Provisions:** Civil Code section [1798](#)

**Implementation Controls:** NIST SP 800-53: [Awareness and Training \(AT\)](#)

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**SECURITY AND PRIVACY TRAINING RECORDS**

**5320.3**

(Revised 6/14)

**Policy:** Each state entity shall document and monitor individual information security and privacy training activities including basic security and privacy awareness training and specific information system security training; and retain individual training records to support corrective action, audit and assessment processes. The ISO will be responsible for ensuring that training content is maintained and updated as necessary to address the latest security challenges that may impact users.

**Implementation Controls:** NIST SP 800-53: [Awareness and Training \(AT\)](#)

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**PERSONNEL SECURITY**

**5320.4**

(Revised 6/14)

**Policy:** Each state entity shall establish processes and procedures to ensure that individual access to information assets is commensurate with job-related responsibilities, and individuals requiring access to information assets sign appropriate user agreements prior to being granted access.

Access agreements shall include acceptable use provisions, and may also include nondisclosure agreements and conflict-of-interest agreements. If required by law, regulation or policy, each state entity must ensure individuals obtain applicable security clearances.

Personnel transfers or reassignments to other positions within the state entity must be reviewed to prevent accumulation of access and support least access privilege. Returning and issuing keys, identification cards, and building passes; closing information system accounts and establishing new accounts; and changing information system access authorizations are all examples of personnel security practices related to staff transfer or reassignment.

**Implementation Controls:** NIST SP 800-53: [Personnel Security \(PS\)](#)

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**OPERATIONAL SECURITY**  
(Revised 6/14)

**5350**

**Introduction:** In order to mitigate against successful attacks, each state entity is responsible for separating and controlling access to various systems and networks with different threat levels and sets of users which may operate or interface within their technology environment.

**Policy:** Each state entity shall develop, implement, and document, disseminate, and maintain operational security practices which include, but are not limited to:

1. A network security architecture that:
  - a. includes distinct zones to separate internal, external, and DMZ traffic; and
  - b. segments internal networks to limit damage, should a security incident occur.
2. Firewall, router, and other perimeter security tools which enforce network security architecture decisions.
3. Periodic review of perimeter security access control rules to identify those that are no longer needed or provide overly broad access.

Each state entity's security architecture shall align with the following security controls and best practices:

1. Application partitioning;
2. Denial of service protection;
3. Boundary protection;
4. Confidentiality of transmitted information or appropriate compensating security controls if protection assurances cannot be guaranteed; and
5. Cryptographic protections using modules that comply with FIPS-validated cryptography.

**Implementation Controls:** NIST SP 800-53: [System and Information Integrity \(SI\)](#); [System and Communications Protection \(SC\)](#)

**SAM – INFORMATION SECURITY**  
**(Office of Information Security)**

**ENCRYPTION**  
(Revised 6/14)

**5350.1**

**Policy:** End-to-end encryption or approved compensating security control(s) shall be used to protect confidential, sensitive, or personal information that is transmitted or accessed outside the secure internal network (e.g., email, remote access, file transfer, Internet/website communication tools) of the state entity, or stored on portable electronic storage media (e.g., USB flash drives, tapes, CDs, DVDs, disks, SD cards, portable hard drives), mobile computing devices (e.g., laptops, netbooks, tablets, and smartphones), and other mobile electronic devices. In rare instances where encryption cannot be implemented, compensating control(s) or alternatives to encryption must be in place. Compensating controls and alternatives to encryption must be reviewed on a case-by-case basis and approved in writing by the state entity ISO, after a thorough risk analysis.

**Implementation Controls:** FIPS 140-2, FIPS 197, NIST SP 800-53: [Access Control \(AC\)](#), and [System and Communications Protection Controls \(SC\)](#)



**State of California**

**California Department of Technology**

**Office of Information Security**

**Requirements to Respond to Incidents  
Involving a Breach of Personal  
Information**

**SIMM 5340-C**

**June 2022**

## REVISION HISTORY

Revision	Date of Release	Owner	Summary of Changes
Initial Release		California Office of Information Security (CISO)	
Minor Update	May 2012	CISO	Added Attorney General requirements pursuant to <a href="#">Civil Code Section 1798.29</a> , effective 1/2012.
Minor Update	December 2012	CISO	Name change to shortened document title, added additional examples under the section <i>A. Whether Breach Notification Is Required by Law</i> , and replaced reference to contacting California Office of Privacy Protection for assistance with use of Credit Monitoring Services with reference to published guidance.
Minor Update	September 2013	CISO	SIMM number change, replaced reference to California Office of Privacy Protection in the Sample Breach Notices.
Minor Update	January 2014	CISO	Added new notice triggering data elements and notification requirements to coincide with enacted Legislation.
Update	January 2016	CISO	Added new notice triggering data elements and notification requirements to coincide with enacted Legislation (Civil Code Sections <a href="#">1798.29</a> , <a href="#">1798.82</a> ).
Minor Update	April 2016	CISO	Non-substantial change to breach notification templates clarifying signature requirements per <a href="#">SAM 5300.3</a> and adding hyperlink to Breach Help pages.
Minor Update	June 2016	CISO	Update incident reporting instructions for the SIMM 5340-B: eliminating incident reporting through ENTAC; directing all incident reports to be made through the Cal-CSIRS system.
Update	March 2017	CISO	Added reporting/notification requirements to include breach of encrypted personal information to coincide with enacted Legislation ( <a href="#">Civil Code Section 1798.29</a> ).
Minor Update	January 2018	Office of Information Security (OIS)	Office name change
Update	February 2020	Office of Information Security (OIS)	Added new notice triggering data elements and notification requirements to coincide with enacted Legislation (Civil Code Sections <a href="#">1798.29</a> and <a href="#">1798.82</a> ).

Revision	Date of Release	Owner	Summary of Changes
Update	June 2022	Office of Information Security (OIS)	Add new notice triggering data elements and notification requirements to coincide with enacted Legislation (Civil Code Sections 1798.29, 1798.81.5 and 1798.82).

## TABLE OF CONTENTS

I.	EXECUTIVE SUMMARY .....	1
II.	INTRODUCTION .....	1
III.	INFORMATION PRACTICES ACT REQUIREMENTS .....	2
	A. Background .....	2
	B. Breach Notification Requirement.....	2
IV.	STATE POLICY REQUIREMENTS .....	4
	A. Information Processing Standards .....	4
	B. Incident Management.....	4
V.	ESSENTIAL ELEMENTS TO CONSIDER.....	7
	A. Whether Breach Notification Is Required by Law .....	7
	B. Whether Breach Notification Is Required by State Policy.....	9
	C. Timeliness of the Notification.....	10
	D. Source of the Notification .....	10
	E. Format of the Notification.....	11
	F. Content of the Notification.....	11
	G. Approval of the Notification.....	12
	H. Method(s) of Notification .....	13
	I. Preparation for Follow-on Inquiries from Noticed Individuals .....	14
	J. Other Situations When Breach Notification Should Be Considered.....	15
	K. Other Actions That Agencies Can Take to Mitigate Harm to Individuals .....	18
VI.	OTHER CONSIDERATIONS .....	18
	A. Advance Notification to the Media .....	18
	B. Credit Monitoring Services.....	18
VII.	NOTIFYING OTHERS WHEN REQUIRED .....	19
	A. Notifying the Attorney General .....	19
	B. Notifying Credit Reporting Agencies .....	19
VIII.	QUESTIONS.....	19
IX.	APPENDICES .....	20
	A. APPENDIX A: Breach Response and Notification Assessment Checklist.....	21
	B. APPENDIX B: Sample Breach Notice: Social Security Number .....	31
	C. APPENDIX C: Sample Breach Notice - Driver's License or California ID Card Number...	32
	D. APPENDIX D: Sample Breach Notice - Credit Card or Financial Account Number.....	33
	E. APPENDIX E: Sample Breach Notice - Medical Information Only .....	34
	F. APPENDIX F: Sample Breach Notice - Health Insurance Information Only .....	35
	G. APPENDIX G: Sample Breach Notice – Unique Biometric Data .....	36
	H. APPENDIX H: Sample Breach Notice – Hybrid (SSN and Health Information) .....	37
	I. APPENDIX I: Sample Breach Notice - Automated License Plate Recognition System ..	38
	J. APPENDIX J: Sample Breach Notice – Genetic Data.....	39
	K. APPENDIX K: Sample Breach Notice – User Name or E-Mail Address.....	40
	L. APPENDIX L: Breach Help – Consumer Tips Enclosure (English) .....	41
	M. APPENDIX M: Breach Help – Consumer Tips Enclosure (Spanish) .....	45

## I. EXECUTIVE SUMMARY

Agencies/state entities are required to operate in accordance with a myriad of laws and state policies related to the protection of information assets, and the timely and efficient management of security incidents. California's breach notification law ([Civil Code Section 1798.29](#)), enacted in 2002, is one such law, intended to give individuals early warning when their personal information has fallen into the hands of an unauthorized person, so they could take steps to protect themselves against identity theft or to otherwise mitigate the crime's impact and other possible harms associated with a breach of personal information.

While the law originally focused on breaches involving the kind of information used in financial identity theft, growing concern about medical identity theft led to the addition of medical and health insurance information as "notice-triggering" in 2008. In 2015 the addition of a user name or e-mail address, in combination with a password or security question that would permit access to an online account, was added to the list. In 2016, encrypted personal information acquired by an unauthorized person with access to the encryption key or security credential and the Automated License Plate Recognition System were added as "notice- triggering" elements. In 2020, unique biometric data and tax identification numbers, passport numbers, military identification numbers, and any other unique identification numbers issued on a government document were added as "notice- triggering" elements, and in 2021 legislation added genetic data.

Safeguarding against and preventing security breaches involving personal information entrusted to government is essential to establishing and maintaining public trust. Equally important is the ability to provide accurate and timely information about a breach to affected individuals when a breach occurs because failure to do so can exacerbate the problem and increase the risk of harm to individuals.

To ensure that agencies/state entities understand the responsibilities for making timely and accurate notification to individuals affected by a breach, this SIMM 5340-C document identifies the existing personal information breach notification requirements, and sets out specific instructions and guidance for agencies/state entities to follow when responding to a security incident that involves a breach of personal information. This document also provides a checklist and a set of breach notification templates as tools to assist agencies/state entities with fulfilling the notification requirements.

## II. INTRODUCTION

To ensure compliance and consistency across state government, this document identifies the current breach notification requirements for breaches involving personal information, accompanied by questions and factors agencies/state entities should consider in determining whether and when a breach notification should be made, and a specification of the means for fulfilling notification requirements. This document does not attempt to establish an absolute standard for breach notification, since decisions are dependent upon the specific facts surrounding the breach and the applicable law. In some cases, notification is clearly required by law, and in others it may be unclear whether notification is required. In some instances, where notification is, by law, clearly not required, notification may nonetheless, serve the best interests of those affected.

The procedures discussed in this document will assist agencies/state entities in confronting the problems associated with a breach involving personal information, by providing instruction and guidance regarding developing an appropriate response, understanding notification requirements, and making decisions in cases where the obligation to notify may be uncertain.

The term "agency" refers to any office, department, board, bureau, commission or other organizational entity within state government. Within this document, "agency" and "department" are used interchangeably.

### III. INFORMATION PRACTICES ACT REQUIREMENTS

#### A. Background

The California Information Practices Act (IPA) of 1977 ([Civil Code Sections 1798](#) et seq.) is the primary authority that governs state agencies' collection, use, maintenance, and dissemination of individuals' personal information. The IPA also specifies the circumstances that compel breach notification.

For the general purposes of the IPA, [Civil Code Section 1798.3](#) defines personal information very broadly as "any information that is maintained by an agency that identifies or describes an individual, including, but not limited to, his or her name, Social Security number, physical description, home address, home telephone number, education, financial matters, and medical or employment history. It includes statements made by, or attributed to, the individual."

#### B. Breach Notification Requirement

Subdivision (a) of [Civil Code Section 1798.29](#), requires "Any agency that owns or licenses computerized data that includes personal information shall disclose any breach of the security of the system following discovery or notification of the breach in security of the data to any resident of California (1) whose unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person, or, (2) whose encrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person and the encryption key or security credential was, or is reasonably believed to have been, acquired by an unauthorized person and the agency that owns or licenses the encrypted information has a reasonable belief that the encryption key or security credential could render that personal information readable or usable". For purposes of this section, encrypted has been defined as "rendered unusable, unreadable, or indecipherable to an unauthorized person through a security technology or methodology generally accepted in the field of information security". For purposes of this section, "encryption key" and "security credential" mean the confidential key or process designed to render the data usable, readable, and decipherable.

The breach notification section of the IPA, subdivision (g) of [Civil Code Section 1798.29](#), more narrowly defines, "personal information" as the following:

1. An individual's first name or first initial and the individual's last name in combination with any one or more of the following data elements, when either the name or the data elements are not encrypted:
  - a. Social Security number.
  - b. Driver's License number, California Identification Card number, tax identification number, passport number, military identification number, or other unique identification number issued on a government document commonly used to verify the identity of a specific individual.
  - c. Account number or credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account.
  - d. Medical information (as defined in [Civil Code Section 1798.29](#)).
  - e. Health insurance information (as defined in [Civil Code Section 1798.29](#)).
  - f. Unique biometric data generated from measurements or technical analysis of human body characteristics, such as fingerprint, retina, or iris image, used to authenticate a specific individual. Unique biometric data does not include a physical or digital photograph, unless

- used or stored for facial recognition purposes.
  - g. Automated License Plate Recognition (ALPR) System Information (as defined in [Civil Code Section 1798.90.5](#)).
  - h. Genetic data
2. A user name or e-mail address, in combination with a password or security question and answer that would permit access to an online account.

Subdivisions (h) (1) through (3) of [Civil Code Section 1798.29](#) specifically define personal information, medical information, and health information for purposes of this section as follows:

1. For purposes of this section, "personal information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records. (Note; however, personal information held in public records, or portions thereof, may need to be redacted prior to disclosure to comply with [Civil Code Section 1798.24](#)).
2. For purposes of this section, "medical information" means any information regarding an individual's medical history, mental or physical condition, or medical treatment or diagnosis by a health care professional.
3. For purposes of this section, "health insurance information" means an individual's health insurance policy number or subscriber identification number, any unique identifier used by a health insurer to identify the individual, or any information in an individual's application and claims history, including any appeals records.
4. For purposes of this section, "encrypted" means rendered unusable, unreadable, or indecipherable to an unauthorized person through a security technology or methodology generally accepted in the field of information security.
5. For purposes of this section, "genetic data" means any data, regardless of its format, that results from the analysis of a biological sample of an individual, or from another source enabling equivalent information to be obtained, and concerns genetic material. Genetic material includes, but is not limited to, deoxyribonucleic acids (DNA), ribonucleic acids (RNA), genes, chromosomes, alleles, genomes, alterations or modifications to DNA or RNA, single nucleotide polymorphisms (SNPs), uninterpreted data that results from analysis of the biological sample or other source, and any information extrapolated, derived, or inferred therefrom.

Subdivisions (b) and (d) of [Civil Code Section 1798.90.5](#) specifically defines the ALPR System and the information received through the use of the ALPR Systems as follows:

1. ALPR system means a searchable computerized database resulting from the operation of one or more mobile or fixed cameras combined with computer algorithms to read and convert images of registration plates and the characters they contain into computer-readable data.
2. ALPR information means information or data collected through the use of an ALPR system.

For purposes of this document the elements of personal information described in subdivisions (e) and (f) of [Civil Code Section 1798.29](#) are hereinafter referred to as "notice-triggering" data elements.

Effective January 1, 2016, [Civil Code Section 1798.29](#) subsections (1) (A through E), specified formatting requirements for the breach notification letters and subsections (2) (A through F) specified content requirements.

Further, effective January 1, 2012, [Civil Code Section 1798.29 \(e\)](#), requires any agency that is required to issue a security breach notification to more than 500 California residents as a result of a single breach to electronically submit a sample copy of the breach notification, excluding any personally identifiable information, to the Attorney General. The Attorney General's procedures for sample submission are available on its website at: <http://oag.ca.gov/ecrime/databreach/reporting>

#### IV. STATE POLICY REQUIREMENTS

##### A. Information Processing Standards

State policy, in accordance with [State Administrative Manual \(SAM\) Section 5100](#), requires agencies/state entities to use the [American National Standards Institute \(ANSI\)](#) management information standards and the [Federal Information Processing Standards \(FIPS\)](#) in their information management planning and operations. The [ANSI](#) standards are national consensus standards that provide guidance on a variety of issues central to the public and industrial sectors. Under the Information Technology Management Reform Act (Public Law 104-106). The Secretary of Commerce approves standards and guidelines that are developed by the National Institute of Standards and Technology ([NIST](#)) as [FIPS](#) for use government-wide. [NIST](#) develops [FIPS](#) when there are compelling Federal government requirements such as for security and interoperability and there are no acceptable industry standards or solutions.

In relation to [Civil Code Section 1798.29's](#) exemption from the breach notification requirement for a breaches involving encrypted notice-triggering information, this requirement, includes without limitation, those [NIST](#) standards related to the validation of cryptographic modules found in **encryption products used in the protection of confidential, personal, or sensitive information**. The exemption is only applicable to those incidents involving data encrypted with products validated by [NIST](#) as [FIPS 140-2](#) compliant.

##### B. Incident Management

State policy ([SAM Section 5340](#)) requires agency management to promptly investigate incidents involving loss, damage, misuse of information assets, unauthorized access, or improper dissemination of information, and immediately report the occurrence of such incidents to the Office of Information Security (OIS) and the California Highway Patrol (CHP), through the California Compliance and Security Incidents Reporting System (Cal-CSIRS). Detailed incident reporting procedures can be found in the Incident Reporting and Response Instructions (SIMM 5340-A).

Proper incident management includes the formulation and adoption of an incident management plan that provides for the timely assembly of appropriate staff that are capable of developing a response to, appropriate reporting about, and successful recovery from a variety of incidents. In addition, incident management includes the application of lessons learned from incidents, together with the development and implementation of appropriate corrective actions directed to preventing or mitigating the risk of similar occurrences.

In conjunction with the aforementioned requirements, SIMM 5340-A [requires every state](#)



agency that collects, uses, or maintains personal information to include in their incident management plan, procedures for responding to a security breach involving personal information **regardless of the medium in which the breached information is held** (e.g., paper, electronic, oral, or the combination of data elements involved including non-notice-triggering personal information). These procedures must be documented and must address, at a minimum, the following:

1. Agency Incident Response Team. An agency's procedures shall identify the positions responsible for responding to a security breach involving personal information. An agency's response team must include, at a minimum, the following:
  - an escalation manager,
  - the Program Manager of the program or office experiencing the breach,
  - the Information Security Officer (ISO),
  - the Chief Privacy Officer/Coordinator (CPO) or Senior Official for Privacy,
  - the Public Information or Communications Officer,
  - Legal Counsel, and
  - others as directed by OIS.

The escalation manager, often the ISO or CPO, is responsible for ensuring appropriate representatives from across the organization are involved, and are driving the process to completion. Some incidents will require the involvement of other persons not mentioned above. For example, if the source of the compromised information was a computer system or database, the Chief Information Officer should also be involved in the response activity. As another example, if the incident involves unauthorized access, misuse, or other inappropriate behavior by a state employee, or the security breach involves a compromise of state employee's personal information, the Personnel Officer or Human Resources Manager should also be involved in the response activity.

Further, if the incident involves multiple agencies/state entities, the response team from each agency/state entity may be involved.

2. Protocol for Escalation, Internal Reporting, and Response. An agency's procedures shall outline the method, manner, and progression of internal reporting, so as to ensure that the agency's executive management is informed about the breach of personal information, the Agency Incident Response Team is assembled, and the incident is addressed in the most expeditious and efficient manner.

An initial impact assessment and response coordination meeting, attended by all response team personnel, is highly recommended when a security incident involves notifying a large number of individuals, involves multiple agencies/state agencies, or is likely to garner media attention. This meeting clarifies roles, responsibilities, and timelines for incident reporting and response activities.

When multiple agency personnel are involved; attendee and sign-in rosters are used to track participant involvement. Non-disclosure agreements may also be used to ensure confidential information remains confidential and communications do not compromise or complicate an active investigation.

3. Protocol for Security Incident Reporting. Any actual or suspected incident meeting the criteria described earlier or breach of personal information (notice-triggering and non-notice-triggering data elements) in any type of media (e.g., electronic, paper) is to be reported immediately to OIS and CHP through Cal- CSIRS. Representatives from

the OIS and/or CHP's Computer Crime Investigation Unit (CCIU) will contact the state entity as soon as possible following their receipt of the Cal-CSIRS notification.

**IMPORTANT: A report made to CHP, other law enforcement agencies, or the OIS outside of the Cal-CSIRS notification process by email or other means is NOT an acceptable substitute for the required report through Cal- CSIRS.**

In the case that the Cal-CSIRS system is offline during normal business hours, contact OIS directly by phone at (916) 445-5239 or by e-mail at [security@state.ca.gov](mailto:security@state.ca.gov) for assistance. If the Cal-CSIRS system is offline outside of normal business hours and you require immediate law enforcement assistance, contact CHP's Emergency Notification and Tactical Alert Center (ENTAC) at (916) 843-4199. This telephone number is staffed 24-hours a day, seven days a week. The officers at ENTAC will forward that information to CCIU for immediate assistance. In the situation that notification is made outside of normal business hours through CHP, it is the state entity's responsibility to notify OIS of incident the next business day.

A state entity report must outline the details of the incident and corrective actions taken, or to be taken, to address the root cause of the incident. The report must be completed through Cal-CSIRS within 10 business days following creation of the incident. If corrective actions cannot be completed immediately, follow the instructions outlined in Plan of Action and Milestones Instructions (SIMM 5305-B) to submit a Plan of Actions and Milestones (SIMM 5305-C) that identifies all corrective actions along with timelines indicating when these corrective actions will be completed. If the state entity currently has a POAM on file, you will need to update the existing POAM and resubmit.

4. Decision-Making Criteria and Protocol for Notifying Individuals.

Both the decision to provide external notification on the occasion of a breach and the nature of the notification will require agencies/state entities to resolve a number of questions. An agency's procedures shall include documentation of the methods and manner for determining when and how notification is to be made.

To assist agencies with navigating the decision-making process, a checklist is provided as Appendix A, Breach Response and Notification Assessment Checklist. The procedures shall, at a minimum, address the following elements:

- a. Whether the notification is required by law.
- b. Whether the notification is required by state policy.
- c. Timeliness of notification.
- d. Source of notice.
- e. Content of notice.
- f. Approval of notice prior to release.
- g. Method(s) of notification.
- h. Preparation for follow-on inquiries.
- i. Other actions that agencies/state entities can take to mitigate harm to individuals.
- j. Other situations when notification should be considered.

A more detailed description of these elements is set forth in the following section.

## V. ESSENTIAL ELEMENTS TO CONSIDER

### A. Whether Breach Notification Is Required by Law

California's Breach Notification Law ([Civil Code Section 1798.29](#)) requires "Any agency that owns or licenses computerized data that includes personal information shall disclose any breach of the security of the system following discovery or notification of the breach in the security of the data to any resident of California (1) whose unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person, or, (2) whose encrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person and the encryption key or security credential was, or is reasonably believed to have been, acquired by an unauthorized person and the agency that owns or licenses the encrypted information has a reasonable belief that the encryption key or security credential could render that personal information readable or usable".

The law is intended to give individuals early warning when their personal information is reasonably believed to have been acquired by an unauthorized person, so that those individuals can take steps to protect themselves against identity theft or to otherwise mitigate the crime's impact. While the law originally focused on breaches involving the kind of information used in financial identity theft, growing concern about medical identity theft led, in 2008, to the addition of medical and health insurance information as notice-triggering information. In 2015 the addition of a user name or e-mail address, in combination with a password or security question that would permit access to an online account, was also added to the list. In 2016, the Automated License Plate Recognition (ALPR) System was determined to have the ability to store personal identifiable information and was added as a "notice-triggering" element. Most recently, unique biometric data and tax identification numbers, passport numbers, military identification numbers, and any other unique identification numbers issued on a government document were added as "notice-triggering" elements.

To determine whether notification of a breach is required by law, the agency should consult with their legal counsel. Note, other sector specific laws and regulations may also require notification, such as laws governing Federal Tax Information (FTI), and the Health Information Portability and Accountability Act (HIPAA). Answering the following questions should assist the agency and its legal counsel in making the determination as it relates to [Civil Code Section 1798.29](#):

1. Was computerized data owned or licensed by the state agency involved?

When determining whether or not the incident involved computerized data, the agency is to consider, at a minimum, whether the data involved was processed or stored with or in a computer or computer system. This includes, but is not limited to, copier, facsimile and business hub machines, mobile telephone and portable digital assistant (PDA) devices, data processed or stored with or in electronic mail systems, online accounts, and data collected through an ALPR system.

2. Was a computer system, or computer peripheral, or storage device with the capability of storing computerized data owned or licensed by the state agency involved?

When determining whether or not the incident involved a computer system, or computer peripheral, or storage device with capability of storing computerized data the agency is to consider the wide array of data storage devices available today.

This includes, but is not limited to, those mentioned above, as well as USB flash, jump or pen drives, CDs and DVDs, external and removable hard drives, and magnetic and optical backup tapes/disks.

3. Were notice-triggering data elements involved?
  - a. In accordance with [Civil Code Section 1798.29](#), notice triggering data elements include an individual's first name or first initial and the individual's last name in combination with any one or more of the following:
    - i. Social Security number.
    - ii. Driver's License number, California Identification Card number, tax identification number, passport number, military identification number, or other unique identification number issued on a government document commonly used to verify the identity of a specific individual.
    - iii. Account number or credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account.
    - iv. Medical information (as defined in [Civil Code Section 1798.29](#)).
    - v. Health insurance information (as defined in [Civil Code Section 1798.29](#)).
    - vi. Unique biometric data generated from measurements or technical analysis of human body characteristics, such as fingerprint, retina, or iris image, used to authenticate a specific individual. Unique biometric data does not include a physical or digital photograph, unless used or stored for facial recognition purposes.
    - vii. ALPR System information (as defined in Civil Code Section 1798.90.5).
    - viii. Genetic data.
  - b. A user name or e-mail address, in combination with a password or security question and answer that would permit access to an online account.
4. Were the notice-triggering data elements encrypted using [FIPS 140-2](#) validated or [NIST](#) certified cryptographic modules?

The [NIST Cryptographic Module Validation Program](#) (CMVP) validates cryptographic modules to Federal Information Processing Standards ([FIPS 140-2](#) and others). An alphabetical list of vendors who have implemented [NIST](#) validated cryptographic modules list is available on [NIST's](#) CMVP website at <http://csrc.nist.gov/groups/STM/cmvp/validation.html>

[FIPS 140-2](#) precludes the use of invalidated cryptography **for the cryptographic protection** of sensitive or valuable data. Invalidated cryptography is viewed by [NIST](#) as providing **no protection** to the information or data - in effect the data would be considered unprotected plaintext.

5. Were the notice-triggering data elements acquired, or reasonably believed to have been acquired by an unauthorized person?

When determining whether or not acquisition has actually or is reasonably believed to have occurred, an agency is to consider, at a minimum, the following indicators:

- a. The information is in the physical possession and control of an unauthorized

person, such as a lost or stolen computer or other devices that have the capability of containing information, or such as a misdirected electronic mail transmission received and opened by an unauthorized person containing notice-triggering information.

- b. The information has been downloaded or copied (e.g., any evidence that download or copy activity has occurred which may require forensic analysis);
- c. The attacker deleted security logs or otherwise "covered their tracks";
- d. The duration of exposure in relation to maintenance of system logs or in cases of an inadvertent or unauthorized Web site posting;
- e. The attack vector is known for seeking and collecting personal information;
- f. The information was used by an unauthorized person, such as instances of identity theft reported or fraudulent accounts opened.

#### B. Whether Breach Notification Is Required by State Policy

The compromise of notice-triggering data elements found in physical information systems poses the same level of risk to individuals as a compromise of notice-triggering data elements found in computerized systems; thus, state policy requires notification be made to individuals in these cases, as well. To determine whether notification is **required** by state policy, the agency should still consult with its legal counsel. However, answering the following questions, which are a slight variation to those above, should assist the agency and its legal counsel in making this determination:

1. Was data, on **any other media type or format** (e.g., paper, cassette tape), owned or licensed by the state agency involved?
2. Were notice-triggering data elements involved?
  - a. In accordance with [Civil Code Section 1798.29](#), notice triggering data elements include an individual's first name or first initial and the individual's last name in combination with any one or more of the following:
    - i. Social Security number.
    - ii. Driver's License number, California Identification Card number, tax identification number, passport number, military identification number, or other unique identification number issued on a government document commonly used to verify the identity of a specific individual.
    - iii. Account number or credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account.
    - iv. Medical information (as defined in [Civil Code Section 1798.29](#)).
    - v. Health insurance information (as defined in [Civil Code Section 1798.29](#)).
    - vi. Unique biometric data generated from measurements or technical analysis of human body characteristics, such as fingerprint, retina, or iris image, used to authenticate a specific individual. Unique biometric data does not include a physical or digital photograph, unless used or stored for facial recognition purposes.
    - vii. (ALPR System information (as defined in [Civil Code Section 1798.90.5](#)).
    - viii. Genetic data.
  - b. A user name or e-mail address, in combination with a password or security question and answer that would permit access to an online account.
3. Were the notice-triggering data elements acquired, or reasonably believed to have

been acquired by an unauthorized person?

When determining whether or not acquisition has actually or is reasonably believed to have occurred, an agency is to consider the following indicators:

- a. The information is in the physical possession and control of an unauthorized person, such as a misdirected, lost, or stolen hardcopy document, or file containing notice-triggering information. This includes, but is not limited to, documents containing notice-triggering data elements which have been
- b. addressed and mailed to an unauthorized person, transmitted by facsimile to an unauthorized person, or information containing notice-triggering data elements which is otherwise conveyed, such as by word-of-mouth, to unauthorized persons.
- c. The information has been viewed, acquired, or copied by an unauthorized person, or a person exceeding the limits of their authorized access.
- d. The information has been shared by an unauthorized person or was used by an unauthorized person, such as instances of sharing the personal information with the media or tabloids, or identity theft reported, or fraudulent accounts opened.

#### C. Timeliness of the Notification

Following the discovery of a breach that involves personal information which meets the statutory or policy criteria for notification, agencies/state entities should provide notification to affected individuals in a timely manner and without unreasonable delay.

To the extent possible, notification should be made within ten (10) business days from the date the agency has determined that the information was, or is reasonably believed to have been, acquired by an unauthorized person. The following are examples of circumstances which may warrant the delay of notification beyond the 10 days following discovery:

- Legitimate needs of law enforcement, when notification would impede or compromise a criminal investigation, or pose other security concerns [\[Civil Code Section 1798.29 \(c\)\]](#).
- Taking necessary measures to determine the scope of the breach and restore reasonable integrity to the system, so that the harm of the initial incident is not compounded by premature announcement. For example, if a data breach resulted from a failure in a security or information system, that system should be repaired and tested before disclosing details related to the incident. [\[Civil Code Section 1798.29 \(a\)\]](#).

Any decision to delay notification should be made by the agency head, or the senior-level individual designated in writing by the agency head as having authority to act on his/her behalf, and any delay should not exacerbate the risk of harm to any affected individual(s).

#### D. Source of the Notification

Given the serious security and privacy concerns raised by breaches involving personal information, the notice to individuals affected by the loss should be issued and signed by a responsible official of the agency. In those instances in which the breach involves a widely known component of an agency, notification should be given by a responsible official of the component. In general, notification to individuals affected by the breach should be issued by the agency head, or by the senior-level individual designated in writing by the agency head as having authority to act on his/her

behalf. Such action, demonstrates that the incident has the attention of the chief executive of the organization.

There may be some instances in which notice of a breach may appropriately come from an entity other than the actual agency that suffered the loss. For example, when the breach involves a contractor operating a system of records on behalf of the agency or a public-private partnership. The roles, responsibilities, and relationships with contractors or partners for complying with notification procedures should be established in writing with the contractor or partner prior to entering the business relationship, and must be reflected in the agency's breach response plan and in the contractual agreements with those entities.

Whenever practical, to avoid creating confusion and anxiety for recipients of the notice, the notice should come from the entity that the affected individuals are more likely to perceive as the entity with which they have a relationship. In all instances, when the breach involves a contractor or a public-private partnership operating a system on behalf of the agency, the agency is responsible for providing any required or necessary notification, and for taking appropriate corrective actions.

#### E. Format of the Notification

The breach notification shall be designed to call attention to the nature and significance of the information it contains, and shall be formatted on official letterhead to include:

1. No smaller than 10-point Ariel font type;
2. A title "Notice of Data Breach"; and
3. Contain at a minimum the following headings:
  - a. "What Happened"
  - b. "What Information Was Involved"
  - c. "What We Are Doing"
  - d. "What You Can Do"
  - e. "Other Important Information"
  - f. "For More Information"

#### F. Content of the Notification

The substance of the notice should be written in clear, concise, and easy-to-understand language. The notice should avoid the use of technical jargon and shall include, at a minimum, the following elements:

1. A general description of what happened; including the date of breach if known; if not known, the estimated date or date range within which the breach occurred. Agencies/state entities should be mindful of the impact of disclosing either an insufficient amount of detail or too much detail in the general description of what happened. For example, in cases where an investigation is ongoing, disclosing certain details may impede or compromise the investigation, or cause other security concerns. On the other hand, failure to disclose a sufficient amount of detail may not provide the recipient with enough information to fully understand and mitigate their own risk. An agency must work with law enforcement authorities to ensure the content strikes the necessary balance.



2. A description of the type of personal information involved in the breach (e.g., full name, Social Security number, Driver's License number or California Identification Card number, date of birth, home address, account number, disability code, medical or health information (as defined), etc.). The specific type of notice-triggering data elements are to be provided in the notice. This is extremely important in order to help the recipient of the notice to fully understand how to mitigate their risk.
3. All of the steps that the individual could take to protect themselves from potential harm, if any.
4. An apology and a description of the steps the agency is taking, has taken, or will take, to investigate the breach, mitigate any losses, and protect against any further breaches.
5. The name and contact information of the individual contact(s) at the agency with the ability to provide more information about the breach to the affected individuals.
6. A toll-free telephone number for the agency contact, physical address, e-mail address, and postal address if available. If the agency does not have a toll-free telephone number a local telephone number may be provided.

When the agency has knowledge that the affected individuals are not English speaking, to the extent practical, the notice should also be provided in the appropriate language(s). Given the amount of information required above, in cases where it is only the name and Social Security number that has been breached, agencies/state entities may want to consider using the one-page *Breach Help –Consumer Tips from the California Attorney General* document as an enclosure with the notice letter. It is available in English and in Spanish and can be downloaded at: <https://www.oag.ca.gov/privacy/business-privacy>.

**The *Breach Help –Consumer Tips from the California Attorney General* document, as well as standardized breach notification templates for breaches involving other notice-triggering information, is provided as appendices (B through K) in this document.** In some cases it may be necessary to combine the language from multiple templates, such as in the hybrid template provided.

Consistent with Section 504 of the Rehabilitation Act of 1973, the agency should also give special consideration in providing notice to individuals who are visually or hearing impaired. Accommodations may include establishing a Telecommunications Device for the Deaf (TDD) or posting a large-type notice on the agency's Web site.

#### G. Approval of the Notification

SIMM 5340-A requires agencies/state entities to submit draft breach notices to OIS for review and approval **prior to their release**. The intent is to ensure the consistency and clarity of notices, as well as the accuracy of privacy protection steps and instructions provided in notices. The procedures for submitting a request for review and approval of a draft breach notice to the OIS are as follows:

1. **Communicate with OIS security representative by telephone at (916) 445-5239 immediately prior to submission of any document, in order to alert the Office that a document requiring review will soon arrive.**
2. Upload breach notification, with corresponding incident report (SIMM 5340-B), into Cal-CSIRS.



Cal-CSIRS procedures can be found in the SIMM 5340-A.

3. Indicate the target date of release. Allow at least one full business day for OIS's review and approval of the initial and any subsequent submittals that are necessary due to changes not previously reviewed and approved by OIS.

Depending on the circumstances, the agency may also need to contact other public and private sector agencies, particularly those that may be affected by the breach or may play a role in mitigating the potential harms stemming from the breach. For example, an agency may need to seek confirmation from law enforcement that notification will not compromise the investigation. Or, when as a result of a large breach in individual names and Driver's License numbers, the agency intends to reference the Department of Motor Vehicle (DMV) Fraud Hotline in the notice; the agency should seek DMV's approval and provide DMV with advanced warning that DMV may experience a surge of inquiries.

Note: This Fraud Hotline is only used when an individual has evidence to suggest their Driver's License number has been misused.

#### H. Method(s) of Notification

The best means for providing notification will depend on the nature and availability of contact information of the affected individuals, as well as the number of individuals affected. Notice provided to individuals affected by a breach should be commensurate with the number of people affected and the urgency with which they need to receive notice. The following are examples of the types of notification which may be considered.

1. First-Class Mail. Written notice to the named individual, whenever possible by first-class mail to the last known address in the agency's records, should be the primary means of notification. For example, the notice should be addressed to "Jane Doe", and in cases of minor children the notice should be addressed "To the Parent of: Jane Doe". Where there is reason to believe the address is no longer current, an agency should take reasonable steps to update the address by consulting with other agencies, such as the U.S. Postal Service (USPS). The USPS will forward mail to a new address, or will provide an updated address via established processes. The notice should also be sent separately from any other mailing so that it stands out to the recipient, and it should be labeled to alert the recipient to the importance of its contents, (e.g., "Important Information Enclosed"), and as to reduce the possibility that it may be mistaken as advertising mail.

Notification should include sender or return address information unless there are special circumstances which necessitate not doing so. For example, the inclusion of the healthcare office or clinic name or return address may be more harmful than helpful, and further reveal personal information.

2. Telephone. Notification by telephone may be appropriate as a supplement to written notice in those cases where urgency may dictate immediate and personalized notification and/or when a limited number of individuals are affected. Persons making the notification by telephone should only do so by personal contact with the affected individual, never through a message on answering machine or other parties. In all cases, written notice by first-class mail must be made concurrently. E-Mail. E-mail may only be used to make notification if the notice triggering data elements involved are limited to an individual's user name or e-mail address in combination with a password or security question and answer that would permit access to the online account and as consistent with the Federal Electronic Signatures Act (15 U.S. Code

7001). The Federal Electronic Signatures Act requires, among other things, that an agency must have received express consent from the individual to use e-mail as the primary means of communication before making the breach notification. In such cases the agency may provide the security breach notification by e-mail or other form that directs the person whose personal information has been breached to promptly change his or her password and security question or answer, as applicable, or to take other steps appropriate to protect the online account and all other online accounts for which the person uses the same user name or e-mail address and password or security question or answer. Agencies/state entities must keep in mind that notification by e-mail may be problematic because individuals change their e-mail address and often do not notify all parties of the change, and it may be difficult for individuals to distinguish the agency's e-mail notice from a "phishing" e-mail.

3. Substitute Notification. Subdivision (j), (3) of [Civil Code Section 1798.29](#), provides for substitute notification when an agency can demonstrate that more than 500,000 individuals were affected, or the cost of providing notification would exceed \$250,000, or the agency does not have adequate contact information on those affected. In accordance with that provision of law, substitute notification consists of **all of the following methods**:
  - a. Conspicuous posting, for a minimum of 30 days, of the notice on the agency's internet website, if the agency maintains one. This includes providing a link to the notice on the home page, or first significant page after entering the internet website. This link shall be displayed in a larger or contrasting text than the surrounding text in order to call attention to the link.
  - b. Notification to major statewide media and to the California Office of Information Security within the Department of Technology; and
  - c. E-mail notification when the agency has an e-mail address for the individuals. Here, because an agency is also doing a. and b., the e-mail notice **does not** need to meet the requirements of the Federal Electronic Signature Act.

The posting should also include a link to Frequently Asked Questions (FAQs) and other talking points to assist the public's understanding of the breach and notification process. See the Security Breach FAQ's provided on the [Office of the Attorney General's website](#).

Further, when making a substitute notification, the public media should be notified as soon as possible after the discovery of the breach because delayed notification may erode public trust. However, an agency's decision to notify the public media in conjunction with substitute notification, or in other situations, will require careful planning and execution so that the agency is adequately prepared to handle follow-on inquiries.

#### I. Preparation for Follow-on Inquiries from Noticed Individuals

Those affected by the breach can experience considerable frustration if, in the wake of the individual notification or the initial public announcement, they are unable to find sources of additional accurate information. This applies to both follow-on inquiries made to the agency that experienced the breach, as well as to counterpart entities that may be affected by the breach or may play a role in mitigating the potential harms stemming from the breach. For example, depending upon the nature of the incident and the information involved, certain entities, such as the credit-reporting agencies, may also need to prepare for a surge in

inquiries that might far exceed normal workloads (e.g., requests for copies of credit reports and posting of fraud alerts).

Consequently, and as appropriate, agencies/state entities must adequately prepare for follow-on inquiries and must address inquiries in the most efficient and accurate manner possible. In doing so, an agency should consider provisioning for the following:

1. Instructions to each of its public inquiry intake units about where they should direct both telephone and in-person inquiries about the breach from affected individuals, the media, and the public.
2. A toll-free phone line, answered by personnel specifically trained to handle inquiries from affected individuals and the public, especially when the breach has affected a large number of individuals.
3. A complaint resolution and/or escalation process. For example, individuals may be directed to the agency's Office of Civil Rights, if one is available.
4. Early warning and information about the timing of notification to all counterpart entities, so that they may adequately prepare for any potential surge in inquiries.
5. The timing for delivery of the notice to noticed individuals in conjunction with the availability of staff to respond to follow-on inquiries must also be considered. For example, an agency should not release a notification so that it is likely to be received on the last work day before major holiday weekend or the day of an observed holiday.

The OIS can assist agencies/state entities with the development of scripts, FAQs, staff training and other related notification activities.

#### J. Other Situations When Breach Notification Should Be Considered

Neither state law nor state policy requires notification in the case of breaches involving non-notice-triggering personal information. Nevertheless, breaches involving certain types of non-notice triggering personal information can also implicate a broad range of harms to individuals. The other types of harm that an agency should consider, depending upon the nature of the personal information involved, and the circumstances of the loss or theft, include but are not limited to, the following:

- Harm to reputation.
- Potential for harassment.
- Potential for prejudice, particularly when health or financial benefits information is involved.
- Other types of financial loss, such as an increase or denial of insurance premiums which may be associated with the latter.
- Embarrassment.
- Legal problems.

In situations where other (non-notice-triggering) personal information is involved, an agency should, in consultation with its legal counsel and the OIS, consider the following factors when making an assessment of the likely risks of harm and the decision to notify:

1. Nature of the Data Elements Breached. The nature of the compromised data elements

is a key factor to consider in determining if notification should be provided to affected individuals. It is difficult to characterize data elements as creating a low, moderate, or high risk simply based on the type of data because the sensitivity of the data element is contextual. A name in one context may be less sensitive in another context. For example, the breach of a list containing the names and home addresses of undercover peace officers or domestic violence victims, poses a higher risk of harm than a list containing the names of individuals that subscribe to an agency's monthly newsletter on general family issues. Yet in the context of this subscriber list, if the newsletter were specific to a certain profession or clientele it could pose a higher level of risk, such as a newsletter that is specific to a support group for battered persons. It is also important to note that a Social Security number alone is useful in committing identity theft. In assessing the levels of risk and harm, consider the data element(s) in light of their context and the broad range of possible harms that could result from their acquisition by or disclosure to unauthorized individuals.

2. Likelihood the Information Is Accessible and Usable. Upon learning of a breach, agencies/state entities should assess the likelihood that personal information will be or has been acquired and misused by unauthorized individuals. An increased risk that the information will be misused by unauthorized individuals should influence the agency's decision to provide notification.

The fact the information has been lost or stolen does not necessarily mean it has been or can be accessed by unauthorized individuals; however, depending upon any number of physical, technological, and procedural safeguards employed by the agency, the risk of compromise may be low to non-existent. For example, exposure on a public website for many weeks or months would increase the likelihood that it was acquired by an unauthorized individual. Also, if the information was properly protected by encryption then the likelihood the information is accessible and usable is non-existent; whereas, "paper copies" of printed personal information are essentially unprotected and would be considered a much higher risk of compromise depending upon the type of information involved.

In this context, the encryption product and algorithm used has been validated by the [National Institute of Standards and Technology \(NIST\)](#) to the [American National Standards Institute \(ANSI\)](#) management information standards and the Federal Information Processing Standards ([FIPS](#)), as state agencies are required to use the [ANSI](#) and [FIPS](#) standards in their information management planning and operations ([SAM section 5100](#)).

3. Likelihood the Breach May Lead to Harm. The IPA ([Civil Code Section 1798.21](#)) requires agencies to protect against anticipated threats or hazards to the security or integrity of records containing personal information which could result in any injury to individuals. When considering injury to individuals, agencies should consider the broad reach of potential harm and the likelihood harm will occur.
  - a. *Broad Reach of Potential Harm.* The number of possible harms associated with the loss or compromise of information may include, but are not necessarily limited to, the following:
    - i. the effect of a breach of confidentiality or fiduciary responsibility;
    - ii. The disclosure of address information for victims of stalking or abuse, or persons in certain high-risk professions (e.g., law enforcement officers, reproductive health care clinic workers, etc.);

- iii. legal problems (e.g., an individual uses another individual's name and Driver's License number when arrested, or a pregnant woman uses the medical identity of a mother and delivers a baby who tested positive for illegal drugs. Consequently, Social Services takes her children from her and she must hire an attorney to prove that she is the victim of medical identity theft);
  - iv. harm to reputation;
  - v. financial loss;
  - vi. the disclosure of private facts and unwarranted exposure leading to embarrassment, humiliation, mental pain, emotional distress, or loss of self-esteem; the potential for secondary uses of the information which could result in fear or uncertainty; or
  - vii. the potential for harassment, blackmail, or prejudice, particularly when health or financial benefits information is involved.
- b. *Likelihood Harm Will Occur.* The likelihood that a breach of non-notice triggering personal information may result in harm will depend on the manner of the actual or suspected breach and the type(s) of data involved in the incident. While not considered notice-triggering under the law, a Social Security number alone is useful in committing identity theft, and if there is evidence that this information was the specific target of attack by a known identity theft fraud ring, the likelihood of harm would be considered greater than if this same information had been inadvertently exposed or acquired.
- 4. Ability of the Agency to Mitigate the Risk of Harm to Individuals. Within an information system, the risk of harm will depend on how the agency is able to mitigate further compromise of the system(s) and/or information affected by a breach. In addition to containing the breach, appropriate countermeasures, such as monitoring system(s) for misuse of the personal information and patterns of suspicious behavior, should be taken. For example, if the information relates to disability beneficiaries, monitoring a beneficiary database for requests for change of address may signal fraudulent activity.

The ability of an agency or other affected entities to monitor for and prevent attempts to misuse the compromised information is a factor in determining the risk of harm, particularly the harms associated with identity theft. Such mitigation may not prevent the use of personal information for identity theft, but it can limit the associated harm. Some harm may be more difficult to mitigate than others, particularly where the potential injury is more individualized and may be difficult to determine.

Where practical, the agency should exhaust its ability to mitigate any risk of harm, and provide timely instruction and guidance in the notice to affected individuals about steps they can take to protect themselves.

- 5. Ability of the Notified Individuals to Mitigate the Risk of Harm to Themselves. Notification should be designed to afford affected individuals an opportunity to mitigate their risk. For example, in the case where the name and home address of a victim of abuse has been compromised, the individual may, in order to mitigate their risk, choose to move or to affect a greater situational awareness.

In some cases, the apology and assurance of corrective action, addressed through notification, may serve as a satisfactory remedy for those individuals who have been impacted, or potentially impacted, by the breach.

On the other hand, agencies/state entities should bear in mind that notification, when there is little or no risk of harm might create unnecessary concern and confusion.

Additionally, under circumstances where notification could increase the risk of harm, the prudent course of action is not to notify.

#### K. Other Actions That Agencies/State Entities Can Take to Mitigate Harm to Individuals

In addition to notifying affected individuals, it may be necessary for an agency to take other actions to mitigate the risk of harm. For example, if the breach involves government credit cards, the agency should notify the issuing bank promptly; or, if the breach is likely to lead to benefit fraud (e.g., Medi-Cal, Unemployment Insurance, etc.), the agency should notify the benefit agency, so that they can take appropriate actions, such as flagging accounts associated with the affected individuals.

### VI. OTHER CONSIDERATIONS

Outside of the legal and policy requirements discussed earlier there are two other steps an agency may consider to mitigate the effects of a breach on the agency and the individuals. The first is advanced notification to the media and the second is credit monitoring services. These are discussed in more detail below.

#### A. Advance Notification to the Media

Though not required, in breaches likely to receive greater attention, an agency may consider providing advance notification to the media as notifications are mailed to individuals. This allows the agency to present the facts of the story first, rather than trying to correct inaccurate or incomplete news stories after they are published. Advance notification to the media also demonstrates openness and can promote good ongoing communications with reporters. In addition, providing accurate information through the news media is another way to reach those affected and to explain what steps they can take to protect themselves.

As mentioned above, the timing of any notification to media or individuals is critical. The agency must ensure it is prepared to handle follow-on inquiries and is appropriate given the circumstances. In some cases, it may be more prudent not to notify news media at the same time notification is made to affected individuals. For example, an individual who has stolen a password-protected laptop in order to resell it may be completely unaware of the nature and value of the information the laptop contains, and may wipe the laptop clean before selling it. In such a case, public announcement may actually alert a thief to what he possesses, increasing the risk that the information will be misused, and it would be wise to delay media notification at least until affected individuals have received notice and had time to take defensive action.

#### B. Credit Monitoring Services

The offer of credit monitoring services can provide an additional measure of protection for individuals affected by a breach - especially where the compromised information presents a risk of new accounts being opened. However, this involves agency expense and the services are only useful in cases where there has been a breach of Social Security number, California Driver's License, or California Identification Card number.

Credit monitoring is not helpful for breaches of account numbers only. When a "free" mitigation product is offered, be sure that the individuals are not automatically enrolled for a renewal at their own cost.

**Credit monitoring is a commercial service that cannot prevent or guarantee that identity theft will not occur; however, it can assist individuals in early detection of instances of new-account identity theft, thereby allowing them to take steps to minimize the harm. Typically, the service notifies individuals of activities on their credit files, such as creation of a new account or inquiries to the file. Consult the [Consumer Federation of America](#) consumer resource publications “Best Practices for Identity Theft Services” and “Best Practices for Identity Theft Services: How Are Services Measuring Up?”.**

## VII. NOTIFYING OTHERS WHEN REQUIRED

### A. Notifying the Attorney General

California law requires a business or state agency to notify any California resident whose unencrypted personal information, as defined, was acquired, or reasonably believed to have been acquired, by an unauthorized person. [Civil Code section 1798.29 (a) and [Civil Code Section 1798.82 \(a\)](#)].

Any person or business that is required to issue a security breach notification to more than 500 California residents as a result of a single breach of the security system shall electronically submit a single sample copy of that security breach notification, excluding any personally identifiable information, to the Attorney General. [[Civil Code Section 1798.29\(e\)](#) and [Civil Code section 1798.82\(f\)](#)]

Use the Attorney General’s online form to submit a sample of the security breach notification at: <http://oag.ca.gov/ecrime/databreach/reporting>.

### B. Notifying Credit Reporting Agencies

Sending breach notification letters involving a breach of Social Security numbers or Driver’s License/California ID numbers can result in a large volume of calls to consumer credit reporting agencies, affecting their ability to respond efficiently. Be sure to contact these agencies before you send out notices in cases involving a large number of individuals - 10,000 or more. Note that this step is not relevant for breaches of a single account number or of medical or health insurance information alone. Make arrangements with the credit reporting agencies during your preparations for giving notice, without delaying the notice for this reason. You may contact the credit reporting agencies as follows:

- Experian: Send an e-mail to [BusinessRecordsVictimAssistance@Experian.com](mailto:BusinessRecordsVictimAssistance@Experian.com).
- Equifax: Send an e-mail to [businessrecordsecurity@equifax.com](mailto:businessrecordsecurity@equifax.com).
- TransUnion: Send an e-mail to [fvad@transunion.com](mailto:fvad@transunion.com), with “Database Compromise” as the subject.

## VIII. QUESTIONS

Questions regarding this requirement may be sent to:

California Department of Technology  
Office of Information Security  
[Security@state.ca.gov](mailto:Security@state.ca.gov)

## IX. APPENDICES

To assist the agency with responding to a breach and drafting a breach notice the following breach response checklist, and the sample breach notices and the corresponding document enclosure has been provided as appendices herein.

**Note: If a breach involves more than one type of notice-triggering information, the notice should use language from all the relevant sample notices. Further, when deceased person's or minor children's personal information is involved, special content and recommended actions are necessary for inclusion in the notification. Consult OIS in these cases.**

**Appendix A:** Breach Response and Notification Assessment Checklist

**Appendix B:** Sample Breach Notice - Social Security Number

**Appendix C:** Sample Breach Notice - Driver's License Number, or California

Identification Card Number, Tax Identification Number, Passport Number, Military

Identification Number, or other unique identification number issued on a government

document commonly used to verify the identity of a specific individual.

**Appendix D:** Sample Breach Notice – Debit or Credit Card or Financial Account

Number

**Appendix E:** Sample Breach Notice - Medical Information

**Appendix F:** Sample Breach Notice - Health Insurance Information

**Appendix G:** Sample Breach Notice – Unique Biometric Data

**Appendix H:** Sample Breach Notice – Hybrid (SSN and Health Information)

**Appendix I:** Sample Breach Notice – Automated License Plate Recognition System

**Appendix J:** Sample Breach Notice – Genetic Data

**Appendix K:** Sample Breach Notice – User Name or E-mail Address

**Appendix L:** [Breach Help –Consumer Tips Enclosure \(English\)](#)

**Appendix M:** [Breach Help –Consumer Tips Enclosure \(Spanish\)](#)



## Appendix A - Breach Response and Notification Assessment Checklist

Breach Response Requirement or Element	SIMM 5340-C Reference	Yes	No	Notes/Comments
<b>1. Assemble State Entity Response Team</b>	p. 5			
1.1. Escalation Manager/Team Lead	p. 5			
1.2. Program Manager (office experiencing the breach)	p. 5			
1.3. Information Security Officer	p. 5			
1.4. Chief Privacy Officer or Coordinator	p. 5			
1.5. Public Information Officer or Communications Officer	p. 5			
1.6. Legal Counsel	p. 5			
1.7. Other	p. 5			
1.8. Chief Information Officer or Technology Specialist	p. 5			
1.9. Personnel Office or Human Resources Manager	p. 5			
<b>2. Escalation/Internal Reporting</b>	p. 5			
2.1. Deputy Director	p. 5			
2.2. Director	p. 5			
2.3. Agency Secretary	p. 5			
2.4. Governor's Office	p. 5			
<b>3. Is an impact assessment/coordination meeting necessary?</b>	p. 5			
3.1. Agency Response Team Members to Attend	p. 5			
3.2. OIS Response Team Member to Attend	p. 5			
3.3. CCIU Response Team Members to Attend	p. 5			
3.4. Sign in Sheet / Attendee roster needed	p. 5			
3.5. Non-disclosure agreement forms needed	p. 5			
<b>4. Security Incident Reporting</b>	p. 5			
4.1. Reported through Cal-CSIRS	p. 5			
4.2. Respond to CHP CCIU response inquiry	p. 5			
4.3. Respond to OIS response inquiry	p. 5			
4.4. Update follow-up report (SIMM 5340-B) through Cal-CSIRS	p.6			
<b>5. Is breach notification required by law (<a href="#">Civil Code Section 1798.29</a>)?</b>	p. 7			
5.1. Was computerized data owned or licensed by the agency involved?	p. 7			

## Appendix A - Breach Response and Notification Assessment Checklist

Breach Response Requirement or Element	SIMM 5340-C Reference	Yes	No	Notes/Comments
5.2. Was a computer system, equipment, or peripheral storage device (capable of containing computer data) involved?	p. 7			
5.3. Were notice-triggering data elements involved?				
5.3.1. First name or first initial and the individual's last name, and one or more of the following:	p. 7			
5.3.2. Social Security number.	p. 7			
5.3.3. Driver's License number or California Identification Card number, tax identification number, passport number, military identification number, or other unique identification number issued on a government document commonly used to verify the identity of a specific individual.	p. 7			
5.3.4. Account number or credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account.	p. 7			
5.3.5. Medical information (as defined in <a href="#">Civil Code Section 1798.29</a> ).	p. 7			
5.3.6. Health insurance information (as defined in <a href="#">Civil Code Section 1798.29</a> ).	p. 7			
5.3.7 Unique biometric data generated from measurements or technical analysis of human body characteristics, such as fingerprint, retina, or iris image, used to authenticate a specific individual. Unique biometric data does not include a physical or digital photograph, unless used or stored for facial recognition purposes (as defined in Civil Code Section 1798.29).	p. 7			
5.3.8 Automated License Plate Recognition (ALPR) System information (as defined in <a href="#">Civil Code Section 1798.90.5</a> ).	p. 7			
5.3.9 Genetic data (as defined in Civil Code Section 1798.29)	p. 7			
5.3.10 A user name or e-mail address, in combination with a password or security question and answer that would permit access to an online account.	p. 8			
5.4. Were the notice-triggering data elements encrypted?	p. 8			
5.4.1. Was the encryption product used, a <a href="#">FIPS -140</a> validated or <a href="#">NIST</a> certified cryptographic module?	p. 8			

5.5. Were notice triggering data elements acquired, or reasonably believed to have been acquired by an unauthorized person? <i>(Examples only-list is not limited to these)</i> :	p. 8			
Breach Response Requirement or Element	SIMM 5340-C Reference	Yes	No	Notes/Comments
5.5.1. The system, equipment, or information is in the physical possession and control of an unauthorized person, such as a lost or stolen computer or other devices that have the capability of containing information.	p. 8			
5.5.2. The information has been downloaded or copied (e.g., any evidence that download or copy activity has occurred).	p. 8			
5.5.3. The attacker deleted security logs or otherwise "covered their tracks".	p. 8			
5.5.4. The duration of exposure in relation to maintenance of system logs or in cases of an inadvertent or unauthorized Web site posting.	p. 8			
5.5.5. The attack vector used is known to seek and collect personal information.	p. 8			
5.5.6. The information was used by an unauthorized person, such as instances of identity theft reported or fraudulent accounts opened.	p. 8			
<b>6. Is breach notification required by Information Technology policy</b>	p. 9			
6.1. Was data, of any media type or format (e.g., paper, cassette tape), owned or licensed by the agency involved?	p. 9			
6.2. Were notice-triggering data elements involved?	p. 9			
6.2.1. First name or first initial and the individual's last name, and one or more of the following:	p. 9			
6.2.2. Social Security number.	p. 9			
6.2.3. Driver's License number or California Identification Card number, tax identification number, passport number, military identification number, or other unique identification number issued on a government document commonly used to verify the identity of a specific individual.	p. 9			
6.2.4. Account number or credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account.	p. 9			
6.2.5. Medical information (as defined in <a href="#">Civil Code Section 1798.29</a> )	p. 9			

6.2.6. Health insurance information (as defined in <a href="#">Civil Code Section 1798.29</a> )	p. 9			
6.2.7 Unique biometric data generated from measurements or technical analysis of human body characteristics, such as fingerprint, retina, or iris image, used to authenticate a specific individual. Unique biometric data does not include a physical or digital photograph, unless used or stored for facial recognition purposes.	p. 9			
6.2.8 Automated License Plate Recognition (ALPR) System information (as defined in <a href="#">Civil Code Section 1798.90.5</a> ).	p. 9			
6.2.9 Genetic Data (as defined in <a href="#">Civil Code Section 1798.29</a> )	p. 9			
6.2.10 A user name or e-mail address, in combination with a password or security question and answer that would permit access to an online account.	p. 9			
6.3. Were the notice-triggering data elements acquired, or reasonably believed to have been acquired? <b>(Examples only-list is not limited to these):</b>	p.9			
6.3.1. The information is in the physical possession and control of an unauthorized person, such as a misdirected, lost, or stolen hardcopy document, or file containing notice-triggering information.	p.9			
6.3.2. The information has been viewed, acquired, or copied by an unauthorized person, or a person exceeding the limits of their authorized access.	p.10			
6.3.3. The information has been shared by an unauthorized person or was used by an unauthorized person, such as instances of sharing the personal information with the media or tabloids, or identity theft reported or fraudulent accounts opened.	p.10			
<b>7. Timeliness of Notification</b>	p.10			
7.1. Notification can be sent within ten (10) days from the date data acquisition has been determined.	p.10			
7.2. Notification may be delayed due to legitimate needs of law enforcement.	p.10			
7.3. Notification may be delayed to determine scope of breach.	p.10			
7.4. Notification may be delayed to restore system to reasonable integrity.	p.10			
7.5. Delay will or may exacerbate the risk of harm to individuals.	p.10			

7.6. Agency head (or the senior-level individual designated in writing by the agency head as having authority to act on his/her behalf) has authorized the delay of notification.	p.10			
<b>8. Source of Notification</b>	p. 10			
<b>Breach Response Requirement or Element</b>	<b>SIMM 5340-C Reference</b>	<b>Yes</b>	<b>No</b>	<b>Notes/Comments</b>
8.1. Agency head (or the senior-level individual designated in writing by the agency head as having authority to act on his/her behalf) will sign the notice.	p. 10			
8.2. The notice is addressed by the entity in which the recipient has a relationship.	p. 10			
8.3. The notice is addressed by an entity in which the recipient has no direct relationship, but the relationship is explained sufficiently in the notice.	p. 10			
<b>9. Format of Notice</b>	p. 11			
9.1. The notice shall be designed to call attention to the nature and significance of the information it contains, and shall be formatted on official letterhead to include:	p. 11			
9.1.1. No smaller than 10-point Ariel font type;	p. 11			
9.1.2. A title "Notice of Data Breach"; and	p. 11			
9.1.3. Contain at a minimum the following headings: <ul style="list-style-type: none"> <li>• "What Happened";</li> <li>• What Information Was Involved";</li> <li>• "What We Are Doing";</li> <li>• "What You Can Do";</li> <li>• "Other Important Information"; and</li> <li>• "For More Information ".</li> </ul>	p. 11			
<b>10. Content of Notice</b>	p. 11			
10.1. The notice leverages the sample notifications provided by OIS.	Appendices B-I			
10.2. The notice is clear and concise.	p. 11			
10.3. The notice uses easy-to-understand language and does not include technical jargon.	p. 11			
10.4. The notice includes a general description of what happened; including the date of breach if known, or estimated date or date range within which the breach occurred.	p. 11			
10.5. The notice specifically identifies the data elements involved.	p. 11			
10.6. The notice includes the steps the individual can/should take to protect themselves from harm (if any).	p. 12			
10.7. The notice includes an apology.	p. 12			

10.8. The notice includes information about what the agency has done or is doing to investigate the breach, mitigate the losses, and protect against any further breaches.	p. 12			
<b>Breach Response Requirement or Element</b>	<b>SIMM 5340-C Reference</b>	<b>Yes</b>	<b>No</b>	<b>Notes/Comments</b>
10.9. The notice includes the name and contact information of an individual contact(s) at the agency with the ability to provide more information about the breach to the affected individuals.	p. 12			
10.10. The notice provides a toll-free number for the agency contact, physical address, e-mail address, and postal address if available. If the agency does not have a toll-free number a local number for the contact is provided.	p. 12			
10.11. The agency has knowledge that affected individuals are not English speaking and has prepared notices in the appropriate languages.	p. 12			
10.12. The agency has given consideration in providing the notification to individuals who are visually or hearing impaired (e.g., establishing a TDD or posting a large-type notice).	p. 12			
<b>11. Approval of the Notice</b>	p. 12			
11.1. Draft notice submitted to OIS for review and approval prior to their release:	p. 12			
11.1.1. Communicated with an OIS security representative by telephone contact, prior to submission.	p. 12			
11.1.2. Submitted breach notification into Cal-CSIRS, selecting "Breach Notification for Review" as the type.	p. 12			
11.1.3. Have allowed at least one full business day for OIS review.	p. 12			
11.2. Final notice submitted to OIS and includes required information.	p. 13			
11.3. The agency has notified and/or sought prior approval for release of notice or the use of reference from other public and private sector agencies that may be impacted by the breach or play a role in mitigating the potential harms (e.g., credit reporting agencies, etc.).	p. 13			
<b>12. Method of Notification</b>	p. 13			
12.1. First-class mail notification will be made.	p. 13			
12.1.1. Addressed to the named individual.	p. 13			
12.1.2. Mailed to the last known address.	p. 13			
12.1.3. Mailed separately from other letters and notices.	p. 13			

12.1.4. Labeled on the outside of the envelope to alert recipient to the importance of its contents (e.g., "Important Information Enclosed"), and as to reduce the possibility that it may be mistaken for advertising mail.	p. 13			
<b>Breach Response Requirement or Element</b>	<b>SIMM 5340-C Reference</b>	<b>Yes</b>	<b>No</b>	<b>Notes/Comments</b>
12.1.5. Includes sender or return address information. Special caveats noted here.	p. 13			
12.2. Telephone notification will be made with a concurrent follow-up written by first-class mail.	p. 14			
12.3. E-mail notification will be made as the following criteria are met:	p.14			
12.3.1. Individual has provided agency with an e-mail address.	p.14			
12.3.2. Individual has provided written consent to use e-mail as the primary means of communication.	p.14			
12.3.4. E-mail notification is consistent with the provisions regarding electronic records and signatures set forth in the Federal Electronics Signatures Act (15 U.S. Code 7001).	p.14			
12.4. Substitute notification will be made as the following criteria are met:	p. 14			
12.4.1. Agency has demonstrated that more than 500,000 individuals were affected; or the cost of providing notification would exceed \$250,000; or the agency does not have adequate contact information on those affected (no known mailing address is available).	p. 14			
12.4.2. Substitute notification, as required, will include the following collectively: 1) Conspicuous posting on the agency website; 2) Notification to statewide media; and 3) E-mail notification when the agency has an e-mail address to individuals. Here, the requirements of the Federal Electronics Signatures Act <b>do not</b> need to be met.	p 14			
12.4.3. Web posting will be made on homepage or a conspicuous link from the homepage.	p.14			
12.4.4. Web posting will also include a link to FAQs.	p.14			
12.4.5. Information in press release will not impede or compromise the investigation or pose other security risks.	p.15			
12.5. Agency has elected to issue press release, as well as first-class notification due to the number of individuals affected.	p.15			

12.5.1. Information in press release will not impede or compromise the investigation or pose other security risks.	p.15			
<b>13. Preparation for Follow-on Inquiries from Noticed Individuals</b>	p.15			
<b>Breach Response Requirement or Element</b>	<b>SIMM 5340-C Reference</b>	<b>Yes</b>	<b>No</b>	<b>Notes/Comments</b>
13.1. The agency's public intake areas have been alerted and trained as appropriate to properly direct telephone and in-person inquiries about the breach.	p.15			
13.1.1. Inquiries from the press are to be directed to:	p. 15			
13.1.2. Inquiries from individuals receiving the notice and needing more information are directed to:	p. 15			
13.2. The agency has provisioned for a toll-free call center, staffed with trained personnel.	p. 15			
13.3. The agency has provisioned for documented scripts, and answers to anticipated and frequently asked questions.	p. 15			
13.4. The agency has provisioned for a complaint resolution and/or escalation process.	p. 15			
13.5. The agency has provided early warning and information about the timing of notification to all counterparts, so that they are prepared for the potential surge in inquiries (e.g., credit reporting agencies, etc.).	p. 15			
<b>14. Other Situations When Breach Notification Should be Considered</b>	p. 16			
14.1. The agency has considered the nature of any non-notice triggering personal information involved in this breach and the potential harms it poses or may pose to affected individuals.	p. 16			
14.1.1 The agency has determined the nature of the information does potentially pose one or more of the following potential harms <i>(Examples only-list is not limited to these):</i>	p. 16			
14.1.1.1. Harm to reputation.	p. 16			
14.1.1.2. Potential for harassment.	p. 16			
14.1.1.3. Potential for prejudice, particularly when health or financial benefits information is involved.	p. 16			
14.1.1.4. Financial loss.	p. 16			
14.1.1.5. Embarrassment.	p. 16			
14.1.1.6 Legal problems.	p. 16-18			
14.2. The agency has considered the likelihood that the information has been acquired, or is accessible and usable.	p. 16			



14.2.1. The agency has determined it is known or highly likely the information has been acquired and has the potential for misuse by unauthorized persons due to the following ( <i>examples only-list is not limited to these</i> ):	p. 16			
14.2.1.1. The information was not encrypted.	p. 16			
<b>Breach Response Requirement or Element</b>	<b>SIMM 5340-C Reference</b>	<b>Yes</b>	<b>No</b>	<b>Notes/Comments</b>
14.3.1.2. The list was posted on the Internet for an extended period of time.	p. 16			
14.2.1.3. The encryption product used was not a <a href="#">NIST</a> certified cryptographic module or <a href="#">FIPS-142</a> validated product.	p. 17			
14.3. The agency determined there is a likelihood that the breach may lead to harm due to the following ( <i>examples only-list is not limited to these</i> ):	p. 17			
14.3.1. breach of confidentiality or fiduciary responsibility;	p. 17			
14.3.2. disclosure of address for victims of stalking or abuse; or persons in high risk professions;	p. 17			
14.3.3. legal problems;	p. 17			
14.3.4. harm to reputation;	p. 17			
14.3.5. financial loss;	p. 17			
14.3.6. disclosure of private facts and unwanted exposure; potential for secondary uses of the information which could result in fear or uncertainty;	p. 17			
14.3.7. potential for harassment, blackmail, or prejudice;	p. 17			
14.3.8. the social security number alone can lead to identity theft.	p. 17			
14.4. The ability of the agency to mitigate the risk of harm to individuals.	p.17			
14.4.1. The agency can mitigate further compromise of the system.	p.17			
14.4.2. The agency can monitor systems for misuse of the personal information and patterns of suspicious behavior.	p.17			
14.4.3. The agency has exhausted its ability to mitigate any further risk of harm.	p.18			
14.4.4. The apology and assurance of corrective action may serve as a satisfactory remedy those impacted.	p.18			
14.5. The ability of the noticed individual to mitigate the risk to themselves following notification.	p.18			
<b>15. Other Actions Agencies Can Take to Mitigate Harm</b>	p.18			
15.1. The agency has notified financial institutions if state payroll or bank account information was involved.	p.18			

15.2. The agency has notified other agencies about the potential for benefit fraud as applicable (e.g., disability, unemployment, Medi-Cal)	p.18			
<b>16. Other Considerations When State Employee Data Is Involved</b>				
<b>Breach Response Requirement or Element</b>	<b>SIMM 5340-C Reference</b>	<b>Yes</b>	<b>No</b>	<b>Notes/Comments</b>
16.1. Agency has treated affected employees with the same care and concern as any other individual affected by breach.	p.18			
16.2. Agency has considered other early warning and notification methods to augment the first-class mail notification (e.g., such as e-mail, Intranet posting, town hall meetings).	p.18			
16.3. Agency has notified managers and supervisors of the affected employees and adequately prepared them to answer questions from employees.	p.18			
16.4. Agency has considered notifying represented employee organizations as may be appropriate.	p.18			
16.5. Agency has considered the use of town hall meetings to respond to employee questions and concerns following notification.	p.18			
<b>17. Other Considerations From a Public Relations Perspective</b>	p.18			
17.1. The agency has considered advanced notification to the media.	p. 18			
17.2. The agency has considered acquiring credit monitoring services for the affected individuals. Note: This should only be considered when the incident involves Social Security number.	p. 19			
<b>18. Notifying Others When Required</b>	p. 19			
18.1. Notifying the California Attorney General and uploading a redacted copy of the notification to their website when the incident requires notification to 500 or more individuals.	p. 19			
18.2. Notifying the Credit Reporting Agencies when notification is made to 10,000 or more individuals.	p. 20			

## APPENDIX B: Sample Breach Notice: Social Security Number

[Agency Letterhead]

[Date]

[Addressee]

[Mailing Address]

[City] [State] [Zip Code]

[Salutation]

### Subject: NOTICE OF DATA BREACH

<b>What Happened?</b>	<p><i>[Describe what happened in general terms, see example below]</i></p> <p>We are writing to you because of a recent security incident that occurred on <i>[date of incident]</i> at <i>[name of organization]</i>. An employee inadvertently e-mailed a document containing your personal information to the wrong person.</p>
<b>What Information Was Involved?</b>	<p><i>[Describe what specific notice-triggering data element(s) were involved, see example below]</i></p> <p>The document contained your first and last name, along with your social security number.</p>
<b>What We Are Doing:</b>	<p><i>[Note apology and describe what steps your agency is taking, has taken, or will take, to investigate the breach, mitigate any losses, and protect against any further breaches, see example below]</i></p> <p>We regret that this incident occurred and want to assure you that we are reviewing and revising our procedures and practices to minimize the risk of recurrence.</p>
<b>What You Can Do:</b>	<p>To protect yourself from the possibility of identity theft, we recommend that you place a fraud alert on your credit files by following the recommended privacy protection steps outlined in the enclosure “Breach Help –Consumer Tips from the California Attorney General”.</p>
<b>Other Important Information:</b>	<p>Enclosure “Breach Help –Consumer Tips from the California Attorney General”</p>
<b>For More Information:</b>	<p>For more information on identity theft, you may visit the Web site of the California Department of Justice, Privacy Enforcement and Protection at <a href="http://www.oag.ca.gov/privacy">www.oag.ca.gov/privacy</a></p>
<b>Agency Contact:</b>	<p>Should you need any further information about this incident, please contact <i>[name of the designated agency official or agency unit handling inquiries]</i> at <i>[toll-free phone number]</i>.</p>

\_\_\_\_\_  
[Signature of State Entity Head or Delegate]

\_\_\_\_\_  
[Title]

**APPENDIX C: Sample Breach Notice: Driver's License Number or California Identification Card Number, tax identification number, passport number, military identification number, or other unique identification number issued on a government document commonly used to verify the identity of a specific individual.**

[Agency Letterhead]

[Date]

[Addressee]

[Mailing Address]

[City] [State] [Zip Code]

[Salutation]

**Subject: NOTICE OF DATA BREACH**

<b>What Happened?</b>	<i>[Describe what happened in general terms, see example below]</i>  We are writing to you because of a recent security incident that occurred on [date of incident] at [name of organization]. An employee inadvertently e-mailed a document containing your personal information to the wrong person.
<b>What Information Was Involved?</b>	<i>[Describe what specific notice-triggering data element(s) were involved, see example below]</i>  The document contained your first and last name, along with your driver's license number.
<b>What We Are Doing:</b>	<i>[Note apology and describe what steps your agency is taking, has taken, or will take, to investigate the breach, mitigate any losses, and protect against any further breaches, see example below]</i>  We regret that this incident occurred and want to assure you that we are reviewing and revising our procedures and practices to minimize the risk of recurrence.
<b>What You Can Do:</b>	To protect yourself from the possibility of identity theft, we recommend that you place a fraud alert on your credit files by following the recommended privacy protection steps outlined in the enclosure "Breach Help –Consumer Tips from the California Attorney General".
<b>Other Important Information:</b>	Enclosure "Breach Help –Consumer Tips from the California Attorney General"
<b>For More Information:</b>	For more information on identity theft, you may visit the Web site of the California Department of Justice, Privacy Enforcement and Protection at <a href="http://www.oag.ca.gov/privacy">www.oag.ca.gov/privacy</a> .
<b>Agency Contact:</b>	Should you need any further information about this incident, please contact [name of the designated agency official or agency unit handling inquiries] at [toll-free phone number].

\_\_\_\_\_  
[Signature of State Entity Head or Delegate]

\_\_\_\_\_  
[Title]

## APPENDIX D: Sample Breach Notice: Debit or Credit Card or Financial Account Number

[Agency Letterhead]

[Date]

[Addressee]

[Mailing Address]

[City] [State] [Zip Code]

[Salutation]

### Subject: NOTICE OF DATA BREACH

<b>What Happened?</b>	<p><i>[Describe what happened in general terms, see example below]</i></p> <p>We are writing to you because of a recent security incident that occurred on [date of incident] at [name of organization]. An employee inadvertently e-mailed a document containing your personal information to the wrong person.</p>
<b>What Information Was Involved?</b>	<p><i>[Describe what specific notice-triggering data element(s) were involved, see example below]</i></p> <p>The document contained your first and last name, along with your bank account number.</p>
<b>What We Are Doing:</b>	<p><i>[Note apology and describe what steps your agency is taking, has taken, or will take, to investigate the breach, mitigate any losses, and protect against any further breaches, see example below]</i></p> <p>We regret that this incident occurred and want to assure you that we are reviewing and revising our procedures and practices to minimize the risk of recurrence.</p>
<b>What You Can Do:</b>	<p>To help prevent unauthorized access and fraudulent activity on this account, we recommend that you immediately contact [the credit card or financial account issuer] and close your account. Tell them that your account may have been compromised, and ask that they report it as "closed at customer request."</p> <p>If you want to open a new account, ask your account issuer to give you a PIN or password associated with the new account. This will help control access to the account.</p>
<b>Other Important Information:</b>	Enclosure "Breach Help –Consumer Tips from the California Attorney General"
<b>For More Information:</b>	For more information on identity theft, you may visit the Web site of the California Department of Justice, Privacy Enforcement and Protection at <a href="http://www.oag.ca.gov/privacy">www.oag.ca.gov/privacy</a> .
<b>Agency Contact:</b>	Should you need any further information about this incident, please contact [name of the designated agency official or agency unit handling inquiries] at [toll-free phone number].

\_\_\_\_\_  
[Signature of State Entity Head or Delegate]

\_\_\_\_\_  
[Title]

## APPENDIX E: Sample Breach Notice: Medical Information Only

[Agency Letterhead]

[Date]

[Addressee]

[Mailing Address]

[City] [State] [Zip Code]

[Salutation]

### Subject: NOTICE OF DATA BREACH

<b>What Happened?</b>	<p>[Describe what happened in general terms, see example below]</p> <p>We are writing to you because of a recent security incident that occurred on [date of incident] at [name of organization]. An employee inadvertently e-mailed a document containing your personal information to the wrong person.</p>
<b>What Information Was Involved?</b>	<p>[Describe what specific notice-triggering data element(s) were involved, see example below]<sup>1</sup></p> <p>Please note, the information was limited to [specify, (e.g., your name and medical treatment)] and did not contain any other information, such as Social Security number, Driver's License number, or financial account numbers which could expose you to identity theft. Nonetheless, we felt it necessary to inform you since your medical information [or medical history, medical condition, or medical treatment or diagnosis] was involved.</p>
<b>What We Are Doing:</b>	<p>[Note apology and describe what steps your agency is taking, has taken, or will take, to investigate the breach, mitigate any losses, and protect against any further breaches, see example below]</p> <p>We regret that this incident occurred and want to assure you that we are reviewing and revising our procedures and practices to minimize the risk of recurrence.</p>
<b>What You Can Do:</b>	<p>Keep a copy of this notice for your records in case of future problems with your medical records. You may also want to request a copy of your medical records from your [provider or plan], to serve as a baseline.</p>
<b>Other Important Information:</b>	<p>Enclosure "Breach Help –Consumer Tips from the California Attorney General"</p>
<b>For More Information:</b>	<p>For information about your medical privacy rights, you may visit the website of the California Department of Justice, Privacy Enforcement and Protection at <a href="http://www.oag.ca.gov/privacy">www.oag.ca.gov/privacy</a>.</p>
<b>Agency Contact:</b>	<p>Should you need any further information about this incident, please contact [name of the designated agency official or agency unit handling inquiries] at [toll-free phone number].</p>

[Signature of State Entity Head or Delegate]

[Title]

<sup>1</sup> Additional language will be necessary if other notice triggering information was involved. If the breach does not involve Social Security number, driver's license/California Identification Card, or financial account numbers, say so and refer to the following language.

## APPENDIX F: Sample Breach Notice: Health Insurance Information Only

[Agency Letterhead]

[Date]

[Addressee]

[Mailing Address]

[City] [State] [Zip Code]

[Salutation]

### Subject: NOTICE OF DATA BREACH

<b>What Happened?</b>	<p>[Describe what happened in general terms, see example below]</p> <p>We are writing to you because of a recent security incident that occurred on [date of incident] at [name of organization]. An employee inadvertently e-mailed a document containing your personal information to the wrong person.</p>
<b>What Information Was Involved?</b>	<p>[Describe what specific notice-triggering data element(s) were involved, see example below]<sup>1</sup></p> <p>Please note, the information was limited to [specify, (e.g., your name and health plan number)] and did not contain any other information, such as Social Security number, Driver's License number, or financial account numbers which could expose you to identity theft. Nonetheless, we felt it necessary to inform you since your health insurance information [or policy, plan number, or subscriber identification number] was involved.</p>
<b>What We Are Doing:</b>	<p>[Note apology and describe what steps your agency is taking, has taken, or will take, to investigate the breach, mitigate any losses, and protect against any further breaches, see example below]</p> <p>We regret that this incident occurred and want to assure you that we are reviewing and revising our procedures and practices to minimize the risk of recurrence.</p>
<b>What You Can Do:</b>	<p>Keep a copy of this notice for your records in case of future problems with your medical records. We also recommend that you regularly review the explanation of benefits statement that you receive from [us, your health insurance plan, or your health insurer]. If you see any service that you believe you did not receive, please contact [us, your health insurance plan, your health insurer] at the number on the statement [or provide a number here]. If you do not receive regular explanation of benefits statements, contact your provider or plan and ask them to send such statements following the provision of services provided in your name or under your plan number.</p>
<b>Other Important Information:</b>	<p>Enclosure "Breach Help –Consumer Tips from the California Attorney General"</p>
<b>For More Information:</b>	<p>For information about your medical privacy rights, you may visit the website of the California Department of Justice, Privacy Enforcement and Protection at <a href="http://www.oag.ca.gov/privacy">www.oag.ca.gov/privacy</a>.</p>
<b>Agency Contact:</b>	<p>Should you need any further information about this incident, please contact [name of the designated agency official or agency unit handling inquiries] at [toll-free phone number].</p>

[Signature of State Entity Head or Delegate]

[Title]

<sup>1</sup> Additional language will be necessary if other notice triggering information was involved. If the breach does not involve Social Security number, driver's license/California Identification Card, or financial account numbers, say so and refer to the following language.



## APPENDIX G: Sample Breach Notice: Unique Biometric Data

[Agency Letterhead]

[Date]

[Addressee] [Mailing Address]

[City] [State] [Zip Code]

[Salutation]

**Subject: NOTICE OF DATA BREACH**

<b>What Happened?</b>	<p><i>[Describe what happened in general terms, see example below]</i></p> <p>We are writing to you because of a recent security incident that occurred on <i>[date of incident]</i> at <i>[name of organization]</i>. ABC Solutions, Inc. is contracted with the Department of Emergency Management to support use of biometric data for customer access to its online Emergency Management systems. Unique biometric data is defined as generated from measurements or technical analysis of human body characteristics, such as fingerprint, retina, or iris image, used to authenticate a specific individual. Unique biometric data does not include a physical or digital photograph, unless used or stored for facial recognition purposes</p> <p>On October 12, 2019 an inadvertent system configuration error lead to a five-hour exposure of the biometric data maintained by ABC Solutions. The error was immediately corrected upon discovery.</p>
<b>What Information Was Involved?</b>	<p><i>[Describe what specific notice-triggering data element(s) were involved, see example below]<sup>1</sup></i></p> <p>Please note, the information was limited to <i>your account name and fingerprints</i> and did not contain any other information, such as Social Security number, Driver's License number, California Identification Card Number, tax identification number, passport number, military identification number, or other unique identification number issued on a government document, or financial account numbers which could expose you to identity theft. Nonetheless, we felt it necessary to inform you since your personal biometric data was involved.</p>
<b>What We Are Doing:</b>	<p><i>[Note apology and describe what steps your agency is taking, has taken, or will take, to investigate the breach, mitigate any losses, and protect against any further breaches, see example below]</i></p> <p>We regret that this incident occurred and want to assure you that we are reviewing and revising our procedures and practices to minimize the risk of recurrence.</p>
<b>What You Can Do:</b>	<p>If you use biometric data to access any accounts, we recommend you choose another form of authentication to protect against unauthorized access</p>
<b>Other Important Information:</b>	<p>Enclosure "Breach Help –Consumer Tips from the California Attorney General "</p>
<b>For More Information:</b>	<p>For information about your privacy rights, you may visit the website of the California Department of Justice, Privacy Enforcement and Protection at <a href="http://www.oag.ca.gov/policy">www.oag.ca.gov/policy</a></p>
<b>Agency Contact:</b>	<p>Should you need any further information about this incident, please contact <i>[name of the designated agency official or agency unit handling inquiries]</i> at <i>[toll-free phone number]</i>.</p>

[Signature of State Entity Head or Delegate] [Title]



## APPENDIX H: Sample Breach Notice: Hybrid (SSN and Health Information)

[Agency Letterhead]

[Date]

[Addressee]

[Mailing Address]

[City] [State] [Zip Code]

[Salutation]

### Subject: NOTICE OF DATA BREACH

<b>What Happened?</b>	<p>[Describe what happened in general terms, see example below]</p> <p>We are writing to you because of a recent security incident that occurred on [date of incident] at [name of organization]. An employee inadvertently e-mailed a document containing your personal information to the wrong person.</p>
<b>What Information Was Involved?</b>	<p>[Describe what specific notice-triggering data element(s) were involved, see example below]</p> <p>The document contained your [specify, (e.g., your name and health plan number)] along with your social security number.</p>
<b>What We Are Doing:</b>	<p>[Note apology and describe what steps your agency is taking, has taken, or will take, to investigate the breach, mitigate any losses, and protect against any further breaches, see example below]</p> <p>We regret that this incident occurred and want to assure you that we are reviewing and revising our procedures and practices to minimize the risk of recurrence.</p>
<b>What You Can Do:</b>	<p>Keep a copy of this notice for your records in case of future problems with your medical records. You may also want to request a copy of your medical records from your [provider or plan], to serve as a baseline.</p> <p>Because your Social Security number was involved, in order to protect yourself from the possibility of identity theft, we recommend that you place a fraud alert on your credit files and order copies of your credit reports by following the recommended privacy protection steps outlined in the enclosure. Check your credit reports for any accounts or medical bills that you do not recognize. If you find anything suspicious, follow the instructions found in step four of the enclosure.</p> <p>Since your health insurance information was also involved, we recommend that you regularly review the explanation of benefits statement that you receive from [name of health insurance provider]. If you see any service that you believe you did not receive, please contact us at the number on the statement [or provide a number here]. If you do not receive regular explanation of benefits statements, contact your provider or plan and ask them to send such statements following the provision of services provided in your name or under your plan number.</p>
<b>Other Important Information:</b>	Enclosure "Breach Help –Consumer Tips from the California Attorney General"
<b>For More Information:</b>	For more information about privacy protection steps and your medical privacy rights, you may visit the website of the California Department of Justice, Privacy Enforcement and Protection at <a href="http://www.oag.ca.gov/privacy">www.oag.ca.gov/privacy</a> .
<b>Agency Contact:</b>	Should you need any further information about this incident, please contact [name of the designated agency official or agency unit handling inquiries] at [toll-free phone number].

[Signature of State Entity Head or Delegate]

[Title]

## APPENDIX I: Sample Breach Notice: Automated License Plate Recognition System

[Agency Letterhead]

[Date]

[Addressee]

[Mailing Address]

[City] [State] [Zip Code]

[Salutation]

### Subject: NOTICE OF DATA BREACH

<b>What Happened?</b>	<p><i>[Describe what happened in general terms, see example below]</i></p> <p>We are writing to you because of a recent security incident that occurred on <i>[date of incident]</i> at <i>[XYZ Solutions, Inc.]</i>. XYZ Solutions, Inc. is an Automated License Plate Recognition (ALPR) system operator and maintains an ALPR system database used by many state and local law enforcement entities, including ours, to administer public safety and crime protection programs. We received notification on <i>[date notification received]</i> that an XYZ Solutions ALPR system database has been compromised.</p>
<b>What Information Was Involved?</b>	<p><i>[Describe what specific notice-triggering data element(s) were involved, see example below]</i></p> <p>Please note, the information involved was limited to your name, address, vehicle license plate number, and the vehicle's location and patterns of movement, if any, between <i>[month day, year and month day, year]</i>. This incident did not involve any other information, such as Social Security number, Driver's License number, or financial account numbers which could expose you to identity theft.</p>
<b>What We Are Doing:</b>	<p><i>[Note apology and describe what steps your agency is taking, has taken, or will take, to investigate the breach, mitigate any losses, and protect against any further breaches, see example below]</i></p> <p>We regret that this incident occurred and want to assure you that the incident is being investigated to determine and correct the cause, and to minimize the risk of recurrence.</p>
<b>What You Can Do:</b>	<p>Your privacy is of utmost concern to us. For more information about your privacy rights, you may visit the Web site of the California Department of Justice, Privacy Enforcement and Protection at <a href="http://www.oag.ca.gov/privacy">www.oag.ca.gov/privacy</a></p>
<b>Agency Contact:</b>	<p>Should you need any further information about this incident, please contact <i>[name of the designated agency official or agency unit handling inquiries]</i> at <i>[toll-free phone number]</i>.</p>

\_\_\_\_\_  
[Signature of State Entity Head or Delegate]

\_\_\_\_\_  
[Title]

## APPENDIX J: Sample Breach Notice: Genetic Data

[Agency Letterhead]

[Date]

[Addressee]

[Mailing Address]

[City] [State] [Zip Code]

[Salutation]

### Subject: NOTICE OF DATA BREACH

<b>What Happened?</b>	<p>[Describe what happened in general terms, see example below]</p> <p>We are writing to you because of a recent security incident that occurred on [date of incident] at [name of organization]. An employee inadvertently e-mailed a document containing your genetic data information to the wrong person. “Genetic data” means any data, regardless of its format, that results from the analysis of a biological sample of an individual, or from another source enabling equivalent information to be obtained, and concerns genetic material. Genetic material includes, but is not limited to, deoxyribonucleic acids (DNA), ribonucleic acids (RNA), genes, chromosomes, alleles, genomes, alterations or modifications to DNA or RNA, single nucleotide polymorphisms (SNPs), uninterpreted data that results from analysis of the biological sample or other source, and any information extrapolated, derived, or inferred therefrom.</p>
<b>What Information Was Involved?</b>	<p>[Describe what specific notice-triggering data element(s) were involved, see example below].</p> <p>Please note, the information was limited to genetic data only. This incident did not involve the compromise or access to any other information, such as Social Security number, Driver's License number, or financial account numbers which could expose you to identity theft.</p>
<b>What We Are Doing:</b>	<p>[Note apology and describe what steps your agency is taking, has taken, or will take, to investigate the breach, mitigate any losses, and protect against any further breaches, see example below]</p> <p>We regret that this incident occurred and want to assure you that the incident is being investigated to determine and correct the cause, and to minimize the risk of recurrence.</p>
<b>What You Can Do:</b>	<p>Your privacy is of utmost concern to us. For more information about your privacy rights, you may visit the Web site of the California Department of Justice, Privacy Enforcement and Protection at <a href="http://www.oag.ca.gov/privacy">www.oag.ca.gov/privacy</a></p>
<b>Other Important Information:</b>	<p>Enclosure “Breach Help –Consumer Tips from the California Attorney General”.</p>
<b>For More Information:</b>	<p>For more information about online protections, you may visit the Web site of the California Department of Justice, Privacy Enforcement and Protection at <a href="http://www.oag.ca.gov/privacy">www.oag.ca.gov/privacy</a></p>
<b>Agency Contact:</b>	<p>Should you need any further information about this incident, please contact [name of the designated agency official or agency unit handling inquiries] at [toll-free phone number].</p>

[Signature of State Entity Head or Delegate]

[Title]

**APPENDIX K: Sample Breach Notice: User Name or E-Mail Address***[Agency Letterhead]**[Date]**[Addressee]**[Mailing Address]**[City] [State] [Zip Code]**[Salutation]***Subject: NOTICE OF DATA BREACH**

<b>What Happened?</b>	<i>[Describe what happened in general terms, see example below]</i>  We are writing to you because of a recent security incident that occurred on <i>[date of incident]</i> at <i>[name of organization]</i> involving the Online Information Sharing Portal (OISP). Our security systems detected an abnormally large number of attempts to access OISP user accounts. The computer generated password guessing activity was designed to randomly guess user password combinations until account access is ultimately achieved. Further investigation revealed that some user account passwords were successfully guessed before the activity was detected and blocked.
<b>What Information Was Involved?</b>	<i>[Describe what specific notice-triggering data element(s) were involved, see example below].</i>  Please note, the information was limited to your user identification (email address), password and security questions for your OISP online account. This incident did not involve the compromise or access to any other information, such as Social Security number, Driver's License number, or financial account numbers which could expose you to identity theft. However, if you use the same user identification, password and or security question for any other online accounts those may be at risk.
<b>What We Are Doing:</b>	<i>[Note apology and describe what steps your agency is taking, has taken, or will take, to investigate the breach, mitigate any losses, and protect against any further breaches, see example below]</i>  We regret that this incident occurred and want to assure you that we have implemented additional security controls to minimize the risk associated with this occurrence and the risk of recurrence. These include prompting all system users to update their profile and reset their passwords and security questions, and implementing automated validation at password creation to ensure the use of unique, hard-to-guess passwords, and established limits on the number of failed attempts to access your account.
<b>What You Can Do:</b>	To protect against unauthorized access and use of your online account(s), we recommend, if you haven't already done so, that you immediately change your password and security questions. Choose a unique, hard-to-guess password for each of your online accounts and always look for and report unusual activity in your accounts. A hard-to-guess password contains at least eight characters and is a combination of upper and lower case letters, numbers and special characters.
<b>Other Important Information:</b>	Enclosure "Breach Help –Consumer Tips from the California Attorney General".
<b>For More Information:</b>	For more information about online protections, you may visit the Web site of the California Department of Justice, Privacy Enforcement and Protection at <a href="http://www.oag.ca.gov/privacy">www.oag.ca.gov/privacy</a>
<b>Agency Contact:</b>	Should you need any further information about this incident, please contact <i>[name of the designated agency official or agency unit handling inquiries]</i> at <i>[toll-free phone number]</i> .

*[Signature of State Entity Head or Delegate]**[Title]*



# Breach Help

## Consumer Tips from the California Attorney General

Consumer Information Sheet 17 • October 2014

You get a letter from a company, a government agency, a university, a hospital or other organization. The letter says your personal information may have been involved in a data breach. Or maybe you learn about a breach from a news report or company web site. Either way, a breach notice does not mean that you are a victim of identity theft or other harm, but you could be at risk.

The breach notice should tell you what specific types of personal information were involved. It may also tell you what the organization is doing in response. There are steps you can take to protect yourself. What to do depends on the type of personal information involved in the breach.

Note that credit monitoring, which is often offered by breached companies, alerts you *after* someone has applied for or opened new credit in your name. Credit monitoring can be helpful in the case of a Social Security number breach. It does not alert you to fraudulent activity on your existing credit or debit card account.

### **Credit or Debit Card Number**

The breach notice should tell you when and where the breach occurred. If you used your credit or debit card at the location during the given time, you can take steps to protect yourself.

#### **Credit Card**

1. Monitor your credit card account for suspicious transactions and report any to the card-issuing bank (or American Express or Discover). Ask the bank for online monitoring and alerts on the card account. This will give you early warning of any fraudulent transactions.
2. Consider cancelling your credit card if you see fraudulent transactions on it following the breach. You can dispute fraudulent

transactions on your credit card statement, and deduct them from the total due. Your liability for fraudulent transactions is limited to \$50 when you report them, and most banks have a zero-liability policy.<sup>1</sup>

3. If you do cancel your credit card, remember to contact any companies to which you make automatic payments on the card. Give them your new account number if you wish to transfer the payments.

#### **Debit Card**

1. Monitor your debit card account for suspicious transactions and report any to the card issuer. Ask the bank for online monitoring and alerts on the card account. This will give you early warning of any fraudulent transactions.

1



## APPENDIX L: Breach Help – Consumer Tips Enclosure (English), Cont.

2. Report any unauthorized transactions to your bank immediately to avoid liability. Your liability for fraudulent transactions is limited to \$50 if you report them within two days. Your bank may have a zero liability policy. But as time passes, your liability increases, up to the full amount of the transaction if you fail to report it within 60 days of its appearance on your bank statement.<sup>2</sup>
3. Consider cancelling your debit card. The card is connected to your bank account. Cancelling it is the safest way to protect yourself from the possibility of a stolen account number being used to withdraw money from your bank account. Even though it would likely be restored, you would not have access to the stolen money until after your bank has completed an investigation.

### Social Security Number

Here's what to do if the breach notice letter says your Social Security number was involved.

1. Contact the three credit bureaus. You can report the potential identity theft to all three of the major credit bureaus by calling any one of the toll-free fraud numbers below. You will reach an automated telephone system that allows you to flag your file with a fraud alert at all three bureaus. You will also be sent instructions on how to get a free copy of your report from each of the credit bureaus.

Experian	1-888-397-3742
Equifax	1-800-525-6285
TransUnion	1-800-680-7289

2. What it means to put a fraud alert on your credit file. A fraud alert helps protect you against the possibility of an identity thief opening new credit accounts in your name. When a merchant checks the credit history of someone applying for credit, the merchant gets a notice that there may be fraud on the account. This

alerts the merchant to take steps to verify the identity of the applicant. A fraud alert lasts 90 days and can be renewed. For information on a stronger protection, a security freeze, see *How to Freeze Your Credit Files* at [www.oag.ca.gov/privacy/info-sheets](http://www.oag.ca.gov/privacy/info-sheets).

3. Review your credit reports. Look through each one carefully. Look for accounts you don't recognize, especially accounts opened recently. Look in the inquiries section for names of creditors from whom you haven't requested credit. Some companies bill under names other than their store names. The credit bureau will be able to tell you when that is the case. You may find some inquiries identified as "promotional." These occur when a company has obtained your name and address from a credit bureau to send you an offer of credit. Promotional inquiries are not signs of fraud. (You are automatically removed from lists to receive unsolicited offers of this kind when you place a fraud alert.) Also, as a general precaution, look in the personal information section for any address listed for you where you've never lived.
4. If you find items you don't understand on your report, call the credit bureau at the number on the report. Credit bureau staff will review your report with you. If the information can't be explained, then you will need to contact the creditors involved and report the crime to your local police or sheriff's office.

### Password and User ID

In the case of an online account password breach, you may receive a notice by email or when you go to the log-on page for your account. Here are steps to take if you learn that your password and user ID or email address, or perhaps your security question and answer, were compromised.

2

## APPENDIX L: Breach Help – Consumer Tips Enclosure (English), Cont.

1. Change your password for the affected account. If you find that you are locked out of your account, contact the company's customer service or security department.
  2. If you use the same password for other accounts, change them too.
  3. If a security question and answer was involved, change it. Don't use questions based on information that is publicly available, such as your mother's maiden name, your pet's name or the name of your high school.
  4. Use different passwords for your online accounts. This is especially important for accounts that contain sensitive information, such as your medical or financial information. Consider accounts at online merchants where you may have your credit card number stored in the account.
  5. Create strong passwords. Longer is better—at least ten characters long and a mix of uppercase and lowercase letters, numerals, punctuation marks, and symbols. Don't use words found in a dictionary. You can base passwords on a phrase, song or book title.  
*Example:* "I love tropical sunsets" becomes 1luvtr0p1calSuns3ts!
  6. A password manager or password "safe" can help you create and manage many strong passwords. These software programs can run on your computer, your phone and other portable devices. You only have to remember one password (or passphrase) to open the safe. The Electronic Frontier Foundation ([www.eff.org](http://www.eff.org)) lists some free versions and computer magazines offer product reviews.
1. Call the bank, tell them about the breach and tell them you want to close your account. Find out what checks are outstanding. You may want to wait until they have cleared before closing the account. (Or you could write to each recipient, tell them about the breach, ask them not to process the old check and enclose a new check on your new account.)
  2. Open a new bank account. Tell the bank you want to use a new password for access to your new account. Do not use your mother's maiden name or the last four digits of your Social Security number. Ask your bank to notify the check verification company it uses that the old account was closed.

### Driver's License Number

If the breach notice says your driver's license or California identification card number was involved, and you suspect that you are a victim of identity theft, contact DMV's Driver License Fraud and Analysis Unit (DLFAU) by telephone at 1 866-658-5758 or by email at [dlfraud@dmv.ca.gov](mailto:dlfraud@dmv.ca.gov). Do not include personal information on your e-mail.

### Medical or Health Insurance Information

If the breach notice says your health insurance or health plan number was involved, here's what you can do to protect yourself against possible medical identity theft. A breach that involves other medical information, but not your insurance or plan number, does not generally pose a risk of medical identity theft.

1. If the letter says your Social Security number was involved, see section on Social Security number breaches. Also contact your insurer or health plan, as in number 2 below.
2. If the letter says your health insurance or health plan number was involved, contact

### Bank Information

If the breach notice says your checking account number, on a check for example, was breached, here's what to do.

**3**

## APPENDIX L: Breach Help – Consumer Tips Enclosure (English), Cont.

your insurer or plan. Tell them about the breach and ask them to note the breach in their records and to flag your account number.

3. Closely watch the Explanation of Benefits statements for any questionable items. An Explanation of Benefits statement comes in the mail, often marked "This is not a bill." It lists the medical services received by you or anyone covered by your plan. If you see a service that you did not receive, follow

up on it with your insurer or plan. For more on medical identity theft, see *First Aid for Medical Identity Theft: Tips for Consumers*, at [www.oag.ca.gov/privacy/info-sheets](http://www.oag.ca.gov/privacy/info-sheets).

For more details on what to do if you suspect that your information is being used to commit identity theft, see the *Identity Theft Victim Checklist* at [www.oag.ca.gov/idtheft/information-sheets](http://www.oag.ca.gov/idtheft/information-sheets).

This fact sheet is for informational purposes and should not be construed as legal advice or as policy of the State of California. If you want advice on a particular case, you should consult an attorney or other expert. The fact sheet may be copied, if (1) the meaning of the copied text is not changed or misrepresented, (2) credit is given to the California Department of Justice, and (3) all copies are distributed free of charge.

### NOTES

<sup>1</sup> Truth in Lending Act, 14 U.S. Code sec. 1601 and following.

<sup>2</sup> Electronic Funds Transfer Act, 15 U.S. Code sec. 1693 and following.





# Ayuda en caso de robo de datos confidenciales

## Consejos para el consumidor del Procurador General de California

Hoja 17 de información al consumidor • Octubre de 2014

Suponga que recibe una carta de una compañía, agencia del gobierno, una universidad, un hospital u otra organización. La carta dice que su información personal puede haber formado parte de un robo de datos confidenciales. O quizás se entere del episodio por un boletín de noticias o sitio web de la empresa. Cualquiera sea la manera en que reciba la información, el hecho de que se haya violado la seguridad de los datos de una compañía no quiere decir que usted haya caído víctima de robo de identidad o sufrido un daño, pero existe el riesgo de que así sea.

El aviso de violación de datos confidenciales debería indicar los tipos específicos de información personal involucrados. También le puede decir lo que la organización está haciendo para contrarrestar el problema. Para protegerse a sí mismo, puede tomar los pasos que se indican a continuación. Todo dependerá del tipo de información personal afectada en el robo de los datos confidenciales.

Algunas compañías afectadas le ofrecerán sin cargo una alerta de crédito, lo cual le alerta después de que alguien solicitó u obtuvo un crédito nuevo en su nombre. La alerta de crédito puede ser útil cuando le roban su número del Seguro Social. Pero no le avisa cuando se produce actividad fraudulenta en su cuenta existente de tarjeta de crédito o débito.

### Número de tarjeta de crédito o débito

El aviso de robo de datos confidenciales quizás le informe cuándo y dónde se produjo dicha violación. Si usó su tarjeta de crédito o débito en ese lugar en el periodo indicado, puede tomar pasos para protegerse.

### Tarjeta de crédito

1. Vigile su cuenta de tarjeta de crédito para ver si hay transacciones sospechosas, y denúncielas al banco que emitió la misma (o a American Express o Discover). Pídale al banco que habilite la vigilancia y alertas en línea para esa cuenta. De esa manera podrá

recibir un aviso anticipado de cualquier transacción fraudulenta.

2. Si observa transacciones fraudulentas en su tarjeta de crédito después de haberse anunciado el robo de datos confidenciales, considere la posibilidad de cancelar su tarjeta de crédito. Puede disputar las transacciones fraudulentas que aparezcan en su estado de cuenta, y deducirlas del monto adeudado. Su responsabilidad por transacciones fraudulentas se limita a \$50 cuando las denuncia, y la mayoría de los bancos tienen políticas que lo eximen a usted de toda responsabilidad.<sup>1</sup>

1

## APPENDIX M: Breach Help – Consumer Tips Enclosure (Spanish), Cont.

3. Si cancela su tarjeta de crédito, no se olvide de comunicarse con todas las compañías que deducen sus pagos de la tarjeta en forma automática. Si quiere seguir haciendo pagos en forma automática, deles su nuevo número de cuenta.

### Tarjeta de débito

1. Vigile su cuenta de tarjeta de débito para ver si hay transacciones sospechosas, y denúncielas a su banco. Pídale al banco que habilite la vigilancia y alertas en línea para esa cuenta. De esa manera podrá recibir un aviso anticipado de cualquier transacción fraudulenta.
2. Denuncie toda transacción no autorizada a su banco inmediatamente para evitar responsabilidad. Su responsabilidad por transacciones fraudulentas se limita a \$50 si las reporta en un plazo de dos días. Su banco puede tener llegar a eximirlo de toda responsabilidad. Pero si deja pasar el tiempo, su responsabilidad aumentará, hasta llegar al monto total de la transacción si no la reporta en un plazo de 60 días de su aparición en su estado de cuenta.<sup>2</sup>
3. Considere la posibilidad de cancelar su tarjeta de débito. Esta tarjeta está conectada con su cuenta bancaria. La manera más segura de protegerse contra la posibilidad de que le saquen dinero de su cuenta bancaria con un número robado es cancelar la tarjeta. Si bien es probable que le devuelvan el dinero robado, es posible que esto no ocurra hasta que su banco haya completado su investigación.

### Número del Seguro Social

Si el aviso le dice que quizás le han robado su número del Seguro Social, tiene que hacer lo siguiente.

1. Comuníquese con las tres agencias de información de crédito. Puede denunciar un robo potencial de identidad a las tres agencias principales de información de crédito llamando a cualquiera de los números gratis para denunciar fraude que aparecen a continuación. Lo atenderá un sistema telefónico automatizado que le permitirá marcar su expediente con un alerta de fraude en las tres agencias de información de crédito. También le enviarán instrucciones sobre cómo obtener una copia de su informe de cada una de las agencias de información de crédito.

Experian	1-888-397-3742
Equifax	1-800-525-6285
TransUnion	1-800-680-7289

2. Qué significa poner una alerta de fraude en su expediente de crédito. Una alerta de fraude ayuda a protegerlo contra la posibilidad de que un ladrón de identidad abra una cuenta de crédito en su nombre. Cuando un comerciante verifica el historial de crédito de alguien que está solicitando una cuenta de crédito, recibirá un aviso de que puede haber fraude en la cuenta. Esto alertará al comerciante para que tome los pasos necesarios para verificar la identidad del solicitante. Un alerta de fraude dura 90 días y se puede renovar. Para obtener información sobre un nivel de protección aún mayor, lea **How to Freeze Your Credit Files** (Cómo congelar sus datos de crédito) en [www.oag.ca.gov/privacy/info-sheets](http://www.oag.ca.gov/privacy/info-sheets).
3. Revise sus informes de crédito. Examine cada uno de ellos cuidadosamente. Fijese si hay alguna cuenta que no reconoce, sobre todo cuentas abiertas recientemente. Fijese en la sección de consultas (*inquiries*) para ver si hay nombres de acreedores a quienes usted no les solicitó crédito. Algunas compañías facturan con nombres distintos

2

OFFICE OF THE ATTORNEY GENERAL  
CALIFORNIA DEPARTMENT OF JUSTICE

PRIVACY ENFORCEMENT AND PROTECTION UNIT  
[www.oag.ca.gov/privacy](http://www.oag.ca.gov/privacy)

## APPENDIX M: Breach Help – Consumer Tips Enclosure (Spanish), Cont.

que el de su tienda. La agencia de información de crédito le podrá decir cuando éste sea el caso. Algunas consultas pueden ser identificadas como “promocionales”. Estas son cuando una empresa le ha pedido a una agencia de información de crédito su nombre y dirección para enviarle una oferta de crédito. Las consultas promocionales no son señales de fraude. (Cuando coloque una alerta de fraude, lo borrarán automáticamente de las listas para recibir ofertas de este tipo que usted no solicitó.) Además, como precaución general, fíjese en la sección sobre información personal para ver si hay alguna dirección donde usted nunca vivió.

4. Si encuentra algo que no comprende en su informe de crédito, llame a la agencia, al número que aparece en el informe. El personal de la agencia de información de crédito repasará el informe con usted. Si la información no se puede explicar, tendrá que llamar a los acreedores correspondientes y denunciar el delito en su comisaría local u oficina del alguacil.

### Nombre de usuario y contraseña

En el caso de que la violación de seguridad de los datos involucre la contraseña de su cuenta en línea, quizás reciba un mensaje por correo electrónico o cuando inicie una sesión en la página web de su cuenta. Si se entera que quizás le han robado su nombre de usuario y contraseña, o su dirección de correo electrónico o la respuesta a sus preguntas de seguridad, puede tomar los siguientes pasos.

1. Cambie la contraseña de la cuenta afectada. Si no puede ingresar en su cuenta, comuníquese con el servicio al cliente o departamento de seguridad de la compañía.
2. Si usa la misma contraseña en otras cuentas, cámbielas también.

3. Si le robaron su respuesta a la pregunta de seguridad, cámbiela. No use preguntas de seguridad cuya respuesta se puede obtener por un medio público, como el nombre de soltera de su madre, el nombre de su mascota o el nombre de su escuela.
4. Use contraseñas distintas para cada una de sus cuentas en línea. Esto es particularmente importante para cuentas que tienen información sensible, como sus datos médicos o financieros. Tenga en cuenta, por ejemplo, que algunas de sus cuentas en línea pueden tener almacenado el número de su tarjeta de crédito.
5. Genere contraseñas robustas. Cuanto más largas, mejor. Deberían tener por lo menos diez caracteres, con una mezcla de mayúsculas, minúsculas, números, signos de puntuación y símbolos. No use palabras que se pueden encontrar en el diccionario. Puede basar sus contraseñas en una frase, canción o título de un libro.

*Ejemplo:* “Viaje al centro de la Tierra” se puede convertir en V1aj3.  
al.c3ntr0.d3.la.Ti3rra

6. Un programa de administración de contraseñas o “caja fuerte” de contraseñas puede ayudarle a crear y administrar muchas contraseñas robustas. Estos programas pueden funcionar en su computadora, teléfono u otros dispositivos portátiles. Solo tiene que recordar una contraseña (o frase) para abrir la caja fuerte. La organización Electronic Frontier Foundation ([www.eff.org](http://www.eff.org)) lista algunas versiones gratis, y puede ver análisis de estos productos en las revistas de informática.



## APPENDIX M: Breach Help – Consumer Tips Enclosure (Spanish), Cont.

### Información bancaria

Si el aviso sobre la violación de seguridad de datos le informa que quizás le robaron su número de cuenta bancaria, por ejemplo de una copia de su cheque, tome los siguientes pasos.

1. Llame al banco e infórmeles sobre la violación. Dígalos que quiere cerrar su cuenta. Averigüe si hay cheques suyos que todavía no se cobraron. Quizás le convenga esperar hasta que se hayan cobrado antes de cerrar la cuenta. (O puede escribirle a cada uno de sus acreedores, informarles sobre la violación de datos, incluir un cheque de su cuenta nueva y pedirles que no cobren el cheque que les envió anteriormente.)
2. Abra una nueva cuenta bancaria. Dígale al banco que quiere usar una nueva contraseña para acceder a su nueva cuenta. No use el nombre de soltera de su madre o las últimas cuatro cifras de su número del Seguro Social. Pídale a su banco que notifique a su compañía de verificación de cheques que la cuenta anterior se ha cerrado.

### Número de licencia de manejar

Si el aviso de violación de la seguridad de datos le informa que quizás le hayan robado su número de licencia para manejar o tarjeta de identificación de California, y sospecha que puede haber sido víctima de un robo de identidad, comuníquese con la Unidad de Análisis y Fraude de Licencias de Manejar (DLFAU, por sus siglas en inglés) del DMV llamando al 1 866-658-5758 o escribiendo a [dlfraud@dmv.ca.gov](mailto:dlfraud@dmv.ca.gov). No incluya ninguna información personal si escribe por correo electrónico.

### Información de su seguro médico o de salud

Si el aviso le indica que quizás le robaron su número de seguro de salud o plan de salud,

tome los siguientes pasos para protegerse contra un posible robo de identidad médica. Una violación de su información médica que no incluya su número del seguro o plan de salud en general no presenta un riesgo de robo de identidad médica.

1. Si la carta dice que quizás le robaron su número del Seguro Social, vea la sección precedente sobre el robo de números de Seguro Social. Comuníquese también con su compañía de seguros o plan de salud, como se indica en el punto 2 a continuación.
2. Si la carta dice que su número de seguro de salud o de plan de salud quedó expuesto, comuníquese con su aseguradora o plan. Cuénteles sobre la violación y pídale que pongan una nota sobre la misma en sus registros y que marquen su número de cuenta.
3. Inspeccione de cerca sus cartas de Explicación de beneficios para ver si hay algún elemento cuestionable. La carta de Explicación de beneficios viene por correo, en general con un aviso que dice "This is not a bill (Esta no es una factura)". Enumera los servicios médicos recibidos por usted y los demás miembros cubiertos por su plan. Si ve un servicio que no recibió, infórmele a su compañía o plan de seguro. Para obtener más información sobre el robo de identidad médica, lea **First Aid for Medical Identity Theft: Tips for Consumers** (Primeros auxilios para el robo de identidad médica: Consejos para consumidores) en [www.oag.ca.gov/privacy/info-sheets](http://www.oag.ca.gov/privacy/info-sheets).

Para obtener más detalles sobre lo que tiene que hacer si sospecha que se está usando su información para cometer robo de identidad, lea **Identity Theft Victim Checklist** (Lo que

## APPENDIX M: Breach Help – Consumer Tips Enclosure (Spanish), Cont.

*deben hacer las víctimas de robo de identidad*  
en [www.oag.ca.gov/idtheft/information-sheets](http://www.oag.ca.gov/idtheft/information-sheets).

Esta hoja se proporciona con fines informativos y no debe interpretarse como asesoramiento legal ni como la política del estado de California. Si desea obtener asesoramiento sobre un caso en particular, debe consultar con un abogado

u otro experto. Esta hoja de información se puede copiar, siempre y cuando (1) no se cambie ni se desvirtúe el significado del texto copiado, (2) se dé crédito al Departamento de Justicia de California y (3) todas las copias se distribuyan sin cargo.

Esta hoja se proporciona con fines informativos y no debe interpretarse como asesoramiento legal ni como la política del Estado de California. Si desea obtener asesoramiento sobre un caso en particular, debe consultar con un abogado u otro experto. Esta hoja de información se puede copiar, siempre y cuando (1) no se cambie ni se desvirtúe el significado del texto copiado, (2) se dé crédito al Departamento de Justicia de California y (3) todas las copias se distribuyan sin cargo.

### NOTAS

- <sup>1</sup> Truth in Lending Act (Ley de Veracidad en los Préstamos), Código de los Estados Unidos, título 14, sección 1601 y subsiguientes.
- <sup>2</sup> Electronic Funds Transfer Act (Ley de Transferencia Electrónica de Fondos), Código de los Estados Unidos, título 15, sección 1693 y subsiguientes.

**ECIP/HEAP PAYMENT REQUEST AND CONFIRMATION  
(NON-REGULATED UTILITY COMPANIES ONLY)**

To:	Utility Company's Name:	Attention:		
From:	Agency's Name:			Date of Request:
	Mailing Address:	City:	State:	Zip:
	Agency Contact Person:			Phone:

*Instructions to non-regulated utility companies:*

1. Once a client's account has been credited, enter the date in the "DATE CREDITED" column.
2. After all accounts have been credited, sign and date the form in the space provided below.
3. Return this form to the agency's contact person at the address identified above.

*The following utility payments are being made on behalf of these clients:*

	Name and Address of Client	Utility Account #	Payment Amount	Date Credited
1.			\$	
2.			\$	
3.			\$	
4.			\$	
5.			\$	
6.			\$	
7.			\$	
8.			\$	

**UTILITY COMPANY CERTIFICATION**

*I hereby certify that the referenced accounts were credited in the amounts shown.*

Name/Title	Signature of Approval	Date
------------	-----------------------	------

**AGENCY USE ONLY**

Total Payments	\$	Check Number	#
----------------	----	--------------	---

**ECIP/HEAP HOME ENERGY SUPPLIER ASSURANCE  
(NON-REGULATED UTILITY COMPANIES ONLY)**

The undersigned home energy supplier hereby agrees and assures to

*Agency's Name*

that it will comply with the following provisions as federally-mandated under the Low-Income Home Energy Assistance Program in regard to energy fuels and related services provided to eligible households:

1. No household receiving assistance under this program will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements;
2. Not to discriminate, either in the cost of the goods supplied or in the services provided, against the eligible household on whose behalf payments are made; and
3. To allow representatives of the agency referenced above, and/or the State, access to records relating to payments to households for the purpose of verification of compliance with these assurances.

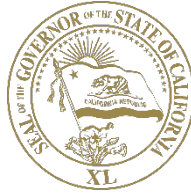
Utility Company

Name and Title (Please Print)

Telephone Number

Authorized Signature

Date



## OFFICE OF THE GOVERNOR

April 3, 2023

Dr. Lanikque Howard  
Director  
Office of Community Services  
Administration for Children and Families  
U.S. Department of Health and Human Services  
330 C Street, S.W.  
Washington, D.C. 20201

Dear Dr. Howard:

Pursuant to 42 U.S.C. 9908(a)(1) and Title 45, Part 96.10(b) of the Code of Federal Regulations, I hereby delegate signature authority to David Scribner, Director of the State of California's Department of Community Services and Development, and his successor, for the purposes of submitting the application and certifying compliance with federal assurances relating to the Community Services Block Grant and Low Income Home Energy Assistance Program.

Sincerely,

A handwritten signature in black ink, appearing to read "Gavin Newsom", with a long horizontal flourish extending to the right.

Gavin Newsom  
Governor of California



**2026 LIHEAP County Base Benefit Amounts (BBA)**  
**Benefit Amounts Listed Apply to Household Size 1 ONLY**

Agency Name	Service Area	Poverty Group I Benefit	Poverty Group II Benefit	Poverty Group III Benefit	Poverty Group IV Benefit
Spectrum Community Services	ALAMEDA	\$484	\$404	\$356	\$308
El Dorado County, Health and Human Services	ALPINE	\$688	\$566	\$492	\$419
	EL DORADO	\$714	\$586	\$509	\$433
Amador-Tuolumne CAA	AMADOR	\$738	\$605	\$526	\$446
	CALAVERAS	\$715	\$587	\$510	\$433
	TUOLUMNE	\$723	\$593	\$515	\$437
Butte County CAA	BUTTE	\$692	\$569	\$495	\$421
Glenn County Human Resource	COLUSA	\$718	\$589	\$512	\$435
	GLENN	\$698	\$574	\$499	\$424
	TRINITY	\$503	\$419	\$368	\$318
Contra Costa	CONTRA COSTA	\$618	\$510	\$445	\$381
Del Norte Senior Center	DEL NORTE	\$674	\$554	\$482	\$411
Fresno County EOC	FRESNO	\$716	\$588	\$511	\$434
Redwood CAA	HUMBOLDT	\$525	\$436	\$383	\$330
Campesinos Unidos, Inc.	IMPERIAL	\$621	\$512	\$447	\$382
	SAN DIEGO	\$492	\$411	\$362	\$313
IMACA	INYO	\$530	\$440	\$386	\$333
	MONO	\$622	\$514	\$448	\$383
CAP of Kern County	KERN	\$648	\$534	\$466	\$397
Kings CAO, Inc.	KINGS	\$635	\$523	\$457	\$390
North Coast Energy Services	LAKE	\$802	\$656	\$568	\$480
	MENDOCINO	\$610	\$504	\$440	\$376
	NAPA	\$628	\$518	\$452	\$386
	SOLANO	\$579	\$479	\$419	\$359
	SONOMA	\$563	\$467	\$409	\$351
	YOLO	\$565	\$468	\$410	\$352
Lassen Economic Development Corp.	LASSEN	\$660	\$543	\$473	\$403
Maravilla Foundation	LOS ANGELES	\$487	\$407	\$358	\$310
PACE	LOS ANGELES	\$487	\$407	\$358	\$310
Long Beach CSDC	LOS ANGELES	\$487	\$407	\$358	\$310
CAP of Madera County	MADERA	\$702	\$576	\$501	\$426
Community Action Marin	MARIN	\$652	\$537	\$468	\$399

Mariposa County Human Services Dept	MARIPOSA	\$719	\$590	\$513	\$435
Merced County CAA	MERCED	\$674	\$554	\$482	\$411
T.E.A.C.H.	MODOC	\$614	\$507	\$442	\$378
Central Coast Energy Services	MONTEREY	\$502	\$418	\$368	\$318
	SAN FRANCISCO	\$469	\$392	\$346	\$300
	SAN MATEO	\$576	\$477	\$417	\$358
	SANTA CRUZ	\$541	\$449	\$394	\$339
Project GO, Inc.	NEVADA	\$837	\$684	\$591	\$499
	PLACER	\$663	\$546	\$476	\$405
CAP of Orange County	ORANGE	\$542	\$450	\$394	\$339
Plumas County. CDC	PLUMAS	\$620	\$512	\$447	\$382
	SIERRA	\$648	\$534	\$465	\$397
CAP of Riverside County	RIVERSIDE	\$633	\$522	\$456	\$389
Community Resource Project	SACRAMENTO	\$580	\$480	\$420	\$360
	SUTTER	\$721	\$592	\$514	\$437
	YUBA	\$713	\$585	\$508	\$432
San Benito County Dept. of CSWD	SAN BENITO	\$544	\$451	\$396	\$340
CAP of San Bernardino County	SAN BERNARDINO	\$590	\$488	\$426	\$365
MAAC	SAN DIEGO	\$492	\$411	\$362	\$313
San Joaquin County Dept. of ACS	SAN JOAQUIN	\$697	\$572	\$498	\$423
CAP of San Luis Obispo County	SAN LUIS OBISPO	\$522	\$434	\$381	\$328
CAC of Santa Barbara County	SANTA BARBARA	\$437	\$367	\$325	\$283
Sacred Heart Community Service	SANTA CLARA	\$546	\$453	\$397	\$341
SHHIP	SHASTA	\$758	\$621	\$538	\$456
	TEHAMA	\$753	\$617	\$535	\$454
Great Northern Corporation	SISKIYOU	\$673	\$553	\$482	\$410
CVOC	STANISLAUS	\$659	\$542	\$472	\$403
C-SET	TULARE	\$618	\$510	\$445	\$381
Community Action of Ventura County	VENTURA	\$459	\$384	\$340	\$295

<b>2026</b> <b>HEAP and FAST TRACK Base Benefit Amounts (BBA)</b> <b>SAMPLE COUNTY</b> Household's Monthly Income Guidelines and Poverty Group				
HH Size	Poverty Group 1	Poverty Group 2	Poverty Group 3	Poverty Group 4
1	\$ 200	\$ 180	\$ 150	\$ 130
2	\$ 219	\$ 199	\$ 169	\$ 149
3	\$ 238	\$ 218	\$ 188	\$ 168
4	\$ 257	\$ 237	\$ 207	\$ 187
5	\$ 276	\$ 256	\$ 226	\$ 206
6	\$ 295	\$ 275	\$ 245	\$ 225
7	\$ 295	\$ 275	\$ 245	\$ 225
8	\$ 295	\$ 275	\$ 245	\$ 225
9	\$ 295	\$ 275	\$ 245	\$ 225
10	\$ 295	\$ 275	\$ 245	\$ 225
11	\$ 295	\$ 275	\$ 245	\$ 225
12	\$ 295	\$ 275	\$ 245	\$ 225
13	\$ 295	\$ 275	\$ 245	
14	\$ 295	\$ 275	\$ 245	
15	\$ 295	\$ 275	\$ 245	
16	\$ 295	\$ 275	\$ 245	
17	\$ 295	\$ 275		
18	\$ 295	\$ 275		
19	\$ 295	\$ 275		
20	\$ 295	\$ 275		
21	\$ 295	\$ 275		
22	\$ 295	\$ 275		
23	\$ 295	\$ 275		
24	\$ 295	\$ 275		
25	\$ 295			

1 - The payment amounts for each county from Benefit Matrix 1 are applied to household size 1 on the payment table

2. Household sizes 2 through 6 each receive an additional \$19.

3. Household sizes 6 and higher received the same payment amounts

Sample Scenario: If County ABC's payment amounts from Benefit Matrix 1 are \$200, \$180, \$150 and \$130, this payment table shows those payment amounts being applied to household size 1. Additionally, the payment amounts for household sizes 2 and higher are illustrated. This follows Program Year 2026's utility assistance payment determinations. Household sizes 2 through 6 each receiving an additional \$19. Household sizes 6 and higher receive the same payment amount.

**2026 LIHEAP WPO County Base Benefit Amounts (BBA)**  
**Benefit Amounts Listed Apply to Household Size 1 ONLY**

Agency Name	Service Area	Poverty Group I Benefit	Poverty Group II Benefit	Poverty Group III Benefit	Poverty Group IV Benefit
Spectrum Community Services	ALAMEDA	\$381	\$346	\$311	\$263
El Dorado County, Health and Human Services	ALPINE	\$875	\$796	\$716	\$605
	EL DORADO	\$819	\$745	\$670	\$566
Amador-Tuolumne CAA	AMADOR	\$517	\$470	\$423	\$357
	CALAVERAS	\$548	\$498	\$448	\$379
	TUOLUMNE	\$595	\$541	\$487	\$411
Butte County CAA	BUTTE	\$492	\$447	\$402	\$340
Glenn County Human Resource	COLUSA	\$427	\$388	\$349	\$295
	GLENN	\$406	\$369	\$332	\$280
	TRINITY	\$615	\$559	\$503	\$425
Contra Costa	CONTRA COSTA	\$396	\$360	\$324	\$273
Del Norte Senior Center	DEL NORTE	\$691	\$628	\$566	\$478
Fresno County EOC	FRESNO	\$384	\$349	\$314	\$265
Redwood CAA	HUMBOLDT	\$561	\$510	\$459	\$387
Campesinos Unidos, Inc.	IMPERIAL	\$136	\$124	\$111	\$94
	SAN DIEGO	\$234	\$213	\$191	\$162
IMACA	INYO	\$587	\$534	\$481	\$406
	MONO	\$1,000	\$1,000	\$928	\$783
CAP of Kern County	KERN	\$385	\$350	\$315	\$266
Kings CAO, Inc.	KINGS	\$391	\$355	\$320	\$270
North Coast Energy Services	LAKE	\$511	\$465	\$418	\$353
	MENDOCINO	\$566	\$515	\$463	\$391
	NAPA	\$384	\$349	\$314	\$266
	SOLANO	\$385	\$350	\$315	\$266
	SONOMA	\$427	\$388	\$349	\$295
	YOLO	\$383	\$348	\$313	\$264
Lassen Economic Development Corp.	LASSEN	\$915	\$832	\$749	\$633
Maravilla Foundation	LOS ANGELES	\$211	\$192	\$172	\$146
PACE	LOS ANGELES	\$211	\$192	\$172	\$146
Long Beach CSDC	LOS ANGELES	\$211	\$192	\$172	\$146
CAP of Madera County	MADERA	\$411	\$374	\$336	\$284
Community Action Marin	MARIN	\$418	\$380	\$342	\$289

Mariposa County Human Services Dept	MARIPOSA	\$769	\$699	\$629	\$531
Merced County CAA	MERCED	\$388	\$353	\$318	\$268
T.E.A.C.H.	MODOC	\$996	\$905	\$815	\$688
Central Coast Energy Services	MONTEREY	\$451	\$410	\$369	\$312
	SAN FRANCISCO	\$422	\$383	\$345	\$291
	SAN MATEO	\$397	\$360	\$324	\$274
	SANTA CRUZ	\$406	\$369	\$332	\$281
Project GO, Inc.	NEVADA	\$753	\$685	\$616	\$520
	PLACER	\$481	\$437	\$394	\$332
CAP of Orange County	ORANGE	\$182	\$166	\$149	\$126
Plumas County. CDC	PLUMAS	\$935	\$850	\$765	\$646
	SIERRA	\$927	\$842	\$758	\$640
CAP of Riverside County	RIVERSIDE	\$225	\$204	\$184	\$155
Community Resource Project	SACRAMENTO	\$384	\$349	\$314	\$265
	SUTTER	\$370	\$337	\$303	\$256
	YUBA	\$448	\$407	\$366	\$309
San Benito County Dept. of CSWD	SAN BENITO	\$465	\$423	\$380	\$321
CAP of San Bernardino County	SAN BERNARDINO	\$249	\$227	\$204	\$172
MAAC	SAN DIEGO	\$234	\$213	\$191	\$162
San Joaquin County Dept. of ACS	SAN JOAQUIN	\$379	\$345	\$310	\$262
CAP of San Luis Obispo County	SAN LUIS OBISPO	\$409	\$372	\$335	\$283
CAC of Santa Barbara County	SANTA BARBARA	\$365	\$332	\$299	\$252
Sacred Heart Community Service	SANTA CLARA	\$356	\$323	\$291	\$246
SHHIP	SHASTA	\$496	\$451	\$406	\$342
	TEHAMA	\$519	\$472	\$424	\$358
Great Northern Corporation	SISKIYOU	\$805	\$732	\$658	\$556
CVOC	STANISLAUS	\$351	\$319	\$287	\$242
C-SET	TULARE	\$389	\$353	\$318	\$269
Community Action of Ventura County	VENTURA	\$285	\$259	\$233	\$197

# 2026 WPO PAYMENT TABLES

## Sample County

### LIQUID FUELS

Household's Monthly Income Guidelines and Poverty Group; Local Service Provider's Energy Burden

#### POVERTY GROUP 1

HH Size	Energy Burden 1	Energy Burden 1 +VP	Energy Burden 2	Energy Burden 2 +VP	Energy Burden 3	Energy Burden 3 +VP	Energy Burden 4	Energy Burden 4 +VP
1	\$ 400	\$ 505	\$ 435	\$ 540	\$ 470	\$ 575	\$ 505	\$ 610
2	\$ 419	\$ 524	\$ 454	\$ 559	\$ 489	\$ 594	\$ 524	\$ 629
3	\$ 438	\$ 543	\$ 473	\$ 578	\$ 508	\$ 613	\$ 543	\$ 648
4	\$ 457	\$ 562	\$ 492	\$ 597	\$ 527	\$ 632	\$ 562	\$ 667
5	\$ 476	\$ 581	\$ 511	\$ 616	\$ 546	\$ 651	\$ 581	\$ 686
6+	\$ 495	\$ 600	\$ 530	\$ 635	\$ 565	\$ 670	\$ 600	\$ 705

#### POVERTY GROUP 2

HH Size	Energy Burden 1	Energy Burden 1 +VP	Energy Burden 2	Energy Burden 2 +VP	Energy Burden 3	Energy Burden 3 +VP	Energy Burden 4	Energy Burden 4 +VP
1	\$ 350	\$ 455	\$ 385	\$ 490	\$ 420	\$ 525	\$ 455	\$ 560
2	\$ 369	\$ 474	\$ 404	\$ 509	\$ 439	\$ 544	\$ 474	\$ 579
3	\$ 388	\$ 493	\$ 423	\$ 528	\$ 458	\$ 563	\$ 493	\$ 598
4	\$ 407	\$ 512	\$ 442	\$ 547	\$ 477	\$ 582	\$ 512	\$ 617
5	\$ 426	\$ 531	\$ 461	\$ 566	\$ 496	\$ 601	\$ 531	\$ 636
6+	\$ 445	\$ 550	\$ 480	\$ 585	\$ 515	\$ 620	\$ 550	\$ 655

#### POVERTY GROUP 3

HH Size	Energy Burden 1	Energy Burden 1 +VP	Energy Burden 2	Energy Burden 2 +VP	Energy Burden 3	Energy Burden 3 +VP	Energy Burden 4	Energy Burden 4 +VP
1	\$ 320	\$ 425	\$ 355	\$ 460	\$ 390	\$ 495	\$ 425	\$ 530
2	\$ 339	\$ 444	\$ 374	\$ 479	\$ 409	\$ 514	\$ 444	\$ 549
3	\$ 358	\$ 463	\$ 393	\$ 498	\$ 428	\$ 533	\$ 463	\$ 568
4	\$ 377	\$ 482	\$ 412	\$ 517	\$ 447	\$ 552	\$ 482	\$ 587
5	\$ 396	\$ 501	\$ 431	\$ 536	\$ 466	\$ 571	\$ 501	\$ 606
6+	\$ 415	\$ 520	\$ 450	\$ 555	\$ 485	\$ 590	\$ 520	\$ 625

#### POVERTY GROUP 4

HH Size	Energy Burden 1	Energy Burden 1 +VP	Energy Burden 2	Energy Burden 2 +VP	Energy Burden 3	Energy Burden 3 +VP	Energy Burden 4	Energy Burden 4 +VP
1	\$ 270	\$ 375	\$ 305	\$ 410	\$ 340	\$ 445	\$ 375	\$ 480
2	\$ 289	\$ 394	\$ 324	\$ 429	\$ 359	\$ 464	\$ 394	\$ 499
3	\$ 308	\$ 413	\$ 343	\$ 448	\$ 378	\$ 483	\$ 413	\$ 518
4	\$ 327	\$ 432	\$ 362	\$ 467	\$ 397	\$ 502	\$ 432	\$ 537
5	\$ 346	\$ 451	\$ 381	\$ 486	\$ 416	\$ 521	\$ 451	\$ 556
6+	\$ 365	\$ 470	\$ 400	\$ 505	\$ 435	\$ 540	\$ 470	\$ 575

1. The payment amounts for each county from Benefit Matrix 2 are applied to household size 1 on the payment table
2. Household sizes 2 through 6 each receive an additional \$19.
3. Household sizes 6 and higher received the same payment amounts
4. Energy Burden 2 households each receive an additional \$35. Energy Burden 3 households each receive an additional \$70. Energy Burden 4 households each receive an additional \$105.
5. Households with at least one member of the vulnerable populations each receive an additional \$105.

Sample Scenario: If County ABS's payment amounts from Benefit Matrix 2 are \$400, \$350, \$320 and \$270, this payment table shows those payment amounts being applied to household size 1. Additionally, the payment amounts for household sizes 2 and higher, Energy Burdens 2 and higher, and households with members of the Vulnerable Populations are illustrated. This follows Program Year 2026's WPO payment determinations.

Household sizes 2 through 6 each receive an additional \$19. Household sizes 6 and higher receive the same payment amount.

Energy Burden 2 households each receive an additional \$35. Energy Burden 3 households each receive an additional \$70. Energy Burden 4 households each receive an additional \$105.

Households with at least one member of the vulnerable populations each receive an additional \$105.

**2026 WPO PAYMENT TABLES**

**WOOD, WOOD PELLETS, LOGS**

POVERTY GROUPS 1 - 4	
Base Benefit Amount	One or More VPs--or in Your Agency's Two Highest Energy Burden Groups
1 cord (or cord equivalent)	2 cords (or cord equivalent)

based on local pricing

# Eligibility & Verification Guide



**STATE OF CALIFORNIA**

**DEPARTMENT OF COMMUNITY SERVICES  
AND DEVELOPMENT**

EFFECTIVE: 11/2024



# CONTENTS

<b>OVERVIEW: Purpose</b>	<b>4</b>
<b>SECTION I: Eligibility Criteria</b>	<b>5</b>
1.1 ELIGIBILITY SUMMARY	5
1.2 COLLECTION SOCIAL SECURITY NUMBER AND DATE OF BIRTH	7
1.3 CITIZENSHIP AND NON-CITIZEN STATUS – PUBLIC AGENCIES	8
1.4 CITIZENSHIP STATUS – PRIVATE, NON-PROFIT AGENCIES	155
1.5 PROOF OF GOVERNMENT IDENTIFICATION	166
1.6 HOUSEHOLD COMPOSITION	177
1.7 DWELLING COMPOSITION	199
1.8 PRIORITY	20
1.9 QUALIFYING AN APPLICANT AS DISABLED	21
1.10 PROCESSING SOCIAL SECURITY NUMBERS (SSN) FOR APPLICATIONS	222
1.11 QUALIFYING FOR FAST TRACK ASSISTANCE	266
1.12 LIHEAP CATEGORICAL ELIGIBILITY	299
1.13 COMPLETING THE INTAKE FORM CSD 43	31
1.14 CLIENT FILE DOCUMENTATION	355
<b>Section II: Income Verification</b>	<b>377</b>
2.1: AGENCY INSTRUCTION AND GENERAL RULE	377
2.2 INCOME CALCULATION	388
2.3 ACCEPTABLE INCOME DOCUMENTATION	41
2.4 EXCLUDED INCOME SOURCES	588
2.5 UNDOCUMENTED SOURCES OF INCOME	633
2.6 ZERO INCOME	644
<b>Section III: Energy Cost Verification</b>	<b>666</b>
3.1 ENERGY BILL CRITERIA	666
3.2 UNDERSTANDING ENERGY COST	69
3.3 UTILITIES INCLUDED IN RENT	91
3.4 SUBMETERED	933
3.5 ENERGY BURDEN	944
3.6 NEW UTILITY COMPANY	966
<b>SECTION IV: Appeals</b>	<b>977</b>
4.1: APPEALS PROCESS	977
4.2: FRAUD	999

## **ATTACHMENTS**

1. Direct Pay Pledge Life & Submission to CSD

## OVERVIEW: Purpose

The Eligibility and Verification Guide is designed to be an in-depth and easy-to-use reference for determining eligibility, processing intake forms, addressing policies and procedural requirements, and other pertinent program information for energy programs administered through the Department of Community Services and Development (CSD) to include: Low-Income Home Energy Assistance Program (LIHEAP), Department of Energy Weatherization Assistance Program Weatherization Assistance Program (DOE), DOE Bipartisan Infrastructure Law (DOE BIL) and Supplemental LIHEAP (SLIHEAP).

**Reminder:** Effective 11/01/2024, policy and procedural changes in the Eligibility and Verification Guide (Revision Date 11/2024) are applicable to all open contracts for LIHEAP, ESLIHEAP, SLIHEAP, DOE and DOE BIL except as indicated in the document.

# **SECTION I: Eligibility Criteria**

## **1.1 ELIGIBILITY SUMMARY**

### **Introduction**

Eligibility is based on the household's total monthly gross countable income, which cannot exceed the income guidelines for the program year the client is assisted under. The federal government requires that states target households with lowest incomes and highest energy costs or need in relation to income, taking into account family size and taking into consideration households with elderly, disabled persons and children under six (children under 19 for DOE/DOE BIL). An applicant can only receive one LIHEAP, one ESLIHEAP, and one SLIHEAP utility assistance (Home Energy Assistance Program (HEAP), Fast Track, or Wood, Propane and Oil (WPO)) benefit per program year.

### **All Applicants**

Applicants for all energy and/or weatherization programs must meet all of the following criteria:

1. Be a resident of California;
2. Meet United States citizenship or qualified non-citizen eligibility requirements;
3. Must be 18 years of age or legally emancipated;
4. Meet the income guidelines and provide proof of income from all sources for all members of the household;
5. Be responsible for energy costs and provide copies of energy bills;
6. Meet the definition of a household;
7. Housing unit must meet the definition of a dwelling; and
8. Meet agency's priority plan.

### **Crisis component**

LIHEAP crisis/emergency services have varying eligibility requirements for substantiating the condition of the emergency under the various emergency services Energy Crisis Intervention Program (ECIP) Emergency Heating and Cooling Services (EHCS), ECIP WPO, and Fast Track. Refer to the ECIP Policies and Procedures [here](#).

### **Documentation**

All factors of eligibility must be verified and documented in the client file. Electronic or hard copies of all verifications must also be maintained in the client file.

### **DOE/DOE BIL Extended Categorical Income Eligibility**

- DOE expanded categorical income eligibility to include HUD means-tested programs.
- Agencies may certify that applicants have met the income requirements of HUD means-tested programs through mechanisms including, but not limited to:
  - Applicant documentation
  - Interagency lists of recipients
  - Shared system databases, etc.
- The method of verification of eligibility must be included in the client file.
- USDA dwellings are not categorically eligible under the DOE program.

Refer to WPN 22-5: Expansion of Client Eligibility for the Weatherization Assistance Program for more information.

## **1.2 COLLECTION SOCIAL SECURITY NUMBER AND DATE OF BIRTH**

### **Background**

CSD collects the full 9-digit Social Security Number (SSN) and Date of Birth (DOB) for identifying and tracking applicant participation to ensure that duplicate payments are not issued. While the practice of collecting the full SSN and DOB assists in tracking applicant services and preventing fraud, CSD does not possess the legal authority to make the collection of the SSN and DOB a mandatory requirement, nor can an applicant be denied services for failure to provide a full SSN and their DOB.

### **Requirement**

Agencies are required to obtain and document the SSN and DOB of the applicant on the Energy Intake Form (CSD 43). If the applicant refuses to provide their SSN, the agency must request a unique applicant identifier from CSD. Please refer to pages 20-22 for complete instructions.

### **No documentation**

The SSN and DOB will be accepted as entered on the CSD 43. No verification is required in the client file.

### **Intake Form**

The SSN and DOB should be entered on the intake form. Agencies should verify the SSN and DOB entered on the application against the identification documents.

## 1.3 CITIZENSHIP AND NON-CITIZEN STATUS – PUBLIC AGENCIES

### **Background**

Federal law requires that all public agencies verify that an applicant is a United States (U.S.) citizen, national, or non-citizen in a qualified immigration status. A copy of the documentation to verify their qualified status must be retained in the client file.

### **Citizen or Naturalized Citizen**

An individual is a U.S. citizen if they were:

- Born in the U.S. regardless of the citizenship of their parents;
- Born outside of the U.S. to U.S. citizen parents; or
- Born outside the U.S. to non-citizen parents and has been naturalized as a U.S. citizen. A child born outside of the U.S. to non-citizen parents automatically becomes a citizen after birth if their parents are naturalized before the child's sixteenth birthday.

### **Citizenship Documentation**

Acceptable verification of an individual's status as a U.S. citizen includes, but is not limited to:

- U.S. birth certificate
- U.S. passport
- Certification of Naturalization (Form N-550 or N-570). The Certificate cannot be copied, but agency should review, verify, and document in the file that the Certificate of Naturalization was verified and valid
- Consular Report of Birth Abroad (Form FS-240)
- U.S. Citizen Identification Card (Form I-197)
- Certificate of U.S. Citizenship (Form N560 or N-561)
- Statement provided by the U.S. consular officer certifying the individual is a U.S. citizen
- American Indian card, with a classification code KIC, issued by the U.S. Department of Homeland Security
- Documentation of direct receipt of Supplemental Security Income (SSI) or Social Security Administration (SSA) benefits
- DD 214, Certificate of Release or Discharge from Active Duty. This document must show a U.S. place of birth.
- REAL ID CARD

### **Qualified Non-Citizen**

The following table lists acceptable status and corresponding documentation for qualified non-citizen:

Status	Documentation
Lawful Permanent Resident	<ul style="list-style-type: none"> <li>Permanent Resident Card (also known as a Green Card).</li> <li>An unexpired temporary I-551 stamp in a foreign passport or on a Form I-94.</li> </ul>
<p>Parolee</p> <p>Paroled into the U.S. under § 212(d)(5) of the INA for at least 1 year.</p>	<ul style="list-style-type: none"> <li>INS Form I-94 with a stamp showing admission under Section 212(d)(5) of the INA. An expiration date of 1 year or more from the date the status was granted (or indefinite) will be noted on the I-94 and can be used to indicate a qualified non-citizen status</li> <li>Form I-766 coded C11, indicates parolee status</li> </ul>
<p>Conditional Entrant</p> <p>Granted conditional entry under §203(a)(7) of the INA as in effect before 4/1/80.</p>	<ul style="list-style-type: none"> <li>INS Form I-94 with a stamp showing admission under Section 203(a)(7) of the INA</li> <li>Form I-766 coded A3, which indicates status as a conditional entrant</li> </ul>
<p>Cuban/Haitian Entrant</p> <p>Cuban or Haitian entrant under §501(e) of the Refugee Education Assistance Act of 1980.</p>	<ul style="list-style-type: none"> <li>INS Form I-94 with a stamp showing parole as a Cuban/Haiti Entrant under Section 212(d)(5) of the INA</li> <li>Form I-94 showing parole into the U.S. on or after October 10, 1980 and reasonable evidence that the parolee had been a national of Cuba or Haiti</li> <li>Note: This guideline does not apply when the individual was paroled solely to testify as a witness in a judicial administrative or legislative proceeding or when the parolee is in legal custody pending criminal prosecution.</li> </ul>
<p>Deportation or Removal Withheld</p> <p>Deportation is being withheld under §243(h) of the INA as in effect before 4/1/97, or removal is withheld under §241(b)(3) of the INA.</p>	<ul style="list-style-type: none"> <li>Order from an immigration judge showing deportation withheld under § 243(h) of the INA as in effect prior to April 1, 1997, or removal withheld under § 241(b)(3) of the INA. Form I-766 coded A10, which indicates deportation or removal withheld under Section 241(b)(3) or 243(h)</li> </ul>
<p>Battered Non-Citizens</p> <p>Under certain circumstances, a battered non-citizen spouse or child, non-citizen parent of a battered child or a non-citizen child of a battered parent with a petition pending.</p>	<ul style="list-style-type: none"> <li>The individual must have filed a petition with INS based on: <ul style="list-style-type: none"> <li>Status as a spouse or child of a U.S. citizen or classification to immigrant status as a spouse or child of a lawful permanent resident. – OR -</li> <li>Suspension of deportation and adjustment to lawful permanent resident status based on battery or extreme cruelty by a spouse or parent who is a U.S. citizen or lawful permanent resident.</li> </ul> </li> <li>The individual must allege that he or she was subjected to battery or extreme cruelty; and the person responsible for the battery or extreme cruelty must no longer reside with the individual in question.</li> </ul>



Status	Documentation
<p>Refugee</p> <p>Refugees admitted to the United States under §207 of the INA.</p>	<ul style="list-style-type: none"> <li>• INS Form I-94 with a stamp showing admission under Section 207 of the INA</li> <li>• Form I-766 coded A3 that indicates status as a refugee</li> </ul>
<p>Asylee</p> <p>Granted asylum under Immigration and Nationality Act (INA) §208.</p>	<ul style="list-style-type: none"> <li>• I-94 Card stamped with “Asylum Approved” or otherwise showing grant of asylum under section 208.</li> <li>• Approval letter from the USCIS Asylum Office.</li> <li>• A court order granting asylum in the United States.</li> <li>• I-766 coded (a)(5)</li> </ul>
<p>Iraqi and Afghan special immigrants (SIV)</p> <p>Special immigrant status under §101(a)(27) of the INA may be granted to Iraqi and Afghan nationals who have worked on behalf of the U.S. government in Iraq or Afghanistan. The Department of Defense Appropriations Act of 2010 (DoDAA), <a href="#">PL 111-118</a>, §8120 enacted on Dec. 19, 2009, provides that SIVs are eligible for all benefits to the same extent and the same time period as refugees.</p>	<ul style="list-style-type: none"> <li>• Iraqi or Afghan passport with an immigrant visa stamp noting that the individual has been classified under IV (Immigrant Visa) Categories SQ1, SQ2, SQ3, SQ6, SQ7, SQ8, SI1, SI2, SI3, SI6, SI7, or SI8 AND a DHS stamp or notation on passport or I-94 showing date of admission</li> <li>• Form I-765 Employment Authorization Document (EAD) receipt notice with code SQ1, SQ2, SQ3, SQ6, SQ7, SQ8, SI1, SI2, SI3, SI6, SI7, or SI8</li> <li>• Form I-766 Employment Authorization Document (EAD) with code SQ1, SQ2, SQ3, SQ6, SQ7, SQ8, SI1, SI2, SI3, SI6, SI7, or SI8</li> </ul>

Status	Documentation
<p data-bbox="300 233 578 296">Afghan Humanitarian Parolees</p> <p data-bbox="261 331 605 495">Specifically, the following individuals are all eligible until March 31, 2023 (or the end of their parole term, whichever is longer):</p> <ul data-bbox="215 531 605 1010" style="list-style-type: none"> <li data-bbox="215 531 605 730">• Afghan citizens and nationals paroled under INA section 212(d)(5) into the United States between July 31, 2021, and September 30, 2023;</li> <li data-bbox="215 737 605 835">• their spouses or children paroled after September 30, 2023; and</li> <li data-bbox="215 842 605 1010">• their parents or guardians paroled after September 30, 2023, if the Afghan citizen or national is an unaccompanied child.</li> </ul>	<ul data-bbox="649 233 1421 642" style="list-style-type: none"> <li data-bbox="649 233 1421 331">• Form I-94 with COA codes – “OAR”, “OAW”, “PAR”, “DT”, “PAROLED” or Humanitarian Parole (per INA section 212(d)(5)(A))</li> <li data-bbox="649 338 1421 436">• Foreign passport with DHS/CBP admission stamp with COA codes “OAR”, “OAW”, “PAR”, “DT”, “PAROLED” or Humanitarian Parole (per INA section 212(d)(5)(A))</li> <li data-bbox="649 443 1421 499">• Interim Notice Authorizing Parole (INAP), noting parole under INA 212(d)(5)(A)</li> <li data-bbox="649 506 1421 569">• Form I-765 Employment Authorization Document (EAD) receipt notice with code C11</li> <li data-bbox="649 575 1421 642">• Form I-766 Employment Authorization Document (EAD) with the code C11</li> </ul>
<p data-bbox="305 1052 578 1178">Citizens of Countries Governed by the Compacts of Free Association (COFA)</p> <p data-bbox="261 1283 605 1640">Citizens of COFA countries (the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau) residing in the United States are included in the definition of qualified non-citizens and are eligible as of March 9, 2024, for LIHEAP.</p>	<ul data-bbox="649 1052 1421 1178" style="list-style-type: none"> <li data-bbox="649 1052 1421 1178">• INS Form I-94 with an admission stamp that states “CFA/FSM” for an FSM citizen and “CFA/MIS” for an RMI citizen. Some older versions may be marked “CFA/RMI” for an RMI citizen.</li> </ul>

Status	Documentation
<p>Trafficking Survivors</p> <p>Victims under the Trafficking Victims Protection Act of 2000.</p>	<p>Certification Letter, Eligibility Letter, or Interim Assistance Letter from Administration for Children and Families' Office On Trafficking in Persons (OTIP). Certification and Eligibility Letters do not expire. For more information, see: <a href="https://www.acf.hhs.gov/orr/fact-sheet/fact-sheet-certification-adult-victims-trafficking">https://www.acf.hhs.gov/orr/fact-sheet/fact-sheet-certification-adult-victims-trafficking</a></p>

Status	Documentation
<p>Ukrainian Humanitarian Parolees</p> <p>A. Citizens or nationals of Ukraine who the Department of Homeland Security (DHS) has paroled into the United States between February 24, 2022, and September 30, 2023, due to urgent humanitarian reasons or for significant public benefit, known as Ukrainian Humanitarian Parolees (UHPs).</p> <p>B. Non-Ukrainian individuals who last habitually resided in Ukraine, who DHS has paroled into the United States between February 24, 2022, and September 30, 2023, due to urgent humanitarian reasons or for significant public benefit.</p> <p>C. A spouse or child of an individual described in section A. or B. who is paroled into the United States after September 30, 2023.</p> <p>D. A parent, legal guardian, or primary caregiver of an unaccompanied refugee minor or an unaccompanied child described in section A. or B. who is paroled into the United States after September 30, 2023.</p>	<ul style="list-style-type: none"> <li>• Form I-94 noting humanitarian parole (per INA section 212(d)(5) or 8 U.S.C. § 1182(d)(5))</li> <li>• Foreign passport with DHS/CBP admission stamp noting "DT"</li> <li>• Foreign passport with DHS/CBP admission stamp noting Uniting for Ukraine or "U4U"</li> <li>• Foreign passport with DHS/CBP admission stamp noting Ukrainian Humanitarian Parolee or "UHP"</li> <li>• Form I-765 Employment Authorization Document (EAD) receipt notice with code C11 Or Form I-766 Employment Authorization Document (EAD) with the code C11</li> </ul> <p>Individuals described in B who received parole, but without the U4U or UHP class of admission may show any of the documents above along with documentation of last habitual residence in Ukraine (including Crimea.)</p>

### **Calculating Income**

An individual is not counted in the household size, if citizenship or qualified non-citizen criteria is not met. However, their income is counted in the household's total income.

**Note:** If an applicant is found to be ineligible, another household member with U.S. Citizenship or a qualifying non-citizen status may apply. A new application must be submitted.

## 1.4 CITIZENSHIP STATUS – PRIVATE, NON-PROFIT AGENCIES

### **Background**

Previously, private, non-profit charitable organizations were required to verify applicant eligibility in accordance with CSD's applicant verification of eligibility procedures and regulations, forms, and other written guidance provided by CSD.

However, Section 432(d) of the 42 USC 1305 (Public Law 104-193, 110 Stat. 2168, Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA)), exempts non-profit charitable organizations from any requirement to determine, verify, or otherwise require proof of non-citizen eligibility or status in order to provide a federal, state, local or public benefit.

### **Program Guidance**

Private, non-profit agencies are not required to verify citizenship, but if during the intake process the agency is made aware the applicant is a non-qualified non-citizen, services must be denied. CSD has issued Program Guidance ([PG-11-03](#)) Eligibility of Non-Qualified Aliens to clarify procedures and requirements for determining the eligibility of applicants who are non-qualified non-citizens. The guidance document can be found on the [Providers Website](#).

### **Ineligible**

Qualified non-citizens are those who have both permanent and legal residency. If an applicant has legal residency, but is not here on a permanent basis, they are considered a non-qualified non-citizen. If the agency is made aware of the applicant's non-qualified status, the applicant is ineligible for services and must be denied. Some indicators of non-qualified non-citizen status are:

1. The applicant declares that he/she is not qualified (documented).
2. The applicant provides a copy of their current student visa.

### **Calculating Income**

An individual is not counted in the household size if citizenship or qualified non-citizen criteria is not met. However, his/her income is counted in the household's total income.

**Note:** If an applicant is found to be ineligible, another household member with legal status may apply. A new application must be submitted.

## **1.5 PROOF OF GOVERNMENT IDENTIFICATION**

### **Policy:**

Applicants must provide proof of government identification (ID) to receive assistance under LIHEAP. Identification must include a photo. An electronic or hard copy of the ID shall be retained in the client file.

### **Allowable proof of government issued identification includes:**

1. State identification (ID) card
2. Tribal identification (ID) card
3. Driver license
4. U.S. passport or passport card
5. U.S. military card (front and back)
6. Military dependent's ID card (front and back)
7. Permanent Resident Card
8. Certificate of Citizenship
9. Certificate of Naturalization
10. Employment Authorization Document

### **Expired Government Issued ID**

Expired government issued ID is acceptable for a period of one year from expiration date.

For seniors 60 and over, an expired government issued ID is acceptable regardless of expiration date.

## **1.6 HOUSEHOLD COMPOSITION**

### **Definition**

A household is defined as an individual or group of individuals, related or unrelated, who share residential energy and have an energy cost.

### **Ineligible Households for Utility Assistance**

1. Subsidized households that do not pay any out of pocket energy costs.
2. Persons living in licensed facilities (nursing homes, assisted living, etc.).
3. Temporary shelters or group homes with residents who have no energy expense or who pay a nominal fee to live there.
4. Single room dwelling, within a larger dwelling and the single room dwelling is not considered a separate household.
5. Persons who have no physical address.
6. Individuals who previously received LIHEAP Utility Assistance (UA) in another LIHEAP household during the same program year are considered ineligible household members to receive LIHEAP services. However, his/her income is counted in the household's total income. Note: Applicants can receive a one-time UA ESLIHEAP and a one-time SLIHEAP assistance in addition to the one-time UA LIHEAP assistance during the same program year.

### **Ineligible Households for Weatherization**

1. Persons living in licensed facilities (nursing homes, assisted living, etc.)
2. Persons who reside in only one room within a larger dwelling and is not considered a separate household.
3. Persons who have no physical address.

### **Calculating Income for Ineligible Household Members**

The income from ineligible household members should be counted toward the household's total income. However, the ineligible household members should not be counted towards the total household count.

### **Exceptions**

1. Live-in Attendants - Individuals who reside within a household to provide necessary medical services and whose services are paid for in part or in full by a third party.



2. Persons living in multi-unit buildings - If a building contains more than one housing unit but has only one meter or tank that is shared by all the units, each unit may contain a separate household if each one functions as a separate economic unit (also known as submetered).
3. A person out of the home for reasons of employment, education, hospitalization, etc., who continues to support or be supported by the unit and who intends to return to the unit, will remain a member of the household.
4. A dependent child who is a student living away from his/her primary residence to attend an educational facility is considered to be a member of the primary residence.

## 1.7 DWELLING COMPOSITION

### **Definition**

A housing unit is a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant is intended for occupancy) as separate living quarters.

All dwellings must be a permanent building and located in California. Applicants can have a mailing address in another state, but the location where they receive utility services must be in California.

### **Separate Dwelling**

Separate dwellings are those in which the occupants live and eat separately from any other persons in the building and have direct access from the outside of the building or through a common hall.

The occupants may be a single family, one person living alone, two or more families living together, or any group of related or unrelated persons who share living arrangements.

Separate living quarters are defined as: "Quarters in which the occupants do not live and eat with any other persons in the structure and which have either direct access from the outside of the building or through a common hall or complete kitchen facilities for the exclusive use of the occupants."

### **Ineligible Dwellings**

The following are considered ineligible dwellings:

- Applicants renting a room in someone else's home  
(**EXCEPTION:** applicant provides proof that his/her living arrangement adheres to the definition of "separate living quarters")
- Applicants living in transitory, tent or temporary encampments
- Applicants living in board-and-care facilities, nursing or convalescent homes, or in jail or prison
- Applicants that are homeless

### **Exception**

The following are exceptions for dwelling eligibility:

- Applicants living on boats, in a marina with a dock number and utility hook-up, are eligible for HEAP assistance.
- Applicants living in mobile homes or Recreational Vehicles are ineligible for energy and weatherization services unless they meet the following criteria:
  1. The dwelling must not be mobile (i.e., wheels have been removed, attached porch, etc.)
  2. The dwelling must have resided in the same location for a reasonable length of time.

## 1.8 PRIORITY

### **Background**

The federal government enacted a law requiring states target households with lowest incomes and highest energy costs or need in relation to income, taking into account family size and taking into consideration households with elderly, disabled persons and children under six (children under 19 for DOE/DOE BIL) (Public Law 103-252 Section 2603(1)(4)).

Prioritization is a method to consistently and fairly determine the need of individual applicants and how the agency elects to provide services based on need.

### **Policy**

Agencies are required to prioritize the delivery of Utility Assistance and Wood, Propane and Oil under the LIHEAP, ESLIHEAP, and SLIHEAP programs in accordance with the agency's approved Priority Plan. Also, **all** applicants must be screened and evaluated using the agency's approved Priority Plan.

### **Priority Plan**

The following categories comprise the Priority Plan. The points received in each category when totaled will determine if an application will be approved for assistance.

Part	Function
Income	By assigning point values to households with the lowest incomes, those households most in need will receive greater weighting (priority consideration) for receiving services and ensure compliance with federal law requirements for targeting.
Energy Burden	Higher point values are assigned to households paying a higher percentage of their income towards utility cost.
Vulnerable Population	Agencies must assign points if the household contains an elderly person (60 or older and 70 or older); a child (5 or younger and 2 or younger); or disabled person.

## 1.9 QUALIFYING AN APPLICANT AS DISABLED

### **Policy**

CSD does not require agencies to obtain written documentation to verify the disability of an applicant. However, at the agency's discretion, it is reasonable to ask for proof of disability.

### **Proof of Disability**

The following documentation is acceptable proof:

- Participation in a federal disability program (SSI, Veteran's disability, developmental disability programs in education)
- A statement from a doctor is reasonable to ask for if an applicant falls under the federal definition of disability.
- Self-certification statement

Under federal law, if a person is "regarded as having impairment," the individual is considered to be disabled, whether it has ever been diagnosed or documented. Any self-certification statement should have a place where the applicant initials or signs the following statement: "I declare that I or one of my household members has a disability within the meaning of the Rehabilitation Act of 1973."

More information can be found at the following website:

<https://www.law.cornell.edu/regulations/california/9-CCR-10870#:~:text=%22Disabled%20person%22%20means%20any%20person,Record%20of%20S uch%20an%20Impairment.>

## 1.10 PROCESSING SOCIAL SECURITY NUMBERS (SSN) FOR APPLICATIONS

### **Policy**

CSD does not maintain the legal authority to require the submission of an SSN as part of the eligibility criteria. In such, an applicant cannot be denied for refusing to submit their SSN. However, CSD strongly encourages agencies to continue to request the SSN as a unique applicant identifier and to streamline the eligibility verification of applicants.

### **Collecting Documentation**

If an agency determines that copies of Social Security cards they can continue to request the information, but cannot deny an applicant for refusing to submit the documents. (A copy of a Social Security card **or** name, ages, and Social Security numbers for all household members).

Appropriate measures must be taken to secure this sensitive information. It must be stored in a secure and locked location. Access to the location where client file information is maintained must be limited and regulated by internal controls.

### **Applications Received without an SSN**

If after the initial review of the application, it is noted that the application was submitted without an SSN and a verbal confirmation is received from the applicant that they refuse to provide their SSN, the agency will complete the following step-by-step procedure for processing an application without an SSN:

STEP	ACTION
1	Agency must confirm the identity of applicant pursuant to Section 1.5 Proof of Government Identification.
2	After confirming the applicant's identity, perform a database search using the following information to ensure the applicant has not been served in the current program year:  <ol style="list-style-type: none"><li>1. Last and first name</li><li>2. Service address</li><li>3. Phone number</li><li>4. Utility Account Number</li></ol> Note: Applicants can receive a one-time ESLIHEAP and a one-time SLIHEAP assistance in addition to the UA LIHEAP assistance during the same program year.

STEP	ACTION
3	If the applicant is located in a prior year with an SSN, agencies can enter the application and use the SSN from the prior year on the current application. The application should be processed in the standard manner and will not need to be submitted to CSD.
4	<p>When the applicant is determined eligible (meets income guidelines, agency's priority plan and has not been served in the current year) agency will arrange for the handling of the application without an SSN, by completing and submitting a fax coversheet, a copy of the intake form and supporting documents to CSD's Help Desk, via secure fax at (916) 720-0464. Supporting documents must include:</p> <ol style="list-style-type: none"> <li>1. Energy bill or a landlord statement for utilities included in rent</li> <li>2. Copy of government identification pursuant to section 1.5 Proof of Government Identification.</li> </ol>
5	CSD's Help Desk staff will perform a secondary duplicate check to confirm the applicant has not previously applied with an SSN. If a positive match is found, the Help Desk will provide the agency the previously used SSN for processing of the application.
6	If no match is found a unique filler number will be assigned by the Help Desk in lieu of an SSN.
7	Help Desk will confirm the unique filler number assigned to the applicant and provide the agency the unique filler number via the return of the completed fax cover sheet.
8	<p>Once the agency receives the confirmation with the assigned unique filler number, the agency will process the application in the standard manner.</p> <p><b>Note:</b> Once an applicant is assigned a unique filler number, this number is to be used every year the applicant applies. If at a later date the agency receives the applicant's SSN, the agency is to fax a SSN change request form to CSD prior to submitting the application to CORE. This will ensure the applicant is not in CORE under two different SSN's.</p>

The attempt to obtain the SSN and the reason for not providing the SSN by the applicant must be documented in the client file.

This procedure applies to both Utility Assistance and Weatherization applicants.

### **Requesting Additional Information**

Agencies that require documentation above the minimum requirements, (a copy of a Social Security card, **or** name, ages, and Social Security numbers for all household members), cannot deny an applicant services for failure to provide this additional information.

### **Picture Identification**

When confirming the identity of applicants, there is a possibility of being informed of an applicant's ineligible status. Certain forms of picture identification can be indicators that an applicant is a non-qualified non-citizen, and therefore ineligible for services.

It is not required for private non-profit agencies to verify citizenship, but if during the intake process the agency is made aware the applicant is a non-qualified non-citizen, services must be denied. The following forms of identification are indicators that an applicant might not be eligible for federal service:

1. Foreign consulate ID cards
2. Foreign passports
3. Student Visa
4. Driver's license with "FEDERAL LIMITS APPLY" designation  
(issued prior to January 22, 2018)

### **Guidelines for Protecting SSNs**

The Department of Consumer Affairs offers the following guidelines to protect Social Security numbers and other confidential information:

1. Develop a written security plan for record systems that contain SSNs.
2. Develop written security policies for protecting the confidentiality of SSNs.
3. Provide training and written material for employees on their responsibilities in handling SSNs.
4. Conduct training at least annually and train all new employees, temporary employees and contract employees.

5. Impose discipline on employees for non-compliance with organizational policies and practices for protecting SSNs.

When discarding or destroying client documentation in any format containing SSNs or other confidential information, do so in a way that protects their confidentiality, such as shredding.



## 1.11 QUALIFYING FOR FAST TRACK ASSISTANCE

### **Energy Crisis Intervention Program Services – Fast Track (ECIP-FT)**

The ECIP-FT, one of several crisis components under the LIHEAP-ECIP, aids low-income households experiencing an energy crisis with residential natural gas or electric energy sources. This crisis component includes specific eligibility requirements and required actions by LSPs ensuring federally mandated timeframes for mitigating energy crisis situations are met. A key component of the ECIP-FT crisis mitigation involves the issuance of a payment pledge to the applicant's utility account. The payment pledge informs the utility company of a customer's participation in LIHEAP and with accepting, the utility company agrees to note the amount of the pledge to the customer's account and suspend further credit action against the account for a period time which varies by utility company.

It is incumbent for LSPs to provide prompt handling and submission of ECIP-FT applications into CORE in order to ensure that payment of LIHEAP payments occurs timely and before the expiration of the payment pledge. Therefore, it is essential for agencies to be familiar with the pledge honoring timeframes for individual utility companies within their service area.

### **ECIP-FT Eligibility Requirements**

ECIP-FT services shall be rendered to eligible households experiencing one of the following energy crisis situations with natural gas or electric residential energy service:

- a. Receipt of utility shutoff notice
- b. Utility or energy termination
- c. Insufficient funds to establish a new energy account
- d. Insufficient funds to pay a delinquent (past due) utility bill

Examples of the most common ECIP-FT energy crisis situations:

- Issuance of a 15 day, 24 to 48 hour written disconnect notice or service disconnection by an acceptable energy provider.
- Verification that natural gas or electric service has been terminated at the applicant's place of residence.
- Notice or letter issued by an acceptable utility provider advising of past due account balance.
- Applicant lacks the financial means to restore or acquire natural gas or electric service at place of residence.
  1. Applicant must meet income eligibility and provide documentation or other information to help substantiate the existence of an eligible energy crisis situation.
  2. Natural gas or electric energy service is supplied by a state utility company, a mobile home park (with its own power source), or submetering billing service with legal authority to shut-off utility service for nonpayment.

**Note:** An emergency energy-related crisis does not exist if the cost of energy is included in the applicant's rent, in which case Fast Track payments shall not be made. Documentation of the energy related crisis must be maintained in the client file.

### **LSP Requirements**

1. Upon verifying and confirming client income and program eligibility for ECIP-FT assistance and the amount of assistance required by the utility provider to resolve the energy crisis situation, LSPs must then submit a payment pledge to the applicant's utility company and confirm assistance with the applicant. **Please note:** a payment pledge is a requirement of ECIP-FT service delivery; and therefore, LSPs are to submit a payment pledge for every ECIP-FT benefit.
2. Upon submitting a payment pledge to the utility company, LSPs must record the date the payment pledge was submitted and the amount of the pledge. LSPs are required to maintain a record of this information within the client file and include in the electronic CORE record submission to CSD.
3. LSP shall provide for the prompt processing and submission of ECIP-FT applications into CORE as to afford enough time for CSD's processing of ECIP-FT applications and issuance of ECIP-FT benefits directly to the utility company. Refer to Attachment 1 - Direct Pay Utility Pledge Life & Submission To CSD for submission timeframes.
4. If the applicants pledge amount changes, the agency shall adjust the pledge amount with the utility company. LSPs must promptly notify the utility company of any changes to pledge amount, or the need to rescind or cancel any payment pledge.
5. In addition, the nature of the energy crisis may warrant further action by the LSPs to assist.

### **Documentation**

To qualify for a Fast Track benefit, the applicant must provide proof of one of the following:

- Proof of utility shutoff notice
- Proof of energy termination
- Proof a utility account is past due
- Insufficient funds to establish a new energy account
- Energy related crisis or life-threatening emergency exists within the applicant's household
- Declared disaster

### **ECIP-FT benefits**

Under the ECIP-FT supplemental provision, the total amount of the ECIP-FT benefit cannot exceed the total amount of the entire bill or \$1,500 (exception is 2023 LIHEAP, ESLIHEAP, and SLIHEAP, 2024 SLIHEAP, and 2024 LIHEAP FT is \$3,000), or whichever is less. The only instance where the ECIP-FT benefit may show a credit is if the balance due can be covered with a base benefit amount, and no supplemental benefit is required. The client file must contain proof of total bill amount and the current monthly energy cost.

### **Deposits**

ECIP-FT benefits can be used to pay for the deposit if the utility company adds the deposit amount to the service account. If the utility company assigns a separate account for the deposit, Fast Track funds cannot be used to pay on the deposit account.

LIHEAP, ESLIHEAP, and SLIHEAP funds cannot be used to pay on deposits if the deposit ultimately gets refunded to the customer.

### **Re-Establishing Service**

Fast Track funds can be used to help an applicant re-establish utility service when the service was disconnected due to non-payment. The agency must contact the utility company to verify the reconnection. The utility company must provide the following information:

- Current account number
- Total amount required to reconnect service
- Verification of the new service address

### **Unacceptable Verification**

The following are considered unacceptable energy cost verification:

1. Closing bills\*
2. Altered bills
3. Service address on the energy bill does not match the applicant's service address
4. Outdated energy bill
5. Deposit accounts or accounts in collections
6. Business or Commercial accounts

**\*Note:** In certain situations, when an applicant is trying to re-establish services, a closing bill or an outdated energy bill may be accepted.

## 1.12 LIHEAP CATEGORICAL ELIGIBILITY

### **Policy**

LIHEAP Categorical Eligibility (CE) is a streamlined method for completing verification and documentation of “low-income” eligibility for current recipients of CalFresh or CalWORKs assistance. CE utilizes a household’s active participation in CalFresh or CalWORKs as a means for confirming the household’s “low-income” status and income eligibility for LIHEAP assistance.

When CE is used to determine the applicant’s income eligibility, the following shall apply:

### **CalFresh/CalWORKs**

If any member of the household is a “current recipient” of CalFresh or CalWORKs assistance, they are categorically eligible for LIHEAP and do not need to provide income documentation. To verify “current recipient” status, the Local Service Provider (LSP) shall:

1. Save an electronic or hard copy of the benefit letter in the client file. The LIHEAP intake date must fall within the certification period listed on benefit letter; OR
2. Save an electronic or hard copy of a Passport to Services from the California Department of Social Services in the client file. The LIHEAP intake date must fall within the certification period identified on the Passport to Services; OR
3. Save an electronic or hard copy confirmation of active participation from a county entity that administers CalWORKs and or CalFresh in the client file.

**Note:** CalWORKs/CalFresh recipients must generally reside in the county they receive benefits from. However, there are circumstances in which a recipient may temporarily receive their benefits from a different county until the permanent move has finished processing.

### **Household Income**

The applicant shall self-report income for each household member on the Energy Intake Form (CSD 43), but is not required to provide income documentation to support any income for household members. An applicant’s self-reported income for all household members is to be used to fulfill federal reporting requirements and determine an applicant’s LIHEAP assistance benefit (where applicable). Therefore, a LSP shall not require an applicant to submit income documentation to substantiate self-reported income for any member within the applicant’s qualifying household. Applications where the applicant does not self-report income for all household members on the CSD 43 are deemed incomplete or deficient. LSPs shall process incomplete applications or resolve the application deficiency in accordance with internal application handling policies and procedures. If the self-reported income exceeds LIHEAP income eligibility guidelines, the reported income shall be captured as stated and the LSP

shall process the application in accordance with its local priority plan and internal application handling processes and procedures.

### **Benefit Determination**

When using CE, an applicant's self-reported income shall be used to determine benefit payments for non-crisis Home Energy Assistance Program (HEAP) and Wood, Propane and Oil – Liquid Fuel assistance. In cases where the total self-reported household income exceeds LIHEAP income eligibility guidelines, the LSP shall determine benefit payment for these LIHEAP subprogram components in accordance with the following:

- HEAP – The benefit amount will be based on household size and Poverty Group. For households whose income exceeds the eligibility amount for Poverty Group 4 for their household size, the benefit amount will be based on household size for Poverty Group 4.
- WPO (Liquid Fuels) – The benefit amount will be based on household size and Poverty Group. For households whose income exceeds the eligibility amount for Poverty Group 4 for their household size, the benefit amount is based on household size for Poverty Group 4.

Note: Self-reported income for CE applicants does not have any bearing on benefit determinations for Fast Track, ECIPWPO (Wood/Wood/Pellets/Logs) or service level offerings under Weatherization, Emergency Heating and Cooling, and Severe Weather Energy Assistance and Transportation Service.

## **1.13 COMPLETING THE INTAKE FORM CSD 43**

### **Agency Information**

The agency name is required on the intake form.

### **Intake Date**

The intake date can be one of two dates:

1. The date in which the application was received by the agency.
2. The date in which the application is considered complete.

The intake date must follow the agency's policy and be consistent for all applications.

### **Eligibility Certification Date**

The date in which the applicant is deemed eligible to receive services. The Eligibility Certification Date is to be used for Utility Assistance and Weatherization applications.

### **Purpose**

To assess a household's need and to determine eligibility for LIHEAP, DOE, DOE BIL, ESLIHEAP, and SLIHEAP services.

The applicant is the primary source of information in establishing eligibility for LIHEAP, DOE, DOE BIL, ESLIHEAP, and SLIHEAP assistance and must furnish the required verification to establish household eligibility.

The U.S. Department of Health and Human Services, Office of Community Services, is required by the LIHEAP statute to report to Congress on program impacts annually, to develop performance goals, to ensure that benefits are targeted to those households with the greatest home energy need, and to assure that timely resources are available to households experiencing home energy crisis.

The proceeding sections are listed on the intake form. Refer to the How to Guide for a complete list of required fields.

### **Applicant**

The applicant is the individual that signs the form. The applicant does not need to be the head of household or the person named on the energy bill, but they must reside in the residence and be at least 18 years of age, or legally emancipated. The applicant must meet all other program eligibility criteria.

**Date of Birth**

The date of birth of the applicant must be entered on the intake form.

**Service Address**

The address where the applicant and their household reside and use energy.

- May be a descriptive address
- Has applicant lived at this residence during each of the last 12 months?
- Cannot be a P.O. Box or out-of-state
- Does the applicant own or rent their home?

**Mail Address**

The address where the applicant receives mail. The mailing address may be a P.O. Box or an out-of-state address.

**Social Security Number (SSN)**

Agencies must request a 9-digit Social Security Number (SSN) from the applicant. The last four digits of the SSN are not acceptable.

**E-mail Address**

E-mail address for the applicant.

**Phone Number**

The phone number with area code for the applicant.

**Mobile Number**

The mobile number with area code for the applicant.

**Number in Household**

Includes the applicant and all other members of the household. See Household Composition for definition of household members.

**Demographics**

Every member of the household must be represented in the demographics section.

### **Household Members Receiving Income**

The number of members in the household receiving income must be recorded. Each person who receives income must also provide proof of their monthly gross income.

### **Income**

Total gross monthly income documentation of all members of the household 18 years of age and older must be included in the client file.

DOE/DOE BIL only – 19 years of age and older.

### **Household Members**

Household member information including: names, relation to applicant, date of birth, gender, race, ethnicity, affiliation with the U.S. military, monthly income, and source of income.

### **Pay Bill Information**

For Utility Assistance or Wood, Propane or Oil, the name of the utility company and the account number the applicant wants the benefit applied to must be answered on the application.

### **Energy Bill Information**

Questions must be answered regarding all home energy costs (natural gas, electricity, wood, propane, and fuel oil). Applicants must provide copies of all bills and/or receipts.

### **Account Holder**

Applicant must answer on the application if they are the account holder of their electric and/or natural gas bill.

### **Signature**

Must be signed by the applicant or by a witness if the applicant is unable to sign their name. The spouse of the applicant cannot sign the application in lieu of the applicant.

### **Official Use Only**

The agency is responsible for completing this section.

Agency staff should check the box for the program the application is being processed under; HEAP, Fast Track, HEAP WPO or ECIP WPO. If the Fast Track application includes a supplemental payment, the supplement amount should be entered in the appropriate area.

For all Fast Track applications, agency staff should check the appropriate box indicating whether the energy services have been restored after disconnection or if the disconnection of energy services were prevented.



If the applicant is being referred from UA or WPO to Weatherization, check the appropriate referral box.

**Disconnection of Service Restored or Prevented**

Check the appropriate outcome of the benefit provided. Both questions must be answered with a yes or no but cannot have the same response.

**Energy Cost**

Total of the current monthly energy costs from all sources of energy used in the household. A copy of all energy bills/receipts must be in the client file.

**Energy Burden**

Divide the total monthly energy costs (from all energy sources) by the total monthly household countable income to arrive at a percentage of energy burden.

**Priority Points**

For Utility Assistance, agency staff can enter the total priority points the applicant received based on the agency's priority plan.

**Agency Control Code (ACC)**

The Agency Control Code is a unique application identifier assigned by the agency for each UA and WPO application.

## **1.14 CLIENT FILE DOCUMENTATION**

### **Purpose**

All factors of eligibility must be verified and documented in the client file. Copies of all verifications must be maintained in the client file.

### **HEAP and Wood, Propane and Oil (WPO) Required Documentation**

HEAP / HEAP WPO / ECIP WPO client files must contain specific documents:

1. Completed and signed intake form CSD 43. The applicant's name and signature must be the same person. The applicant does not need to be the customer on the energy bill.
2. Copy of government-issued photo identification (ID)
3. Copy of the energy bill must be current within 6 weeks of intake except in certain scenarios involving WPO\*. It is required to collect bills from all sources of energy used in the household to determine the actual energy burden.
4. Copies of the proof-of-income documentation for all members of the household for a one-month period, current within 6 weeks of intake; unless the applicant or a member of the household is determined CE (refer to Section 1.12 above).
5. Verification of energy conservation education and budget counseling.
6. If the agency is required to verify citizenship, the file must contain proof as directed.

\* WPO Example: An applicant applying in July may have a most current wood receipt from January due to seasonality (may be outside of 6 weeks). If applicant cannot provide a copy of their last WPO bill, Local Service Provider may accept a signed self-certification letter identifying the amount paid and how long it lasted.

### **Fast Track Required Documentation**

Fast Track client files must contain one of the following proofs of energy crisis, as well as all the requirements for HEAP listed in the previous section:

- A shut off notice
- Proof that services have been disconnected
- Proof that the account is past-due
- A deposit is needed to establish services (if the utility company does not assign a new account to the deposit or credits the customer with the deposit amount)

## **Weatherization Documentation**

LIHEAP Weatherization files must contain all the requirements for HEAP / WPO listed above, as well as those listed in the contract under Article 7 (Program Policies and Procedures): 7.8 (Record Keeping Responsibilities).

## **Documentation Not Required**

CSD does not require a copy of the applicant's:

- Social Security card
- Name, date of birth and social security number for all members of the household

It is at the agency's discretion to include these documents in the client file.

**Note:** Proof of applicant's government photo identification is required, and a copy needs to be included in the client file.

## **Confidentiality**

Agency personnel will be exposed to and have access to information which is of a confidential nature. All client file documents are considered to be confidential and are open only to state and local agency personnel carrying out eligibility and audit functions. Such information should not be shared with unauthorized personnel.

## **Retention**

All applicant files must be maintained for a minimum of three (3) years after the contract close-out unless a longer period of document retention is stipulated. Refer to the contract for specific requirements.

## **NOTE**

A signed Client/Customer Consent Form (CSD 081) is needed from the utility account holder in all instances where the utility account is not under the applicant's name. The utility account holder's signature grants permission to the utility company to release information to CSD for federal reporting purposes. If the applicant is the utility account holder, a CSD 081 is not required. The consent language on the intake form gives CSD permission to obtain data from the utility company. Reasonable attempts must be made to obtain the signature of the utility account holder.

**Exception:** The CSD 081 will not be required when an applicant's utilities are included in rent or utilities are sub-metered.

## **Section II: Income Verification**

### **2.1: AGENCY INSTRUCTION AND GENERAL RULE**

#### **Agency Instructions**

Agencies must obtain income documentation fully supporting the total gross monthly income earnings stated on the Energy Intake Form (CSD 43) for qualified households receiving LIHEAP and DOE/DOE BIL weatherization/energy assistance. Income documentation must be within 6 weeks of the application intake date and must comply with the stated acceptable forms of income documentation referenced within pages 35-55 of the Eligibility and Verification Guide. For a quick checklist of countable and non-countable income, refer to attachment 8 of the Start-up package.

The CSD 43 was modified to require applicants to disclose the number of household members providing income support to the household or in clearer terms, individuals with income. Agencies must obtain documentation substantiating gross monthly income for all household members stated on the CSD 43.

Agencies should use the Certification of Income and Expenses (CSD 43B) to accompany the CSD 43 to further assist applicants with their understanding of the eligibility requirements and provide the necessary information to successfully complete the application for energy assistance.

#### **General Rule**

Agencies must make an attempt to obtain income documentation supporting the qualifying household's gross monthly income, such as but not limited to: the collection of all paystubs substantiating the gross earnings for the month; statements from adult members confirming income earnings from non-reportable sources (e.g., odd jobs, collecting and cashing in recyclables, etc.); and benefit letters substantiating benefits from Social Security or public benefit programs (e.g., TANF/CalWORKs, General Assistance, etc.). However, in those isolated cases, where it poses a true hardship on the applicant to provide documentation supporting monthly income earnings, agencies may apply the use of the following income procedures to calculate the monthly income earnings using partial paystub information:

- Applicant must submit a signed written statement confirming the inability to provide the required income documentation substantiating gross monthly earnings and the hardship posed with obtaining additional income documentation.
- Applicant must offer information describing the partial income documentation submission and confirm the gross monthly income for the missing income documentation.
- Using the offered statements from the applicant, agencies can determine the appropriate calculation to be used to compute the gross monthly earnings using the partial wage stub submission.

## 2.2 INCOME CALCULATION

### **Total Income Submitted**

When four weekly, two bi-weekly or two bi-monthly consecutive paystubs are submitted as proof, add the gross countable income of all stubs to calculate monthly income.

### **Calculation Criteria**

To create consistency in calculating income, agencies must calculate monthly income using the same method. The income calculations are to assist applicants experiencing hardships and should not be used as a common practice to circumvent the requirements for collecting income documentation substantiating gross monthly countable income from all sources for qualified households.

The following criteria should be used when assessing documentation utilized for calculating income:

- Proof of income must be current to within 6 weeks from the intake date (unless otherwise specified by the agency).
- Income must be the total gross countable income before deductions. (Exceptions: For non-countable income see countable / non-countable income chart)
- Income document(s) must cover a one-month period unless applicant did not work a full month or provides a documented hardship.
- Income cannot be annualized.
- Seasonal worker's income must be based on the actual current income at time of intake.

### **Hardship Documentation**

Documentation for accepting partial income must be kept in the client file.

If an applicant experiences an extreme hardship in providing a full month's income verification, the hardship needs to be documented. The applicant must submit a statement explaining their inability to provide their household's full monthly income. The applicant's hardship statement must be retained in the client file.

### **Income Formulas**

How to calculate incomplete earned income documentation:

- A weekly gross countable income must be multiplied by 4.333 to total one month's income.

- \$550 weekly X 4.333 = \$2,383.15 monthly income
- Bi-weekly gross income should be multiplied by 2.167 to calculate one month's income.
  - \$1,200 bi-weekly X 2.167 = \$2,600.40 monthly income
- Bi-monthly gross income should be multiplied by 2
  - \$1,200 bi-monthly X 2 = \$2,400.00 monthly income
- Quarterly gross income (including any interest and dividends) should be divided by 3 to arrive at a monthly average.
  - \$4,000 quarterly ÷ by 3 = \$1333.33 monthly income

**Note:** The income calculation is meant to assist applicants experiencing hardships and not to be used as a common practice to circumvent the requirements for collecting income documentation or for substantiating gross monthly income from all sources for qualified households.

### **Exceptions**

#### **Example A**

Stated Income on Intake Form:	\$800
Weekly Pay Stub:	\$200
Income using formula (\$200 X 4.333)	\$866.60

Example A is an acceptable method for utilizing the income formula for determining monthly income as the monthly calculated income reconciles within reason with the applicant's statement of gross monthly income on intake form. In this example the total household income entered would be \$866.60.

An adjustment to the income statement on the intake form can be made by the intake worker to match the provided proof. The intake worker can line through the statement (in a distinctive color) of \$800 and write in the correct amount of \$866.60 and initial the correction.

#### **Example B**

Stated Income on Intake Form:	\$0
Weekly Pay Stub:	\$200

Example B is an unacceptable situation to allow the utilization of the income formula for determining applicant's monthly income. The proof of income provided does not reconcile against the income stated on the intake form. The applicant must declare their monthly income. Another attempt must be made to contact the applicant to explain and resolve the discrepancy.

### **Not Working a Full Month**

For applicants that have not worked a full month, the formulas are not to be used to calculate a month's worth of income.

The applicant must provide the paystubs of the weeks they have worked, and the intake worker must document the file with the amount of time the applicant has worked in the last month and the income received during that time.

### **Annual Statements and Bank Deposits**

For award or annual statements, DO NOT use the date the document was issued. You must use the dates covering benefits within the document to determine eligibility. These dates must be current.

Automatic Bank Deposit - the date of the deposit or the issue date of the statement can be used to determine if the document is current to within 6 weeks of intake date.

### **Unqualified Non-citizen Income**

An individual who is not a citizen or a qualified non-citizen is not counted in the household. However, his/her income is counted towards the household's total income.

## 2.3 ACCEPTABLE INCOME DOCUMENTATION

### Public Assistance

#### Definition

Public assistance or welfare payments include cash public assistance payments low-income people receive, such as Aid to Families with Dependent Children (AFDC) Aid to Dependent Children (ADC), California Work Opportunity and Responsibility to Kids (CalWORKs), General Assistance (GA) and General Relief (GR).

#### Acceptable Proof

Proof of income for these items **must cover a one-month time period and be current to within 6 weeks** of the application intake date. The following are considered acceptable proof:

- Copy of current check
- Current Notice of Action
- Current verification from worker with amount of payment and date
- Food Stamp verification with current income amount listed
- Current aid printout summary
- Copy of bank statement showing direct deposit (the date of the deposit or the issue date of the statement can be used to determine if the document is current to within 6 weeks of intake date)
- Passport to Services printout summary

#### Unacceptable Proof

The following are not considered acceptable proof:

- Outdated or altered information
- Medi-Cal cards
- Food Stamp verification with no income amount or date
- Notice of Action stating homeless aid

#### Exceptions

The following are not considered as countable income:



- Overpayment adjustments should not be deducted from the gross aid amount.
- Food Stamp allotment amounts are not considered income and should not be used when calculating income.
- Assistance paid directly to the rental company, landlord or mortgage company should not be counted towards income
  - (Example: applicant received \$500 from GR, but \$200 is directly paid for housing costs to the landlord. Only \$300 of the GR should be counted as income.)

## **Earned Income**

### **Definition**

Earned income includes all gross income from wages people receive for work performed.

### **Acceptable Proof**

Proof of income for these items **must cover a one-month time period and be current to within 6 weeks** of the application intake date. The following are considered proof:

- Current copy of pay stub(s) covering 1 month of gross income before deductions (if multiple stubs, they must be consecutive)
- Letter from employer with company letterhead, address, phone number, the gross amount and current pay period
- Notice of Action showing earned income

### **Unacceptable Proof**

The following are not considered proof:

- Outdated information
- Information without dates
- Copy of check(s) showing net amount only
- Federal and State Tax Forms (exception: self-employed)
- W2 Forms
- Non-consecutive pay stubs or checks
- Employers' letter not showing gross income amount
- Food Stamp verification with no dollar amount listed
- Renter's Credit Form
- Copy of bank statement
- Military pay showing base pay only

**Note:** Documentation for earned income must not be annualized and then calculated to a monthly level. Sick leave is considered earned income and should be counted.

## Social Security

### **Definition**

Social Security includes pensions, survivor's benefits and permanent disability insurance payments made by the Social Security Administration (SSA) prior to deductions for medical insurance.

### **Acceptable Proof**

Proof of income for these items **must cover a one-month time period and be current to within 6 weeks** of the application intake date. The following are considered proof:

- Payee's (income recipient) letter of verification showing income amount
- Notice of planned action (**SSA-L8155-U2**)
- Copy of bank statement showing direct deposit - The date of the deposit or the issue date of the statement can be used to determine whether the document is current to within 6 weeks of intake date
- HUD statement from Department of Housing with a Social Security amount
- Copy of check
- Form 1099 (only acceptable if intake date is within the 6-week period following January 1<sup>st</sup> of the current year)

**For the following items, DO NOT use the actual date the document was issued. You must use the dates covering benefits within the document to determine eligibility. These dates must be current.**

- Annual benefit letter with current dates (Example: date of letter is December 2015, but letter states applicant will receive \$500 beginning January 2016)
- Computer printout or letter that states the current annual benefit amount
- Form 2458 completed by Social Security Office. – To Verify on SSA

### **Unacceptable Proof**

The following are not considered proof:

- Outdated information
- Benefit letter with no income amount or date
- Payee's letter of verification not showing income amount

- Medicare cards

### **Exceptions**

The following are exceptions:

- Overpayment adjustments should not be deducted from the gross aid amount
- Medicare premiums are not considered income and must be deducted from the total gross income

### **Hardship Documents**

Applicants should be expected to provide "Acceptable Proof," as described above. The only exception would be when the request for additional documentation would cause undue hardship for the applicant and the income can be substantiated using an outdated form of documentation. The applicant must submit a statement explaining their inability to provide the documentation and the hardship they are experiencing.

*Example: Elderly woman, 90 years old, using public transportation to the agency, submits a copy of a Social Security check that is beyond the 6-week limit. It is reasonable, in this case, to assume that her income, Social Security, has not changed and it is acceptable to process the application with the income verification submitted. It would be an extreme hardship for the applicant to return with current documentation.*

**Note:** The alternate documentation should be in the same calendar year.

## SSI/SSP

### Definition

Supplemental Security Income (SSI) and State Supplementary Payment (SSP) income includes federal and state payments to low-income people who are 65 years of age and older or people of any age who are blind or disabled.

### Acceptable Proof

Proof of income for these items **must cover a one-month time period and be current to within 6 weeks** of the application intake date. The following are considered proof:

- Copy of check
- Payee's (income recipient) letter of verification showing income amount
- Notice of Planned Action (SSA-L8155-U2)
- Copy of bank statement showing direct deposit - The date of the deposit or the issue date of the statement can be used to determine whether the document is current to within 6 weeks of intake date.
- HUD statement from Department of Housing with a Social Security amount (current within year of the eligibility period)
  - This document can be used to document the total household income, similar to a Passport to services or welfare printout
- Form 2458 completed by Social Security Office

**For the following items, DO NOT use the actual date the document was issued. You must use the dates covering benefits within the document to determine eligibility. These dates must be current.**

- Annual benefit letter with current dates (Example: date of letter is December 2015, but letter states applicant will receive \$500 beginning January 2016)
- Computer printout or letter that states the current annual benefit amount
- Form 2458 completed by Social Security Office

### Unacceptable Proof

The following are not considered proof:

- Outdated information

- Benefit letter with no income amount or date
- Payee's letter of verification not showing income amount
- Medicare cards

### **Countable Income**

The following are exceptions:

- Overpayment adjustments should not be deducted from the gross aid amount
- Medicare premiums are not considered income and must be deducted from the total gross income

## Pensions/Retirement

### **Definition**

Pensions and retirements include payments received from the following sources: companies or unions; federal government (Civil Service); military; state or local governments; railroad retirement; annuities or paid-up insurance policies; individual retirement accounts (IRAs), Keogh or 401 (k) payments; or other retirement income.

### **Acceptable Proof**

Proof of income for these items **must cover a one-month time period and be current to within 6 weeks** of the application intake date. The following are considered proof:

- Copy of check stub
- Form 1099 (Only acceptable if intake date is within the 6-week period following January 1<sup>st</sup> of the current year)

**For award or annual statements, DO NOT use the date the document was issued. You must use the dates covering benefits within the document to determine eligibility. These dates must be current to within 6 weeks of the application intake date.**

- Pension verification (i.e., letter or printout. Time frame of benefit must be current)
- Annual statement from pension plan

**NOTE:** If retirement distributions are received on an annual basis, divide the distribution amount by 12 to determine current monthly income. If received quarterly, divide by 4 to determine current monthly income.

### **Unacceptable Proof**

The following are not considered proof:

- Outdated or altered information
- Benefit letter with no income amount or date
- Bank Statement with direct deposit

## Unemployment Compensation

### **Definition**

Unemployment compensation are payments intended to provide temporary financial assistance to unemployed workers who are unemployed through no fault of their own. Unemployment compensation includes payments received from government unemployment agencies or private companies during periods of unemployment, including any strike benefits from union funds.

**Exception:** additional unemployment compensation from the federal stimulus fund during the pandemic is NOT counted under LIHEAP, ESLIHEAP, and SLIHEAP. DOE/DOE BIL does count the additional pandemic unemployment compensation.

### **Acceptable Proof**

Proof of income for these items **must cover a one-month time period and be current to within 6 weeks** of the application intake date. The following are considered proof:

- Current check stubs (must be consecutive)
- Current printout

Current award letter

### **Unacceptable Proof**

The following are not considered proof:

- Outdated information
- Information without a date
- Award letter without income or date
- Non-consecutive checks or stubs
- Less than one month's verification
- Current printout of bank statement

Copy of current checks



## **Workers' Compensation**

### **Definition**

Workers' Compensation provides wage benefits, medical treatment, vocational rehabilitation, and other benefits to individuals who are injured at work.

### **Acceptable Proof**

Proof of income for these items **must cover a one-month time period and be current to within 6 weeks** of the application intake date. The following are considered proof:

- Copy of current check(s)
- Current check stub(s)
- Current printout
- Current award letter

### **Unacceptable Proof**

The following are not considered proof:

- Outdated information
- Information without a date
- Award letter without income or date

## **Veterans' Benefits**

### **Definition**

Veterans' benefits are financial aid and other benefits paid directly to military Servicemembers, Veterans, and their families. Benefits include payments to disabled members of the armed forces or survivors of deceased veterans receiving periodical payments from the Department of Veterans Affairs for education and on-the-job training and means-tested assistance to veterans.

### **Acceptable Proof**

Proof of income for these items **must cover a one-month time period and be current to within 6 weeks** of the application intake date. The following are considered proof:

- Copy of current check
- Current check stub
- Current printout
- Current award letter
- Bank statement with direct deposit - The date of the deposit or the issue date of the statement can be used to determine whether the document is current to within 6 weeks of intake date.

### **Unacceptable Proof**

The following are not considered proof:

- Outdated or altered information
- Benefit letter with no income amount or date

### **Exceptions**

The following are not considered as countable income:

- Assistance paid directly to the rental company, landlord or mortgage company should not be counted towards income
  - Example: applicant received \$500 from the VA, but \$200 is directly paid for housing costs to the landlord. Only \$300 of the VA benefit should be counted as income.

## Self-Employment and Rental Income

### Definition

**Self-Employment Income:** Countable income from self-employment is the gross income from any trade or operated business, minus the applicant's operating expenses for that trade or business including the applicant's share of profit or loss in any partnership for the most recent tax year, as reported on Federal income tax returns.

$$\text{Gross Income} - \text{Operating Expenses} +/\text{- profit or loss in any partnership} = \text{Countable Self-Employment Income}$$

**Rental Income:** Countable rental income is the gross income from subleasing, leasing or renting a property less the applicant's share of operating expenses for the rental property.

$$\begin{array}{l} \text{Gross Income from} \\ \text{subleasing, leasing or} \\ \text{renting a property} \end{array} - \text{Operating Expenses} = \text{Countable Rental Income}$$

### Acceptable Proof

To identify self-employment income, first look at the individual's 1040 Federal Tax Form. If the tax form is unavailable, other acceptable self-employment documentation is listed below.

The following are considered proof for Self-Employment or Rental Income:

- Copy of current signed and dated 1040 Federal Tax Form and 1040, Schedule 1, signed by applicant(s) OR licensed tax return preparer (or both)
  - The current year's Tax Form 1040 and 1040, Schedule 1 are acceptable until the following year's filing date of April 15 (unless there is an exception by the IRS to change the filing date)
    - ex: 1040 and 1040, Schedule 1 for 2018 are acceptable until April 15, 2019.

#### **AND**

- Schedule C (for self-employment) or Schedule E (for rental income) must be submitted with the current 1040.

For additional guidance, see attachment, ["Determining Self-Employment Income from 1040 Tax Forms."](#)

- If the current year's tax form is unavailable, use the following acceptable proof:
  - Proof of income for these items **must cover a one-month time period and be current to within 6 weeks** of the application intake date.
    - Current copy of ledger or journal - (Handwritten information is acceptable)

- Signed self-employment statement showing gross receipts, gross expenses, and net income for a one-month time period

<p><b>“Operating Expenses”</b></p> <p>for Self-Employment include the following and are not counted as income:</p>	<p><b>“Operating Expenses”</b></p> <p>for Self-Employment <b>do not</b> include:</p>
<ul style="list-style-type: none"> <li>• Taxes required for operation of the business</li> <li>• Licenses and permit fees</li> <li>• Rent payments</li> <li>• Insurance</li> <li>• Labor costs</li> <li>• Maintenance</li> <li>• Products used to operate the business</li> <li>• Interest on debts</li> <li>• Transportation costs (actual expenses or the standard mileage rate, as well as business-related tolls and parking)</li> <li>• <i>Purchase</i> of capital assets such as real property, equipment, machinery and other goods of durable nature</li> <li>• Depreciation on equipment, machinery, or other capital investments necessary to the self-employment enterprise</li> </ul>	<ul style="list-style-type: none"> <li>• Payments on the principal of the purchase price of and loans for capital assets such as real property, equipment, machinery and other goods of durable nature</li> <li>• Net losses from previous periods</li> <li>• Federal, state, and local taxes</li> <li>• Money set aside for retirement purposes</li> <li>• Personal expenses, entertainment expenses, and personal transportation</li> </ul>

### **Operational Expenses for Rentals**

The following are operational expenses for rentals and are not considered income:

- Interest on debts
- Taxes
- Insurance
- Maintenance
- Utilities, if paid by renter
- Real estate agent’s fees

### **Unacceptable Proof**

The following are not considered proof:

- Outdated or altered information
- Unsigned 1040 Federal Income Tax Form
- 1040, Schedule 1 Tax Form showing no dollar amount on self-employment or rental income (line 12 or 17)
- Profit or Loss Tax Form (Schedule C) without 1040 and 1040, Schedule 1
- Supplemental Income and Loss Tax Form (Schedule E) without 1040
- Any other tax form (i.e., 540 State Tax Form, 1040EZ Tax Form, 1040A Tax Form)

## **Survivors' Benefits**

### **Definition**

Survivors benefits include payments received from survivors' or widows' pensions, estates, trusts, annuities, or any other types of survivor benefits, from private companies or unions; federal government (Civil Service); military; state or local governments; rail road retirement; worker's compensation; black lung payments; estates and trusts; annuities or paid-up insurance policies; and other survivor's benefits.

### **Acceptable Proof**

Proof of income for these items **must cover a one-month time period and be current to within 6 weeks** of the application intake date. The following are considered proof:

- Copy of current check
- Current check stub
- Current printout
- Current award letter
- Bank statement with direct deposit - The date of the deposit or the issue date of the statement can be used to determine whether the document is current to within 6 weeks of intake date

### **Unacceptable Proof**

The following are not considered proof:

- Outdated information
- Information without a date
- Award letter without income or date

## **Interest**

### **Definition**

Interest includes payments received or have credited to accounts from bonds, treasury notes, IRAs, certificates of deposit, interest-bearing savings and checking accounts, and all other investments that pay interest.

**Note:** Only the interest used for household support is considered income, not the original deposit.

### **Acceptable Proof**

Proof of income for these items **must cover a one-month time period and be current to within 6 weeks** of the application intake date. The following are considered proof:

- Current copy of check(s)
- Current statement(s) from financial institution(s)
- Current copy of financial statement(s) showing direct deposit - The date of the deposit or the issue date of the statement can be used to determine whether the document is current to within 6 weeks of intake date
- Form 1099 (Only acceptable if intake date is within the 6-week period following the issuance of the Form 1099)

### **Unacceptable Proof**

The following are not considered proof:

- Financial statement(s) without a dollar amount listed
- Federal and State Tax Forms

## Dividends/Royalties

### **Definition**

Dividends are returns on capital investments, such as stocks, bonds, or savings accounts. Royalties are compensation paid to the owner for the use of property, usually copyrighted material or natural resources such as mines, oil wells, or timber tracts. Royalty compensation maybe expressed as a percentage of receipts from using the property or as an amount per unit produced.

### **Acceptable Proof**

Proof of income for these items **must cover a one-month time period and be current to within 6 weeks** of the application intake date. The following are considered proof:

- Current copy of check stub
- Current statement(s) from financial institution(s)
- Current copy of financial statement(s) showing direct deposit - The date of the deposit or the issue date of the statement can be used to determine whether the document is current to within 6 weeks of intake date
- Form 1099 (Only acceptable if intake date is within the 6-week period following January 1<sup>st</sup> of the current year)

### **Unacceptable Proof**

The following are not considered proof:

- Outdated information
- Information without a date
- Financial statement(s) without a dollar amount listed
- Federal and State Tax Forms



## **2.4 EXCLUDED INCOME SOURCES**

### **Policy**

Certain types of income are to be excluded from the total household income, for the purposes of the LIHEAP, DOE, DOE BIL ESLIHEAP, and SLIHEAP programs. Verification of the non-countable income or excluded income being received must be retained in the applicant file.

### **Authority**

#### **Federal Law Title 42 Chapter 94**

In verifying income eligibility for purposes of subsection (b) (2) (B) of this section, the State may apply procedures and policies consistent with procedures and policies used by the State agency administering programs under part A of title IV of the Social Security Act [42 U.S.C. 601 et seq.], under title XX of the Social Security Act [42 U.S.C. 1397 et seq.], under subtitle B of title VI of this Act (relating to community services block grant program) [42 U.S.C. 9901 et seq.], under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 [ 42 U.S.C. 2701 et seq.] before August 13, 1981, or under other income assistance or service programs (as determined by the State). Subsection (b) (2) (B) - households with incomes which do not exceed the greater of- (i) an amount equal to 150 percent of poverty level for such state; or (ii) an amount equal to 60 percent of the State median income.

### **Medical Healthcare Premiums**

All medical healthcare premiums are to be deducted from the gross monthly income (with the exception of the “Note” below). Documentation must be included in the client file verifying the deduction from paycheck stub or an invoice for a medical premium paid by the applicant.

**Note:** The following premiums are not to be deducted from gross monthly income; Vision, Dental, Long-Term Care, Medical Reimbursement Accounts, Co-pays, prescriptions, share of cost payments, etc.

### **Student Assistance**

This includes Grants, Scholarships, Fellowships and Gifts/Pell Grants/Federal Perkins Loans, Federal Supplemental Education Opportunity Grants, Leveraging Educational Assistance Program (LEAP), Department of Education and Bureau of Indian Affairs (BIA), University Year for Action, work study and Student Financial Aid.

### **Foster Care Payments**

Payments received for the care of foster children or foster adults, who are unable to live alone.

### **Child Support / Spousal Support Payments**

The amount paid as a result of a Court ordered or mandated child support / spousal support agreement, should be deducted from the total household income. Proof of the mandated support payments is to be kept in the client file.

Households receiving child support / spousal support payments should include the amount received in the total countable household income.

**DOE/DOE BIL Only** - Per Department of Energy, Weatherization Program Notice 19-3, "Child Support payments, whether received by the Payee or paid by the Payor, are not considered Sources of Income to be added to the payee income or deducted from the payor income for the purposes of determining applicant eligibility." Proof of the mandated child support payments are to be kept in the client file.

### **Earned Income from a Minor or K-12 Student**

Income from employment of children (including foster children) under the age of 18 years will be excluded from countable household income.

**DOE/DOE BIL Only** – Minor defined as under the age of 19 years.

### **In Home Care Provider**

The income of a live-in aid\* or amounts paid by a State agency (In Home Supportive Services) to a family or non-family member to offset the cost of services and equipment needed to keep the family member at home will not be included in total household income.

\*Live-in aid is defined a person who resides with one or more elderly persons (at least 62 years old), or near elderly persons (at least 50 years old), or persons with disabilities, and who:

1. Is determined to be essential to the care and well-being of the person(s);
2. Is not obligated for the support of the person(s); and,
3. Would not be living in the unit except to provide the necessary supportive services.

### **Food Stamps**

The value of the coupon allotment provided to any eligible household.

### **Medicare and Medi-CAL**

The value of medical expenses paid directly to a health care provider on behalf of the household.

### **Medicare Deductions**

The deduction for Medicare from Social Security benefits.

### **Gifts and Inheritances**

One-time lump sum inheritances or gifts.

### **Disaster Assistance**

Payments made by federal service providers under a presidential declaration of disaster including, but not limited to, individual family grants from the Federal Emergency Management Agency (FEMA).

### **Victims of Crime Payments**

All payments to victims of a crime (Victim's Compensation).

### **Reparation Payments**

Payments to Aleut people and people of Japanese ancestry under Public Law 100-383.

### **Victims of Nazi Persecution**

Payments made to individuals because of their status as victims of Nazi persecution shall be disregarded in determining eligibility.

### **Older Volunteers**

Older Americans Volunteers Act of 1965 – Income paid to participants in programs carried out under the Community Service Employment Program (Title V of the Older Americans Act), including Green Thumb, Senior Health Aides, Senior Companions.

### **Domestic Volunteers**

Domestic Volunteer Service Act of 1973(P.L.93113) - Income paid to participants - Title I: Volunteers in Service to America (VISTA), AmeriCorps, University Year for Action (UYA), Urban Crime Prevention Program. Title II: Retired Senior Volunteer Program (RSVP), Foster Grandparent Program, Older American Community Service Program (Senior Health Aides, Senior Companions). Title III: Service Corps of Retired Executives (ACE)

### **Vietnam Agent Orange Benefits**

Benefits given for the dependents and survivors of Vietnam veterans who suffer from certain birth defects.

### **Native American Land**

The value of land taken from and later added back to Indian reservations must not be considered income.

## **Native American Judgements**

Indian per capita judgment payments made to any tribe or group whose trust relationship with the federal government has been terminated and for which legislation was in effect before October 12, 1973 authorized the disposition of its judgment funds.

## **Non-Cash**

Any non-cash Federal or State Benefits.

Workforce Innovation and Opportunity Act (WIOA)\_WIOA provides employment, training and educational services to adults. Supportive services include assistance that enables people to participate in the program, such as transportation, health care, childcare, handicapped assistance, meals, temporary shelter, counseling, and other reasonable expenses or participation in the program.

## **Nutrition Programs**

- Benefits from Women, Infant, and Children (WIC) program
- Agriculture Nutrition Act of 1949 Section 416: value of federally donated food acquired through price support operations for school lunch or other distribution to needy people
- Child Nutrition Act: the value of assistance to children under this Act
- National School Lunch Act: the value of assistance to children under this Act
- Meals for Older Americans, School breakfasts, lunches and milk programs

## **Job Related Expenses**

For non-self-employed applicants that do not file income tax as self-employed (a salesperson or a truck driver/taxicab driver) and who pay business expenses and receive a paycheck, deduct the business expenses from the household's total gross income.

## **Prizes and Awards**

A prize is generally something received in a contest, lottery or game of chance. An award is usually received as the result of a decision by a court, board of arbitration, or the like.

## **Sale or Exchange of Property**

Capital gains people received (or losses they incur) from the sale of property, including stocks, bonds, a house, or a car (unless the person was engaged in the business of selling such property, in which case count the net proceeds as income from self-employment).

### **Stipend**

A fixed sum of money paid periodically to cover expenses, unlike a salary or wages which are paid to an employee.

### **Loans**

Loans are an advance of money from lender to borrower where borrower must repay, with or without interest. This applies to any commercial as well as noncommercial loan (between relatives, friends or others) that is recognized as enforceable under state law.

Evidence must be obtained with respect to the existence of a bona fide loan agreement. The burden of proof with respect to the nature of the loan is with the claimant.

### **Other Exclusions**

- Military combat pay
- Draw down from Reverse Mortgage
- Tax Refunds
- Withdrawal from Savings
- Food or housing received in lieu of wages
- The value of food and fuel produced and consumed on farms
- One-time Insurance Payments
- Compensation for Injury
- Federal or State Mortgage Assistance Programs (i.e., Keep Your Home California)

## 2.5 UNDOCUMENTED SOURCES OF INCOME

### **Definition**

Cash income from irregular sources including, but not limited to, babysitting, mowing lawns, redeeming cans/bottles, paid in cash or selling personal property.

### **Self-Certification**

Self-declaration is only acceptable when all reasonable steps to obtain hardcopy or supporting verification have been exhausted and it would create an undue hardship for the applicant if they are required to pursue other verifications. Undue hardship is defined as special or specified circumstances that can partially or fully exempt a person from performance of a legal obligation to avoid an unreasonable or disproportionate burden or obstacle. Acceptance of this type of verification must be fully justified and documented in the client file. An applicant self-certification statement, CSD 43B, may be used for proof of income when the applicant does odd jobs from various sources and cannot obtain verification or if the third party who is asked to complete a form or statement on behalf of the applicant refuses to provide a signed document. If the self-certification statement is used, it must provide enough information to accurately determine the applicant's countable income.

**Note:** Third party non-cooperation cannot cause the applicant to be denied services.

## 2.6 ZERO INCOME

### **Introduction**

Applicants claiming no income must reveal their source(s) of support. Applicant households with zero income or expenses that exceed the income, requires the intake worker to determine how the household is meeting its current living expenses. Current living expenses include, but are not limited to: rent/mortgage, utilities (gas, power, trash, and phone), food, insurance and car payments.

This procedure does not apply to households that submit proof of non-countable income and/or excluded income, even though their income is set to zero. The verification of non-countable income or excluded income must be included in the client file.

### **LIHEAP Policy – No Income Certification**

For LIHEAP, ESLIHEAP, or SLIHEAP applicants, after all attempts to collect documentation have failed, a self-certification statement, CSD 43B, completed and signed by the applicant claiming no income, is acceptable. A LIHEAP, ESLIHEAP, or SLIHEAP self-certification statement **does not require notarization**. All attempts to obtain documentation and the reason for accepting the self-certification must be documented in the client file.

**First Year** - The first year an applicant claims no income, the household may declare their sources of support on the Survey of Income and Expenses CSD 43B, without documentation.

If every adult in the household reports no income for the eligibility period, the applicant must complete the CSD 43B. Eligibility should be based on the reported information.

**Succeeding Years** - When an applicant reports no income for two or more years, the applicant must complete the CSD 43B, and provide documentation where requested. Support claims must include documentation or sources for verification.

Agencies must obtain written or verbal verification of regular support from others reported on the form. Eligibility will be based on documentation submitted with the form or verified during the follow-up.

### **DOE/DOE BIL Policy – No Income Certification**

In accordance with The Department of Energy, Weatherization Program Notice 10-18, effective December 2011, all applicants applying for DOE/DOE BIL services with undocumented income or zero income, only after all other avenues of documenting income eligibility are exhausted, self-certification is allowable. Evidence of the various attempts at proving eligibility must be contained in the client file, including a **notarized statement** signed by the applicant that they have no other proof of income.

If the applicant qualifies for the LIHEAP, ESLIHEAP, or SLIHEAP program (Utility Assistance or Weatherization), then is moved to the DOE/DOE BIL program for weatherization, their CSD 43B will travel with them and qualify them for DOE/DOE BIL, it does not need to be notarized.

**Note:** If 120 days pass and the applicant's income eligibility for DOE/DOE BIL needs to be re-established, they will follow the same "Zero Income Notarization" rules that apply to an applicant entering through the DOE/DOE BIL program. See [CPN-E-12-04](#) for additional information.

On an exceptional basis, if an agency absolutely cannot obtain a notarized self-certification statement, the Executive Director of the agency may sign the form and take responsibility for the self-certification statement.

### **Denial**

Inadequate information on the form is cause for denial of benefits.



## Section III: Energy Cost Verification

### 3.1 ENERGY BILL CRITERIA

#### **Introduction**

The energy bill provides verification of the physical address, energy costs, and other valuable utility account information to ensure the delivery of utility assistance benefits by means of direct payment to utility service providers.

#### **Bills must include**

Energy bill(s) must contain a billing period of at least 22 days and be **current to within 6 weeks** of the application intake date. The energy bill also must provide the amount of the household's current energy costs and the following:

1. Service address - In rural areas, the service address can be descriptive (Example: 3<sup>rd</sup> house on the left, past the gas station, etc.)
2. Account number
3. Name of the utility company
4. Customer's name
5. The dollar amount of a full month's energy costs (at least 22 days), some exceptions may apply, see below\*
6. Fast Track applications: the documentation must include the total amount due on the bill (current and past due and all other changes)

\* WPO Exception Example: An applicant applying in July may have a most current wood receipt from January due to seasonality (may be outside of 6 weeks). If applicant cannot provide a copy of their last WPO bill, Local Service Provider may accept a signed self-certification letter identifying the amount paid and how long it lasted.

#### **Acceptable Verification**

Acceptable energy bills include current, delinquent, shut-off notices, or energy statement/printouts that indicate usage and provide the required information referenced above.

All energy bills must be current to within 6 weeks of the intake date using the service dates, not the issue date of the bill.

#### **Unacceptable Verification**

The following are considered unacceptable energy bill verification:

1. Closing bills
2. Altered bills
3. Service address on the energy bill does not match the applicant's service address
4. Outdated energy bill
5. Deposit accounts or accounts in collections
6. Business / Commercial Accounts

**Exception:** When applicants are trying to re-establish services on a closed account (due to non-payment) that has no current charges, the issue date of the bill is to be used to determine if it is current. Since the service period will not be current, the current energy charges for that utility will be set to zero on the application.

**Note:** When re-establishing service on a closed account, the agency must correspond with the utility company to verify the client is re-establishing service. LIHEAP, ESLIHEAP, or SLIHEAP assistance can only be provided when the service is re-connected. LIHEAP, ESLIHEAP, or SLIHEAP cannot be used to pay for an outstanding balance on a closed account if a new account is not established.

### **CSD 081 Requirement**

A signed CSD 081 is needed from the utility account holder in all instances where the utility account is not under the applicant's name. The utility account holder's signature grants permission to the utility company to release information to CSD for federal reporting purposes. If the applicant is the utility account holder, a CSD 081 is not required. The consent language on the intake form gives CSD permission to obtain data from the utility company. Reasonable attempts must be made to obtain the signature of the utility account holder.


**Exception:** The CSD 081 will not be required when an applicant's utilities are included in rent or utilities submetered.

### **Service ID Requirement**


The Service ID Number is required by the utility companies to pull client data that CSD needs when reporting to the federal government. The collection of the Service ID Number aids CSD in meeting federal reporting performance measures.

Currently, the Service ID Number is required for all-natural gas and electric accounts for two Investor Owned Utilities (IOUs), Pacific Gas & Electric (PG&E) and Southern California Edison. This number can be found on the utility bill. If a client has both natural gas and electric accounts for PG&E, two Service ID Numbers will be collected. Examples are provided below.


## PG&E Electric Example

 <b>ENERGY STATEMENT</b> <a href="http://www.pge.com/MyEnergy">www.pge.com/MyEnergy</a>		Account No: 0000000000-0 Statement Date: 07/26/2017 Due Date: 08/16/2017		
<b>Details of Electric Charges</b> 06/24/2017 - 07/25/2017 (32 billing days) Service For: 2389 GATEWAY OAKS DR Service Agreement ID: 0000000000 Rate Schedule: E1 XM Residential Service Enrolled Programs: CARE (Renew by 09/25/2017), Medical Baseline				
<b>Service Information</b> Meter #: 1008978450 Current Meter Reading: 7,104 Prior Meter Reading: 6,664 Total Usage: 440.000000 kWh Baseline Territory: X Heat Source: Not Electric Serial: B Rotating Outage Block: 12A				
06/24/2017 - 06/30/2017 Your Tier Usage <table border="1"> <tr> <td>1</td> <td>2</td> </tr> </table>			1	2
1	2			

## PG&E Gas Example

 <b>ENERGY STATEMENT</b> <a href="http://www.pge.com/MyEnergy">www.pge.com/MyEnergy</a>		Account No: 0000000000-0 Statement Date: 07/26/2017 Due Date: 08/16/2017		
<b>Details of Gas Charges</b> 06/24/2017 - 07/25/2017 (32 billing days) Service For: 2389 GATEWAY OAKS DR Service Agreement ID: 0000000000 Rate Schedule: G1 XM Residential Service Enrolled Programs: CARE (Renew by 09/25/2017), Medical Baseline				
<b>Service Information</b> Meter #: 26615677 Current Meter Reading: 9,210 Prior Meter Reading: 9,200 Difference: 10 Multiplier: 1.075438 Total Usage: 11.000000 Therms Baseline Territory: X Serial: B				
06/24/2017 - 06/30/2017 Your Tier Usage <table border="1"> <tr> <td>1</td> <td>2</td> </tr> </table>			1	2
1	2			

## Southern California Edison Example

 SOUTHERN CALIFORNIA <b>EDISON</b> <small>An EDISON INTERNATIONAL® Company</small>		P.O. Box 600 Rosemead, CA 91771-0001 <a href="http://www.sce.com">www.sce.com</a>	<b>Your electricity bill</b> Valued Customer / Page 1 of 6														
For billing and service inquiries call 1-800-684-8123. Date bill prepared: Apr 19 '16		Customer account 2-11-111-1111 <b>Service account 3-222-2022-22</b> 123 Main Street My City, CA 12345 Rotating outage Group N001															
<b>Your account summary</b> <table border="0"> <tr> <td>Previous Balance</td> <td>\$55.00</td> </tr> <tr> <td>Direct payment we credited on 03/25</td> <td>-\$55.00</td> </tr> <tr> <td>SCE's online payment we received on 04/14</td> <td>-\$1.00</td> </tr> <tr> <td>Credit balance</td> <td>-\$1.00</td> </tr> <tr> <td>Your new charges</td> <td>\$31.91</td> </tr> <tr> <td>EAF Contribution</td> <td>\$0.09</td> </tr> <tr> <td><b>Total amount you owe by May 9 '16</b></td> <td><b>\$31.00</b></td> </tr> </table>				Previous Balance	\$55.00	Direct payment we credited on 03/25	-\$55.00	SCE's online payment we received on 04/14	-\$1.00	Credit balance	-\$1.00	Your new charges	\$31.91	EAF Contribution	\$0.09	<b>Total amount you owe by May 9 '16</b>	<b>\$31.00</b>
Previous Balance	\$55.00																
Direct payment we credited on 03/25	-\$55.00																
SCE's online payment we received on 04/14	-\$1.00																
Credit balance	-\$1.00																
Your new charges	\$31.91																
EAF Contribution	\$0.09																
<b>Total amount you owe by May 9 '16</b>	<b>\$31.00</b>																

**Note:** If your agency is informed directly by the utility company that their account number format is changing, please email the Energy Help Desk. The Energy Help Desk will contact the utility company and work with them directly to obtain the detailed information and make the necessary updates into CORE.

## 3.2 UNDERSTANDING ENERGY COST

### Introduction

This section provides guidance on calculating the “**total monthly energy cost**” for a household which will later be used to identify the household’s Energy Burden (*total monthly energy costs divided by the total monthly household countable income*). The “total monthly energy cost” consists of the entire amount of energy costs (*electric, natural gas, and WPO*) incurred for the most current month (*billing date current within 6 weeks*).

Calculating the energy cost will widely differ from customer to customer due to there being different types of energy sources (*electric, natural gas, and WPO*) combined with many different utilities delivering those sources.

With over forty electric and natural gas utilities throughout California, utility bills differ for each customer based on their service address. Additionally, more communities are launching Community Choice Aggregators (CCAs) which are locally operated but still partner with Investor Owned Utilities (IOUs). If a customer lives in a community with a CCA, they will still receive a bill from the IOU, but the bill will have a line item from the local CCA. Due to the wide variation in utilities, this guidance includes several examples of different utility bills. The examples primarily focus on IOU billing and do not encompass all scenarios encountered with each utility.

The “Total Amount Due” for the current billing period is **not** always going to be the actual monthly energy cost (as it may include a *past* due balance). Therefore, the monthly energy must be calculated and may not reflect the total on the bill. Below outlines the general equation for calculating energy cost to use with each utility. Allowable energy costs include usage and all monthly charges.

### Monthly Energy Cost Calculations

**Total Energy Cost** = Electric + Natural Gas + Wood + Propane + Oil

- **Electric & Natural Gas Energy Cost** = Total Electric Charges + Natural Gas Charges
  - *Taxes and Fees should already be included in electric and gas charges for IOUs.*
  - *If the customer is enrolled in a CCA program, the distribution and generation charges will be on separate line items*
  - *Do not include the CA Climate Credit\**

**\*Note:** When a CA Climate Credit is included in an electric or natural gas bill, do not include this credit when determining the current month’s total electric charges. For most

utilities, the CA Climate Credit will be deducted in the total energy charges for the month and must be added back in. For PG&E, the climate credit is listed as an “Electric Adjustment” in the summary charges and can be ignored.



## Example Energy Bill

Examples below show how to calculate the electric and natural gas energy costs for PG&E, SDG&E, and SCE/SoCalGas. **Reminder** – you must calculate the energy cost because the “Total Amount Due” for the current billing period is **not** always going to be the actual monthly energy cost (as it may include a *past* due balance).

## PG&E EXAMPLE

**PG&E Energy Cost** = (A) Current Electric Charges + (B) Current Gas Charges

(Taxes and Fees are included in energy charges. Ignore the CA Climate Credit.)

 <b>ENERGY STATEMENT</b> <a href="http://www.pge.com/MyEnergy">www.pge.com/MyEnergy</a>		Account No: 1023456789-0 Statement Date: mm/dd/yyyy Due Date: mm/dd/yyyy															
<b>Service For:</b> Residential CARE Customer 1234 Main Street Anytown, CA 000000		<b>Your Account Summary</b>															
<b>Questions about your bill?</b> Monday-Friday 7 a.m.-9 p.m. Saturday 8 a.m.-6 p.m. Phone: 1-800-743-5000 <a href="http://www.pge.com/MyEnergy">www.pge.com/MyEnergy</a>		<table> <tr> <td>Amount Due on Previous Statement</td> <td>\$334.72</td> </tr> <tr> <td>Payment(s) Received Since Last Statement</td> <td>0.00</td> </tr> <tr> <td>Previous Unpaid Balance</td> <td>\$334.72</td> </tr> <tr> <td>Current Electric Charges</td> <td>\$197.74</td> </tr> <tr> <td>Electric Adjustments CA Climate Credit (for this particular bill)</td> <td>-39.42</td> </tr> <tr> <td>Current Gas Charges</td> <td>69.89</td> </tr> <tr> <td><b>Total Amount Due by</b></td> <td><b>\$562.93</b></td> </tr> </table>		Amount Due on Previous Statement	\$334.72	Payment(s) Received Since Last Statement	0.00	Previous Unpaid Balance	\$334.72	Current Electric Charges	\$197.74	Electric Adjustments CA Climate Credit (for this particular bill)	-39.42	Current Gas Charges	69.89	<b>Total Amount Due by</b>	<b>\$562.93</b>
Amount Due on Previous Statement	\$334.72																
Payment(s) Received Since Last Statement	0.00																
Previous Unpaid Balance	\$334.72																
Current Electric Charges	\$197.74																
Electric Adjustments CA Climate Credit (for this particular bill)	-39.42																
Current Gas Charges	69.89																
<b>Total Amount Due by</b>	<b>\$562.93</b>																
<b>Local Office Address</b>		<div>            Current charges include discounts of \$169.58 for CARE and CA Climate Credit.         </div>															

Follow steps A-C to complete the energy cost equation above:

- A) Identify the Current Electric Charges:
  - “Current Electric Charges” = \$197.74
- B) Identify the Current Gas Charges:
  - “Current Gas Charges” = \$69.89
- C) Identify the CA Climate Credit and make sure this is *not included* in the calculation
  - “Electric Adjustments” = -\$39.42

**Note:** in this example, the “Electric Adjustments” found inside the bill identify the charges as the CA Climate Credit.

**PG&E Energy Cost** = (A) \$197.74 + (B) \$69.89 = **\$267.63**

## SDG&E Example

$$\text{SDG\&E Energy Cost} = (\text{A}) \text{ Current Electric Charges} + (\text{B}) \text{ Current Gas Charges} + (\text{C}) \text{ CA Climate Credit}$$

(Taxes and Fees are included in energy charges)



ACCOUNT NUMBER 1234 567 890 0  
SERVICE FOR  
SDGE CUSTOMER  
1234 ANY STREET  
SAN DIEGO, CA 92101

Households are moving to Time-of-Use pricing. Electricity costs are lower all day except between 4 p.m. to 9 p.m. For more info, visit [sdge.com/whenmatters](http://sdge.com/whenmatters).

**Savings Alert:** California is fighting climate change and so can you! Your bill includes a Climate Credit from a state program to cut carbon pollution while also reducing your energy costs. Find out how at [EnergyUpgradeCA.org/credit](http://EnergyUpgradeCA.org/credit).

### Account Summary

Previous Balance			\$357.73
Payment Received	03/13/19	THANK YOU	- 357.73
Current Charges			+ 229.52
<b>Total Amount Due</b>			<b>\$229.52</b>

### Summary of Current Charges

	Billing Period	Usage	Amount(\$)
Gas	Feb 28, 2019 - Apr 1, 2019	45 Therms	30.20
Electric	Feb 28, 2019 - Apr 1, 2019	757 kWh	199.32
<b>Total Charges this Month</b>			<b>\$229.52</b>

(See page 2 for details)

(A) (B)

### GAS CHARGES

	Amount(\$)
Gas Service (Details below) 45 Therms	
Baseline	
Therms used 45	
Rate/Therm \$1.01230	
Charge \$45.55	= 45.55

**Gas Energy Rate Change This Billing Period:**  
There was a rate change on day 32 of your Billing Period. Therefore, your charges for the first 318 days were at Rate 1, and the remaining 1 days were at Rate 2.

Gas Energy Charge (Details below) 45 Therms	
Usage	
Therms used 45	
Rate/Therm \$.34873	
31 of 32 Days \$13.73	= 13.73
Therms used 45	
Rate/Therm \$.41256	
1 of 32 Days \$2.32	= 2.32

California Climate Credit -33.94

**Total Gas Charges \$30.20**

(C)

**ELECTRIC CHARGES**

Amount(\$)

Electricity Delivery (Details below) 709 kWh			
WINTER USAGE	On-Peak	Off-Peak	Super Off-Peak
kWh used	167	308	234
Rate/kWh	\$ .32037	\$ .32037	\$ .32037
31 Day Charge	\$53.50	+ \$98.67	+ \$74.97
			= 227.14

Electricity Delivery (Details below) 48 kWh			
WINTER USAGE	On-Peak	Off-Peak	Super Off-Peak
kWh used	12	14	22
Rate/kWh	\$ .32814	\$ .32814	\$ .32814
1 Day Charge	\$3.94	+ \$4.59	+ \$7.22
			= 15.75

**Time of Use Change This Bill Period:**

There was a time of use change on day 32 of your Billing Period. Therefore, your consumption for the first 31 days were aggregated on TOU 1, and the remaining 1 days were aggregated on TOU 2. See time-of-use chart for detail.

**Rate Change This Billing Period:**

There was a rate change on day 32 of your Billing Period. Therefore, your charges for the first 31 days were at Rate 1, and the remaining 1 days were at Rate 2.

DWR Bond Charge 757 kWh x \$.00503 3.81

Electricity Generation (Details below) 709 kWh			
WINTER USAGE	On-Peak	Off-Peak	Super Off-Peak
kWh used	167	308	234
Rate/kWh	\$ .07621	\$ .06765	\$ .05815
31 Day Charge	\$12.73	+ \$20.84	+ \$13.61
			= 47.18

Electricity Generation (Details below) 48 kWh			
WINTER USAGE	On-Peak	Off-Peak	Super Off-Peak
kWh used	12	14	22
Rate/kWh	\$ .08748	\$ .07764	\$ .06674
1 Day Charge	\$1.05	+ \$1.09	+ \$1.47
			= 3.61

DWR Revenue Adjustment -.02  
 Baseline Adjustment Credit -67.44  
 California Climate Credit -31.32

**Total Electric Charges 198.71**

Follow steps A-C to complete the energy cost equation above:

**A) Identify the Current Electric Charges:**

- "Current Electric Charges" = \$199.32

**B) Identify the Current Gas Charges:**

- "Current Gas Charges" = \$30.20

**C) Identify the CA Climate Credits:**

- Gas "CA Climate Credit" = -\$33.94 and Electric "CA Climate Credit" = -\$31.32

*Note: in this example, CA Climate Credit deduction is accounted for the in total charges and must be added back in*


**SDG&E Energy Cost** = (A) \$199.32 + (B) 30.20 + (C) 33.94 + 31.32 = **\$294.78**



## SCE & SoCalGas Example

**SCE & SoCalGas Energy Cost = (A) Current Electric Charges + (B) Current Gas Charges + (C) CA Climate Credit**

*(Taxes and Fees are included in energy charges)*



**SOUTHERN CALIFORNIA  
EDISON**  
An EDISON INTERNATIONAL® Company

Go paperless at [www.sce.com/ebilling](http://www.sce.com/ebilling). It's fast, easy and secure.

For billing and service inquiries call  
1-800-XXX-XXXX  
[www.sce.com](http://www.sce.com)

**Your electricity bill**

VALUED CUSTOMER / Page 1 of 4

---

**Customer account**  
2-00-000-0000

**Service account**  
3-000-0000-00  
00 ANY DR  
ANY CITY, CA 90000

**Rotating outage**  
Group N001

**Date bill prepared**  
09/27/16

**1 Amount due \$235.32**

**Due by 10/17/16**

---

**Your account summary**

Previous Balance	\$134.00
Payment Received 09/14/16	-\$134.00
Balance forward	\$0.00
Your new charges	\$235.32
<b>Total amount you owe by 10/17/16</b>	<b>\$235.32</b>



### Current Charges

Rate: GR - Residential		Climate Zone: 1		Baseline Allowance: 54 Therms	
Meter Number: 92879508 (Next scheduled read date Jan 15 2016)				Cycle: 10	
Billing Period	Days	Current Reading	Previous Reading	= Difference x Billing Factor	= Total Therms
11/12/15 - 12/14/15	32	2485	2448	37 1.005	37
<b>GAS CHARGES</b>					
Customer Charge				32 Days x \$.16438	Amount(\$) 5.26
Gas Service (Details below)				37 Therms	
Baseline					
Therms used				37	
Rate/Therm				\$ .79865	
Charge				\$29.55	= 29.55
<b>Total Gas Charges</b>					<b>\$34.81</b>
<b>TAXES &amp; FEES ON GAS CHARGES</b>					
State Regulatory Fee				37 Therms x \$.00068	Amount(\$) .03
Public Purpose Surcharge				37 Therms x \$.10738	3.97
Los Angeles County Users Tax				\$38.81 x 4.50%	1.75
<b>Total Taxes and Fees on Gas Charges</b>					<b>\$5.75</b>
<b>Total Current Charges</b>					<b>\$40.56</b>

### Details of your new charges

Your rate: TOU-D-A		
Billing period: 08/25/16 to 09/26/16 (32 days)		
<b>Delivery charges - Cost to deliver your electricity</b>		
Basic charge	32 days x \$0.03100	\$0.99
<b>Energy-Summer</b>		
On peak	233 kWh x \$0.14856	\$34.61
Mid peak	442 kWh x \$0.14856	\$65.66
Off peak	302 kWh x \$0.08594	\$25.95
DWR bond charges	977 kWh x \$0.00539	\$5.27
<b>Generation charges - Cost to generate your electricity</b>		
DWR		
DWR energy credit	977 kWh x -\$0.00022	-\$0.21
<b>SCE</b>		
<b>Energy-Summer</b>		
On peak	233 kWh x \$0.28188	\$65.68
Mid peak	442 kWh x \$0.13118	\$57.98
Off peak	302 kWh x \$0.03968	\$11.98
Baseline credit	333 kWh x -\$0.09871	-\$32.87
Subtotal of your new charges		\$235.04
State tax	977 kWh x \$0.00029	\$0.28
<b>Your new charges</b>		<b>\$235.32</b>



Follow steps A-C to complete the energy cost equation above:

**A) Identify the Current Electric Charges:**

- “Current Electric Charges” = \$235.32

**B) Identify the Current Gas Charges:**

- “Current Gas Charges” = \$40.56

**C) Identify the CA Climate Credits**

- “CA Climate Credit” = 0

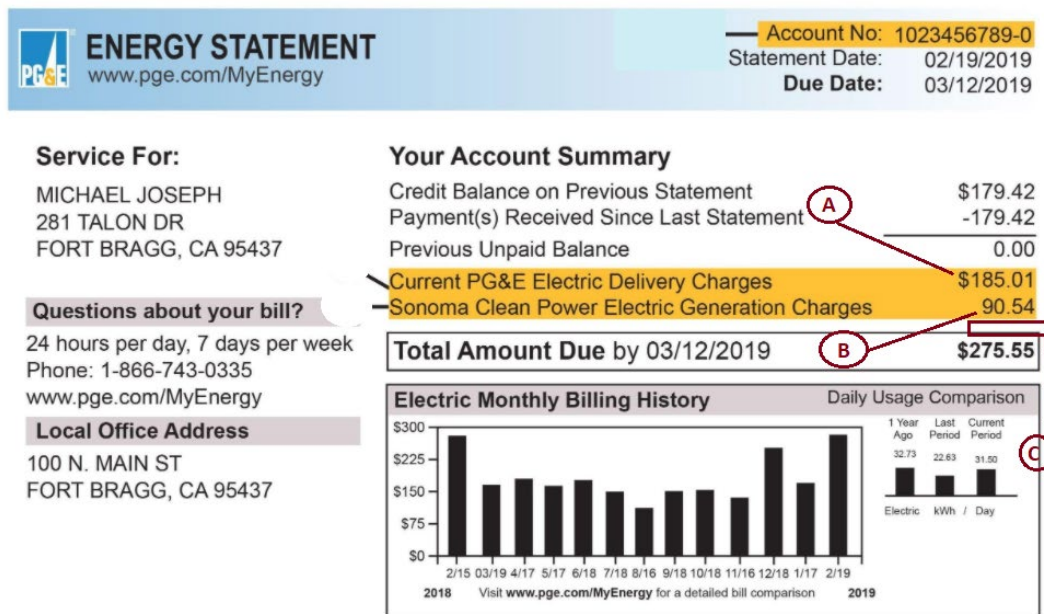
*Note: in this example, CA Climate Credit is not listed since the credit is not applied to every month. If there was a credit, the credit amount would need to be added back into the total.*

$$\text{SCE \& SoCalGas Energy Cost} = (\text{A}) \$235.32 + (\text{B}) 40.56 + (\text{C}) 0 = \$275.88$$

## Community Choice Aggregator (CCA) Example – Sonoma Clean Power

$$\text{CCA (Sonoma Clean Power) Energy Cost} = (\text{A}) \text{ Electric Delivery Charges} + (\text{B}) \text{ Electric Generation Charges} + (\text{C}) \text{ Current Gas Charges}$$

*(Taxes and some Fees are included in energy charges)*



Follow steps A-C to complete the energy cost equation above:

**A) Identify the Current Electric Delivery Charges:**

- “Current PG&E Electric Charges” = \$185.01

**B) Identify the Current Electric Generation Charges**

- “Sonoma Clean Power Electric Generation Charges” = \$90.54
- C) Identify the Current Gas Charges:
- “Current Gas Charges” = \$0 (blank, all electric home)

**CCA (Sonoma Clean Power) Energy Cost** = (A) \$185.01 + (B) 90.54 + (C) \$0 = **\$275.55**

## Calculating Energy Costs for Solar Customers

Customers with a solar energy system will have a slightly different utility bill than the examples listed above. The key difference in the energy cost calculations is identifying the **current electric charges**. The solar energy system will produce more credits on the customer's bill compared to a household's bill without solar. The description below identifies terms and methods to better understand solar credits and explains how to calculate energy cost for the current monthly bill (billing date within 6 weeks).

Terms	
Minimum Delivery Charge	The minimum delivery charge is used to pay for the transportation of electricity and distribution maintenance. This is often the only charge on a solar bill when the solar energy system over produces for the month.
Net Energy Metering (NEM)	Net Energy Metering (NEM) is a billing mechanism that credits solar energy system owners for the electricity they add to the grid. For example, if a residential customer has a solar system on their roof, it may generate more electricity than the home uses during daylight hours. If the home is net-metered, the electricity meter will run backwards to provide a credit against what electricity is consumed at night or other periods when the home's electricity use exceeds the system's output. Customers are only billed for their "net" energy use.
True-up Bill	The True-up Bill is what solar energy system owners receive after a 12-month billing period with the utility. The True-up reconciles all the cumulative energy charges and credits and compensation for an entire 12-month period. If a balance is due after all credits and charges are reconciled, the amount will appear on the True-Up statement.
Two Methods of Payment	There are <b>two methods</b> for solar customers to pay their bill: 1) annual <b>true-up bill</b> or 2) a <b>monthly bill</b> . The customer will have the choice in selecting a payment method with their utility.

**Energy Cost for Solar Customers** = Total Electric Charges (NEM Charges or Minimum Delivery Charge\*) + Natural Gas Charges + WPO Charges

*Taxes and Fees should already be included in electric and gas charges*

*Do not include the CA Climate Credit – see examples of a standard utility bill*

**\*Note** - applicants with solar energy must have an out-of-pocket cost to be eligible for assistance. Out-of-pocket expenses can include minimum delivery charges. An applicant could be considered eligible if they are required to pay a minimum delivery charge, regardless of their electric generation for the month.

## Solar Bill Examples

Identifying the energy cost for a solar customer will vary depending on their utility and payment method. Since the main difference in calculating electric costs for a solar bill is due to “credits”, each example will show how to calculate the bill if the charges for the month are positive, or if there is a credit. In order to show both scenarios, the examples will calculate what is shown in the sample bill and will also present the alternative scenario not directly shown in the sample bill.

Navigate to examples of different scenarios via the table below. If using a printed version on the guide, skip down to the applicable scenario.

Bill Provided by Customer		Utility Example		
Method One	True-up Bill: <i>Monthly</i> Statement	<a href="#">PG&amp;E Example</a>	<a href="#">SDG&amp;E Example</a>	<a href="#">SCE and SoCalGas Example</a>
	True-up Bill: <i>Annual</i> Statement	<a href="#">PG&amp;E Example</a>	<a href="#">SDG&amp;E Example</a>	<a href="#">SCE and SoCalGas</a>
Method Two	Monthly Bill	<a href="#">Marin Clean Energy (MCE)</a>	<a href="#">Clean Power Alliance</a>	

## Method One – Determining Energy Cost with a True-up Bill

If a customer is using the true-up bill method, intake will most likely involve their “monthly statement”. However, if the customer is applying during the last month of their annual billing cycle, the LSP will need to use the “annual true-up statement”. Both scenarios are shown in examples below.

## PG&E Example – Monthly Statement (True-up Bill Method):

**PG&E Solar Customer Energy Cost** (Monthly Statement) = (A) Monthly NEM Charges **OR** (B) Minimum Delivery Charge (i.e. Current Electric Monthly Charges) + (C) Current Gas Charges  
(Taxes and Fees are included in the total NEM charges)

**mm/dd/yyyy - mm/dd/yyyy**

Baseline Allowance	492.90 kWh	(31 days x 15.9 kWh/day)	
Net Usage			
Peak	101.406420 kWh	@ \$0.28530	\$28.93
Off Peak	620.167253 kWh	@ \$0.27100	168.07
Baseline Credit	492.900000 kWh	@ -\$0.11709	-57.71
NBC Net Usage Adjustment			-12.10
State Mandated Non-Bypassable Charge <sup>1</sup>			16.62
Energy Commission Tax			0.21
San Jose Utility Users' Tax (5.000%)			6.96
San Jose Franchise Surcharge			0.42
<b>Monthly NEM Charges</b>			<b>\$151.40</b>

**ENERGY STATEMENT**  
www.pge.com/MyEnergy

Account No: 1023456789-0  
Statement Date: mm/dd/yyyy  
Due Date: mm/dd/yyyy

**Service For:**  
JOHN DOE  
1234 MAIN STREET  
ANYTOWN, CA 00000

**Questions about your bill?**  
Solar Hotline: 1-877-743-4112 M-F 8-5  
General: 1-800-743-5000  
24 hours per day, 7 days per week  
www.pge.com/MyEnergy

**Local Office Address**  
705 P Street  
Fresno, CA 93760

**Your Enrolled Programs**  
Net Energy Metering (NEM)

**Your Account Summary**

Amount Due on Previous Statement	\$43.54
Payment(s) Received Since Last Statement	-43.54
Previous Unpaid Balance	\$0.00
Current Electric Monthly Charges	\$10.96
Current Gas Charges	\$37.00
<b>Total Amount Due by mm/dd/yyyy</b>	<b>\$47.96</b>

**Important Messages**  
For details of charges, taxes and surcharges, daily usage details from your SmartMeter, and additional payment options, you may

**Your Net Energy Metering (NEM) Account Summary**

Year-to-date (YTD) NEM charges are based on your YTD usage. Your NEM balance will be reconciled on your annual True-Up statement (mm/yyyy) and other charges and taxes may apply. No credits will be carried over to your next True-Up period. Please see the "Summary of Your NEM YTD Charges" for more details.

Total NEM Charges Before Taxes	-\$54.44
Total Electric Minimum Delivery Charges	21.39
<b>YTD Estimated NEM Charges At True-Up</b>	<b>\$0.00</b>

Follow steps A-C to complete the energy cost equation above:

### A) Identify Monthly NEM Charges:

- "Monthly NEM Charges" = \$151.40
- If the NEM charges is positive, use this number. If NEM charge is *negative*, skip to step B.

### B) What if the NEM total (step A) is negative? Identify the Minimum Delivery Charge:

- For PG&E, this is listed as "Current Electric Monthly Charges"
- "Minimum Delivery Charge (i.e. Current Electric Monthly Charges)" = \$10.96

### C) Identify Current Gas Charges

- "Current Gas Charges" = \$37.00

**PG&E Energy Cost for Solar Customers** (if NEM Charge is positive) = (A) \$151.40 + (C) \$37.00 = **\$188.40**


**PG&E Energy Cost for Solar Customers** (if NEM Charge is negative) = (B) \$10.96 + (C) \$37.00 = **\$47.96**

## PG&E Example – True-up Statement (True-up Bill Method):

**PG&E Solar Customer Energy Cost** (True-up Statement) = (A) Monthly NEM Charges **OR** (B) Minimum Delivery Charge (i.e. Current Electric Monthly Charges) + (C) Current Gas Charges

*(Taxes and Fees are included in the total NEM charges)*

For this example, calculate the energy cost for the month of September:



# ENERGY STATEMENT

www.pge.com/MyEnergy

Account No: 1023456789-0  
Statement Date: 09/30/2017  
Due Date: 10/23/2017

## Summary of Your NEM True-Up Period Charges

Service For: 1234 Main Street  
Service Agreement ID: 9087654321  
Rate Schedule: ETOUB H Residential Time-of-Use Service

## Summary of NEM Charges

Bill Period End Date	Net Peak Usage (kWh)	Net Off Peak Usage (kWh)	Net Usage (kWh)	Estimated NEM Charges Before Taxes	Estimated Taxes	Estimated Total NEM Charges
10/31/2016	25	122	147	\$29.88	\$0.04	\$29.92
11/30/2016	-48	-23	-71	-15.11	-0.02	-15.13
12/31/2016	88	425	513	104.29	0.15	104.44
01/31/2017	14	-44	-30	-5.74	0.01	-5.75
02/28/2017	120	801	921	186.51	0.27	186.78
03/31/2017	55	91	146	30.24	0.04	30.28
04/30/2017	-86	120	34	5.19	0.01	5.20
05/31/2017	-44	19	-25	-10.87	-0.01	-10.88
06/30/2017	81	108	189	56.21	0.05	56.26
07/31/2017	58	155	213	59.92	0.06	59.98
08/31/2017	199	78	277	90.66	0.08	90.74
09/30/2017	520	-56	464	173.10	0.13	173.23
TOTAL	982	1796	2778	\$704.28	\$0.81	\$705.09

Differences in net usage may occur due to rounding

**ENERGY STATEMENT**  
www.pge.com/MyEnergy

Account No: 1023456789-0  
Statement Date: 09/30/2017  
Due Date: 10/23/2017

**Service For:**  
ETOUB Charge True-Up  
1234 Main Street  
Anytown, CA 00000

**Questions about your bill?**  
Solar Hotline: 1-877-743-4112 M-F 8-5  
General: 1-800-743-5000  
24 hours per day, 7 days per week  
www.pge.com/MyEnergy

**Local Office Address**  
750 Lindero St Ste 160  
San Rafael, CA 94901

**Your Enrolled Programs**  
Net Energy Metering (NEM2)

**Your Account Summary**

Amount Due on Previous Statement	\$43.54
Payment(s) Received Since Last Statement	-43.54
Previous Unpaid Balance	\$0.00
Current Electric Monthly Charges	\$9.86
Total NEM Charges	585.19
<b>Total Amount Due by 10/23/2017</b>	<b>\$595.05</b>

**Your Net Energy Metering (NEM) Summary: True-Up**

This is your True-Up statement. Please see the "Summary of Your NEM True-Up Period Charges" for more details.

Total NEM Charges Before Taxes	\$704.28
Total Electric Minimum Delivery Charges	-119.90
Taxes	0.81
<b>Total NEM Charges Due</b>	<b>\$585.19</b>

Follow steps A-C to complete the energy cost equation above:

**A) Identify Monthly NEM Charges:**

- "Monthly NEM Charges" = \$173.23
- If the NEM charges is positive, use this number. If NEM charge is *negative*, skip to step B.

**B) What if the NEM total (step A) is negative? Identify the Minimum Delivery Charge:**

- For PG&E, this is listed as "Current Electric Monthly Charges"
- "Minimum Delivery Charge (i.e. Current Electric Monthly Charges)" = \$9.86

**C) Identify Current Gas Charges**

- "Current Gas Charges" = \$0

*Note – in this example, the customer has zero gas charges and is blank.*

**PG&E Energy Cost for Solar Customers** (if NEM Charge is positive) = (A) \$173.23 + (C) \$0 = **\$173.23**

**PG&E Energy Cost for Solar Customers** (if NEM Charge is negative) = (B) \$9.86 + (C) \$0 = **\$9.86**

## SDG&E Example – Monthly Statement (True-up Bill Method):

**SDG&E Solar Customer Energy Cost** (Monthly Statement) = (A) Monthly NEM Charges **OR** (B) Minimum Delivery Charge (i.e. Minimum Charge Adjustment) + (C) Current Gas Charges

*(Taxes and Fees are included in the total NEM charges)*

For this example, calculate the energy cost for the month of September:

Bill Date	Days	Total kWh	NEM Charges	NEM Credits
07/22/2014	32	131	21.41	-
08/20/2014	29	-63	-	(10.79)
09/22/2014	33	110	19.06	-
<b>YTD Totals</b>	<b>94</b>	<b>178</b>	<b>40.32</b>	<b>(10.79)</b>

Billing Period	Usage	Amount(\$)
Electric mm/dd/yy - mm/dd/yy	1,165 kWh	10.53
<b>Total Charges this Month</b>		<b>\$10.53</b>

*Regulatory Notices*

- All customers are required to pay a Competition Transition Charge as part of the charges above, including those who choose an electric service provider other than SDG&E.

OR

Detail of Current Charges		
Electric Service		
DWR Bond Charge	1,165 kWh x \$.00549	6.40
Winter Electricity Generation	1,165 kWh x \$.07631 x 27/32	75.00
Winter Electricity Generation	1,165 kWh x \$.07397 x 5/32	13.46
Applied Generation Credit		-345.41
Minimum Charge Adjustment		10.53
<b>Total Electric Charges</b>		<b>\$9.62</b>



YTD Net Metering Charges/Credits	\$	29.68
Reduce Your Use Day Reward	\$	(4.50)
Minimum Charge Adjustment	\$	4.93
<b>Subtotal</b>	\$	30.11
Additional Charges/Payments		
<b>Current Account Balance</b>		
<b>Payment Required This Month:</b>		

**DON'T USE**  
 This page is a running total for the year. Refer to "Detail of Current Charges" for the Minimum Charge Adjustment.

Follow steps A-C to complete the energy cost equation above:

**A) Identify Monthly NEM Charges:**

- "Monthly NEM Charges" = \$19.06
- If the NEM charges is positive, use this number. If NEM charge is *negative*, skip to step B.

**B) What if the NEM total (step A) is negative?** Identify the Minimum Delivery Charge:

- For SDG&E, this is listed as "Minimum Charge Adjustment"
- "Minimum Delivery Charge (i.e. Minimum Charge Adjustment)" = \$10.53

*Note – an SDG&E Time of Use (TOU) rate bill looks slightly different. See ["SDG&E Example – True Up Statement"](#) to see an example of the TOU bill.*

**C) Identify Current Gas Charges**

- "Current Gas Charges" = \$0

*Note – in this example, the customer has zero gas charges and is blank.*

**SDG&E Energy Cost for Solar Customers (if NEM Charge is positive)** = (A) \$19.06 + (C) \$0 = **\$19.06**

**SDG&E Energy Cost for Solar Customers (if NEM Charge is negative)** = (B) \$10.53 + (C) \$0 = **\$10.53**

## SDG&E Example – True-up Statement (True-up Bill Method):

**SDG&E Solar Customer Energy Cost (True-up Statement)** = (A) Monthly NEM Charges **OR** (B) Minimum Delivery Charge (i.e. Minimum Charge Adjustment) + (C) Current Gas Charges

(Taxes and Fees are included in the total NEM charges)

For this example, calculate the energy cost for the month of October. **Note** – the example below is using a Time of Use (TOU) rate bill. For an example of a solar bill with the Standard Residential rate, see “[SDG&E Example – Monthly Statement](#)”.

## Net Energy Metering Summary

Current Rate: Time of Use - EVTOU2-Residential

Start Date: 06/10/2014

System Size: 11.00 kW

Meter Number:

True-Up Date: 06/11/2015

Bill Date	On-Pk kWh	Off-Pk kWh	Super-Off Pk kWh	Total kWh	NEM Charges	Applied Credits	Remaining Credits	Cumulative Balance
07/10/2014	361	853	175	1,389	363.80	-	-	363.80
08/10/2014	190	869	234	1,293	316.78	(14.62)	-	665.96
09/10/2014	-519	599	332	412	183.41	(183.41)	(69.64)	665.96
10/09/2014	-604	554	551	501	209.37	(209.37)	(154.77)	665.96
<b>YTD Totals</b>	<b>-572</b>	<b>2,875</b>	<b>1,292</b>	<b>3,595</b>	<b>1,073.36</b>	<b>(407.40)</b>		

YTD Net Metering Charges/Credits \$ 665.96

Reduce Your Use Day Reward \$ (6.25)

California Climate Credit \$ (36.24)

Minimum Charge Adjustment \$ 10.20

**Subtotal** \$ 633.67

Additional Charges/Payments \$ (172.38)

**Current Account Balance** \$ 461.29

**Payment Required This Month:**

**Yes**

If "Yes", the statement is a True-up statement

Remaining generation credits that can be applied to future charges within the 12-month billing period

### Summary of Current Charges

(See page 2 for details)

	Billing Period mm/dd/yy - mm/dd/yy	Usage	Amount(\$)
Electric		1,165 kWh	10.53
<b>Total Charges this Month</b>			<b>\$10.53</b>

#### Regulatory Notices

All customers are required to pay a Competition Transition Charge as part of the charges above, including those who choose an electric service provider other than SDG&E.

### Detail of Current Charges

OR

#### Electric Service

DWR Bond Charge	1,165 kWh x \$.00549	6.40
Winter Electricity Generation	1,165 kWh x \$.07631 x 27/32	75.00
Winter Electricity Generation	1,165 kWh x \$.07397 x 5/32	13.46
Applied Generation Credit		-345.41
Minimum Charge Adjustment		10.53
	<b>Total Electric Charges</b>	<b>\$9.62</b>

YTD Net Metering Charges/Credits	\$	29.68
Reduce Your Use Day Reward	\$	(4.50)
Minimum Charge Adjustment	\$	4.93
Subtotal	\$	30.11
Additional Charges/Payments		
Current Account Balance		
Payment Required This Month:		

**DON'T USE**  
 This page is a running total for the year. Refer to "Detail of Current Charges" for the Minimum Charge Adjustment.

Follow steps A-C to complete the energy cost equation above:

**A) Identify Monthly NEM Charges:**

- Since there is a "Remaining Credit", the NEM Charges are negative for this month.
- "Monthly NEM Charges (i.e. Remaining Credits) = -154.77
- If there is no remaining credit, use the "NEM Charges" column.
  - Under the alternate scenario, "NEM Charges" = \$209.37
- Only use this number if the amount is positive. Since the charge is negative, skip to step B.

**B) What if the NEM total (step A) is negative? Identify the Minimum Delivery Charge:**

- For SDG&E, this is listed as "Minimum Charge Adjustment"
- "Minimum Delivery Charge (i.e. Minimum Charge Adjustment)" = \$10.53

**C) Identify Current Gas Charges (*not shown*)**

- For this example, "Current Gas Charges" = \$0

*Note – this is an all-electric home and the gas charges are left blank*

**SDG&E Energy Cost for Solar Customers** (if NEM Charge is positive – only if there are no credits – not actually shown in the sample) = (A) \$209.70 + (C) \$30 = **\$209.70**

**SDG&E Energy Cost for Solar Customers** (if NEM Charge is negative) = (B) \$10.53 + (C) \$0 = **\$10.53**

## SCE & SoCalGas Example – Monthly Statement (True-up Bill Method):

**SCE & SoCalGas Solar Customer Energy Cost** (Monthly Statement) = (A) Monthly NEM Charges (i.e. Energy Charge Total) **OR** (B) Minimum Delivery Charge (i.e. Your New Charges) + (C) Current Gas Charges

(Taxes and Fees are included in the total NEM charges)

Details of your tracked charges			
Your rate: TOU-D-A			
Billing period: 09/12/17 to 09/19/17 (7 days)			
<b>Delivery charges - Cost to deliver your electricity</b>			
Energy-Summer			
On peak	-11 kWh × \$0.13023		-1.43
Off peak	142 kWh × \$0.13023		\$18.49
Super off peak	383 kWh × \$0.06993		\$26.78
A/C cycling discount			-\$17.10
<b>Generation charges - Cost to generate your electricity</b>			
<b>SCE</b>			
Energy-Summer			
On peak	-11 kWh × \$0.29604		-\$3.26
Off peak	142 kWh × \$0.12705		\$18.04
Super off peak	383 kWh × \$0.03955		\$15.15
Baseline credit	308 kWh × -\$0.09107		-\$28.05
<b>Energy charge total</b>			<b>\$28.62</b>

### Additional information regarding your Net Consumption/Generation:

- Your year-to-date Energy Charges total as of previous month: \$0.00
- Your current month Energy Charge total: \$28.62
- Your year-to-date Energy Charges: \$28.62
- Your year-to-date kWh: 58 kWh

Customer account 2-00-000-0000	Rotating outage Group A073	<b>Amount due \$13.53</b>
Service account 3-000-0000-00	Date bill prepared 08/28/17	<b>Due by 08/28/17</b>
00 ANY DR ANY CITY, CA 90000		
		<b>Year-to-date charges through month 2: \$28.62</b>
		<b>Due by month 12</b>

### Your account summary

Previous Balance	\$85.39
Payment Received 09/18/17	-\$85.39
Balance forward	\$0.00
Your new charges	<b>\$13.53</b>
<b>Total amount you owe by 10/10/17</b>	<b>\$13.53</b>

### Understand Net Energy Metering (NEM) billing

You are billed annually for your energy charges because they can be offset by energy credits over your 12-month billing period. Any charges not offset by credits will become due at the end of your 12-month billing period.

You also receive a monthly bill. It reflects the minimum amount due each month, which supports the cost of maintenance and operation for providing electricity.



GAS CHARGES			Amount(\$)
Customer Charge	32 Days x \$.16438		5.26
Gas Service (Details below)	37 Therms		
Baseline			
Therms used	37		
Rate/Therm	\$.79865		
Charge	\$29.55		
		=	29.55
Total Gas Charges			\$34.81
TAXES & FEES ON GAS CHARGES			Amount(\$)
State Regulatory Fee	37 Therms x \$.00068		.03
Public Purpose Surcharge	37 Therms x \$.10738		3.97
Los Angeles County Users Tax	\$38.81 x 4.50%		1.75
Total Taxes and Fees on Gas Charges			\$5.75
Total Current Charges			\$40.56

Follow steps A-C to complete the energy cost equation above:

**A) Identify Monthly NEM Charges:**

- “Monthly NEM Charges” = \$28.62
- If the NEM charges is positive, use this number. If NEM charge is *negative*, skip to step B.

**B) What if the NEM total (step A) is negative?** Identify the Minimum Delivery Charge:

- For SCE, this is listed as “Your New Charges”
- “Minimum Delivery Charge (i.e. Your New Charges)” = \$13.53

**C) Identify Current Gas Charges**

- “Current Gas Charges” = \$40.56

**SCE & SoCalGas Energy Cost for Solar Customers** (if NEM Charge is **positive**) = (A) \$28.62  
+ (C) \$40.56 = **\$69.18**

**SCE & SoCalGas Energy Cost for Solar Customers** (if NEM Charge is **negative**) = (B)  
\$13.53 + (C) \$40.56 = **\$54.09**

### **SCE Example – True-up Statement (True-up Bill Method):**

For a true-up statement with SCE, see the example above. Location of monthly charges remains the same. The only difference between the True-up Statement and Monthly Statement will be the “Amount Due”; however, this does not affect how to identify the monthly charges.

## Method Two – Determining Energy Cost with a Monthly Bill

Most Community Choice Aggregators (CCAs) use a monthly bill for solar customers and IOU customers may also elect to enroll in a monthly billing cycle. Below is an example of a CCA solar customer.

### Marin Clean Energy (MCE) Example – Monthly Statement (Monthly Bill Method):

Since MCE does *not* use an annual True-up method, monthly electric “generation charges” can be identified on the summary page. Minimum delivery charges are always included since these charges still come from PG&E.

**MCE Solar Customer Energy Cost (Monthly Statement) = (A) Monthly NEM Charges (i.e. MCE Electric Generation Charges) + (B) Minimum Delivery Charge (i.e. PG&E Electric Monthly Charges) + (C) Current Gas Charges**

*(Taxes and Fees are included in the total NEM charges)*

Your Account Summary	
Amount Due on Previous Statement	\$57.61
Payment(s) Received Since Last Statement	-57.61
Previous Unpaid Balance	\$0.00
Current PG&E Electric Monthly Charges	\$9.86
MCE Electric Generation Charges	25.47
Current Gas Charges	16.30
<b>Total Amount Due by 09/26/2019</b>	<b>\$51.63</b>

Follow steps A-C to complete the energy cost equation above:

**A) Identify Monthly NEM Charges:**

- “Monthly NEM Charges (i.e. MCE Electric Generation Charges)” = \$25.47
- If the NEM charges is positive, use this number and ADD to step B. If NEM charge is *negative*, skip to step B.

**B) Identify the Minimum Delivery Charge:**



- “Minimum Delivery Charge (i.e. PG&E Electric Monthly Charges)” = \$9.86
- ADD Monthly NEM Charge and Minimum Delivery Charge
- **What if the NEM total (step A) is negative?**
  - Use \$9.86 only

**C) Identify Current Gas Charges**

- “Current Gas Charges” = \$16.30

**MCE Energy Cost for Solar Customers** (if NEM Charge is **positive**) = (A) \$25.47 + (B) \$9.86 + (C) \$16.30 = **\$51.63**

**MCE Cost for Solar Customers** (if NEM Charge is **negative**) = (B) \$9.86 + (C) \$16.30 = **\$26.16**

## **Clean Power Alliance Example – Monthly Statement (Monthly Bill Method):**

Since Clean Power Alliance does *not* use an annual True-up method, monthly electric “generation charges” can be identified on the summary page. Minimum delivery charges are always included since these charges still come from SCE. The bill will not actually say “Clean Power Alliance” but will have charges under each service account number.

**Clean Power Alliance Solar Customer Energy Cost** (Monthly Statement) = (A) Monthly NEM Charges (i.e. Clean Power Alliance service account charges) + (B) Minimum Delivery Charge (i.e. SCE service account charges) + (C) Current Gas Charges

*(Taxes and Fees are included in the total NEM charges)*

<b>Customer Account</b> 2-01-851-0000  1234 MAIN STREET LOS ANGELES, CA 90209-9400	<b>Date bill prepared</b> 06/28/18	<b>Amount due \$175.48</b> <b>Due by 07/17/18</b>
--	---------------------------------------	--

---

**Your account summary**

Previous Balance	\$61.57
Payment Received 06/08/18	-\$61.57
Balance forward	\$0.00
Your new charges	\$175.48
<b>Total amount you owe by 07/17/18</b>	<b>\$175.48</b>

---

**Summary of your billing detail**

Service account	Service address	Billing period	Your rate	New charges
3-000-0000-71	1234 Main St Los Angeles, CA	05/25/18 to 06/26/18	DOMESTIC (SCE)	\$121.93
3-048-0000-82	1234 Main St Los Angeles, CA	05/25/18 to 06/26/18	DOMESTIC	\$53.55
				<b>\$175.48</b>

Follow steps A-C to complete the energy cost equation above:

**A) Identify Monthly NEM Charges:**

- “Monthly NEM Charges (i.e. Clean Power Alliance service account charges)” = \$53.55
- If the NEM charges is positive, use this number and ADD to step B. If NEM charge is *negative*, skip to step B.

**B) Identify the Minimum Delivery Charge:**

- “Minimum Delivery Charge (i.e. SCE service account charges)” = \$121.93
- ADD Monthly NEM Charge and Minimum Delivery Charge
- **What if the NEM total (step A) is negative?**
  - Use \$121.93 only

**C) Identify Current Gas Charges**



- “Current Gas Charges” = \$0

*Note – in this example, the customer has an all-electric home with no gas charges*

**Clean Power Alliance Energy Cost for Solar Customers** (if NEM Charge is **positive**) = (A)  
\$53.55 + (B) \$121.93 + (C) \$0 = **\$175.48**

**Clean Power Alliance Cost for Solar Customers** (if NEM Charge is **negative**) = (B) \$121.93  
+ (C) \$0 = **\$121.93**

### **3.3 UTILITIES INCLUDED IN RENT**

#### **Introduction**

Applicants that pay their utility costs as a portion of their rent are eligible to receive LIHEAP, ESLIHEAP, and SLIHEAP assistance. Public Law 97-35, Title XXVI, Section 2602 (8)(B) states, “the State will treat owners and renters equitably under the program assisted under this title.”

#### **Verification**

To qualify to receive services, the documentation must include the following:

1. Date
2. Tenant/Customer’s Name
3. Service Address
4. The amount of rental charges covering energy expenses
5. Landlord’s signature
6. Photocopied and faxed letters of utility cost verification
  - Agency must keep a dated copy with a wet signature on file for each multi-family dwelling. Letter must contain service address, date, and the location of the original signature.
  - This document may be photocopied for insertion into the client file of other tenants in that building.
  - A newly signed landlord letter must be obtained each program year.

#### **Acceptable Documentation**

Documentation must be current to 6 weeks from intake date:

- Original or faxed letter signed by landlord/manager
- Rental receipt that indicates utilities included in rent
- HUD or USDA statement showing zero utility allowance

#### **Unacceptable Documentation**

The following are considered unacceptable for included in rent verification:

- Documents that do not show energy charges

- Documents that have been altered
- Outdated information
- Landlord statements that are unsigned
- Letter that does not indicate customer name and apartment number if applicable

## **3.4 SUBMETERED**

### **Introduction**

Utilities are considered submetered when the energy costs are billed with the rent or through a third-party billing service. The energy cost will change monthly, depending on usage. Energy costs are provided through a monthly rental receipt or billing statement.

### **Verification**

To qualify to receive services, the documentation must include the following:

1. Date – current to within 6 weeks from the intake date
2. Tenant/Customer's Name
3. Service Address
4. The dollar amount of energy costs

### **Acceptable Documentation**

The following are considered acceptable:

- Past-due notices
- Shut-off notices
- Energy statement/printouts that indicate usage without added fees and provide required information referenced above

### **Unacceptable Documentation**

The following are considered unacceptable for included in rent verification:

- Closing bills
- Altered bills
- Service address on the energy bill does not match the applicant's service address
- Outdated energy bill
- Business/Commercial Accounts

### 3.5 ENERGY BURDEN

#### Introduction

The percentage of household income used to pay household energy expenses. This is determined by dividing the household's monthly energy cost by the household's total gross monthly income.

#### Energy Bills

Applicants are required to submit all of their energy bills for a one-month period (gas and electric, wood and propane, or any combination thereof).

**Exception:** WPO bill/receipts may be seasonal, therefore, acceptable documents may fall outside of 6 weeks from the intake date.

#### Calculating Energy Burden

The following is the methodology for calculating energy burden:

1. Use all energy utility costs to calculate the total energy costs for a one-month period (gas and electric, wood and propane) when calculating energy burden. Use the entire amount owed for the current one-month period. This can include the usage amount, surcharges and/or taxes. Do not include the total arrearages from a previous month(s).
2. Total all household income for one month.
3. Divide the household's total monthly energy cost by household's total gross monthly income. The resulting percentage is the household energy burden.

**Note: When calculating energy cost on solar bills, minimum charges and fees can be used for current monthly costs when NEM charge for the month is negative. For calculating energy burden, the costs associated with leasing solar panels should not be included in the calculation.**

Calculating Total Energy Costs

Utility Commodity	Charges
Monthly Electricity	\$45.12
Monthly Gas	\$56.36
<b>Total Energy Costs</b>	<b>\$101.51</b>

Calculating Total Monthly Income

Income Source	Amount
Social Security	\$1,100
Pension	\$250
<b>Total Income</b>	<b>\$1,350</b>

Energy Burden equals total monthly energy costs divided by total gross monthly household income. \$101.51 divided by \$1,350 = .0751925926 or 7.51925926%

Energy Burden calculated in CORE does not round and drops any number after two decimal places. Example: 7.51925926% is show in CORE as 7.51%.

The calculated energy burden is 7.51%

### **3.6 NEW UTILITY COMPANY**

Typically, CSD is contacted directly when a utility company wants to be added as a direct pay energy vendor, however if an agency would like to request for an energy utility company to participate in the Direct Payment, please contact the Energy Help Desk at [Energy.HelpDesk@CSD.CA.GOV](mailto:Energy.HelpDesk@CSD.CA.GOV) as soon as possible. This is to allow ample time for CSD to submit the change request for CSD IT to set up in CORE. Please provide the following information:

- Name of the utility company
- A copy of a sample energy bill that has the current account number

## **SECTION IV: Appeals**

### **4.1: APPEALS PROCESS**

#### **Introduction**

In accordance with state regulations, any person who has applied for benefits and/or services under a grant award from a contractor or a subcontractor, and whose application has been denied or not acted upon within 15 working days has the right to first appeal to the local service provider and if not satisfied, subsequently appeal to CSD. Each agency must have a written appeals process.

#### **State Regulations**

22 CCR § 100805 define the following situations as appealable:

- The application was not acted upon within 15 working days
- Unsatisfactory performance
- Application was denied

#### **Denials**

Denials consist of any scenario in which an applicant is refused services. A few examples of denials include, but are not limited to:

- Services and funds are available
- The agency has authority to disburse services or funds
- The applicant meets or believes he/she meets eligibility criteria
- The applicant meets the conditions of the priority plan or would meet conditions of the priority plan if able to establish other facts relevant to eligibility (i.e., income calculation/verification, disabled family member, frail elderly, etc.)

#### **Acceptable Applications**

Other appealable situations include, but are not limited to:

- Applicant disputing agency's income eligibility calculation
- Missing or insufficient information



### **Notification Requirements**

If an application has been denied, the applicant must be advised in writing of the reason for denial and their appeal rights and procedures.

The agency also must:

- Give the applicant a reasonable time frame to respond.
- Require the applicant to submit any additional information that will prove their eligibility.

### **Suggested Letter**

**Dear Applicant:**

Your HEAP application requesting assistance with your energy bill has been received. At this time, you are not eligible to receive services for the following reason(s):

- Did not meet income guidelines
- Did not meet the agency's priority plan along with explanation of minimum point threshold and the total points received.
- Did not provide required information, after agency notification
- Other: (explain)

Due to the overwhelming demand and the limited funding resources available for assistance the State of California requires Local Service Providers (agencies) to establish a priority plan. The priority plan provides a method for serving those with the greatest need. However, if your circumstances change, please feel free to reapply.

## **4.2: FRAUD**

### **Introduction**

Agency and/or CSD staff who have good reason, supported by documentary evidence or firsthand knowledge, to suspect that an applicant, utility company employee, another agency or CSD employee is knowingly, by means of misrepresentation, obtaining, attempting to obtain, or assisting someone else to obtain benefits for which the applicant is ineligible, should report such concerns to an appropriate supervisor.

### **Definition**

Fraud is a crime involving a material representation relating to a past or an existing fact which is: false; made with knowledge of its falsity; or in reckless disregard of the truth made to obtain a benefit or something of value.

### **Factors**

- Fraud may consist of withholding information which would affect eligibility for assistance or the amount thereof.
- Fraud may also include giving false information to obtain or use benefits from the energy assistance program.

### **Issues to Consider**

1. Whether the incorrect or unreported information affects eligibility
2. Whether the correct information was, in fact, known to the applicant
3. Whether the applicant fully understood the eligibility requirements and their responsibility for reporting information
4. Whether material facts were deliberately/intentionally altered or withheld

### **Addressing Incidents of Potential Fraud**

Only authorized law enforcement personnel can officially determine that a crime has been committed or attempted. However, agencies can evaluate the information provided by applicants and request additional information when reasonably necessary to verify income and their eligibility factors. The agency may deny services if the information appears to be insufficient or contradictory and give the applicant an opportunity to appeal. If agency staff can document or directly attest to an incident of suspected fraud in which benefits/services were provided to an ineligible household, a police report should be filed at the agency's discretion, and a copy of the report maintained with supporting documents in the client's file.

## **Whistleblower Reports**

Concerns regarding improper activities of an agency employee that may impact the integrity of CSD-funded services or the agency's ability to comply with its contractual obligations should be reported to an appropriate supervisor or may be directed to the agency's CSD field representative as a 'whistleblower report.' Whistleblower reports may also be submitted to CSD at [webinfo@csd.ca.gov](mailto:webinfo@csd.ca.gov).

## Attachment 1

Direct Pay Utility Pledge Life & Submission To CSD		
Utility Company	"Life" of Pledge (Days)	Application must be submitted to CORE within (Days) of Pledge Date
Bureau of Indian Affairs	60	30
Imperial Irrigation District	60	30
City of Biggs	60	30
City of Redding/Municipal	60	30
City of Ukiah	60	30
Moreno Valley Utilities	60	30
Southwest Gas	60	30
Alameda Municipal Power	60	30
Anza Electric Cooperative, Inc.	60	30
Bear Valley Electric	60	30
City of Banning	60	30
City of Gridley	60	30
City of Healdsburg	60	30
City of Lodi	60	30
City of Lompoc	60	30
City of Long Beach	60	30
City of Palo Alto Utilities	60	30
City of Pasadena, Utilities	60	30
City of Shasta Lake	60	30
Lassen Municipal Utility District	60	30
Liberty Utilities	60	30
Modesto Irrigation District	60	30
Pacific Power and Light	60	30
Plumas Sierra Rural Electric Cooperative	60	30
Sacramento Municipal Utility District	60	30
City of Corona	60	30
Truckee Donner PUD	60	30
Turlock Irrigation District	60	30
City of Santa Clara	60	30

City of Roseville	60	30
San Francisco Public Utilities Commission	60	30
Azusa Light and Water	90	60
City of Anaheim	90	60
City of Burbank	90	60
City of Colton	90	60
City of Riverside, Utilities	90	60
Los Angeles Department of Water & Power	90	60
Merced Irrigation District	90	60
Pacific Gas and Electric	90	60
Southern California Edison Company	90	60
Southern California Gas Company	90	60
City of Glendale	90	60
San Diego Gas and Electric	90	60
City of Needles	90	60

## SUBVENTION CONTRACT

### TABLE OF CONTENTS

#### ARTICLE 1 - SCOPE OF WORK

1.1	General.....	1
1.2	Service Area.....	1
1.3	Term and Amount of Contract.....	1
1.4	Service Area Expenditure Requirements .....	2
1.5	Program Authorities – Requirements, Standards and Guidance.....	2
1.6	Duplication of Services.....	5

#### ARTICLE 2 - CONTRACT ADMINISTRATION AND PROCEDURE..... 6

2.1	Contractor’s Option of Termination .....	6
2.2	Budget Contingencies .....	6
2.3	Miscellaneous Provisions.....	7

#### ARTICLE 3 - CONTRACT CHANGES .....

3.1	Amendment.....	9
3.2	Minor Modifications .....	9

#### ARTICLE 4 - ADMINISTRATIVE POLICIES AND PROCEDURES .....

4.1	Board Roster, By Laws, Resolution, and Minutes.....	10
4.2	Internal Controls Requirements .....	10
4.3	Record Retention .....	11
4.4	Insurance and Fidelity Bond .....	11
4.5	System Security Requirements .....	14
4.6	Travel and per diem .....	16
4.7	Conflict of Interest .....	17
4.8	Procurement Standards .....	18
4.9	Use and Disposition of Vehicles and Equipment .....	19
4.10	Subcontracts.....	20
4.11	Complaint Management Policies and Procedures.....	21
4.12	Fair Hearing Process for Applications for Denial of Benefits by Contractor .....	22
4.13	Fraud, Waste, and Abuse .....	23

#### ARTICLE 5 - ADMINISTRATIVE AND PROGRAM EXPENDITURES REQUIREMENTS 24

5.1	Budget Guidelines.....	24
5.2	Utility Assistance Expenditure Requirements .....	25
5.3	Working Capital Advance and Major Purchase Advances.....	26
5.4	Program Income.....	28

**SUBVENTION CONTRACT**

5.5	Wood, Propane and Oil Returned Payments.....	29
5.6	Allowable Costs .....	30
5.7	Service Area Expenditures Requirements .....	36
5.8	Reimbursement Guidelines .....	38
ARTICLE 6 - REPORTING POLICIES AND PROCEDURES .....		50
6.1	Reporting Requirements .....	50
ARTICLE 7 - PROGRAM POLICIES AND PROCEDURES .....		54
7.1	LIHEAP Agency Local Plan.....	54
7.2	Program Standards and Regulatory Requirements .....	54
7.3	Prioritization of Services.....	57
7.4	Service Priority Guidelines .....	57
7.5	Outreach and Intake Activity Guidelines.....	58
7.6	Assurance 16 Activity Guidelines .....	60
7.7	Leveraging Activities.....	61
7.8	Record-Keeping Responsibilities.....	62
ARTICLE 8 - PROGRAM IMPLEMENTATION .....		70
8.1	HEAP/WPO Activity Guidelines.....	70
8.2	Weatherization Activity Guidelines.....	71
8.3	Energy Crisis Intervention Program (ECIP) Services Activity Guidelines .....	83
8.4	ECIP Fast Track and HEAP Electric and Gas Pledge Guidelines .....	90
8.5	SWEATS and PSPS Activity Guidelines .....	90
8.6	Quality Assurance.....	91
ARTICLE 9 - TRAINING, LICENSING, AND CERTIFICATIONS .....		96
9.1	Training Requirements.....	96
9.2	Contractor Licensing.....	96
9.3	Special Licensing - Weatherization .....	97
9.4	Environmental Protection Agency (EPA) Certifications.....	97
9.5	Mandatory Training .....	97
ARTICLE 10 - COMPLIANCE POLICIES AND PROCEDURES .....		98
10.1	Right to Monitor, Audit, and Investigate .....	98
10.2	Auditing Standards and Reports .....	98
10.3	Compliance Monitoring .....	101
10.4	Enforcement Process - Noncompliance with Requirement of this Contract .....	104
10.5	Service Delivery and Expenditure Requirements .....	110
ARTICLE 11 - FEDERAL AND STATE POLICY PROVISIONS .....		112

**SUBVENTION CONTRACT**

11.1	Certifications .....	112
11.2	Provisions for Federally Funded Grants .....	113
11.3	Federal Certifications Regarding Debarment, Suspension, and Related Matters .....	114
11.4	Affirmative Action Compliance .....	115
11.5	Nondiscrimination Compliance .....	116
11.6	Contractor Fair Hearing - Civil Rights Act Violation .....	116
11.7	Specific Assurances .....	116
ARTICLE 12 - GENERAL TERMS AND CONDITIONS GTC 04/2017 .....		119
ARTICLE 13 - DEFINITIONS .....		120
ARTICLE 14 - TABLE OF FORMS AND DOCUMENTS INCORPORATED BY		
REFERENCE.....		130



## SUBVENTION CONTRACT

### PREAMBLE

This subvention contract, for the implementation of the Low Income Home Energy Assistance Program (LIHEAP) in program year 2025 (“Contract”), is entered into between the Department of Community Services and Development (“CSD” or “Department”) and the contractor named on Form STD. 213, the face sheet of this document (“Contractor”) and shall be enforceable on the date last signed.

NOW THEREFORE, in consideration of the promises and of the mutual agreements and covenants hereinafter set forth, CSD and Contractor hereby agree as follows:

### ARTICLE 1 - SCOPE OF WORK

#### 1.1 General

- 1.1.1 Contractor shall provide services under the weatherization (WX) program, Home Energy Assistance Program (HEAP), and Energy Crisis Intervention Program (ECIP) to eligible participants residing in the service area described in Section 1.2, pursuant to all applicable federal and state statutes and regulations. Contractor shall provide crisis services and activities to the low-income community within its service area through at least March 15, 2025.
- 1.1.2 The LIHEAP Assistance Listing Number is 93.568. The award is fully funded through the United States Department of Health and Human Services (HHS).

#### 1.2 Service Area

- 1.2.1 The services shall be performed in the Service Territory comprised of the following service area(s):  
  
The 2025 LIHEAP NUMBERS, CONTRACTORS, AND SERVICE AREAS listing may be accessed at CSD’s Local Agencies Portal (CSD LAP) under the Supporting Documents section at <https://agencies.csd.ca.gov/home/Energy/Pages/Contracts.aspx>.
- 1.2.2 Contractors that provide services in Los Angeles and San Diego counties shall refer to the ZIP Codes Listing on the CSD LAP to determine the zip codes for their respective area.

#### 1.3 Term and Amount of Contract

- 1.3.1 The term of this Contract shall be the period represented on Standard Agreement STD. 213. Contractor shall perform all work under this Contract in accordance with Article 10.5 section 10.5.2, regardless of the contract term end date.

## **SUBVENTION CONTRACT**

- 1.3.2 The contract amount as represented on Standard Agreement STD. 213 consists of Contractor's total allocation to include the "Direct Services" and "Utility Assistance" portions attributable to Contractor's service area(s).
- 1.3.3 Direct Services and Utility Assistance funding, as defined in Article 13, Definitions, that are allocated to Contractor, shall be expended, reported, and accounted for in accordance with the provisions of this Contract.

### **1.4 Service Area Expenditure Requirements**

Contractor shall be subject to special expenditure requirements as provided in Article 5, Section 5.7 of the Contract, if any of the following pertain:

- 1.4.1 Any criteria listed in Article 5, Section 5.7.2 apply; or
- 1.4.2 Contractor has additional contracts with CSD for the provision of LIHEAP or United States Department of Energy Weatherization Assistance Program (DOE WAP) or United States Department of Energy Bipartisan Infrastructure Law (DOE BIL) services in counties or service areas other than the county or service area to which this Contract applies.

### **1.5 Program Authorities – Requirements, Standards and Guidance**

- 1.5.1 All services and activities are to be provided in accordance with applicable federal, state, and local laws and regulations, which may be amended from time to time, including but not limited to, the following:
  - 1.5.1.1 The Low-Income Home Energy Assistance Act of 1981 (42 United States Code (USC) § 8621 et seq.), and the Low Income Home Energy Assistance Program regulations (45 Code of Federal Regulations (CFR) Part 96, Subpart H);
  - 1.5.1.2 The California Government Code (Cal. Gov. Code) § 16367.5 et seq., as amended, and Low Income Home Energy Assistance Program Regulations (Title 22 of the California Code of Regulations (CCR) § 100800 et seq.); and
  - 1.5.1.3 The Single Audit Act (31 USC § 7501 et seq.), and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards ("Uniform Administrative Requirements") (45 CFR Part 75).
- 1.5.2 Conflict of Laws.

Contractor shall comply with all applicable laws, regulations, requirements,

**SUBVENTION CONTRACT**

standards, and guidelines contained in the authorities listed below, as they may be amended from time to time, regarding procurement, administrative, and other costs claimed under this Contract, including those costs incurred pursuant to subcontracts executed by Contractor, notwithstanding any language contained in the following authorities that might otherwise exempt Contractor from their applicability. To the extent that the requirements, standards, or guidelines in this Contract directly conflict with any State law or regulation at Government Code §16367.5 et seq. or 22 CCR §100800 et seq., or any provision of this Contract, then federal law or regulation shall take precedence, and then state law; unless, under specified circumstances, a provision of federal law applicable to block grants, such as 45 CFR § 96.30, allows for the application of state law.

- 1.5.3 CSD shall provide Contractor with specific program guidance which shall be binding on the Contractor as a condition of the Contractor's participation in LIHEAP, and as a condition of receipt of funds under the program, PROVIDED:
  - 1.5.3.1 That such guidance shall be issued by CSD in writing in the form of "CSD Program Notice (CPN)" or "CSD Program Advisory (CPA)" posted on the CSD Local Agencies Portal (LAP);
  - 1.5.3.2 Such guidance shall be issued by CSD in the most timely and expeditious manner practicable;
  - 1.5.3.3 Such guidance shall be reasonably necessary to realize the purposes of LIHEAP;
  - 1.5.3.4 Major and material changes in the program and requirements which substantially affect the Contractor's and CSD's ability to fulfill their obligations or otherwise serve to create a substantial hardship on either the Contractor or CSD shall be subject to an amendment to this Contract;
  - 1.5.3.5 Contractor shall notify CSD within 10 business days of issuance of a CPN or CPA, if Contractor is unable to fulfill its obligations under the new guidance;
  - 1.5.3.6 That the parties' failure to execute a mutually acceptable amendment or CPN or CPA, as contemplated in subsection 1.5.3.4 and 1.5.3.5, in a reasonable period of time, shall result in this Contract being without force and effect subject only to such provisions contained herein as are intended to survive the Contract in accordance with the express and implied provisions of applicable federal and state law; and
  - 1.5.3.7 That upon CSD's good faith determination, delivered to the Contractor by written notice that this Contract between the parties to any necessary

## SUBVENTION CONTRACT

amendment CPN, or CPA as contemplated in subsection 1.5.3.4 and 1.5.3.5 cannot be achieved, then this Contract shall be “closed out” and the funds disposed in accordance with established CSD procedure and policy and as required under federal and state law.

1.5.4 The federal and state laws, regulations, and other authorities referenced in this Section are hereby incorporated by reference into this Contract and may be accessed on the [CSD LAP](#).

1.5.5 Contract Elements Integral to Contract and Enforceability Conditions

1.5.5.1 Contractor shall provide the following documents, satisfactory to CSD in form and substance, together with an executed copy of this Contract before CSD executes and returns the Contract to Contractor for implementation:

1.5.5.1.1 Federal Funding Accountability and Transparency Act Report (CSD 279);

1.5.5.1.2 Certification Regarding Lobbying/Disclosure of Lobbying Activities;

1.5.5.1.3 Contractor Certification Clauses (CCC-04/2017);

1.5.5.1.4 Current Insurance or Self-Insurance Authority Certification;

1.5.5.1.5 Board Resolution authorizing execution of this Contract;

1.5.5.1.6 Agency Local Plan (referenced in Article 7.1);

1.5.5.1.7 LIHEAP Production Plan (CSD 622) (referenced in Article 5.7); and

1.5.5.1.8 Agency Staff and Board Roster (CSD 188).

1.5.5.2 The Agency Local Plan and forms must be completed by Contractor before CSD will execute the Contract and Contractor is authorized to commence work. CSD may execute this Contract pending its review and final approval of Contractor’s submission, provided Contractor acts in good faith to rectify any outstanding issues associated with the documents submitted pursuant to Section 1.5.5.1. All documents submitted pursuant to Section 1.5.5.1 shall become part of this Contract.

## SUBVENTION CONTRACT

### **1.6 Duplication of Services**

Dwellings that have received Low-Income Weatherization Program (LIWP) funded energy efficiency measures do not qualify for additional energy efficiency measures under this Contract, except for the following:

- 1.6.1 Assessment and installation of Health and Safety measures not installed through LIWP;
- 1.6.2 Reweatherization in accordance with LIHEAP requirements;
- 1.6.3 Call-backs in accordance with LIHEAP requirements; or
- 1.6.4 Emergency Heating and Cooling Services in accordance with the LIHEAP requirements.

## **SUBVENTION CONTRACT**

### **ARTICLE 2 - CONTRACT ADMINISTRATION AND PROCEDURE**

#### **2.1 Contractor's Option of Termination**

- 2.1.1 Notwithstanding the provisions of Section 1.5.3, Contractor may elect to terminate this Contract rather than adhere to the procedures set out in Section 1.5.3, should Contractor determine that any subsequent program guidance or proposed amendment to the Contract is unjustifiably onerous or otherwise counter to Contractor's legitimate business interests and ability to implement the Contract in an effective and reasonable manner, provided:
  - 2.1.1.1 The notice of termination is in writing, delivered by U.S. Certified Mail, Return Receipt Requested.
  - 2.1.1.2 The notice of termination shall be effective 30 calendar days after receipt by CSD; and
  - 2.1.1.3 The notice of termination contains a statement of the reasons for termination with reference to the specific provision(s) in the program guidance or proposed amendment in question.
- 2.1.2 Contractor shall be entitled to reimbursement for all allowable costs incurred prior to Contract termination. Such reimbursement shall be in accordance with the program guidance and contract provisions in effect at the time the cost was incurred.
- 2.1.3 Contractor shall, within 60 calendar days of termination, close-out the contract in accordance with contractual close-out procedures.
- 2.1.4 CSD may at its option procure a temporary replacement provider, and may at its option, designate a permanent replacement provider for Contractor's service area in accordance with federal and state law.

#### **2.2 Budget Contingencies**

- 2.2.1 Federal Budget Contingency
  - 2.2.1.1 Because of uncertainty in the federal budget process, this Contract may be executed before the availability and amounts of federal funding can be ascertained, in order to minimize delays in the provision of services and the distribution of funds. The obligations of the parties under this Contract are expressly contingent on adequate funding being made available to CSD by the United States government.
  - 2.2.1.2 If federal funding for any fiscal year is reduced to such degree that CSD

## SUBVENTION CONTRACT

reasonably determines that the program cannot be implemented effectively, CSD shall at its sole discretion have the option either to terminate this Contract upon written notice to Contractor or, in the alternative, to offer an amendment addressing the reduced funding. If the parties fail to reach an agreement on such amendment, CSD may, at its option, give written notice of termination without further obligation by either party except for contract close-out obligations and final settlement.

2.2.1.3 If federal funding authorities condition funding on any obligations, restrictions, limitations, or conditions not in existence when this Contract was executed, this Contract shall be amended by mutual agreement for compliance with such obligations, restrictions, limitations, or conditions. Failure of the parties to reach an agreement on such amendment shall render this Contract without force and effect.

2.2.1.4 Subject to the provisions of subsection 2.2.1.2, CSD shall authorize expenditures of funds under this Contract based on any Continuing Resolution appropriations that are adequate for the purpose. CSD shall notify the Contractor in writing of authorized interval funding levels.

### 2.2.2 State Budget Contingency

2.2.2.1 If funds are not appropriated for implementation of LIHEAP through the State budget process or otherwise, whether in the current year and/or any subsequent year covered by this Contract, this Contract shall be of no further force and effect. Upon CSD's written notice to Contractor that no funds are available for contract implementation, the Contract shall be terminated, CSD shall have no obligation to pay Contractor or to furnish other consideration under this Contract, and Contractor shall not be obligated for performance.

2.2.2.2 If program funding for any fiscal year is reduced to such degree that CSD reasonably determines that the program cannot be implemented effectively, CSD shall at its sole discretion have the option either to terminate this Contract upon written notice to Contractor or, in the alternative, to offer and negotiate an amendment addressing the reduced funding. If the parties fail to reach an agreement on such amendment, CSD may at its option give written notice of termination without further obligation by either party except for contract close-out obligations and final settlement.

## 2.3 Miscellaneous Provisions

2.3.1 Assignment. Neither this Contract nor any of the rights, interests, or obligations

## SUBVENTION CONTRACT

under this Contract shall be assigned by any party without the prior written consent of the other parties, except in the case where responsibility for program implementation and oversight may be transferred by CSD to another State agency. In the event of such transfer, this Contract is binding on the agency to which the program is assigned.

- 2.3.2 Merger/Entire Contract. This Contract (including the attachments, documents and instruments referred to in this Contract) constitutes the entire Contract and understanding of the parties with respect to the subject matter of this Contract and supersedes all prior understandings and contracts, whether written or oral, among the parties with respect to such subject matter.
- 2.3.3 Severability. If any provision of this Contract is found to be invalid or unenforceable in any respect for any reason, the validity and enforceability of any such provision in any other respect and of the remaining provisions of this Contract will not be in any way impaired and shall remain in full force and effect.
- 2.3.4 Notices. Unless otherwise provided herein, notice given by the parties shall be in writing, delivered personally, by United States mail, or by overnight delivery service (with confirmation). Certain reporting and other communications may be delivered electronically as specified by CSD or as is customary between the parties. Notice shall be delivered as follows:
  - 2.3.4.1 To Contractor's address of record; and
  - 2.3.4.2 To CSD at:  
Department of Community Services and Development  
Energy Field Operations  
2389 Gateway Oaks Drive, Suite 100  
Sacramento, CA 95833



## SUBVENTION CONTRACT

### ADMINISTRATIVE REQUIREMENTS

#### ARTICLE 3 - CONTRACT CHANGES

##### 3.1 Amendment

- 3.1.1 Changes to this Contract shall be made by formal amendment with exceptions specified in Article 1 subsection 1.5.3 and in Section 3.2, below.
- 3.1.2 Contractor shall notify CSD in writing when any proposed amendment or guidance will significantly impact Contractor's Program Budget and/or Operations or ability to fulfill its obligations under this Contract. CSD will afford Contractor a reasonable opportunity and sufficient time in which to phase-in the mandated change.

##### 3.2 Minor Modifications

- 3.2.1 Contractor may request modifications to make minor adjustments during the Contract term. Minor Modifications shall not affect the Maximum Amount payable under this Contract.
- 3.2.2 Minor Modifications shall not alter the maximum limits established for specific budget line items, e.g., administrative costs, Assurance 16, intake, outreach, and training and technical assistance costs, except as otherwise provided herein.
- 3.2.3 To request a minor modification, Contractor shall submit a Request for Amendment/Modification Energy (CSD 509), with justification supporting the fund transfer or change request. Contractor may submit the CSD 509 to CSD via email.
- 3.2.4 Contractor may propose minor modifications for CSD approval, including the following:
  - 3.2.4.1 Transferring funds to increase or decrease the Utility Assistance total allocation;
  - 3.2.4.2 Transferring funds to increase or decrease the Wood, Propane and Oil (WPO) total allocation (ECIP WPO or HEAP WPO);
  - 3.2.4.3 Transferring funds between target service areas, which shall be conditioned upon Contractor meeting its target service areas expenditure requirements, as stated in Article 5.7, Section 5.7.3;
  - 3.2.4.4 Changes to the Agency Local Plan; or
  - 3.2.4.5 Changes to Fund Transfer Requirements in Article 5.1, Section 5.1.2.

## **SUBVENTION CONTRACT**

### **ARTICLE 4 -ADMINISTRATIVE POLICIES AND PROCEDURES**

#### **4.1 Board Roster, By Laws, Resolution, and Minutes**

- 4.1.1 Contractor shall submit to CSD an Agency Staff and Board Roster form (CSD 188) listing the current Agency Staff and roster of members of its governing board, including contact information for each board member at a location other than the Contractor's offices, and the most recent version of the organizational bylaws. Contractor is responsible to notify CSD of any changes to the Executive Director, Program Manager, Chief Financial Officer and board roster within 30 calendar days of such occurrence.
- 4.1.2 Contractor's governing board must authorize the execution of this Contract. Contractor has the option of demonstrating such authority by the signature of a Board member, affixed to the signature page of this Contract, or by any lawful delegation of such authority that is consistent with Contractor's bylaws.
- 4.1.3 Where Contractor elects to delegate the signing authority to the chief executive officer or designated officials, CSD will accept either a resolution specific to this Contract or a resolution passed by the governing board that applies to any contract entered into by Contractor. Where Contractor provides a general resolution, Contractor shall maintain documentation that the chief executive officer provided timely and effective communication of the execution and terms of this Contract to the Board. Either a specific or current general resolution must be on file with CSD before execution of this Contract by CSD.
- 4.1.4 If the Contractor's board is both tripartite and advisory to the elected members governing a local government, the Contractor shall submit to CSD the approved minutes from any meeting of the elected officials where matters relating to this Contract are heard, including but not limited to discussions about or decisions affecting LIHEAP. Such minutes shall be submitted to CSD no later than 30 calendar days after the related meeting.

#### **4.2 Internal Controls Requirements**

Contractor shall ensure the establishment and maintenance of a system of internal accounting and administrative control. This responsibility includes documenting the system, communicating system requirements to employees, and assuring that the system is functioning as prescribed and is modified, as appropriate, for changes in conditions. The system of internal accounting and administrative control shall be attested to within the Contractor's independent audit conducted pursuant to this Contract and shall include:

- 4.2.1 Segregation of duties appropriate to safeguard state assets;
- 4.2.2 Limited access to agency assets to authorized personnel who require these assets

## **SUBVENTION CONTRACT**

in the performance of their assigned duties;

- 4.2.3 Authorization and recordkeeping procedures adequate to provide effective accounting controls over assets, liabilities, revenues, and expenditures;
- 4.2.4 Established practices to be followed in the performance of duties and functions;
- 4.2.5 Personnel of a quality commensurate with their responsibilities; and
- 4.2.6 Effective internal reviews.

### **4.3 Record Retention**

- 4.3.1 Contractor shall comply with the record retention requirements contained in the Uniform Administrative Requirements (45 CFR § 75.361 - § 75.370).
- 4.3.2 Contractor shall maintain all records pertaining to this Contract for a minimum period of three years after submission of the final report or until resolution of all related audit or monitoring findings, enforcement actions, including cost disallowance, legal proceedings, or other pending matters, whichever is later.
- 4.3.3 Contractor shall retain and secure all employee and client/applicant records and information in compliance with the Federal Privacy Act of 1974, as amended (5 USC § 552a) and Information Practices Act of 1977, as amended (Civ. Code § 1798 et seq.).
- 4.3.4 To the extent Contractor maintains records in an electronic format, Contractor shall ensure that all records are “backed-up” or copied, utilizing appropriate, secure technology and operational procedures in order to avoid unauthorized access, permanent loss or destruction, occasioned by theft, accident, willful acts or negligence, or by fire, flood, earthquake or other natural disaster.

### **4.4 Insurance and Fidelity Bond**

#### **4.4.1 General Requirements**

- 4.4.1.1 Contractor shall maintain the effective insurance policies and bonds, specified below at all times during the term of this Contract.
- 4.4.1.2 Contractor shall provide CSD with written notice at least 30 calendar days prior to cancellation or reduction of insurance coverage to an amount less than that required in this Contract and, prior to any lapse or reduction in coverage, provide CSD with documentation, as specified in subsection 4.4.1.3, showing substitute coverage has been obtained or alternative measures have been taken to ensure compliance with the

## SUBVENTION CONTRACT

requirements of this Contract.

- 4.4.1.3 In the event insurance coverage expires during the term of this Contract Contractor shall provide within 30 calendar days of the expiration date, a new Certificate of Insurance (ACORD 25) for not less than the remainder of the term of this Contract. The new Certificate of Insurance (ACORD 25) shall evidence no lapse in coverage. The Certificate of Insurance (ACORD 25) shall identify and name CSD as the Certificate Holder.
- 4.4.1.4 New Certificates of Insurance are subject to review for content and form by CSD. Certificates of Insurance must be submitted electronically via email to: BNCS@csd.ca.gov.
- 4.4.1.5 In the event Contractor fails to keep in effect at all times the specified insurance and bond coverage as herein provided, CSD may, in addition to any other remedies it may have, suspend this Contract.
- 4.4.1.6 With the exception of workers' compensation and fidelity bond, CSD shall be named as an additional insured on all certificates of insurance required under this Contract.
- 4.4.1.7 The issuance of other CSD contracts, as well as reimbursement payments, to the Contractor may be suspended until evidence of the required current insurance coverage has been submitted to CSD.
- 4.4.1.8 Should Contractor utilize a subcontractor(s) to provide services under this Contract, Contractor shall indemnify and hold CSD harmless against any liability incurred by that subcontractor(s).

### 4.4.2 Self-Insurance

- 4.4.2.1 When Contractor is a self-insured governmental entity, CSD, upon receipt of satisfactory proof of the entity's self-insurance authority, may waive the insurance requirements. A duly authorized county or city risk manager shall provide signed certification of the governmental entity's ability to cover any potential losses under this Contract.
- 4.4.2.2 Governmental contractors shall specify in writing a list of which coverage(s) will be self-insured under this Contract and shall list all applicable policy numbers, expiration dates, and coverage amounts for coverage which is not self-insured.
- 4.4.2.3 If a governmental contractor's self-insurance coverage does not contain any changes from the prior year, CSD will accept a certified letter signed

## SUBVENTION CONTRACT

by authorized personnel, stating that no changes have occurred from the previous year. Contractor shall submit this letter at the time of contract execution or within 30 calendar days of the start of coverage.

### 4.4.3 Workers' Compensation Insurance

4.4.3.1 During the term of this Contract, Contractor shall maintain legally sufficient workers' compensation insurance issued by an insurance carrier licensed to underwrite workers' compensation insurance in the State of California.

4.4.3.2 Contractor will not be paid an advance or any reimbursement of expenses unless it has first submitted to CSD either a Certificate of Insurance (ACORD 25) or a Certificate of Consent to Self-Insure, issued by the Director of the Department of Industrial Relations, as evidence of compliance with the workers' compensation insurance requirement.

### 4.4.4 Commercial or Government Crime Coverage (Fidelity Bond)

4.4.4.1 Contractor shall maintain commercial crime coverage. If Contractor is a public entity that elects to self-insure, Contractor shall make provision for adequate coverage to insure against crime risks. The commercial crime policy or government crime self-insurance coverage (hereinafter "fidelity bond") shall include the following coverage or the substantial equivalent: Employee Dishonesty/Theft, Forgery or Alteration, and Computer Fraud.

4.4.4.2 Contractor's fidelity bond coverage limits shall not be less than a minimum amount of 4% of the total contract amount, excluding Utility Services, as set forth under this Contract.

4.4.4.3 Contractor will not be paid an advance or any reimbursement of expenses unless it has first submitted to CSD an applicable Certificate of Insurance (ACORD 25) as evidence of compliance with the fidelity bond requirement.

### 4.4.5 General Liability Insurance

4.4.5.1 Contractor shall maintain for the term of this Contract general liability and property damage insurance for a combined single limit of not less than \$500,000 per occurrence.

4.4.5.2 Contractor will not be paid an advance or any reimbursement of expenses unless it has first submitted to CSD an applicable Certificate of Insurance (ACORD 25), designating CSD as an additional insured as

## SUBVENTION CONTRACT

evidence of compliance with general liability insurance requirements.

### 4.4.6 Vehicle Insurance

- 4.4.6.1 Contractor shall maintain for the term of this Contract vehicle insurance in the amount of \$500,000 for each person and each accident for bodily injury and in the amount of \$500,000 for each person and each accident for property damage.
- 4.4.6.2 When employees use their own vehicles to perform duties within the scope of their employment, Contractor shall have and maintain for the term of this Contract non-owned and hired-auto liability insurance in the amount of \$500,000 for each person and each accident for bodily injury and \$500,000 for each person and each accident for property damage. Driving to and from work shall not be considered to be within the scope of employment.
- 4.4.6.3 Contractor will not be paid an advance or any reimbursement of expenses unless it has first submitted to CSD an applicable Certificate of Insurance (ACORD 25), designating CSD as an additional insured, to CSD as evidence of compliance with the stated vehicle insurance requirements.

## 4.5 System Security Requirements

Contractor shall, in cooperation with CSD, institute measures, procedures, and protocols designed to ensure the security of data and to protect information in accordance with the Information Practices Act of 1977 (Civ. Code §1798 et seq.), and such other State and Federal laws and regulations as may apply. In the event there are different system security standards that may be applied to this Article, Contractor shall endeavor to use the strictest security standard that complies with state and federal requirements. The parties hereto agree to the following requirements, obligations, and standards in accordance with regulations set in the State Administrative Manual (SAM) 5100, 5300.5 and 5340.:

### 4.5.1 Data Protection

- 4.5.1.1 Data exchanged between CSD and Contractor must be limited to the data fields included in the Data Transfer Rules (DTR) documents posted on the Weatherization Reporting tab located within CSD's LAP at <https://agencies.csd.ca.gov/home/Reporting/Pages/WXReporting.aspx>. No personal financial information, e.g., credit card, bank account numbers, shall be stored or exchanged in the data exchange sessions.
- 4.5.1.2 Access to the above-mentioned data included in the DTR must only be given to authorized personnel to complete essential duties. Authorized

## SUBVENTION CONTRACT

personnel are to log into these systems using their own assigned credentials (i.e., no login account sharing). Upon departure of personnel with assigned credentials, the Contractor will remove the employee's access to the systems as soon as possible.

- 4.5.1.3 To the extent Contractor utilizes tablet or other internet-based or mobile devices for client intake and application purposes ("Electronic Intake") in lieu of paper forms and documents, Contractor shall comply with all federal and state information security requirements and with such guidance and protocols as CSD may from time to time issue for the purpose of ensuring the integrity of Electronic Intake, including, but not limited to, the use of electronic signatures, data privacy, security, transfer, and retention requirements.
- 4.5.1.4 Data exchanged between CSD and Contractor via email communication must have all personally identifying information (PII) and other sensitive information redacted before the document is sent. Alternately, Contractor must encrypt any attachments that have sensitive data using encryption tools and configurations as required by CSD.

### 4.5.2 Contractor Systems Security

- 4.5.2.1 The physical location of the computing and data storage devices (e.g., servers) shall be within access-controlled facilities. Individual users may not have access to the data except through their systems that are specifically credentialed for Contractor business. All access will be controlled by authentication methods to validate the approved users.
- 4.5.2.2 Standards for secure transmission may be accomplished through such means as certificates, secure socket layer, etc., and storage of the data with encryption.
- 4.5.2.3 Both CSD and Contractor shall keep security patches and anti-virus and anti-malware software up to date on all systems on which data may be used.
- 4.5.2.4 Contractor shall securely destroy data by sanitizing media prior to disposal.

### 4.5.3 Trusted Behavior Expectations

CSD's application system and users shall protect Contractor's application system/data and the Contractor's application system and users shall protect CSD's application system/data in accordance with the Privacy Act of 1974 (5 USC § 552a), Trade Secrets Act (18 USC § 1905), and the Stored Communications Act

## SUBVENTION CONTRACT

(18 USC § 2701 et seq.). Technology and systems code and functionality are owned by the respective parties and may not be shared with anyone else or used without written consent of the owner.

### 4.5.4 Incident Reporting

Any party discovering a security incident shall report it in accordance with its incident reporting procedures. Contractor shall, within 24 hours of discovery, report to CSD's Information Security Office at [ISO@csd.ca.gov](mailto:ISO@csd.ca.gov) any security incident contemplated herein. Examples include, but are not limited to, stolen or lost equipment, malware/ransomware detection, suspected hacking, etc. Contractor further agrees CSD shall have the right to participate in the investigation of a security incident involving CSD's data, and to cooperate fully with CSD and other relevant State entities during independent investigation of the security incident.

### 4.5.5 Audit Trail Responsibilities

Both parties are responsible for auditing application processes and user activities. Activities that will be recorded include event type, date and time of event, user identification, workstation identification, success or failure of access attempts, and actions taken by system administrators.

### 4.5.6 Data Sharing Responsibilities

Contractor shall ensure that all primary and delegated secondary organizations that share, exchange, or use personal, sensitive, or confidential data, pursuant to this Contract and subcontracts issued by Contractor, shall adhere to these security requirements and applicable state and federal law, in addition to further data sharing guidance as may be issued by CSD during the term of this Contract. If data sharing is accomplished via interconnectivity of an application system, then data sharing must be certified to be secure by both parties.

## 4.6 Travel and per diem

- 4.6.1 Contractor's employee travel costs and per diem reimbursement rates shall be reimbursed in accordance with Contractor's written policies and procedures not to exceed federal per diem requirements and are subject to the requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (45 CFR Part 75, including 45 CFR § 75.474).
- 4.6.2 Contractor shall complete the LIHEAP Out-of-State Travel Form (CSD 536) and keep on file with back up documentation for compliance monitoring. LIHEAP Out-of-State travel is limited to two staff per event, unless otherwise indicated on the LIHEAP Out-of-State-Travel Form (CSD 536). Contractor must seek pre-



## SUBVENTION CONTRACT

approval, prior to travel, for non-preapproved conferences when more than two staff are attending.

- 4.6.3 In the absence of a written travel reimbursement policy, Contractor shall receive reimbursement rates not to exceed federal per diem limits.

### 4.7 Conflict of Interest

- 4.7.1 Contractor shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts or subcontracts. No employee, officer, or agent of the Contractor shall participate in the selection, award, or administration of a subcontract supported by Federal funds if a real or apparent conflict of interest is involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the Contractor shall neither solicit nor accept gratuities, favors, or anything of monetary value from subcontractors or parties to sub-contracts. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipients.
- 4.7.2 Contractor shall not pay Federal funds received from CSD to any entity in which it or one of its employees, officers, or agents, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein has an interest. As ownership constitutes a financial interest, Contractor shall not subcontract with a subsidiary. Similarly, Contractor shall not subcontract with an entity that employs or is about to employ any person described in the Uniform Administrative Requirements (45 CFR Part 75, including 45 CFR §§ 75.112 & 75.327).
- 4.7.3 Contractor shall ensure that its employees and the officers of its governing body do not engage in actual or potential conflicts of interest and that no officer or employee who has responsibility for any activity or function with respect to LIHEAP and the implementation of this Contract shall have any personal financial interest in such activity or function or otherwise personally benefit or gain from the activity or function.
- 4.7.4 Contractor shall establish safeguards to prohibit its employees or its officers from using their positions for a purpose that could result in private gain or that gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
- 4.7.5 Contractor shall not provide LIHEAP services or benefits in situations where an actual or perceived conflict of interest exists, unless the activity is explicitly

## SUBVENTION CONTRACT

allowed under Contractor's conflict of interest policies and procedures that are compliant with federal requirements. If Contractor provides program services to owner-occupied or rental dwellings that are owned or managed by the Contractor, its employees, or officers, Contractor shall submit the Property Certification form (CSD 678), in advance of providing weatherization and Energy Heating and Cooling Services (EHCS). Contractor shall ensure that other recipients or potential eligible recipients of services are not prejudiced or adversely affected by the receipt of services by Contractor.

### 4.8 Procurement Standards

#### 4.8.1 Contract Administration

- 4.8.1.1 Maintenance of written procurement procedures. Contractor shall administer this Contract in accordance with all federal and state rules and regulations governing LIHEAP block grants pertaining to procurement, including the Uniform Administrative Requirements and amendments thereto, and pursuant to [CPA-A-12-01](#). Contractor shall establish, maintain, and follow written procurement procedures consistent with the procurement standards in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards or any subsequent amendments to these standards, and the applicable provisions in this Contract, including but not limited to a code of conduct for the award and administration of contracts and a procedure that provides, to the maximum extent practical, open and free competition.
- 4.8.1.2 Eligible Bidders. Contractor shall not permit any organizational conflicts of interest or noncompetitive practices that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective subcontractor performance and eliminate unfair competitive advantage, individuals or firms that develop or draft specifications, requirements, statements of work, invitations for bids, and/or requests for proposals shall be excluded from competing for such procurements. Contractor shall only award a subcontract to the bidder or offer or whose bid or offer is responsive to the solicitation and is most advantageous to Contractor when considering price, quality, and other factors relevant to the procurement. Contractor's solicitations shall clearly set forth all requirements that the bidder or offer or must fulfill in order for the bid or offer to be adequately and fairly evaluated by the recipient.
- 4.8.1.3 All supplies, materials, equipment, or services purchased or leased with funds provided pursuant to this Contract shall be used solely for the activities allowed under this Contract, unless the fair market value for such use is charged to the benefiting program and treated as program

## SUBVENTION CONTRACT

income earned under this Contract.

- 4.8.1.4 Contractor shall provide for an open and free competition, to include a cost analysis, in accordance with federal and state law, for the procurement of materials, supplies, equipment, or services.
- 4.8.1.5 Non-Competitive bid justification. If a service or product is of a unique nature, is in response to a public exigency or emergency, or more than one potential vendor/provider cannot reasonably be identified, Contractor shall document adequate justification for the absence of competitive bidding. “Adequate justification” must include but is not limited to:
  - 4.8.1.5.1 Explanation of why the acquisition of goods or services is limited to one vendor or supplier;
  - 4.8.1.5.2 Description of sole vendor/supplier’s unique qualifications to provide the goods or services in question; and
  - 4.8.1.5.3 Analysis of cost(s) to demonstrate reasonability.
- 4.8.1.6 CSD Lease/Purchase Pre-Approval Requirements. To ensure that significant procurement transactions are conducted in an open and freely competitive manner, Contractor shall obtain prior written approval from CSD of capital expenditures for vehicles and equipment with a unit cost of \$10,000 or more through the submission of a Request for Pre Approval of Purchase/Lease (CSD 558) to CSD at least 15 calendar days prior to executing transaction. Transactions without CSD’s prior written approval may be disallowed.
- 4.8.1.7 In all procurements, whether requiring CSD pre-approval or not, Contractor is solely responsible for maintaining adequate procurement records demonstrating compliance with Federal and State requirements.
- 4.8.1.8 Noncompliance with any of the provisions in this section may result in a disallowance of costs related to the procurement transaction.

### 4.9 Use and Disposition of Vehicles and Equipment

- 4.9.1 To ensure compliance with the requirements for vehicles and equipment, Contractor shall comply with Uniform Administrative Requirement, Cost Principles, and Audit Requirements for HHS Awards governing the acquisition of equipment with federal funds set forth in 45 CFR Part 75 (including 45 CFR § 75.320 & § 75.439).

## SUBVENTION CONTRACT

To ensure compliance with the requirements for equipment, vehicles, and the maintenance of equipment and vehicle records, Contractor shall adhere to [CPN-A 17-01](#) or as revised. Contractor shall include information relevant to any purchase/lease pre-approval documented in the CSD 558 submitted to, and approved by, CSD, including the date the request was sent to CSD, the item(s) requested, and date of CSD approval in Contractor's property records.

- 4.9.2 Contractor shall provide the information specified in [CPN-A-17-01](#), including any supporting documents, to CSD upon request.
- 4.9.3 *Limitation on Use of Funds.* Contractor shall assure that funds received under this Contract shall not be used for the purchase or improvement of land or for the purchase, construction, or permanent improvement of any building or other facility other than low-income weatherization or energy-related home repairs.

### 4.10 Subcontracts

- 4.10.1 Contractor may enter into subcontract(s) to provide services pursuant to this Contract in the service area(s) specified in Section 1.2 of Article 1. Subcontracts must require that parties comply with all applicable provisions of this Contract. Such requirement shall not relieve Contractor from any performance obligation created herein, nor from liability for a subcontractor's failure of performance.
- 4.10.2 If Contractor elects to subcontract for services, the Contractor's Board authorization and approval must be obtained and communicated to CSD in writing together with notice of execution of the subcontract as provided in Section 4.10.3. Contractor's Board, through a resolution or other official documentation, may elect to delegate the signing authority for the approval of subcontractors to the Chief Executive Officer or designated authority unless such delegation is set forth in the bylaws of the agency and a copy of the provision is communicated to CSD.
- 4.10.3 Within 60 calendar days of the execution of any subcontract, Contractor shall provide written notification to CSD of the execution of the subcontract as well as identifying information, to include the name of the subcontractor entity, its address, telephone number, contact person, contract amount, and program description of each subcontractor activity to be performed by the subcontractor.
- 4.10.4 Notification of subcontract execution shall contain certification by Contractor that to the best of Contractor's knowledge, the subcontractor is not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any federal department or agency. For purposes of this certification of subcontractor eligibility, Contractor may rely on information available at <https://www.sam.gov/SAM/pages/public/index.jsf>.

## **SUBVENTION CONTRACT**

- 4.10.5 If CSD determines that Contractor has executed a subcontract with an individual or entity listed as disbarred, suspended, or otherwise ineligible on the Excluded Parties List System as of the effective date of the subcontract, costs Contractor has incurred under the subcontract may be disallowed.
- 4.10.6 Contractor must ensure that funds expended pursuant to this Contract are allowable and allocable. Contractor must adopt fiscal control and accounting procedures sufficient to enable the tracing of funds paid to any subcontractor to a level of expenditure adequate to establish that such funds have not been used in violation of this Contract. Contractor shall ensure that any subcontracts under this Contract contain all provisions necessary to ensure adequate substantiation and controls of the expenditure of such funds. Contractor may achieve this through detailed invoices, by periodic monitoring of subcontractor's program activities and fiscal accountability, by retaining a right of reasonable access to the subcontractor's books and records, or by any other method sufficient to meet Contractor's responsibility to substantiate costs required by the Uniform Administrative Requirements (45 CFR Part 75).
- 4.10.7 Contractor shall notify subcontractor(s) in writing within five business days of such action in the event CSD suspends, terminates, and/or makes changes to services to be performed that materially alter the obligation of the subcontractor under this Contract.
- 4.10.8 Contractor is liable for the failure of performance of the terms, conditions, assurances, and certifications of this Contract, without recourse against CSD over matters involving subcontracts entered into for the implementation of this Contract, including but not limited to disputes, claims, or other legal action for breach of contract, negligence, torts, or criminal acts and other misconduct.
- 4.10.9 Nothing in this Contract creates or implies a contractual relationship between CSD and any subcontractor or creates any obligation by CSD to any subcontractor. Contractor is liable to CSD for damages to CSD for the acts and omissions of its subcontractors that occur in connection with the implementation of this Contract. Contractor's obligation to pay its subcontractors is independent of any obligation of CSD to pay Contractor, and Contractor shall not represent to subcontractors any such obligation of CSD to pay or ensure payments to subcontractors.
- 4.10.10 All subcontractors shall be subject to applicable training requirements and shall maintain records of completion and certification in accordance with record-keeping provisions in this Contract.

### **4.11 Complaint Management Policies and Procedures**

- 4.11.1 Contractor shall establish and maintain policies and procedures for handling

## SUBVENTION CONTRACT

complaints and provide applicants an opportunity to register a complaint based on their experience with attempts to obtain services under LIHEAP. The policies and procedures shall be in writing and Contractor shall provide the complaint process to interested individuals upon request.

- 4.11.2 Contractor shall ensure that all formal complaints are documented and include the date, time, client name and address, and nature of the complaint and the actions undertaken by the Contractor to resolve the issue. For purposes of this section, “formal complaint” means a written complaint filed with the Contractor by the complainant.
- 4.11.3 If the Contractor’s efforts did not result in a resolution, the Contractor may refer the applicant or client to CSD. The Contractor shall contact CSD and explain the issue, actions taken to resolve the issue, and provide CSD with all supporting documentation that indicates the nature and extent of Contractor’s effort to resolve the issue.
- 4.11.4 Contractor shall immediately notify their CSD Field Representative if the Contractor has reason to believe that the complainant will contact the media, a State or Federal oversight agency, or the Governor’s Office regarding the complaint.

### **4.12 Fair Hearing Process for Applications for Denial of Benefits by Contractor**

- 4.12.1 Contractor shall establish a written appeals process to enable applicants who are denied benefits or services, or who receive untimely response or unsatisfactory performance, the right to appeal the decision or performance to the Contractor. Contractor’s process shall include, at a minimum, all of the requirements of 22 CCR § 100805 (b) plus:
  - 4.12.1.1 Provisions that ensure that each applicant is notified in writing of the right to appeal a denial of or untimely response to an application, or to appeal unsatisfactory performance. At the time the applicant applies for services, applicant shall be informed of appeal rights, and appeal procedures, to include the right to appeal to both the Contractor and to CSD;
  - 4.12.1.2 Provisions that ensure that Contractor will make a good faith effort to resolve each appeal;
  - 4.12.1.3 Provisions that ensure that Contractor shall notify the applicant in writing of the Contractor’s final decision within 15 business days after the appeal is requested. If the appeal is denied, the written notification shall include instructions on how to appeal the decision to CSD. Whenever Contractor notifies an applicant of a denial of an appeal,

## SUBVENTION CONTRACT

Contractor shall at the same time provide a copy of the final decision to the Manager of CSD's Energy Services Division; and

4.12.1.4 Provisions to track information on denials and appeals.

4.12.2 Upon receipt of an applicant's appeal of a Contractor's denial of benefits or services, CSD may conduct a hearing in accordance with established procedures. CSD's decision following the appeal and hearing shall be final.

### **4.13 Fraud, Waste, and Abuse**

4.13.1 Contractor shall submit a written report to CSD within 30 calendar days of discovery of incidents and activities, or suspected incidents and activities, involving fraud, waste, and abuse of any LIHEAP funds by Contractor's employees, subcontractors, clients, or other parties affiliated with Contractor, including CSD. Incidents and activities subject to reporting under this section include, but are not limited to, criminal acts and other violations of law constituting a misuse of funds that could result in cost disallowance. Contractor shall inform CSD within 30 calendar days of any reports or complaints submitted to law enforcement officials by Contractor, Contractor's employees, subcontractors, clients, or other parties affiliated with Contractor, concerning the misuse of any LIHEAP funds.

4.13.2 Contractor shall provide Contractor's employees, subcontractors, clients, and other parties affiliated with the Contractor the information necessary to report fraud, waste, and abuse associated with activities and funding covered by this Contract to the U.S. Department of Health and Human Services Office of Inspector General Fraud hotline. Allegations of improper activities by CSD or its employees may be confidentially reported to the Bureau of State Audit's Whistleblower hotline.

## SUBVENTION CONTRACT

### FINANCIAL REQUIREMENTS

#### ARTICLE 5 - ADMINISTRATIVE AND PROGRAM EXPENDITURES REQUIREMENTS

##### 5.1 Budget Guidelines

###### 5.1.1 Budget and Allocation Forms

5.1.1.1 Upon execution of this Contract, CSD shall release at least 50% of the anticipated annual allocation as reflected in the allocation spreadsheet. The remaining allocation shall be released when CSD receives funds from HHS.

5.1.1.2 If the LIHEAP annual grant award is yet to be determined and CSD must fund this Contract based on Continuing Resolution appropriations, CSD shall amend the Contract and update the allocation spreadsheet to reflect the Final allocation.

###### 5.1.2 Fund Transfer Requirements

Subject to CSD approval, Contractor may transfer funds between each of the LIHEAP components, e.g., Weatherization and ECIP EHCS.

5.1.2.1 Funding transfers that would increase amounts available for Weatherization above the 25% maximum are prohibited.

###### 5.1.2.2 Fund Transfer in Service Territory with Multi-Service Areas

If Contractor transfers funds from Administrative, Intake, Outreach, and other Support costs to Direct Services and/or Utility Assistance for a specific service area, then later transfer funds from the remaining service areas to replenish the Administrative, Intake, Outreach, or other Support costs such transfer of funds should not unduly impair the equitable provision of services or otherwise disadvantage potential recipients of benefits in any Service Area.

Subsequent transfer of funds to replenish the Support line(s) with Direct Service(s) and/or Utility Assistance funds shall be limited to fund transfer from Service Area(s) that benefited from the preceding transfer.

###### 5.1.3 Sufficient Funds for Crisis Services

Contractor must allocate sufficient funds to offer crisis services through at least March 15, 2025, and in accordance with the Agency Local Plan.



## **SUBVENTION CONTRACT**

### **5.1.4 Weatherization Waiver**

Unless and until HHS grants CSD a weatherization waiver, Contractor may not expend or be reimbursed for costs in excess of the amount reflected in the initial WX Program Column of the allocation spreadsheet. If the weatherization waiver is granted, Contractor may, upon written notification from CSD, expend and will be reimbursed for expenditures up to 100% of the available allocation, as reflected in the WX Program Subtotal Column of the allocation spreadsheet.

## **5.2 Utility Assistance Expenditure Requirements**

5.2.1 The Utility Assistance portion of Contractor's grant shall be retained by CSD to enable CSD to make direct utility assistance payments to clients and/or to utility companies. Contractor's Administrative and Assurance 16 budget line item shall be based on Contractor's total allocation, including Utility Assistance.

### **5.2.1.1 Energy Crisis Intervention Program (ECIP): Electric and Gas (Fast Track)**

The total amount allocated to the ECIP Fast Track Program shall be administered by Contractor in accordance with the terms of this Contract, with payments to recipients issued by CSD.

### **5.2.1.2 Home Energy Assistance Program (HEAP): Electric and Gas Allocation**

The total amount allocated to the HEAP Electric and Gas Program shall be administered by Contractor in accordance with the terms of this Contract, with payments to recipients issued by CSD.

### **5.2.2 ECIP Payments - Electric and Gas (Fast Track)**

Payment for applicant's electric and/or gas energy bills shall be made by CSD directly to the utility company or in the form of a dual-party warrant, payable to the applicant and the utility company. All payments shall be deducted from Contractor's Utility Assistance allocation.

### **5.2.3 HEAP Payments - Electric and Gas**

Payment for applicant's electric and/or gas energy bills shall be made by CSD directly to the utility company or in the form of either a dual-party warrant, payable to the applicant and utility company; or, in the case where the cost of energy is included in applicant's rent, a single-party warrant shall be issued, payable to the applicant. All payments shall be deducted from Contractor's Utility Assistance allocation.

## SUBVENTION CONTRACT

### 5.3 Working Capital Advance and Major Purchase Advances

#### 5.3.1 Working Capital Advance (WCA)

Contractor may, in accordance with applicable law, receive WCA payments of allowable program costs per this Contract, provided Contractor complies with the provisions of this section and guidance issued by CSD as is needed to implement this section. In order to receive a WCA, Contractor's financial management systems shall be compliant with the provisions of this Contract, WCA Requirements, applicable CPNs and CPAs, and the standards for fund control and accountability as established in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards.

##### 5.3.1.1 WCA Requirements include the following standards:

- 5.3.1.1.1 The WCA shall be for the minimum amounts necessary, timed in accordance with Contractor's immediate cash requirements, which will enable Contractor to carry out the purposes of this Contract;
- 5.3.1.1.2 WCA Requirements issued by CSD to Contractor, while conforming to the requirements of this Section 5.3.1, shall take into account the practical requirements and limitations of efficient administration and the effective implementation of this Contract by both Contractor and the CSD;
- 5.3.1.1.3 Interest on Advances. Contractor shall deposit all advances in an interest-bearing account. Interest earned, up to \$500 per year, may be retained by Contractor for administrative expenses. The account shall be sufficiently segregated to enable the tracking and accounting of WCA funds issued by CSD. Any interest earned on LIHEAP advances shall be accounted for and expended pursuant to 2 CFR § 200.305(b)(9) (45 CFR § 75.305(b)(9)); and
- 5.3.1.1.4 Non-advance Payments and Offsets. If Contractor elects not to request a WCA, payment for allowable expenses under this Contract shall be made upon approval by CSD of Contractor's monthly Expenditure Activity Report. If Contractor owes CSD any outstanding balances for overpayments under any contract, current or previous, the balance may be offset, based on arrangements made with the Contractor.

##### 5.3.1.2 Contractor shall adhere to the WCA Requirements outlined in [CPN-E-](#)

## SUBVENTION CONTRACT

[19-001](#), which is available online at the [CSD LAP](#).

### 5.3.1.3 Major Purchase Advances

In the event Contractor needs significant cash outlay for large purchases, a special advance may be requested at any time during the contract term. To request a Major Purchase Advance, the following requirements apply:

- 5.3.1.3.1 Request must be completed via the Major Purchase Advance Request (CSD 144);
- 5.3.1.3.2 Limited to purchase of items in excess of \$10,000;
- 5.3.1.3.3 No advance will be issued until the Request for Pre-approval of Purchase/Lease (CSD 558) has been approved by CSD;
- 5.3.1.3.4 Procurements must comply with the open and competitive bid process, which must be documented through the Request for Pre-approval of Purchase/Lease (CSD 558);
- 5.3.1.3.5 Advance repayment for major purchases will be liquidated upon the first expenditure reporting period following the date of the purchase of the item or items identified in the Request for Pre-approval of Purchase/Lease (CSD 558). An Advance Request (CSD 144) must reflect 100% liquidation in the month following the expected date of purchase;
- 5.3.1.3.6 Major Purchase Advance requests will not be granted until such time as no less than 50% of the current WCA has been repaid. The combined total amount of the WCA and Major Purchase advance cannot exceed 25% percent of the Contract or the remaining contract balance, whichever is less; and
- 5.3.1.3.7 Interest on Major Purchase Advances. Contractor should deposit all major purchase advances in an interest-bearing account. Interest earned, up to \$500 per year, may be retained by Contractor for administrative expenses. The account shall be sufficiently segregated to enable the tracking and accounting of Major Purchase Advances funds issued by CSD.

### 5.3.2 WCA and Major Purchase Advance Limits

Pursuant to 22 CCR § 100840(a), the total amount advanced to Contractor at any

## SUBVENTION CONTRACT

time, whether in the form of a WCA or Major Purchase Advance, shall not exceed 25% of Contractor's total contract amount, excluding the Utility Assistance allocation amount. If the WCA or Major Purchase Advance request exceeds the remaining balance, then CSD shall only provide Contractor with the amount of the remaining balance. Advance amounts repaid by Contractor may be replaced by additional advances at any time as allowed in this Section 5.3 and corresponding guidance.

### 5.4 Program Income

5.4.1 Contractor shall maintain records of the receipt and disposition of all "program income" defined in 22 CCR § 100855(c) and pursuant to [CPN-A-18-01](#), as income that is generated or earned as a result of LIHEAP activities.

#### 5.4.2 Determining Net Program Income

5.4.2.1 Except as provided below in Section 5.4.2.2, any costs Contractor incurs in generating program income may be deducted from gross program income to determine net program income.

5.4.2.2 Contractor shall not deduct from gross program income any allowable program expenses for which Contractor has been, or will be, reimbursed from the LIHEAP grant award.

#### 5.4.3 Expenditure, Reporting, and Rollover of Program Income

5.4.3.1 Contractor shall expend program income for allowable program purposes in accordance with the requirements for expenditure of regular LIHEAP funds.

5.4.3.2 Contractor may expend program income during the term of this Contract. Contractor shall report all such expenditures, along with remaining unexpended program income, at the close-out of this Contract or at such other time(s) as CSD reasonably requires.

5.4.3.3 Contractor's unexpended program income at the close-out of this Contract shall roll over to subsequent LIHEAP contract(s).

5.4.3.4 If Contractor has generated program income with leveraged funding source(s) in addition to LIHEAP, the LIHEAP portion of rollover program income must be tracked by Contractor and can be used for allowable LIHEAP expenditures.

## SUBVENTION CONTRACT

### 5.5 Wood, Propane and Oil Returned Payments

- 5.5.1 Contractor shall maintain a tracking-log of returned payments, including Supplemental WPO payments referenced in [CPA-E-21-04](#), for services provided. Returned payments must not be entered into the Expenditure Activity Reporting System (EARS) or CSD's Combined Outcome Reporting Engine (CORE). Upon receipt of the returned payment Contractor shall make the following attempts to contact client:
  - 5.5.1.1 Make every reasonable attempt to contact client within five business days of receiving the returned payment during the contract term. The following shall constitute a reasonable effort and be maintained in the client file:
    - 5.5.1.1.1 One phone call attempt stating the client has the option to reclaim the returned payment and provide Contractor with the updated vendor information to reissue the returned payment amount; or
    - 5.5.1.1.2 One letter to the client stating the option to reclaim the repayment and provide Contractor with the updated vendor information to reissue the returned payment amount.
  - 5.5.1.2 Hold the returned payment for the client for 10 business days subsequent to all attempts to contact the client.
  - 5.5.1.3 If the client does not contact Contractor within the above time frames the returned payment shall be added to the current WPO allocation tracking log.
  - 5.5.1.4 If Contractor is unable to identify the client of the returned payment the payment can be added to the current WPO allocation tracking log.
- 5.5.2 Contractor may expend returned payments on WPO services during the term of this Contract. Contractor shall report all such expenditures, along with remaining unexpended returned payments, at the close-out of this Contract or at such other time(s) as CSD reasonably requires.
- 5.5.3 Contractor's unexpended returned payments at the close-out of this Contract shall be returned to CSD.
- 5.5.4 Returned payments received after the close-out of the contract shall be promptly returned to CSD.
- 5.5.5 If Contractor is unable to determine whether the returned payment is funded from

## SUBVENTION CONTRACT

the current contract, the returned payment shall be promptly returned to CSD.

### 5.6 Allowable Costs

#### 5.6.1 Cost Reporting

- 5.6.1.1 All costs shall be reported using a “modified accrual” or “accrual” method of accounting.
- 5.6.1.2 Pursuant to the federal block grant and applicable regulations, Contractor may only claim reimbursements for actual, allowable, and allocable direct and indirect costs.
- 5.6.1.3 Contractor shall report all expenditures at actual cost and shall maintain records and source documentation in such a manner as to substantiate all costs reported.

#### 5.6.2 Administrative

##### 5.6.2.1 General

- 5.6.2.1.1 Administrative costs shall not exceed the amounts as set forth in allocation spreadsheet.
- 5.6.2.1.2 Administrative Costs shall mean actual costs for auxiliary functions such as salaries, wages, workers compensation, and fringe benefits for administrative staff, as well as for facilities, utilities, equipment, telephone, travel, accounting, auditing, monitoring assistance, office supplies, and like services necessary to sustain the direct effort involved in administering a grant program or an activity providing services to the grant program.
- 5.6.2.2 Contractor shall use Uniform Administrative Requirements as a guide for determining administrative costs.
- 5.6.2.3 Administrative Equipment More Than \$10,000—Acquisition Costs
  - 5.6.2.3.1 Acquisition costs shall mean the actual costs associated with the purchase of equipment over \$10,000 per unit used for administrative purposes.
  - 5.6.2.3.2 CSD pre-approval is required for the purchases or lease-purchase option of equipment with a total value greater than \$10,000 utilizing the Request for Pre-approval of

## SUBVENTION CONTRACT

Purchase/Lease (CSD 558).

### 5.6.2.4 Administrative Out-of-State Travel

Administrative out-of-state travel costs shall mean costs incurred for out-of-state meeting, conferences or training that is critical to administering and/or maintaining LIHEAP. Travel expenses are limited to transportation, subsistence and related items incurred by traveling on official business on behalf of Contractor.

### 5.6.3 Program Costs

#### 5.6.3.1 General

Program costs are all allowable costs other than Administrative Costs. Program costs include those actual costs that are directly attributable to the performance of this Contract and that are reasonable and necessary as determined by CSD for the purpose of delivering services.

#### 5.6.3.2 Assurance 16

Assurance 16 costs shall not exceed the total amount set forth in the allocation spreadsheet.

#### 5.6.3.3 Intake

Intake shall be allocated at 8% of the Weatherization Budget and 8% of the ECIP/HEAP Direct Services/Utility Assistance Budget based on the Interim Allocations and/or subsequently the Final Allocation. Reimbursement shall be limited to actual cost up to 8% of Final Allocation. Intake in excess of 8% may be charged as an administrative cost not to exceed allowable administrative cost maximum.

#### 5.6.3.4 Outreach

Outreach shall be allocated at 5% each of the Weatherization, ECIP/HEAP and Direct Service/ Utility Assistance, Assistance budgets based on the Interim Allocations and/or subsequently the Final Allocation. Reimbursement shall be limited to actual cost up to 5% of Final allocation.

#### 5.6.3.5 Training and Technical Assistance

Training and technical assistance shall be allocated up to 5% of the total Weatherization allocation and up to 2% of the total ECIP/HEAP

**SUBVENTION CONTRACT**

allocation based on the Interim Allocations and/or subsequently the Final Allocation. Training and technical assistance shall not exceed these limits and shall be reimbursed at actual cost. Reimbursement shall be limited to actual cost up to 5% of Weatherization allocation, and 2% of ECIP/HEAP allocation.

- 5.6.3.5.1 If Contractor determines that an increase in the allowable allocation for training and technical assistance is needed to cover the cost of the software database collection system or related automation training as specified below, then Contractor must submit a request to, and obtain prior approval from, CSD.
- 5.6.3.5.2 Associated training and technical assistance costs may include costs related to travel, admission, materials, client education, and actual salaries/wages. Subcontractor training costs are limited to travel, admission, and materials.
- 5.6.3.5.3 Training and technical assistance shall include costs associated with the completion of weatherization-related training as specified in the Training Requirement of Section 9.1 of this Contract. Training may include, but not limited to, internal contractor training, safety training, attendance of weatherization-related training to include the software database collection system or other forms of training to aid in the development and skill of staff in utilizing and supporting internal program automation systems, and/or weatherization-related workshops sponsored by utility companies, Department of Energy (DOE), or CSD training. CSD training may include Local Service Provider's Meetings and Association of California Community and Energy Services Roundtable Meetings, and/or other organizations offering a component of weatherization training, and/or is necessary to carry out the direct delivery of services.
- 5.6.3.5.4 Training for job corps and workforce development trainees shall be limited to required CSD health and safety training sessions, unless otherwise approved by CSD.
- 5.6.3.5.5 Contractor staff out-of-state travel costs shall mean cost incurred for out-of-state meeting, conferences, or trainings that are critical to carrying out LIHEAP. Travel expenses are limited to transportation, subsistence, and related items incurred by traveling on official business on behalf of the Contractor.



## SUBVENTION CONTRACT

### 5.6.3.6 Acquisition Costs

#### 5.6.3.6.1 Minor Vehicle and Field Equipment Less Than \$10,000 – Acquisition Costs.

Minor Vehicle and Field Equipment costs under \$10,000 per unit must follow all federal and state rules and regulations governing LIHEAP pertaining to procurement standards.

#### 5.6.3.6.2 Major Vehicle and Field Equipment costs \$10,000 or Greater – Acquisition Costs Must Be Pre-Approved

CSD pre-approval is required for the purchases or lease-purchase option of vehicles and field office equipment with a total value of \$10,000 or greater, utilizing the Request for Pre-approval of Purchase/Lease (CSD 558).

### 5.6.3.7 Other Program Costs:

#### 5.6.3.7.1 Other Program Costs

Other Program Costs shall mean the actual costs associated with field staff wages, program management and support wages, ancillary supplies, disposal fees, and Historic Preservation review costs, lodging and per diem, vehicle and equipment repair, maintenance, and fuel, waste breakage, and solar water heating maintenance.

#### 5.6.3.7.2 Workers' Compensation

Workers' Compensation shall mean those actual costs associated with workers' compensation coverage for program staff whose salaries and wages are chargeable under program costs.

### 5.6.3.8 Liability Insurance

Liability Insurance shall mean those actual costs allocated for insurance bonds, general liability, vehicle insurance, and pollution occurrence insurance (if applicable).

### 5.6.3.9 General Operating Costs

General Operating Costs may be charged to the program and are for costs that are directly allocable to those activities defined as related

## SUBVENTION CONTRACT

facilities, office and computer equipment, office supplies, telephone, travel, and materials and activities to prevent exposure related to COVID-19 as allowable program costs.

### 5.6.3.10 Automation Costs

- 5.6.3.10.1 Contractor can expend funds to the Automation Costs (AC) in an amount not to exceed \$50,000, to be used to meet contract program startup requirements such as IT automation needs to comply with the Expenditure Activity Reporting System (EARS), Financial Management Module (FMM), Enterprise Combined Outcome Reporting Engine (eCORE), and Combined Outcome Reporting Engine (CORE) (“CSD System”) requirements or contractual reporting requirements programmatic in nature, related to CSD System IT expenses, and with ongoing programmatic IT expenses. AC funds are not limited exclusively to CSD System-related IT expenditures, but any IT expense related to CSD System costs incurred including necessary training on upgrades to Contractor’s system.
- 5.6.3.10.2 If Contractor expended funds in a prior year for a system and now wants to purchase a new system with AC funds, Contractor must utilize unrestricted funds and bear the full cost of the conversion to such an alternative system. Contractor may be granted a variance from this requirement provided Contractor’s AC plan is appropriately revised and CSD gives its written approval of the plan and request for variance.
- 5.6.3.10.3 Contractor shall report all automation and IT expenditures related to compliance with the reporting requirements under this Contract in the Automation Costs line item. Such expenditures may include, but is not limited to, computer and IT equipment; approved front-end database acquisition and ongoing subscription costs; IT security implementation costs; and IT systems training. All costs reported in this line item must be directly related to program functions. IT costs related to administrative functions shall be reported as administrative costs pursuant to the Uniform Administrative Requirements.
- 5.6.3.10.4 Contractors with multiple LIHEAP contracts for the same contract year are limited to reimbursement up to \$50,000 per contract. Contractor shall allocate costs among contracts when permitted and may not charge the same costs to more

## SUBVENTION CONTRACT

than one contract.

5.6.3.10.5 CSD System-related IT costs charged to the AC shall be submitted for reimbursement in accordance with CSD's normal reporting and accounting procedures.

5.6.3.10.6 CSD System-related IT costs that exceed the maximum AC amount of \$50,000 may not be reimbursed by CSD.

5.6.3.10.7 Contractors that remain in contract with their front-end vendor are not required to conduct a procurement for ongoing maintenance, updates or process improvements performed by the front-end vendor.

5.6.3.10.8 Upon approval by CSD, Contractor may procure from, Hancock™ or ServTraq©, a new automated reporting system with supplemental functionality beyond basic CSD System reporting requirements. The following provisions apply to, Hancock™ and ServTraq© System Users:

5.6.3.10.8.1 If Contractor elects to procure a new automated IT reporting system, Contractor shall ensure that the system procured is fully compliant with CSD System requirements. CSD's responsibility is limited to providing Contractor or its vendor with the applicable system specifications, interface and security protocols;

5.6.3.10.8.2 If Contractor expended funds in a prior year for a system and now wants to purchase a new system with AC funds, Contractor must utilize unrestricted funds to bear the full cost of the conversion to such an alternative system. Similarly, Contractor may not use future annual AC funding for such conversion. Any alteration to this provision requires prior written approval from CSD and must include the submission of a revised AC plan; and

5.6.3.10.8.3 Systems and services procured by Contractor in order to obtain implement Hancock™ or ServTraq© system shall be conducted in compliance with Contractor's procurement policy and with all applicable LIHEAP contract

## SUBVENTION CONTRACT

requirements, and federal and state law. Contractor may, at Contractor's option, participate in a consortium of local service providers to procure jointly an automated reporting system from Hancock™ ServTraq®, provided Contractor's procurement policy is not violated in such a manner as to render the process flawed or unfair. Contractor may rely on any local service provider subject to this contract to conduct the procurement on Contractor's behalf provided, however, that: 1) Contractor shall not be absolved from fulfilling applicable procurement obligations and requirements; 2) Contractor shall review all pertinent procurement documentation for sufficiency; and 3) make such documentation available to CSD upon request.

### 5.6.3.11 Weatherization Program Activities

Weatherization Program Activities shall mean those costs associated with the installation of measures to those dwellings weatherized and reported as completed, to include but not limited to, assessment, diagnostic testing, labor, materials, subcontractors, environmental inspections, permits, Home Energy Rating System (HERS Raters), and Environmental Hazard Work weatherization materials.

### 5.6.3.12 ECIP Emergency Heating and Cooling Services (EHCS)

ECIP EHCS shall mean those costs associated with emergency heating and cooling, and water heating repair and replacement services and other related costs, including costs associated with labor, materials, subcontractors, permits, HERS Raters, Environmental Hazard Work weatherization materials, and diagnostics all as further defined by the ECIP Policy and Procedures, and the Severe Weather Energy Assistance and Transportation Services (SWEATS) Policy. The ECIP Policy and Procedures is hereby incorporated by reference to this Contract and available on the [CSD LAP](#).

## 5.7 Service Area Expenditures Requirements

5.7.1 For purposes of this section the following definitions apply:

“Service Area” means the geographical area for which Contractor receives a discrete grant allocation, whether in a contract pertaining to that geographical area

## SUBVENTION CONTRACT

alone, or in a contract covering multiple geographical areas, as for example, multiple counties.

“Service Territory” means the totality of Contractor’s Service Area(s), whether: 1) a single county; 2) a portion of a single county; 3) multiple counties; or 4) a single county in combination with a portion of another county. Accordingly, the single Service Area or combined Service Areas for which Contractor provides services constitutes Contractor’s Service Territory.

“Target Allocation” means the sum of money from the LIHEAP state grant designated by CSD for expenditure in a designated Service Area.

“Target Service Area” means the service area for which a grant allocation has been designated on the LIHEAP Allocation Spreadsheet attached to this Contract.

Note: If Contractor provides only some LIHEAP services to a Service Area, e.g., weatherization services only or utility assistance services only and another contractor provides other LIHEAP services in the same Service Area, the contractors are co-service providers with respect to the Service Area in question and each is responsible for that portion of the grant allocation applicable to the services it provides. Contractor’s Service Territory includes a Service Area in which the grant allocation is split with another contractor.

- 5.7.2 This section shall apply to Contractor if any of the following pertain:
  - 5.7.2.1 This Contract involves funding for LIHEAP services provided by Contractor in multiple Service Areas; or
  - 5.7.2.2 Contractor provides only some of the LIHEAP services in multiple Service Areas under the terms of this Contract; or
  - 5.7.2.3 Some combination of 5.7.2.1 and 5.7.2.2 above.
- 5.7.3 The Target Allocation(s) specified in this Contract shall be used either: a) to provide services within the geographical boundaries of Target Service Area(s) to which the allocation applies; or b) on behalf of the recipients of benefits who reside within the Target Service Area(s), thereby ensuring that the low-income persons in each Target Service Area receive their appropriate share of the grant award and that direct program funds designated for a particular Target Service Area are not expended for services in another Service Area without good cause.
  - 5.7.3.1 Contractor is required to expend at least 90% of the applicable Target Allocation(s) in each Target Service Area(s).
  - 5.7.3.2 Contractor shall, as requested by CSD, submit a LIHEAP Production Plan estimating the number of households served by the designated

## SUBVENTION CONTRACT

allocation for each Target Service Area and the Agency Local Plan explaining how Contractor will conduct targeted outreach activities, identify service needs in Target Service Areas and track expenditures.

5.7.3.3 At the time of close-out, Contractor shall submit a report comparing Contractor's production estimates, by Service Area, to actual expenditures, what lessons were learned, and what changes in operations are anticipated in coming years.

5.7.3.4 Contractor may, subject to CSD's written approval, expend a portion of a Target Allocation in another service area in which Contractor provides services pursuant to this Contract, under the following circumstances:

5.7.3.4.1 When there is no acute need or ready opportunity for full expenditure of direct program funds in the Target Service Area; and

5.7.3.4.2 When Contractor can readily expend direct program funds in an alternate service area to avoid under expenditure or a loss of funding.

5.7.4 Notwithstanding the provisions of Section 5.7.3, Contractor is authorized under the terms of this Contract to combine the Administrative, Intake, Outreach, Assurance 16, and other program support costs, including liability insurance, workers' compensation, and general operating portion of grant allocations for multiple Service Areas for purposes of efficiency and effective contract implementation, provided such combining of funds does not unduly impair the equitable provision of services or otherwise disadvantage potential recipients of benefits in any Service Area.

## 5.8 Reimbursement Guidelines

### 5.8.1 Claims for Reimbursement

Pursuant to the federal block grant statute and applicable regulations, Contractor may only claim reimbursements for actual, allowable, and allocable direct and indirect costs. Contractor shall report actual costs incurred for actual expenditures up to any applicable maximum amounts set by this Contract.

### 5.8.2 Assurance 16

5.8.2.1 Assurance 16 costs and its related services include those actual costs that are directly attributable to the performance of this Contract and that are reasonable and necessary as determined by the CSD for the purpose of delivering services. Assurance 16 costs shall include needs assessment,

## SUBVENTION CONTRACT

client education, budget counseling, and coordination with utility companies.

- 5.8.2.2 Contractor may claim Assurance 16 costs for client education only once when LIHEAP and DOE or DOE BIL funds and services are provided concurrently in the same residential dwelling unit.

### 5.8.3 Wood, Propane, and Oil Assistance

#### 5.8.3.1 HEAP WPO

Contractor may claim reimbursement for HEAP WPO expenditures and activities expenditures as required in accordance with the terms of this Contract.

#### 5.8.3.2 ECIP WPO

Contractor may claim reimbursement for ECIP WPO expenditures in accordance with the terms of this Contract.

#### 5.8.3.3 Tank Repair

Contractor may claim reimbursement for the cost of tank repair separate from the HEAP WPO, ECIP WPO and Supplemental WPO payment as outlined in [CPA E-21-04](#) WPO Benefit Formula Implementation and subsequent CPA modifications.

### 5.8.4 Weatherization and EHCS Specific

- 5.8.4.1 Contractor may claim reimbursement for Weatherization-related activities under the terms of this Contract as documented on the CSD Dwelling Assessment Form (CSD 540) or approved Contractor's equivalent for each eligible household not previously weatherized.
- 5.8.4.2 Contractor shall ensure that duplicate billings for the same product or service do not occur.
- 5.8.4.3 All service completed dwellings unit shall be submitted for payment within 90 calendar days of completion or by the due date of the last reporting period of this Contract, whichever is less. A service completed unit shall not be carried over into another contract period, except when there are insufficient funds to cover a portion or the entire cost of rendered services. In the event a completed unit is billed in the subsequent contract, the Contractor must also ensure that the applicant meets the income eligibility requirements.

## SUBVENTION CONTRACT

- 5.8.4.4 Contractor may claim reimbursement for labor and material expenses associated with Environmental Hazard Work activities intended to assure the health, safety, and well-being of workers and dwelling occupants during the performance of in-home Weatherization and EHCS services under this Contract. Environmental Hazard Work activities include activities to prevent exposure related to the disturbance of asbestos, lead paint and the COVID-19 virus. Materials shall include items that are disposable or have temporary use, such as Tyvek suits, hand sanitizer, cleaning supplies, disposable face masks, HEPA vacuum cleaner bags/filters, etc. Labor shall include those activities related to prepping and cleaning within the workspace to prevent contamination.
- 5.8.4.5 For emergency ECIP EHCS provided outside Contractor's normal business hours of operations, Contractor may exceed the maximum cost limits allowed for repair and replacement services. Contractor shall not request reimbursement for more than one heating, cooling, or water heating unit repaired or replaced per household.
- 5.8.4.6 Measure Reimbursement
  - 5.8.4.6.1 Measure Maximums
    - 5.8.4.6.1.1 For those Weatherization and EHCS measures that have an established maximum rate, the reimbursement amount shall be equal to the actual labor costs of Weatherization or EHCS crew members and the actual cost of the materials, subcontracted services not to exceed the maximum reimbursement allowable.
    - 5.8.4.6.1.2 Weatherization or EHCS measure costs exceeding the maximum reimbursement limit cannot be offset by charging the cost difference to another weatherization measure or another CSD program.
    - 5.8.4.6.1.3 When costs for a measure exceed the maximum reimbursement allowed, Contractor shall obtain prior written approval from CSD to exceed the maximum cost reimbursement and/or quantity limit for weatherization and ECIP HCS measures as described in Reimbursement Rates for Weatherization and ECIP EHCS Activities. Otherwise, at the Contractor's discretion, Contractor may elect to not provide the



## SUBVENTION CONTRACT

weatherization measure/service in the event the total cost exceeds the maximum cost reimbursement.

### 5.8.4.6.2 Assessments and Diagnostics

5.8.4.6.2.1 Contractor may claim reimbursement for dwelling assessment for each eligible household.

5.8.4.6.2.2 Contractor may claim reimbursement for dwelling assessment for each eligible unit not previously weatherized.

5.8.4.6.2.2.1 For dwellings weatherized under this Contract, Contractor may claim reimbursement for a modified dwelling assessment, as defined in Article 13, to perform reweatherization.

5.8.4.6.2.2.2 If the useful life term has expired for measures previously installed, or other measures meet feasibility criteria, Contractor may claim a full dwelling assessment to perform reweatherization services.

5.8.4.6.2.3 If a dwelling was previously weatherized under a nonfederal program, the dwelling and occupant eligibility must be recertified; therefore, Contractor may claim reimbursement for assessment of dwelling.

5.8.4.6.2.4 In the case of an un-weatherized dwelling where the installation of measures was not feasible, and/or the dwelling was not accessible to install measures, Contractor may claim reimbursement for any related assessments and/or diagnostic checks that were performed.

5.8.4.6.2.5 Contractor may claim reimbursement for dwelling assessment only once when LIHEAP and DOE or DOE BIL funds are used concurrently in the same unit.

## SUBVENTION CONTRACT

5.8.4.6.2.6 HERS Rater and permit fees are acceptable expenses and may be charged only once per dwelling to ECIP EHCS or LIHEAP weatherization or DOE or DOE BIL weatherization per weatherized dwelling. HERS Rater fee and permit reimbursement include subcontractor cost, staff time on job site, and fees that will be reimbursed based on the actual cost.

### 5.8.4.6.3 Labor Reimbursement

5.8.4.6.3.1 Contractor shall bill the number of actual labor hours and actual labor cost incurred by weatherization crew members or other persons associated with the installation, assessment and inspection of weatherization measures, removal of debris and appliances, the procurement of permits and services performed by HERS Raters.

5.8.4.6.3.2 Contractor must substantiate all actual labor hours and labor costs charged.

5.8.4.6.3.3 Actual labor hours and costs for weatherization and EHCS services shall not exceed the cumulative number of hours on the job site and shall be substantiated with client file documentation, job schedules, and payroll time records.

5.8.4.6.3.4 When the installation of a measure is subcontracted and there are billable labor hours for weatherization and/or Contractor's crew members who participate in the installation of that subcontracted measure, Contractor may bill, in addition to the subcontracted expenditure, the actual labor hours and labor costs incurred by Contractor's crew members.

5.8.4.6.3.5 Labor expenses for weatherization service delivery shall exclude labor expenses associated with training, travel to weatherization job sites, staff time not associated with the direct installation and/or performance of

## SUBVENTION CONTRACT

weatherization services and activities on the job site, downtime and general operating expenses as provided in subsection 5.8.4.6.5 Other Program Costs.

### 5.8.4.6.3.6 Lead Safe Weatherization

Contractor may claim reimbursement for renovator certification, defined as field-related labor costs associated with performing lead renovator certification for ensuring lead paint safety on weatherized dwellings built prior to 1978.

### 5.8.4.6.4 Heating and Cooling Services (HCS/EHCS)

5.8.4.6.4.1 If, during the course of repairing a defective unit, additional problems are found that would increase the cost of repairs to an amount beyond the established limits for repairs, Contractor may claim reimbursement for incurred costs related to the repair in addition to those costs associated with the replacement of the heating/cooling appliance.

5.8.4.6.4.2 Dwellings in which a single appliance has been both repaired and replaced within the same Weatherization and/or ECIP EHCS component, or under a call-back, Contractor may claim reimbursement for both the repair and the replacement of the appliance. Contractor shall report the single appliance as both a repaired and replaced appliance.

5.8.4.6.4.3 For multi-unit dwellings with a common system (water heater, heating and/or cooling), Contractor shall prorate the cost of each common system among all dwelling units within that building envelope.

5.8.4.6.4.4 Duct repairs and replacements can only be charged to ECIP EHCS when provided in conjunction with emergency heating/cooling services performed under EHCS.

## SUBVENTION CONTRACT

### 5.8.4.6.5 Other Program Costs

#### 5.8.4.6.5.1 Wages—Field Staff

Contractor may request reimbursement for the actual labor costs including benefits related to weatherization supervisors, assessors, inspectors, and crew members that are allocable to the program but not associated with the direct installation and/or performance of weatherization services/activities on the job site and training, including, but not limited to: job scheduling, job preparation, travel time, disposal of appliances and materials, building and prepping of weatherization materials away from the job site and downtime in accordance with any guidance issued by CSD.

#### 5.8.4.6.5.2 Wages – Program Management and Support

5.8.4.6.5.2.1 Contractor may request reimbursement for the actual labor costs related to program management and support staff directly responsible for the direct management and oversight over the LIHEAP Weatherization and EHCS program activity or providing direct support to ensure the successful delivery of weatherization services.

5.8.4.6.5.2.2 Reported costs may include labor costs associated with performing direct support in coordinating the delivery and tracking of LIHEAP Weatherization and EHCS program activity, including but not limited to: job scheduling, collating and aggregating of weatherization activities and materials, staff time associated with Historic Preservation Review activities, obtaining permits, and coordination of subcontracted services.

#### 5.8.4.6.5.3 Lodging and Per Diem

## SUBVENTION CONTRACT

Contractor may claim reimbursement for lodging and per diem related to the installation of weatherization measures subject to travel and per diem as described in the Travel and Per Diem Section Article 4.6 of this Contract.

### 5.8.4.6.5.4 Disposal Fees

Disposal fees are acceptable expenses and may be charged only once to ECIP EHCS, or LIHEAP Weatherization per appliance and building material waste. Disposal fee reimbursement is limited to the actual cost of the fee.

### 5.8.4.6.5.5 Vehicle and Equipment Repair, Maintenance and Fuel

5.8.4.6.5.5.1 Contractor may claim reimbursement for expenses related to upkeep and maintenance of vehicles and equipment used in the direct delivery of weatherization services and EHCS. Allowable costs shall be limited to expenditures associated with the maintenance of the vehicles and equipment, fuel, and oil.

5.8.4.6.5.5.2 Contractor shall maintain records for fuel expenditures, vehicle maintenance, and vehicle usage to substantiate allowable travel costs related to and allocable to LIHEAP weatherization.

### 5.8.4.6.5.6 Historic Preservation Reviews

Historic Preservation Reviews means those expenses that are subcontracted to a third-party to perform the collection and reporting of potential weatherization properties subject to Historic Preservation Review requirements.

### 5.8.4.6.5.7 Waste Breakage

## SUBVENTION CONTRACT

Waste breakage are those expenses associated with weatherization materials that have been damaged and are part of Contractors' inventory or special-order materials that are allocated to CSD programs. The cost of weatherization materials that are damaged and benefit multiple programs must be prorated accordingly. Costs must be directly associated to net changes in inventory and not associated with materials chargeable to another measure line item. Reimbursement for waste breakage is not allowable for subcontractors.

### 5.8.4.6.5.8 Ancillary Supplies

Ancillary supplies are additional low-cost materials or supplies (such as nuts, bolts, screws, and washers) necessary to install a weatherization measure and not easily attributable to a specific measure or dwelling. Costs of ancillary supplies that benefit multiple programs must be prorated accordingly. Costs must be directly associated to net changes in inventory and not associated with materials chargeable to another measure line item. Reimbursement for ancillary supplies is not allowable for subcontractors.

### 5.8.4.6.5.9 Solar Water Heating Maintenance

Solar Water Heating (SWH) Maintenance are scheduled maintenance service, as established by the manufacture, in order to maintain the SWH system in good working condition.

## 5.8.4.7 Dwelling Status

### 5.8.4.7.1 Completed Units

5.8.4.7.1.1 Except as otherwise provided in the CSD Technical Reference Manual (TRM), Contractor shall not report a weatherized dwelling as completed nor shall Contractor request reimbursement for a weatherized dwelling until all weatherization measures identified as

## SUBVENTION CONTRACT

feasible during the dwelling assessment have been installed, and inspected by a Quality Assurance Inspector, and all inspection fails have been resolved.

5.8.4.7.1.2 Contractor shall not bill for incomplete units or close a unit with outstanding, unfinished weatherization measures in order to receive reimbursement for work completed. If there are measures found to be non-feasible by crew members after the initial assessment, the reason for the non-feasibility shall be documented in the client file and, the job shall be reported as completed in accordance with subsection 5.8.4.7.1.1.

5.8.4.7.1.3 Contractor shall reimburse CSD for all costs associated with the delivery of weatherization services covered under this Contract to dwellings occupied by households ineligible for weatherization assistance at the time such services were provided.

5.8.4.7.1.4 ECIP EHCS

Dwelling units receiving services under ECIP EHCS may be reported as completed and billed immediately upon the completion of ECIP EHCS measures regardless of the completion status of weatherization measures installed in the same dwelling.

5.8.4.7.1.5 If Contractor is not able to complete weatherization or ECIP EHCS direct services during the Contract term, Contractor may complete the dwelling in the next contract year. If Contractor completes the dwelling in the next contract year, Contractor must verify the client meets the income eligibility requirements for the following year in order for the measures and dwelling to be eligible for reimbursement.

5.8.4.7.2 Building Permits

5.8.4.7.2.1 Contractor shall obtain all required permits in

## SUBVENTION CONTRACT

accordance with the TRM, prior to the commencement of all work performed, unless work is performed as a result of an emergency requiring immediate action where there is an imminent danger and requesting a permit would hinder the Contractor's ability to resolve the emergency. If an emergency is remedied, Contractor shall apply for a permit as soon as reasonably possible.

5.8.4.7.2.2 Penalties or fines imposed on Contractor or subcontractor by the local authority or building department are not allowable costs.

### 5.8.4.7.3 Previously Weatherized Dwellings

If the previous weatherization was performed under a nonfederal program or under this Contract, the occupant eligibility must be verified, and Contractor may seek reimbursement for the associated outreach and intake costs.

### 5.8.4.7.4 Managing Alternative Funding

Contractor may perform services and install energy efficiency and/or other measures in a qualified dwelling as provided herein and in accordance with requirements of any other CSD program and compatible non-CSD funded program, if in the best interest of the client, provided:

5.8.4.7.4.1 Reimbursement for Weatherization or EHCS activities is claimed only once when LIHEAP or any other funding source, are used concurrently in the same unit;

5.8.4.7.4.2 Contractor may divide materials and labor cost of a single measure among LIHEAP, or other CSD programs when the single measure in question is installed in a dwelling where Weatherization or EHCS services are provided concurrently under these programs; and

5.8.4.7.4.3 Contractor shall not bill multiple funding sources for the same product or service unless costs are allocated in such a manner that billing is not duplicative and Contractor receives no



## SUBVENTION CONTRACT

more than the total cost of the products and services provided. The amount billed under both LIHEAP and the alternative funding source cannot exceed the installation cost and maximum reimbursement rate for the measure.

- 5.8.4.7.4.4 Individual measure leveraging is allowable involving the use of LIHEAP funds and an alternative funding source in accordance with TRM Appendix D Energy Audit/Priority List Protocol, Section 5.0., Managing Alternative Funding.

### 5.8.5 SWEATS

- 5.8.5.1 Reimbursement shall be in accordance with [CPN-E-20-01](#) SWEATS Policy.
- 5.8.5.2 Public Safety Power Shut-Off Preparedness (PSPS) reimbursement shall be in accordance with [CPN-E-20-02](#) PSPS Emergency Preparedness Pilot Policy and [CPN-E-02M3](#).

## SUBVENTION CONTRACT

### ARTICLE 6 - REPORTING POLICIES AND PROCEDURES

#### 6.1 Reporting Requirements

##### 6.1.1 General

- 6.1.1.1 Contractor shall submit required client/job detailed data for Weatherization and ECIP EHCS activities to CSD's Weatherization Database on a monthly basis, for the period in which the service activity occurred and for which reimbursement for the service activity is requested.

Similarly, adjustments shall be submitted for the monthly period in which services occurred.

- 6.1.1.2 Contractor shall request reimbursement for expenditures associated with all Contract activities (excluding ECIP Fast Track and HEAP Electric and Gas) by reporting in the EARS, in accordance with [CPN-E-19-002](#) Energy Reimbursement Policies and Procedures.

- 6.1.1.2.1 Expenditures for Admin, Assurance 16, Intake, ECIP WPO, HEAP WPO, ECIP EHCS, SWEATS, and EHA-16 program costs shall be reimbursed through the LIHEAP Monthly EHA 16 Expenditure Activity Report via EARS.

- 6.1.1.2.2 Expenditures for Weatherization Program Costs and Activities shall be reimbursed through the LIHEAP Monthly Weatherization Expenditure Activity Report via EARS.

- 6.1.1.2.3 Contractor shall submit adjustments in accordance with [CPN-E-19-002](#).

- 6.1.1.2.4 Payment to Contractor for any given month shall be contingent upon receipt and approval by CSD of the preceding monthly submission.

- 6.1.1.3 Contractor shall ensure that the data reported in the Weatherization Database and the request for reimbursement reported in EARS, reconcile in accordance with [CPA-E-18-005](#).

- 6.1.1.4 Contractor shall submit client details electronically to CORE for ECIP Fast Track, HEAP Electric and Gas, ECIP WPO, and HEAP WPO.

Contractor shall submit to CORE, applications that have received a pledge for ECIP Fast Track or HEAP Electric and Gas to CORE, within

## SUBVENTION CONTRACT

the timeframe specified in the Direct Pay Utility Pledge Timeframe document located on the contract page of the CSD Local Agencies Portal.

6.1.1.5 Contractor shall submit requested client files, records, and documents to the File Transfer Protocol (FTP) Server as requested by CSD. CSD shall use Contractor submitted documents to perform an in-house desk review to verify compliance with financial, administrative, and programmatic requirements.

### 6.1.1.6 Reporting System Requirements

6.1.1.6.1 CSD will provide Contractor with specifications of minor IT reporting changes or other minor changes, and upon receipt of the specifications, Contractor shall implement system changes in their local system within 30 calendar days. Minor changes are those that are routine in nature to begin performance under the Contract such as but not limited to adjustments to the Expenditure Activity Report layout, adding or deleting measures and adjusting eligibility guidelines.

6.1.1.6.2 Major reporting changes, upon receipt of the specifications, shall be implemented in Contractor's local system as negotiated by CSD. Major IT system changes are those changes made to the business rule validations as listed in the most current Weatherization DTR and/or new field lines as outlined in the Data Transfer Reference Document (Schema-Breakdown). The most current Weatherization DTR and Data Transfer Reference Document (Schema-Breakdown) are located on the CSD Local Agencies Portal on the System Specification website page.

### 6.1.2 Solar Warranty and Maintenance Reporting

Contractors participating in the Solar Water Heating (SWH) Project shall report to CSD whenever warranty work and/or maintenance are required on any Solar Water Heating Systems installed under the SWH Program and CSD's Low-Income Weatherization Program (LIWP). The SWH Warranty and Maintenance Report shall include a written description of the following:

6.1.2.1 Dwelling address at which warranty and/or maintenance work was provided;

6.1.2.2 Reason for warranty and/or maintenance work (what was the problem);

## SUBVENTION CONTRACT

6.1.2.3 The date (or dates) on which warranty and/or maintenance work was provided; and

6.1.2.4 List of the costs charged to the LIHEAP contract for the warranty and/or maintenance work.

The SWH Warranty and Maintenance Report shall be submitted no later than 30 calendar days after the month in which reimbursement for the warranty and/or maintenance work is requested.

The SWH Warranty and Maintenance Report shall be submitted, via email, to [wx@csd.ca.gov](mailto:wx@csd.ca.gov) with the words “SWH Warranty and Maintenance Reports” in the Subject line.

Contractor shall retain all warranty and maintenance reports for the life of the warranty.

### 6.1.3 CSD Review and Approval of Reports

6.1.3.1 CSD shall review and approve Contractor’s monthly reimbursement/activity reports before offsets to advances or reimbursement payments are issued. CSD will conduct an ongoing evaluation of Contractor’s performance related to program and fiscal operations and its demonstrated ability to effectively utilize all funds available under this Contract.

6.1.3.2 The issuance of other CSD contracts, including reimbursement payments to the Contractor, shall be contingent upon timely receipt of the required reports and/or compliance with the material requirements of this Contract.

### 6.1.4 Close-out Report

6.1.4.1 Contractor shall submit on appropriate CSD forms, a close-out report, verifying all actual, allowable, and allocable costs earned during the term of this Contract and return all excess reimbursement and unexpended funds to CSD within 90 calendar days of the expiration of this Contract. If Contractor fully expends funds prior to the end of the contract term, all appropriate CSD close-out forms shall be submitted within 90 calendar days of final expenditure.

6.1.4.1.1 Administrative costs, outreach, intake, Assurance 16, Training and Technical Assistance shall not exceed the maximum allowable amounts.

## SUBVENTION CONTRACT

- 6.1.4.1.2 Administrative and Assurance 16 costs shall remain proportionate to the cumulative allowable program expenditures for Direct Services and Utility Assistance. Any Administrative and Assurance 16 costs that exceed these limits shall be disallowed.
- 6.1.4.1.3 Subsequent payments, including advance payments, for LIHEAP or other CSD contracts may be withheld, absent timely receipt of the close-out report of this Contract.
- 6.1.4.2 The issuance of other CSD contracts, and reimbursement and advance payments for existing contracts, may be withheld, absent receipt of the close-out report which is due no later than 90 calendar days after Contractor fully expends or the end of the Contract term.
- 6.1.4.3 The close-out report shall include the following:
  - 6.1.4.3.1 LIHEAP Close-out checklist and Certification of Documents Transmitted with authorized signature (CSD 733);
  - 6.1.4.3.2 LIHEAP Close-Out Reconciliation Report (CSD 733F);
  - 6.1.4.3.3 Report comparing production estimates, by Service Area, to actual expenditures, what lessons were learned, and what changes in operations and service delivery are anticipated in coming years; and
  - 6.1.4.3.4 LIHEAP Close-Out Equipment Inventory Schedule (CSD 733G).
- 6.1.4.4 Interest and Program Income-Earned

Contractor shall use a CSD 733F, LIHEAP Interest and Program Income Earned Close-out Reconciliation, to report actual costs and/or interest income earned and expended. Pursuant to 22 CCR § 100855 and in accordance with [CPN-A-18-01](#) Program Income, program income earned and expended are subject to the expenditure and reimbursement guidelines for the program year in which expenditures occurred.
- 6.1.4.5 Any weatherization materials purchased with the funds under this Contract and remaining at the Contract expiration shall be credited against Contractor's weatherization materials expenditures under this Contract and charged to whatever other weatherization program Contractor may have in effect. If Contractor has no other weatherization program in effect, CSD shall determine how the materials will be disposed and what, if any, financial adjustments are required.

## **SUBVENTION CONTRACT**

### **PROGRAMMATIC REQUIREMENTS**

#### **ARTICLE 7 - PROGRAM POLICIES AND PROCEDURES**

##### **7.1 LIHEAP Agency Local Plan**

- 7.1.1 Contractor shall submit an annual LIHEAP Agency Local Plan to CSD by a date as determined by CSD. The LIHEAP Agency Local Plan is intended to systematize the gathering of planning information to assist CSD with its obligations under federal statute to provide programmatic assurances to the Secretary of the U.S. Department of Health and Human Services under the LIHEAP block grant and to enable the Contractor to plan and propose an annual budget that is consistent with the purposes of the Low-Income Home Energy Assistance Program and reflective of the needs of the local low-income population.
- 7.1.2 Contractor shall ensure its LIHEAP Agency Local Plan documents reflect that its proposed services and activities are in compliance with federal and State law governing the LIHEAP block grant, or CSD may require Contractor to amend or supplement the responses or documentation prior to execution of this Contract by CSD.
- 7.1.3 CSD's approval of Contractor's LIHEAP Agency Local Plan documents does not constitute approval of any costs expended under this Contract. Contractor shall ensure all expenditures comply with federal and state requirements that the actual costs are allowable and allocable in accordance with applicable statutes, regulations, and the provisions of this Contract.

##### **7.2 Program Standards and Regulatory Requirements**

###### **7.2.1 Program Standards**

- 7.2.1.1 Contractor shall adhere to all CSD program standards pursuant to the following documents which have been incorporated by reference and made part of this Contract as if attached hereto:
  - 7.2.1.1.1 CSD Technical Reference Manual (TRM);
  - 7.2.1.1.2 ECIP Policy and Procedures;
  - 7.2.1.1.3 Official State and Federal Program Notices and Guidance Documents;
  - 7.2.1.1.4 Current Eligibility and Verification Guide;

## SUBVENTION CONTRACT

7.2.1.1.5 Weatherization DTR;

7.2.1.1.6 Utility Assistance Data Transfer Business Rules: and

7.2.1.1.7 CSD Training Policies and Procedures Manual (TPPM).

7.2.1.2 In the event of inconsistencies between policies and field protocols contained within the TRM and/or the Weatherization Policies and Procedures and this Contract, Contractor shall abide by the terms of this Contract.

### 7.2.2 Regulations

7.2.2.1 Standards contained in the most current Uniform Building Code and local city and county codes shall take precedence over the CSD TRM if the code requirement is not included in the manual and/or is more stringent.

7.2.2.2 Contractor shall ensure that all work performed complies with the most current and applicable provisions of the California Energy Commission Building Energy Efficiency Standards, Alterations under Title 24, Part 6, of the California Code of Regulations, California Home Energy Rating System (HERS) Program regulations.

7.2.2.3 Services provided to all covered pre-1978 dwellings shall comply with the most current Environmental Protection Agency rules in 40 CFR Part 745 et seq., Lead-Based Paint Poisoning Prevention in Certain Residential Structures, and the Housing and Urban Development rules in 24 CFR Part 35 et seq., and Lead-Based Paint Poisoning Prevention in Certain Residential Structures.

7.2.2.4 All materials utilized for weatherization and ECIP EHCS purposes shall conform with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

7.2.2.5 All materials used must comply with TRM material specifications for LIHEAP.

### 7.2.3 Title 24

7.2.3.1 Contractor shall, when required by its local jurisdiction, obtain a building permit when additions or alterations of existing residential buildings are performed or when a component, system, or equipment of an existing building breaks, cannot be repaired and must be replaced.

## SUBVENTION CONTRACT

- 7.2.3.2 Title 24 requirements are applicable only to energy conservation measures and Health and Safety replacement of heating, cooling, and water heating appliances performed in dwellings located within specific California Energy Commission (CEC) Climate Zone areas. Requirements to be applied are those specific to the California Energy Commission (CEC) Climate Zone where the dwelling is located. For a listing of the CEC climate zones, refer to the CSD Local Agencies Portal website at <https://agencies.csd.ca.gov/home/Energy/Pages/Resources.aspx> under the Weatherization Resources section.
- 7.2.3.3 Contractor shall obtain the services of a qualified HERS Rater when required to perform required field verification and diagnostic testing on applicable weatherization measures and building alterations performed under this Contract.
- 7.2.3.4 Contractor shall ensure the HERS Rater is an independent entity from the Contractor or subcontractor performing the building alteration and/or energy-efficiency improvement being tested and verified and has no financial interest in the work performed.
- 7.2.4 Pre-1978 Dwellings
- 7.2.4.1 Lead-based paint is presumed to be present in all pre-1978 units unless the dwelling unit has previously been certified by a California Certified Inspector/Risk Assessor to be lead-free.
- 7.2.4.2 Dwellings not previously certified to be lead-free, built prior to 1978, and receiving weatherization services in which painted surfaces exceeding de minimis levels are disturbed, require the successful achievement of lead-safe standards after the completion of weatherization services.
- 7.2.4.3 Contractor shall assure that an Environmental Protection Agency (EPA) Certified Renovator performs the post-weatherization verification after the completion of weatherization services and that the Assessor deems the weatherized meets EPA Renovation, Repair, and Painting Rule lead-safe standards.
- 7.2.4.4 HUD units not previously certified to be lead free, built prior to 1978, and receiving weatherization services in which painted surfaces exceeding de minimis levels are disturbed, require the successful achievement of lead-safe standards after the completion of weatherization services. Contractor shall assure that a third-party California Certified Inspector/Risk Assessor performs the clearance



## SUBVENTION CONTRACT

inspection after the completion of weatherization services and that the Assessor deems the weatherized HUD unit as lead-safe.

- 7.2.4.5 Contractor shall document notification to tenants of multi-unit housing of weatherization and/or renovation activities in common areas using the Notice of Weatherization/Renovation (CSD 320) or approved Contractor's equivalent and Record of Tenant Notification Procedures (CSD 322) or approved Contractor's equivalent.

### 7.3 Prioritization of Services

- 7.3.1 Contractor shall conduct ECIP, HEAP, and Weatherization activities in accordance with the Agency Local Plan in Article 14.
- 7.3.2 Contractor shall design activities to provide assistance to low-income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, and that such methods to be utilized, and shall assure that eligible households, particularly those households with elderly individuals, disabled individuals, or children five years and under are made aware of the assistance available under this Contract.

### 7.4 Service Priority Guidelines

- 7.4.1 Contractor shall give first priority for services to those households with the lowest income and highest energy burden. In addition, Contractor shall factor into its first priority for services those households with the following vulnerable populations: young children (ages five years or under), disabled, and elderly persons (ages 60 years or older), in accordance with the Agency Local Plan.
- 7.4.2 Contractor may give first priority for services to those households whose members have life-threatening emergencies.

For the ECIP Fast Track, HEAP Electric and Gas, ECIP WPO and HEAP WPO program components, Contractor shall assign prioritization points consistent with the Agency Local Plan in Article 14.

- 7.4.3 Due to limited funding, contractors are discouraged from providing either:
  - 7.4.3.1 Energy assistance benefits to households with substantial credit(s) on its utility bills; and/or
  - 7.4.3.2 Weatherization services to dwellings previously weatherized under LIHEAP within the past four years. Contractors shall prioritize services to previously weatherized dwellings in accordance with the Agency Local Plan in Article 14.

## SUBVENTION CONTRACT

### 7.4.4 Equitable Treatment

Contractor shall ensure that owners and renters receive equitable treatment under this program.

## 7.5 Outreach and Intake Activity Guidelines

### 7.5.1 Outreach

Contractor shall perform appropriate outreach activities to ensure that households in the service area(s) are informed about all LIHEAP services and have an opportunity to apply for such services.

### 7.5.2 Intake

Contractor shall use intake program funds for determining eligibility of applicants seeking LIHEAP services. Services include the process of completing an intake application and reviewing applicant documentation. Contractor shall:

- 7.5.2.1 Establish reasonable hours whereby applicants will have access during regular business hours to seek program information with an assurance that the Contractor shall respond to the applicant's request within a reasonable amount of time;
- 7.5.2.2 Ensure applicants have access to applications, whether in hardcopy, electronic format, during regular business hours. Contractors whose offices are not staffed Monday through Friday must arrange for alternative points of access to LIHEAP applications. Contractor may satisfy this requirement by posting their application for download on their website or post a link directing applicants to an application posted at CSD's website at [www.csd.ca.gov](http://www.csd.ca.gov) or at alternate location(s) or by mailing applications;
- 7.5.2.3 Accept applications for assistance during regular business hours;
- 7.5.2.4 Accept applications for ECIP Fast Track and WPO at sites that are geographically accessible to all households in the area served by Contractor;
- 7.5.2.5 Provide low-income individuals who are physically infirm with the means to submit applications for HEAP and ECIP without leaving their residences;
- 7.5.2.6 Ensure that all sites where intake is conducted are accessible to the disabled;

## SUBVENTION CONTRACT

- 7.5.2.7 Utilize the Energy Intake Form (CSD 43), or approved Contractor's equivalent, as a multipurpose form for referrals to the LIHEAP Weatherization program, the ECIP EHCS program, HEAP program, and DOE or DOE BIL program; and
- 7.5.2.8 If Contractor opts to "pre-screen" applicants for benefits by discussing eligibility criteria and by counseling potential clients in advance of their completing and submitting an Energy Intake Form (CSD 43) or approved Contractor's equivalent, Contractor must apply income guidelines and Contractor's Priority Plan when prescreening applicants. If the applicant appears to be ineligible, Contractor must so inform the applicant but must nevertheless notify prescreened applicants of the right to apply for benefits upon changes in the prescreened applicant's circumstances and status. Energy Intake Form (CSD 43) or approved Contractor's equivalent must be provided to a potential client upon request, whether or not a prescreening process is employed.

### 7.5.3 Applicant Written Notification of Benefits

Within 15 business days of receiving an application Contractor shall provide the applicant written or electronic notification of the application status, indicating whether the application has been approved, denied, deemed incomplete, or is still pending review.

- 7.5.3.1 If approved, the notice shall indicate the nature and an approximate timeframe in which the utility assistance payment will be provided and when weatherization services may be scheduled or if a referral was made to for weatherization services. The name of the utility company and the amount of the benefits also shall be included in the notification for Utility Assistance.
- 7.5.3.2 If denied, the notice shall indicate the reason for the denial and information regarding the appeal process.
- 7.5.3.3 If incomplete, the notice shall indicate what additional information or documentation is required.
- 7.5.3.4 If pending review, the notice shall provide a revised estimate of when the status of the application will be determined. Contractor must follow-up with a notification when a determination has been made.
- 7.5.3.5 If added to the waitlist for weatherization and the application is not processed, the notice shall provide the amount of time the application will be kept on file, disclaimer that the applicant is not guaranteed services and how applications are prioritized for services.

## SUBVENTION CONTRACT

### 7.6 Assurance 16 Activity Guidelines

Contractor shall use Assurance 16 program funds for services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance such as needs assessment, client education and budget counseling, and coordination with utility companies. These funds may not be used to identify, develop, and/or demonstrate leveraging programs.

#### 7.6.1 Needs Assessment

Contractor must conduct a needs assessment for each client who submits an application that shall include computing the energy burden of each applicant's household and prioritizing households in accordance with Agency Local Plan in Article 14.

#### 7.6.2 Client Education/Budget Counseling – General Requirements

Contractor shall provide all recipients of energy assistance under this Contract with applicable energy conservation information and budget counseling in accordance with the Contractor's approved Agency Local Plan in Article 14. As a minimum Contractor shall include the following:

- 7.6.2.1 Information regarding the importance of applying for energy assistance prior to falling behind in utility payments and information concerning various utility company budget payment plan(s) and other forms of energy assistance offered within the State;
- 7.6.2.2 Written information that describes energy-saving behavioral adjustments that will decrease the energy consumption of the household; and
- 7.6.2.3 Resource information, referral, family, and budget counseling in order to assist clients in achieving self-sufficiency.

#### 7.6.3 Client Education/Budget Counseling – Weatherization and ECIP EHCS Specific

- 7.6.3.1 In addition to the above provisions, Contractor shall place in the client's file the Client Education Confirmation of Receipt (CSD 321) or approved Contractor's equivalent that substantiates that the client was provided with energy conservation, budget counseling, lead-based paint safe, mold and moisture, radon, and asbestos education.
- 7.6.3.2 Contractor shall provide the EPA pamphlet, "Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools."

## SUBVENTION CONTRACT

- 7.6.3.3 Contractor shall provide to all clients the EPA pamphlet, “A Brief Guide to Mold, Moisture, and Your Home.”
- 7.6.3.4 Contractor shall provide the client with a description of the benefits that the client can expect to receive as a result of the weatherization measures installed and diagnostic tests performed in the dwelling.
- 7.6.3.5 Contractor shall provide all clients with the EPA pamphlet, “A Citizen’s Guide to Radon: The Guide to Protecting Yourself and Your Family from Radon.”
- 7.6.3.6 Contractor shall provide the California Department of Public Health fact sheet “About Asbestos in the Home and Workplace”.

### 7.6.4 Coordination

- 7.6.4.1 Contractor shall refer all potentially eligible applicants, including HEAP applicants, to the LIHEAP Weatherization Program, ECIP EHCS, California Alternative Rates for Energy Program (CARE), Reduced Rate Program (RRP), Arrearage Management Payment (AMP) Plan, DOE, DOE BIL, or other energy or conservation programs. Contractor shall coordinate its activities with other federal, state, or local energy conservation programs with the goal of conserving energy, improving thermal efficiency, or defraying energy costs of low-income households.
- 7.6.4.2 Contractor shall provide assistance in coordinating the payment of client’s energy/utility bill with the appropriate energy vendor or utility company. Contractor may also perform other coordinative activities with energy vendors/utility companies to provide input relative to the energy assistance needs of California’s low-income households and a proactive educational concept in serving clients. This includes attending the California Public Utilities Commission’s Low-Income Oversight Board Committee meetings.

## 7.7 Leveraging Activities

- 7.7.1 When ECIP EHCS services are provided, Contractor shall refer, schedule or recommend a subsequent weatherization assessment, in accordance with the CSD TRM.
- 7.7.2 Leveraging weatherization funds may be used to install feasible measures in accordance with the CSD TRM. Client files shall be documented accordingly.
- 7.7.3 If Contractor is leveraging with non-CSD funded programs to meet CSD program requirements, then Contractor shall ensure that any non-CSD leveraged-funded

## SUBVENTION CONTRACT

activity performed in conjunction with the Weatherization and/or the ECIP EHCS program, is in conformance with weatherization guidelines. If permitted by the leveraged-funding source, Contractor shall document within the Weatherization and/or ECIP client file the activity performed, date of the activity performed, and the source of the leveraged funds. If the leveraged-funding source prohibits the disclosure of such information, Contractor shall as a minimum make reference to the leveraged activity within the weatherization and/or ECIP client file.

- 7.7.4 If Contractor is leveraging with DOE or DOE BIL, all DOE or DOE BIL requirements shall apply.
- 7.7.5 CSD may use information about leveraged activities paid for with funds from leveraged-funding source for the purpose of verifying the delivery of services. CSD may review and verify or use a third-party inspector to review and verify that the leveraged-funded activities conform to applicable LIHEAP standards and practices.

### **7.8 Record-Keeping Responsibilities**

- 7.8.1 Contractor shall maintain client intake/needs assessment form(s) for Weatherization, HEAP, and ECIP, together with appropriate supporting documentation and shall maintain separate client files containing supporting documents related to disqualifications, denials, and appeals for each applicant who is not certified as being eligible to receive assistance.
- 7.8.2 Contractor shall ensure that the ECIP Home Energy Supplier Assurance (CSD 416) or approved Contractor's equivalent is completed by each nonregulated utility company, e.g., propane suppliers, wood suppliers, etc., providing services to clients of this Contract.
- 7.8.3 Contractor shall make a reasonable effort to collect the completed Account Holder Authorization and Consent Form (CSD 081) to collect energy usage data when the client applying for services is not the person listed as the account holder of the utility bill. Client services shall not be denied if the client or bill account holder refuses to sign the consent form.
- 7.8.4 All Client Files – General Requirements

Contractor shall maintain a separate file for each applicant by either a hard copy or electronic file, or a combination of both. Contractor must ensure that the method selected to maintain files does not impose unreasonable effort in CSD's ability to review any files. These files shall include, the following documentation, when applicable:

- 7.8.4.1 For Public Agencies only: Statement of Citizenship or Non-Citizenship

## SUBVENTION CONTRACT

Status for Public Benefits, (CSD 600), and supporting documents;

- 7.8.4.2 Energy Intake Form (CSD 43) or approved Contractor's equivalent. Priority points must be written in the designated space on the Intake form;
- 7.8.4.3 Multi-Family Property Intake (CSD 43 MFP) or approved Contractor's Equivalent;
- 7.8.4.4 Utility/energy bill(s) for all sources of energy used by qualified households;
- 7.8.4.5 Documentation supporting eligibility in accordance with the Eligibility and Verification Guide;
- 7.8.4.6 Client Education Confirmation of Receipt (CSD 321) or approved Contractor's equivalent that substantiates that the client was provided services in accordance with Assurance 16 requirements;
- 7.8.4.7 Client denial or approval notification; and
- 7.8.4.8 Account Holder Authorization and Consent Form (CSD 081) – Only requested when the client is not the account holder of the utility bill.

### 7.8.5 Client Files - ECIP Fast Track, ECIP WPO, HEAP, and WPO

Contractor shall maintain the following documents for each applicant receiving cash assistance services, as applicable:

- 7.8.5.1 Documentation that substantiates the requested ECIP Fast Track supplemental payment including the total amount due (at the time of intake) to the utility company, reconnection fees, and any other assessed utility fees/surcharges; it shall provide the condition(s) that establishes eligibility for benefits in accordance with ECIP Fast Track Benefit Determination Section 8.3 in subsection 8.3.3.3; and
- 7.8.5.2 Documentation that substantiates the requested ECIP WPO and WPO payment and supplemental payment in accordance with [CPA-E-21-04](#) and [CPA-E-21-04M](#) WPO Benefit Formula Policy.
- 7.8.5.3 Documentation substantiating the portion of rent that is allocated toward energy costs.

### 7.8.6 Client Files - Weatherization and/or ECIP EHCS Specific

## SUBVENTION CONTRACT

Contractor shall maintain the following documents for each applicant receiving weatherization and/or ECIP EHCS services, if applicable:

- 7.8.6.1 CSD Dwelling Assessment which includes: Dwelling Assessment (CSD 540), Weatherization Mold Assessment and Release Form (CSD 540A), Customer Assessment Summary (CSD 540B), Mechanical Ventilation Calculation ASHRAE 62.2 (CSD 540C), Mechanical Ventilation Assessment Form (CSD 540D), and CSD Single-Family Refrigerator SIR Calculation Sheet & CSD Weatherization Program – Multi-Family Refrigerator SIR Calculation Sheet/Data Collection Sheet (CSD 540E) or approved Contractor's equivalent;
- 7.8.6.2 Appliance Safety Inspection (CASIF) series which includes: Combustion Appliance Safety Inspection Form (CSD 700), Combustion Appliance Safety Interim Form (CSD 700B) or Combustion Applicant Safety – Appliance R&R Form (CSD 700C) ;
- 7.8.6.3 Shell Leakage Data Sheet (CSD 704);
- 7.8.6.4 Duct Test Data Sheet (CSD 706);
- 7.8.6.5 CSD Deferral (CSD 542) and other source documentation supporting deferrals and appeals;
- 7.8.6.6 Notice of Weatherization/Renovation (CSD 320) or approved Contractor's equivalent;
- 7.8.6.7 ECIP EHCS Assessment Form (CSD 57);
- 7.8.6.8 Record of Tenant Notification Procedures (CSD 322) or approved Contractor's equivalent;
- 7.8.6.9 Energy Service Agreement for Occupant (CSD 515A) or approved Contractor's equivalent;
- 7.8.6.10 Energy Service Agreement for Rental Property Owner (CSD 515B) or Contractor's equivalent;
- 7.8.6.11 Agency Weatherization Inspection Report (CSD 611);
- 7.8.6.12 Multi-Unit Dwelling Eligibility Certification (CSD 75P) or approved Contractor's equivalent;
- 7.8.6.13 Client confirmation of work completed;



## SUBVENTION CONTRACT

- 7.8.6.14 Required building permits or buildings permit applications, or documentation of permit cost; and documentary evidence of final permit;
- 7.8.6.15 Copy of lead clearance inspection by a California Certified Inspector/Risk Assessor for applicable pre-1978 HUD units;
- 7.8.6.16 Waivers from CSD to exceed maximum costs of weatherization measures;
- 7.8.6.17 Documentation that substantiates all actual labor hours including a time and activity log associated with each job;
- 7.8.6.18 Documentation of weatherization measures installed and leveraged with other CSD and non-CSD weatherization program funds;
- 7.8.6.19 Documentation that substantiates the criteria and basis for replacement of gas and electric appliances, including results of required diagnostic tests, and the non-feasibility of Mandatory Measures not performed or installed;
- 7.8.6.20 Documentation indicating the manufacturer, manufacture date, make, and model and metering information for all refrigerator replacements;
- 7.8.6.21 Documentation referring to CSD or non-CSD weatherization;
- 7.8.6.22 Documentation of HERS inspection report and a copy of the invoice from the HERS Rater, in addition to the Residential Compliance Form (CF-1R, CF-4R and CR-6R);
- 7.8.6.23 Documentation providing evidence that the client receiving disaster-related services was a victim of a natural disaster;
- 7.8.6.24 All Historic Preservation Online (HPO) review documentation, including copies of the printed Project Description sheet (PDS) and HPO site e-mails;
- 7.8.6.25 Photographic documentation as required by the CSD TRM;
- 7.8.6.26 Initial and Final REM/Design Building File Reports (BFR) and Improvement Analysis Reports (IAR) in each client file and retention of electronic audit file;
- 7.8.6.27 Documentation of attempts to schedule post-weatherization inspection appointments if inspection could not be performed;

## SUBVENTION CONTRACT

7.8.6.28 Lead-Based Paint Regulatory Compliance Report (CSD 708);

7.8.6.29 Notice of Survey by Electrical Contractor (CSD 543);

7.8.6.30 REM/Design Energy Audit Entry Input Form (CSD 544);

7.8.6.31 Insulation Certificate (CSD 610); and

7.8.6.32 REM/Design Multi-Family Input Sheet (CSD 808).

### 7.8.7 Client Files – SWEATS Specific

Contractor shall maintain the required documents for each applicant receiving services under SWEATS in accordance with [CPN-E-20-01](#) SWEATS Policy.

### 7.8.8 Translation of Forms

Contractor shall use a certified translator deemed qualified by the Contractor when translating CSD forms that require a client/customer signature into a foreign language.

### 7.8.9 Weatherization and ECIP EHCS Specific

#### 7.8.9.1 Labor and Materials

7.8.9.1.1 Contractor shall maintain documentation in such a manner that include job references and total labor hours so that actual costs and actual labor hours billed to the weatherization and ECIP EHCS programs can be substantiated.

7.8.9.1.2 Contractor shall document all costs expended under this Contract with purchase orders, inventory records, and payroll records identifying the funding source.

7.8.9.1.3 Contractor shall maintain documentation in such a manner to prove that materials used under this program conform to the requirements contained within the CSD TRM and state, county, or local regulations.

#### 7.8.9.2 Training

Contractors who perform weatherization and ECIP EHCS services are required to input, update, and maintain employee data in the CSD Training Portal. CSD will not recognize as valid proof of any training stored outside of this portal. The CSD Training Portal is a learning

**SUBVENTION CONTRACT**

management system that is located and maintained through the CSD Local Agencies Portal. It is a repository for Contractor and their subcontractors to track and monitor employees' completed training records including but not limited to employee legal name, hire date, email, and completion of each training course, the source/location, type/content, completion date, certificates of completion, and completion of training records.

- 7.8.9.3 Contractor must identify at least one, but not more than two Training Administrators, who will be responsible for adding/editing users, submitting training and on-the job training requests, approving training, monitoring training transcripts, uploading licensing and certifications, and monitoring training expirations.
- 7.8.9.4 The On-the-Job Training application page will be migrated from a separate link on the CSD Local Agencies Portal to integrate with the CSD Training Portal. CSD will notify agencies through a notice on the Local Agencies Portal when that function of the portal becomes available.
  - 7.8.9.4.1 CSD shall maintain all training records in the CSD Training Portal for trainings completed through the CSD E-Learning, CSD-approved Training Centers, and field or classroom training provided by CSD or its agents.
  - 7.8.9.4.2 Contractor shall upload training certificates (or other proof of training completion or Contractor licensing) in the CSD Training Portal for certifications or trainings provided by third parties. Examples include Contractor licensing from the California Contractors State License Board, and individual employee Building Performance Institute (BPI) certifications, EPA Renovator certification, or other required training as designated by CSD.
  - 7.8.9.4.3 Contractors shall be responsible for maintaining the required training records in the same manner for their subcontractors as for the Contractor employees.
  - 7.8.9.4.4 Contractor and subcontractors must input new field personnel into the learning management system within three days of hire. Contractor and subcontractors shall update the CSD Training Portal in a timely manner, with employee completed course information and/or uploaded certifications on or before the first (1<sup>st</sup>) day of each subsequent month following the completion of training.

## SUBVENTION CONTRACT

### 7.8.9.5 Equipment

- 7.8.9.5.1 Contractor shall ensure its employees and subcontractors who perform combustion appliance safety tests shall maintain the Carbon Monoxide Analyzer Calibration Log (CSD 785) documenting the calibration of all analyzers as required.
- 7.8.9.5.2 Contractor shall ensure its employees and subcontractors who perform shell leakage testing and duct leakage diagnostic tests shall maintain the Manometer Calibration Log (CSD 786) documenting the calibration of all manometers as required.
- 7.8.9.5.3 Contractor shall ensure its employees and subcontractors who keep an inventory of portable appliances for the SWEATS program shall maintain a log documenting the location of all portable appliances on loan and in reserve. The log shall document the retirement or loss of the equipment.

### 7.8.9.6 Energy Audits

- 7.8.9.6.1 Contractor shall maintain electronic records generated from the REM/Design and/or Targeted Retrofit Energy Analysis Tool (TREAT) energy audit software for the required period of three years from submission of final report or until resolution of all related audit or monitoring findings, enforcement action, including cost disallowance, legal proceedings, or other pending matters, whichever is later in accordance with Section 4.3.
- 7.8.9.6.2 Contractor shall make all records generated from the REM/Design and/or TREAT audit software accessible to CSD, or a third-party inspector acting on CSD's behalf, for the purpose of an inspection or monitoring.
- 7.8.9.6.3 Contractor shall submit all energy audits through the Energy Audit Dashboard, including the initial audit submittal and resubmittals reflecting changes based on CSD feedback. A final audit shall also be submitted to address one or more of the following:
  - 7.8.9.6.3.1 Changes in measure cost between initial work scope estimates and actual installation cost;
  - 7.8.9.6.3.2 Input of final duct and/or shell leakage readings

## SUBVENTION CONTRACT

to replace estimated leakage used for the initial improvement analysis;

- 7.8.9.6.3.3 Changes to the final scope of work; including any decisions related to full or partial measure leveraging.

### 7.8.10 Automation

- 7.8.10.1 Contractor shall use an automated application system capable of supporting LIHEAP's (Weatherization, ECIP EHCS, ECIP WPO, and HEAP WPO) data collection, reporting requirements, and client data transmission to CSD. No database transfer will be accepted prior to the completion of successful data file transfer testing to CSD. Contractor shall submit the data in accordance with CSD's Weatherization DTR layout found at the Weatherization Reporting tab on the CSD Lap found here:  
<https://agencies.csd.ca.gov/home/Reporting/Pages/WXReporting.aspx>. Contractor shall exercise best practice and perform a daily backup of all client data/application systems that capture LIHEAP service detail. Contractor shall assure that adequate files are maintained as required in Section 7.8.
- 7.8.10.2 Contractor shall also be responsible for monitoring the CORE online reports and for resolving payment issue(s) related to the delivery of benefits. The Agency Allocations/System Maintenance screen shall display historical and current detail level of program allocation information, summarizing Contractor's annual program allocation, expenditures, and returned benefits eligible for reissuance, if any. The Variance Report shall display the detail level of benefit information whereby the eligible benefit amount differs from the paid benefit amount. For resolution of partial credit returns, Contractor shall be responsible for following up with the client to resolve payment issue(s) and for providing CSD with the necessary information to reissue benefit(s). For full credit returns and warrant redeposits, Contractor shall be responsible for resolving and updating client data in CORE to reissue benefit(s).
- 7.8.10.3 Utilizing reporting options available within the CORE On-Line System, Contractor shall be responsible for generating HEAP and ECIP (Fast Track) reports to attain data specific to the following: rejected records, intake data, client and payment status, expenditures, and current allocation balance, returned benefits, summarized county energy costs and burden, and a year-to-date goal status.

## SUBVENTION CONTRACT

### ARTICLE 8 - PROGRAM IMPLEMENTATION

#### 8.1 HEAP/WPO Activity Guidelines

##### 8.1.1 Applicant Eligibility

- 8.1.1.1 Assistance shall be available only to households with incomes that do not exceed an amount equal to 60% of the State median income; or
- 8.1.1.2 Assistance shall be provided to households that are categorically eligible, if any member of the household is receiving CalFresh or CalWORKs at the time of application, regardless of income level.
- 8.1.1.3 Income verification must be for one month. For acceptable types of documentation and processing timeframes, refer to the current LIHEAP Eligibility and Verification Guide at <https://agencies.csd.ca.gov/home/Energy/Pages/Contracts.aspx>.
- 8.1.1.4 Contractor shall collect copies of all of the household's energy utility bills for the current month, and if applicable, receipt(s) for WPO to determine the client's energy burden.

8.1.2 Contractor may only provide eligible households with one ECIP Fast Track/WPO, or HEAP/WPO payment per program year. However, Contractor can use program income to provide a supplemental ECIP Fast Track/WPO or HEAP/WPO for clients experiencing an extenuating circumstance. In addition to providing one ECIP (Fast Track/WPO) or HEAP/WPO payment and/or supplemental program income benefit payment, Contractor may provide eligible households with ECIP EHCS services and/or other weatherization services.

8.1.3 Contractor must ensure that the issuance of HEAP WPO benefits are in accordance with [CPA-E-21-04](#) WPO Benefit Formula Implementation.

8.1.4 Contractor must ensure that duplication of ECIP Fast Track/WPO or HEAP/WPO payments does not occur during the term of this Contract.

8.1.5 Once applicants meet the eligibility and prioritization criteria and funds are available:

- 8.1.5.1 Contractor shall complete the ECIP/HEAP Payment Request Confirmation (CSD 415) or approved Contractor's equivalent form or approved Contractor's equivalent process that confirms payment was made to the client's account. If the client does not have an account, confirmation of the delivery of the benefit to the client is required;

## SUBVENTION CONTRACT

- 8.1.5.2 Contractor shall make payments directly to energy vendors on behalf of clients whose energy sources are wood, propane, or oil;
- 8.1.5.3 CSD will not make payments to clients for WPO assistance; and
- 8.1.5.4 Before paying energy vendors, Contractor shall verify that charges for the services and goods provided are reasonable and within fair market value.
- 8.1.6 Contractor shall notify the applicant of the recipient household, in writing, when payments are made directly to an energy vendor for wood, propane, or oil on their behalf.
- 8.1.7 Contractor shall forward payments for WPO on behalf of applicants to corresponding energy vendor within 60 calendar days from the date obligation was incurred, unless a formal contract, approved by CSD, between Contractor and vendor provides for other terms.

## 8.2 Weatherization Activity Guidelines

- 8.2.1 Applicant Eligibility
  - 8.2.1.1 Assistance shall be available only to households with incomes that do not exceed an amount equal to 60% of the State median income; or
  - 8.2.1.2 Assistance shall be provided to households that are categorically eligible, if any member of the household is receiving CalFresh or CalWORKs at the time of application, regardless of income level.
  - 8.2.1.3 Income verification must be for one month. For acceptable types of documentation, refer to the current LIHEAP Eligibility and Verification Guide at <https://agencies.csd.ca.gov/home/Energy/Pages/Contracts.aspx>.
  - 8.2.1.4 Contractor shall certify a household's income eligibility prior to the delivery of energy program services.
  - 8.2.1.5 The income certification shall remain in effect for a period of 120 days from the date applicants are deemed eligible for services.
  - 8.2.1.6 Contractor shall recertify household's income eligibility by obtaining updated income verification documentation if the dwelling assessment has not been completed within 120 days from the income certification date.
  - 8.2.1.7 In the event the Contractor is unable to perform all weatherization

## SUBVENTION CONTRACT

services within the 180 days from dwelling assessment date, Contractor shall obtain updated income verification documentation to recertify the household's income eligibility.

- 8.2.1.8 Contractor shall collect copies of all of the household's energy utility bills for the current month, and if applicable, receipt(s) for wood, propane, and oil to determine the client's energy burden.

### 8.2.2 Dwelling Eligibility

- 8.2.2.1 Contractor shall perform the assessment of weatherized dwellings within 120 days of the income certification date to receive weatherization assistance services.

- 8.2.2.2 Contractor shall complete the post-combustion appliance safety test within 60 days from the date of the pre-combustion appliance safety test. In the event the Contractor is unable to perform the work associated with the combustion appliance safety testing and the post-combustion appliance safety test within the 60-day period, Contractor shall perform another pre-test for the dwelling prior to commencing the delivery of any form of weatherization assistance services.

- 8.2.2.3 Contractor shall complete weatherization services within 180 days from the date of the original assessment of a dwelling.

#### 8.2.2.4 Permission to Provide Services

- 8.2.2.4.1 Contractor shall obtain written permission of the owner-occupied dwelling from the tenant and the owner (or owner's agent) to perform any weatherization services. Such permission shall be recorded on the Energy Service Agreement for Occupant (CSD 515A) or approved Contractor's equivalent or the Service Agreement for Rental Property Owner (CSD 515B) or approved Contractor's equivalent.

- 8.2.2.4.2 If during the course of performing weatherization services in a dwelling, Contractor identifies that significant structural and/or engineering changes may occur, Contractor shall re-obtain written permission of the owner-occupied dwelling from the owner of a rental unit prior to continuing with the scheduled work.

#### 8.2.2.5 Rent Increase Restrictions



## SUBVENTION CONTRACT

- 8.2.2.5.1 For a period of two years after weatherization work has been completed on a dwelling containing a unit occupied by an eligible household, the tenants in that unit (including households paying for their energy through their rent) will not be subjected to rent increases unless those increases are demonstrably related to matters other than the weatherization work performed.
- 8.2.2.5.2 Contractor shall provide tenants a written summary of these conditions with the current telephone number of the Contractor and instructions on how to file a complaint should these conditions not be met. Contractor shall investigate all complaints filed and shall forward a copy of all written complaints to CSD or, if a verbal complaint has been made, contact CSD with the details of the complaint-including date complaint was made, date investigations began, and results.
- 8.2.2.5.3 CSD will evaluate the merits of the complaint and all supporting documentation. If CSD determines a complaint is valid, CSD may pursue collection activities against the landlord in the amount equal to the weatherization work performed on that unit and/or building.

### 8.2.2.6 Multi-Unit Dwellings

- 8.2.2.6.1 In accordance with 10 CFR § 440.22(b) (2), Contractor may weatherize the whole building containing rental dwelling units when 66% (50% for duplexes and four-unit buildings) or more of the dwelling units in the building are income eligible:
  - 8.2.2.6.1.1 Are eligible dwelling units, or
  - 8.2.2.6.1.2 The dwelling units will become eligible (occupied by eligible low-income tenants) within 180 days under a federal, state, or local government program for rehabilitating the building or making similar improvement to the building.
- 8.2.2.6.2 If dwelling units are qualified for services through a federal, state, or local government rehabilitation program, documentation to verify participation in the rehabilitation program is required in the master job file.

## SUBVENTION CONTRACT

- 8.2.2.6.3 Contractor shall complete a Multi-Unit Dwelling Eligibility Certification (CSD 75P) or approved Contractor's equivalent for each building and shall maintain a copy in each individual client file.
- 8.2.2.6.4 Contractor shall certify unit eligibility by completing Energy Intake Form (CSD 43) or approved Contractor's equivalent for each dwelling unit in each building. Certification of eligibility by the owner/manager of the occupants of the building is not acceptable.
- 8.2.2.6.5 No undue or excessive enhancement shall occur to the value of the dwelling units.
- 8.2.2.7 Previously Weatherized Dwellings
  - 8.2.2.7.1 Once a dwelling has been submitted to CSD for reimbursement as a completed unit, any subsequent weatherization services provided to the dwelling shall be considered reweatherization, unless the work performed is for a call-back as specified in 8.2.2.8 below.
  - 8.2.2.7.2 A previously applied measure may be reinstalled during its useful life term, as described in the Reimbursement Rates for Weatherization and EHCS Activities, due to premature failure or if the measure was destroyed by the prior-occupying household. Justification for the replacement must be documented in the client file.
  - 8.2.2.7.3 Unoccupied multi-unit dwellings previously weatherized in accordance with this Contract, and which receive appliance repair and/or replacement services upon occupation by an eligible tenant, shall be deemed re-weatherized dwellings.
  - 8.2.2.7.4 If a dwelling has been previously weatherized under a CSD or another federal or non-federal program, Contractor may provide previously unapplied mandatory and optional measures.
- 8.2.2.8 Call-back

Services provided in a previously weatherized dwelling to correct a previously installed measure within the warranty period or as a result of a CSD inspection finding is a call-back and is allowable. Demographics for a callback are not included for reporting purposes.

## SUBVENTION CONTRACT

### 8.2.2.9 Ineligible Dwellings

8.2.2.9.1 Contractor shall not weatherize a dwelling unit that is designated for acquisition or clearance by a federal, state, or local program within 12 months from the date of completion of the proposed weatherization.

8.2.2.9.2 Contractor shall not weatherize any dwelling under this Contract unless the property owner agrees to all the terms and conditions of the CSD Dwelling Assessment Form (CSD 540) and signs the Energy Service Agreement for Occupant (CSD 515A) or Service Agreement for Rental Property Owner (CSD 515B).

8.2.2.9.3 No institutional or commercial building including, but not limited to, universities, schools, nursing homes, or hospital, may be weatherized under this Contract.

#### 8.2.2.9.4 Group Homes

The maximum reimbursement for a group home shall be equal to the current maximum average allowed for single family and multi-unit dwellings. If the building does not qualify as a multi-family structure, income eligibility is based on all occupants as a group, and the building must be weatherized as a single dwelling unit.

#### 8.2.2.9.5 Shelters/Homeless Individuals

Maximum reimbursement will be based on the unit otherwise qualifying as a multi-unit structure. For the purpose of determining how many dwelling units exist in a shelter, a grantee may count each 800 square feet of the shelter as a dwelling unit or it may count each floor of the shelter as a dwelling unit. Eligibility of the occupants may be assumed if the owner/operator will certify in writing that occupancy is temporary and that admittance criterion complies with CSD contract eligibility guidelines, whether or not rent is paid has no effect on eligibility.

### 8.2.3 Minimum Requirements for Weatherization Services

8.2.3.1 Contractor must install all feasible weatherization measures in accordance with the CSD TRM.

## SUBVENTION CONTRACT

- 8.2.3.2 Single-family detached and other single-story dwellings that have not been previously weatherized under a CSD program or another program may be weatherized under this Contract only if:
  - 8.2.3.2.1 Ceiling Insulation plus two additional Mandatory Measures are installed, or
  - 8.2.3.2.2 In the event Ceiling Insulation is already installed or otherwise not feasible, at least three Mandatory Measures are installed.
- 8.2.3.3 Multi-unit dwellings that have not been previously weatherized under a CSD program or other program may qualify for weatherization services only if ceiling insulation plus two additional Mandatory Measures are installed or, in the event ceiling insulation is already installed or otherwise not feasible,-at least three Mandatory Measures are installed.
  - 8.2.3.3.1 Installation of ceiling insulation shall be counted as a ceiling insulation measure for each unit within that building envelope.
  - 8.2.3.3.2 Installation of a common water heater shall qualify as a Mandatory measure for each unit served by the same water heater.
- 8.2.3.4 If the required minimum number of weatherization measures cannot be installed due to the deferral of measures, then the entire unit shall be deferred in accordance with the CSD TRM.
- 8.2.3.5 The minimum number of weatherization measures may be leveraged or cost-shared with alternative funding as defined in Section 5.8.4.7.4. All leveraged measures used to fulfill the minimum number of required weatherization measures shall meet CSD installation standards.
- 8.2.3.6 Contractor may complete weatherization services on agriculture housing units or multi-family units if each unit is separately metered and the services will result in a cost savings to the tenant.
- 8.2.4 Dwelling Assessments
  - 8.2.4.1 Contractor shall assess the dwelling of each eligible applicant to determine if the unit is structurally sound and not in need of extensive repairs.
  - 8.2.4.2 Contractor shall determine whether the dwelling meets the criteria for a

## SUBVENTION CONTRACT

Historic Preservation Review pursuant to subsection 8.2.4.7.2.

- 8.2.4.3 Contractor shall ensure that all dwelling assessments are performed by trained individuals possessing all the required skill and training as specified in Section 9.1, Training Requirements.
- 8.2.4.4 Contractor shall ensure job separation between staff performing dwelling assessments and the crew personnel responsible for performing the actual installation of weatherization measures. Assessors may not install weatherization measures in the same dwelling where the assessor performed the assessment for weatherization services.
- 8.2.4.5 If Contractor elects to subcontract with entities outside of CSD's network of Local Service Providers for the full installation of weatherization measures, the subcontractor performing the installation of weatherization measures shall not perform the dwelling assessment. Contractor shall ensure job separation by using Contractor's staff or another subcontractor to perform the dwelling assessments.
- 8.2.4.6 Contractor shall provide written documentation or notification to the owner-occupant and the owner of a rental unit or owner's agent and inform the tenant of any significant structural and engineering changes required to complete the weatherization work before the specified work commences.
- 8.2.4.7 Dwelling Assessment Performance
  - 8.2.4.7.1 Dwelling assessments shall include the following required activities:
    - 8.2.4.7.1.1 The visual assessment of the eligible dwelling to identify safety and structural hazards conditions present within the dwelling that may limit ability to perform any or all of the required weatherization services in accordance with CSD weatherization guidelines and terms of this Contract. Assessor shall disclose all noted safety and structural hazard conditions to the property owner and tenant, where applicable;
    - 8.2.4.7.1.2 The visual inspection and pre-CAS diagnostic testing of all combustion appliances as to identify the presence of combustion appliance safety conditions within the occupied living space and requiring immediate attention and the

## SUBVENTION CONTRACT

offering of prescribed list of health and safety measures needed to remedy noted conditions;  
and

- 8.2.4.7.1.3 The visual inspection of dwelling to identify any structural deficiencies and/or barriers inhibiting the ability for required pressurized diagnostics to occur. Assessor shall also inform client of the various types of diagnostic testing to be performed within the dwelling, including the general nature and benefits of each form of required diagnostic testing.

### 8.2.4.7.2 Historic Preservation Review of Dwellings

- 8.2.4.7.2.1 To ensure compliance with Section 106 of the National Historic Preservation Act (54 USCS § 100101 et seq. & § 300101 et seq., former 16 USCS § 470 et seq.), CSD will establish appropriate procedures for historic property review standards as outlined by a Programmatic Agreement with the State Historic Preservation Office. The established review standards will be utilized for weatherization activities conducted under the LIHEAP on dwellings that are 45 years or older. For purposes of this Contract, the historic review shall be known as the Historic Preservation Review.
- 8.2.4.7.2.2 Contractor shall ensure that a Historic Preservation Review is completed on a dwelling that is either: (1) 45 years or older, (2) located within a historic district, or (3) considered to be of exceptional importance under the National Register Criteria for Evaluation pursuant to 36 CFR § 60.4.
- 8.2.4.7.2.3 When a dwelling assessment is performed and the dwelling is determined to meet any of the criteria specified in subsection 8.2.4.7.2.2, Contractor shall initiate the Historic Preservation Review process pursuant to [DOE WAP ARRA No. 010](#).

### 8.2.4.7.3 Combustion Appliance Safety (CAS) Diagnostic Testing

## SUBVENTION CONTRACT

- 8.2.4.7.3.1 The completion of the entire combustion appliance safety (CAS) test is required on all dwellings with combustion appliances.
- 8.2.4.7.3.2 If it is determined during the CAS test that the dwelling unit contains a condition that is hazardous to the occupants, proper steps must be taken to alleviate the hazard. In these cases, infiltration reduction measures may not be installed until the hazard has been corrected; however, Contractor may install non-infiltration measures in the interim, until the CAS condition is corrected.
- 8.2.4.7.4 If the dwelling unit is not eligible because of the need for extensive repair, the unit shall not be serviced, and Contractor should refer the applicant to the local Housing and Community Development Department, or other similar organizations or programs.
  - 8.2.4.7.4.1 Documentation of such ineligibility due to the need for extensive repairs shall be recorded on the CSD Deferral (CSD 542).
  - 8.2.4.7.4.2 If the applicant can obtain the necessary repairs to make the dwelling unit eligible for weatherization services, weatherization activities may be accomplished following the repair work.
- 8.2.4.8 Contractor shall ensure the health and safety of weatherization personnel in carrying out activities funded under this Contract. In the event the weatherization of a dwelling threatens the general health and safety of weatherization field personnel, Contractor shall take measures to ensure the safety of the personnel and thoroughly document the incident(s) utilizing the CSD Deferral (CSD 542). The deferral form does not need to be signed by the client where weatherization personnel construe the client or occupants of the dwelling to be threatening and hostile. If unable to get a signature, a certified letter shall be sent to the owner, along with the tenant if the residence is a rental.
- 8.2.5 Duct and Shell Diagnostic Testing
  - 8.2.5.1 Contractor shall perform the shell leakage diagnostic testing only for shell sealing purposes on a minimum of 20% of the total SFD (one to

## SUBVENTION CONTRACT

four units) including mobile homes, and a minimum of 5% of MUD (five or more units) weatherized under this Contract. Shell leakage diagnostic testing shall be proportionate to the number of completed units for each quarterly period.

- 8.2.5.2 Following a determination that no combustion byproduct hazards exist, Contractor shall perform pressure diagnostic guided infiltration reduction using a pre-weatherization shell leakage test.
- 8.2.5.3 Duct Blaster diagnostic testing shall be required on all dwellings with forced-air systems.
- 8.2.5.4 Contractor shall ensure that all dwelling diagnostic tests are performed by trained individuals possessing all the required skill and training as specified in Section 9.1, Training Requirements.
- 8.2.5.5 If an unvented space heater is being utilized, infiltration reduction measures shall not be applied unless venting is installed, or the unit is replaced.

### 8.2.6 Health and Safety Measures

- 8.2.6.1 Prior to the performance of any heating/cooling service, a qualified technician must perform a diagnostic inspection of the primary heating/cooling appliance to assess operational performance.
- 8.2.6.2 Contractor is authorized to mitigate health and safety hazards in accordance with the CSD TRM.
- 8.2.6.3 Health and Safety Measures and Mandatory Insulation Measures must be installed in priority order. Other Mandatory Measures must be installed before optional measures, and no measure shall be excluded, unless the:
  - 8.2.6.3.1 Shell leakage and/or pressurized duct diagnostic test indicates that installation of the measure is not necessary;
  - 8.2.6.3.2 Dwelling already has that measure in place;
  - 8.2.6.3.3 Measure cannot be properly installed;
  - 8.2.6.3.4 Client refuses installation (client refusal is to be documented and placed in file); or



## SUBVENTION CONTRACT

- 8.2.6.3.5 Measure is not needed or required.
- 8.2.6.4 After Health and Safety Measures have been addressed, Insulation Measures, if feasible, must be installed prior to the installation of any other Mandatory and Optional Measures. Optional Measures need not be installed in priority order.
- 8.2.6.5 If a health and safety hazard is found to exist that requires replacing or repairing a combustion appliance, the cost of which will preclude the installation of the required number of Mandatory Measures for a unit to be weatherized, the dwelling may qualify for weatherization under the following conditions:
  - 8.2.6.6 The combustion appliance is repaired or replaced; and
  - 8.2.6.7 All remaining feasible Mandatory Measures shall be installed.
  - 8.2.6.8 Once feasible Mandatory Measures are installed, Contractor may install optional measures.
  - 8.2.6.9 Health and Safety Measures
    - 8.2.6.9.1 The following guidelines are restricted to occupied SFD and/or MUD units:
      - 8.2.6.9.1.1 A residential heating source that qualifies for repair and replacement services must be a single, pre-existing heating appliance, serving as the dwelling's primary heating source; and
      - 8.2.6.9.1.2 A residential cooling source that qualifies for cooling services must be a single, pre-existing cooling appliance, serving as the dwelling's primary cooling source, limited to mechanical air conditioners, central and window/wall air conditioners, and evaporative coolers.
    - 8.2.6.9.2 Any and all health and safety heating/cooling appliance services shall be performed in accordance with the following guidelines:
      - 8.2.6.9.2.1 All repair and replacement services are limited to dwellings with pre-existing heating and cooling appliances. An exception to this rule exists, however, for those dwellings without a

## SUBVENTION CONTRACT

heating and cooling appliance and there are no means to provide adequate heating and/or cooling during a climatic season that would cause imminent harm to the health and wellbeing of individuals or the household.

8.2.6.9.2.2 For those conditions where a true crisis exists, and the heating and/or cooling needs cannot be remedied by the installation of a permanent repair or new appliance installation, Contractor shall provide such dwellings with temporary portable devices to support the means of providing adequate cooling and/or heating to occupants of the residence to alleviate the crisis situation and to meet basic heating/cooling needs.

8.2.6.9.2.2.1 Occupant shall be advised of the higher energy consumption associated with portable heating/cooling devices.

8.2.6.9.2.2.2 Occupant shall certify that all of the manufacturer's safety instructions will be abided by.

8.2.6.9.2.2.3 Contractor shall make all attempts to purchase Energy Star-rated portable devices if available.

8.2.6.9.2.3 The age of a heating/cooling appliance shall not be used as a basis for replacement.

8.2.6.9.2.4 When repair, replacement, or installation of a primary heating appliance is required in accordance with the conditions and requirements above but cannot be completed for any reason, the entire dwelling shall be deferred.

8.2.6.9.3 Contractor shall repair a defective primary heating appliance when the cost to assess and repair is estimated at less than 50% of the cost of installing a new replacement unit.

8.2.6.9.4 If during the course of repairing the defective unit additional problems are found that would increase the cost of repairs to more than the allowable limit for repair costs, the unit may be

## SUBVENTION CONTRACT

replaced.

8.2.6.9.5 When replacement of a defective primary heating/cooling appliance is performed, Contractor shall perform necessary duct repair and/or replacement services in order to conform to Title 24 requirements.

8.2.6.9.6 Fuel switching or replacement of a heating/cooling appliance for an alternate type shall only be allowed when justified by an energy audit as described in TRM Appendix D *Energy Audit/Priority List Protocol*.

### 8.2.7 Energy Audit Requirements

8.2.7.1 If all feasible measures classified under Health and Safety, Infiltration Reduction and other Mandatory Measures have been assessed, Contractor may assess additional measures utilizing the Energy Audit Requirements by conducting a REM/Design or Targeted Retrofit Energy Analysis Tool (TREAT) audit in accordance with CSD Single-Family/Small Multi-Family Energy Audit Protocol, CSD Multi-Family Energy Audit Protocol.

8.2.7.2 Energy audits shall be conducted as specified in the CSD Single-Family/Small Multi-Family Energy Audit Protocol (CSD TRM) incorporated by reference to this Contract and available on the [CSD LAP](#).

8.2.7.2.1 REM/Design energy audit tool may be applied to single-family dwellings, mobile homes, and multi-unit dwellings containing 24 or fewer dwelling units where each unit is independently heated and/or cooled.

8.2.7.2.2 Targeted Retrofit Energy Analysis Tool (TREAT) may be applied to all multi-unit dwellings except for those multi-unit dwellings that are qualified to use REM/Design.

### 8.2.8 Occupant Notification

If, in accordance with the provisions of this article, any notice to an occupant is required, a copy of the written notice shall be given to the owner of the unit, when the unit is occupied by a non-owner occupant, or when the unit is vacant.

## 8.3 Energy Crisis Intervention Program (ECIP) Services Activity Guidelines

### 8.3.1 Purpose of ECIP Funds

## SUBVENTION CONTRACT

ECIP funds may only be used to resolve an emergency as defined in 42 USC § 8622(1), including:

- 8.3.1.1 A natural disaster (whether or not officially declared),
- 8.3.1.2 A significant home energy supply shortage or disruption,
- 8.3.1.3 An official declaration of a significant increase in:
  - 8.3.1.3.1 Home energy costs;
  - 8.3.1.3.2 Home energy disconnections;
  - 8.3.1.3.3 Enrollment in public benefit programs; or
  - 8.3.1.3.4 Unemployment and layoffs.
- 8.3.1.4 An official emergency declaration by the Secretary of Health and Human Services.
- 8.3.1.5 In those situations where there is not an official federal, state, or local declaration of emergency, e.g., an undeclared natural disaster or a significant home energy supply shortage or disruption that affects a low-income individual, an emergency will be deemed to exist by CSD where there is imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

### 8.3.2 Capacity and Responsibility to Provide Emergency Assistance

- 8.3.2.1 In accordance with federal and state law and ECIP Policy and Procedures, Contractor must be qualified and capable of carrying out an energy crisis intervention program that provides timely and effective emergency assistance, not later than the timeframes stated in 42 USC § 8623(c), that resolves the energy crisis. Contractor must meet minimum program requirements for timing and ensuring accessibility to eligible applicants as further defined at 42 USC § 8623(c).

Once applicants meet the eligibility and prioritization criteria and funds are available, Contractor shall:

- 8.3.2.1.1 Within 48 hours after a household applies and is determined to be eligible for ECIP, provide assistance in the form of a payment guarantee to the appropriate gas or electric vendor or a WPO payment that will resolve the energy crisis; and

## SUBVENTION CONTRACT

- 8.3.2.1.2 Within 18 hours after a household applies and is determined to be eligible for ECIP, provide assistance in the form of a payment guarantee to the appropriate gas or electric vendor or a WPO that will resolve the energy crisis if such household is in a life-threatening situation.
  - 8.3.2.2 Contractor shall provide all reasonable information requested by CSD during the term of this Contract in order to enable CSD to assess the adequacy of Contractor's current energy crisis intervention program and Contractor's ability to implement the program.
  - 8.3.2.3 Federal and state law permit the allowability of costs to the ECIP only where the costs are used to provide emergency assistance in an energy crisis. In addition to all other provisions in this Contract permitting, restricting, or otherwise relating to ECIP costs, such costs are allowable only upon adequate demonstration by the Contractor that the related activities meet the definition of "emergency" as specified in federal law and this Contract.
- 8.3.3 ECIP Fast Track and WPO
  - 8.3.3.1 Contractor shall provide ECIP Fast Track and WPO Services in accordance with the Agency Local Plan in Article 14.
  - 8.3.3.2 Applicant Eligibility
    - 8.3.3.2.1 Contractor shall provide assistance only to households with incomes that do not exceed an amount equal to 60% of the State median income.
    - 8.3.3.2.2 Income verification must be for one month and current within six weeks of the application intake date or an annual award letter. For acceptable types of documentation, refer to the LIHEAP Eligibility and Verification Guide. Contractor shall retain appropriate documents in each applicant's file establishing applicant eligibility.
    - 8.3.3.2.3 Contractor shall collect copies of all of the household's energy utility bills for the current month, and if applicable, receipt(s) for (WPO) to determine the client's energy burden.
    - 8.3.3.2.4 Conditions for ECIP services must meet the criteria for an emergency as defined in 42 USC §8622(1), ECIP Policy and Procedures and Article 13, Definitions.

## SUBVENTION CONTRACT

### 8.3.3.2.5 ECIP Fast Track Utility Assistance

8.3.3.2.5.1 The applicant must receive energy services and be billed directly by one of the following energy providers: a utility company and/or a mobile home park that owns its own power source(s) or a submetering billing service with the statutory authority to shut off utility services.

8.3.3.2.5.2 For purposes of the present Section 8.3.3, an emergency energy-related crisis does not exist if the cost of energy is included in the applicant's rent, and Contractor may not make ECIP Fast Track payment(s).

8.3.3.2.6 In addition to the applicant eligibility criteria listed above, services for ECIP Fast Track and ECIP WPO may not be provided unless at least one of the following criteria pursuant to Government Code §16367.5 (e) pertains and is documented or certified by Contractor:

8.3.3.2.6.1 Proof of utility shutoff notice;

8.3.3.2.6.2 Proof of energy termination;

8.3.3.2.6.3 Insufficient funds to establish a new energy account;

8.3.3.2.6.4 Insufficient funds to pay a delinquent utility bill;

8.3.3.2.6.5 Insufficient funds to pay for essential firewood, oil, or propane; or

8.3.3.2.6.6 CSD further defines WPO crisis as 30 days or less of fuel.

### 8.3.3.3 ECIP Fast Track Benefit Determination

ECIP Fast Track benefits shall be determined using the base benefit amount and, when applicable, a Contractor-determined supplemental benefit amount. Contractors shall issue ECIP Fast Track benefits in accordance with the following:

8.3.3.3.1 Contractor shall ensure that the total ECIP Fast Track benefit amount (Base benefit amount plus supplemental benefit

## SUBVENTION CONTRACT

amount) is limited to and does not exceed the total amount due (at the time of intake) to the utility company for energy charges, reconnection fees, and other assessed utility fees/surcharges in order to alleviate the crisis situation.

8.3.3.3.2 When only issuing the base benefit amount (no supplemental payment), Contractor may exceed the total amount due to the utility company in energy charges, reconnection fees, delinquent utility bill establishing arrearages and/or past due balances, and other assessed utility fees/surcharges to alleviate the crisis situation.

8.3.3.3.3 Contractor shall ensure that the maximum total ECIP Fast Track benefit amount (Base benefit amount plus supplemental benefit amount) does not exceed \$1,500. If Contractor uses program income to provide a supplemental ECIP Fast Track payment, the total payment cannot exceed \$1,500.

8.3.3.3.4 Contractor shall provide full justification for benefits paid by documenting the client file(s) to include the amount of charges and verification by the utility company.

8.3.3.3.5 Contractor shall review, check for duplicates, and approve applications in accordance with Contractor's approved Agency Local Plan in Article 14 and the current LIHEAP Eligibility and Verification Guide.

### 8.3.3.4 WPO Benefit Determination

8.3.3.4.1 WPO benefits shall be determined in accordance with [CPA-E-21-04](#) and [CPA-E-21-04M](#) WPO Benefit Formula Implementation.

8.3.3.4.2 Contractor shall review, check for duplicates, and approve applications in accordance with Contractor's approved Agency Local Plan in Article 14 and the current LIHEAP Eligibility and Verification Guide.

### 8.3.3.5 ECIP Fast Track/WPO Payment Guidelines

8.3.3.5.1 Eligible households may receive only one ECIP Fast Track/WPO, or HEAP/WPO payment per program year; however, Contractor can use program income to provide a supplemental ECIP Fast Track/WPO or HEAP/WPO for clients experiencing an extenuating circumstance. In addition

## SUBVENTION CONTRACT

to receiving one ECIP (Fast Track/WPO) or HEAP/WPO payment, eligible households may receive ECIP EHCS services and/or other weatherization services, if needed.

- 8.3.3.5.2 Contractor shall ensure that the maximum base benefit total for ECIP WPO does not exceed \$1,000. If Contractor uses program income to provide a supplemental ECIP WPO payment, the total payment cannot exceed \$1,000.
- 8.3.3.5.3 Contractor shall exercise due care to ensure that duplication of ECIP Fast Track/WPO or HEAP/WPO payments does not occur at any time during the term of this Agreement.
- 8.3.3.5.4 When a HEAP payment or ECIP Fast Track payment has been made directly to an energy vendor, notification of payment(s) shall be shown as a credit on the utility bill(s).

### 8.3.3.6 ECIP WPO Payment Guidelines Specific

- 8.3.3.6.1 Contractor shall complete the ECIP/HEAP Payment Request Confirmation (CSD 415) or approved Contractor's equivalent form or approved Contractor's equivalent process that confirms payment was made to the client's account. If the client does not have an account, confirmation of the delivery of the benefit to the client is required.
- 8.3.3.6.2 Contractor shall make payments directly to energy vendors on behalf of clients whose energy sources are wood, propane, or oil.
- 8.3.3.6.3 CSD will not make payments to clients for WPO assistance.
- 8.3.3.6.4 Before paying energy vendors, Contractor shall verify that charges for the services and goods provided are reasonable and within fair market value.
- 8.3.3.6.5 Contractor shall notify the applicant of the recipient household, in writing, when payments are made directly to an energy vendor for wood, propane, or oil on their behalf.
- 8.3.3.6.6 Contractor shall forward payments for WPO on behalf of applicants to corresponding energy vendor within 60 calendar days from the date obligation was incurred, unless a formal contract, approved by CSD, between Contractor and vendor provides for other terms.



## SUBVENTION CONTRACT

### 8.3.4 ECIP Emergency Heating and Cooling Services (EHCS)

#### 8.3.4.1 Applicant Eligibility

Eligibility of the applicant shall meet all requirements for eligibility as described in the Weatherization Activity Guidelines specified in Section 8.2.

#### 8.3.4.2 Dwelling Eligibility

Eligibility of the dwelling shall meet all requirements for eligibility as described in the Weatherization Activity Guidelines specified in Section 8.2.

#### 8.3.4.3 Dwelling Assessments

8.3.4.3.1 Assessment of the dwelling shall meet all requirements as described in the Weatherization Activity Guidelines specified in Section 8.2.

8.3.4.3.2 Work crews of Contractor who are only performing heating and cooling services shall not be required to perform the entire CAS test and may limit the testing to only the heating and cooling appliances to be repaired or replaced.

#### 8.3.4.4 Allowable Services

ECIP EHCS may be used for the repair, replacement, and new installation of heating/cooling and water heating appliances identified in the ECIP Policy and Procedures and must meet the following criteria:

8.3.4.4.1 The applicant is income eligible and submits the required documentation to complete the eligibility of the dwelling;

8.3.4.4.2 The applicant has insufficient funds to pay the cost of repairing or replacing an eligible heating or cooling appliance or for a new heating or cooling appliance;

8.3.4.4.3 The appliance condition meets one of the appliance repair/replacement criteria as defined in the ECIP Policies and Procedures; and

8.3.4.4.4 The services to mitigate and completely resolve the emergency and satisfy the relevant emergency assistance meet the timeframes as defined in the ECIP Policies and

## SUBVENTION CONTRACT

### Procedures.

#### 8.3.5 Natural Disasters

8.3.5.1 When a dwelling that has been damaged by a natural disaster such as fire, flood, earthquake, hurricane, etc., a scope of work shall be submitted to CSD for approval prior to beginning work related to a natural disaster.

8.3.5.2 The occupant shall be certified as currently eligible and a dwelling assessment shall be performed.

8.3.5.3 Contractor may have damages repaired that are within the scope of the weatherization program if the same services will not be paid for or reimbursed by any other source.

#### 8.4 ECIP Fast Track and HEAP Electric and Gas Pledge Guidelines

8.4.1 Contractor shall pledge all applications where the Contractor has determined the applicant has a qualifying emergency as specified in subsection 8.3.3.2.6 of Section 8.3, regardless if the benefit is issued under ECIP Fast Track or HEAP Electric and Gas, provided that the application meets the eligibility and prioritization criteria and Contractor's Utility Assistance funds are available.

8.4.2 After a pledge has been made, Contractor shall submit the application to CORE as specified in subsection 6.1.1, of Section 6.1.

8.4.3 Contractor shall determine the applicant has met the eligibility requirements prior to pledging. If an eligible applicant is subsequently determined to be ineligible, Contractor shall cancel the ineligible applicant's pledge with the Utility Company within five business days upon such determination.

8.4.4 If the applicant's pledge amount changes, Contractor shall adjust the pledge amount with the Utility Company.

#### 8.5 SWEATS and PSPS Activity Guidelines

8.5.1 The SWEATS Policy was developed by CSD to facilitate the delivery of allowable LIHEAP emergency service provisions during an emergency such as a natural disaster or energy supply shortage or disruption. SWEATS services are further defined in guidance memorandum [CPN-E-20-01 SWEATS Policy](#), and services shall be administered in accordance with guidelines, reimbursement provisions, and other information issued by CSD during a qualifying event. Contractor shall ensure SWEATS implementation and administration is in accordance with [CPN-E-20-01](#).

## SUBVENTION CONTRACT

- 8.5.2 The PSPS Policy was developed to facilitate the delivery of allowable services to low-income households medically vulnerable to the effects of energy related emergencies and residing in designated High Fire Risk Areas. Contractor shall ensure that PSPS implementation and administration is in accordance with [CPN-E-20-02](#) PSPS Emergency Preparedness Pilot Policy and [CPN-E-20-02M3](#).

### 8.6 Quality Assurance

#### 8.6.1 Certification

Contractor, or its designee, shall establish a comprehensive, detailed, and fully documented Quality Control procedure to assess the quality and completeness of Weatherization and ECIP EHCS work performed under this Contract. Such assurance shall be documented on the CSD Dwelling Assessment Form (CSD 540) and CSD Post Inspection Form (CSD 611) or approved Contractor's equivalent and shall be signed and dated by a certifying Contractor representative.

#### 8.6.2 Post-Weatherization Inspections

- 8.6.2.1 Contractor shall perform Post-Weatherization Inspections on 100% of the dwellings weatherized under this Contract. Weatherization jobs where measures installed are limited to lightbulbs, water measures and alarms are exempt from receiving post-inspections.
- 8.6.2.2 If Contractor is unable to perform a post-inspection, Contractor must demonstrate that a reasonable attempt was made to schedule or perform the post-inspection. Attempts must be fully documented on the Agency Weatherization Inspection Report (CSD 611) and maintained in the client file. The following shall constitute a reasonable effort:
- 8.6.2.2.1 One phone call attempt plus one correspondence to client stating an attempt was made to inspect and offering to reschedule; or
- 8.6.2.2.2 One missed appointment or a client refusal plus one correspondence stating an attempt was made to inspect and offering to reschedule.
- 8.6.2.3 Post-Weatherization inspections shall be conducted for the purpose of assessing the quality and completeness of performed weatherization services and compliance with CSD TRM. The post-inspection shall:
- 8.6.2.3.1 Verify that all measures were completely installed in accordance with said terms and conditions of this Contract;

## SUBVENTION CONTRACT

- 8.6.2.3.2 Review of installed measures to determine the absence of any feasible Mandatory Measure not installed and the installation of a measure (non-feasible measure) that may not be in compliance with said standards and the terms and conditions of this Contract;
- 8.6.2.3.3 Verification that the unit received shell leakage, and duct leakage testing, as applicable;
- 8.6.2.3.4 Verification that required CAS testing of eligible combustion appliances was performed and inspection of combustion appliances to verify the safe operating condition of combustion appliances within the dwelling residence; and
- 8.6.2.3.5 Verification that an energy audit was performed when required and in compliance with Energy Audit/Priority List Protocol.
- 8.6.2.3.6 Confirm ECM's installed as part of an energy audit meet energy audit improvement results including but not limited to: accurate reporting of dwelling characteristics, confirmation of pre and post blower door and duct testing results were accurately reported and coincided with the reported data on the Shell Leakage Datasheet (CSD 704) and Duct Leakage Datasheet (CSD 706); measured insulation R-values, accurate reported efficiencies and costs of heating/cooling and water heating appliance efficiency installations; and that the costs billed do not exceed the improvement costs identified in the Improvement Analysis Report.
- 8.6.2.3.7 Inspection of the unit dwelling to ensure that all identified health and safety hazards, whether pre-existing or resulting from the performance of weatherization services, have been successfully remedied.
- 8.6.2.4 Contractor shall ensure that Post-Weatherization Inspections are performed by trained staff successfully completing all required training as specified in Article 9.1, Training Requirements.
- 8.6.2.5 If Contractor subcontracts Post-Weatherization Inspection services, then Contractor must aggregate weatherization jobs to mitigate the cost associated with performing inspections. The maximum allowable cost of each post-inspection by a subcontractor is as follows:

## SUBVENTION CONTRACT

- 8.6.2.5.1 Subcontractors awarded a contract through a competitive procurement process shall not exceed the measure maximum per inspection. The inspection rate includes all expenses related to the Post-Weatherization Inspection such as the cost of the inspection, administration, and travel costs of subcontractor.
- 8.6.2.5.2 Subcontractors that are part of CSD's network of LIHEAP contractors, and performing inspections under a contract, Memorandum of Understanding or similar contract, and not competitively procured in accordance with the Contractor's procurement process and procedure, shall bill actual costs for the Post-Weatherization Inspection and related expenses such as inspector wages, overhead, administration and travel costs of subcontractor. The total cost of all related expenses shall not exceed the measure maximum per inspection.
- 8.6.2.6 Contractor shall ensure job separation between staff performing post-weatherization inspection activities and weatherization crew personnel performing the physical installation and performance of weatherization measure services funded under this Contract.
- 8.6.2.7 If Contractor elects to subcontract with entities outside of CSD's network of Local Service Providers for the full installation of weatherization measures, the subcontractor performing the installation of weatherization measures shall not perform the post-weatherization inspection activities. Contractor shall ensure job separation by using Contractor's staff or another subcontractor to perform the post-weatherization inspection.
- 8.6.2.8 The Quality Assurance Inspector shall certify the performance of Post-Weatherization Inspections of dwelling units by completing and signing Contractor Post-Weatherization Inspection Report (CSD 611). Contractor shall retain a copy of the completed and signed form in the client file.
- 8.6.3 Third-Party Inspections
  - 8.6.3.1 CSD may use a third-party inspector to review and verify that the weatherization activities performed under this Contract conform to applicable standards and practices.
  - 8.6.3.2 Contractor or a ride-along (designated representative) shall accompany the inspector on client inspection visits and shall provide equipment to the inspector. When possible, Contractor shall make corrections during

## SUBVENTION CONTRACT

the client inspection visits.

- 8.6.3.3 Contractor agrees to remedy all Nonhazardous Conditions (nonhazardous work deficiencies) noted by CSD or its designee within 20 business days of written notification.
- 8.6.3.4 Contractor must remedy all Hazardous Conditions resulting from weatherization measure installation in accordance with the TRM. Any Hazard Fails that are not remedied within 18 hours will require completion of the Hazardous Correction Work Plan denoting the reason why the hazardous correction is unable to be resolved within 18 hours and the action that will be taken to resolve the hazard.
- 8.6.3.5 Contractor must remedy all inspection corrections identified on the Comprehensive Inspection Report including confirmation of correction to CSD's third-party inspector within 20 business days.

### 8.6.4 Noncompliance

- 8.6.4.1 Contractor shall be subject to the withholding of any or all reimbursements for failure to completely resolve an identified Fail or Hazardous Condition in accordance with the TRM. The reimbursement sanction will apply to the next fiscal reimbursement request associated with the program of the weatherized unit in question. The reimbursement sanction will remain in effect until Contractor successfully resolves the Fails or Hazardous Condition and confirms the resolution with CSD and the designated Inspection Contractor. The sanction will apply to all subsequent fiscal reimbursement requests of the primary funding source in question so long as the Fails and Hazard Fails remains unresolved.
- 8.6.4.2 If it is determined that the Contractor has failed to resolve an identified Hazardous Condition in accordance with the Hazardous Correction Work Plan, CSD may utilize the services of the designated Inspection Contractor to successfully resolve the delinquent Hazardous Condition. Contractor will assume responsibility for costs associated with the use of Inspection Contractor's services. The costs will include labor, materials, and travel equal to the Inspection Contractor's training and technical assistance hourly rate and the total amount will be withheld from the Contractor's next request for fiscal reimbursement.
- 8.6.4.3 If it is determined that the Contractor has incorrectly billed CSD because a measure was not installed, or the quantity installed is less than the quantity billed, Contractor shall install the billed measure or quantity, if feasible. In cases when a physical remedy is not possible, repayment of

## SUBVENTION CONTRACT

the labor and material costs for the non-installed measure or quantity will be withheld from subsequent reimbursements.

8.6.4.4 Contractor will be subject to Special Conditions, in accordance with Section 10.4, if it is determined that one or more of the following conditions exist:

8.6.4.4.1 Contractor has a history of unsatisfactory performance;

8.6.4.4.2 Identification of one or more Hazardous Conditions in dwellings weatherized by Contractor;

8.6.4.4.3 Failure to remedy an identified Hazardous Condition in a timely manner; and

8.6.4.4.4 Substantial number of Nonhazardous Conditions and/or identified trends or patterns of nonconformance to installation criteria.

## **SUBVENTION CONTRACT**

### **ARTICLE 9 - TRAINING, LICENSING, AND CERTIFICATIONS**

#### **9.1 Training Requirements**

- 9.1.1 CSD's statewide training program is detailed in the CSD Training Policies and Procedures Manual (TPPM). Contractor shall ensure weatherization service activities covered by this Agreement are performed by properly licensed contractors and/or properly trained individuals in accordance with training requirements specified in the TPPM.
- 9.1.2 Contractor shall maintain and make available for reference to Contractor's employees and subcontractors who perform weatherization services, the following documents:
  - 9.1.2.1 CSD TRM;
  - 9.1.2.2 CSD Training Policies and Procedures Manual (TPPM);
  - 9.1.2.3 Other applicable policies and procedures;
  - 9.1.2.4 Official State and Federal Program Notices;
  - 9.1.2.5 Current CSD Field Forms; and
  - 9.1.2.6 Required Training Materials

#### **9.2 Contractor Licensing**

Contractors, unless otherwise exempt or their subcontractors performing basic weatherization services under this Contract shall comply with TRM and the following licensing requirements:

- 9.2.1 Possess and maintain an active Class "B" General Building Contractor license, issued by the Contractors State License Board (CSLB) in the name of the Contractor/qualifying individual;
- 9.2.2 Fulfill the requirements of, and receive certification pursuant to the Toxic Substances Control Act, Section 402 (15 USC § 2601 et seq.; 40 CFR § 745.226 & 227);
- 9.2.3 Contractor, unless otherwise exempt from the licensing requirement, shall upload and maintain a copy of the current Class "B" CSLB license into the CSD Training Portal.
- 9.2.4 Contractor is responsible for ensuring that all subcontractors have active licensing



## **SUBVENTION CONTRACT**

and are in good standing for the duration of the subcontract; and

9.2.5 Contractor shall immediately notify CSD when any changes in licensing occur.

### **9.3 Special Licensing - Weatherization**

9.3.1 Special licensing may also be required for the installation and/or repair of Evaporative Cooler, Cook Top and Range, Vented Space Heater, Air Conditioning, and Gas and Electric Water Heaters, if two or more weatherization measures are not installed in a single unit. Electrical wiring upgrade/replacement and knob and tube wiring certification will always require a C-10 license.

9.3.2 Specialty subcontractors must possess all applicable licenses as required by the CSLB to carry out installation and/or repairs. Specialty licensing is required for specific measures including: C-10 Electrical Contractor (including electrical wiring upgrade/replacement and knob and tube wiring certification); C-20 Warm-Air Heating, Ventilation and Air-Conditioning Contractor; C-36 Plumbing Contractor; C-46 Solar Contractor; C-47 Mobile Home Contractor; and D-65 Weatherization Energy Conservation.

9.3.3 Contractor is responsible for ensuring that all subcontractors have active licensing and are in good standing with the CSLB for the duration of the subcontract.

### **9.4 Environmental Protection Agency (EPA) Certifications**

9.4.1 All contractors providing services utilizing in-house crews shall be certified as an EPA Certified Firm in accordance with EPA's Renovation, Repair and Painting Program requirements (40 CFR Part 745). Contractors who subcontract all of their weatherization and ECIP EHCS services are required to be certified and shall have at least one EPA Certified Renovator on staff for subcontractor oversight purposes.

9.4.2 Contractors shall ensure that all subcontractors whose work potentially disturbs lead paint are EPA Certified Firms and have EPA Certified Renovators on staff.

9.4.3 Any contractor without the required certification will not be allowed to perform weatherization or EHCS services.

### **9.5 Mandatory Training**

Contractor must participate in mandatory training such as eligibility start-up training, TRM training, contract review webinars, monitoring trainings and other trainings CSD deems mandatory. CSD will provide notice of mandatory training to Contractor via announcement posted on the LAP, at least 10 business days prior to the date the mandatory training is scheduled to occur.

## SUBVENTION CONTRACT

### COMPLIANCE REQUIREMENTS

#### ARTICLE 10 - COMPLIANCE POLICIES AND PROCEDURES

##### 10.1 Right to Monitor, Audit, and Investigate

- 10.1.1 Contractor shall comply with any duly authorized representative of the federal or state government who is conducting a monitoring visit, audit, or an investigation in accordance with 42 USC § 8627 and Gov Code § 16366.7, as amended.
- 10.1.2 Contractor shall, upon reasonable notice, make available all information and materials reasonably necessary for CSD to substantiate to its satisfaction that expenditures incurred under this Contract are allowable and allocable, including, but not limited to files, books, documents, papers, and records. Contractor agrees to make such information and materials available to the federal government, the State, or any of their duly authorized agents or representatives, for purpose of examination, copying, or mechanical reproduction, on or off the premises of the subject entity.
- 10.1.3 All contracts entered into by Contractor with audit firms for purposes of conducting independent audits under this Contract shall contain a clause allowing CSD or any duly authorized agent or representative of the federal or state government timely access to the working papers of the audit firm(s).

##### 10.2 Auditing Standards and Reports

###### 10.2.1 Auditing Standards

- 10.2.1.1 *Applicability.* The standards set forth in 45 CFR Part 75 Subpart F – Audit Requirements are hereby incorporated by reference.
- 10.2.1.2 *Supplemental Audit Guide.* In addition to the audit requirements specified above, Contractor must follow the most current CSD Supplemental Audit Guide, incorporated into this Contract by reference in Article 14. The Supplemental Audit Guide may be accessed at the [CSD LAP](#).

###### 10.2.2 Audit Reports

- 10.2.2.1 Funds provided under this Contract shall be included in an audit conducted in accordance with the provisions of 45 CFR Part 75 Subpart F – Audit Requirements, standards promulgated by the American Institute of Certified Public Accountants (AICPA), and those standards included in The U.S. Government Accountability Office’s “Government Auditing Standards,” December 2011 Revision, as amended.

## SUBVENTION CONTRACT

10.2.2.2 *Organizations below audit threshold.* Contractors falling below the federal funding threshold that mandates a single audit may be subject to an audit and/or other fiscal- or program-specific review conducted by CSD or its agents, upon 30-day written notice.

10.2.2.3 The financial and compliance audit report shall contain the following supplementary financial information: a Schedule of Expenditures of Federal Awards (SEFA) in accordance with 2 CFR § 200.510 (45 CFR § 75.510). All LIHEAP grants shall be reported separately on the SEFA by program component, i.e., Weatherization (Wx) and ECIP/HEAP/Assurance 16 (EHA16). In addition, a separate Supplemental Statement of Revenues and Expenditures (SSRE) for each contract whose term ends during the single-audit fiscal year shall be included in that year's single audit. The SSRE shall report revenue and expenditures for CSD funding by contract line item and fiscal year. The SSRE shall cover the entire contract term as required in CSD's Supplemental Audit Guide.

10.2.3 *Submission of Audit Reports.* Contractor shall submit to CSD one electronic copy of the required audit report(s) and any management letter(s) issued by the accountant, within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the Contractor's fiscal year.

10.2.4 *Failure to File IRS Form 990 for Tax-Exempt Organizations* If Contractor fails to file Form 990 timely, Contractor must provide:

10.2.4.1 Evidence of an extension request with an estimated timeframe for submission; or

10.2.4.2 An explanation of why Contractor does not plan to file Form 990.

10.2.5 The audit report(s) and all supplemental financial information must be submitted to the following addresses:

Electronic copy:  
[audits@csd.ca.gov](mailto:audits@csd.ca.gov)

Printed copy:  
Department of Community Services and Development  
Attention: Audit Services Unit  
2389 Gateway Oaks Drive, Suite 100  
Sacramento, CA 95833

Upon receipt of the audit report, CSD's Audit Services Unit (ASU) will send a confirmation email within 5 to 10 business days. Contractor should verify receipt

## SUBVENTION CONTRACT

of ASU's confirmation email to ensure your single audit was received.

In accordance with the guidelines of the Division of Audits of the California State Controller's Office (SCO), if Contractor is a local government agency, additional copies of the audit report must be submitted to the following address:

Mailing Address:

State Controller's Office  
Division of Audits  
Financial Audits Bureau/Single Audits Unit  
P.O. Box 942850  
Sacramento, CA 94250-5874

Street Address for FedEx:

State Controller's Office  
Division of Audits  
Financial Audits Bureau/Single Audits Unit  
3301 C Street, Suite 700  
Sacramento, CA 95816

### 10.2.6 Failure to Comply with Audit Reporting Requirements

If Contractor fails to comply with Federal statutes, regulations or the terms and conditions of this Contract, CSD may impose additional conditions, as described in 45 CFR § 75.207. If CSD determines that noncompliance cannot be remedied by imposing additional conditions, CSD may take one or more of the following actions, as appropriate in the circumstances, as provided in 45 CFR § 75.371 - § 75.380 *Remedies for Noncompliance*:

- 10.2.6.1 Temporarily withhold cash payments pending correction of the deficiency by Contractor or more severe enforcement action by the Federal awarding agency;
- 10.2.6.2 Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance;
- 10.2.6.3 Wholly or partly suspend or terminate the Federal award;
- 10.2.6.4 Recommending that suspension or debarment proceedings (as authorized under 2 CFR Part 180) be initiated by the Federal awarding agency;
- 10.2.6.5 Withhold further federal awards; or

## SUBVENTION CONTRACT

10.2.6.6 Take other remedies that may be legally available.

### 10.2.7 Collection of Disallowed Costs

10.2.7.1 If Contractor challenges questioned costs and submits complete and accurate information or documentary evidence in support of the allowability of questioned costs, CSD shall, after consideration of Contractor's submission issue a final TR, no later than 30 days after receipt of Contractor's information or documentation. If questioned costs are determined to be owning, CSD's Financial Accounting Services Unit (FASU) will send an invoice. Contractor will tender payment to FASU or a repayment plan acceptable to FASU.

10.2.7.2 All statements, notices, responses and demands issued in accordance with this Section 10.2.7 shall be in writing.

10.2.7.3 CSD may, at its discretion, reasonably extend the time periods allowed for responses specified in this Section 10.2.7.

## 10.3 Compliance Monitoring

10.3.1 Contractor shall substantiate that all costs claimed pursuant to this Contract are allowable and allocable under all applicable federal and state laws. To be entitled to reimbursement, Contractor must trace all allowable costs to the level of expenditure, to include providing supporting documentation reasonably necessary to substantiate the validity of such claim.

10.3.2 Contractor shall ensure that funds allocated are expended for the purposes identified in federal law and state law, and for allowable and allocable costs under the applicable rules of the Uniform Administrative Requirements.

10.3.3 Contractor shall comply with CSD's on-site or in-house and follow-up monitoring of Contractor to ensure that Contractor meets the Production Plan, administrative standards, financial management requirements, and other requirements of LIHEAP.

10.3.4 CSD shall provide Contractor reasonable advance notice in writing of on-site and/or in-house monitoring reviews of Contractor's program or fiscal performance.

10.3.5 Compliance monitoring will consist of a questionnaire that Contractor will be required to complete and return to CSD within 30 calendar days from receiving the questionnaire.

10.3.6 CSD will conduct client file reviews to verify compliance with financial and

## SUBVENTION CONTRACT

program requirements. CSD shall notify Contractor of the client files requested, and Contractor shall provide the client files within five business days.

10.3.7 CSD may increase the number of client files reviewed and frequency of client file reviews based on the severity of non-compliance issues identified during the client file review process.

10.3.8 In accordance with Uniform Administrative Requirements, Contractor shall cooperate with CSD, including its representatives, and provide access to all programs, records, documents, resources, personnel, inventory, and other things reasonably related to the administration and implementation of the services and activities funded directly or indirectly by this Contract. To the extent Contractor maintains records and documents in an electronic format, Contractor must make such records and documents readily available to CSD: 1) for review on an appropriate electronic device provided by Contractor; and/or 2) for reproduction in electronic and/or hard copy format, as is necessary to effect the purposes of this Section 10.3. In order to realize the objectives of this subsection and to ensure that the integrity of the program, the proper expenditure of grant funds, and to prevent fraud, waste, abuse, and unjust enrichment, whether by design or inadvertence, Contractor shall cooperate with CSD as follows:

10.3.8.1 Upon request, provide a list of clients, jobs or properties to or for which LIHEAP services have been provided by Contractor, and to or for which Contractor has provided related services under other federal, State or non-governmental programs such as, but not limited to, public and private utility company programs, collectively “Associated Programs.”

10.3.8.2 With respect to such list of clients, jobs, or properties, provide CSD and/or the investigative entities or persons referenced in Section 10.1.1, access to client files or similar records and documents of the Associated Programs for the purpose of determining whether related services have been provided that result in duplicate billings or any violation of federal or State law, this Contract, or applicable federal and/or State LIHEAP guidelines.

10.3.8.3 For purposes of this Section 10.3.8:

10.3.8.3.1 “Duplicate billing” is defined as receiving reimbursement from more than one funding source for the same expenditures or costs, whether in whole or in part, that Contractor incurs in connection with rendering a service to or for a client, job, or property, resulting in a total reimbursement to Contractor, from all sources, in excess of actual expenditures or costs incurred.

## SUBVENTION CONTRACT

- 10.3.8.3.2 To the extent necessary to realize the objectives of this article, the term “Contractor” includes any subcontractor or agent of Contractor in possession of the files, records, or documents or other information bearing on related services under any relevant Associated Program.
- 10.3.8.4 Contractor has no obligation to provide access to the client files, records, and documents of an Associated Program when no LIHEAP services have been provided and the client, job, or property is not required to be on the list furnished to CSD by Contractor, as provided herein.
- 10.3.8.5 In the event Contractor is unable to comply with the provisions of subsections 10.3.8.1 or 10.3.8.2 because of restrictions placed on Contractor by law in connection with an Associated Program, or restrictions imposed on Contractor pursuant to a binding written contract between Contractor and the funding source of such Associated Program, then Contractor shall so inform CSD by written declaration and provide supporting documentation for such declaration. Contractor shall, together with any declaration made, certify to CSD in writing that:
- 10.3.8.5.1 Contractor has not submitted duplicate billings to both LIHEAP and Associated Program; or
- 10.3.8.5.2 Contractor has not otherwise engaged in similar actions in violation of federal or state law.
- 10.3.9 CSD will host a File Transfer Protocol (FTP) Server and provide Contractor with specifications, documentation, and sample of FTP file configurations screens, as necessary, to enable Contractor to use the FTP Server to upload client files, records, and documents. Contractor shall submit client files, records, and documents via the FTP to allow CSD to complete an in-house review.
- 10.3.10 In the event that CSD determines that Contractor is not in compliance with material or other legal requirements of this Contract, CSD shall provide the observations, recommendations, or findings and request for a corrective action plan to Contractor in writing. Contractor shall submit to CSD a specific action plan for correcting the noncompliance.
- 10.3.11 Collection of Disallowed Costs
- 10.3.11.1 In the event questioned costs are identified in a final decision on cost disallowance issued by CSD, Contractor shall comply with any demand for repayment, as specified in such final report.
- 10.3.11.2 *Time for response.* Contractor shall have no less than 30 calendar days

## SUBVENTION CONTRACT

from receipt of the final decision to tender payment to CSD or, alternatively, to provide CSD with complete and accurate information or documentary evidence in support of the allowability of questioned costs.

10.3.11.3 *Notice after review of further supporting evidence.* If Contractor challenges questioned costs and submits complete and accurate information or documentary evidence in support of the allowability of questioned costs as provided above in subsection 10.3.11.2, CSD shall, after consideration of Contractor's submission, accordingly, issue a revised Notice of Disallowed Costs, if any, no later than 30 days after receipt of Contractor's information or documentation. Contractor shall have 15 days from receipt of such Notice to tender payment or a repayment plan acceptable to CSD. In the alternative, Contractor may request a hearing in accordance with subsection 10.4.4 of this Contract, for CSD's final determination of disallowed costs.

10.3.11.4 All statements, notices, responses and demands issued in accordance with this Section shall be in writing.

10.3.11.5 CSD may, at its discretion, reasonably extend the time periods allowed for responses specified in this Section.

### **10.4 Enforcement Process - Noncompliance with Requirement of this Contract**

#### **10.4.1 Tax-Exempt Status Requirement**

Nonprofit charitable organizations must maintain their 501(c)(3) tax-exempt status as a requirement for continued LIHEAP grant reimbursements and participation under the current Contract. All 501(c)(3) contractors shall notify CSD within one business day upon revocation of their tax-exempt status and cease all work performed under this Contract. CSD will halt all payments to Contractor while its nonprofit, tax-exempt status is revoked. Work performed prior to the revocation, but billed after such notice is received, shall be timely reimbursed to the Contractor. In addition, CSD may take additional enforcement steps consistent with federal and state law and this Contract.

#### **10.4.2 General**

The authority for CSD Enforcement Actions, as defined in Section 10.4.3, for cost disallowances/ recovery of misused funds, and for de-designation of eligible entity status (collectively "Enforcement Process") is found in the Uniform Administrative Requirements, and in state regulations (see 22 CCR § 100875). Contractor agrees that: 1) the present article shall guide, inform and clarify the Enforcement Process; 2) shall establish the procedures to be followed; and 3)



## SUBVENTION CONTRACT

establish the rights and obligations of the parties with respect to the Enforcement Process, for purposes of implementing the principles set out in the applicable legal authorities.

### 10.4.3 Enforcement Action, “High Risk” – Determination and Notice

10.4.3.1 If CSD determines that Contractor is not financially stable, and that Contractor’s financial condition is so tenuous that its ability to implement this Contract is seriously compromised, or if CSD determines that Contractor has not complied with the requirements of this Contract and that Contractor’s noncompliance constitutes a material breach of the Contract, CSD may initiate an Enforcement Action. For purposes of this article, “Enforcement Action” means the imposition of any of the following: a) special conditions and/or sanctions; b) a determination of cost disallowance; c) contract suspension; d) contract termination; or e) termination of Contractor’s service provider status.

10.4.3.2 To initiate an Enforcement Action, CSD must provide Contractor with written notice of “high risk” designation, setting forth: 1) the factual and legal basis for the determination of noncompliance, upon which the “high risk” designation is based; 2) the corrective action(s) required; and 3) the date by which the corrective action must be taken and completed.

10.4.3.3 For purposes of this article, “material breach” means any act or omission by Contractor that is in contravention or disregard of Contractor’s duties and obligations under the terms of this Contract and under applicable State and federal law, which act or omission:

10.4.3.3.1 Constitutes fraud or gross negligence by Contractor or its agent(s);

10.4.3.3.2 Is likely to result in significant waste and/or abuse of federal funds;

10.4.3.3.3 Has a significant adverse impact on Contractor’s ability to meet its administrative, financial, or programmatic duties and obligations over the term of the Contract or a significant portion thereof;

10.4.3.3.4 Violates or otherwise disregards significant program guidance and other requirements of the Federal Government, whether issued directly or through CSD;

10.4.3.3.5 May have serious adverse effects and consequences on the Contractor’s customers, employees, subcontractors, creditors,

## SUBVENTION CONTRACT

suppliers, vendors, or other stakeholders; or

10.4.3.3.6 May otherwise significantly and adversely affect the viability, effectiveness, or integrity of the program.

### 10.4.4 Special Conditions and Sanctions

10.4.4.1 “High risk” designation may include the imposition of Special Conditions, Sanctions and/or other special requirements with respect to Contractor’s performance. CSD may impose Special Conditions and/or Sanctions upon a determination that such steps are reasonably necessary to address acute financial instability or a material breach of contract, as defined in Section 10.4.3, above.

10.4.4.2 Notice of Special Condition(s) and/or Sanction(s) shall be in writing and shall become effective on the date specified in the notice. Notice must contain the following information:

10.4.4.2.1 The nature of the Special Condition(s) and/or Sanction(s) being imposed;

10.4.4.2.2 The reason(s) for imposing Special Condition(s) and/or Sanction(s); and

10.4.4.2.3 The corrective actions that must be taken and the time allowed for completing them before CSD removes the Special Condition(s) and/or Sanction(s).

10.4.4.3 Special Conditions may include, but are not limited to:

10.4.4.3.1 Obtaining training and/or technical assistance;

10.4.4.3.2 The imposition of special or additional reporting requirements;

10.4.4.3.3 Special or conditional cost reimbursement requirements and procedures;

10.4.4.3.4 The provision of documentation by Contractor; and/or

10.4.4.3.5 The requirement to amend or modify systems, procedures, and/or policies.

10.4.4.4 Sanctions may include, but are not limited to:

## SUBVENTION CONTRACT

- 10.4.4.4.1 The suspension of advances and/or reimbursements; and/ or
- 10.4.4.4.2 The issuance of stop work orders.
- 10.4.4.5 Sanctions may not be imposed without a hearing being first held in accordance with applicable regulations, unless CSD reasonably determines on the basis of credible information that:
  - 10.4.4.5.1 Substantial sums to be paid to Contractor have been or will be used in violation of law or the provisions of this Contract; or
  - 10.4.4.5.2 The associated costs are otherwise very likely to be disallowed; and
  - 10.4.4.5.3 If Sanctions are not immediately imposed, taxpayer dollars are at significant risk and are unlikely to be recovered.
- 10.4.4.6 Review of Special Conditions and/or Sanctions.
  - 10.4.4.6.1 If Contractor elects to contest the action to impose Special Conditions and/or Sanctions, Contractor shall have five business days following receipt of Notice of Enforcement Action in which to show cause, in writing, why the Special Conditions or Sanctions should not be enforced.
  - 10.4.4.6.2 CSD shall have five business days following receipt of Contractor's response to accept or reject Contractor's objection and to state in writing the consequences of the decision and Contractor's obligations going forward, if any.
  - 10.4.4.6.3 Contractor may, within five business days of receipt of Notice of Enforcement Action, request an informal meeting for the parties to consider the merit of the Notice and to discuss alternative courses of action, which meeting CSD may agree to if, in its sole judgment, it determines the meeting would be helpful to the process, can be held expeditiously, and will not unduly cause delay or otherwise increase the risk of loss of taxpayer dollars.
  - 10.4.4.6.4 Contractor may, at any time, request in writing that CSD initiate the contract suspension or contract termination processes, to include the requisite hearings, as set out in 22 CCR § 100875.

## SUBVENTION CONTRACT

- 10.4.4.6.5 Should Contractor fail to show cause why the Enforcement Action should not go forward, or should Contractor fail to request that CSD initiate either the contract suspension or termination processes, CSD may initiate such action upon its own motion.
- 10.4.4.6.6 Special conditions and sanctions shall remain in effect until the hearing procedure is completed, provided, with respect to sanctions, CSD reasonably determines that subsection 10.4.4.5 applies.

### 10.4.5 Cost Disallowance

- 10.4.5.1 If Contractor's non-compliance with the terms of this Contract results in an enforcement action, and if CSD determines that Contractor's non-compliance has resulted in questioned costs, CSD shall provide Contractor with a Statement of Questioned Costs along with the Notice of Enforcement Action, or at such later time in the Enforcement Process as questioned costs have been identified.
- 10.4.5.2 The Statement of Questioned Costs shall include:
  - 10.4.5.2.1 A description of the costs questioned and the specified amount by type or category of costs;
  - 10.4.5.2.2 The reason the costs are questioned, and the information and/ or documentation required to justify payment of the costs; and
  - 10.4.5.2.3 The timeframe and procedures for Contractor's submission of the required information or documentation to CSD.
- 10.4.5.3 If CSD determines that more information is required before a Statement of Questioned Costs can be issued or before a final determination of cost disallowance can be made, CSD may conduct an investigative audit of Contractor's records, files and books of account, or retain an audit firm for such purpose. Contractor shall cooperate fully in any audit conducted and to ensure that Contractor's agents, accountants and subcontractors cooperate in the performance of such audit. A report of any audit conducted shall be shared with Contractor, who shall be given ample opportunity to respond to findings and to submit information and documentation in support of the response. If Contractor fails to cooperate in the conduct of an audit, initiated pursuant to this subsection, CSD may either impose sanctions, as provided in subsection 10.4.3 or, if feasible, issue a Notice of Disallowed Costs.

## SUBVENTION CONTRACT

10.4.5.4 After CSD has considered any information and/or documentation submitted by Contractor in response to a statement of questioned costs or in response to an investigative audit report, CSD shall issue a Notice of Disallowed Costs, which notice shall include:

10.4.5.4.1 The amount of disallowed costs to be repaid, if any; and

10.4.5.4.2 The date by which repayment must be made or, in the alternative,

10.4.5.4.3 The date by which Contractor must submit a proposed repayment plan for consideration by CSD.

10.4.5.5 Before the expiry of five business days after receipt of a Notice of Disallowed Costs, Contractor may challenge the Notice of Disallowed Costs by requesting a hearing, conducted in accordance with the procedures set out in 22 CCR § 100875, for the purpose of adjudicating the matter of cost disallowance, provided however that either Contractor or CSD may opt to adjudicate other pending Enforcement Action matters, as provided in subsection 10.4.4.6. of this section, in a combined proceeding.

10.4.5.6 If Contractor fails to request a hearing to adjudicate cost disallowance, as provided in subsection 10.4.5.5, the Notice of Disallowed Costs shall be deemed final and Contractor shall comply with the provisions of the present Section 10.4.5.

10.4.5.7 Contractor will not be deemed to have complied with a Notice of Disallowed Costs until repayment is made or CSD has approved a repayment plan. In determining the acceptability Contractor's repayment plan, CSD shall take into consideration such factors as, but not limited to:

10.4.5.7.1 Federal requirements or conditions applicable to the grant(s) under which the disallowed costs were funded;

10.4.5.7.2 The exigencies of the grant program and CSD's ability to reallocate the funds repaid or otherwise dispose of the funds in accordance with applicable law;

10.4.5.7.3 The risk of being unable to recover funding and the options for securing Contractor's repayment obligation; and

10.4.5.7.4 Contractor's financial condition and ability to pay.

## SUBVENTION CONTRACT

10.4.6 Contractor shall remain on “high risk” until CSD reasonably determines that Contractor has complied with the requirements of the Notice of “High Risk” Designation, including verification by CSD that corrective measures have been implemented, that all conditions have been met and that disallowed costs have been repaid or, alternatively, that CSD has deemed Contractor’s repayment plan to be acceptable and Contractor has demonstrated it is in compliance with the plan. Upon determination that Contractor has complied with the requirements of the Notice of “High Risk” Designation, CSD shall give Contractor written notice of such determination.

10.4.7 In the event Contractor’s non-compliance with the terms and conditions of this Contract are not remedied through imposition of special conditions, and/or sanctions, thereby enabling CSD to remove “high risk” designation, CSD may initiate further Enforcement Actions involving Contract Suspension, Contract Termination and Termination of service provider status, which shall be initiated and conducted in accordance with the applicable provisions found in 22 CCR § 100875 and other applicable State and federal statutes and regulations.

10.4.8 Lien rights

The State retains lien rights on all funds advanced.

### **10.5 Service Delivery and Expenditure Requirements**

10.5.1 Service Delivery and Expenditure of Funds

10.5.1.1 Contractor shall, in accordance with Government Code §16367.5, be afforded maximum flexibility and control, within the parameters of federal and state law, in the planning, administration, and delivery of LIHEAP services. Regardless of the modalities and techniques utilized, Contractor is obligated: a) to ensure that the maximum numbers of persons are served, consistent with the effective and efficient service delivery, with program requirements and with applicable law; and b) to fully expend program funds by the date identified in the contract.

10.5.1.2 A substantial failure to expend funds and provide services to readily available qualified applicants, except for compelling reasons beyond Contractor’s control, shall be deemed prima facie evidence of breach of contract and may constitute grounds for “high risk” designation and the applicable remedies as provided in Section 10.4, “Enforcement Process – Noncompliance with the Requirements of this Contract.” Such failure of performance may, in accordance with the provisions of this article, result in a reduction in Contractor’s grant allocation and the redistribution of future funding to other performing service providers.

## SUBVENTION CONTRACT

### 10.5.2 Contractor Expenditure and Reporting Requirements

Contractor shall be at 99% expenditure of the Contract by January 31, 2026.

10.5.2.1 CSD will monitor Contractor's expenditures to evaluate compliance with meeting expenditure requirement by January 31, 2026, for each program category, including capped budget items.

10.5.2.2 Contractor shall submit timely expenditure reports, that allow CSD to evaluate Contractor's ability to meet the January 31, 2026, expenditure date requirement. Based upon these reports, CSD may determine that Contractor has not met the expenditure requirement and is out of compliance with this Contract.

10.5.2.3 Should the Contractor's actual expenditure trend indicate the Contractor is unlikely to expend at least 99% by January 31, 2026, the Contractor will notify the CSD no later than January 10, 2026 requesting to expend beyond January 31, 2026.

### 10.5.3 Contractor's Upcoming Program Year LIHEAP Performance Allocation Methodology

CSD shall determine Contractor's upcoming program year LIHEAP Contract Allocation Methodology based on performance expenditure requirements in Section 10.5.2. and distributed according to the following criteria:

10.5.3.1 Category A: If Contractor meets the performance requirements of Section 10.5.2 and reported no later than February 28 31, 2026, Contractor will receive their full allocation and a percentage of any redistributed funds not allocated to another contractor that fall into Category C, in Section 10.5.3.3.

10.5.3.2 Category B: If Contractor expends 99 percent of their allocation by February 28, 2026, and reported no later than March 31, 2026, Contractor will receive their full allocation but will not be eligible to receive any redistributed funds.

10.5.3.3 Category C: If Contractor does not expend at least 99 percent of their allocation by February 28, 2026 and reported no later than March 31, 2026, the 2026 LIHEAP allocation will be offset by the balances remaining recorded as of the January 31, 2026 expenditure period reported no later than January 31, 2026.

## SUBVENTION CONTRACT

### CERTIFICATIONS AND ASSURANCES

#### ARTICLE 11 - FEDERAL AND STATE POLICY PROVISIONS

##### 11.1 Certifications

11.1.1 Contractor's signature affixed to this Contract shall constitute a certification that to the best of its ability and knowledge it will, unless exempted, comply with the provisions set forth in the following:

11.1.1.1 Contractor Certification Clauses (CCC-04/2017)

11.1.1.2 Safeguarding Access to State Data (Department of Finance, Budget Letter 04-35)

11.1.1.3 Safeguarding Against and Responding to a Breach of Security Involving Personal Information (Office of Information Security and Privacy Protection, Management Memo 08-11).

11.1.2 The above documents are hereby incorporated by reference into this Contract. To access these documents, please visit the [CSD LAP](#).

11.1.3 Executive Order N-6-22 – Russia Sanctions. On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

11.1.4 GENERATIVE ARTIFICIAL INTELLIGENCE (GenAI) - During the term of the contract, Contractor must notify the State in writing if their services or any work under this contract includes, or makes available, any previously unreported GenAI technology, including GenAI from third parties or subcontractors. Contractor shall immediately complete the GenAI Reporting and Factsheet (STD 1000) to notify the State of any new or previously unreported GenAI technology. At the direction of the State, Contractor shall discontinue the use of any new or previously undisclosed GenAI technology that materially impacts functionality, risk or contract performance, until use of such GenAI technology has been



## SUBVENTION CONTRACT

approved by the State. Failure to disclose GenAI use to the State and submit the GenAI Reporting and Factsheet (STD 1000) may be considered a breach of the contract by the State at its sole discretion and the State may consider such failure to disclose GenAI and/or failure to submit the GenAI Reporting and Factsheet (STD 1000) as grounds for the immediate termination of the contract. The State is entitled to seek any and all relief to which it may be entitled to as a result of such non-disclosure. The State reserves the right to amend the contract, without additional cost, to incorporate GenAI Special Provisions into the contract at its sole discretion and/or terminate any contract that presents an unacceptable level of risk to the State.

### 11.2 Provisions for Federally Funded Grants

11.2.1 Contractor certifies that it possesses legal authority to apply to the State for LIHEAP funds and assures compliance with the purposes as set forth in 42 USC § 8621 et seq., as amended.

11.2.2 Eligibility to Receive Federally Funded Public Benefits

Pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) (Public Law (Pub. L.) 104-193), as amended, and Executive Order W13596, dated August 27, 1996, while in effect, applicants for federally funded public benefits are required to provide proof of U.S. citizenship, U.S. non-citizen national, or qualified alien status. (8 USC §§ 1611, 1612, & 1642.) Contractor shall verify client eligibility in accordance with CSD Applicant Verification of Eligibility Procedures and Regulations, forms, and other written guidance provided by CSD.

11.2.3 Under the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA) Section 508, and NO VERIFICATION REQUIREMENT FOR NONPROFIT CHARITABLE ORGANIZATIONS, Section 432 (d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 USC § 1642 et seq.) as amended, Nonprofit Charitable Organizations are exempt from the requirement to determine, verify, or otherwise require proof of U.S. citizenship, U.S. non-citizen national, or qualified alien status of any applicant for such benefits in providing any Federal public benefit (as defined in 8 USC § 1611(c)) or any State or local public benefit (as defined in 8 USC § 1621(c)). (Pub. L. 104-208, Title V, Section 508; and 8 USC § 1642(d)).

11.2.4 Federal Funding Accountability and Transparency Act reporting requirement (FFATA) (Pub. L. 109-282).

Pursuant to the FFATA, CSD is required to report information regarding contractors (sub-awardees) receiving LIHEAP funds. Contractor must complete CSD form 279 and return with the Contract to enable CSD to comply with

## SUBVENTION CONTRACT

FFATA reporting requirements including information regarding executive compensation and all subawards, contracts, and subcontracts in excess of \$25,000 through the Federal Subaward Reporting System (<https://www.fsrs.gov/>) and in accordance with the terms found in Federal regulations at 2 CFR Part 170, including Appendix A.

CSD may issue guidance and/or Amendment(s) to this Contract, establishing additional reporting requirements as necessary to ensure compliance with the FFATA or other Federal and State regulations, as applicable.

11.2.4.1 Salary Limitation – Federal Executive Level II. Federal funds for grant programs consistently include a provision as part of the Consolidated Appropriations Act of 2017 (e.g., Pub. L. 115-31, May 5, 2017) from Congress that the amount that “shall be used to pay the salary of an individual, through the grant or other extramural mechanism” including non-federal share, must not exceed the amount of the Federal Executive Level II salary for that calendar year. This amount is published annually by the U.S. Office of Personnel Management and can be found on their website at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2023/executive-senior-level> under the “Rates of Pay for the Executive Schedule” link. This amount reflects an individual's base salary exclusive of fringe benefits and any income that an individual may be permitted to earn outside of the duties of the non-Federal entities organization. This salary limitation also applies to subawards, contracts, and subcontracts under an ACF grant or cooperative agreement.

11.2.5 Human Trafficking Provisions. Contractor is subject to the requirements of Section 106(g) of the “Trafficking Victims Protection Act of 2000” (22 USC § 7104). The full text of this requirement can be found at <https://www.acf.hhs.gov/grants/award-term-and-condition-for-trafficking-in-persons>.

11.2.7 Prohibition on Expending HHS Award Funds for Covered Telecommunications Equipment or Services. Pursuant to the “Prohibition on certain telecommunications and video surveillance services or equipment” ([2 CFR § 200.216](#)), contractors are prohibited from expending grant funds on “equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities)”.

### **11.3 Federal Certifications Regarding Debarment, Suspension, and Related Matters**

## SUBVENTION CONTRACT

Contractor hereby certifies to the best of its knowledge that it or any of its officers, or any subcontractors:

- 11.3.1 Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency. For purposes of this certification of subcontractor eligibility, Contractor may rely on information available at Sam.gov.;
- 11.3.2 Have not within a three year period preceding this Contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- 11.3.3 Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in Section 11.3.2 above of this certification; and
- 11.3.4 Have not within a three-year period preceding this Contract had one or more public (federal, state, or local) transactions terminated for cause or default.
- 11.3.5 If any of the above conditions are true for the Contractor or any of its officers, Contractor shall describe such condition and include it as an attachment to the Contract. Based on the description, CSD in its discretion, may decline to execute this Contract or set further conditions for this Contract. In the event any of the above conditions are true and not disclosed by Contractor, it shall be deemed a material breach of this Contract, and CSD may terminate this Contract for cause immediately pursuant to the termination provisions of State and federal law governing the Low Income Home Energy Assistance Program.
- 11.3.6 No entity may participate in LIHEAP in any capacity or be a recipient of LIHEAP funds if the organization has been found ineligible for participation in federal assistance programs or activities. (Executive Orders 12549 and 12689, 2 CFR Parts 180 and 376.) All Contractors must obtain a Unique Entity Identifier assigned by the System for Award Management (SAM) if they do not already have one. CSD will check the SAM to verify that the Contractor is not debarred, suspended, or ineligible. See 45 CFR §§ 75.342 and 75.352.

### **11.4 Affirmative Action Compliance**

- 11.4.1 Each contractor or subcontractor with 50 or more employees and a contract of \$50,000 or more shall be required to develop a written Affirmative Action Compliance Program.

## **SUBVENTION CONTRACT**

11.4.2 The written program shall follow the Equal Employment Opportunity clause obligations set forth in Title 41 of the Code of Federal Regulations, Subtitle B, Section 60-1.40, Sections 60-2.10 through 60-2.32, and Sections 60-741.1 through 60-741.47.

11.4.3 Each contractor with less than 50 employees shall comply with Executive Order 11246, Part II, Section 202, as amended by Executive Order 11375. Contractor shall ensure that subcontractors falling within the scope of this provision shall comply in full with the requirements thereof.

### **11.5 Nondiscrimination Compliance**

11.5.1 Contractor certifies that it will, unless exempted, comply with the nondiscrimination program requirements set forth in this section.

11.5.2 Contractor hereby certifies compliance with the following:

11.5.2.1 Federal Executive Order 11246, as amended by Executive Order 11375, relating to equal employment opportunity;

11.5.2.2 Title VI and Title VII of the Civil Rights Act of 1964, as amended (42 USC §§ 2000d et seq. and 2000e et seq.);

11.5.2.3 The Rehabilitation Act of 1973, as amended (29 USC §§ 701 et seq.);

11.5.2.4 Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 USC § 4211 et seq.; 41 CFR Subtitle B, Part 60-300);

11.5.2.5 Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (41 CFR Subtitle B, Chapter 60, as amended); and

11.5.2.6 Americans with Disabilities Act of 1990 (Pub. L. 101-336; 42 USC § 12101 et seq.).

### **11.6 Contractor Fair Hearing - Civil Rights Act Violation**

11.6.1 In the event of any violation or alleged violation of Title VI of the Civil Rights Act of 1964, as amended, (42 USC § 2000d et seq.) Contractor has the right to request a fair hearing in response to such violation or alleged violation within 30 calendar days from the date of such action.

11.6.2 The HHS will conduct such fair hearing in accordance with Title 45, Code of Federal Regulations, Part 81.

### **11.7 Specific Assurances**

## SUBVENTION CONTRACT

### 11.7.1 Pro-Children Act of 1994

11.7.1.1 In accordance with Title XII of Public Law 103-227, the “PRO-KIDS Act of 1994,” smoking may not be permitted in any portion of any indoor facility owned or regularly used for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs whether directly or through State, Territories, local and Tribal governments. Federal programs include grants, cooperative agreements, loans and loan guarantees, subawards, and contracts. The law does not apply to children’s services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions or facilities and used for inpatient drug and alcohol treatment.

11.7.1.2 The above language must be included in any subawards that contain provisions for children’s services and that all subawards shall certify compliance accordingly. Failure to comply with the provisions of this law may result in the imposition of a civil monetary penalty of up to \$1,000 per day.

### 11.7.2 American-Made Equipment/Products

Contractor shall assure, pursuant to the Buy American Act of 1933 (41 USC § 8301 et seq.), to the extent practicable, that all equipment and products purchased with funds made available under this Contract shall be American made.

### 11.7.3 Federal and State Occupational Safety and Health Statutes

Contractor assures that it shall be in compliance with the provisions as set forth in Federal and State Occupational Safety and Health Statutes: the California Safe Drinking Water and Toxic Enforcement Act of 1986 (Health & Safety Code §§ 25249.5 et seq.); Universal Waste Rule (Hazardous Waste Management System: Modification of the Hazardous Waste Recycling Regulatory Program) (63 FR 71225, codified at 40 CFR Parts 266 & 273); and California Workers’ Compensation laws (Labor Code §§ 3200 et seq.).

### 11.7.4 Political Activities

11.7.4.1 Contractor shall refrain from all political activities if such activities involve the use of any funds that are the subject of this Contract.

11.7.4.2 Contractor is prohibited from any activity that is designed to provide voters or prospective voters with transportation to the polls or to provide similar assistance in connection with an election if such activities involve the use of any funds that are subject to this Contract.

## **SUBVENTION CONTRACT**

### **11.7.5 Lobbying Activities**

- 11.7.5.1 Contractor shall refrain from all lobbying activities if such activities involve the use of any funds that are the subject of this Contract or any other fund, programs, projects, or activities that flow from this Contract.
- 11.7.5.2 If Contractor engages in lobbying activities, Contractor shall complete, sign and date the CERTIFICATION REGARDING LOBBYING/DISCLOSURE OF LOBBYING ACTIVITIES, as required by the HHS (45 CFR Part 93, Appendix A).

## **SUBVENTION CONTRACT**

### **ARTICLE 12 - GENERAL TERMS AND CONDITIONS GTC 04/2017**

The California General Terms and Conditions (GTC 04/2017), hereby incorporated into this Contract by reference, is available at the following web address:

<https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language>

Click the “GTC 04/2017” link to download the current requirements.

## SUBVENTION CONTRACT

### ARTICLE 13 - DEFINITIONS

All terms used in this Contract shall be those as defined in applicable federal and state law (see 42 USC §§ 8621 et seq. and Government Code § 16367.5) and regulation (see 45 CFR Part 96 and 22 CCR § 100800), or as more specifically defined as:

Administrative Costs: Actual costs for auxiliary functions such as salaries, wages, workers compensation, and fringe benefits for administrative staff, facilities, utilities, office and computer equipment, telephone, travel, accounting, auditing, monitoring assistance, office supplies, and like services necessary to sustain the direct effort involved in administering a grant program or an activity providing services to the grant program. Includes incurred costs associated with participation and attendance to policy advisory committee meetings and workgroups.

Contract: The complete contents of this contract entered into by and between CSD and Contractor, including all rights, duties, and obligations, whether expressed or implied, required toward the legal performance of the terms hereof.

Amendment: A formal change to the Contract of a material nature including but not limited to the term, scope of work, or name change of one of the Parties, or a change of the maximum amount of this Contract.

Authorized Agent: The duly authorized representative of the Board of Directors of Contractor and duly elected or appointed, qualified, and acting officer of CSD. In the case of Contractor, CSD shall be in receipt of board resolution affirming an agent's representative capacity to bind Contractor to the terms of this Contract.

CSD Program Advisory (CPA): The purpose of the CPA is to provide information, correct problems, contradictions and uncertainty. A CPA serves as short-term guidance to inform or direct immediate action to correct a problem or provide relief from an obligation.

CSD Program Notice (CPN): The purpose of the CPN is to supplement contractual requirements and facilitate program implementation. A CPN serves as long term guidance to summarize or interpret regulations or contract requirements.

Call-Back: A call-back is a visit from Contractor that occurs when a measure fails (either during inspection, or later within the warranty period) and must be corrected by the Contractor. The required warranty periods are defined in TRM. Warranty corrections and apply to both the LIHEAP and DOE or DOE BIL weatherization programs.

California Certified Inspector/Risk Assessor Contractor: An individual who is certified by the State of California, Department of Health Services, as a lead-related construction Inspector/Risk Assessor.



## SUBVENTION CONTRACT

California Energy Commission (CEC) Climate Zone: The CEC established 16 climate zones that represent a geographic area and that have a particular weather pattern. These climate zones are based on energy use, temperature, weather, and other factors that determine the types of building standards that are subject to the Title 24 Energy Efficiency Standards and that dictate the energy conservation measures that must be installed in a weatherized dwelling, as required by law.

Categorically Eligible: Certain households will be determined “categorically eligible” to participate in LIHEAP without consideration for income, as long as the household meets all the eligibility criteria. This policy only applies to households receiving CalWORKs and CalFresh.

Certification Date: The date the applicant is deemed eligible and the Contractor commits to provide services. The certification date should not be before the intake date.

Certified Lead-Free: Residential property that has been determined by a California Certified Inspector/Risk Assessor Contractor to be absent from the presence of lead-based paint.

Certified Lead-Safe: Residential property in which lead-painted surfaces are intact and/or have been treated with measures to stabilize and eliminate lead-paint hazards and that, as such, poses no immediate threat to the occupants as determined by a California Certified Inspector/Risk Assessor Contractor.

Certified Translator: A translator that has been certified to translate a specific language and are often members of a professional translation association such as American Translators Association and American Literary Translators Association, etc.

Children: Members of a household who have not attained their 19th birthday.

Client Education/Counseling: Includes, but is not limited to, providing client with written information describing energy-saving behavioral adjustments that will decrease the energy consumption of the household; providing client with resource information, referral, and budget counseling in order to assist clients in achieving self-sufficiency; providing client with mold and lead-safe education and advising client of the benefits of weatherization in their homes.

Client Intake: Includes, but is not limited to, the process of completing an intake form and reviewing applicant documentation in order to verify eligibility.

Client Needs Assessment: The act of acquiring additional and appropriate information from an eligible client to determine the needs that can be served by Contractor and other available programs after eligibility has been established.

Contractor: The entity (partnership, corporation, agency, or association) designated on the face sheet of the Standard Agreement (STD 213) of this Contract.

## SUBVENTION CONTRACT

CORE: Combined Outcome Reporting Engine (CORE) System: Software used by CSD's Local Service Providers to submit Utility Assistance, Wood, Propane, and Oil transaction records for validation and further processing.

Crisis: Weather-related and/or supply-shortage emergencies and other household energy-related emergencies that negatively impact the energy-related economic conditions of low-income households. A crisis can be caused by:

- a. Cold or hot weather-related events, such as flood, earthquake, tornado, hurricane, ice storm/freeze; or events meeting such other criteria as the Governor, and/or the President of the United States, at their discretion, and/or their designee, including CSD, may determine to be appropriate; or
- b. Geopolitical events, such as wars, terrorism, civil disturbances, and embargoes, including geopolitical events that negatively impact the energy-related economic conditions of low-income households.

CSD: The State of California Department of Community Services and Development.

Database Transfer: A method wherein contractors utilize a local database platform to provide CSD with downloaded client and other program data.

Di Minimis Levels: The amount of lead paint disturbed in a dwelling is comprised of 2 square feet per room of interior surfaces, or 20 square feet of exterior surface, or 10% of a small component, e.g., windowsill, baseboards, and trim. When calculating the di minimis level, the entire surface of the component must be included in the computation. For example, when replacing a 2 x 3 foot window, the de minimis level would be 6 square feet and would exceed the maximum allowance for interior surfaces and the unit would be subject to HUD Regulation.

Diagnostic Testing: Series of testing protocols performed under the weatherization program involving the use of specialized tools to assess: the operating condition of combustion appliances for general safety and carbon monoxide emission levels, and pressurized diagnostic testing procedures to assess the integrity of building envelopes and duct systems for leakage and outside air infiltration. Diagnostic tests shall only be performed by qualified individuals possessing the required skill and training needed to perform diagnostic testing activities.

Direct Services: The portion of the LIHEAP funding to carry out the provisions of LIHEAP services and activities of this Contract, to include: Weatherization, Energy Crisis Intervention Program (ECIP) Services (excluding Utility Assistance), and Wood Propane and Oil (WPO).

DOE: The United States (U.S.) Department of Energy that provides funds for the Weatherization Assistance Program for Low-Income Persons. This program is authorized by Title IV of the Energy Conservation and Production Act (Pub. L. 94-385; 42 USC § 6801). The federal regulations for this program are in 10 CFR Part 440.

## SUBVENTION CONTRACT

Dwelling Assessment: The process used to evaluate the service needs of an eligible dwelling for weatherization services offered under the DOE or DOE BIL and LIHEAP weatherization programs. An assessment shall be performed by qualified individuals possessing the required skill and training needed to perform assessment activities.

Dwelling Unit: A house, including a stationary mobile or manufactured home, an apartment, a group of rooms, or a single room occupied as separate living quarters.

EHA-16: A term used to reference Emergency Crisis Intervention Program, Home Energy Assistance Program and Assurance-16 service components.

Elderly: An individual 60 years of age or older.

Electronic File: A contract or other record created, generated, sent, communicated, received, or stored by electronic means.

Emergency: Meets the federal definition at 42 USC § 8622(1) and shall be defined as being any one or more of the following conditions:

- a. A natural disaster (whether or not officially declared);
- b. A significant home energy supply shortage or disruption;
- c. An official declaration of a significant increase in:
  - i. Home energy costs;
  - ii. Home energy disconnection;
  - iii. Enrollment in public benefit programs; or
  - iv. Unemployment and layoffs;
- d. An official emergency declaration by the Secretary of Health and Human Services.

In those situations where there is not an official federal, state, or local declaration of emergency, e.g., an undeclared natural disaster or a significant home energy supply shortage or disruption that affects a low-income individual, an emergency will be deemed to exist by CSD where there is imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

Energy Burden: The expenditures of the household for home energy divided by the income of the household.

## SUBVENTION CONTRACT

Energy Conservation Measures (also known as Weatherization Measures): A wide variety of measures installed in or applied to the dwelling to increase the energy efficiency or to reduce the total energy expenditures of the dwelling.

Environmental Inspection: A visual assessment and sampling which includes asbestos, lead and radon when allowable per the contract. Environmental inspections shall be in accordance with all CSD policies and procedures and in compliance with all Federal and State regulations. Allowable costs include actual labor costs while on the jobsite and testing fees associated with the inspection.

Evaporative Cooler Repairs: Repair or replacement of filter pads, water pumps, belts, motors, or other components that promote efficient operation of the unit.

Final Allocation: The actual amount of funds available to Contractor under this Contract, as calculated pursuant to Title 22, California Code of Regulations, Section 100830 after CSD receives the notice of grant award for the full annual allocation based on the appropriation by Congress for the Federal Fiscal Year, and as publicly announced by CSD's Director or designee, subsequent to the execution of this Contract.

General Operating Costs: Costs that are directly allocable to those costs defined as related facilities, office and computer equipment, office supplies, telephone, travel and materials and activities to prevent exposure to COVID-19 as allowable program costs.

Hazardous Condition: Any condition posing an immediate health and safety threat to the client and/or persons working in the dwelling unit. Hazardous conditions include but are not limited to: Combustion Appliance Safety (CAS) hazards, appliance-related hazards, and electrical hazards as defined in the CSD TRM.

Heating/Air Conditioning Appliance Repairs/Replacements: The complete unit replacement, adjustments of gas pressure and/or air/fuel mixture, replacement of thermocouples, adjustment of refrigerant charge, filter replacements, or other component repairs or replacements necessary for safe and efficient operation.

Health and Safety Measures: A category of weatherization measures installed to mitigate health and safety hazards generated by combustion appliances and to preserve or improve indoor air quality. These measures include CO alarms, smoke alarms, heating/cooling and water heater repairs and replacements, Environmental Hazard Work weatherization and kitchen cooking appliance repair and replacements.

Highest Home Energy Needs: The home energy requirements of a household determined by taking into account both the energy burden of such household and the unique situation of such household that results from having members of vulnerable populations, including very young children (0-5), individuals with disabilities, and frail, older individuals (60+).

## SUBVENTION CONTRACT

Home Energy Rating System (HERS) Provider, also referred to as HERS Rater: An entity or individual recognized by the California Energy Commission as a HERS Provider and certified in performing the necessary field and diagnostic testing verifications for demonstrating compliance with the 2016 Building Energy Efficiency Standards.

HUD Unit: A housing unit participating in a U.S. Department of Housing and Urban Development (HUD) Assisted Housing Program.

Infiltration Reduction Measures: A subcategory of weatherization measures installed in or applied to dwellings to reduce or stop the uncontrolled flow of conditioned air out of the dwelling or the uncontrolled flow of outside air into conditioned areas in the dwelling. Infiltration reduction is best accomplished with shell leakage technology

Intake Date: The date the Contractor receives or accepts the application.

Interim Allocations: Incremental releases of Continuing Resolution appropriations by CSD to fund LIHEAP Direct Services and Utility Assistance program activity under this Contract.

Interest Income: The interest earned by a Contractor directly generated or earned as a result of unexpended LIHEAP grant funds at the end of a contract term period. The interest earned by a Contractor is income generated as a result of depositing federal funds in an interest-bearing account.

Labor and Material Measures: Those measures where the measure reimbursement is based on the combined total of labor and material and the quantity of the measure itself is not limited to a specific amount per weatherized dwelling.

Labor and Material Single-Quantity Measures: Those weatherization measures where the reimbursement is based on the combined total of labor and material cost and the maximum quantity of the measure is limited to a single item per weatherized dwelling.

Liability Insurance: Insurance coverage to protect against claims alleging one's negligence or inappropriate action resulting in bodily injury or property damage. Related costs shall mean those actual costs allocated for insurance bonds, general liability insurance, and pollution occurrence insurance. Pollution occurrence insurance is optional.

Major Vehicle and Field Equipment Costs: Actual costs associated with the purchases of vehicles, office equipment and field equipment \$10,000 or greater per unit used for the purpose of delivery of direct services. Pre-approval from CSD is required. Field equipment means diagnostic equipment and related equipment. Purchases must follow all federal and state rules and regulations governing LIHEAP pertaining to procurement standards.

## SUBVENTION CONTRACT

Materials: Materials are those allowable items that are installed in or on the dwelling. All materials shall be in conformance with the CSD TRM and 10 CFR Part 440 Appendix A – Standards for Weatherization Materials.

Maximum Amount: The dollar amount reflected on line 3 of the face sheet of the Standard Agreement (STD 213) of this Contract, as amended to reflect the Final Allocation for the term of this Contract.

Migrant Farm Worker: A seasonal farm worker who performs or has performed farm work during the eligibility determination period (any consecutive 12 month period within the 24 month period preceding application for program benefits and/or services) that requires travel such that the worker is unable to return to his/her domicile (permanent place of residence) within the same day. Migrant farm worker is not a term used in the contract but is captured for reporting purposes in CSD's Weatherization Database, EARS and Intake Form (CSD 43).

Minor Vehicle and Field Equipment Costs: Actual costs associated with the purchase of vehicle, office equipment and field equipment under \$10,000 per unit used for the purpose of delivery of program services. Purchases must follow all federal and state rules and regulations governing LIHEAP pertaining to procurement standards.

Mobile or Manufactured Home: A manufactured home regulated by the California Department of Housing and Community Development (HCD) that is built on a trailer chassis and designed for highway delivery to a permanent location, and it can be a single-, double-, or triple-wide home. To receive weatherization services under a CSD program, a mobile home must be a permanent, full-time residential dwelling, with a floor area of at least 330 square feet.

Modified Dwelling Assessment: The process used to evaluate the limited service needs of an eligible dwelling that has been previously weatherized under the DOE, DOE BIL or LIHEAP weatherization programs. The assessment is limited in scope and does not encompass a re-assessment of the entire dwelling unless measures have exceeded their useful life under LIHEAP. Assessments limited to ECIP EHCS work on dwellings not receiving weatherization services are to be included in the cost of the ECIP measure. An assessment shall be performed by qualified individuals possessing the required skill and training needed to perform assessment activities.

Modification: An immaterial change to this Contract that does not require an Amendment.

Multi-Unit Dwellings (MUD) also known as Multi-Family Buildings (MFB): Defined as residential dwelling structures containing more than one residential unit within a single building, including: duplexes, triplexes, fourplexes, and multi-unit apartments. For purposes of travel reimbursement to Contractors and shell leakage testing, Multi-Unit Dwellings are defined as multi-unit dwellings, e.g., apartments, with five or more attached residential units.

## SUBVENTION CONTRACT

Natural Disaster: A weather event (relating to cold or hot weather), flood, earthquake, tornado, hurricane, or ice storm, or an event meeting such other criteria as the Secretary of Federal Department of Health and Human Service, in the discretion of the Secretary, may determine to be appropriate. For the purpose of the CSD Disaster Relief Plan, emergency services may be provided to low-income individuals and families affected by a natural disaster when the event is declared by a Presidential or Gubernatorial Order as a Federal or State Emergency.

Nonprofit charitable organization: Is defined by the Internal Revenue Code, Section 501(c) (3) (26 USC § 501(c)(3)). Section 501(c) (3) is a tax law provision granting exemption from the federal income tax to nonprofit organizations. 501(c)(3) exemptions may apply to corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition, or for the prevention of cruelty to children or animals.

Outreach and Its Related Costs: Outreach activities are designed to ensure that eligible households, especially households with elderly and/or disabled individuals with high home energy burdens, are made aware of the assistance available. Costs relating to these activities may include: developing outreach materials (flyer/brochure information packets), advertising costs, printing costs, outreach mailers to targeted households, travel to outreach sites and related facilities, site costs, and the referral of eligible households to assistance providers in the community. Intake and assisting with the completion of an intake form are not considered outreach or a related cost.

Parties: CSD on behalf of the State of California, and the Contractor.

Pledge: A guarantee of payment or promise to pay made by the Contractor to the Utility Company via phone, fax, e-mail or webservice and guaranteed by CSD.

Pledge Date: The date in which the Contractor contacts the Utility Company via phone, fax, e-mail or webservice to pledge a payment on behalf of the applicant.

Pledge Timeframe: A set length of time, beginning on the date the Contractor makes the pledge and ends after a fixed number of days.

Program: Weatherization, HEAP, ECIP, and Assurance 16 services provided under 42 USC §§ 8621 et seq., as amended.

Program Income: Program income means gross income earned by Contractor that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance except as provided in 45 CFR § 75.307(f). “During the period of performance” is the time between the time in which the CSD may incur new obligation to carry out the work authorized under the award.

## SUBVENTION CONTRACT

Reweatheringization: Once a dwelling has been submitted to CSD for reimbursement as a completed unit, any subsequent weatherization services provided to the dwelling shall be considered reweatherization.

Ride-along: A representative of the Contractor who accompanies a designated third-party inspector while performing on-site inspections. CSD requires that, when possible, a ride-along be sufficiently trained to make necessary corrections during inspections, thereby minimizing or eliminating the need for return trips that may inconvenience the client and/or require re-inspection in accordance with the CSD TRM.

Seasonal Farm Worker: A person who during the eligibility determination period (any 12 month period within the 24 month period preceding application for program benefits and/or services) was employed at least 25 days in farm work or earned at least \$400 in farm work and who has been primarily employed in farm work on a seasonal basis, without a constant year-round salary. Seasonal farm worker is not a term used in the Contract but is captured for reporting purposes in CSD's Weatherization Database, EARS and Intake Form (CSD 43).

Separate Living Quarters: Living quarters in which the occupant(s) do not live and eat with any other person(s) in the structure and which have either: (1) direct access from the outside of the building or through a common hall; or (2) complete kitchen facilities for the exclusive use of the occupant(s). The occupant(s) may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Single-Family Dwelling: A dwelling structure containing no more than one dwelling unit. A single-family dwelling is defined as a one-unit, single-family dwelling or a one-unit, single-residential housing dwelling with one to four attached units.

Single Quantity Fixed-Fee Measures: Those weatherization measures with an assigned fixed-fee reimbursement and which limit the maximum quantity of the measure/service to a single item per weatherized dwelling.

State: The State of California Department of Community Services and Development.

Subcontractor: An entity (partnership, corporation, association, agency, or individual) that enters into a separate contract or agreement with Contractor to fulfill direct program or administrative tasks in support of this Contract.

Subcontract: A separate contract or agreement entered into by and between Contractor and Subcontractor to fulfill direct program or administrative tasks in support of this Contract.

Useful Life: Useful life means the length of time a Weatherization or ECIP HCS measure is expected to be useable.



## SUBVENTION CONTRACT

Utility Assistance Funding: The portion of LIHEAP funding used to provide utility assistance services under ECIP Fast Track and HEAP Electric and Gas. These funds are administered by Contractor but paid to eligible clients – or to utility companies on the client’s behalf – by CSD from Contractor’s allocated amount of funding.

Vendor: An individual, sole proprietorship, firm, partnership, corporation, or any other business venture from which materials and goods are supplied and purchased.

Vulnerable Populations: Young children (ages 5 years or under), disabled, and elderly persons (ages 60 or older).

Weatherization Training and Its Related Costs: Costs associated with the training of personnel or subcontractors as specified in Article 9.1 of this Contract. Training may also include internal Contractor training, and attendance at weatherization-related training to include IT system training or other forms of weatherization training sponsored by DOE, CSD, and/or other organizations. Related costs may include salary/wages, materials, fees and travel. Excludes incurred costs associated with participation and attendance at policy advisory committee meetings and workgroups.

Workers’ Compensation: Insurance that covers medical and rehabilitation costs and lost wages for employees injured at work. Workers’ compensation shall mean those actual costs associated with workers’ compensation coverage for program staff whose salaries and wages are chargeable under program costs.

## SUBVENTION CONTRACT

### ARTICLE 14 - FORMS AND DOCUMENTS INCORPORATED BY REFERENCE

The following forms and documents, all of which are hereby incorporated into this Contract by reference, are available on the CSD Local Agencies Portal at <https://agencies.csd.ca.gov/home/Energy/Pages/Contracts.aspx>.

14.1 Forms to be returned with signed contract:

14.1.1 Certification Regarding Lobbying/Disclosure of Lobbying Activities;

14.1.2 Agency Staff and Board Roster (CSD 188);

14.1.3 Federal Funding Accountability and Transparency Act Report (CSD 279);

14.1.4 2025 LIHEAP Production Plan (CSD 622);

14.1.5 Agency Local Plan; and

14.1.6 Public Website Update Form (CSD Form 251).

14.2 The following documents are hereby incorporated by this reference:

14.2.1 2025 LIHEAP Numbers, Contractors, and Service Areas;

14.2.2 Agency Local Plan;

14.2.3 State Administrative Manual Section 5100, 5300.5 and 5340 at <http://sam.dgs.ca.gov/TOC/5300.aspx>;

14.2.4 Reimbursement Rates for Weatherization and EHCS Activities;

14.2.5 Supplemental Audit Guide;

14.2.6 CSD Training Policies and Procedure Manual (TPPM); and

14.2.7 Direct Pay Utility Pledge Timeframe.

14.2.8 Technical Reference Manual (TRM)

14.2.9 Eligibility & Verification Guide

14.3 The following CPA's and CPN's are hereby incorporated by reference:

14.3.1 [CPA-A-12-01](#) Program Procedure Guidance with NCB Procurement Worksheet;

Table of Forms and Documents Incorporated by Reference

## SUBVENTION CONTRACT

- 14.3.2 [CPA-E-18-005](#) Expenditure Reconciliation Policy and Procedure;
- 14.3.3 [CPN-A-17-01](#) Equipment Use and Disposition Requirements;
- 14.3.4 [CPN-A-18-01](#) Program Income;
- 14.3.5 [CPN-E-19-001](#) Working Capital Advance;
- 14.3.6 [CPN-E-19-002](#) Energy Reimbursement Policies and Procedures;
- 14.3.7 [CPN-E-20-01](#) SWEATS Policy;
- 14.3.8 [CPA-E-20-01E](#) Guidance and Program Relief for LSPs Impacted by COVID-19
- 14.3.9 [CPN-E-20-02](#) PSPS Emergency Preparedness Pilot Policy;
  - 14.3.9.1 [CPN-E-20-02E](#) PSPS Emergency Preparedness Pilot Policy Errata
  - 14.3.9.2 [CPN-E-20-02M](#) PSPS Emergency Preparedness Pilot Policy
  - 14.3.9.3 [CPN-E-20-02M2](#) PSPS Emergency Preparedness Pilot Policy Modification
  - 14.3.9.4 [CPN-E-20-02M3](#) PSPS Emergency Preparedness Pilot Policy
- 14.3.11 [CPN-E-20-05](#) Transferring Funds
- 14.3.12 [CPA-E-21-04](#) WPO Benefit Formula Policy
  - 14.3.12.1 [CPA-E-21-04M](#) WPO Benefit Formula Policy Modification
- 14.3.13 [CPN-E-22-07](#) Evaporated Cooler Replacement Policy
- 14.3.14 [CPA-E-24-02](#) Revised Energy Audit Submittal Process
- 14.3.15 [CPA-E-24-01](#) 2024 Blended Rates, DOE WAP Memo 123 Integration, and Related Weatherization Form Updates
- 14.3.16 [CPN-E-24-01](#) Revised Technical Reference Manual and Related Weatherization Forms
  - 14.3.16.1 [CPN-E-24-01E](#) Revised Technical Reference Manual and Related Weatherization Forms Errata

## SUBVENTION CONTRACT

14.4 The following guidance is incorporated by reference:

14.4.1 [ECIP Policies and Procedures](#) (rev. 2/1/08)

14.4.2 [DOE WAP ARRA No. 10](#) – National Historic Preservation Act – SHPO –  
Historical Review

2026 Low-Income Home Energy Assistance Program (LIHEAP) State Plan Proposed Changes			
Section	Question	2025 State Plan	2026 State Plan Proposed Changes
Section 1	Program Components -		
1.1	Check which components you will operate under the LIHEAP program. (Note: You must provide information for each component designated here as requested elsewhere in this plan.)	Heating: Start Date: 10/01/24 End Date: 9/30/25 Cooling: Start Date: 10/01/24 End Date: 9/30/25 Crisis: Start Date: 10/01/24 End Date: 9/30/25 Weatherization: Start Date: 10/01/24 End Date: 9/30/25	Start Date: 10/01/25 End Date: 9/30/26 Start Date: 10/01/25 End Date: 9/30/26 Start Date: 10/01/25 End Date: 9/30/26 Start Date: 10/01/25 End Date: 9/30/26
	Provide further explanation for the dates of operation, if necessary	The 2025 Contract Term runs from October 1, 2024 through June 30, 2026. The program’s dates of operation are October 1, 2024 to September 30, 2025. These dates were chosen because the U.S. Department of Health and Human Services required CSD to align the dates of operation with the federal fiscal year for reporting purposes. Funds will be available through June 30, 2026; however, contracts with Local Service Providers emphasize the full expenditure of funds by March 31, 2026.	The 2026 Contract Term runs from October 1, 2025 through June 30, 2027. The program’s dates of operation are October 1, 2025 to September 30, 2026. These dates were chosen because the U.S. Department of Health and Human Services required CSD to align the dates of operation with the federal fiscal year for reporting purposes. Funds will be available through June 30, 2027; however, contracts with Local Service Providers emphasize the full expenditure of funds by March 31, 2027.
1.4a	Provide your definition of categorical eligibility. Please explain how households are categorically eligible (i.e., do all household members need to receive the benefits or just one member, is there a data exchange in place?) and how categorical eligibility streamlines the LIHEAP application process.	Assistance is provided to households that are categorically eligible, if any member of the household is receiving CalFresh (SNAP) or CalWORKs (TANF) at the time of application, regardless of income level.	Assistance is provided to households that are categorically eligible, if any member of the household is receiving CalFresh (SNAP) or CalWORKs (TANF) at the time of application, regardless of income level. Categorical eligibility simplifies the income eligibility verification of categorically eligible households by eliminating the need to complete a full income verification for the applying household.
Section 3	Cooling Assistance -		
3.6	Describe estimated benefit levels for FY2026	2025: Minimum \$288 Maximum \$990	2026: Minimum \$283 Maximum \$837
Section 5	Weatherization -		
5.8	Other: Explanation	CSD will implement the new Priority Plan for 2025 that prioritizes applicants based on income, energy burden, and vulnerable population (older adults, individuals with a disability, and families with young children).	CSD will implement the Priority Plan for 2026 that prioritizes applicants based on income, energy burden, and vulnerable population (older adults, individuals with a disability, and families with young children).
Section 10	Program, Fiscal Monitoring, and Audit - Assurance 10		
10.8	How often is each local agency monitored? Please attach a monitoring schedule if one has been developed.	Triannually (selected option) Attached Monitoring Schedule	Triannually (selected option) Updated Monitoring Schedule (attached)
10.9	How many local agencies are currently on corrective action plans?	0	1
Section 11	Timely and Meaningful Public Participation - Assurance 12		
11.3	List the date and location(s) that you held public hearing(s) on the proposed use and distribution of your LIHEAP funds?	This is left blank in the Draft Plan. This information gets filled in on the Final Plan	This is left blank in the Draft Plan. This information gets filled in on the Final Plan
11.4	How many parties commented on your plan at the hearing(s)?	This is left blank in the Draft Plan. This information gets filled in on the Final Plan	This is left blank in the Draft Plan. This information gets filled in on the Final Plan
11.5	Summarize the comments you received at the hearing(s).	This is left blank in the Draft Plan. This information gets filled in on the Final Plan	This is left blank in the Draft Plan. This information gets filled in on the Final Plan
11.6	What changes did you make to your LIHEAP plan as a result of public participation and solicitation of input?	This is left blank in the Draft Plan. This information gets filled in on the Final Plan	This is left blank in the Draft Plan. This information gets filled in on the Final Plan
Section 13	Reduction of home energy needs - Assurance 16		
13.3	Describe the impact of such activities on the number of households served in the previous federal Fiscal Year? Impact can be measured in many different ways: using logic models, data tracking systems, process evaluation, impact evaluation, number of households served versus applied, and performance management for example.	The impacts of the budget and energy education are that clients are more aware of their energy and household costs, which may result in overall household savings.	The impacts of the budget and energy education are that clients are more aware of their energy and household costs, which may result in overall household savings. CSD is working on policy updates to better track the impact of Assurance 16 activities, actively workshopping the plan with the Energy Council and the LSP network. The new policy will be implemented beginning with Program Year 2027.
13.6	How many households received these services?	220,573	175,083

Section 17	Program Integrity		
17.4	Income Verification What methods does your agency utilize to verify household income? Select all that apply.	Require documentation of income for all adult household members - Pay stubs - Social Security award letters - Bank statements - Tax statements - Zero-income statements - Unemployment Insurance letters	Require documentation of income for all adult household members - Pay stubs - Social Security award letters - Bank statements - Tax statements - Zero-income statements - Unemployment Insurance letters - Other - Describe: Individuals who provide proof of receipt of Supplemental Nutrition Assistance Program (known in California as CalFresh) or Temporary Assistance for Needy Families (known in California as CalWORKs) benefits are considered categorically eligible and are not required to submit additional income verification.
	Plan Attachments		
	Delegation Letter	Included	Included
	Heating Benefit Matrix	Included	Updated (attached)
	Cooling Benefit Matrix	Included	Updated (attached)
	Minutes, notes or transcripts of public hearing(s).	To be included with the Final State plan after public hearing	To be included with the Final State Plan after public hearing
	Optional - Policy Manual	Included Eligibility and Verification Guide	Updated Eligibility and Verification Guide (attached)
	Optional - Subrecipient Contract	Included	Updated Subrecipient Subvention Contract (attached)