

Good afternoon. Welcome to today's webinar on "Leveraging Resources for the Weatherization Innovation Pilot Program," known as WIPP. Thank you for joining.

Hello. My name is Amy Hollander, and I'll be your presenter today. Many of you know me as the coordinator of the WIPP Technical Assistance for the National Renewable Energy Lab in Golden, Colorado.

I wanna take a moment to remind the audience that NREL has access to many experts in weatherization, energy efficiency, energy education, project planning, and finance to meet your needs. Other areas of technical assistance include program design, research, resources, training, technology, project management, and weatherization field training.

Specifically, for the WIPP program, remember that NREL's technical assistance is free to help grantees move towards producing high-quality weatherized units for low-income populations who qualify for free home energy upgrades.

With that, let's begin today's webinar on leveraging resources. The objective of this webinar is not only to define leveraging resources, but also to ensure weatherization innovation grantees are capturing all possible leveraging dollars. We also want to demonstrate the success of leveraging resources so your success can be duplicated by other weatherization providers to expand services to low-income residents.

Weatherization Innovation grantees have goals to match \$1.00 of DOE WIPP funding with \$3.00 of non-federal funding resources. So what qualifies as leveraging and how do you document this correctly to capture and report your resources? Also, how can leveraging be spent?

The attached photo is an example of how leveraging should not be used for stacking houses to gain seaside views, and this is a photo courtesy of the Dutch Theater in Amsterdam.

It's important to know the definition is for non-federal leveraged resources, not just dollars. This enables agencies to leverage nonmonetary resources to expand your weatherization efforts.

The Weatherization Program Guidance, Policy 11-08, cited here, states, "The resources should be to supplement federal grant activities that will be used in conjunction with the DOE WIPP grant, to increase the energy efficiency of dwellings owned or occupied by low-income persons to reduce their total residential energy expenses and improve their health and safety."

Here are some examples. Probably the most overlooked categories are reporting the use of vehicles and equipment not purchased by federal funds. Administrative services, such as shared receptionists, phones, and office space, and in-kind types of expenses, such as payroll, benefits management, human resources, management of the programs, and attorney fees.

Grantees must be able to document leveraged resources. For example, in the use of administrative services, timesheets demonstrating hours not paid for by federal funds would be sufficient. But, again, you may miss out on leveraged dollars if you don't count associated costs.

Using the example of a receptionist, have your accountant develop an accrual accounting spreadsheet that tracks benefits and overhead associated with that volunteer employee, such as phone expenses, office supplies, square footage of the office space, and anything related. Remember to stay within reasonable amounts and to submit accrual documents to your project officer, when monitored, so that calculations are transparent.

The primary goal is to weatherize more units with leveraged funding. When counting leveraged resources you should ask, "Will this resource expand energy efficiency services and/or increase the number of DOE-eligible units that we weatherize?" The primary goal is always to weatherize more units.

Weatherization Innovations specifies any work connected with DOE WIPP dollars must be done according to the WIPP or WAP policy and WIPP Program Guidance 1108. This includes getting a savings-to-invest ratio of one or better, as described in Section 2.2.

WIPP grantees should also consult Weatherization Program Notice 10-17. It quotes that, "Guidance on using non-federal resources as a buy-down for meeting the savings-to-investment ratio for materials used in the Weatherization Assistance Program is required."

Agencies should report all nonfederal leveraging resources they think may be allowable. DOE will determine if the leveraging is allowable.

During the next few slides, we will discuss in detail how to best capture and report leveraged dollars. The first step is to make sure you assign fair and reasonable values to nonmonetary leveraging resources. Secondly, I'll review the tracking of all possible leveraging opportunities, and lastly I'll review the reporting of all practical leveraging resources and whether or not DOE will determine if they're eligible.

When utilizing nonmonetary leveraging, you need to assign a dollar amount to it. In this example, the use of volunteers generate indirect cost, and these should be calculated. As mentioned earlier, first MCs should have their accountants calculate fair and reasonable volunteer labor rates, based on fair market wage for the task paid to similar employees of the agency or entity. Also, a professional salary survey within the local economy is a good resource to use.

Secondly, accountant should track time to manage and train volunteers, but remember if the volunteer manager or other staff positions are paid by federal dollars, you cannot count this as leveraged labor.

Next, cost for volunteer insurance, such as liability, workers compensation, and auto insurance should be calculated. Then transportation, mileage and tools should be included, but once again, only if they're not paid for by federal dollars.

Lastly, administrative costs to process insurance paperwork, vehicle permissions, and mileage reimbursement should be included in the cost of volunteer labor, if not paid for by federal dollars.

It is estimated that 30 to 40 percent of the volunteer's market wage or salary is spent supporting the volunteer, and these can be included in your leveraged amount.

The independent sector in **Volunteering** America have calculated the estimated value of volunteer time in the year 2011 with \$21.70 per hour. This is an example of how the cost of a volunteer wage can certainly add up.

When tracking and logging leveraged resources, be sure to calculate the value based on the cost of goods sold. The cost of goods sold is a term that includes all associated costs related to the donated item. In donated materials, for example, you should include the retail value, the delivery, the storing of, and the installation cost.

Administrative services, including the following – and, again, if not paid for by federal dollars – are things like the use of phones, receptionists, office supplies, administrative services used in processing items that are performed in concert with the program, waived administrative fees, which are a percentage of the total grant, in-kind legal fees, payroll, human resources, and benefits management.

Other examples of non-federal funding sources include utility dollars, including the management donated for program management, other grant funds such as non-federal items such as United Way, Habitat for Humanity, county health departments, things like that, and loan funds. Loan funds can include the pro bono processing for the managing of loan funds. Also, you can count discounted services for attorney fees to develop the loan plan.

Administrative services, including the following – and, again, if not paid for by federal dollars – are things like the use of phones, receptionists, office supplies, administrative services used in processing items that are performed in concert with the program, waived administrative fees, which are a percentage of the total grant, in-kind legal fees, payroll, human resources, and benefits management.

Other examples of non-federal funding sources include utility dollars, including the management donated for program management, other grant funds, such as non-federal items such as United Way, Habitat for Humanity, county health departments, things like that, and loan funds. Loan funds can include the pro bono processing for the managing of loan funds. Also, you can count discounted services for attorney fees to develop the loan plan.

Reporting your leveraged resources is essential to the success of your WIPP grant, of course, and this is done through the Page System. DOE is encouraging WIPP entities to report any legitimate leveraging resource. Remember; do not report federal funds as leveraging dollars.

This is an example of the **PAGE** reporting system that you're probably all familiar with. The system requires you to name the leveraging source, state the dollar amount of previously approved funds, and report the leveraging equivalent of the actual leveraged resources for the current quarter.

Weatherization Program Guidance 11-8 states that, "Leveraged resources are subject to the same rules as appropriated DOE funds," so if leveraged funds should touch WIPP funds, then WIPP rules apply. However, leveraged dollars are not to be reported as program income, so be aware that program income is appropriated DOE federal funding and leveraged WIPP resources are never to be reported as DOE WIPP program income.

What does an entity do when they earn funds as a result of their WIPP reward? These funds may be added to the WIPP funds to weatherize more units or implement additional eligible project objectives, such as outreach for eligible clients.

So in summary, the three points of reporting is to follow the PAGE Federal Financial Report, SS-425, distinguish outlays by fund source between DOE and non federal resources, and do not mix WIPP and WAP funds or any other weatherization-related funds, such as ARRA or SIRG.

As many of you have experienced, starting a weatherization assistance program with leveraged funds takes time and creativity. Some WIPP agencies had to change laws and state policies. Some had to train workers from the ground up using the new audit software, and some had to find contractors and vendors willing to learn how to weatherize.

With all the experience and action, you may want to keep the inertia going and continue your mission. The following are ideas for partnerships for future funding of weatherization activities. The most common partners are utilities and other grants with similar missions, such as Healthy Homes, Housing and Clean Air Initiative. Other more ambitious efforts include creative financing with ESCOs, working with multi-family building owners and landlords, and many other things that have yet to be discovered.

On February 21, NREL will host a webinar that will review a how-to guide to selling weatherization carbon offsets to corporations in exchange for weatherization dollars.

[End of Audio]