

LIHEAP SUBGRANTEE TRAINING

November 5, 2019



Louisiana Housing
Corporation

LHC Energy Assistance Department

WELCOME AND INTRODUCTIONS



Louisiana Housing
Corporation

Low Income Home Energy Assistance Program (LIHEAP) 2020 Grant Award



- ❖ On November 1, 2019, the Louisiana Housing Corporation received notice from the Administration for Children & Families of the Fiscal Year 2020 allocation for the LIHEAP in the amount of \$49,835,082.
 - ❖ Award amount represents **90%** of the FY 2020 funding allocation
 - ❖ FY 2018 – Awarded \$48,120,020
 - ❖ FY 2019 – Awarded \$51,412,862 (6.84% increase)
 - ❖ FY 2020 – Projected Award \$55,372,313 (7.70% increase)
- *Contracts are under revision for issuance as of 11/15/2020.

Client Benefits

- Client benefits are applied based upon season (Heating/Cooling/Crisis)
 - ❖ Heating Season – November 15th – March 15th
 - ❖ Cooling Season: April 1st – September 30, 2021
 - ❖ Crisis Assistance: 12 months (October 1st – September 30th)
- Clients are eligible for one (1) FY2020 heating benefit, one (1) FY2020 cooling benefit, and one (1) FY2020 crisis benefit.
- The benefit matrix has not changed.

Example of New Exhibit A

Allen Action Agency, Inc.					
<u>Parish</u>			<u>Administration</u>	<u>Client Education (Assurance 16)</u>	<u>Total</u>
Allen			\$14,354.91	\$5,696.39	\$20,051.30
	<u>Assistance</u>	<u>Period</u>		<u>Program Support</u>	<u>Client Assistance</u>
	Heating	November 15, 2019 - March 15, 2020	\$2,848.20	\$54,115.73	\$56,963.93
	Cooling	April 1, 2020 - September 30, 2020	\$4,272.29	\$81,173.60	\$85,445.89
	Crisis	October 1, 2019 - September 30, 2020	\$1,139.28	\$21,646.29	\$22,785.57
			Total	\$8,259.77	\$156,935.62
				FY2020 Allocation Total:	\$185,246.69

ANNUAL COST ALLOCATION PLANS AND BUDGETS



Louisiana Housing
Corporation

Collette Oglesby

Goals and Objectives of This Session:



- Define what is considered a cost along with common terms associated with costs
- Discuss ways to handle costs that are for more than one program/funding source
- Discuss how to review an agency's method of spreading costs among all its funding sources

What are costs?

- **All costs incurred to carry out the operations of an agency.**
- The actual amount expended and not merely the amount budgeted.
- **2 CFR Part 200.402** The total cost of a Federal award is the sum of **allowable direct and allocable indirect costs** less any applicable credits.

Terms Related to Costs

- **Cost Objective:** The purpose for which the costs are measured
- **Joint Costs:** Have multiple cost objectives or multiple funding sources
- **Direct Costs:** Have a single cost objective/funding source (**2 CFR Part 200.413**)
- **Indirect Costs:** Not readily assignable to one specific cost objective/funding source (**2 CFR Part 200.56 and 2 CFR 200.414**)

Terms Related to Costs

- **Cost Pool:** Grouping of individual costs used to make cost allocations
- **Cost Allocation:** Process of assigning a cost to one or more cost objectives/funding sources
- **Administrative Costs:** Any expenditures for normally associated with the administration of a public assistance program, which can be both direct and indirect costs (LIHEAP Administrative Costs may not use any other Federal funds for remaining administrative costs once allocated administrative funds are expended, can only use non-federal funds)

Examples of Direct LIHEAP Costs

- **LIHEAP casework activities** – intake, eligibility determination, Assurance 16)
- **LIHEAP direct supervision** – compensation
- **LIHEAP program coordination** – compensation
- **LIHEAP program coordination** - compensation
- **Supplies and materials** – used by LIHEAP staff, including Outreach materials
- **Equipment** – purchase and ongoing costs of equipment used for LIHEAP, such as phone, computer, copier, etc.
- **Space** - space occupied by LIHEAP staff

Examples of Indirect Costs (2 CFR Part 200.414)

Administration

- Executive Department
- Accounting Department
- Human Resource Department
- IT Department
- Legal Department

Facilities

- Depreciation of Buildings
- Equipment and Capital Improvement
- Operations and Maintenance Expenses

Indirect Costs

Usually grouped into common pools (cost pools) and charged to the various benefiting program funds using the following:

Indirect Cost Rate

- Rate between Grantee or Subrecipient and Federal funding agency
- Based on salary and fringes

Cost Allocation Plan (CAP)

- An accounting report that details the calculations to be used to identify, measure, and allocate costs across the agency programs which benefit from such costs.
- Must assign equal costs to all federal and non-federal programs administered by agency

Common Elements of Cost Allocation Plans (CAP)

- Agency Identification
- Organizational Chart
- Descriptions of each agency organizational unit and the benefits provided by each
- Description of costs and the basis to be charged to each program
- Methodology used to identify, measure, and allocate all costs to each benefiting program and activity
- Financial Budgets
- Plan certification by duly authorized person at agency

****CAP should make sense based upon how business ran at agency, and costs must be allowable, reasonable, and allocable, as well as allocated in an equitable process.**

Cost Descriptions in CAP

Each cost description on a plan should include the following elements:

- Unit,
- Description,
- Included Expenses, and
- Cost Distribution Basis & Method

Example of Cost Distribution Basis & Method:

Salary and Fringe – time studies, percentage based upon Personnel Activity Report (PAR), total activity of program

Space – square footage (how much dedicated space to program)

Equipment & Supplies – percentage of activity, specific needs for each source (may be directly charged instead)

Other Expenses – as determined

Remember When Determining Costs

Costs must be allowable, reasonable and allocable.

2 CFR Part 200.403 **Allowable**

2 CFR Part 200.404 **Reasonable**

2 CFR Part 200.405 **Allocable**



Disallowed Costs

Disallowed Costs (2 CFR Part 200.31)

- Charges to a Federal award that the Federal awarding agency or pass-through entity determines unallowable
- Basis for allocating costs is unacceptable when it:
 - Fails to meet standards and definitions for costs.
 - Distorts final results of the distribution of costs.
 - Has no direct relationship to costs
 - Is charged based on plans, budgets, or estimates instead of actual costs.

****Cost allocation must result in equitable distribution of costs. Percentage share should reflect how the resources are being used by the program.**

Information to Take Into Consideration When Preparing a CAP

- Code of Federal Regulations (CFR) definitions and requirements
- Contract Requirements Related to Each Funding Sources
- Grantee/State/Territory/Tribal regulations
- Program Notices from Pass-through entity (LHC's LIHEAP Notice 2018-01 defining administrative, program support, and assurance 16 costs)

Regulations

Title 45 CFR

- Part 95.501 Subpart E Cost Allocation Plans (General Administration)
- Part 96.30 Financial and administrative requirements (Block Grants)

Title 2 CFR

- Part 200.400 Subpart E Cost Principles (OMB)
- Part 200 Appendices:
- IV to Part 200 – Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations
- V to Part 200 – State/Local Government wide Central Service Cost Allocation Plans
- VI to Part 200 Public Assistance Cost Allocation Plans
- VII to Part 200 – State and Local Government and Indian Tribe Indirect Cost Processes

QUESTIONS AND ANSWERS



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BREAK



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Invoice Process for Administrative, Program Support, and Client Education Cost in the New Hancock Energy Software (HES) System



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Invoicing Requirements

- Agencies will only submit one (1) monthly invoice for all administrative, program support, and client education (Assurance 16) costs.
- Invoices for administrative, program support, and client education are due by the seventh 7th of each month, unless the 7th falls on the weekend or holiday, then the invoice will be due the next business day. Invoices for client services are still due weekly, by Tuesday.
- All supporting documentation must be attached to all invoice submissions for review by LHC staff until which time the Agency is notified by LHC it is no longer needed. (at a minimum of three (3) months)
- LHC is in the process of drafting a LIHEAP Invoicing Memo for distribution. However, the Attachment A – LA LIHEAP Invoice Detail Workbook has been distributed for use.

Entering Invoices into HES

ATTACHMENT A
NOTICE LHP-2019-02



[Subgrantee] LIHEAP INVOICE DETAIL FOR [Month] [Year]

Budget Type	Program Year	Invoice Start Date	Invoice End Date	Date of Expense	Total Bill Amount	Funding Source	Percentage Allocated to LIHEAP Funding Source	Amount Allocated to Funding Source	Description
Admin	2019	3/1/2019	3/31/2019	1/15/2019	\$600.00	LIHEAP	20.00%	\$120.00	Quarterly General Liability and Worker's Comp Policy eff 7/1/18 - 7/1/19
Admin	2019	3/1/2019	3/31/2019	2/28/2019	\$450.00	LIHEAP	20.00%	\$90.00	Salaries - Executive and Accounting
Admin	2019	3/1/2019	3/31/2019	1/17/2019	\$163.18	LIHEAP	20.00%	\$32.64	5 boxes of paper and 2 packages of blue ink pens
Client Education	2019	3/1/2019	3/31/2019	2/4/2019	\$125.00	LIHEAP	100.00%	\$125.00	50 LED Light Bulbs
Client Education	2019	3/1/2019	3/31/2019	2/28/2019	\$400.00	LIHEAP	100.00%	\$400.00	30 second Radio Spot with WFME
Heating - Program Supp	2019	3/1/2019	3/31/2019	2/28/2019	\$553.20	LIHEAP	20.00%	\$110.64	Personnel time spent performing Home Visits to 5 Clients during Feb. 2019
Heating - Program Supp	2019	3/1/2019	3/31/2019	12/5/2018	\$234.40	LIHEAP	100.00%	\$234.40	LHC LIHEAP Training Conference: Hotel 2 nights (\$100/night) & 60 miles (\$0.54/mile) in personal vehicle (no agency vehicle)
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Entering Invoices into HES

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Salaries Included

Employee Name	Title	Salary	Budget Types	LIHEAP Hours Worked	LIHEAP Responsibility by Budget Type
Lauren Holmes	Deputy Administrator	\$65,000.00	Admin	25	\$781.25 Admin

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New Hancock Energy Software (HES) Log In and Roles

The URL for the new LIHEAP Hancock Software System (HES) site:

<https://la.hancocksoftware.com/fa>

- Log in with current User ID
- “Hancock01” is the default password for initial log in for the new system.
- Users must change their password after their initial log in.

NOTE: The system works more efficiently using Google Chrome as the web browser.

- New user role created called “LIHEAP Agency Admin”.
- Each Agency must submit a request to LHC with the name of the person to assign the role of LIHEAP Agency Admin.
- This role has the rights to reset passwords and define roles for users in their agency.

Entering Invoices into HES

Basic process to enter invoices into the new HES system:

1. Log in – Defaults to “Payment” tab
2. Click “New” on the Payment tab
3. Select “Allocation” (Heating/Cooling or Crisis)
4. Select “County” (Parish)
5. Click “New”
6. Select “Budget Type” (Admin, Client Education, Crisis/Heating/Cooling Prog Supp)
7. Enter “Budget Type Detail”
8. Enter “Requested Amount”
9. Select “Save”
10. Repeat steps 5 through 8 until all expenses for month are entered into the invoice screen
11. Attach scanned support documentation
12. Enter Comments, if any
13. Click “Submit”

Note: Agencies serving multiple parishes will have to enter invoices for each parish they serve.

Entering Invoices into HES

- Once an Agency clicks “Submit”, LHC is able to begin their review process of the invoice.
- If LHC finds any discrepancies during the review, they will send the invoice back to the Agency and enter comments in the comment field.
- The invoice will show as “Needs Additional Information” under the Payment tab in the system.
- Once the Agency has corrected and/or added requested information to the invoice, they will submit the invoice back to LHC for completion.

Invoice Status:

1. New
2. Needs Additional Information
3. Approved
4. Paid

It is important for Agencies email LHC LIHEAP contact and copy E4@lhc.la.gov upon initial submission of invoices and when any requested corrections are submitted.

General Invoicing Requirements

- At least the first three (3) months of this initial plan year, LHC will require all support documentation with all invoice requests submitted for payment.
- After three (3) months, this may change on an agency-by-agency basis. The goal is to phase out the submission of supporting documentation and review each agency's invoice entry in HES for payment approval. LHC will increase security protocols in an effort to ensure information entered into HES is only performed by persons with proper access and who have completed any required security training.
- At the point an agency no longer has to submit its support documentation, LHC will review these documents during monthly desk monitoring and on-site monitoring.

NOTE: LHC will reinstitute the submission of all supporting documentation if either the on-site and/or desk monitoring reviews indicate areas of concern.

Invoicing Requirements for Administrative, Program Support and Assurance 16 Costs

- Must be in accordance with LHC's Notice LHP-2018-01 Definitions of Administrative Costs and Programmatic Cost Categories

ADMINISTRATIVE COSTS:

- Must be actual costs for auxiliary functions and services necessary to sustain direct effort involved in administering and/or providing services to the grant program.
- Must use OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements 2 CFR 200 for determining administrative costs.

PROGRAM SUPPORT AND ASSURANCE 16 COSTS

- Must be actual costs directly attributable to LIHEAP services and that are reasonable and necessary as determined by LHC for the purpose of delivering those services.

Technical Training Assistance Cost Requirements

- It is recommended that Subgrantees request pre-approval from LHC for non-LHC provided training expenditures to ensure reimbursement and applicability to LIHEAP. The LHC approval should be included with the invoice.
- All in-state travel must be in accordance with the Louisiana State Travel Policy.

NOTE: This recommendation is to protect the subgrantee (agency) and will help to eliminate any problems with receiving reimbursements for any training.

Invoice Documentation Requirements

- All invoiced items must be entered into the Hancock Energy Software (HES) for electronic submission
- Other required supporting documentation (list is not all inclusive):
 - Time sheets
 - Documentation of operating expenses
 - Invoices
 - Cost of equipment
 - Mileage documentation
 - Hotel receipts
 - Training agenda
 - Copies of outreach expenses (invoices related to creating and printing outreach materials, training materials, etc.)

NOTE: LHC's Energy Assistance Department's invoice documentation requirements may be revised and/or updated in the forthcoming LIHEAP Invoicing Notice.

Suggested Documentation to Have When Entering Invoices into HES

- All support documentation
- Agency cost allocation plan
- LHC's Notice LHP-2018-01 Definitions of Administrative Costs and Programmatic Costs Categories
- **Once published, LHC's LIHEAP Invoicing Notice.**

QUESTIONS AND ANSWERS



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LUNCH

INTRODUCTION TO NEW HANCOCK ENERGY SOFTWARE (HES)



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Danielle Amasia, Hancock Energy Software

Introduction to the new Hancock Energy Software (HES) LIHEAP Cloud

A decorative graphic in the bottom right corner of the slide. It features a light purple circle representing the sun, positioned above two stylized houses. The house on the left is a darker purple, and the house on the right is a light teal color. Both houses have white outlines for their roofs and doorways.

- Invoices for Client assistance (benefits) are still currently entered into the old HES system
- Administrative, Program Support & Client Education Invoices are currently entered into the new HES LIHEAP Cloud
- Full LIHEAP Cloud ready for testing
- Danielle Amasia | VP Product Marketing | Hancock Software

QUESTIONS AND ANSWERS



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FRAUD



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Grantee Responsibility

45 CFR 96.84 (c)

- **(c) Prevention of waste, fraud, and abuse.** Grantees must establish appropriate systems and procedures to prevent, detect, and correct waste, fraud, and abuse in activities funded under the low-income home energy assistance program. The systems and procedures are to address possible waste, fraud, and abuse by clients, vendors, and administering agencies.

Current LHC Policies

LIHEAP Service Delivery Guide, Chapter 9 – Suspected Fraud Protocol

- Under revision
- Deals with how to handle fraud on the part of an applicant
 - Required responsibilities of Intake Worker, Supervisor, Required forms (LHC LIHEAP Forms 10.7 & 10.8), and submission to LHC for review and determination
- Does not address LHC's fraud policy and procedure expectations for subgrantees

QUESTIONS AND ANSWERS



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