

Weatherization Program Notice 98-3

Effective Date - December 24, 1997

SUBJECT: REVISED WEATHERIZATION ASSISTANCE PROGRAM APPLICATION PACKAGE

PURPOSE: To issue the revised application package and reporting requirements for the Low-Income Weatherization Assistance Program (Weatherization) for use by the States.

SCOPE: The provisions of this guidance apply to all grantees applying for financial assistance under the Department of Energy's (DOE) Weatherization Assistance Program for Low-Income Persons. While this application package becomes effective with the Program Year 1998 grant cycle, should any State experience delays in implementing the new application, DOE will accept applications from those States for Program year 1998 using the old application package. However, all States will be required to use the new application package for Program Year 1999.

BACKGROUND: Title IV, Energy Conservation and Production Act, as amended, authorizes the Department of Energy to administer the Low-Income Weatherization Assistance Program. All grant awards made under this program shall comply with applicable law including regulations contained in 10 CFR Part 440, and other procedures applicable to this regulation as DOE may, from time-to-time, prescribe for the administration of financial assistance.

The grant application package was revised, restructured, and updated in December 1997 to reflect changes in the program mandated by the final rule; to streamline the current process; and to promote national consistency in the grant application, reporting requirements, and operation of the Weatherization Assistance Program. In the updated application package, many of the budget and reporting forms have been revised significantly.

In 1998, DOE expects to launch the new WinSAGA system. This windows-based data system is designed to further simplify and enhance the grant application and reporting process. Enhanced system features will include electronic application submission and project status reporting and improved grants/data management. The system will incorporate and complement changes to the application package. Although WinSAGA participation is not mandatory, DOE encourages all States to be connected. While DOE provides the primary components for WinSAGA implementation, States may incur some costs to ensure computer system compatibility. Funds required by a State for hardware/software acquisition will be an allowable cost in the FY 1998 State plan/budgets for Weatherization.

Until WinSAGA is fully operational, States will continue the paper submission of all applications and reports. As WinSAGA weatherization sites come on-line, States will be able to phase-in their use of the electronic system features. For those States that elect not to participate in WinSAGA, DOE will continue to accept the paper submission of applications and reports.

PROCEDURES: The format of the grant application has been standardized for national consistency and to expedite review. The DOE has restructured the application package and

divided the grant application components into two "files": The "Annual File" and the "Master File." The "Annual File" will contain all the grant application components that change annually (e.g., budget, production schedule, training and technical assistance activities, etc.). The "Master File" will contain the application components that are generally unchanged from the previous year (e.g., the State's climatic conditions, the extent to which priority will be given to the weatherization of single-family or other high energy consuming dwelling units, etc.).

NOTE: Program Year 1998 will be the first program year of the new application package. All grant application components must be submitted so that the U.S. Department of Energy has all information on file for later inclusion in the State's Master File. Program Year 1998 will be the first program year of the new application package. All grant application components must be submitted so that the U.S. Department of Energy has all information on file for later inclusion in the State's Master File.

A checklist is provided in Section 1.3 of the application package that applicants should use to cross-reference rule sections to grant application components. The checklist can also be used to determine if a particular grant application component belongs in the Annual or the Master File.

Annual File

The Annual File consist of the following 11 components:

- Grant Application -- Standard Form 424
- Budget
- Production Schedule
- Energy Savings
- Monitoring Activities
- Training and Technical Assistance Activities
- Leveraging Activities
- Assurances and Certifications
- Policy Advisory Council
- Hearings and Transcripts
- Miscellaneous

Master File

The Master File consist of the following six components:

- Eligible Population - Overview
- Climatic Conditions - Administrative Expenditure Limits
- Weatherization Work - Waiver from 40% Material Cost Requirement
- Health and Safety - Capital-Intensive Average
- Rental Procedures - Monitoring Approach
- Program Management - Training and Technical Assistance Approach

Many changes have been made to some components of the application package. The Office of State and Community Programs (OSCP) strongly encourages DOE's Regional Support Offices to

hold pre-award meetings with their States to review these changes. Some of the more significant changes occurred in the following components:

Budget

Additional categories were added to address: Capital Intensive Materials, Capital Intensive Program Support less Labor, Capital Intensive Labor and/or, if a State chooses, standard program operations and capital program operations. The last two budget categories (program operations) are only applicable to those States which have received a waiver to the 40% requirement.

Production Schedule

The Federal Assistance Management Summary Report (FAMSR) is no longer used in the Weatherization Assistance Program. The Production Schedule replaces the FAMSR. The Production Schedule to be submitted at the time of application requests only planned total units to be weatherized; total units to be weatherized using \$1,600 adjusted average; and, total units to be weatherized using capital intensive average, by quarter. All other unit demographics are submitted using an annual total, only. Likewise, States need only submit the total people to be assisted, by quarter at the time of application. Both the demographics of the actual units weatherized and the people assisted will be reported, on a quarterly basis, using the Production Reporting Form.

The Production Schedule also has space to calculate the gross average cost per dwelling unit and for calculating the average cost per dwelling units for materials, labor and program support and the average for materials only.

DOE is not requiring States to report on the ethnicity of the people assisted.

Energy Savings

Applicants shall provide an estimate of the amount of energy to be conserved. The estimate and the methodology used to estimate energy savings shall be clearly explained. Those States that have conducted evaluations and have a methodology for calculating energy savings, may continue to use that methodology. Simply identify and explain it to your applicable Regional Support Office. For those States that have not developed a methodology for computing energy savings, DOE is including a methodology in the application package.

Monitoring Activities

Applicants shall indicate the method used to ensure the quality of work and adequate financial management control at the subgrantee level. The Annual File should contain a description of the monitoring activities to be undertaken during the program year with funds budgeted for monitoring on DOE F 4600.4 under either the Training and Technical Assistance (T&TA) or

Administrative cost categories. States are still required to monitor each subgrantee at least once a year. States shall provide semi-annual updates to the Regional Support Offices describing the

monitoring that has occurred in the previous two quarters. The Monitoring Report format, including instructions, is provided for reporting this information to the applicable Regional Support Office.

Training and Technical Assistance Activities

Specific needs for training, technical assistance and client education vary over time. The Annual File needs to include a description of the activities to be undertaken during the program year with funds budgeted for T&TA on DOE F 4600.4. Client education activities should also be described. States shall provide semi-annual updates to the Regional Support Offices describing the T&TA activities that have occurred in the previous two quarters. The T&TA Report format, including instructions, is provided for reporting this information to the applicable Regional Support Office.

Leveraging Activities

If a State elects, it can set aside a portion of its allocation to conduct leveraging activities. States shall provide an explanation of how these funds will be used to obtain non-federal resources, how funds leveraged will be used to support the DOE Weatherization Program, the leveraging effect of those funds, and the rationale for the amount of funds being used. DOE defines leveraging as the obtaining by a State of additional program-targeted non-federal cash or in-kind contributions as a result of the Weatherization Program-funded activities. Leveraged contributions may not include cash or in-kind contributions that have already been included in leveraged funds for other programs, nor may they include Petroleum Violation Escrow funds, which are tracked separately under the Weatherization Program. Leveraging should be limited to contributions that can be clearly attributed to a State's weatherization activities, and that are used to augment those activities.

States shall provide semi-annual reports to the Regional Support Offices describing leveraging activities that have occurred in the previous two quarters. A Leveraging Report format for reporting this information is included in the application package.

MISCELLANEOUS: This section of the application should be used to inform DOE whether a State intends to apply for the 40% waiver during the Program Year. For PY 1998, States should also explain in this section how the energy audit compliance monies will be expended.

ENERGY AUDIT IMPLEMENTATION: In Program Year 1992, DOE provided each State "with separate funds" (\$25,000 plus 2.5 percent of its base grant) for energy audit compliance. States were allowed to carry over these funds until they could develop energy audit plans. Many States did not expend those funds because they were awaiting the availability of the DOE developed NEAT audit. With the completion of the NEAT and the availability of other approved waiver audits, including the mobile home audit, States were expected to have expended these funds. States may carry over these funds into 1998, provided they are part of a submitted audit compliance plan and approved by the applicable Regional Support Office. All funds in this category must be obligated to energy audit implementation activities during Program Year 1998.

or these funds will be reprogrammed back into the program allocation category and can only be used to weatherize homes.

SUCCESS STORIES: From time-to-time OSCP is requested to provide "success stories" to DOE upper management and to the Congress. In the past, DOE has had to request this information from States through the applicable Regional Support Office on an ad hoc basis. With the revision of the application package, DOE has developed a Success Story Format so that States can report this information. DOE is requesting that this information be reported to the applicable Regional Support Office, with a copy to OSCP, as successes occur, but no less frequently than semi-annually. From time-to-time OSCP is requested to provide "success stories" to DOE upper management and to the Congress. In the past, DOE has had to request this information from States through the applicable Regional Support Office on an ad hoc basis. With the revision of the application package, DOE has developed a Success Story Format so that States can report this information. DOE is requesting that this information be reported to the applicable Regional Support Office, with a copy to OSCP, as successes occur, but no less frequently than semi-annually.

FINANCIAL AUDITS: Circular A-133 was revised June 30, 1997. The new circular implements the 1996 Single Audit Act Amendments and establishes uniform audit procedures for all non-federal grant recipients, State and local governments, colleges and universities, hospitals, and non-profit organizations. It also rescinds Circular A-128, Audits of State and Local Governments. Circular A-133 and the 1996 amendments are effective for audits of fiscal years beginning after June 30, 1996. Circular A-133 was revised June 30, 1997. The new circular implements the 1996 Single Audit Act Amendments and establishes uniform audit procedures for all non-federal grant recipients, State and local governments, colleges and universities, hospitals, and non-profit organizations. It also rescinds Circular A-128, Audits of State and Local Governments. Circular A-133 and the 1996 amendments are effective for audits of fiscal years beginning after June 30, 1996.

The audit threshold has been increased to \$300,000 of federal award expenditures. The prior threshold, under A-128 and A-133 was \$25,000. All non-federal entities that expend \$300,000 or more in a year in federal awards shall have a single or program-specific audit conducted for that year in accordance with the provision of A-133. The \$300,000 federal funds threshold includes funds from all federal agencies. For purposes of the single-audit, Petroleum Violation Escrow funds are not treated as federal or appropriated funds. Subrecipients that spend less than \$300,000 are no longer required to have a single audit.

REPORTING REQUIREMENTS: Many changes have occurred to the reporting forms and requirements. Following is a list of the forms used in the Weatherization Assistance Program and the frequency with which they are to be reported. Many changes have occurred to the reporting forms and requirements. Following is a list of the forms used in the Weatherization Assistance Program and the frequency with which they are to be reported.

Quarterly Reporting Forms

- Financial Status Report (Long Form), Standard Form 269 (Revised 4-88);
- Quarterly Outlay and Funding Report (Revised 12-97);

- Quarterly Production Report (Revised 12-97); and
- Federal Cash Transaction Report (SF-272).

NOTE: The reporting forms listed above replace the following forms used previously:

- Financial Status Report Detail, Block 12, Attachment to SF-269A (Outlays by Budget and Object Class Category); and
- Federal Assistance Management Summary Report, Form EIA-4593 (Revised 10-80) or DOE F 4600.5 (Revised 1-93).

Semi-Annual Reporting Forms

- Training and Technical Assistance Activities;
- Monitoring Activities;
- Leveraging Updates;
- Program Success Stories.

SUMMARY: The Department of Energy -- Office of State and Community Programs, Regional Support Offices, Golden Field Office and Albuquerque Operations Office -- in consultation with the Weatherization State Grantees, has updated, revised, restructured, and hopefully, streamlined the Weatherization Grant Application Package. Where possible, suggestions have been accepted and incorporated. These suggestions included clarifying some sections of the application package, and in one case the elimination of one form. For instance, the entire network felt that the FAMSR was a cumbersome, complicated form that required lots of guess work on the part of the States at the time of application. The FAMSR has been eliminated from the OSCP grant programs. New forms were created to collect the data previously reported on the FAMSR. The Department of Energy -- Office of State and Community Programs, Regional Support Offices, Golden Field Office and Albuquerque Operations Office -- in consultation with the Weatherization State Grantees, has updated, revised, restructured, and hopefully, streamlined the Weatherization Grant Application Package. Where possible, suggestions have been accepted and incorporated. These suggestions included clarifying some sections of the application package, and in one case the elimination of one form. For instance, the entire network felt that the FAMSR was a cumbersome, complicated form that required lots of guess work on the part of the States at the time of application. The FAMSR has been eliminated from the OSCP grant programs. New forms were created to collect the data previously reported on the FAMSR.

As OSCP officially implements the new application package and reporting requirements, we will use this time to monitor the revised process and will make changes to the package and forms as experience dictates.

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Energy Efficiency and Renewable Energy