Draft Update to EAP Refund Policy (note there are various procedure details that will change based on this new policy)

Right to EAP Benefits

The EAP benefit is provided to the household to compensate for actual energy costs. So long as the benefit was not provided as a result of error or fraud, once a payment has been made, whether directly to the household or to an energy vendor on the household’s behalf, the benefit payment has met its intended purpose in accordance with section 2605(b)(1) of the Low-Income Home Energy Assistance Act (42 U.S.C. § 8624 (b)(1)). Any credit on a household’s energy vendor account resulting from an accurate EAP payment must remain on the household account to pay for future energy costs until the credit is exhausted. If an account remains active, a household may not request cash refunds. Exceptions include the following:

1. If the account becomes inactive during the program year in which the payment was made, the energy vendor should make a reasonable effort to contact the applicant and the relevant EAP Service Provider to identify and transfer the credit to the new vendor. Any credit transfer must be completed by September 30 of the relevant program year (see “Refunds from the Service Provider Perspective,” below).
	1. If the household moves out of the state, a new energy vendor cannot be identified, or the credit transfer cannot be completed by September 30 (as required above), the energy vendor should transfer the remaining funds directly to the household.
	2. If the household cannot be located, the energy vendor should consider the remaining EAP credit balance the property of the household and follow Minnesota’s unclaimed property requirements.
	3. If all members of a household die, the energy vendor should consider the remaining EAP credit balance the property of the household and follow Minnesota’s unclaimed property requirements, thus allowing its heirs to receive the credit.
2. If the account becomes inactive after the end of the program year in which the payment was made, the energy vendor should transfer the remaining funds directly to the household.
	1. If the household cannot be located or all members of a household die or move, the energy vendor should consider the remaining EAP credit balance the property of the household and follow Minnesota’s unclaimed property requirements.

At the request of a Service Provider, the energy vendor should follow the refund procedures in the section entitled “Refunds from the Energy Vendor Perspective,” below, to return any unused EAP funds to the program. The refund must be made within 10 days of the Service Provider request.

Refunds from the Commerce Perspective

Any refunds from payments made during current program year are available for re-obligation towards other eligible purposes, such as future benefit payments.

Refunds received after program year ends that are from a federal award with an open award period may be available for spending. These will be credited back to the relevant open award and accounted for to determine if the funds may be re-obligated open award. Relevant federal reports will be revised once annually to account for such refunds, by 12/31 each year.

Refunds from federal awards with closed award periods will be returned to the relevant federal awarding agency (typically the US Department of Health & Human Services). To do so, they may be credited to a current state award account, tracked separately from the state accounting system, and paid directly to the relevant federal awarding agency once annually, by 12/31 each year. For closed awards, relevant federal reports may not be revised.

Please note that refunds totaling less than $2,500 per award per year will be considered immaterial and not be returned. These will be credited to current award and made available for HH payments.