



Department of Energy
Washington, DC 20585

WEATHERIZATION PROGRAM NOTICE 14-1
EFFECTIVE DATE: February 25, 2014

SUBJECT: PROGRAM YEAR 2014 WEATHERIZATION GRANT GUIDANCE

This guidance includes the following sections:

- 1.0 Purpose;**
- 2.0 Program Priorities and Initiatives;**
- 3.0 Funding;**
- 4.0 Applications for WAP Annual Formula Grants**
- 5.0 Weatherization Program Policy Notices; and,**
- 6.0 Website Information.**

1.0 PURPOSE

To issue grant guidance and management information for the Weatherization Assistance Program (Weatherization or WAP) for Program Year (PY) 2014 based on the following documents:

- Attachment 1: Administrative and Legal Requirements Document (ALRD)
- Attachment 2: Application Instructions, to be used by all States, Territories, and Indian tribes (and locals, if applicable) as supplemental information when applying for direct grants under the Weatherization Assistance Program for Low-Income Persons.

DOE will provide allocations as outlined in Weatherization Program Notice (WPN) 14-2 entitled *Program Year 2014 Grantee Allocations*. Grantees must consider all of these documents when submitting 2014 applications.

1.1 SCOPE

The provisions of this guidance apply to Grantees or other entities named in the Notification of Grant Award as the recipient(s) of financial assistance under the Department of Energy (DOE or Department) WAP.

1.2 LEGAL AUTHORITY

Title IV, Energy Conservation and Production Act, as amended, authorizes the Department to administer the WAP (42 U.S.C. § 6861, *et. seq.*). All grant awards made under this program shall

comply with applicable law and regulations including, but not limited to, the WAP regulations contained in 10 CFR 440 and DOE Financial Assistance Rules at 10 CFR 600.

1.3 GRANT GUIDANCE REORGANIZATION

In an effort to align the Grant guidance with current Program Notices, DOE will continue to reference issues covered by those Program Notices rather than re-stating information in this Guidance document. Where there were significant clarifications, relevant guidance pieces that encapsulate those changes are being re-issued so Grantees can easily reference all guidance necessary for the implementation of the WAP grant. Elements that were addressed in prior annual guidance but not referenced in other Program Notices were either incorporated into appropriate notices or eliminated.

A table has been added in Section 5.0, which lists active WAP Notices. This table provides references to relevant issues to assist Grantees in the development of their Grantee WAP plans, policies and procedures.

2.0 PROGRAM PRIORITIES

From time to time, DOE undertakes initiatives to improve the WAP's operations and effectiveness. This Section informs Grantees of these priorities. They are not considered program policy until provided in a related WPN. The following are currently under consideration by DOE:

2.1 NATIONAL TRAINING AND TECHNICAL ASSISTANCE TOOLS AND RESOURCES

In March 2010, DOE tasked the National Renewable Energy Laboratory (NREL) with the development of national guidelines for Weatherization work and a companion set of knowledge, skills, and abilities for the workforce involved in the residential energy efficiency retrofit industry. As a result of that work, the Guidelines for Home Energy Professionals project was developed as a collaborative effort designed to engage the home performance industry in developing resources that include work quality specifications, training program accreditation, job task analyses and certifications for workers. The goals of the project are to help demonstrate the quality of the program and serve a national need to create a robust home energy upgrade industry.

DOE now requires that these guidelines be used by grantees as a minimum to develop and/or upgrade field guides and other specification documents for the WAP. Resources available or soon to be available for use in the WAP in 2014 in implement this requirement include:

- **The Standard Work Specifications for Home Energy Upgrades (SWS):** The SWS define the desired outcomes for any weatherization or home performance task to be effective, durable and safe. <https://sws.nrel.gov>
- **The Job Task Analyses for Home Energy Professionals (JTA):** The JTAs define the proper installation protocols and what a worker needs to know and do. They were

developed through a consensus-based process with industry and are the foundation for training program accreditation. The JTAs cover the four most common Home Energy Professional job classifications:

- Retrofit Installer Technician
- Crew Leader
- Energy Auditor
- Quality Control Inspector

For more information on the JTAs:

https://www1.eere.energy.gov/wip/guidelines_accredited_training.html - jta

2.2 WAP NATIONAL EVALUATION

The Weatherization National Evaluation retrospective assessment covering the 2008 Program Year is under DOE review. This evaluation will re-establish the benchmarks developed in 1989 (and updated periodically) for energy savings and metrics resulting from Weatherization service delivery. The other major component of the evaluation will reflect activities and outcomes resulting from the Recovery Act period. These results should be provided to DOE over the next several months. Research outcomes will be provided to the Weatherization network after peer and DOE reviews are complete.

2.3 ACCREDITATION OF ENERGY EFFICIENCY TRAINING PROGRAMS

DOE contracted with the Interstate Renewable Energy Council (IREC) to develop an accreditation for energy efficiency training program based on the four Home Energy Professional JTAs. This accreditation is a third party validation that an organization is qualified to teach the knowledge, skills and abilities outlined in the JTAs. To locate WTCs with accreditation:

http://www1.eere.energy.gov/wip/retrofit_guidelines_overview.html

2.4 HOME ENERGY PROFESSIONAL CERTIFICATIONS

The Standard Work Specifications and the Job Task Analyses certifications provide continuity among work quality guidelines, training quality and an evaluation of the individual student. These are professional credentials that require applicants to demonstrate professional experience, knowledge and skill. In addition, [WPN 14-4](#) provides additional information about the upcoming requirements to support and verify quality work in the program.

2.5 THE NATIONAL WEATHERIZATION TRAINING PLATFORM (NWTP)

The NWTP is an open-source, online training resource that enhances and supplements traditional classroom, lab and in-field weatherization training. As the home energy upgrade market expands, these advanced training tools will assist workers in developing the knowledge, skills and abilities necessary to build the industry. Housing these tools in an online environment allows up-to-date building science and educational resources to be readily available to the national training network. The NWTP is a valuable supplement to the hands on classroom and in-field training provided by skilled trainers. The NWTP is available at: <https://weatherization-nwtp.nerlearning.nerlearning.org/nwtp/>.

2.6 WEATHERIZATION PLUS HEALTH

The Weatherization Plus Health initiative is a national effort to strategically coordinate resources to improve the energy efficiency, health, and safety of low-income homes. The National Association for State Community Services Programs (NASCSPP) is implementing the project on behalf of DOE. Weatherization Plus Health will help communities connect resources so that residents can access comprehensive solutions to their housing problems. To achieve these goals, Weatherization Plus Health provides a series of resources that will allow the WAP and Healthy Homes providers to establish strong partnerships, coordinate service delivery, and implement new strategies to benefit their communities. More information is available at: <http://www.wxplushealth.org>.

2.7 MULTIFAMILY TOOL FOR ENERGY AUDITS (MulTEA)

The WAP has commissioned Oak Ridge National Laboratory (ORNL) and Lawrence Berkeley National Laboratory (LBNL) to develop the new Multifamily Tool for Energy Audits (MulTEA). The tool is being developed in direct response to needs expressed from the field. MulTEA will produce an audit that provides auditors with an improved energy simulation and weatherization measure selection tool for multifamily buildings. The tool will be included with the Weatherization Assistant suite of resources and will be rolled out in two phases in 2014.

2.8 FULL IMPLEMENTATION OF ASHRAE 62.2-2013 STANDARD

ASHRAE has issued standard 62.2-2013 Ventilation and Acceptable Indoor Air Quality in Low-Rise Residential Buildings. Grantees should be planning and training for implementation of the new standard. Full implementation should be no later than the beginning of Program Year 2014.

3.0 FUNDING

The funding for the WAP in the application, requiring DOE approval for expenditure, can come from several sources:

- Appropriated Weatherization Funding
- Low-Income Home Energy Assistance Program (LIHEAP) funds designated for expenditure under DOE regulations
- Leveraged Resources
 - Designated for expenditure under DOE regulations (e.g., utility funds, state trust funds, other)
- Petroleum Violation Escrow (PVE) Funds
 - Warner and EXXON oil overcharge funds
 - Stripper Well and other oil overcharge funds (including Texaco) which are subject to Stripper Well settlement rules
- Program Income

3.1 FY 2014 APPROPRIATED WEATHERIZATION FUNDING: Please see WPN 14-2 for the allocation of Weatherization funds appropriated this year.

3.1.1 ADJUSTED AVERAGE COST PER DWELLING UNIT

The average per dwelling expenditure of financial assistance provided under WAP for labor, weatherization materials, and related matters cannot exceed \$6,500, as adjusted (see, 10 CFR §440.18(a) and (c)). The adjusted annual average for 2014 is determined by using the percentage increase in the Consumer Price Index (CPI) (all items, United States city average) for 2013 or 3 percent, whichever is less. The percentage increase in the CPI for the previous 12-month period (September 2012 – September 2013) was 1.2%, so a 1.2% increase was applied to the PY 2013 adjust average at \$6,904. So the adjusted average expenditure limit for PY 2014 is **\$6,987. This average includes units computed in a multi-family building of 5 units or greater.**

In accordance with 10CFR Part 440.18(b) and (c), the expenditure of financial assistance provided under WAP for labor, weatherization materials, and related matters for a renewable energy system, shall not exceed an average of \$3,000 per dwelling unit, as adjusted. The percentage increase in the CPI for the previous 12-month period (September 2012 – September 2013) of 1.2% was applied to the PY 2013 adjusted average at \$3,445. The PY 2014 adjusted average for renewable energy measures is **\$3,486 with a SIR greater than 1**. Further discussion on renewable energy measures can be found in Section 5.6, Use of WAP Funds for Renewable Energy Systems.

Note: The adjusted average for renewable energy measures is not a separate average, but part of the overall adjusted average expenditure limit of \$6,987.

3.1.2 LIMITATIONS ON CERTAIN BUDGET CATEGORIES

Certain budget categories have limitations set by law, regulation, or Program policy and identify the percentage of the grant that is allowed to be used for specific purposes other than Program Operations. Please see 10 CFR 440 and the updated Application Instructions for additional information.

3.2 LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

This Program was first established in 1981 and is funded annually through federal appropriations. The mission of LIHEAP is to minimize the energy burden on low-income families. As such, if the Grantee elects, a percentage of the LIHEAP assistance funds may be transferred to the WAP and used for the purpose of weatherizing homes. Grantees have the option of administering the LIHEAP funds in addition to the DOE award or including these resources in the DOE budget. The budget section of the grant application instructions provides a chart outlining some considerations for the Grantee in making this decision. Further questions or points of clarification should be directed to the respective DOE Project Officer.

3.3 LEVERAGED RESOURCES

Leveraged funds included in the budget of the DOE award must meet all WAP rules, regulations and guidelines. Grantees should carefully consider the advantages and challenges related to including leveraged funds in the DOE award. Landlord contributions are not considered

leveraged resources. They are generally not voluntary and often come with special requirements. Grantees who require further clarifications or guidance on leveraged resources should contact their respective DOE Project Officer.

3.4 PETROLEUM VIOLATION ESCROW (PVE) FUNDS

WAP can be funded by a number of sources, including PVE funds. PVE funds can be divided into two general categories based on the underlying source of the funds. The first category of PVE funds is comprised of those funds appropriated by Congress, or treated as if appropriated (generically referred to as Exxon funds, and also includes funds provided under the Warner Act). The second category of PVE funds is comprised of those funds that were not appropriated (generically referred to as Stripper Well Settlement funds, and includes Diamond Shamrock funds).

- PVE funds remain subject to the requirements applicable to the underlying source of funds.
- PVE funds included in a Grantee Plan are subject to the same Grantee Plan approval, Program oversight, and reporting requirements as the annually appropriated funds; and are subject to the **same** statutory and regulatory constraints as annually appropriated funds.
- Generally, if Exxon funds are used for weatherization projects, they must be included in the Grantee Plan. Moreover, Exxon funds cannot be used for administrative expenses.
- A Grantee may elect to use Stripper Well funds for projects either separate from or included within the WAP. If used for activities separate from WAP, Stripper Well Settlement funds are encouraged to be included, for informational purposes only, in the Grantee Plan; they are not subject to WAP rules, oversight, or reporting requirements.
- There is no requirement that Exxon or Stripper Well Settlement funds be expended during a particular period of time. A Grantee is permitted to reallocate these funds from one eligible program to another provided that their Plan has been amended and is reviewed by DOE Headquarters. If PVE funds designated for expenditure in the prior program year are not expended, the amount of funding that may be used for administrative expenses in the following program year must be adjusted accordingly.
- No more than 5 percent of the combined total of Exxon and Stripper Well Settlement funds budgeted in a Grantee Plan may be used for Training and Technical Assistance (T&TA). Up to an additional 5 percent of these funds may be used for evaluation of a Grantee's WAP and for innovative efforts for leveraging program funds, provided these activities are approved by the DOE Project Officer.

3.5 PROGRAM INCOME

Program income is more clearly defined and subject to the specific requirements provided in the DOE Financial Assistance Rule, 10 CFR part 600, subpart B section 600.124 and subpart C, section 600.225. DOE considers program income as any funds earned by Grantees and/or Subgrantees from non-Federal sources during the course of performing DOE WAP activities. The income generated must be used to complete additional dwelling units in accordance with DOE rules. It must be treated as an addition to program funds and is subject to the same rules as appropriated funds. Property owner (i.e. landlord) contributions and leveraged resources (i.e., or Grantee funds) are NOT considered to be "program income" for the purposes of the WAP.

Grantees requiring further clarification on program income, as it applies to their specific program, should contact their respective DOE Project Officer.

4.0 APPLICATIONS FOR WAP ANNUAL FORMULA GRANTS

To increase public involvement and obtain timely suggestions in developing their Application, DOE strongly urges Grantees to hold two meetings: a meeting at the beginning of the planning process, as well as the formal and required public hearing on the completed Plan. DOE may request information in addition to what is expressly identified by the Program rule on a case-by-case basis when warranted.

4.1 THREE-YEAR GRANT AWARDS

All Grantees need to make an effort to entirely and effectively utilize the DOE allocation in the year it is awarded. The Grantee will need to project any prior year remaining balances of unexpended DOE funds available at the end of the program year and budget that amount as carryover in the 2014 proposed budget and state plan. DOE will review the most recent reporting to assess the proposed carryover when the application is submitted. Grantees need to make every effort to complete the grant within the identified grant period.

4.2 INTERGOVERNMENTAL REVIEW

In the development, submission, and review of grant applications, the provisions of Executive Order 12372 (Intergovernmental Review of Federal Programs) and the DOE Implementing Order (10 CFR 1005) remain unchanged.

4.3 APPLICATION PACKAGE

The application process is now fully electronic and applications must be submitted on the Performance and Accountability for Grants in Energy (PAGE) website at <https://www.page.energy.gov/default.aspx>. The PAGE system contains all the Federal forms required for the application. Please follow detailed instructions in the Administrative and Legal Requirements Document (ALRD), Weatherization Program Notices, and the Application instructions attached to this program notice (Attachment 2).

4.4 APPLICATION REFINEMENTS THIS YEAR

DOE updated the Application Instructions for 2014, but did not make any changes to the PAGE system this year. All sections of the application are required and must be completed in their entirety. The following are specific elements that have changed from the prior year submissions that Grantees should take special note of as they begin the application process.

- As a reminder, Grantees will no longer have “standing” on-file information for each year. Applicants must submit updated plan elements every year. Multiple DOE reviewers will evaluate applications, so complete data and information should be provided to expedite the review and award process.
- The Application Instructions ask each Grantee to read the definitions for Principal Investigator and Recipient Business Official and identify both by name, phone number and email in the Miscellaneous section of the Annual File each year. Note that these are the contacts that will be identified in the Assistance Agreement.

- Grantees need to read and clearly address the aspects of WPN 14-4 Quality Work Plan Requirements in their plan submittal this year.

4.5 REPORTING REQUIREMENTS

The reporting requirements are set forth in the Federal Assistance Reporting Checklist, DOE F 4600.2, attached to the award agreement.

4.6 PRIOR GUIDANCE RETRACTIONS:

In WPN 12-1, DOE stated: “Grantees that weatherize multi-family units must have a multi-family energy audit and procedures as part of their Program Year 2013 plan submittal to DOE. The use of the multifamily energy audit tool must include a training component.”

Due to reduced funding levels and the subsequent reduction in the number of multi-family buildings anticipated to be weatherized, DOE is retracting this requirement until further notice. However, Grantees serving more than 20 percent of their annual production in multi-family buildings are still required to have an updated and approved multi-family audit.

While DOE is providing relief on the formalized protocol, there is still the expectation that all eligible families will be served by the Program. DOE still requires each Grantee to explain how this housing stock will be addressed, especially in the absence of approved energy audit procedures. Specific requirements are contained within the application package. Grantees are required to submit multi-family buildings to their DOE Project Officer if they do not have an approved multi-family audit. All other requirements related to DOE-approved energy audit protocols for single and manufactured housing remain in effect.

5.0 WEATHERIZATION PROGRAM POLICY NOTICES:

The following list of Weatherization Program Notices (WPN) address the specific policy areas that must be adhered to by all Grantees and Subgrantees operating weatherization programs using DOE funds. These WPNs, as well as other relevant policy documents, can be referenced at www.waptac.org or http://www1.eere.energy.gov/wip/guidance.html#c_wap. This list only reflects WPNs in effect at the time of WPN 14-1 issuance. Grantees are reminded that throughout the year, additional WPNs may be issued that are “in effect as of the date stated in the WPN.” DOE will continue to send notices electronically and post them on www.waptac.org to ensure all Grantees have immediate access when they are issued. The table is organized in date order with the major topic headings at the top to allow for easy reference.

Weatherization Assistance Program 14-1

9

WPN	Title	Funding	Grant Application	Procurement	Monitoring	Clients	Multi-family	Material Procurement	Rental Requirements	Energy Audit Criteria	Health and Safety	Renewable Energy Systems	Disaster Relief	Eligibility Levels	Defining Income	Priority Service	Fuel Switching	Incidental Repairs	Reweathering	Vehicle Purchases	Policy Advisory Council	Electric Baseload	Davis-Bacon Act	Administrative Costs	Historic Preservation	Eligible Dwelling Units	National Evaluation	Add-Ons/Call Backs	Average Cost Calculations	Measure Skipping
8/4/88	Approval to Include Wood Stoves as a WAP Material									x	x																			
94-5	Approval to Use Fluorescent Light Sources in the WAP									x																				
00-5	Replacement Refrigerators and Electric Water Heaters									x	x											x								
02-6	WAP Activities and Federal Lead-Based Paint Regulations										x																			
08-4	Space Heater Policy										x																			
08-6	Lead Safe Weatherization Guidance										x																			
09-6	Lead Safe Weatherization Additional Materials and Information										x																			
10-3	Procurement Tool Kit			x																	x									
10-7	Revised DBA Wage Determinations for WAP																						x							
10-8	WAP Guidance on Maintaining the Privacy of Recipients Services						x																							
10-10	Reprogramming T&TA Funds to Program Operations	x																												
10-11	National Evaluation																									x				
10-12	Historic Preservation Implementation																							x						

6.0 WEBSITE INFORMATION

To assist the Grantee and Subgrantee Network in obtaining the most up to date information on programmatic/policy issues, technical issues, and evaluation studies, please reference the following websites:

Energy Efficiency and Renewable Energy:
<http://www.eere.energy.gov/weatherization>;

Weatherization Assistance Program Technical Assistance Center:
<http://www.waptac.org>;

Oak Ridge National Laboratory:
<http://weatherization.ornl.gov>

Grantees are strongly encouraged to visit these websites often to keep abreast of the latest information and new techniques in the WAP. Grantees should continue to work with their respective DOE Project Officers when technical assistance is needed.

CONCLUSION: It remains critically important that WAP funds be cost-effectively expended in the year in which they were appropriated. Funding decisions at the Congressional and DOE levels are often based on Grantee and Subgrantee past performance. As we transition to providing only annually appropriated funding and using other leveraged funds for WAP activities, we must continue to deliver only the highest quality services to those households who benefit from this important Program. Together we can ensure that “Weatherization Works!”



AnnaMaria Garcia
Director
Weatherization and Intergovernmental Programs Office
Energy Efficiency and Renewable Energy

Attachment 1: Administrative and Legal Requirements Document (ALRD)

Attachment 2: Application Instructions (February 2014)

**ADMINISTRATIVE AND LEGAL REQUIREMENTS DOCUMENT
(ALRD)**



**U.S. Department of Energy
Office of Energy Efficiency and Renewable Energy**

**Weatherization Assistance Program
Program Year 2014 Formula Grants
WAP-ALRD-2014**

CFDA Number: 81.042 Weatherization Assistance for Low-Income Persons

WAP Program Year Ending

March 31, 2014

June 30, 2014

September 30, 2014

Application Due Date

60 Days from Issuance

60 Days from Issuance

July 31, 2014

The complete application package will be due no later than 12:00 pm Local Time of each Grantee on the due dates above, in accordance with each Grantee's program year. To ensure timely processing of awards, Grantees must submit complete Applications by the above deadlines.

REGISTRATION/SUBMISSION REQUIREMENTS

Registration Requirements: Allow at least 21 days to complete registrations.

If you haven't already registered, there are several one-time actions you must complete in order to receive an award under this ALRD:

1. Obtain a Dun and Bradstreet Data Universal Numbering System (DUNS) number at <http://fedgov.dnb.com/webform>. Subawardees at all tiers must also obtain DUNS numbers and provide the DUNS to the prime awardee before the subaward can be issued. For questions, email govt@dnb.com.
2. Register in the System for Award Management (SAM) at <https://www.sam.gov/portal/public/SAM/>. Applicants who are not registered with SAM should allow several days to complete this requirement. It is suggested that the process be started as soon as possible. **Prime awardees must update their SAM registration annually.** Also, prime awardees and subrecipients must check the excluded parties listing for their subawards. For questions, call 866-606-8220 or 334-206-7828.
3. Register in FedConnect to receive and acknowledge your award at <https://www.fedconnect.net/>. See the Quick Start Guide at https://www.fedconnect.net/FedConnect/PublicPages/FedConnect_Ready_Set_Go.pdf. For additional questions, email support@fedconnect.net or call 1-800-899-6665.

Acknowledgement of award documents by the Grantee's authorized representative through electronic systems used by the Department of Energy, specifically FedConnect, constitutes the Grantee's acceptance of the terms and conditions of the award. Acknowledgement via FedConnect by the Grantee's authorized representative constitutes the Grantee's electronic signature.

IMPORTANT: The electronically signed Assistance Agreement with attached award documents in FedConnect is the formal authorization and approval from the Contracting Officer. Grantees may not rely on PAGE as the formal authorization and approval. Award documents in the initial award and any modifications to the award must be reviewed and acknowledged by the Grantee in FedConnect.

4. Have a Login for the Performance and Accountability for Grants in Energy (PAGE) System at <https://www.page.energy.gov/default.aspx> in order to submit your application. For questions regarding PAGE, refer to the Help Menu in PAGE or contact the PAGE hotline at PAGE-Hotline@ee.doe.gov or 1-866-492-4546.

Table of Contents

<u>Number</u>	<u>Subject</u>	<u>Page</u>
	PART I AUTHORITY	4
	PART II AWARD INFORMATION	4
A.	TYPE OF AWARD INSTRUMENT	4
B.	ESTIMATED FUNDING	4
C.	PERIOD OF PERFORMANCE	4
	PART III ELIGIBILITY INFORMATION	4
A.	ELIGIBLE APPLICANTS	4
B.	COST MATCHING	4
	PART IV APPLICATION AND SUBMISSION INFORMATION	5
A.	CONTENT AND FORM OF APPLICATION	5
	PART V AWARD ADMINISTRATION INFORMATION	5
A.	AWARD NOTICES	5
B.	FUNDING RESTRICTIONS	5
C.	REPORTING	5
D.	ADMINISTRATIVE AND NATIONAL POLICY REQUIREMENTS	5
	PART VI QUESTIONS/AGENCY CONTACTS	8
A.	QUESTIONS	8
B.	AGENCY CONTACT	8
	PART VII OTHER INFORMATION	8
A.	INTERGOVERNMENTAL REVIEW	8
B.	GOVERNMENT RIGHT TO REJECT OR NEGOTIATE	9
C.	COMMITMENT OF PUBLIC FUNDS	9
D.	LOBBYING RESTRICTIONS	9
E.	MODIFICATIONS	9
F.	PROPRIETARY APPLICATION INFORMATION	9
G.	PROTECTED PERSONALLY IDENTIFIABLE INFORMATION	10
	PART VIII REFERENCE MATERIAL	11
A.	REFERENCE MATERIAL	11

PART I AUTHORITY

Title IV of the Energy Conservation and Production Act, as amended, authorizes DOE to administer the Low-Income Weatherization Assistance Program (WAP). All grant awards made under this program shall comply with applicable laws and regulations, including but not limited to the regulations contained in 10 CFR 600 and 10 CFR 440 and other policies and procedures as DOE may, from time-to-time, prescribe for the administration of financial assistance.

PART II AWARD INFORMATION

A. TYPE OF AWARD INSTRUMENT

DOE will award grants for this funding.

B. ESTIMATED FUNDING

Availability of Funds: Funding for all awards and future budget periods is contingent upon the availability of funds appropriated by Congress for the purpose of this program and the availability of future-year budget authority.

The Grantee shall administer DOE funds received under the WAP in accordance with Federal rules and regulations and State policies and procedures. The Grantee is to manage Federal Funds in a prudent, effective and efficient manner to accomplish program objectives. Grantees shall take the necessary steps to ensure that funds are expended within the grant project period.

Funding Level: Please see WPN 14-2, Program Year 2014 Grantee Allocations.

C. PERIOD OF PERFORMANCE

This is the second year of a three-year project period started in Fiscal Year 2013, comprised of three budget periods, contingent on availability of funds.

PART III ELIGIBILITY INFORMATION

A. ELIGIBLE APPLICANTS

In accordance with 10 CFR 600.6(b), and DOE Program Rule 10 CFR 440, Weatherization Assistance Program for Low-Income Persons, eligibility for awards are restricted to all fifty states, the District of Columbia, and the U.S. Territories, except in the case of Indian Tribes as stated in 10 CFR 440.11 and local applicants as stated in 10 CFR 440.13.

B. COST MATCHING

Cost matching is not required.

PART IV APPLICATION AND SUBMISSION INFORMATION

A. CONTENT AND FORM OF APPLICATION

The State Plan Application must be submitted via the PAGE online system at <https://www.page.energy.gov/default.aspx>. Please see the Application Instructions for detailed instructions. It is the responsibility of the Grantee to verify successful transmission. DOE reserves the right to request additional or clarifying information for any reason deemed necessary. Applications will be reviewed for consistency with the WAP program objectives. Please note that tables or spreadsheets shall be submitted as attachments to the SF-424 Application and shall not be pasted within the Annual File, Master File, Budget Comments in PAGE.

PART V AWARD ADMINISTRATION INFORMATION

A. AWARD NOTICES

1. Notice of Award

An Assistance Agreement issued by the Contracting Officer is the authorizing award document. The Assistance Agreement normally includes, either as an attachment or by reference: (1) Special Terms and Conditions; (2) Program regulations 10 CFR 440; (3) Application as approved by DOE; (4) DOE assistance regulations at 10 CFR 600; (5) National Policy Assurances To Be Incorporated As Award Terms; (6) Annual File; (7) Master File; (8) Budget Summary; and (9) Federal Assistance Reporting Checklist, which identifies the Reporting Requirements.

B. FUNDING RESTRICTIONS

Cost Principles. Costs must be allowable, allocable and reasonable in accordance with the applicable Federal cost principles referenced in 10 CFR 600. The cost principles for commercial organizations are in FAR Part 31.

C. REPORTING

Reporting requirements are identified on the Federal Assistance Reporting Checklist, DOE F 4600.2, attached to the award agreement.

D. ADMINISTRATIVE AND NATIONAL POLICY REQUIREMENTS

1. Administrative Requirements

- The administrative requirements for DOE grant awards are contained in:
 - 10 CFR 600 and 10 CFR 440 (See: www.ecfr.gov).
 - 2 CFR, Part 25 – Universal Identifier and Central Contractor Registration
 - 2 CFR, Part 170 – Reporting Subaward and Executive Compensation Information to comply with the Federal Funding and Transparency Act of 2006 (FFATA). (See: <http://ecfr.gpoaccess.gov>). Additional information regarding FFATA is found at <https://www.fsr.gov>.

The Electronic Code of Federal Regulations is found at www.ecfr.gov.

2. National Policy Requirements

The National Policy Assurances To Be Incorporated As Award Terms are located at <http://energy.gov/management/downloads/national-policy-assurances-be-incorporated-award-terms>.

Intellectual Property Provisions. The standard DOE financial assistance intellectual property provisions applicable to the various types of recipients are located at <http://energy.gov/gc/standard-intellectual-property-ip-provisions-financial-assistance-awards>.

3. Environmental Review in Accordance with National Environmental Policy Act (NEPA)

EERE's decision whether and how to distribute federal funds is subject to the National Environmental Policy Act (42 USC 4321, *et seq.*). NEPA requires Federal agencies to integrate environmental values into their decision-making processes by considering the potential environmental impacts of their proposed actions. For additional background on NEPA, please see DOE's NEPA website, at <http://nepa.energy.gov/>.

4. Applicant Representations and Certifications

Applicant Lighting Efficiency Certification (April 2012)

In submitting an application the Applicant certifies that if chosen for award and the award is in excess of \$1,000,000 it will, by the end of the Federal Government's fiscal year, upgrade the efficiency of its facilities by replacing any incandescent lighting of the type for which section 325 of the Energy Policy and Conservation Act (42 USC 6295) establishes a standard that does not meet or exceed the energy efficiency standard for incandescent light bulbs set forth in that section with a lamp that meets or exceeds the standards for lamps established in or pursuant to that section.

Incandescent reflector lamps shall meet or exceed the lamp efficacy standards shown in the table:

Rated lamp wattage	Lamp spectrum	Lamp diameter (inches)	Rated voltage	Minimum average lamp efficacy (lm/W)
40–205	Standard Spectrum	>2.5	≥125V	6.8*P ^{0.27}
			<125V	5.9*P ^{0.27}
		≤2.5	≥125V	5.7*P ^{0.27}
			<125V	5.0*P ^{0.27}
40–205	Modified Spectrum	>2.5	≤125V	5.8*P ^{0.27}
			<125V	5.0*P ^{0.27}
		≤2.5	≥125V	4.9*P ^{0.27}
			<125V	4.2*P ^{0.27}

Note 1: P is equal to the rated lamp wattage, in watts.

Note 2: Standard Spectrum means any incandescent reflector lamp that does not meet the definition of modified spectrum in 10 CFR 430.2.

Subject to the exemption below, the standards specified in this section shall apply to ER incandescent reflector lamps, BR incandescent reflector lamps, BPAR incandescent reflector lamps, and similar bulb shapes.

Subject to the exemption below, the standards specified in this section shall apply to incandescent reflector lamps with a diameter of more than 2.25 inches, but not more than 2.75 inches.

Exemption: The standards specified in this section shall not apply to the following types of incandescent reflector lamps:

- (A) Lamps rated at 50 watts or less that are ER30, BR30, BR40, or ER40 lamps;
- (B) Lamps rated at 65 watts that are BR30, BR40, or ER40 lamps; or
- (C) R20 incandescent reflector lamps rated 45 watts or less.

For purposes of this Certification, the following definitions apply:

- (A) Facilities mean the room(s), area(s), or building(s) that are used to complete a majority of the work under the project.
- (B) In excess of \$1,000,000 means the total value of the grant including all budget periods funded with Federal funds and recipient cost share is greater than \$1,000,000.
- (C) Federal Government's fiscal year begins October 1st and ends September 30th.
- (D) Except as provided in subparagraph (4) below, the term "incandescent lamp" means a lamp in which light is produced by a filament heated to incandescence by an electric current, including only the following:
 - (1) Any lamp (commonly referred to as lower wattage non-reflector general service lamps, including any tungsten-halogen lamp) that has a rated wattage between 30 and 199 watts, has an E26 medium screw base, has a rated voltage or voltage range that lies at least partially within 115 and 130 volts, and is not a reflector lamp.
 - (2) Any lamp (commonly referred to as a reflector lamp) which is not colored or designed for rough or vibration service applications, that contains an inner reflective coating on the outer bulb to direct the light, an R, PAR, ER, BR, BPAR, or similar bulb shapes with E26 medium screw bases, a rated voltage or voltage range that lies at least partially within 115 and 130 volts, a diameter which exceeds 2.25 inches, and has a rated wattage that is 40 watts or higher.
 - (3) Any general service incandescent lamp (commonly referred to as a high- or higher-wattage lamp) that has a rated wattage above 199 watts (above 205 watts for a high wattage reflector lamp).
 - (4) The term "incandescent lamp" does not include any lamp excluded by the Secretary, by rule, as a result of a determination that standards for such lamp would not result in significant energy savings because such lamp is designed for special applications or has special characteristics not available in reasonably substitutable lamp types.

(E) The term “base” means the portion of the lamp which connects with the socket as described in ANSI C81.61–1990.

(F) The term “bulb shape” means the shape of lamp, especially the glass bulb with designations for bulb shapes found in ANSI C79.1–1980 (R1984).

(G) The term “lamp efficacy” means the lumen output of a lamp divided by its wattage, expressed in lumens per watt (LPW).

(H) The term “lamp wattage” means the total electrical power consumed by a lamp in watts, after the initial seasoning period referenced in the appropriate IES standard test procedure and including, for fluorescent, arc watts plus cathode.

Costs directly associated with complying with this requirement may be considered allowable and allocable in accordance with the applicable cost principles as set forth in 10 CFR 600. Costs associated with complying with this requirement may also be included in the calculation of recipient cost share.

Applicants shall identify the facility (the rooms or areas where the majority of the proposed project work will occur) and, identify and justify the costs associated with upgrading the light bulbs to meet or exceed the energy efficiency standard for incandescent light bulbs set forth in or pursuant to section 325 of the Energy Policy and Conservation Act (42 U.S.C. 6295) prior to the end of the Federal fiscal year.

PART VI QUESTIONS/AGENCY CONTACTS

A. QUESTIONS

Questions and comments concerning this document shall be submitted not later than 10 calendar days prior to the application due date. Questions submitted after that date may not allow sufficient time to respond.

All questions regarding this announcement must be submitted to the contact identified below. Questions regarding the specific application submission must be submitted to the Project Officer for your State. For questions regarding DOE project officer assignments, please contact Michael Peterson at the email address below.

B. AGENCY CONTACT

Name: Michael Peterson, Project Officer
E-Mail: michael.peterson@go.doe.gov

PART VII OTHER INFORMATION

A. INTERGOVERNMENTAL REVIEW

Program Subject to Executive Order 12372

This program is subject to Executive Order 12372 (Intergovernmental Review of Federal

Programs) and the regulations at 10 CFR Part 1005.

One of the objectives of the Executive Order is to foster an intergovernmental partnership and a strengthened federalism. The Executive Order relies on processes developed by State and local governments for coordination and review of proposed Federal financial assistance.

Applicants should contact the appropriate State Single Point of Contact (SPOC) to find out about, and to comply with, the State's process under Executive Order 12372. The names and addresses of the SPOCs are listed on the Web site of the Office of Management and Budget at http://www.whitehouse.gov/omb/grants_spoc/.

B. GOVERNMENT RIGHT TO REJECT OR NEGOTIATE

DOE reserves the right, without qualification, to reject any or all applications received in response to this ALRD and to select any application, in whole or in part, as a basis for negotiation and/or award.

C. COMMITMENT OF PUBLIC FUNDS

The Contracting Officer is the only individual who can make awards or commit the Government to the expenditure of public funds. A commitment by other than the Contracting Officer, either explicit or implied, is invalid.

D. LOBBYING RESTRICTIONS

By accepting funds under this award, you agree that none of the funds obligated on the award shall be expended, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C. 1913. This restriction is in addition to those prescribed elsewhere in statute and regulation.

E. MODIFICATIONS

Modifications to this Administrative and Legal Requirements Document will be processed and disseminated in the same manner as other Weatherization Program Notices.

F. PROPRIETARY APPLICATION INFORMATION

DOE will use data and other information contained in applications strictly for evaluation purposes. Applicants should not include confidential, proprietary, or privileged information in their applications unless such information is necessary to convey an understanding of the proposed project.

Applications containing confidential, proprietary, or privileged information must be marked as described below. Failure to comply with these marking requirements may result in the disclosure of the unmarked information under the Freedom of Information Act or otherwise. The U.S. Government is not liable for the disclosure or use of unmarked information, and may use or disclose such information for any purpose.

The cover sheet of the application must be marked as follows and identify the specific pages containing confidential, proprietary, or privileged information:

Please be aware that all information provided to DOE (including confidential proprietary or confidential commercial information) is subject to public release under the Freedom of Information Act (FOIA). (5 U.S.C. § 552(a)(3)(A) (2006), amended by OPEN Government Act of 2007, Pub. L. No. 110175, 121 Stat. 2524). When a FOIA request covers information submitted to DOE by an applicant, and the cognizant DOE FOIA Officer cannot make an independent determination regarding the public releasability of this information, the cognizant DOE FOIA Officer will contact the submitter and ask for comment regarding the redaction of information under one or more of the nine FOIA exemptions. However, the cognizant DOE FOIA Officer will make the final decision regarding FOIA redactions. Submitters are given a minimum of 7 days to provide redaction comments and if DOE disagrees with the submitter's comment, DOE will notify the submitter of the intended public release no less than seven (7) days prior to the public disclosure of the information in question.” (10 CFR Part 1004.11).

G. PROTECTED PERSONALLY IDENTIFIABLE INFORMATION

In responding to this Administrative and Legal Requirements Document, Applicants must ensure that Protected Personally Identifiable Information (PII) is not included. PII is defined by the Office of Management and Budget (OMB) and DOE as:

Any information about an individual maintained by an agency, including but not limited to, education, financial transactions, medical history, and criminal or employment history and information that can be used to distinguish or trace an individual's identity, such as their name, social security number, date and place of birth, mother's maiden name, biometric records, etc., including any other personal information that is linked or linkable to an individual.

This definition of PII can be further defined as: (1) Public PII and (2) Protected PII.

Public PII: PII found in public sources such as telephone books, public websites, business cards, university listing, etc. Public PII includes first and last name, address, work telephone number, email address, home telephone number, and general education credentials.

Listed below are examples of Protected PII that Applicants must not include.

- Social Security Numbers in any form
- Place of Birth associated with an individual
- Date of Birth associated with an individual
- Mother's maiden name associated with an individual
- Biometric record associated with an individual
- Fingerprint
- Iris scan
- DNA
- Medical history information associated with an individual
- Medical conditions, including history of disease
- Metric information, e.g. weight, height, blood pressure
- Criminal history associated with an individual
- Employment history and other employment information associated with an individual
- Ratings
- Disciplinary actions

- Performance elements and standards (or work expectations) are PII when they are so intertwined with performance appraisals that their disclosure would reveal an individual's performance appraisal
- Financial information associated with an individual
- Credit card numbers
- Bank account numbers
- Security clearance history or related information (not including actual clearances held)

PART VIII REFERENCE MATERIAL

A. REFERENCE MATERIAL

WPN 14-1, Program Year 2014 Weatherization Grant Guidance

WPN 14-2, Program Year 2014 Grantee Allocations

Application Instructions (February 2014)

U.S. Department of Energy

Weatherization Assistance Program for Low-Income Persons

APPLICATION INSTRUCTIONS

U.S. Department of Energy
Office of Weatherization and Intergovernmental Program
1000 Independence Avenue, SW, EE-2K
Washington, DC 20585

February 2014

Table of Contents

Reference Page

List of Acronyms

I. OVERVIEW

I.1 Introduction

II. APPLICATION FOR FEDERAL ASSISTANCE - STANDARD FORM 424

III. BUDGET

III.1 SF 424A Budget Preparation

III.2 Budget Categories - Section B

III.3 Budget Justification

III.4 Carryover Explanation

SF-LLL Disclosure of Lobbying Activities

IV. ANNUAL FILE

IV.1 Subgrantees

IV.2 Production Schedule

IV.3 Energy Savings

IV.4 DOE-Funded Leveraging Activities

IV.5 Policy Advisory Council

IV.6 Hearings and Transcripts

IV.7 Miscellaneous

V. MASTER FILE

V.1 Eligibility

V.1.1 Approach to Determining Client Eligibility

V.1.2 Approach to Determining Building Eligibility

V.1.3 Definition of Children

V.1.4 Approach with Tribal Organizations

V.2 Selection of Areas to be Served

V.3 Priorities

V.4 Climatic Conditions

V.5 Type of Weatherization Work to be Done

V.5.1 Technical Guides and Materials

V.5.2 Energy Audit Procedures

V.5.3 Final Inspection

V.6 Weatherization Analysis of Effectiveness

V.7 Health & Safety

V.8 Program Management

V.8.1 Overview and Organization

V.8.2 Administrative Expenditure Limits

V.8.3 Monitoring Activities

V.8.4 Training & Technical Assistance

V.9 Energy Crisis & Disaster Plan

VI. FEDERAL FINANCIAL REGULATIONS

VI.1 DOE Financial Assistance Rules

VI.2 OMB Cost Principles

VI.3 Financial Audits

VI.4 Reporting Requirements

Reference Page

Enabling Legislation

Federal Regulations

- Weatherization Assistance Program for Low Income Persons - 10 CFR 440
 - Early Rules of 10 CFR 440 - Final Rules
- Financial Assistance Rules - 10 CFR 600
- DOE Implementing Order - 10 CFR 1005
- Code of Federal Regulations
- Federal Assistance Reporting Checklist - DOE F 4600.2 Economic Opportunity Act of 1964; , Pub. L. No. 88-452, 42 U.S.C. § 2701 et seq
- Executive Order 12372 - Intergovernmental Review of Federal Programs
- Cost Principles for State, Local, and Indian Tribal Governments - 2 CFR Part 225 (OMB Circular A-87)
- Cost Principles for Non-Profit Organizations – 2 CFR Part 230 (OMB Circular A-122)
- Audits of State, Local Governments, and Non-Profit Organizations (OMB Circular A-133)
- Federal Register
 - Multifamily 50% threshold - 65 Fed. Reg. 77210, Dec. 8, 2000, Preamble
- Department of the Interior and Related Agencies Appropriations Bill. 1985 - House Report 98-886
- Federal Register Notice, 45 Fed. Reg. 13028, 13031, Feb. 27, 1980
- Social Security Act, Pub.L. No. 88-452, 42 U.S.C. § 2701 et seq
- State Energy Efficiency Program Improvement Act of 1990 (SEEPIA) Public Law 101-440

Program Guidance

- Weatherization Program Notices
- Appendix A
- Poverty Income Guidelines and Definition of Income

Application Forms

PAGE

- Standard Form 424 (SF-424) - Instructions
- Standard Form 424, 424A
- Standard Form LLL (SF-LLL) Disclosure of Lobbying Activities

- Quarterly Reporting:
 - Federal Financial Status Report Standard Form 425
 - (2) Performance Report
- Annual Reporting:
 - Training & Technical Assistance Activities
 - (2) Monitoring Activities
 - (3) Leveraging Updates

Additional Resources

- Weatherization Assistance Program Technical Assistance Center – WAPTAC
- Oak Ridge National Laboratory - Weatherization
 - Metaevaluation of the National Weatherization Assistance Program (ORNL/CON-493)
 - National Evaluation of the Weatherization Assistance Program, ORNL/CON 498
- Weatherization Assistance Program Financial Management Tool Kit
- A Guide for State and Local Government Agencies: Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government
- ASHRAE 62.2-2013 – Available for purchase since April 2013

List of Acronyms

ACPU - Average Cost Per Dwelling Unit

ASHRAE - American Society of Heating, Refrigerating and Air-Conditioning Engineers

DOE - U.S. Department of Energy

FAO - Financial Assistance Office

GAO - General Accounting Office

HHS – U.S. Department of Health and Human Services

LIHEAP - Low Income Home Energy Assistance Program

OMB - Office of Management and Budget

PAC - Policy Advisory Council

PAGE - Performance and Accountability for Grants in Energy

POI - Pollution Occurrence Insurance

PVE - Petroleum Violation Escrow

QPR - Quarterly Performance Reports

The Recovery Act - American Recovery and Reinvestment Act of 2009

SEEPIA - State Energy Efficiency Program Improvement Act of 1990

SIR - Savings-to-Investment Ratio

T&TA - Training and Technical Assistance

WAP, Weatherization Program - Weatherization Assistance Program for Low-Income Persons

WAPTAC – Weatherization Assistance Program Technical Assistance Center

WPN - Weatherization Program Notice

I. OVERVIEW

I.1 Introduction

The following application package is to be used by all States, Territories, and Indian tribes (and [local organizations](#), if applicable) as supplemental information when applying for direct grants under the Weatherization Assistance Program for Low-Income Persons, administered by the U.S. Department of Energy's (DOE), Weatherization and Intergovernmental Program, through DOE Offices. Grantees shall comply with applicable law including regulations contained in 10 CFR 440, 10 CFR 600, and other procedures applicable to these regulations as DOE may, from time- to-time, prescribe for the administration of financial assistance. Any potential discrepancies between information contained in this document and DOE regulations shall be resolved in favor of DOE regulations.

In the development, submission, and review of grant applications, the provisions of Executive Order 12372 (Intergovernmental Review of Federal Programs) and the DOE Implementing Order (10 CFR 1005) remain unchanged. As Grantees begin to formulate the State Plan (Plan), DOE strongly urges Grantees to hold two meetings to increase public involvement and obtain timely suggestions in developing their Application: one at the beginning of the planning process, as well as the formal and required public hearing on the completed Plan.

Applications **must be** submitted through the **Performance and Accountability for Grants in Energy (PAGE)** on-line system to be considered for award.

Follow the instructions in PAGE for “Revision”, so that you may copy last year’s application and work from there.

The DOE Project Officers will work with the Grantees to ensure applications for continuation awards or extensions to current active awards are properly entered in PAGE.

If you have questions regarding the application package in PAGE, please refer to the Help Menu in PAGE or contact the PAGE hotline at PAGE-Hotline@ee.doe.gov or 1-866-492-4546. Applicants are required to submit timely, complete and responsive applications in the DOE Program Guidance and attachments.

SF-LLL Disclosure of Lobbying Activities

If applicable, complete and attach the SF- LLL to the Application. The SF-LLL may be found at <http://www.whitehouse.gov/sites/default/files/omb/grants/sfillin.pdf>. Applicability: 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 the grant/cooperative agreement, you must complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying."

Application Package

All sections of the Application, as identified in the table below, are required and must be completed in their entirety. Complete data and information will result in expedient review and award. The Grantee shall notify the Project Officer upon submission of the application package in PAGE. If sufficient progress to negotiate the final State Plan Application is not being made, DOE reserves the right to put a hold on the funds the Recipient can draw down under the Automated Standard Application for Payments (ASAP) System. DOE does not guarantee or assume any obligation to reimburse costs incurred in the performance of the agreement if the award is not approved.

Name of Document	Format	File Name
Mandatory Forms		
SF-424 Application for Federal Assistance	PAGE	N/A
SF 424A File - Budget Information for Non-Construction Programs	PAGE	N/A
Budget Explanation	PAGE	N/A
Annual File	PAGE	N/A
Master File	PAGE	N/A
Required Attachments to the Application Package in PAGE (SF-424)		
Health and Safety Plan	PDF (if not already included in the Master File)	Health and Safety Plan
Public Hearing Transcript	PDF	Public Hearing Transcript
PAC Meeting Minutes	PDF	PAC Meeting Minutes
WAP Organizational Chart(s)	PDF	WAP Org Charts
Indirect Rate Agreement (if applicable)	PDF	Indirect Rate Agreement
Explanation of Indirect Costs (if applicable)	PDF	Indirect Cost Explanation (if applicable)
Cost Allocation Plan (if applicable)	PDF	Cost Allocation Plan (if applicable)
Most recent A-133 Audit	PDF (or provide a link in the narrative comment section of the budget)	A-133 Audit
SF-LLL Disclosure of Lobbying Activities (if applicable)	PDF	SF-LLL
SF-424A budget for Subrecipient managing the program on behalf of the State (if applicable)	PDF or other format	Subrecipient Budget
Budget Justification for Subrecipient managing the program on behalf of the State (if applicable)	PDF or other format	Subrecipient Budget Justification

DOE reserves the right to request additional or clarifying information for any reason deemed necessary.

II. APPLICATION FOR FEDERAL ASSISTANCE - STANDARD FORM 424

A completed and signed Standard Form 424 (SF-424) is required from each agency applying for Federal funding under the U.S. Department of Energy's Weatherization Assistance Program for Low-Income Persons. Please note that SF-424 is required when applying for new or continuation funding allocations (Federal and non-Federal). The SF-424 is not required for budget modifications that do not change the overall budget. When starting to complete the SF-424 form in PAGE, please make sure you select **“Continuation”** under Field 2 - Type of Application so the current grant is continued into 2014.

1.Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		2.Type of Application: <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision	*If Revision select appropriate letter *Other (specify)
--	---	--	--

Only new funding allocations for the current year, and other current funding sources (if applicable), should be identified in Block 18 – Estimated Funding. **Do not include any carryover funds in Block 18 or elsewhere within the SF-424 Application. Carryover funds may not be transferred from other awards.** The list of certifications and assurances referenced in PAGE for Field 21 can be found on the DOE Financial Assistance Forms Page at <http://energy.gov/management/downloads/certifications-and-assurances-use-sf-424>

DOE requires Grantees to only check off the ****I AGREE** box in Field 21 in PAGE to comply with the certifications and assurances. Grantees are not required to submit hard copies documents.

21. *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)

 **** 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.

Applicants are required to attach all supporting documents to the SF-424 Application in PAGE, including supporting documentation to specific sections within the Annual and Master Files (e.g., Health and Safety Plan, Policy Advisory Committee minutes, Public Hearing notes/transcripts, copies of Public Hearing notices, organization charts and other supporting documents such as indirect rate agreements, A-133 Audits, SF-LLL (if applicable), Budget and Budget Justification of Subrecipients managing the program on behalf of the Grantee). Applicants should not include tables or spreadsheets within the Annual and Master Files or in the comments section of the SF-424A Budget.

INSTRUCTIONS TO ATTACH FILES:

All supporting documentation should be added as attachments to the SF-424. To attach a document, go to the attachments section at the bottom of the SF-424 and click on the **Browse** button. Find the file you want to upload and click the **Open** button. Click the **Upload** button to attach the file to the application. When you have completed the upload process, please click on **Save**.

Attachments:			
#	File Name	Date Created	Action
No records to display.			
			<input type="text"/>  <input type="button" value="Browse..."/>
<input type="button" value="Upload"/>			

III. BUDGET

Two budget forms, the Standard Form 424A (SF-424A) and the Budget Justification, work in conjunction with one another to provide DOE a clear understanding of how the Grantee is proposing the use of funds following the DOE rules and regulations. The following depicts the relationship between the sections of the SF-424A and how that information flows into the Budget Justification. **The applicant must provide a separate SF-424A budget and Budget Justification for any subrecipient that will manage the program on behalf of the State and provide these documents as attachments to the SF-424 application in PAGE.**

SF-424A Sections:

Section A: *Listing all funding sources*
Budget *(new**, carryover**, and other*
Summary *funding sources by line item).*



Section B: *Breakdown of Section A by*
Budget *required categories, providing a*
Categories *column for each budgeted*
component.



Separate Budget Justification

Further detail breaking down the Budget Categories of 424A Section B to outline how the categorical funds are broken down by object class (e.g., personnel, travel, etc.)

DOE encourages Grantees to fully utilize the DOE funding in the year it is originally awarded to maximize the opportunity of achieving the Weatherization mission.

New funds: Any funds being added to the award in annual budget period are considered new funds, whether DOE or non-DOE. Any remaining funds in the award that are not expended by the end of the budget period are carryover funds.

Carryover: Grantees shall reasonably project unexpended balances by Budget Category (matching the total sum carryover from all previous years) and provide reasoning for why the funds are unlikely to be used by the end of the program year. Grantees planning to carryover unused training and technical assistance funds from any Budget Category from one program year to another must return these monies to the program operations budget category and use them to weatherize additional homes *unless* the Grantee can justify to the DOE Project Officer the necessity to carryover these funds into the new program year *and* that they be included as a part of the new training and technical assistance budget.

Grantees with Carryover (non-expended funds) shall provide one document with the following information as an attachment to the SF-424 Application in PAGE:

- Break out of cost categories for the total carryover amount for all prior years and current active year (should equal total carryover amount in the proposed budget for the new program year).
- Break out of cost categories for total carryover amount in the proposed budget for the new program year.
- Reason for the carryover amount and justification for the re-allocated carryover amounts.

EXAMPLE		
BUDGET COLUMN HEADING	TOTAL PRIOR YEAR & CURRENT ACTIVE YEAR CARRYOVER (Identify the Cost Categories you are moving the funds from)	PROPOSED BUDGET CARRYOVER (Identify the Cost Categories that you are moving the funds to in the proposed budget for the new program year)
Grantee Administration	\$20,000.00	\$20,000.00
Subgrantee Administration	\$9,500.00	\$7,250.00
Grantee T&TA	\$19,000.00	\$0.00
Subgrantee T&TA	\$11,000.00	\$0.00
Program Operations	\$26,000.00	\$63,275.00
Health & Safety	\$10,000.00	\$9,475.00

Application Package

Financial Audits	\$4,500.00	\$0.00
Liability Insurance	\$0.00	\$0.00
Totals	\$100,000.00	\$100,000.00

Reason for carryover amount: The \$20,000 state database upgrade budgeted under Grantee Administration was delayed for several months, and will be completed in the next program year. Subgrantee Administration results from a local agency manager leaving. All training and technical assistance (T&TA) goals were met with fewer resources than budgeted. Production at one local agency was affected by job changes, thus leaving \$26,000 unspent in Program Operations and \$10,000 in Health & Safety. Financial Audits were budgeted at major program levels during the Recovery Act, but they have returned to minor program level expenditures.

Justification for carryover amount: Moved \$20,000 in Grantee Administration to complete database upgrade as previously proposed. \$7,250 returned to Subgrantee Administration to complete the remaining work. \$30,000 in T&TA carryover moved to Program Operations to complete more homes. \$4,500 carryover from Financial Audit was moved to Program Operations. Based on the Grantee expenditure limit identified in WPN 11-6, the proposed Health & Safety amount was adjusted to reflect the proposed remaining Program Operations funding.

III.1 SF-424A Budget Preparation

The SF-424A budget shall be prepared, identifying the total amount of new funding allocations, other funding sources for the current budget period, and any carryover from previous years. For this purpose, please complete the SF-424A which can be found in PAGE after beginning an application package. Applicants are required to adhere to the restrictions put on expenditures of their funds based on regulations.

The proposed budget costs are estimated values and **invoicing shall be calculated from actual costs incurred for each of the cost categories.** Contingencies are expressly unallowable, as indicated in 2 CFR part 225, Appendix B (all estimated costs should be allocated to a cost category). The Grantee may request funds under any of the Object Class Categories as long as the item and amount are necessary to perform the proposed work and meet all the criteria for allowability under the applicable federal cost principles.

IMPORTANT: Items identified as direct costs to the project may not be duplicative of costs included in the indirect pool that are the basis of any indirect rate applied for this project.

SF-424A - Section A: Budget Summary

In PAGE, add each funding source to the SF-424A that will be utilized during the current program year. Funding Sources can be classified as Federal, Applicant, Local, Other, Program Income, State, Petroleum Violation Escrow (PVE), or 3rd Party Contributions. All carryover funds shall be identified under “Estimated Unobligated Funds” while new

funding shall be identified under “New/Revised Budget”. Each funding source should be listed as a separate line item, including any leveraged funds that will follow DOE rules and requirements.

- Grantee shall include as a separate line item for any leveraged funds to be used in combination with DOE funds for weatherization activities. Most commonly, Grantees add non-DOE resources into the award budget to access additional administrative funds and complete additional homes following the DOE process and procedures.
- Leveraged funds identified in the budget and incorporated into the DOE award must meet all DOE rules, regulations and guidelines. Leveraged funds that run parallel or outside the DOE award (not included in the DOE budget) have greater flexibility.
- Leveraged funds can come from several sources:
 - Appropriated Weatherization Funding
 - Low Income Home Energy Assistance Program (LIHEAP)
 - Leveraged Resources
 - Petroleum Violation Escrow (PVE) Funds
 - Program Income

Below are specific aspects (both advantages and challenges) Grantees should keep in mind when considering whether or not to include leveraged funds in both the SF-424 Application and SF-424A Budget.

	Advantages	Challenges
Leveraged Funds Included in Budget	By including leveraged funds amount in the budget, those funds are calculated into administration percentages and T&TA allocations, giving the Grantee and Subgrantees additional funds to administer the leveraged resources and train staff.	Must follow all DOE rules, regulations and guidelines and any measures installed using these leveraged funds must be justified by the audit/priority list, follow DOE approved procedures, and must be included in the average cost calculation. As such, the Grantee cannot use the leveraged funds for any measures or activities not justified by the audit or included in Appendix A.
Leveraged Funds Not Included in Budget	A percentage of the grant can be used to attract funds but the funds leveraged do not have to follow all DOE rules. Instead, these funds can be used in parallel to the DOE Program and funds can be allocated for other activities not necessarily justified by the audit or included in Appendix A (e.g., house repairs beyond the allowable incidental repairs, replacing stand-alone freezers, health and safety activities that if not accomplished might result in a deferral, etc.).	No additional % of funds can be used to administer leveraged funds or be allocated for T&TA if the leveraged funds are not included in the DOE budget.

III.2 Budget Categories – Section B

SF-424A - Section B: Budget Categories

The budget columns will be defined as Grantee Administration, Subgrantee Administration, Grantee Training and Technical Assistance (T&TA), Subgrantee T&TA, Program Operations, Vehicles and Equipment, Liability Insurance, Leveraging, Health & Safety, Financial Audit, and Optional Categories. The ‘Total’ of Section A must equal the total of all columns in Section B.

Application Package

Object class categories will include Personnel, Fringe Benefits, Travel, Equipment, Supplies, Contractual, Construction (*not applicable to WAP*), Other, and Indirect costs.

For Object class categories that relate solely to Subgrantee expenditures, the total estimated cost should be reflected in the contractual category.

A detailed justification and explanation for Grantee administration must be included, in accordance with 10 CFR 440.12(b)(3). All amounts categorized as 'other' must be supported with a detailed listing of items and costs.

The following supplemental instructions provide definitions and examples of the required budget categories. The column and page notations in parentheses following each budget category refer to Section B of Standard Form 424A.

Grantees should take note that in developing the budget, the requirement is for Grantees to stay within the various budget category thresholds each year. While it may happen from time to time that a specific cost category may “over run” in a particular year, these over runs should be the exception, not the rule. Grantees should not approach the budget with the expectation that they will catch up in the cost categories, particularly those with regulatory or programmatic limits, at the end of the project period.

Administrative Categories

- 10 CFR 440.18(e) requires that the combined amount for both Grantee Administration and Subgrantee Administration can be no more than 10 percent of the total new funds to be awarded. However, the State Energy Efficiency Program Improvement Act of 1990 (SEEPIA) Public Law 101-440, October 18, 1990, allowed a special provision for the Weatherization Assistance Program and supersedes the 10 CFR 440.18(d) rule, with Congress allowing up to an additional 5% of a Subgrantee’s award be used for administration if the Subgrantee allocation is beneath a \$350,000 threshold.
- Grantee must take care to only calculate NEW funds in determining the administrative allowance as any carryover funds have already had administrative costs allocated. Unexpended Funds in administrative category accounts may be carried over from the previous budget period within the award, provided there is sufficient support and justification for their continued use. Grantees can also choose to include any administrative carryover funding and/or provide a portion of their Grantee administrative funds to the local providers.
 - The Weatherization Assistance Program legislation and regulations do not define the Administrative Cost Categories. Any expenditure, allowable by Office of Management and Budget (OMB) cost principles, by a Grantee or Subgrantee in carrying out this program may be charged as Administrative Costs. However, certain costs in this Program, by exclusion from other categories, can only be administrative.

Grantee Administration and Subgrantee Administration are considered to be unique to each organization. The organization shall define its administrative costs consistent with the generally-accepted accounting practices and procedures within the organization.

- Indirect costs can be included in Grantee Administration and will be considered an allowable cost provided there is a federally approved indirect rate(s) or cost allocation plan. The rate/amount allowable does not invalidate the program budget category limits.

DOE has identified instances where certain administrative functions could be charged to the Program Operations Category because of the nature of the expense as it related to Program Operations (i.e., client intake, recordkeeping, salary/fringe of Program Managers and coordinators, telephone costs, etc.). DOE encourages Grantees to allow their Subgrantees to use this flexibility where it is appropriate. The Grantee must establish uniform guidance to identify, which funds may or may not be charged as Administrative Costs.

Grantee Administration

- Amount can be no more than 5 percent of total funds awarded. Cost allocation between this category and Grantee T&TA must be in accordance with 10 CFR 600 and 2 CFR 225 - Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A-87) and 2 CFR 230 - Cost Principles for Non-Profit Organizations (OMB Circular A-122), as applicable.

Subgrantee Administration

- Amount available for Subgrantees must be at least 5 percent of the total funds awarded.
- The Grantee may allow Subgrantees **who receive less than \$350,000** of new DOE appropriated funds, to use up **to an additional 5 percent** of their subgrants for administration. This is permitted only if the Grantee has determined that such Subgrantee requires the additional amount to effectively implement the administrative requirements of the Program.
 - Grantees shall develop criteria to be used when allowing these eligible Subgrantees to use **up to an additional 5 percent** of their subgrants for administrative purposes.
- The total effect of the additional 5% of administration costs may result in the State exceeding the 10% administrative cost category for the award.

Tribes do not have the same limitation as States and Territories and are eligible for both the Grantee and Subgrantee portion of Administrative funds.

Grantee T&TA and Subgrantee T&TA

- Maximum amount to be budgeted is included with the annual allocation notice from DOE.
- Allowable expenditures defined by 10 CFR 440 include:
 - Costs incurred in the training and technical assistance for any Grantee or Subgrantee (including monitoring),
 - Providing information concerning conservation practices to occupants of eligible dwelling units (client education),
 - Evaluation of Program outcomes,
 - Participation, travel, logistics of training activities and events,
 - Grantee purchases of vehicles or equipment, which are directly related to specific training and technical assistance activities, such as monitoring, etc.
 - T&TA funds shall not be used to purchase vehicles or equipment for Subgrantees to perform Weatherization services. The cost of these vehicles or equipment to support the Program must be charged to the vehicle/equipment or program operations categories.

Program Operations

Program Operations costs may include but are not limited to the following:

- Materials listed in Appendix A.
 - Materials purchased for incidental repairs as defined in 10 CFR 440.
 - Materials purchased for health and safety improvements.
- NOTE: While health and safety costs are allowable under the Program Operations category, DOE recommends Grantees include in the budget a separate health and safety category.*
- Transportation of weatherization materials, tools, equipment, and work crews to a storage site and to the site of weatherization work.
 - Maintenance, operation, and insurance of vehicles used to transport weatherization materials.
 - Maintenance of tools and equipment.
 - Purchase or annual lease of tools, equipment, and vehicles.

NOTE: All vehicle purchases shall receive prior DOE approval; any equipment \$5,000 or more shall also receive prior DOE approval. Neither Grantees nor

Application Package

Subgrantees may pre-pay leases that exceed the end of the grant period.

- The required fees related to building permits from local governments are allowable under this category.
- Employment of personnel directly related to the operation of the Program:
 - This category is defined for general consistency purposes such as weatherization coordinators' salary and fringe benefits spent in actual supervision of labor, client intake, recordkeeping, etc.
 - Storage of weatherization materials, tools, equipment, and weatherization vehicles.
 - Space rental. *As with vehicles and equipment, neither Grantees nor Subgrantees may pre-pay leases that exceed the end of the grant period.*
 - Utility costs at storage only, i.e., heat, lights, and water.
 - Retrofitting storage facility.

*NOTE: Weatherization is a non-construction program therefore no construction of buildings or acquisition of real estate can be charged to this grant. Improvements to a property that are **not in direct relation** to carrying out Weatherization-specific tasks **may not be considered allowable** under this grant (e.g., paving a parking lot of the storage area is not considered allowable however retrofitting a storage facility with appropriate shelving to accommodate supplies would be deemed allowable). Grantees should consult with their respective Project Officer and/or DOE Grants Management Specialist to clarify any areas of Grantee question or concern.*

- Labor category expenditures are limited to those defined in 10 CFR 440.19.
 - Payments to employ labor or engage contractors including:
 - Payments to subcontractors;
 - Salaries and fringe benefits of crew members; and
 - Salaries and fringe benefits of crew leaders.
 - This category also includes auditors/assessors, quality control inspectors, field supervisors who are not installing materials, and warehouse personnel, such as inventory clerks, who are engaged in handling materials.
 - Because T&TA funds are limited, Grantees and Subgrantees may charge the cost of training to the T&TA category and the employee's time for participation in the event under the labor category.

- Other Optional Categories
 - Special Project(s) (*Column in PAGE but Grantees can designate a specific purpose.*)
 - Energy Crisis
 - Disaster Relief
 - Energy Audits
 - Low Cost/No Cost -- The cost of low-cost/no-cost materials to be included in the average per unit cost (labor to install the low-cost/no-cost materials is an unallowable cost).

Health and Safety – Optional Category (Recommended)

- The amount of Federal funds to be used to mitigate energy-related health and safety hazards, the elimination of which is necessary before, or because of, installation of weatherization materials in accordance with 10 CFR 440.16(h) and 440.18(c)(15). The health and safety cost category should include materials and labor, not training related to the implementation of health and safety please refer to WPN 11-6 for allowable costs associate with health and safety.
- Grantees must set health and safety expenditure limits for their Subgrantees, providing justification by explaining the basis for setting these limits and providing related historical experience. It is possible these limits may vary depending upon conditions found in different geographical areas. These limits must be expressed as a percentage of the average cost per dwelling unit (ACPU). For example, if the average cost per dwelling is \$5,000, 10 percent would equal an average of \$500 per dwelling unit for health and safety. These funds are to be expended by Subgrantees in direct weatherization activities.
 - Up to 15% of Program Operations can be used for mitigating health and safety concerns directly related to the weatherization of a building. DOE considers this percentage reasonable and Project Officers can approve this percentage with a sufficient explanation within the Health and Safety Plan outlining what the Grantee will address.
 - Should a Grantee request to have 15% or more of Program Operations used for health and safety purposes, DOE will conduct a secondary level of review and may request additional information to justify the higher percentage.
- The regulations do not mandate a separate health and safety budget cost category, but rather encourages Grantees to budget health and safety costs as a separate category and, thereby, exclude such costs from the average per-unit cost calculation. This separate category also allows these costs to be isolated from energy efficiency costs in program evaluations. If Grantees do not have a separate health and safety budget category, Grantees are reminded that when reporting these costs under the program operations category, the related health and safety costs must be included in the calculation of the average cost per home and cost-justified through the energy audit.

- Reference to current Health and Safety Guidance can be located in Section 3 of the Annual Grant Guidance.

Vehicles and Equipment \$5,000 or more – *Optional Category*

- In 2001, as an option, DOE created the Vehicles and Equipment budget category so Grantees had a mechanism to allow Subgrantee amortization of vehicle and equipment costs over multiple years. This can be particularly useful to small Subgrantees that do not have alternative funding sources and are unable to balance their production and average cost per home requirements when absorbing the vehicle or equipment costs over a single year. *Alternatively, vehicles and equipment may be expensed as a component of the Program Operations budget category.*
- If the Vehicle and Equipment category is proposed in the budget, the Grantee takes on the additional responsibility of managing and reporting when costs were expensed as well as how costs are amortized in the Quarterly Performance Reports (QPR).
- If vehicles and equipment will not be purchased by the end of the program year, DOE encourages Grantees to have provisions in the Subgrantee awards to allow the use of the funding to complete additional homes and minimize unexpended balances.

Liability Insurance – *Optional Category*

- All Grantees and Subgrantees must be covered by liability insurance. Liability insurance refers to the general contractor, or other policies that provide protection in case of personal injury or property damage resulting from the weatherization services. Liability insurance can be charged to the liability line item in the budget, which was created to ensure that such costs would not have to be charged to the administrative cost category. *See preamble to the Federal Register Notice, 45 Fed. Reg. 13028, 13031, Feb. 27, 1980.*
- Alternatively, the cost of liability insurance is part of the ACPU when the Grantee provides no allowance for the cost as a separate Budget Category in the Grantee State Plan. Liability insurance is also part of the ACPU when private contractors purchase policies as part of their service delivery requirements and pass that cost through to the material and labor rates charged to install energy efficiency measures. If the Grantee has a set-aside for Liability Insurance in their State Plan, the Subgrantees can purchase policies and not include the expense as part of their ACPU. This provision was established to cover general agency liability insurance and does not include any vehicle related insurance.
- Most, if not all, regular liability insurance policies do not provide for many health and safety measures such as lead and other pollution occurrence items. Thus, DOE recommends Pollution Occurrence Insurance (POI) as a part of, or an addendum to, general liability insurance. These costs are also charged on the liability insurance line item. If Grantees or Subgrantees choose **NOT** to obtain POI coverage and damage occurs or there is disturbance to any other environmental pollutants, the cost of remediation, clean up, relocation, medical

Application Package

expenses, or any other resulting costs may not be charged to DOE Weatherization and must be covered by another funding source.

Leveraging – Optional Category

- DOE Program regulations permit Grantees to take a percentage of their grant to undertake leveraging activities which may supplement Weatherization or be used to run a parallel Program (regardless of who initiates the action). Leveraging activities include paying for agency staff or hiring consultant staff to explore and develop partnerships with utility companies and other entities that will generate non-Federal resources for Weatherization. Other allowable activities include:
 - Holding leveraging meetings, preparing technical materials/briefs, or facilitating voluntary match funds from a non-Federal source.
- The leveraging column can consist of one or more leveraging activities.
 - Up to 15% of the annual Federal formula allocation (including PVE funds used under the Weatherization Program) can be used for attracting leverage resources. DOE considers this percentage reasonable for leveraging activities that are in accordance with 10 CFR 440.14 (c)(6)(xiv). Project Officers can approve this percentage and related purpose with appropriate explanation of activities to be conducted and reasonable historic return on the investment.
 - Should a Grantee request to have more than 15% of their grant used for leveraging purposes, DOE will conduct a secondary level of review and will request additional information on the anticipated return on investment to justify the higher percentage.
- If the Grantee chooses to add leveraged funds to the budget, identify the following information for each third party contributing to the project: (1) the name of the organization; (2) the proposed dollar amount to be provided; (3) the amount as a percentage of the total project cost; and (4) the proposed leverage item (cash, services, or property). By submitting an application that contains leveraged funds, Grantees are providing assurance that the leveraged funds will comply with all WAP rules, regulations and guidelines.

Financial Audit – Optional Category

Program financial audits are required by 10 CFR 440.23(d) and are allowable as either an Administrative expense or as a separate Budget Category in the State Plan. In the past, the cost of these audits was charged to the already over-burdened administrative cost category and sometimes resulted in less than adequate, quality financial audits. Grantees are encouraged to provide relief through the creation of a Financial Audit Budget Category, thus allowing these charges to be covered when Subgrantees meet the threshold contained in A-133. If weatherization is one of several programs within an agency being audited, only the fair-share proportion of the overall financial audit costs should be charged to the DOE award.

NOTE: OMB Circular A-133, revised June 26, 2007, should be consulted for thresholds, etc. and additional questions should be directed to the Contracting Officer.

When a Grantee proposes using non-DOE resources off-budget to meet a DOE WAP requirement (i.e. personnel costs for a required function, travel to a national DOE meeting) then a brief note by the grantee acknowledging commitment to the DOE requirement needs to be made. Such comments can be provided in the corresponding Object Class Category of the Budget Justification. If comments cannot be entered in the Budget Justification, then Section B of the SF-424A Budget is acceptable.

III.3 Budget Justification

DOE Project Officers commonly focus on the information in the Budget Categories (columns) of Section B of the Budget SF-424A in relation to the scope of work proposed in the Annual and Master File. The Financial Assistance Office (FAO) staff at DOE responsible for reviewing and approving the budget commonly focuses on whether the Grantee has included sufficient detail and support for the information for the Object Class categories (lines) in Section B of the budget. Clicking on the Section B line labels in PAGE (Personnel, Fringe Benefits, Travel, etc.) accesses the budget justification detail.

An updated budget justification is required with each new budget proposed. Please note that the total amount of funding for each Object Class category (i.e. Personnel) in the budget justification screens needs to equal the total for that corresponding object class category in Section B of the SF-424A budget. Grantees must provide their best and current estimate of each budget category at the time of submittal.

If a Grantee secures approval from DOE that allows another entity to administer activities and provide oversight of the Program, a separate and complete SF-424A Budget and Budget Justification for that Subrecipient is also required to be attached to the SF-424 application submitted to DOE in PAGE. The Grantee is still overall responsible to DOE for the administration and oversight of the Program, and all deliverables associated with the award.

Personnel

Grantees shall review and adjust staffing, description of responsibilities, salaries, hours or percentage proposed over the next budget period to assure sufficient and appropriate stewardship of the DOE funds. The listed costs are solely for employees of the Grantee.

Applicants shall identify positions to be supported and any key personnel should be identified by title. All other personnel should be identified either by title or a group category. State the amount of time (e.g., hours or % of time) to be expended, the composite base pay rate, total direct personnel compensation and identify the rate basis (e.g., actual salary, labor distribution report, technical estimate, state civil service rates, etc.). Identify the number of employees (on a Full Time Equivalent) that will be employed in each position or group category.

Fringe

A federally approved fringe benefit rate agreement, or a proposed rate supported and agreed upon by DOE for estimating purposes is required if reimbursement for fringe benefits is requested. If a fringe benefit rate has been negotiated with, or approved by, a federal government agency, a copy of the latest rate agreement must be included with this application. If there is not a current, federally approved rate agreement negotiated and available, provide a copy of the proposal with the application. If selected, the rate agreement

will be finalized during award negotiations. Calculate the fringe rate and enter the total amount in Section B, line 6.b. (“Fringe Benefits”) of form SF-424A.

IMPORTANT: Grantees must provide all fringe rates, along with a complete explanation and the full calculations used to derive the total fringe costs. If the total fringe costs are a cumulative amount of more than one calculation or rate application, the explanation and calculations should identify all rates used, along with the base they were applied to (and how the base was derived), and a total for each (along with grand total). The rates and how they are applied should not be averaged to get one fringe rate.

Travel

DOE not only allows but expects Grantees to budget adequate funds to participate in national and regional conferences, as well as participation on related planning committees, task forces, and other scheduled and related meetings, and considers these meetings as high priorities. DOE is aware that many Grantees have travel restrictions due to budgetary constraints. Funds for Grantee and Subgrantee travel are provided as part of the

Weatherization grant award, and proper usage of these funds will be closely monitored by DOE to ensure compliance with stated travel indicated in Grantees’ Annual Plans. Additional travel may also be budgeted for in-state meetings, administrative, financial and technical monitoring of Subgrantees, etc. Please provide the number of travelers, estimated cost per traveler, duration of trip, and total cost per trip.

Proposed travel needs to clearly identify proposed activities and reflect sufficient resources. DOE recognizes that many events and activities may require more than one person from each state to sufficiently cover the amount of new information being disseminated (e.g., a conference may have multiple tracks) and/or have sufficient expertise (e.g., a single staff person may not have the skills to adequately monitor technical functions and the administrative/financial elements).

Grantees should cite appropriate law, regulation or policy governing Grantee travel and again, if an appropriate Grantee web link indicates per diems and process, please indicate it in the narrative description.

Equipment

This category only covers equipment purchases at the Grantee level, not Subgrantee/vendor level. Vehicles and equipment means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A Grantee may use its own definition of vehicles and equipment provided that such definition would at least include all equipment defined above.

All proposed equipment should be identified, providing a basis of cost such as vendor quotes, catalog prices, prior invoices, etc., and briefly justifying its need as it applies to the objectives of the award. If it is existing equipment, and the value of its contribution to the project budget is being shown as cost share, provide logical support for the estimated value shown. If it is new equipment, which will retain a useful life upon completion of the project, provide logical support for the estimated value shown. Also indicate whether the Equipment is being used on other projects or is 100% dedicated to the DOE project.

Materials and Supplies

Supplies are generally defined as an item with an acquisition cost of less than \$5,000 and in many, but not all cases have a useful life expectancy of less than one year. Supplies are generally consumed during the project performance. Further definitions can be found in 10 CFR 600.

Proposed supplies should be identified, providing a basis of cost such as vendor quotes, catalog prices, prior invoices, etc., and briefly justifying the need for the supplies as they apply to the objectives of the award. Note that supply costs identified, as direct costs in the budget may not be duplicative of supply costs included in the indirect pool that is the basis of the indirect rate applied for this project.

Grantees who propose the same copier and same server each year create a perception that these items are placeholders as opposed to what the program truly needs and expects to acquire in the upcoming budget period. Therefore, if a Grantee has a rotating IT replacement type policy, provide supporting documentation as an attachment to the SF-424 Application and/or provide a web link to support the basis.

- *For Grantees with Subgrantees:* These are materials and supplies purchased for use by the Grantee at the Grantee level and Grantees should make certain to update annually based on program needs.
- *For direct service provider Grantees (tribes and some territories):* This category will be different based on how the provider procures materials. Grantees that are direct service providers should consult with their Project Officer to determine appropriate cost category.

Contractual

The Grantee must provide and justify all costs related to Subgrantees and vendors (including contractors, and consultants). The Grantee must provide a separate SF-424A budget and Budget Justification for any subrecipient that will manage the Program on behalf of the Grantee and provide these documents as attachments to the SF-424 application in PAGE.

- **Subgrantees:** The expected practice is a single line item that refers to and is consistent with the Subgrantee Allocation table in Section IV.1 of the Annual File.
- **Vendors (includes contractors and consultants):** The expected practice is to identify each training center, training contractor, other program delivery contracted services such as database development and management along with the proposed budget amount. The support to justify vendor costs (in any amount) should provide the purpose for the products or services and a basis of the estimated costs that is considered sufficient for DOE evaluation.

If the effort/task has not already been procured, the vendor would be listed as To Be Determined (TBD). It is helpful if this section indicates single-year contracts/purchase orders, continuation, option year of a multiple year procurement effort or otherwise.

Other Direct Costs

Other direct costs are direct cost items required for the project, which **do not** fit clearly into other categories, and are not included in the indirect pool for which the indirect rate is being applied to this project. This category is commonly used to capture rent, utilities, phones, postage, association memberships, subscriptions, etc. that are weatherization-specific direct charges to the award and that would not be more appropriately categorized in other object class categories above. Include a basis of cost such as vendor quotes, prior purchases of similar or like items, published price list, etc.

Indirect Costs

Indirect costs are costs incurred for a common purpose, benefiting more than one program, and not readily allocable among individual programs based on their proportionate shares of benefits derived. A federally approved indirect rate agreement, or rate proposal supported and agreed upon by DOE for estimating purposes, is required if reimbursement of indirect benefits is requested. If there is a federally approved indirect rate agreement, a copy must be provided with this application and if selected, must be provided electronically to the Contracting Officer for this project. If there is no current, federally approved indirect rate agreement or if the federally approved indirect rate agreement has been changed or updated, a rate proposal must be included with the application. If selected, the rate agreement will be finalized during award negotiations. Calculate the indirect rate dollars and enter the total in the Section B., line 6.j. (Indirect Charges) of form SF-424A.

IMPORTANT: Provide a complete explanation and the full calculations used to derive the total indirect costs. If the total indirect costs are a cumulative amount of more than one calculation or rate application, the explanation and calculations should identify all rates used, along with the base they were applied to (and how the base was derived), and a total for each (along with grand total). The rates and how they are applied should not be averaged to get one indirect cost percentage.

III.4 Carryover Explanation

The Grantee shall include an explanation of any estimated carryover amount by the budget categories (broken down by Grantee Administration, Grantee T&TA, Subgrantee Administration, Program Operations, Health and Safety, etc.) in which the funds are currently budgeted. The carryover explanation shall be provided in a separate spreadsheet or other document attached to the SF-424 Application in PAGE.

IV. ANNUAL FILE

IV.1 Subgrantees

The Grantee must identify all Subgrantees that will carry out the Program. Information required includes: name, address, type of organization (e.g., local action agency, non-profit, tribal organization, or unit of local government), tentative allocation, number of dwelling units expected to be weatherized during the program year, the sources of labor, and the congressional district(s) and counties served.

IV.2 Production Schedule

This section must include the total number of dwelling units proposed to be weatherized under the program rule with grant funds during the budget period for which assistance is to be awarded, with financial assistance previously obligated under this part, and with the tentative allocation to the Grantee. A completed production schedule will satisfy this requirement. The form to be used for specifying the production schedule is included as part of the Annual File in PAGE.

Grantees need to determine an Average Cost Per Dwelling Unit that correlates with their actual production reporting. The production schedule has space to calculate the average cost per dwelling unit for program operations, per 10 CFR 440.14(c)(6)(viii).

Some Grantee State Plans repeatedly indicate an ACPU that closely correlates to the maximum \$6500 (adjusted) DOE limitation. This reflects a minimum DOE production requirement for the year, which is then often divided up and local agency minimum production is estimated. Because the budget is also the basis for reviewing other aspects (such as proposed Health & Safety costs) DOE would like to improve the quality of Grantees' production estimates. DOE has cause to question the planning acumen of Grantees (and subsequently, Subgrantees) that consistently exceed 150-200% of their production goal.

In submitting the production schedule, Grantees shall thoroughly and sufficiently support their proposed production estimates based on past reporting as well as what new implementation efforts (i.e. QWP, full implementation of ASHRAE 62.2-20103 which is required by the beginning of the PY2014 plan year.).

IV.3 Energy Savings

Applicants shall provide an estimate of the amount of energy to be conserved, pursuant to 10 CFR 440.14(c)(4). Grantees should indicate the methodology used to determine the energy savings.

- DOE Algorithm
- Other (describe below)

DOE Algorithm:

For Grantees that have not developed a methodology for computing energy savings, applicants can use the following formula:

DOE Program	Amount	Line
Total DOE State Weatherization Allocation		(a)
Total Cost associated with Administration, T&TA, Financial and Energy Audits or 15% of allocation		(b)
Subtract the amount entered in line (b) from line (a), for a total Federal (DOE) funds available to weatherize homes		(c)
State Average Cost per Home or National WAP Program Year Average Cost per Home		(d)
Divide the amount entered on line (c) by the amount entered on line (d), for Total Estimated Homes to be Weatherized		(e)
Multiply (e) by 30.5 MBTU* for Total Annual Estimated Energy Savings resulting from DOE appropriated funds		(f)

Application Package

All Funding Sources		
Total funds (e.g., DOE WAP, State, Leveraged, LIHEAP, and other non-Federal sources of funds) used by the Grantee to weatherize homes		(g)
Total cost associated with the administration of Weatherization funds or 15% of total funds available to weatherize homes		(h)
Subtract the amount entered in line (h) from line (g), for total funds available to weatherize homes		(i)
State Average Cost per Home or National WAP Program Year Average Cost per Home		(j)
Divide the amount entered on line (i) by the amount entered on line (j), for Total Estimated Homes to be		(k)
Multiply (k) by 30.5 MBTU* for Total Annual Estimated Energy Savings resulting from all funding sources		(l)

The most recently *published* Metaevaluation of the National Weatherization Assistance Program (ORNL/CON-493; http://weatherization.ornl.gov/pdfs/ORNL_CON-493.pdf) estimates annual savings of 30.5 MBtu per year for natural gas heated homes. The study incorporates state-level evaluations for the period 1993-2005. The Metaevaluation result is considered a reasonable and conservative proxy for average energy savings from households of all fuel types.

The methodology and detail of state program evaluations vary significantly. Applying national average unit savings to production data may skew state-level energy savings estimates. For these reasons, DOE has initiated the National Evaluation of the Weatherization Assistance Program. This multi-year project will assess program performance and procedures both retrospective, for PY 2007 and PY 2008, and for the American Recovery and Reinvestment Act of 2009 (the Recovery Act) period, PYs 2009-2011. The retrospective evaluation is being conducted by a competitively selected independent contractor team headed by Apprise, Inc. of Princeton, New Jersey under the supervision of Oak Ridge National Laboratory. (Please see Weatherization Program Notice 10-11 for further details.) The specific outline of this study can be found in the publication *National Evaluation of the Weatherization Assistance Program, ORNL/CON 498*.

Other Methodology:

The estimate and the methodology used to estimate energy savings shall be clearly explained including the information sources for energy savings per unit. Applicants shall also quantify how much energy was saved in the preceding program year and compare it to the estimate given last year.

DOE continues to encourage Grantees to proceed with individual Grantee evaluations. Grantees undertaking such an evaluation are requested to coordinate their plans with DOE so the information may be shared to gain maximum results from the Program. Technical assistance is available to Grantees through DOE to help with the design and analysis plans for Grantee evaluation studies. DOE published the report, "Estimating the National Effects of the

U.S. Department of Energy's Weatherization Assistance Program with State-Level Data: A Meta-Evaluation Using Studies from 1993 to 2005." The individual evaluations conducted by the Grantees were critical to this effort. Also, DOE completed a non-energy benefits study. Both of these documents can be accessed on the ORNL website.

IV.4 DOE-Funded Leveraging Activities

In 1990, SEEPIA encouraged weatherization to consider an optional activity that may be undertaken within the award.

Leveraging Partnership Development and Management: 10 CFR 440.14(c)(6)(xiv) requires that Grantees provide the amount of Federal funds to be budgeted, and an explanation of how they will be used, to increase the amount of weatherization assistance to low-income clients. Leveraging means 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. Up to 15% of the annual formula DOE allocation may be proposed for leveraging and the application will still be eligible for the typical DOE review. Applicants requesting a percentage *higher* than 15% will undergo secondary review. Grantees may be required to provide more justification and documentation to satisfy the more in depth review process. When the proposed costs are anything more than incidental and beyond the capacity of the Grantee Administration category to cover within its 5% budget limitation, then a new budget category (column) is created in the budget and those costs need to be tracked separately.

Grantees 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.

When using DOE funds, funds must be used to obtain non-Federal resources to: increase the number of low-income homes weatherized, and/or increase the scope or type of services provided to low-income homes. Grantees are encouraged to generate at least one non-Federal leveraging dollar for every DOE dollar expended. Grantees shall provide annual reports to DOE describing training, technical assistance, monitoring, and leveraging activities that have occurred in the previous year. DOE realizes generating new leveraging resources is not always immediately successful.

The Grantee, as well as the DOE Project Officer, is asked to review past performance and determine after some reasonable period if the lost opportunity of weatherizing additional homes with the DOE funds outweighs the continued budgeting and spending towards unsuccessful leveraging efforts.

Leveraging Funds Implementation: In some limited cases, a Grantee may want to consider including the actual leveraging funds as part of the DOE grant to access additional Grantee administration resources. Although allowable, most Grantees carefully weigh the additional responsibilities, reporting, constraints and DOE oversight and prefer to operate the leveraged funds as an activity outside the DOE grant budget.

IV.5 Policy Advisory Council

A Policy Advisory Council (PAC) shall be established in accordance with 10 CFR 440.17. The regulations reflect DOE's intentions in offering Grantees some flexibility in the area of the PAC. In order to change the PAC to a council or commission, the Grantee must show cause to DOE that the current PAC is either non-existent or is not functioning as outlined in 10 CFR 440.17 of the Program regulations. DOE does not intend, nor does it mean to imply, that the Grantee has the discretionary authority to replace the PAC without due process or cause.

Any Grantee who desires to substitute a Grantee council or commission for a PAC, must address this issue as a part of the public hearing held regarding the annual State Plan. The DOE Project Officer will make the final determination regarding this request as a part of the review of the application and State Plan.

Also, the requirement remains that any person(s) employed in any Grantee Weatherization Program can be a member of an existing commission or council, but has to abstain in reviewing and approving the activities associated with the DOE Weatherization Assistance Program.

Provide the following details within the chart in PAGE when completing the PAC section:

- Name of the person on the PAC
- Contact information for the PAC member
- Name and the type of organization they represent (Low-income, elderly, persons with disabilities, Native Americans, utility, etc.)
- Minutes from PAC meetings related to the development of and comment on the State Plan (attached to the SF-424 – instructions for attaching are included under Section II).

IV.6 Hearings and Transcripts

DOE reminds Grantees that pursuant to 10 CFR 440.14(a) before submitting an application to DOE, a Grantee must provide at least 10 days' notice of a hearing to inform prospective Subgrantees of how they may obtain a copy of the proposed State Plan and must conduct one or more public hearings to receive comments (verbal or written) on the proposed plan.

Historically, the notice has appeared in print publications. Given recent innovations in technology, Grantees may use a Grantee-approved alternative electronic public notification process that is used by other Federally-funded Grantee programs, provided it is also approved by the DOE Project Officer in advance.

As part of the Hearings and Transcripts submission, the Grantee should identify how the notice was provided to the prospective Subgrantees and public (e.g., a list of publications and/or copy of the notice(s) may be attached to the SF-424 Application in PAGE. *Instructions for attaching items are included under Section II*). DOE Project Officers will review the notice to ensure Grantee compliance in notifying the public of where/how to obtain copies of the Plan. Most Grantees, States, and Territories have laws governing the conduct of public hearings. If applicable, those laws and requirements must be followed as well.

DOE strongly encourages the notice include a summary or highlights of the proposed changes from the previous year's Plan. The summary should also include any changes being proposed in geographical services (e.g., how the Grantee may serve the entire state but on a rotating basis), consolidation or rebidding of network providers, credentialing or training requirements, etc. Providing this information in advance will improve communication between the Grantee and Subgrantees and other interested parties and minimize disputes that may arise at the hearing. Whenever possible, DOE would like to be informed in advance of significant proposed program changes or issues of a contentious nature that will be addressed at the hearing.

DOE no longer requires an official transcript of the public hearing but accepts notes/minutes taken by a Grantee staff person. DOE still considers an official hearing transcript as a best practice, particularly if the hearing is anticipated to propose significant program changes or be contentious. If an official transcript is not taken, Grantees must submit the notes or minutes taken by Grantee staff person and any comments received by the Grantee on the minutes or notes from the hearing.

The Grantee shall attach minutes/notes from the hearing to the SF-424 Application in PAGE. *Instructions for attaching are included under Section II.* The DOE Project Officer will review the minutes of the public hearing(s) on the annual Grantee Plan to determine that all issues are properly addressed by the Grantee prior to approval of the final Grantee plan. If an official transcript is under development, Grantee should attach notes to the SF-424 application in PAGE to inform DOE of any issues raised and how the Grantee will address these issues. The official transcript should then be forwarded to the DOE Project Officer upon completion.

Grantees should be aware that if significant program changes are made after the initial public hearing(s), an additional hearing may be required. DOE encourages the inclusion of a redistribution provision in the Plan to enable the Grantee to actively manage the grant and move funds as necessary to fully expend the monies during the budget period. Vetting this redistribution provision during the initial public hearing may negate the necessity of performing subsequent hearings as long as the prescribed process for the redistribution of funding in the DOE approved plan is followed.

IV.7 Miscellaneous

This section is available for Grantees to use as deemed appropriate for any activities that are not routinely administered as part of the Weatherization Assistance Program or there is no other section of the annual file specifically noted to describe the activities.

Recipient Business Officer and Recipient Principal Investigator

In the Annual File, at the beginning of the "Miscellaneous" Section, please identify the name, email address, and phone number for the "Recipient Business Officer" and "Recipient Principal Investigator", as defined below. These personnel are the official Recipient points of contact that will be identified in the Assistance Agreement, which is the authorizing award document issued by the contracting officer. If the designated Recipient Business Officer or Recipient Principal Investigator changes during the project period of performance, it is incumbent upon the Grantee to notify the DOE Grants Management Specialist and DOE Project Officer assigned to your award.

“Recipient Business Officer” is the representative authorized to act on behalf of the Grantee to negotiate the award. All DOE official correspondence related to the award will be addressed to the Recipient Business Officer.

“Recipient Principal Investigator” is the technical representative authorized to act on behalf of the Grantee as project manager for the award. The Recipient Principal Investigator is the prime point of contact for the DOE Project Officer during the project period of performance and will receive a copy of all DOE official correspondence related to the award.

V. MASTER FILE

V.1 Eligibility

Every dwelling weatherized must meet both the client eligibility *and* the building eligibility requirements.

V.1.1 Approach to Determining Client Eligibility

The definition of "low income" that the state has chosen for use statewide to determine eligibility under §440.22(a) shall be kept on file per §440.14(c)(6)(xii). Applicants should briefly describe their procedures, in accordance with §440.16(a), to ensure that no dwelling unit is weatherized without documentation that the unit is an eligible dwelling unit.

Income Verification

In determining what eligibility level will be used in its program, the Grantee must verify eligibility for weatherization assistance under this part. The dwelling unit is eligible for assistance if it is occupied by a family unit:

- Whose income is at or below 200 percent of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget, except that the Secretary may establish a higher level if the Secretary, after consulting with the Secretary of Agriculture and the Secretary of Health and Human Services, determines that such a higher level is necessary to carry out the purposes of this part and is consistent with the eligibility criteria established for the weatherization program under Section 222(a)(12) of the Economic Opportunity Act of 1964; , Pub. L. No. 88-452, 42 U.S.C. § 2701 *et seq*;
 - DOE distributes to Grantees, as made available, Poverty Income Guidelines and Definition of Income. This document includes a revised definition of income for use by Grantees and Subgrantees in their programs. The revisions in this document include defining income, cash receipts, exclusions, proving eligibility, child support, annualizing income, and re-certification.
 - Grantees and Subgrantees are reminded that the supporting documentation for applicants applying for weatherization that may be on a waiting list or for other reasons must have their eligibility documentation updated at least annually.
- Which contains a member who has received cash assistance payments during the

preceding twelve month-period under Titles IV and XVI of the Social Security Act, Pub.L. No. 88-452, 42 U.S.C. § 2701 *et seq.* or applicable State or local law; or

- If a Grantee elects, is eligible for assistance under the Low Income Home Energy Assistance Act of 1981, provided that such basis is at least 200 percent of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget.

Information should describe the population within their state, or region that is eligible to receive weatherization services. Priorities given to certain portions of the eligible population should also be described

Qualified Aliens Eligibility for Benefits

Grantees are directed to review guidance provided by Health and Human Services (HHS) under the Low Income Home Energy Assistance Program (LIHEAP). Grantee should reference any policies or procedures in place to ensure DOE weatherization services shall only be provided to eligible populations.

V.1.2 Approach to Determining Building Eligibility

Reweathering

The Recovery Act amended the DOE Weatherization Reweathering dates and now allows Grantees and Subgrantees to weatherize homes previously weatherized from September 30, 1994, and earlier. This provision gives Grantees the flexibility to revisit those homes weatherized prior to 1994 that may not have received the full complement of Weatherization services, including the use of an advanced energy audit or addressing health and safety concerns. DOE reminds Grantees and Subgrantees that in selecting previously weatherized homes to revisit, there still remain more than 34 million federally eligible households that have received no Weatherization services to date.

In addition, DOE issued WPN 12-7 to address Disaster Planning and Relief, which provides a framework for reweatherization of homes to occur on October 1, 1994, and later due to natural disasters. Please refer to these sections and follow appropriate procedures if the Grantee wishes to serve homes located in disaster areas.

NOTE: The term “Reweathering” applies only to those units which fall into the category of time indicated above and described under 10 CFR §440.18(e)(2)(iii).

Eligible Structures

Grantees should exercise caution in dealing with non-traditional type dwelling units such as shelters, apartments over businesses, etc. to ensure they meet Program regulations on whether the unit is, in fact, eligible. Consideration on weatherizing these types of units should be discussed and if necessary, approved by the DOE Project Officer prior to weatherization.

The weatherization of non-stationary campers and trailers that do not have a mailing address associated with the eligible applicants is not allowed. The use of a post office box for a non-stationary campers or trailers does not meet this requirement.

Rental Units

Applicants shall include in this section an explanation for how they will ensure that the benefits of weatherization to occupants of rental units are protected in accordance with §440.22(b)(3). Applicants are requested by the U.S. Department of Energy to satisfy this requirement by keeping on file rental plans or procedures that address protection of renters' rights as specified in §440.22(b)(3) and §440.22(c)-(e).

Whether single-family or multifamily, the Grantee's procedures for rental unit or rental units shall ensure:

- Written permission of the building owner or his agent before commencing work.
- Benefits of the services accrue primarily to the low-income tenants residing in such units.
- For a reasonable period of time after completion, the household will not be subjected to rent increases (unless those increases are demonstrably related to other matters other than the weatherization work performed).
 - There are adequate procedures whereby the Grantee can receive tenant complaints and owners can appeal, should rental increases occur.
- No undue or excessive enhancement shall occur to the value of the dwelling unit.
- To secure the federal investment and to address issues of eviction from and sale of property, per 10 CFR 440.22(c), Grantees may seek landlord agreement to placement of a lien (or other contractual restrictions) upon the property being weatherized.

In the case of multifamily buildings, additional elements may include:

- Requirement of financial participation, when feasible, from owners of such buildings.

Certain buildings containing rental units may comply with the income eligibility requirements when 50 percent of those dwelling units are eligible dwelling units rather than the established 66 percent identified in the regulation. (10 CFR§440.22(b)(2)). The buildings that are subject to the 50 percent threshold are duplexes, four-unit buildings, and certain eligible types of large multifamily buildings. In the final rule published on December 8, 2000, DOE provided guidance on what types of large multifamily buildings may be subject to the 50 percent threshold. (65 Fed. Reg. 77210, Dec. 8, 2000.).

DOE indicated that “certain eligible types of large multifamily buildings” are those buildings for which an investment of DOE funds would result in a significant energy-efficiency improvement because of the upgrades to equipment, energy systems, common space, or the building shell. (Id. at 77215) By providing this flexibility, Subgrantees are better able to select the most cost-effective investments and enhance their partnership efforts in attracting leveraged funds and/or landlord contributions. This flexibility does not apply to any other type of multifamily unit. Questions on whether a building meets the criteria should be directed to the DOE Project Officer.

The definition of “significant energy improvement” is based on specific criteria for the building in question. This must be assessed using existing conditions to determine the threshold to achieve significant energy improvements. Grantees should consult with their DOE Project Officer if there are questions related to this threshold. Additional guidance is being considered by DOE to provide Grantees criteria for what constitutes “significant energy improvement.”

As a reminder, when addressing multifamily units with DOE funds, multiply the total number of income-eligible units in the multifamily building by the current allowable per dwelling unit average cost to determine the amount of DOE funding available for weatherizing the building. While the amount of funding available for weatherizing a building is limited by the number of eligible units, the weatherization work can result in improvements to all units in the building, even those that are not eligible units. All units should be reported to DOE.

NOTE: Grantee and Subgrantee agencies should exercise caution when utilizing flexibility in this area. The key is the investment of DOE funds coupled with leveraged resources, which result in significant energy savings. Absent this investment, lowering the eligibility to 50% may lead to disallowed costs. Subgrantees who are uncertain on a given multifamily project should seek approval by the DOE Project Officer through their Grantee Weatherization Program Manager.

Deferral

While clients may meet the eligibility requirements, it is important for Grantees to have clear and concise directions for the Subgrantees as to when a building should be deferred because the building is not a good candidate for weatherization. Examples may include:

- Condition of the structure (building integrity/inability to practically or effectively weatherize).
- Area slated to be redeveloped (highway development, economic development, flood area).
- Health and safety reasons that defer services.

V.1.3 Definition of Children

The definition of "children," chosen by the Grantee and consistent with 10 CFR 440.3, that the state has chosen shall be provided as required by 10 CFR 440.14(c)(6)(xiii).

V.1.4 Approach to Tribal Organizations

Applicants shall include a statement, in accordance with 10 CFR 440.16(f), that low-income members of an Indian tribe will receive benefits equivalent to the assistance provided to other low-income persons within the state unless the applicant has made the recommendation provided in 10 CFR 440.12(b)(5). In such a case, the applicant shall provide a recommendation that a tribal organization be treated as a local applicant eligible to submit an application pursuant to 10 CFR 440.13(b), if such a recommendation is to be made.

V.2 Selection of Areas to be Served.

Applicants shall provide, per 10 CFR 440.14(c)(6)(ii), an explanation of the method used to select each area to be served by a weatherization project.

V.3 Priorities

Grantees shall describe any priorities given to certain portions of the eligible population in receiving weatherization assistance. Specifically, as required by 10 CFR 440.16(b), briefly describe procedures Grantees and Subgrantees use to maximize program effectiveness. However, Grantees must have a procedure to ensure that the following properties are prioritized in identifying and providing weatherization services. Grantees have the flexibility to determine how to prioritize these areas:

- Elderly persons,
- Persons with disabilities,
- Families with children,
- High residential energy users, and
- Households with a high energy burden.

Application Package

Consideration of “high residential energy users” and “households with a high energy burden” may be in combination with, the other priority categories of elderly, persons with disabilities, or families with children. The consideration of “high residential energy users” and “households with a high energy burden,” allows Grantees and Subgrantees to be better able to partner with utilities and other programs to leverage additional resources into their programs. If a Grantee elects to use either of these categories, these should be submitted in Program Reporting.

Housing type is not a recognized priority under the regulations, and use of housing type as a priority may be contrary to the requirement for high residential energy users to be considered as a priority in evaluating service delivery ranking of eligible households. Grantees and Subgrantees may not discriminate due to the type of home where the low-income family lives. All other issues related to eligibility (like the entire multifamily building being eligible for a family to receive services) still apply.

V.4 Climatic Conditions

In this section, applicants should describe the climatic conditions within the state, including a map or table showing the heating degree days and cooling degree days (if cooling measures are considered) in each area served by a weatherization project. Weather data in units other than heating and cooling degree days may be provided if desired. Sources of weather data are to be listed. A brief explanation shall be given of how climatic variances within the state affect the weatherization of eligible units (e.g., site-specific weather files used in computerized energy audits).

V.5 Type of Weatherization Work to be Done

V.5.1 Technical Guides and Materials

Grantees should provide title and issue date for the documents used by Grantee and the Subgrantees to determine work to be done. These documents may include field guides, program updates, procedures manuals, standards documents, etc. Grantee must also declare all work is being performed in accordance to the DOE-approved energy audit procedures and 10 CFR 440 Appendix A.

V.5.2 Energy Audit Procedures

In accordance with 10 CFR 440.21 (h), all Grantees must resubmit their audit procedures (and priority list(s), if applicable) to DOE for approval every five years. DOE requires energy audit procedures to be approved specifically for use on single-family dwellings and manufactured homes.

Single Family

Grantee must provide a date of last approval for both the audit tool and priority list(s), if applicable. If re-approval is within this PY, Grantee should identify in the comment box what planning is underway to get re-approval in place and the estimated date of submission.

Manufactured Housing

Grantee must provide a date of last approval for both the audit tool and priority list(s), if applicable. If re-approval is within this PY, Grantee should identify in the comment box what planning is underway to get re-approval in place and the estimated date of submission.

Multifamily

Where multifamily dwelling units represent more than 20% of a Grantee's building type, DOE requires the Grantee to submit multifamily audit procedures. For Grantees that fall below the 20% threshold and do not have a DOE-approved audit and procedures for multifamily buildings, a Grantee must take two actions:

- Describe in the State Plan the approach that will be taken to ensure that the eligible occupants of multifamily dwellings receive appropriate, cost-effective weatherization services.
- Submit to the Project Officer the necessary material to approve the multifamily project prior to commencing weatherizing the building (e.g. engineering assessment, audit input/output). The Project Officer will review and approve the project(s) on a case-by-case basis in the absence of a multifamily energy audit.

If a Grantee has a multi-protocol approved, the Grantee should provide the date of last approval. If the Grantee does not have a multi-protocol approved, please estimate in the comment box what % of the units the Grantee weatherizes are multifamily, what approach the Grantee will take to ensure this housing stock is served, and verify the Grantee understanding of process to be followed to have projects approved on a case-by-case basis.

V.5.3 Final Inspection

Applicants shall describe their procedures to ensure that no dwelling unit is reported to DOE as completed until all weatherization measures have been installed and the Subgrantee, or its authorized representative, has performed a final inspection(s) including any mechanical work performed and certified that the work has been completed in a workmanlike manner and in accordance with the priority determined by the audit procedures required by 10 CFR 440.21.

V.6 Weatherization Analysis of Effectiveness

An analysis shall be provided, per 10 CFR 440.14(c)(6)(i), of the existence and effectiveness of any weatherization project being carried out by the Subgrantee(s). This analysis may include analyses that are done on an annual basis but may also include special analyses that are conducted based on current events. Examples of activities DOE would be interested in include the following:

- How the effectiveness of Subgrantee weatherization is assessed?
- How productivity and energy savings between Subgrantees are compared?
- How the comparisons are used in the development of T&TA activities and priorities?
- How is the training capability being assessed and how is the Grantee incorporating monitoring feedback?
- What is the Grantee doing to be on a path of continuous improvement?
- How is the Grantee tracking Subgrantee performance reviews?

Application Package

- If a Subgrantee has failed final inspections, how are things improving?
- If a Subgrantee has management findings or concerns cited as a result of Grantee monitoring or audit proceedings, how are things improving?
- What are the management mechanisms being put in place this year to affect improvement?
- Are there technical and financial systems that have been reviewed?
- What has the Grantee done in the area of market analysis to ensure particular measures are being costed accurately?

V.7 Health and Safety

The final rule, published March 4, 1993, revised the purpose and scope of the Weatherization Assistance Program to improve the health and safety of low-income persons served by the Program, especially those that are particularly vulnerable such as the elderly, persons with disabilities, and children. Health and safety appears in three sections of the regulations 10 CFR 440.16, 440.18 and 440.21. The Health and Safety Plan may be a separate attachment to the SF-424 in PAGE.

DOE recommends in developing the Plan, Grantees use the Health and Safety template (located on the WAPTAC website) that is updated periodically in developing this section. In addition to addressing all elements contained in the table of Weatherization Program Notice 11-6, Grantees should make specific note in this section any items that are being removed (or conditionally removed) from the Health and Safety category and instead, meet the definition of Incidental Repair Measures (IRM) in WPN 12-5 and will be charged as IRMs.

Grantee should also include any other Health and Safety related policies or procedures including:

- Intake procedures (e.g., capturing pre-existing occupant health conditions).
- Deferral policies due to Health and Safety reasons (e.g., client notification and list of measures, appeal process, how Grantee refers client to other sources).

ASHRAE 62.2-2013 and forthcoming updates and versions

ASHRAE 62.2-2010 and updates with addenda or anything older are no longer acceptable and ASHRAE 62.2-2013 compliance is now required. As new versions to the standards are published, typically every three years, Grantees must incorporate the newest full version of the Standard. Annual updates such as addenda to the 2013 version are optional for a Grantee to consider for implementation. The 2013 version has different formulas and considerations that cannot be combined with the 2010 version. Grantees need to keep up with changes, incorporate them into their Health and Safety Plan, change forms, provide training to their network and monitor that implementation is occurring.

In most cases it will take a full program year following the published update to submit updated Health and Safety Plans with the annual application. Once a full ASHRAE 62.2 update is published, Grantees should start planning for implementation by seeking necessary training and technical assistance to perform the new Standard. No more than one full program year can pass without moving to the next new full version of a Standard once it is published.

V.8 Program Management

V.8.1 Overview and Organization

Applicants shall provide a description of the organization that operates the Weatherization Program. The description shall illustrate how weatherization activities are structured within the organization, the organization of the Weatherization office (program managers, monitors, admin, etc.), as well as show the relationship of the weatherization organization to other units of the state government (e.g., is the agency operating the Weatherization Assistance Program also responsible for the State Energy Program, LIHEAP, other housing programs, etc.). *These organizational charts shall be attached to the SF-424 Application in PAGE (instructions for attaching are included under Section II).*

If applicable, applicants may also reference in this section any manuals that are relevant to the Weatherization Assistance Program operations in this section. V.8.2 Administrative Expenditure Limits.

As 10 CFR 440.18(d) explains, not more than 10% of any grant made to a state may be used by the Grantee and Subgrantees for administrative purposes -- not more than 5% may be used by the state, and not less than 5% must be made available to Subgrantees by the state. However, a state may provide up to an additional 5% to Subgrantees receiving grants of less than \$350,000 of new DOE money. In other words, a state may make available up to 10% to certain, qualified Subgrantees. In these special cases, a total of up to 15% of the grant would be allowable for administrative purposes. Should the state elect this option, applicants should describe the procedures used by the state for providing additional administrative funds to qualified Subgrantees as specified in 10 CFR 440.18(d).

Background on Administrative Expenditures

The impact of the 10 percent statutory and regulatory limit on administrative costs has long been a difficult issue for Subgrantees, particularly small Subgrantees in the management of their Weatherization programs. It is also a concern of small Grantees that have been added to the Program in recent years, and Grantees that have no Subgrantees and are limited to 5 percent on administrative costs. Beginning with the 1985 Annual Grant Guidance to the Grantees, DOE identified instances where certain administrative functions could be charged to the program operations category and encouraged Grantees to permit their Subgrantees to incorporate these changes. Additionally, the current regulations include a provision to allow Subgrantees with grants of less than \$350,000 to be permitted to use up to an additional 5 percent of its subgrant for administrative costs. DOE will continue to rely on the program guidance documents still in effect since their issuance in their early 1980's. The Weatherization authorizing legislation and the Weatherization Program regulations, 10 CFR Part 440, do not specifically define allowable administrative costs. DOE expects consistency in the implementation of program costs, particularly in how the Grantee defines these costs and how they will be charged to either administration or program operations.

Certain opportunities for flexibility were identified for Grantees and Subgrantees through Program Guidance. The four separate memoranda provide the only flexibility on charging administrative costs as issued by DOE. Copies of these guidance documents can be found on the WAPTAC website. Included in these memoranda is House Report 98-886, which accompanied the 1985 Appropriations Bill and provided DOE with the original authority to provide relief for Subgrantees on the issue of administrative costs.

Program Guidance in this area is not mandatory for Grantees. However, the fact that the flexibility offered in these memoranda would not be acknowledged by an OMB Circular A-133 audit does cause concern when an independent financial audit of the Program is conducted. An auditor would note discrepancies in program operations costs that would normally be charged as traditional administrative costs. DOE will attempt to address this issue through future training addressing how Grantees can best assure that the flexibility offered by DOE is understood and applied uniformly.

V.8.3 Monitoring Activities

Grantees shall follow WPN 12-5 in filling out the monitoring section. This section must be specific to the current program year monitoring activities.

- Grantees should indicate the staff dedicated to the monitoring effort and identify whether they are technical or administrative monitors. Include credentials of monitors (e.g., certifications).
- Grantees must indicate if these staff members are paid for out of the Grantee administration or T&TA budget category (if T&TA, include the percentage of funds directed toward this effort). Also include estimates on travel for monitoring efforts.
- For the current program year, Grantees should describe and provide their monitoring schedule in detail indicating not only frequency of visits, but also a tentative schedule on when these visits may occur.
 - The administrative/fiscal monitoring, no less than annually per Subgrantee, should describe what the monitoring entails, potential Subgrantee schedule, and resolution strategy if issues are identified. *Grantees are encouraged to attach the administrative/fiscal monitoring instrument to the SF-424 – instructions for attaching are included under Section II.*
 - Grantee technical monitoring of each Subgrantee should indicate the frequency/number of units to be monitored, whether units in progress are monitored, the specifics of the monitoring activity (file review/in unit/etc.), and identify a resolution strategy if issues are identified and units have already been reported as completed.

Grantees are encouraged to attach the technical monitoring instrument to the SF-424 – instructions for attaching are included under Section II.

- Grantees should provide the procedures followed in addressing Subgrantee corrective actions and the process Grantees follow for the discipline and/or removal of a Subgrantee from the Program. *Grantees are encouraged to attach the corrective action/removal procedures to the SF-424 – instructions for attaching are included under Section II.*

V.8.4 Training and Technical Assistance

Applicants shall indicate the methods used to provide training and technical assistance to Subgrantees, and the methods employed to ensure quality of work and adequate financial management control at the Subgrantee level. While the overall approach to training, technical assistance, and monitoring may be constant, budgets and activities may change from year to year. For this reason, this section should contain a description of the activities to be undertaken during the program year with funds budgeted for training, technical assistance, and monitoring on SF-424A under either T&TA or Administrative cost categories.

Training and Technical Assistance (T&TA) Activities

T&TA activities are intended to maintain or increase the efficiency, quality and effectiveness of the Weatherization Program at all levels. Such activities should be designed to maximize energy savings, minimize production costs, improve program management and crew/contractor “quality of work,” and/or reduce the potential for waste, fraud, abuse and mismanagement. The Subgrantees should be the primary recipients of T&TA activities, although Grantee requirements for monitoring, training support and providing assistance must also be maintained.

T&TA funds may also be used to train contractors at the Subgrantee level participating in the Program. In making the determination to pay for contractors’ training, Grantees and Subgrantees must secure a retention agreement in exchange for the training. The retention agreement should require that contractors will work in the Program for a specific amount of time and must align with the cost of the T&TA provided. Examples of contractor/agency retention agreements can be found on WAPTAC or can be obtained by request from the Project Officer.

Grantees should describe the proposed training plan and milestones necessary to ensure the training plan is on pace to be accomplished. At a minimum, the plan should also address the following elements as part of the submission:

- How does the Grantee training plan reflect feedback from DOE Project Officer monitoring visits, internal state audits, Grantee field monitoring visits, QA review visits, IG reports, etc.;
- How is the Grantee maintaining workforce credentials (how are credentials tracked and how is training being planned and targeted to ensure maintenance of these credentials?);

Application Package

- What training will the Grantee provide for Subgrantee staff and whether attendance is mandatory and the ramifications for non-compliance;
- Whether the Grantee requires any certification or training of Subgrantee staff prior to hire or by date certain from date of hire;
- How does the Grantee plan reflect industry-wide initiatives and future program requirements (e.g., certifications, health and safety implementation, etc.);
- How the Grantee compares between Subgrantees the effectiveness and the energy savings achieved and how these comparisons are used in the development of T&TA activities and priorities;
- Provide an assessment of the Grantee and the anticipated T&TA activities necessary to ensure Grantee effectiveness in administering and implementing the grant;
- What training activities are planned to execute the Grantee Health and Safety Plan;
- How does the Grantee approach client education?

V.9 Energy Crisis and Disaster Response Plan

Applicants are encouraged to include energy crisis and disaster plans that have been developed within their State. By including this in the State Plan process, Grantees are able to free up resources and respond more quickly in the event of an energy crisis or disaster.

Grantee should review WPN 12-7 to ensure the Grantee is clear DOE does not waive regulations and the Grantee should demonstrate within this plan an understanding of the limitations and flexibilities available to the Grantee and Subgrantee network in the use of Weatherization resources. Grantee should also indicate how an energy crisis or natural disaster plan is triggered (e.g., federal declaration).

VI. FEDERAL RULES AND REGULATIONS

VI.1 DOE Financial Assistance Rules

The DOE Financial Assistance Rules found at 10 CFR 600 establish uniform policies and procedures for the award and administration of DOE grants and subgrants. To assist Grantees, DOE commissioned the development of the “*Weatherization Assistance Program Financial Management Tool Kit*” as a universal training curriculum for teaching WAP professionals how to comply with the financial regulations governing the WAP. The curriculum provides a detailed explanation of budgetary systems, including a comprehensive overview of financial management systems, protocols, regulations, and procedures for the WAP. The tool kit will assist Grantees with providing effective financial management training to the WAP network. This is a *tool*, so Grantees are reminded that if questions arise, refer to 10 CFR 600.

VI.2OMB Cost Principles

Allowability of costs shall be determined in accordance with the cost principles applicable to the entity incurring the costs. Thus, allowability of costs incurred by State, local or federally-recognized Indian tribal governments is determined in accordance with the provisions of 2 CFR 225 (OMB Circular A-87), “Cost Principles for State and Local Governments.” The allowability of costs incurred by non-profit organizations is determined in accordance with the provisions of 2 CFR 230 (OMB Circular A-122), “Cost Principles for Non-Profit Organizations.”

Basic Guidelines for Costs

- Costs are allowable if they are necessary and reasonable, not prohibited under state or local laws, conform to laws and regulations, given consistent treatment, comply with generally accepted accounting principles, and are not included as a cost under other Federal programs.
- Allocations of costs must be in proportion to the benefits received, cannot be shifted to overcome deficiencies in other programs, and must be supported by a cost allocation plan.
- Applicable credits are to be used to reduce expenditures applicable to a given grant.
- The total cost of a grant program is comprised of the allowable direct and allowable indirect costs less applicable credits referenced above.

Indirect Costs

All indirect costs must be negotiated with the cognizant Federal agency. The cognizant Federal agency is responsible for negotiating and approving indirect cost rates on behalf of all Federal agencies that award grants and contracts to an organization.

Cost Allocation Plan

Information regarding State/Local-Wide Central Service Cost Allocation Plans are found in Appendix C to 2 CFR 225. Guidelines and illustrations of central service cost allocation plans are also provided in a brochure published by the Department of Health and Human Services entitled “A Guide for State and Local Government Agencies: Cost Principles and Procedures

for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government.”

Grantees shall attach cost allocation plans to the SF-424 Application in PAGE (instructions for attaching are included under Section II).

Allowability of Selected Items of Cost

Below are links to Appendices that provide principles to be applied in establishing the allowability of certain items of cost. These principles apply whether a cost is treated as direct or indirect. Failure to mention a particular item of cost is not intended to imply that it is unallowable; rather, determination as to allowability in each case should be based on the treatment or principles provided for similar or related items of cost.

- Appendix B to 2 CFR 225 (State and Local Governments) - Selected Items of Cost
- Appendix B to 2 CFR 230 (Non-Profit Organizations) - Selected Items of Cost

Grantees are again reminded, the “*Weatherization Assistance Program Financial Management Tool Kit*” provides a number of charts and tools to assist Grantees in navigating the question of allowability of specific items. Any potential discrepancies between information contained within this tool kit and the Code of Federal Regulations shall be resolved in favor of the Code of Federal Regulations.

VI.3 Financial Audits

Grantees must comply with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

The A-133 audit threshold is \$500,000 of Federal award expenditures. All non-Federal entities that expend \$500,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of A-133. The \$500,000 Federal funds threshold includes funds from all Federal agencies. For purposes of the single-audit, PVE funds are not treated as Federal or appropriated funds. Subgrantees that spend less than \$500,000 are no longer required to have a single audit. The circular prohibits pass-through entities (Grantees) from charging to Federal awards the costs of single audits for such recipients. Grantees may not budget for audits of Subgrantees receiving less than \$500,000 of Federal funds. Pass through entities (Grantees) are held responsible for Federal awards administered by their Subgrantees and will need to review their overall Subgrantees monitoring process to determine if they need additional monitoring procedures to ensure Subgrantee compliance.

Entities that expend less than \$500,000 a year in Federal awards are exempt from Federal audit requirements for that year, except as noted in OMB Circular A-133 but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and General Accounting Office (GAO). Grantees that expend more than \$50 million a year in Federal awards will be assigned a cognizant agency. Grantees that expend \$50 million or less will be assigned an oversight agency. Both cognizant and oversight agencies will be reassigned every 5 years (per OMB Circular A-133 detailed requirements) and will be the Federal agency that provides the predominance of Federal funding in the reassignment year.

VI.4 Reporting Requirements

Reporting requirements are identified on the Federal Assistance Reporting Checklist, DOE F 4600.2, attached to the award agreement. It is important both to DOE and the Weatherization Network that the most accurate information on how many units were completed with DOE funds are reported. Meeting performance goals is paramount to the Program, and can assist Grantees and Subgrantees with their leveraging efforts. Grantees should ensure that their Subgrantees report all units in which DOE funds are used as DOE completions.

DOE is aware that above reporting may be difficult where multiple sources of funds are used to weatherize a unit or a complicated leveraging agreement has been reached with non-Federal partners. To assist Grantees and Subgrantees in determining what a DOE weatherized unit is, DOE offers the following definition. **A DOE Weatherized unit is: A dwelling on which a DOE-approved energy audit or priority list has been applied and weatherization work has been completed. As funds allow, the DOE measures installed on this unit have a Savings-to-Investment Ratio (SIR) of 1.0 or greater, but also may include any necessary energy-related health and safety measures.** The use of DOE funds on this unit may include, but are not limited to auditing, testing, measure installation, inspection, use of DOE equipment and/or vehicles, or if DOE provides the training and/or administrative funds. Therefore, a dwelling unit that meets both the definition of a DOE weatherized unit and has **DOE funds used directly on it must be counted as a DOE completed unit.**

All forms required for Grantee reporting are located in PAGE are as follows:

Quarterly Reporting:

- (1) Federal Financial Status Report Standard Form 425;
- (2) Performance Report; and

Annual Reporting:

- (1) Training & Technical Assistance Activities;
- (2) Monitoring Activities;
- (3) Leveraging Updates.

Annual Historical Preservation Reporting