



OCS
Office of Community Services



LIHEAP
Low Income Home Energy Assistance Program

Low Income Home Energy Assistance Program (LIHEAP) Monitoring Trends Analysis (FY24)

NEADA 2025

March 11, 2025



ADMINISTRATION FOR
CHILDREN & FAMILIES

Program Monitoring Trends

Compliance Findings

- **Crisis Assistance**
 - Definition and timeframes for “crisis” and “life-threatening crisis”
- **Model Plan**
 - Timely updates to the Model Plan
- **Fair Hearings**
 - Fair Hearing rights and procedures



Crisis Assistance



Nine (9) Findings in FY24

Examples:

- No clear policies and procedures at the state or local level that differentiate between life-threatening-crisis and non-life-threatening crisis. This may include unclear understanding of those policies and procedures.
- Life-threatening isn't defined (i.e., when does the applicant need to be assisted in 18 versus 48 hours? How is this tracked?)
- Intake forms do not differentiate between these crisis types.
- Intake staff are unaware of the differences in crisis types.

Crisis Assistance

Ways to Address Finding:

- Develop definitions that are easy to distinguish and identify and can be applied consistently.
- What constitutes life-threatening? Medical repercussions? Disconnections? Extreme weather
- Update intake forms or tracking mechanisms (e.g., software) to clearly demonstrate time between application and service.
- Identify necessary documentation and processing requirements for each crisis type.
- Provide training on specific policies and procedures to subgrant recipients or intake staff.
- Update policies and procedures to clearly define the crisis thresholds (i.e., Medical Repercussions? Energy shutoff?)



Model Plans

Five (5) Findings in FY24

Examples:

- No clear policies and procedures at the state level on when to update the model plan, how often, and who is responsible for this task.
- “Significant” changes from approved model plan and actual program operations (i.e., carryover %, didn’t run weatherization, didn’t run cooling, etc.)
- Untimely or lack of meaningful public hearings.
- Changes in benefit matrix or income eligibility (i.e., 150% FPG versus 60% SMI).

Model Plans

Ways to Address Finding

- Ensure policies and procedures clearly identify who is responsible for completing and updated the Model Plan, including how to define “significant changes” and when updates need to be made. When public input is needed.
- Seek timely and meaningful public participation and feedback (i.e., more than a one-week comment period, obtaining significant feedback, involve stakeholders, customer feedback, etc.)
- Change model plan when significant changes occur. Determine if you need to seek public input, e.g., LIHEAP Wx waiver or introducing a new component.
- Set a quarterly or bi-annual review of the model plan to identify if changes need to be made based on program operations

Fair Hearings



Four (4) Findings in FY24

Examples:

- Applicants were not given the opportunity to request a hearing or were not made aware of the process prior to receiving an eligibility notice.
- Applications for assistance not acted upon timely or timeliness not included as a reason for fair hearings.
- Denial letters or eligibility notices didn't have hearing rights or instructions.
- Denial letters inappropriately instructed applicant to contact federal office.



Fair Hearings

Ways to Address Finding

- Identify clear deadlines for hearings.
- Identify who is responsible for fair hearings in policies and procedures.
- Add updates to subgrant recipient contracts.
- Updates to denial letters with clearer instructions
- Track trends related to reversed decisions and eligibility determinations.
- Ensure intake staff are trained on fair hearing procedures.

Fiscal Monitoring Trends



Compliance Findings

- **Internal Controls**
 - Implement internal controls and procedures which protect LIHEAP funds
- **Vendor Refunds**
 - Ensure Updates to SF-425 Federal Financial Report (FFR) and Carryover and Reallotment Report
- **Monitoring and Audit Resolution**
 - Develop internal control policies and procedures for monitoring activities and audit resolution

Internal Controls

Ten (10) Findings in FY24

Examples:

- Commingling of multiple LIHEAP awards
- Allocation or contracting process with subgrant recipients
- Cross-training staff on continuity of operations
- Unclear roles and responsibilities and delineation of duties
- Outdated policies and procedures

Internal Controls

Ways to Address Finding

- Ensure fiscal controls are documented
- Document the process to review and update controls on a regular basis
- Ensure roles and responsibilities (i.e., who completes FFR, who reviews, etc.) is outlined in policy
- Ensure staff have a back up for job duties
- Ensure regular review of expenditures and compare to drawdowns
- Ensure regular review of obligations to compare to FFR/CRR

Vendor Refunds



Six (6) Findings in FY24

Examples:

- No policies and procedures for tracking vendor refunds or when refunds should be returned to HHS
- Improper re-obligation of vendor refunds that should have been returned to HHS
- Incorrect reporting of obligations to HHS
- No training to subgrant recipients on vendor refunds

Vendor Refunds

Ways to Address Finding:

- Develop a vendor refund policy that ensures compliance with [LIHEAP IM 2024-04](#)
- Ensure adequate controls for reviewing refund amounts and identifying who should update financial reports and when
- Ensure refunds identified outside of the two-year LIHEAP award period are always returned to HHS and ensure staff (including subgrant recipients) are trained on that process (i.e., how to return funds)
- Regularly track and reconcile vendor refunds

Monitoring and Audit Resolution

Three (3) Findings in FY24

Examples:

- All components of LIHEAP program not monitored (program, fiscal, weatherization, Assurance 16 monitoring)
- No risk assessment for subgrant recipient monitoring
- No tracking of monitoring or audit findings
- No way to tie monitoring findings to larger strategic decisions (i.e., trends across programs, technical assistance offerings)
- Outstanding single audit findings
- Inadequate review of subgrant recipient expenditures

Monitoring and Audit Resolution

Ways to Address Finding:

- Develop robust policies and procedures for subrecipient monitoring that covers all aspects of LIHEAP
- Regular review of subgrant recipient expenditures with adequate support (i.e., not just during monitoring, but quarterly, or biannually)
- Clear procedures for addressing audit findings, including who is responsible and when findings must be addressed
- Ensure programmatic, fiscal, and weatherization subject matter experts are included in the monitoring process

Monitoring Trends

Noteworthy Practices

- Outreach and Coordination
- Application and Intake Process
- Weatherization Assistance
- Internal Controls and Reporting
- Weatherization Fiscal Policies

Program Resources

- ❖ [ACF-OCS-LIHEAP-IM-2025-01 Compliance Monitoring Process Overview and Trends FY 2025](#)
- ❖ [LIHEAP Model Plan Reference Guide](#)
- ❖ [LIHEAP AT2024-03 Model Plan Application for Funding for federal FY 2025](#)
- ❖ [Life Threatening Crises](#)
- ❖ [Creating a Compliant Model Plan](#)
- ❖ [Using the LIHEAP Performance Management Website's Data Warehouse for Program Planning webinar](#)
- ❖ [Creating a Model Plan webinar](#)
- ❖ [LIHEAP Virtual Library | | LIHEAP Performance Management](#)

Fiscal Resources

- ❖ [Internal Controls for Effective LIHEAP Program & Fiscal Management webinar](#)
- ❖ [LIHEAP Reporting Training Resources](#)
- ❖ [LIHEAP Subrecipient Fiscal Monitoring](#)
- ❖ [LIHEAP Waste, Fraud, and Abuse Prevention, Detection, and Correction Guide](#)
- ❖ [LIHEAP Webinar on Single Audit](#)
- ❖ [Managing LIHEAP Vendor Refunds webinar](#)
- ❖ [Resources for Vendor Refunds](#)
- ❖ [Waste, Fraud, and Abuse Prevention, Detection, and Correction webinar](#)

Questions?

- Akm Rahman, Program Operations Branch Chief, Division of Energy Assistance, Office of Community Services - akm.rahman@acf.hhs.gov
- Andrew Germain, Director, Fiscal Operations and Accountability Unit, Office of Community Services – andrew.germain@acf.hhs.gov

