

APPENDIX B

LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM

GENERAL

§601.1. Legislative base.

The Low-Income Home Energy Assistance Program (LIHEAP) is a federal block grant program authorized by the Low-Income Home Energy Assistance Act (Pub. L. 97-35, 42 U.S.C.A. §§8621-8629) as amended by the Human Services Reauthorization Act (Pub. L. 98-558, 98 Stat. 2878), the Human Services Reauthorization Act of 1986 (Pub. L. 99-425, 100 Stat. 966), the Augustus F. Hawkins Human Services Reauthorization Act of 1990 (Pub. L. 101-501), the National Institutes of Health Revitalization Act of 1993 (Pub. L. 103-43), the Low-Income Home Energy Assistance Amendments of 1994 (Pub. L. 103-252), the Coats Human Services Reauthorization Act of 1998 (Pub. L. 105-285), and the Energy Policy Act of 2005 (Pub. L. 109-58).

§601.2. Purpose.

The purpose of LIHEAP is to help eligible low-income households meet home-heating needs.

§601.3. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Budget Plan – An optional billing procedure which averages estimated service costs over a 10-month, 11-month or 12-month period to eliminate, to the extent possible, seasonal fluctuations in bills.

CAO – County Assistance Office.

Customer Assistance Plan (CAP) – Programs that may provide customers with discounted monthly bills, based on household income and household size. CAP customers must comply with certain responsibilities and restrictions in order to remain eligible for the program.

Date of Application – The date that a completed application is received by the LIHEAP administering agency in the county where the applicant household lives.

DCED – The Department of Community and Economic Development of the Commonwealth.

DHS – The Department of Human Services of the commonwealth.

Individual With a Disability – Receiving financial assistance for a disability or eligible for MA through DHS due to a disability.

Household – An individual or group of individuals, including related roomers, who are living together as one economic unit that customarily pays for its home-heating energy either directly to a vendor or indirectly as an undesignated part of rent. **Note:** households renting with heat included that have a specific portion of their rent used for their heating costs are considered to have a heating responsibility and are therefore eligible for benefits.

LIHEAP – The Low-Income Home Energy Assistance Program.

Main Fuel Type – The source of energy for the central heating system of the residence used by the household or, if the residence is not centrally heated or the central heating system is inoperable, the source of energy used most by the household.

Resident – A person whose permanent home is in this Commonwealth and who lives there voluntarily and not temporarily for a reason such as vacation, a visit or education.

Residence – The dwelling where the household is actually living. The household must document if the household's residence is temporarily vacant for reasons beyond the household's control, such as health problems, plumbing and/or heating problems.

Roomer – An individual who has an agreement with an unrelated landlord or property owner to rent a room. Their payment for lodging includes heat and may include a private bathroom or one of the following:

- (i) Board.
- (ii) Kitchen or bathroom privileges on a shared basis.
- (iii) Light housekeeping facilities.

Secondary Fuel Type – The source of energy that is necessary to operate the main heating source.

Supplemental Fuel Type – A source of energy that a household uses to provide heat in addition to the residence's main fuel type.

Vendor – An agent or company that directly distributes home-heating energy or service in exchange for payment. The term does not include landlords, housing authorities, hotel managers or proprietors, rental agents, energy suppliers or generators, and other parties who are not direct distributors of home-heating energy or service.

Under the restructuring statutes (66 Pa. C.S. § 2807, 66 Pa. C.S. § 2207), the

distribution companies are the suppliers of last resort; they remain regulated, and must comply with the state's winter termination rules in accordance with 66 Pa C.S. § 1406(e). The interests of the Commonwealth's low-income customers are best served and protected by sending the LIHEAP payment to the distribution companies.

Vulnerable Household – A household containing at least one member who is elderly (age 60 or over), disabled, or age 5 and under. The age of the household members is determined by their age at the time their LIHEAP application is submitted.

§601.4. Components.

LIHEAP is comprised of the following components:

(1) Cash component. The cash component provides cash payments to help eligible low-income households pay the costs of home heating.

(2) Crisis component. The crisis component provides some form of assistance to low-income households that will resolve an energy crisis:

- within 48 hours after application to resolve weather-related, supply-shortage and other household-home-heating emergencies
- within 18 hours after application if a life-threatening situation exists. This must be a documented medical emergency.
- within 15 days of a complete depletion of a deliverable fuel supply

(3) Weatherization. The weatherization component provides energy conservation and weatherization measures to help low-income households reduce the costs of home heating.

§601.5. Administration.

DHS will administer the cash and crisis components through its CAOs and other contracted agencies as appropriate. DCED will administer the weatherization component.

§601.6. Program year.

(a) DHS will announce the schedule for the current LIHEAP year in the State Plan for that year.

(b) DHS may extend or shorten the closing date of the cash or crisis components, depending upon the availability of Federal funds and other factors.

(c) During the periods before and after the official open and close dates, expenditures are made and are charged to the program year in which the costs relate.

(d) DHS may anticipate receipt of federal funds by advancing state funds for program operation; the state will be reimbursed once federal funds are received.

APPLICATION PROCESS

§601.21. Application completion.

A member of the applicant household shall complete an application within the established time frames for the program year. To complete an application for a LIHEAP benefit, the LIHEAP applicant, on behalf of the household, shall meet the following conditions. The applicant shall:

(1) Answer all questions on DHS's LIHEAP application form.

(2) Sign and date the application form.

(3) File the application form with the LIHEAP administering agency or any other agency designated by the LIHEAP administering agency to accept applications in the county where the applicant lives.

NOTE: Agencies other than the LIHEAP administering agency that are designated by the LIHEAP administering agency to accept applications are responsible for submitting such filed applications to the appropriate LIHEAP administering agency within three workdays after the applicant files the application. The date of application is the date the application is received by the LIHEAP administering agency.

(4) Provide income documentation.

(5) Provide documentation of responsibility for the payment of home heat.

(6) Provide additional verification, as needed and requested by the LIHEAP administering agency, to determine eligibility for LIHEAP and the amount of the benefit.

If it has been brought to the attention of DHS that there has been a change in the material information on the application, workers must act on known changes that occur after the application is received, but before it is processed, and use the new information in determining eligibility for LIHEAP.

If the household reports no new household members and no change of residence, the original approved LIHEAP application and supporting documentation will be valid for eligibility and benefit determination for both components during the duration of the program year. Updated supporting documentation may be required if a household changes vendors.

§601.22. Written notice.

Beginning from the program start date, the LIHEAP administering agency will send the applicant a written notice of the decision on eligibility within 30 days of the date of application.

(1) The written notice will include an explanation of fair hearing rights and procedures.

(2) The written notice will include the following:

(i) If eligible. If the household is eligible, the written notice will include the type and amount of the benefit and the names of the payee.

(ii) If ineligible. If the household is ineligible, the written notice will indicate the reason for the decision of ineligibility and provide a reference to the regulatory basis for the decision of ineligibility.

DHS will give households that register for or access their "My COMPASS Account" online the option to receive notices electronically instead of through traditional paper mail. Households that opt to receive electronic notices will be required to electronically sign a disclosure statement in which they agree to receive and read the electronic notices sent by the State agency. Users who opt to receive electronic notices must provide a valid email address, and the State agency will verify the email address provided by the user. Once the user is registered to receive electronic notices, he or she will receive a confirmation e-mail and a hard copy paper notice with instructions on how to login to their account to view notices.

When a notice is available electronically, the household will receive an e-mail notification with a link to the client's "My COMPASS Account," where the household can login to view the notice. My COMPASS Account is on a secure website that will protect the household's information through browser encryption, user name and password, time-out feature, and security questions.

Households applying through COMPASS may receive an automated eligibility determination if the applicant chooses to use the income which is verified and known to DHS other benefits such as SNAP, MA or TANF and the household's address and household members has not changed and all other conditions of eligibility are met.

§601.23. Incomplete applications.

If an application is not complete, the LIHEAP administering agency will, within 10 workdays after receiving the application, provide a written notice to the client indicating what information is missing and will allow 15 days after the date of the notice for the client to provide the information to avoid rejection of the application. If the written notice indicating what information is missing is sent later than 10 workdays after receipt of the application, the notice must nevertheless allow 15 days for submission of the missing

information. If the missing information is not received on or before the date specified by the written notice, the LIHEAP administering agency will reject the application on the basis that an eligibility decision cannot be made because the applicant has failed or refused to provide sufficient information needed to determine eligibility.

§601.24. Application assistance.

Upon request, LIHEAP staff will mail an application form or take other steps, which may include referral to other agencies that make home visits, to help a homebound person apply for LIHEAP benefits.

ELIGIBILITY REQUIREMENTS

§601.31. General eligibility requirements.

To qualify for LIHEAP cash or crisis benefits, a household shall meet the following requirements at the time of application:

(1) Income Limit. Federal law requires states to establish eligibility for LIHEAP based on an income limit that is no more than 60 percent of the state median income as published by the U.S. Census Bureau and no less than 110 percent of the poverty level issued by the United States Department of Health and Human Services (HHS). The limits, which are subject to change annually, are published in each year's LIHEAP State Plan. For the 2016-17 program, Pennsylvania will use 150 percent of the poverty level.

(2) Responsibility for heating costs. For a cash benefit, the household shall be responsible for paying for its main source of heat either directly to a vendor or indirectly as an undesignated part of rent. For a crisis benefit, the household shall be responsible for paying for either its main or secondary source of heat either directly to a vendor or indirectly through a third-party.

(i) The following persons and members of their households are considered to have a home heating responsibility:

(A) Home owners or renters, including subsidized housing tenants, who pay for home heating fuel or utility service for their residence directly to a vendor. Persons who are responsible for paying their main source of heat directly to a vendor, but have the bill paid by someone outside of the household because the household has zero/minimal income, are considered to have a heating responsibility and are therefore eligible for LIHEAP benefits. **NOTE:** A household is not considered to have a heating responsibility if it is agreed upon that an agency is always responsible for the heating bill (such as people in subsidized housing who have the bill paid by the housing agency, even though it is in the client's name; or a student who has someone outside the household always paying their bill, regardless of the student's income).

(B) Renters who pay for heat indirectly for their residence as an undesignated part of rent. Renters, including subsidized-housing tenants, are ineligible if their rental charge includes an undesignated amount for heat and is based on a fixed percentage of their income or on their source of income. **NOTE:** If a household in subsidized housing, which pays for rent and utilities as a fixed portion of its income, becomes responsible for payment to a vendor, either in full or in part, for its primary heating costs, that household then becomes eligible for a cash benefit, if otherwise eligible. If a household in subsidized housing, which pays for rent and utilities as a fixed portion of its income, becomes responsible for payment to a vendor, either in full or in part, for its primary or secondary heating costs, that household then becomes eligible for a crisis benefit, if otherwise eligible.

(C) Roomers who pay for their lodging in either a commercial establishment or in a private home which is their permanent and primary home. Roomers are ineligible if their charge for room or room and board includes an undesignated amount for their main fuel and is based on a fixed percentage of their income or on their source of income.

(ii) Persons are ineligible if they are in a temporary living arrangement for a reason such as a visit, vacation or education. Residents in institutions, dormitories, fraternity or sorority houses and boarding homes are ineligible.

(iii) Persons living in recreational vehicles (Campers and RVs) are ineligible for LIHEAP unless they provide verification that they reside in a campground or other licensed facility year-round and are responsible for heating costs.

(iv) Persons that are operating a licensed business out of the LIHEAP household's residence will be ineligible for LIHEAP if they are using the home's utilities as a deduction on their business' tax return and a majority of the home is used for business.

(v) Persons who are currently incarcerated or are fleeing to avoid prosecution, custody or confinement after a felony conviction (or high misdemeanor in New Jersey) are ineligible to receive LIHEAP benefits.

(vi) A household will be ineligible for a LIHEAP grant, Cash or Crisis, if the heating appliance isn't installed and operating based on the manufacturer's specifications or current code requirements, whichever is more stringent, and isn't following all applicable building and fire codes.

(vii) For customers whose service has been disconnected at their previous address and need services to be connected at their new address, DHS will allow a regulated utility to request 50 percent of the customer's back balance from the previous address and a reconnection fee in order to restore service. If a LIHEAP Cash grant is over 50 percent of the customer's back balance and reconnection fee, the regulated utility must apply the remainder of the Cash grant to a household's future bills.

Utilities must also agree to keep service on through the moratorium and enroll the client in a CAP or budget program if the customer is eligible.

(3) Residency. Household members must permanently reside in Pennsylvania.

(4) Citizenship. As per federal law, United States citizenship or lawfully admitted non-citizen status is a requirement to receive LIHEAP. All lawfully admitted non-citizens, regardless of when they entered the United States, are eligible to receive LIHEAP if they meet other eligibility requirements. A qualified lawfully admitted non-citizen is:

(i) A non-citizen lawfully admitted for permanent residence as an immigrant under the Immigration and Nationality Act (the "Act"), as defined in PRWORA.

(ii) An asylee granted asylum under section 208 of the Act.

(iii) A refugee admitted to the United States under section 207 of the Act.

(iv) A non-citizen paroled into the United States under section 212(d)(5) of the Act for a period of at least one year.

(v) A non-citizen whose deportation is being withheld under section 243(h) of the Act as in effect prior to April 1 1997, or whose removal is being withheld under section 241(b)(3) of the Act.

(vi) A non-citizen granted conditional entry under section 203(a)(7) of the Act as in effect prior to April 1, 1980.

(vii) A non-citizen who is a Cuban or Haitian entrant; or

(viii) A non-citizen who (or whose child or parent) has been battered or subjected to extreme cruelty in the United States and otherwise satisfies the requirements of 8 U.S.C. §1641(c).

§601.32. Eligibility requirements for crisis benefits.

Crisis Benefits

Households may apply for and, if eligible, receive crisis benefits regardless of whether they apply for or receive a LIHEAP cash benefit. To qualify for a crisis benefit, a household shall meet the following requirements:

(1) The household shall meet the general eligibility requirements under §601.31 (relating to general eligibility requirements), income limit, responsibility for heating costs, Pennsylvania residency and lawfully admitted non-citizen status.

(2) The household shall be without heat or in imminent danger of being without heat because of a weather-related or energy-supply-shortage emergency.

(3) The household shall be eligible for a crisis benefit that, alone or combined with other resources available to the applicant household, will resolve the home-heating emergency. If a household is authorized for the LIHEAP Cash component before the date of their request for Crisis benefits, any existing credit including the LIHEAP Cash component that has been authorized and not yet received is considered to be available and must be used first for the resolution of the crisis.

(4) The applicant must provide proof of the home-heating emergency.

PROVISION OF CASH BENEFITS

§601.41. Benefit amounts.

(a) The amount of a LIHEAP cash benefit is based on the following household factors at the time of application:

(1) Household size. The members of the applicant household, regardless of relationship, including a roomer who is a relative of a household member, shall be counted when determining household size.

The following persons are not counted as household members when determining household size:

(i) Persons who are living with the applicant household but previously received a LIHEAP Cash benefit as a member of another household during the program year.

(ii) Persons who are maintaining their living arrangement temporarily for a reason such as a visit, vacation or education.

(iii) Residents in institutions, dormitories, or fraternity or sorority houses, and boarding homes.

(iv) Non-citizens who are not lawfully admitted non-citizens as specified in §601.31(4) (relating to general eligibility requirements).

(v) Persons who are currently incarcerated or are fleeing to avoid prosecution, custody or confinement after a felony conviction (or high misdemeanor in New Jersey) are ineligible to receive LIHEAP benefits.

(2) Household income. Household income is determined as specified in §§601.81 through 601.84 (relating to income determination for cash and crisis benefits). For eligible households that have income from employment, household

income for the purpose of benefit determination is derived by deducting 20 percent from the gross wages.

(3) Heating region. The heating region in which the household lives affects the benefit amount. The composition, by counties, of each of the five heating regions in this Commonwealth is tabulated in Appendix A.

(4) Fuel type. The household can choose to have the cash grant issued to its main or secondary heating source. If the payment is issued to the secondary source, the amount of the cash payment will be based on the amount of the main source of home heating fuel. A cash grant may only be issued to a supplemental heat source in situations where the main source of heat is inoperable and the supplemental heat source is the source of energy used most by the household.

(b) The county-by-county benefit table for the cash component, which is subject to change annually, is available at the local CAO and on-line at the following DHS website: <http://www.dhs.pa.gov/citizens/heatingassistanceliheap/>, under "LIHEAP Benefit Amount Table."

The amount of the LIHEAP cash grant cannot exceed the maximum amount allowed under the current LIHEAP State Plan.

(c) Vulnerable Households. All eligible households which contain at least one member who is elderly (age 60 or over), disabled, or age 5 and under, will receive a supplemental payment in addition to their cash grant amount.

Supplemental payments will be issued cumulatively, based upon the composition of the household, in the following amounts:

- \$50 if the household contains someone age 60 or over
- \$50 if the household contains an individual with a disability
- \$75 if the household contains a child age 5 or under

A household can only receive one of each type, and households meeting all three criteria above can receive a maximum supplement of \$175. An individual can only be counted for one criterion.

§601.42. Roomers and renters with heat included in rent.

Eligible roomers and renters who pay for heat indirectly for their residence as an undesignated part of the rent will receive 50 percent of the LIHEAP cash benefit for which they would otherwise qualify.

§601.43. Number of payments.

An eligible household receives only one LIHEAP cash benefit during a program year subject to the minimum and maximum benefit amount allowed under the current LIHEAP State Plan. If additional LIHEAP funds are available, DHS may issue a supplemental LIHEAP cash benefit.

§601.44. Payees.

(a) If the household pays for fuel directly, DHS pays the vendor on behalf of the eligible household.

(b) DHS pays the benefit to the applicant for the household in the following situations: if the household pays for heat as an undesignated part of rent, the fuel vendor refuses to participate in the program or has been removed from the list of participating vendors, the heating bill is in the name of a non-household member, the bill is paid to a third party such as in a master-metering situation, or the applicant is a roomer.

(c) Landlords, housing authorities, rental agents, hotel and rooming house proprietors and managers, and other parties who are not direct distributors of home heating, energy or service are ineligible for a vendor payment on behalf of an eligible household.

§601.45. Application of Benefits.

Public utilities that operate CAPs will apply the LIHEAP cash component benefits only to the customer's monthly 'Asked to Pay' amount. No LIHEAP funds may be applied to CAP customer's pre-program arrearages or unbilled usage amounts.

LIHEAP funds are available for use during a two-year period that includes the LIHEAP program year of receipt and through June 30th of the LIHEAP program year immediately following. For example: LIHEAP benefits authorized on November 27, 2015, are available for use through June 30, 2017.

The vendor shall retain unused LIHEAP funds as a credit balance in the customer's account until June 30th of the following state fiscal year unless the client changes vendors, leaves the area served by the vendor, or deceases.

Up to 10 percent of the LIHEAP block grant received during the fiscal year may be carried forward to the following fiscal year. Funds that are carried over must be obligated by the end of the fiscal year following the year in which they were appropriated.

Cash component payments received on behalf of a LIHEAP customer, and designated for payment for deliverable fuels, will not be used to cover fuel customer purchases prior to the program year in which they are authorized.

LIHEAP benefits may not be used for security deposits or late payment charges.

§601.46. Refunds.

LIHEAP funds are available for use during a two-year period that includes the year of receipt and the year immediately following. All LIHEAP funds that have not been expended on or before June 30 of the year following the LIHEAP program year in which benefits were authorized must be refunded.

Refunds and reissuances of LIHEAP benefits are treated as follows:

(1) Refunds from the vendor. The vendor shall refund the unexpended portion of the LIHEAP benefit to DHS's LIHEAP Vendor Unit under the following circumstances:

- (i) The client changes vendors.
- (ii) The client leaves the area served by the vendor.
- (iii) The client deceases.
- (iv) LIHEAP benefits are remaining in the customer's account as of June 30th of the year immediately following the state fiscal year in which payment was authorized.

If a security deposit that had been paid with LIHEAP funds is to be returned, the vendor shall refund the security deposit to DHS's LIHEAP Vendor Unit.

(2) Reissuances to or on behalf of the client. DHS will reissue a vendor refund, as applicable, for the current or previous program year if all of the following conditions are met:

- (i) The whereabouts of the household are known.
- (ii) The household continues to reside in the commonwealth.
- (iii) The household continues to have a home-heating responsibility.

PROVISION OF CRISIS BENEFITS

§601.61. Benefit amounts.

The amount of a crisis benefit is the amount needed to resolve the home-heating emergency; subject to the minimum and maximum LIHEAP crisis benefits allowed. The household is ineligible for a crisis benefit which, alone or combined with other resources available to the household, will not resolve the crisis. Any credit balance with the vendor, including but not limited to the LIHEAP cash component that has been authorized and not yet approved is considered to be available and must be used first for the resolution of the crisis.

The household can have the crisis grant issued to their main heating source, a secondary heating source or to a supplemental heat source when the main source of heat is inoperable.

When the main fuel type is a deliverable fuel type, such as oil, kerosene, propane, wood or coal, the amount needed to resolve the crisis is based on whether the fuel is delivered by the vendor or transported by the applicant. If delivered, the amount needed to resolve the crisis is the amount needed to resolve the home-heating emergency, subject to the minimum and the maximum LIHEAP crisis benefits allowed under the current LIHEAP State Plan. Crisis benefits may be used for off-hour or off-route delivery charges. If not delivered by the vendor, the amount needed to resolve the crisis is the amount that can be transported by the household in one trip. A statement from the vendor verifying the cost the applicant will incur when transported by a non-vendor is required prior to authorization of payment; a receipt verifying payment was made is not required prior to authorization of payment.

Vendors that accept crisis payments based on utility termination notices or based on reconnection of utility service must agree to maintain ongoing utility service to such households for no less than 30 calendar days from the date of the resolution of the crisis. The amount of a crisis grant cannot exceed the amount listed on a utility termination notice, subject to the minimum and maximum LIHEAP crisis benefits allowed. Crisis benefits may be used for reconnect fees. With regard to crisis payments approved to regulated utilities during the period referred to in §601.62(2)(ii)(A), the earliest allowable termination date is considered to be 30 days following the resolution of the crisis, or May 1, whichever is later.

All participating energy vendors shall enroll a crisis recipient in a CAP or establish a budget plan, if the monthly CAP or budget plan amount is the most advantageous rate for the household.

§601.62. Types of crisis benefits.

An eligible household may receive crisis benefits for weather-related or energy-supply-shortage emergencies.

(1) Benefits for weather-related emergencies. Crisis benefits for weather-related emergencies may include the following types of assistance:

(i) The purchase of a new heating system if documentation is provided that the heating system cannot be repaired or repairs will correct the problem only temporarily.

(ii) Pipe thawing services if the household has a consistent problem with freezing pipes that cannot be repaired by a plumber and is related to heating the house.

(iii) The repair of a broken furnace, which may include filter replacement and chimney cleaning or repair.

(iv) The repair of a water-heating system, including repair of water pumps and accessories, if the system is essential for producing home heat.

(v) The repair of gas or other fuel lines when the lines feed the main heating source.

(vi) The repair of broken windows, if necessary to ensure the effectiveness of other repairs or improvements.

(2) Benefits for energy-supply-shortage emergencies. Crisis benefits for energy-supply-shortage emergencies include payment for the following:

(i) Home-heating fuel for a household that is out of fuel or if the heating fuel supply will last less than 15 calendar days. The payment will be for the main fuel type and may include the cost of an added charge for off-hours or off-route delivery service. The payment amount will not exceed the cost of the delivery; including any necessary reconnect fees and/or minor furnace start-up costs. Any credit balance with the household's vendor, including LIHEAP funds that have been authorized and not yet received, will be deemed available to resolve the crisis and will be applied toward the delivery cost first.

(ii) Utility bills to restore or continue home-heating service if the household is without heat or in imminent danger of being without heat because of actual or scheduled termination of the main or secondary source of heat by a utility company. The payment may include the charge, if required, for a service reconnection.

NOTE: Crisis benefits may be approved in this instance based on issuance of a termination notice. The following applies:

(A) For utilities regulated by a governing body such as the Public Utility Commission (PUC), winter termination procedures prevent the termination of service without the governing body's approval from December 1 through March 31. Regulated utilities may still issue termination notices from December 1 through March 31. They cannot, however, act on these notices to terminate service without having been granted permission to terminate service by the governing body. In these situations, contact must be made with the utility to determine if the governing body has granted the utility permission to terminate service for the applicant household before crisis benefits may be authorized to relieve the emergency. The household is ineligible for crisis benefits if the utility has not been granted approval to terminate service.

(B) For utilities not regulated by a governing body, a termination notice means that the utility has established a date when service will actually terminate, in accordance with the utility's current termination procedures. Documentation of the termination notice must be provided before crisis benefits may be authorized to relieve the emergency.

(iii) LIHEAP will operate a Turn-On program to assist households who are without heat or in danger of being without heat. This program will provide assistance with utility terminations and minimum fuel deliveries prior to the FY 2018 LIHEAP program year, subject to the availability of funds.

§601.63. Number of payments.

A household may receive more than one crisis benefit during the program year, subject to the minimum and maximum amounts allowed under the current LIHEAP State Plan and the amount of available federal funding.

§601.64. Payees.

DHS pays crisis benefits directly to the vendor, unless direct payment to a vendor cannot be made. If DHS determines that crisis benefits cannot be paid directly to the vendor, DHS pays the crisis benefit to the applicant as reimbursement after verification of the purchase has been provided.

§601.65. Refunds.

Refunds and reissuances of LIHEAP Crisis benefits are treated as follows:

(1) Refunds from the vendor. If the LIHEAP client changes vendors, leaves the area served by the vendor, or dies, the vendor shall refund any unused LIHEAP funds to DHS's LIHEAP Vendor Unit within 48 hours after the basis for the

return is known. If, for any reason, the amount of the crisis benefits authorized is in excess of the amount needed to resolve the crisis, the excess must be returned to DHS's Comptroller's Office within 48 hours. Any unexpended LIHEAP benefits erroneously retained in the customer's account as of June 30 of the state fiscal year in which payment was authorized shall be refunded to DHS's LIHEAP Vendor Unit by July 31.

(2) Reissuances to or on behalf of the client. DHS will reissue a vendor refund, as applicable, for the current or previous program year if all of the following conditions are met:

- (i) The whereabouts of the household are known.
- (ii) The household continues to reside in the commonwealth.
- (iii) The crisis for which benefits were authorized continues to exist.

INCOME DETERMINATION FOR CASH AND CRISIS BENEFITS

§601.81. Income counted.

To determine the income level of an applicant household for cash and crisis benefits, the LIHEAP administering agency counts the gross annual income of the following persons:

- (1) The household members, regardless of relationship.
- (2) A roomer who is related to a household member by blood, marriage or adoption.
- (3) A person living with the applicant who, as a member of another household, has already received a LIHEAP cash or crisis benefit during the program year.

§601.82. Gross income defined.

Gross income is the total earned and unearned income of the household and includes the following:

- (1) Employee earnings. Employee earnings are money, including wages, salaries, bonuses, commissions and tips, before taxes or other deductions, that a person receives for providing services on behalf of an employer.

(2) Profit from self-employment. Profit of a self-employed person is gross receipts minus costs of operating a business or farm, practicing a profession, providing day-care for children in an approved family day-care facility, or renting nonresident real property.

(i) The following expenses are among those that are not deductible from gross receipts:

- (A) Depreciation.
- (B) Personal business and entertainment expenses.
- (C) Personal transportation.
- (D) Purchase of capital equipment.
- (E) Payment on the principal of loans for capital assets or durable goods.
- (F) Work-related expenses such as federal, state and local income taxes, contributions to retirement funds, and transportation to and from work.
- (G) Deposits into the self-employed person's retirement account and payment for his or her life insurance.

(ii) A loss from one source of income cannot be used to offset another source of income.

(3) Income from roomers, boarders or apartment renters. Gross income from providing room or board, or both, or from apartment rentals paid directly to a household member is computed under 55 Pa. Code §183.65 (relating to profit).

(4) Unearned income. Unearned income includes, but is not limited to, the following:

- (i) Public assistance grants.
- (ii) Social Security benefits.
- (iii) Workers' compensation.
- (iv) Supplemental Security Income.
- (v) Unemployment compensation.
- (vi) Support payments.

- (vii) Cash gifts and contributions.
- (viii) Pensions.
- (ix) Interest and/or dividends from investments or bank accounts.
- (x) Veterans' benefits.
- (xi) Funds withdrawn from Individual Retirement Accounts, Certificates of Deposit and proceeds from the sale of stock certificates.
- (xii) Utility Allowances paid directly to the household from the landlord or public housing agency to cover utility bills.
- (xiii) Income from nonresident rental property managed by a rental agency or another person

§601.83. Treatment of income.

(a) The applicant may choose whether the time period to be used in determining gross annual income shall be the 12 months or the calendar month prior to the month of application. Regardless of the selected time period, income shall be converted to a yearly figure. Income for household members who are receiving Supplemental Nutrition Assistance Program (SNAP), Cash or Medical benefits from DHS will be annualized based on the gross amount documented on DHS's Client Information System.

(b) If the total gross annual income of the household exceeds the established percentage of the poverty level for the current year, after all allowable exclusions, the household is ineligible.

§601.84. Income exclusions.

The following income will not be considered when determining gross yearly income for the purpose of establishing LIHEAP eligibility:

(1) Educational assistance from scholarships, grants, and loans to a student unless it is solely for basic living needs such as housing and food and the amount of income from other sources used to pay out-of-pocket expenses for books and other required educational fees.

(2) All student financial assistance received from a program funded in whole or in part under Title IV of the Higher Education Assistance Act Amendments of 1992 (P.L. 102-325), or under the Bureau of Indian Affairs student assistance programs.

(3) Payments for services or out-of-pocket expenses to volunteers serving as foster grandparents, senior health aids or senior companions, and to persons serving in other programs under Title II of the Domestic Volunteer Service Act of 1973 (42 U.S.C.A. §§5001-5024).

(4) Payments, including stipends, to volunteers for VISTA, Service Learning Programs and Volunteer Programs under Title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C.A. §§4951-4994).

(5) Benefits received by a participant in the SNAP Program.

(6) The value of donated foods -- surplus commodities -- from the United States Department of Agriculture.

(7) The value of home produce of clients for household consumption.

(8) Money received under the Senior Citizen Rebate and Assistance Act (72 P.S. §§4751-1 through 4751-12).

(9) Money received as incentive or training-related expenses provided to persons involved in a work/training program sponsored by a Federal, State or local government agency.

(10) Medicare premiums deducted from Social Security benefit payments.

(11) Amounts received as reimbursement for medical costs, medical transportation and special allowance items as defined under Chapter 138 (relating to allowances and benefits).

(12) Cash or in-kind assistance with heating costs provided by private or public agencies or utility companies.

(13) Loans which can be verified with a statement from the lender or a loan document specifying the repayment plan.

(14) The portion of a Social Security lump sum death benefit designated for funeral expenses.

(15) For actual child support received, whether court-ordered support or voluntary support from a legally responsible relative, up to the first \$100 will be excluded in determining household income if there is one child under age 18 in the household. If there are two or more children in the household, up to \$200 will be excluded. Also, up to the first \$50 of actual spousal support received in a given month will be excluded. If a household receives both child support and spousal support, only the amount which is the greatest will be excluded for that month; the household will not receive both a child

support and spousal support deduction in the same month. All support refunded by DHS during the month is excluded.

(16) Agent Orange Settlement payments.

(17) Earned Income Tax Credits (EITC) including anticipated monthly payments as well as year-end payments.

(18) Income tax refunds.

(19) Restitution payments made to individuals because of their status as victims of Nazi persecution.

(20) Non-recurring lump sum payments.

(21) Wage earnings of a dependent child under age 18.

(22) Utility allowances for residents of subsidized and public housing, unless the household receives the payment directly from the landlord or public housing authority to cover utility bills. If the utility allowance is paid directly to the household, the amount of the payment is counted as unearned income in the month during which it is received.

(23) Money paid by an approved child-placement agency to the client for providing foster care for a child if the money is received through Title IV-E of the Adoption Assistance and Child Welfare Act of 1980 (P.L. 96-272). Money received through Article VII of the Public Welfare code (62 P.S. Sections 701 - 774) also is not counted.

(24) Earned income from temporary census employment.

(25) A person who has unearned income may get a deduction for expenses that he or she has to pay to get the income. These expenses include, but are not limited to, the following:

- Attorney fees;
- Court costs;
- Transportation costs;
- The amount paid to a rental agency to handle rental property;
- Court-ordered fees paid to a guardian who controls the person's income.

NOTE: The CAO must make sure to subtract expenses to determine the unearned income used for the gross income test.

VERIFICATION AND DOCUMENTATION

§601.101. Verification and documentation defined.

The applicant shall provide sufficient information regarding the household's circumstances to enable the LIHEAP administering agency to determine LIHEAP eligibility and the amount of a LIHEAP benefit.

(1) Verification. The term refers to any form of convincing information, including oral statements or documentation. Types of documentation may not be limited to any specific type and may include: written evidence, public records, automated sources, electronic evidence and websites.

(2) Documentation. The term refers to written or printed evidence, such as fuel bills, rent receipts, or pay stubs, that is needed to determine LIHEAP eligibility and the type and amount of the LIHEAP benefit.

§601.102. Income.

(a) The applicant shall provide documentation of the amounts and sources of income of household members, including related roomers, as well as that of anyone in the household who received LIHEAP benefits during the current program year as a member of another household.

(b) The applicant shall report but is not required to document income of persons in the household who are currently receiving SNAP, Cash or Medical benefits from DHS and whose income has already been documented and is available in a case record on file with the local CAO.

§601.103. Minimal or no income.

If the applicant states that the household has minimal or no income, the applicant shall be required, as a condition of eligibility, to produce evidence that will satisfactorily explain how the household members are meeting their financial obligations and basic living needs.

§601.104. Responsibility for home-heating costs.

(a) The applicant for a cash benefit must provide either a recent fuel bill or receipt for the main fuel type of the household or the CAO can verify a household's heating responsibility through collateral contact with the vendor. A recent bill or receipt is one that was issued within two months of the date before application. Receipts from vendors for fuel purchased since January of the previous LIHEAP season may be acceptable. CAOs can use websites, hotlines and other collateral contacts to verify a household's heating responsibility or that a vendor has provided or will provide service to a household. If the household chooses to have the benefit paid to the vendor of its

secondary fuel type, the applicant for a cash benefit shall provide documentation of a financial responsibility for both the main and secondary fuel types.

(b) The applicant for a crisis benefit shall prove payment responsibility for either the main or secondary fuel type of the household. In the absence of a recent bill or receipt due to prior termination of service, verification is required from the vendor that service will be activated pursuant to a determination of eligibility for LIHEAP.

(c) If the household pays for heat indirectly, a written or oral statement from the landlord or rental agent may be acceptable verification of a home-heating responsibility. The statement shall specify the main type of fuel used to heat the home of the applicant household.

(d) Proof of payment responsibility for either a cash or crisis benefit may be in a name other than the applicant's name in certain reasonable situations, such as the death of the person billed or credit problems of the applicant. The applicant must provide written proof of address other than the heating bill and explain why the bill is in another person's name **EXAMPLE:** For security reasons, the LIHEAP applicant continues to have the utility bill in the name of her deceased spouse. She provides a driver's license documenting that she resides at the residence.

§601.105. Proof of residence.

In situations where the household is not living at its actual residence, in order to qualify for LIHEAP benefits, the household must provide documentation of the emergency or situation beyond the household's control that requires that the household live elsewhere. Appropriate documentation may include some type of written or printed information, such as a doctor's statement or letter from the Board of Health, substantiating why the household is not residing at its residence.

Upon request, the CAO will assist the applicant in providing proof of residence.

§601.106. Social Security numbers.

Applicants shall provide social security numbers for all members of their household. This requirement is consistent with the May 5, 2010 HHS Information Memorandum LIHEAP-IM-2010-6, which allows states to require social security numbers from applicant households as a condition of LIHEAP eligibility. A household member who does not have a social security number or is unable to provide one shall complete an energy assistance affidavit. An energy assistance affidavit is not required for a child under the age of one.

§601.107. Questionable information.

The LIHEAP administering agency may require the applicant to verify information affecting eligibility that appears to be incomplete, unreasonable, or inconsistent with known facts.

§601.108. Proof of energy crisis.

The applicant for a crisis benefit must provide proof that the household is experiencing a home-heating emergency. Acceptable forms of proof include:

- a utility termination notice or verification of a scheduled termination;
- verification that utility service has already been terminated; or
- a statement from the applicant that the household's deliverable fuel supply will last less than 15 days.

Termination notices issued by regulated utility companies from December 1 through March 31 are not proof of a home heating emergency. These companies cannot terminate services during this period without permission from the PUC.

§601.109. Lawfully admitted non-citizen status.

The applicant must provide proof of lawfully admitted non-citizen status for each non-citizen who resides in the household. Documentation consists of a document issued by U.S. Citizenship and Immigration Services (USCIS). Refer to the Chart at end of Appendix B for examples of acceptable documentation.

CLIENT RIGHTS

§601.121. Confidentiality.

(a) Information about a LIHEAP applicant or recipient is confidential and may be disclosed for only the following purposes.

(1) To aid in the investigation or prosecution of suspected fraud in connection with LIHEAP; or

(2) To cooperate with federal or state authorities regarding LIHEAP audits, reports, reviews, and investigations.

(b) If the client concurs, the LIHEAP administering agency may disclose only that information about the applicant or recipient household that is needed to help the household apply for or obtain other forms of home energy assistance.

§601.122. Nondiscrimination.

DHS assures that no person on the basis of race, color, sex, age, handicap, religion, national origin or ancestry, sexual orientation, or political belief will be excluded from participation in LIHEAP, denied LIHEAP benefits or be subject to discrimination in an activity or project receiving LIHEAP funds.

§601.123. Appeals and fair hearings.

(a) Applicants may appeal and receive a fair hearing of their claim for LIHEAP if the applicant believes that benefits are unjustly denied or unreasonably delayed or may appeal and receive a fair hearing of a decision regarding overpayments.

EXCEPTION: Applicants do not have the right to a fair hearing if the program closes prior to authorization of benefits due to lack of funds, or if application is submitted after the close of the program.

(b) Client rights and procedures for appeals and fair hearings appear in Chapter 870 of the Supplemental Handbook (relating to appeal and fair hearing).

(c) Upon request, LIHEAP staff will help the client with any aspect of the appeal and fair hearing process.

OVERPAYMENTS

§601.141. Overpayment defined.

An overpayment is the payment of LIHEAP funds or provision of LIHEAP benefits for which the agency or person is either fully or partially ineligible.

§601.142. Liability.

A person or agency that receives LIHEAP funds or benefits for which it is ineligible shall repay DHS for the overpayment.

§601.143. Fraud.

A person who knowingly misrepresents or withholds information in order to qualify anyone for a LIHEAP benefit is guilty of fraud and subject to a penalty of a fine or imprisonment, or both.

§601.144. Treatment of overpayments.

(a) If an overpayment occurs because of suspected fraud, client error, or client misrepresentation, DHS will refer the overpayment for collection or prosecution to the Office of Inspector General, P.O. Box 8016, Harrisburg, Pennsylvania 17105-8016, under Supplemental Handbook Chapter 910 (relating to overpayment recovery).

(b) If an overpayment of \$25 or greater occurs because of vendor error, misrepresentation, or fraud, DHS will take progressive steps, if necessary, to seek restitution of the overpayment. If an overpayment is less than \$25, DHS will not seek restitution of the overpayment, but a referral will still be made to the Office of Inspector General. In instances where vendor error has caused the overpayment, any calls or notices to the vendor regarding repayment must include a statement that repayment must be made from vendor funds, not client funds. Progressive steps are:

(1) DHS will notify the vendor of the overpayment by telephone to request repayment within 10 days of the telephone call.

(2) If, after 10 days of the telephone call, the vendor fails or refuses to repay DHS for the overpayment, DHS will send a written notice to the vendor requesting restitution.

(3) If, after 10 days from the date of the written notice, DHS has still not received restitution from the vendor, DHS will send the vendor a notice by certified mail. This notice will inform the vendor that unless restitution is paid within 10 days, DHS will remove the vendor from the list of participating LIHEAP vendors and will refer the overpayment for investigation and collection.

(4) If, after 10 days from the date of the notice by certified mail, the vendor fails to return the funds, DHS will remove the vendor from the list of participating vendors and refer the overpayment to DHS's Office of General Counsel for investigation and collection.

(c) If an overpayment occurs that was not caused by fraud, error or misrepresentation, by either the client or the vendor, the overpayment will be considered an administrative error. No restitution is required by the client or the vendor and no referral will be made to the Office of Inspector General.

§601.145. Accounts Receivable

DHS is authorized to recoup past due LIHEAP balances from vendors by debiting any current or future LIHEAP payment to the vendor for an amount equal to the outstanding unrefunded balance that is due to DHS from the vendor. A record of the balance of funds owed is established by DHS when a vendor error has occurred or a vendor has received a payment on behalf of a client who has subsequently moved to another county and is no longer a customer of the vendor. The vendor must return these funds to DHS.

DHS will send the vendor up to three notices requesting payment of the funds. If the vendor has failed to respond after the third notice, the amount of the balance of funds owed to DHS will be deducted from the vendor's next payment(s) until the funds are repaid.

The vendor acknowledges that DHS will reduce vendor payments by the amount of the balance of funds owed to allow for the expeditious collection of these debts. The vendor agrees to apply the full payment amount of each LIHEAP benefit approved by DHS to the respective account of each LIHEAP recipient whom the vendor serves.

U.S. CITIZENSHIP AND IMMIGRATION SERVICES (USCIS) ELIGIBLE NON-CITIZEN STATUS CHART
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Non-citizen	USCIS Document
Lawfully admitted for permanent residence as an immigrant	-I-551 (Non-citizen Registration Receipt card-Green card) -I-551 (Unexpired Temporary I-551 stamp in foreign passport) -I-94 (Arrival - Departure Record)
Asylee (USCIS Section 208)	-I-94 annotated with stamp showing grant of asylum under Section 208 -I-688B (Employment Authorization Card) annotated "274a.12(a)(5)" -I-766 (Employment Authorization -Document) annotated "A5" -Grant letter from the Asylum Office of USCIS -Order of an immigration Judge granting asylum
Refugee (USCIS Section 207)	-I-94 annotated with stamp showing admission under Section 207 -I-688B (Employment Authorization Card) annotated "274a12(a)(3)" -I-766 (Employment Authorization Document) annotated "A3" -I-571 (Refugee Travel Document)
Non-citizen Paroled Into U.S. for at Least One Year (USCIS Section 212(d)(5))	-I-94 with stamp showing admission for at least one year under Section 212(d)(5) Periods of admission for less than one year cannot be added to meet the one year requirement
Non-citizen whose Deportation or Removal was Withheld (USCIS Section 243(h)) (USCIS Section 241(b)(3))	-I-688B (Employment Authorization Card) annotated "274a.12(a)(10)" -I-766 (Employment Authorization Document) annotated "A10" -Order from an immigration judge showing deportation withheld under 243(h) of the INA as in effect prior to April 1, 1997, or removal withheld under 241(b)(3)
Non-citizen Granted Conditional Entry (USCIS Section 203(a)(7))	-I-94 with stamp showing admission under 203(a)(7) -I-688B (Employment Authorization Card) annotated "274a.12(a)(3)" -I-766 (Employment Authorization Document) annotated "A3"
Cuban/Haitian Entrant (USCIS Section 212(d)(5))	-I-551 coded CU6, CU7, CH6 -I-551 Unexpired temporary I-551 stamp in foreign passport -I-94 with code CU6 or CU7 -I-94 with stamp showing parole as "Cuban Haitian Entrant" under Section 212(d)(5)
Non-citizen who has been battered or subjected to extreme cruelty in the United States	-Collateral contacts with school counselors, health professionals, social service agency personnel, police or courts -Affidavit from person -Eye witness accounts