

Par.1. **Material Transmitted and Purpose** – Transmitted with this Manual Letter are changes to Service Chapter 415, Low Income Home Energy Assistance Program. This manual letter also incorporates changes made with

- IM 5463 Cooling Assistance Program

Par. 2. **Effective Date** – October 1, 2022

**NOTE:**

**Items that include a change in policy are indicated. All other items are corrections or clarifications.**

**County references will be corrected to zone references outside of this manual letter.**

**LIHEAP General Provisions 415-05**

1. 415-05-11-05 – State Responsibilities. **Clarify** state’s LIHEAP program responsibilities regarding verification interfaces.

**State Responsibilities 415-05-11-05**

Policy and Procedure Development

As part of its responsibility, the state also develops and maintains policy and procedures regarding appeals and fair hearings, waste, fraud, and abuse, overpayment recovery, and civil rights complaints as well as grievance procedures.

Maintenance of Verification Interface

The North Dakota Department of Human Services (DHS) has built a web-based verification system called NDVerify-that streamlines the search of different interfaces/sources to obtain verification

electronically. NDVerify allows eligibility workers to search multiple interfaces/sources for household members included in a LIHEAP case at the same time. NDVerify also stores the search based on the date completed for historical purposes. ~~The following interfaces/sources are included in NDVerify:~~

- ~~• Birth/Death Records (ND Vital Records)~~
- ~~• Health Insurance (DEERS)~~
- ~~• ND Child Support~~
- ~~• ND Department of Corrections~~
- ~~• ND Motor Vehicle/Watercraft (Motor Vehicle/Game & Fish)~~
- ~~• ND State Directory of New Hire~~
- ~~• ND State Hospital Admission/Discharge~~
- ~~• ND Unemployment Insurance Benefits (Job Service)~~
- ~~• ND Wages (Job Service)~~
- ~~• Other Benefit Information (SSA)~~
- ~~• SNAP Intentional Program Violations~~
- ~~• WSI Medical Claims Status~~
- ~~• Request UPA~~
- ~~• Request 40 Quarters~~
- ~~• SAVE~~

System interfaces are used to verify information needed to determine eligibility. Acceptable interfaces are addressed in the Administrative Procedures Manual. Refer to section 448-01-50 of the Administrative Procedures Manual.

In addition to these interfaces/sources, eligibility workers also have access to additional verifications received through other program interfaces such as the Income and Eligibility Verification System (IEVS), Social Security Administration and Public Assistance Reporting Information System (PARIS).

#### Quality Assurance Coordinator

The State Office institutes a continuing performance reporting system to monitor program administration and program operations. The

components of the system are:

- Data collection through quality assurance reviews
- Analysis of data collected by Quality Assurance and all other management information sources
- Corrective action planning
- Corrective action implementation, monitoring, and evaluation

### Corrective Action Planning

The objectives of corrective action planning are to develop appropriate measures to correct LIHEAP deficiencies based upon the results of data analysis performed by the Quality Assurance Coordinator.

The State is responsible for the development of two types of corrective action:

- Remedial involves rectifying past errors in individual cases.
- Preventative involves correcting patterns of deficiencies.

Corrective action plans are monitored by HSZ and state personnel to determine if they are completed in a timely manner.

### Case Monitoring

State Low Income Home Energy Assistance staff monitor heating assistance and emergency assistance continuously to identify errors in eligibility determination and benefit issuance. Numerous monitoring reports from the central office and field staff are also reviewed by state office. Reports from the HSZ boards' supervisors and staff, on-site visits to local offices and fuel suppliers, and/or fiscal and recipient data from the LIHEAP system are also incorporated as monitoring tools. Corrective action plans are initiated appropriately.

In addition, numerous data edits exist within the LIHEAP system to ensure that data is accurate and benefits are issued correctly.

The state office employs the following monitoring tools:

~~Duplicate Payment Report—periodic report, usually quarterly, that indicates possible duplicate payments for LIHEAP. Payments are investigated and resolved by state program staff.~~

Estimated Cost of Heating Report – list of households whose cumulative payment amount for the heating season deviates from the estimated cost of heating by \$250 or more. Report is reviewed and questionable payment amounts are investigated.

Payment Summary Notice – when a case closes or at the end of the heating season, households are sent a payment summary notice that lists all payments that have been made on behalf of the household. Household is instructed to review and report any discrepancies.

Quality Assurance Reviews - a statewide monthly random sample of fifteen (15) LIHEAP cases that received a payment are reviewed by the Quality Assurance Unit staff.

The sample consists of one (1) case per region along with an additional two (2) random selections from the statewide sample. In addition, a statewide monthly random sample of five (5) denied/closed cases are selected and reviewed.

The results of the reviews are shared with the eligibility worker, zone director and the Policy and System Support (PaSS) Unit. If overpayments exist as a result of the review, overpayments are established regardless if it is due to an agency or recipient error. At the time an overpayment is established, the family is informed of the overpaid amount and their responsibility for repayment.

Error trends are used to identify areas of the program in need of training or possible policy revisions. LIHEAP e-Learning courses are available online 24 hours a day for eligibility workers to develop competency and skills in applying LIHEAP policy. Policy and System Support (PaSS) provides training for zone eligibility

workers on new policy and revisions. In addition, they work one-on-one with eligibility workers as needed.

Statistical Reports - local agency utilization of LIHEAP is monitored monthly through statistical reports that are generated for review of caseload and expenditures by county. These reports are shared within DHS and each county agency for their review and information. If there are any discrepancies identified, they are reviewed by the LIHEAP Administrator.

Returned LIHEAP Checks – returned checks are investigated to obtain current address and to determine if eligibility is ongoing.

On-site or Virtual Visits – county visits, as determined, to conduct training or monitoring program administration

#### Fiscal Monitoring

An abstract is created each week of payments authorized by the eligibility worker in the LIHEAP eligibility system along with payments requested by fuel vendors. The abstract is reviewed by DHS policy staff and Fiscal Administration and authorized payments are reconciled with system reports before payments are released and paid through the PeopleSoft payment system.

In addition, Fiscal Administration provides monthly spenddown tables on the utilization of program funds to the Economic Assistance Director.

#### Program Monitoring

For weatherization and emergency furnace services, monitoring is flagged in the Department's electronic contract system on a specified schedule throughout the life of the contract.

#### Training

The State Office is responsible for providing continued training opportunities for workers, supervisors, Policy and System Support (PaSS) staff, performance reporting system reviewers, vendors and subgrantees.

The zones are responsible to ensure staff attend training sessions and enroll in e-learning training opportunities.

North Dakota's open meeting law permits attendance of non-employees at training sessions. However, the role of public participants must be limited to observation only.

### **Application & Verification Procedures 415-15**

2. 415-15-05-06 – Primary Individual (PI). **Clarify** relationship between Head of Household and Primary Individual (PI).

#### **Primary Individual (PI) ~~Head of Household~~ 415-15-05-06**

The head of the household is the household member responsible for payment of ~~the heating costs and, in most cases, the head of~~ household will also be established as the Primary Individual (PI) in the eligibility determination system. ~~Usually, this~~ The PI is usually the person who will be the applicant for heating assistance and who will sign the application. However, any other household member could provide the application information and documentation and could sign the form to attest to its accuracy. **See** [415-15-10-17](#) regarding verification of heating responsibility. See also [415-35](#) for information regarding the payment process when the designated head of household for LIHEAP is a different person than the person whose name is on the bill.

~~**Note:** Usually the social security number for the PI head of household should be used when entering an application. If the applicant has no social security number, leave it blank, and request that a "dummy" number be assigned by the state office.~~

3. 415-15-05-10 – Deadlines for Application. **Clarify** application deadline and specify earliest possible date of application for fixed income households for the new heating season.

**Deadlines for Application 415-15-05-10**

Applications will be accepted for this program beginning October 1. All applications must be completed, signed, and received by the county social service board by the close of business on May 31 of each year. If May 31 falls on a weekend or holiday, the deadline for receipt of signed applications will be ~~the end of~~ the first working day after May 31 by close of business. Those households who apply in May have 30 days to provide verifications to complete the application. No amendments to the application may be accepted after May 31. Applicants must reapply each year.

The State reserves the right to terminate the acceptance of new applications at any time prior to May 31 if federal program funds are exhausted.

Households whose income is solely from a fixed income source(s) may apply for heating assistance prior to October 1 of each year. Fixed income households who received LIHEAP in the prior year may be contacted by the county to apply as early as September 1 for the upcoming heating season.

The following income types are considered a fixed income source:

- 1) Pension
- 2) Railroad payments
- 3) Social Security
- 4) SSI
- 5) Veteran Benefits
- 6) Annuities
- 7) IRA Distributions

~~Supplemental Security Income/Social Security Administration (SSI/SSA), flat grant TANF whose income is fixed may be contacted by~~

~~the county beginning August 15 September 1 to make reapplication for the coming heating season. (These applications will be dated 10/1 in computer.) This shall be at the discretion of the local county social service board.~~

A complete application includes all information and verifications needed to establish eligibility and compute benefits.

~~If the application has not been signed and dated, the county does not have a valid application is not valid, and it is not necessary to make any data entry on the computer.~~

Applications from fixed-income households that arrive before October 1 will be considered to have been received on October 1. **Although the application received date is prior to October 1, the applicant will have 30 days from October 1 to provide necessary verifications and the eligibility worker will have 45 days from October 1 to process the application.**

4. 415-15-05-15 – Deadlines for Processing. **Clarify** policy regarding application date and deadline date on Request for Information notice.

#### **Deadlines for Processing 415-15-05-15**

~~An application shall be considered as "received" on the date a signed application is received by the county social service board office. This is the "Application Date" which will be entered as the Application Received (Start) Date in system.~~

The date of application (Application Received Date in SPACES) is the date the human service zone receives a signed Application for Assistance provided the application was submitted during normal North Dakota Department of Human Services business hours. When an application is submitted after normal business hours, on a weekend, or on a North Dakota Department of Human Service holiday, the application is considered received the next business day. The human service zone must document the date an application is filed by recording the date it was received on the application. The processing

timeframe begins the day following the date of application.

**NOTE: If the application is signed but not dated, the date stamp (date received in county) will be considered as the date the application was signed.**

A decision to either approve or deny an application must be made no later than 45 days following the day the signed and dated application is received in the county social service office.

Applications from fixed-income households that arrive before October 1 will be considered to have been received on October 1. **Although the Application Received Date is prior to October 1, the worker will have 45 days from October 1 to process the application.**

**NOTE: The first calendar day following receipt of the signed application is Day 1 of the 45-day processing timeframe.**

Additional time may be allowed due to an extenuating circumstance. An extenuating circumstance may be determined by the eligibility worker, but reason for the extenuating circumstance must be documented in the case file.

If the application is incomplete, every attempt must be made by the county social service board to help the household obtain the necessary information to ensure prompt processing.

Upon receipt of a signed application, a pending case should be established in the SPACES system. Missing data may be added as it comes in.

Within 15 days of receipt of an incomplete application, the county social service office must send a "Request for Information" notice to the applicant requesting any additional information needed to process the application. The Request for Information notice should:

1. Clearly identify missing information or verifications, and

2. ~~Identify a deadline date after which the application may be denied because it is incomplete. This~~ The deadline date for receipt of the requested information or verifications should be ~~30~~ 10 days from the mailing ~~date of application~~.

**Applications, including verifications, that are not completed within 30 days\* of the date the application is received in the county office may be denied and the household invited to submit a new signed and dated application with verifications.** (See [415-10-05-10](#) #1 for county office outreach responsibilities). However, if the applicant provides the necessary information and verifications before the county office has finished processing the denial and the 45 day processing time limit will not be exceeded, the applicant should not be required to complete a new application even though his 30 day deadline has passed. Once the case has been established in the system as a denial, a new application is mandatory.

#### Summary of Processing Deadlines:

<b>Application Date:</b>	The date a signed application is received in the county office (even if it is not complete) is the Application Date.  The 'pending' case is added to the LIHEAP system.
<b>Day #1:</b>	<b>Day 1 of the processing timeframe is the next calendar day following the Application Date.</b>
<b>By Day #15:</b>	Notice of missing data or verifications and deadline has been provided to the applicant.
<b>*By Day #30:</b>	The applicant must have returned all data and verifications. If not, and the county office has provided appropriate assistance to the applicant in completing the application, the application may be denied.

<b>By Day #45:</b>	Action has been taken on the case to approve or deny and the 'Notice of <del>Action</del> <u>Eligibility</u> ' has been generated in the system.
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**NOTE:** If used, SFN 530 (Eligibility and Benefit Worksheet) or the LIHEAP Budget Excel Worksheet from the Eligibility Tech website must be signed and dated by the worker, where it says "Signature of CSSB Representative." An electronic or text box signature is acceptable.

5. 415-15-10-05-20 – Deductions - Verification. **Clarify** policy when deductions are over \$1,000/year in a category and verification is not received.

### **Deductions - Verification 415-15-10-05-20**

Except for the earned income deduction, all deductions ([415-25-05-05](#)) from the gross income that exceed \$1,000\* per year must be verified. (The \$1,000\* applies to each category of deductions, i.e., Medical, Health and Hospitalization Insurance, Child Support, etc.). Acceptable verifications may include:

- |  |   |
|--|---|
| 1. Medical                                       | Cancelled checks, receipts, vendor account statements.  |
| 2. Health and Hospitalization Insurance Premiums | Cancelled checks, receipts, vendor account statements.  |
| 3. Child Support                                 | ND✓erify, when available (See 448-01-50, Interfaces)  |
| 4. Education                                     | Bills, statements, receipts, from the educational institution (See <a href="#">415-25-05-05</a> Item 7) |



delivery charges, or propane tank rental.

~~(**T**ank rentals may be charged~~ must be billed during the regular heating season (October 1 – May 31). ~~using fuel type "08")~~ Use fuel type "08-Tank Rental" to bill for these charges.

~~and hook-up (the charge for **t**he~~ **setup or hook-up** of a new tank must take place during the regular heating season (October 1 – May 31). ~~Use fuel type "16 to bill for the charges.)~~. Use fuel type "16-Setup/Hook-up Costs" to bill for these charges.

Assistance with setups or hook-ups after May 31 must be handled through emergency assistance.

LIHEAP does **not** purchase tanks or pay installment payments for tanks which are on a purchase contract.

LIHEAP will **not** pay for tank rental and hook-up charges associated with secondary heat sources.

Incidentals, such as same day delivery charges or leak check costs can be added to the cost of the delivery.

**Regulators** are the client's property, therefore the replacement charges for obsolete or non-functioning regulators, along with the miscellaneous costs needed for the hook-up of the regulator may be billed to LIHEAP. Use fuel type "16-Setup/Hook-up Costs" to bill for these charges. These charges can be billed to LIHEAP **anytime during the year**. ~~Those billed~~ If regulators are replaced outside of the regular heating season the worker will need to ~~be entered~~ the payment as a miscellaneous payment.

Low Income Home Energy Assistance Program payments to vendors can be made ONLY for actual costs of allowable fuel and services actually purchased by the customer that are incurred by the customer during ~~the customer's~~ their period of eligibility. ~~that has NOT been paid for by the customer. County social service boards need to take extra care to instruct vendors that LIHEAP will NOT pay for fuel which~~

~~has previously been paid for by the customer. However, special considerations may apply if the vendor and the customer have agreed upon an even monthly payment plan. (See 415-10-10-15.)~~

**Allowable heating-related costs are paid at the client's established LIHEAP Share percentage.**

7. 415-20-05-05-15 – Non-Residential Usage. **Clarify** policy regarding Non-Residential Usage.

**Non-Residential Usage 415-20-05-05-15**

When a household's **primary** heat source is also used to provide heat or electricity to other buildings, or power machinery or vehicles, (including electric-powered vehicles) and the usage cannot be separated, the household is identified as a Non-Residential Usage household and a cap is applied to the household's heating benefit.

Clients whose usage includes non-residential purposes are required to specify this fact on the LIHEAP application, Form 529. These clients ~~will be identified by a code on the data entry screens (See Manual 416) and~~ will be subject to a maximum benefit equal to the estimated cost of heat ~~×~~ multiplied by the calculated LIHEAP Share % of the household.

~~Definition of Non-Residential Usage: Fuel used to provide heat or electricity to other buildings, machinery, vehicles, etc.~~

Examples of non-residential usage may include, but are not limited to:

- 1) A primary heat source that also supplies heat or electricity to another building, such as a detached garage, shop, or barn
- 2) A primary heat source that is also being used to power farm machinery or vehicles. (The heat source in this case is usually fuel oil, however, this may also apply to an electric-powered vehicle)
- 3) A living unit that is behind or above a store with a common heat source that cannot be separated

- 4) A rural living situation in which two homes are sharing a single heat source that cannot be separated (i.e., one meter, or shared tank)

The following examples of usage are NOT considered non-residential usage:

- Plugging in vehicles in the winter months
- Propane/Natural Gas usage for grilling
- Electricity used to power hand tools (trimmers, drills, saws, and such)
- Fuel usage for appliances, such as a natural gas stove or natural gas water heater

### **Eligibility Determination 415-25**

8. 415-25-05-05 – Deductions from Income. **Clarify** policy regarding deductions for out-of-pocket child or adult dependent care.

#### **Deductions from Income 415-25-05-05**

Some expenses over which the household has little or no control reduce the amount of funds available to the household to spend on fuel.

The following expenses are deducted from the household's gross income:

1. Medical expenses as defined in [415-25-05-05-05](#).
2. Legally obligated child or spousal support payments paid by a household member to or for a non-household member, including payments made to a third party on behalf of the non-household member. If the household verifies that payments are being made

on a regular monthly basis, the monthly amount may be annualized before deducting it from the income. However, if the payments have been irregular, only those payments actually made since June 1 may be deducted.

The fully automated Child Support Enforcement System can be used to verify household legal obligation to pay child support. Other types of verification can be used also such as copies of court documents, child support stubs, wage stubs, etc.

3. Twenty-seven percent (27%) of earned income (to compensate for income producing employment expenses and income withheld or payments made for social security and Federal and State taxes). This does NOT apply to Supplemental Security Income (SSI), Training, Education, Employment, and Management/Temporary Assistance for Needy Families (TANF), interest income, etc. **See [415-25-05-20-05](#)** for a description of earned income.
4. The annualized amount of wages garnished by a court order, or other deductions/payments required by statutory law such as levies by the Internal Revenue Service (IRS), etc. **See [415-05-05](#)** for a definition of garnishment.
5. Up to \$500/month may be deducted from household income for a head of household or spouse who must reside away from home for all of the school week for higher education purposes. Prorate the deduction down if the student is away for less than a full school week, but if the student is away less than 50% of the school week, no deduction will be allowed. This deduction will be further reduced by any portion of exempt educational income which is available to the student for living costs.
6. Up to \$500/month may be deducted from the earnings of a head of household or spouse who must reside away from home for all of the work week for employment purposes. Prorate the deduction down if the worker is away for less than a full work week, but if the worker is away less than 50% of the work week, no deduction will be allowed. This deduction will be further reduced by any

reimbursement or subsistence allowance provided by the employer for living expenses while on the job. This work expense deduction will be deducted from gross earnings after the 27% earned income deduction is made.

7. Additional mandatory employment or educational expenses that are significant and unusual that are determined by the State Program Administrator to be unavailable to the household.
8. Out-of-pocket child **or adult dependent** care costs related to work, training, or educational purposes that are not reimbursed to the household from any source. If the household verifies that payments are being made on a regular monthly basis, the monthly amount may be annualized before deducting it from the income. However, if the payments have been irregular, only those payments actually made since June 1 may be deducted.
9. Representative Payee Fees.
9. 415-25-05-10 – Income Eligibility Levels. **Update** income eligibility limits for FY2023.

**Income Eligibility Levels 415-25-05-10**

The income eligibility limits for heating assistance are based on 60% of the North Dakota median income. The monthly income eligibility levels are determined by dividing the annual amount by 12 months and rounding off to the nearest dollar (indicated by \*).

Therefore, the adjusted gross income eligibility limits for **FY2022** **FY2023** are as follows:

<u>Household Size</u>	<u>Annual Eligibility Limit</u>	<u>Monthly Eligibility Limit*</u>
1	\$33,407	\$2,783
2	\$43,686	\$3,640
3	\$53,965	\$4,497
4	\$64,245	\$5,353
5	\$74,524	\$6,210
6	\$84,803	\$7,066
7	\$86,730	\$7,227
8	\$88,658	\$7,388
9	\$90,585	\$7,548
10	\$92,512	\$7,709
11	\$94,440	\$7,870
12	\$96,367	\$8,030

10. 415-25-05-20-20 - Unearned Income. **Clarify** Contracts for Payment countable income.

### **Unearned Income 415-25-05-20-20**

Unearned income is income not gained by current labor, service, or skill. Most unearned income is the result of past labor, services, or investments, which have enabled the individual to receive a current benefit or pension.

If unearned income is withheld for:

- Child support or taxes, the gross amount must be counted.
- Repayment of an overpayment from the same source, the net amount must be counted.

- Repayment of another source, the gross amount must be counted.

**Examples:**

1. Back Taxes
2. Defaulted Student Loan

When unearned income is held at the request of an individual, it is considered income in the month normally received.

**The following types of unearned income are countable:**

1. Payments from Social Security Administration:

- Retirement, Survivors, and Disability Insurance (RSDI)
- Supplemental Security Income (SSI)

Lump sum retroactive adjustments from Social Security due to changes in an individual's earnings record will be considered as follows:

If the individual received SSA benefits AND had earnings in the year prior to the adjustment, the adjustment will be considered a recurring lump sum benefit.

If the individual did not receive SSA benefits OR did not have earnings in the year prior to the adjustment, the adjustment will be considered a non-recurring lump sum benefit.

2. Unemployment and Workforce Safety and Insurance.

These benefits are paid on an Electronic Benefits Card and are considered income:

- a. On the date received; or
- b. When available and the recipient has a legal ability to access the income for support or maintenance.

If the household cannot verify the date of actual receipt, the receipt date is deemed to be either:

- a. The date funds were deposited into the account based on a bank statement from the electronic payment card vendor or their personal bank account, or
  - b. Two working days after the date the WSI or UIB was processed.
3. Other benefits, including but not limited to:
- Monthly or regular payments from annuities, pensions and other retirement plans (including dividends and interest). Penalties, if any, should be deducted from the gross disbursement amount.
  - General Assistance
  - Income deemed to a community spouse or household member
  - Military Allotment received from non-household member
  - Short term or long term disability or loss of time insurance payments for illness or injury paid by someone other than the employer (AFLAC, CIGNA, Thrivent, etc.).
  - Railroad benefits
  - Veterans benefits other than those designated for education
  - Union Compensation during strikes
4. TANF and Diversion Assistance, including:
- Job Retention portion of TANF Transition Assistance
  - TANF Kinship Care

**EXCEPTION:**

**JOBS Supportive Services, TANF Supportive Services and Special Items of Need that represent a reimbursement are not counted as income.**

The housing allowance is not considered a reimbursement, and is counted as unearned income.

5. Child Support and Spousal Support - Court-Ordered and Voluntary (See 415-25-05-21).
6. Unearned income as a result of self-employment (See 415-25-05-27).
7. Tribal Payments and Individual Indian Monies (IIM) Accounts (See 415-25-05-22). This section includes the policy regarding the treatment of this income.
8. Recurring Lump Sum Payments are those payments that can be reasonably anticipated to be received more than once. Payments may be recurring monthly, quarterly, yearly, etc.

Recurring payments received or anticipated to be received between the previous June 1 and the following May 31 are annualized.

Recurring Lump Sum Payments include but are not limited to the following:

- Gambling winnings
- Mineral lease bonuses, oil and gas royalties. Any mandatory production taxes withheld prior to distribution are not counted and are allowed to reduce the amount of countable income. Any income taxes withheld are not allowed to reduce the amount of countable income.
- Alaska Permanent Fund Payments
- Insurance settlements
- Inheritance
- Income received from a trust - Submit SFN 1947, Request for Trust Review, along with complete copies of all trust agreements to the Legal Advisory Unit of the Department of Human Services for review.
- Lump sum retroactive social security payments when the individual had earnings in the year prior to the adjustment

9. Cash Contributions received on a regular basis that can be reasonably anticipated.

**EXCEPTION: Regular contributions from parents made available on condition that the recipient continues as a bona fide higher education student are not counted. Small (under \$360/year) contributions are not counted.**

10. Contracts for Payment.

When an applicant or recipient has sold property with a contract to receive a series of periodic payments, rather than one payment, the arrangement is usually called a "contract for deed". The essential feature of the contract for deed is the right to receive future payments, usually coupled with a right to get the property back if the payments are not made. Contractual rights to receive money payments also arise out of other types of transactions. The valuable contract document may be called a note, accounts receivable, mortgage, or by some other name.

**NOTE:** Some contractual rights may be written so the lender has the right to demand payment at any time. If so, the note is considered a demand note and can be called in at any time. If a note is written so the lender does not have the right to demand payment but the note is in default, it also becomes a demand note. Contractual rights may or may not have collateral or security to guarantee payment.

The payments will include both interest and a portion of the sale price of the property that was sold (~~principle~~ principal) and must be calculated separately.

The **principal** portion of the payment is considered an asset and is NOT counted as income.

The **interest** portion of payments received for any contractual right to receive payments (such as Contracts for Deed) must be included ~~in the household's gross annual income~~ as unearned

income. If there are any costs to the deed holder, they may be subtracted from the interest earnings.

11. Refugee Cash Assistance Payments – Payments received under the Refugee Cash Assistance Program or the Wilson/Fish Alternative Program.
12. State Long Term Care Subsidy – Individuals receiving a payment of up to \$20 from the State Long Term Care Subsidy Program.
13. Money deposited into a Joint Checking or Savings Account. Money deposited, when the depositor is not a member of the household, is counted as unearned income in the month in which it is deposited.

**EXCEPTION:**

**If the client's name appears on a signature card, but no member of the household has an ownership interest in that account, funds in the account are not available as income.**

14. Money obligated to the household which is diverted by the household for an expense.

**Examples:**

1. TANF benefits diverted to a Protective Payee
  2. Payment diverted to a Representative Payee
11. 415-25-05-35 – Eligibility for Back Bills and Reimbursements. **Clarify** policy regarding monthly income eligibility.

**Eligibility for Back Bills and Reimbursements 415-25-05-35**

If the household is income eligible (**monthly countable income minus allowable expenses**) for months prior to the month of application and heating costs were incurred, the LIHEAP Share Percentage of the bill can be paid on unpaid bills or the LIHEAP Share Percentage of the bill

can be reimbursed to the household (for special circumstances, [See 415-25-05-15-15](#)). The LIHEAP Share Percentage is calculated on the basis of the month of application (or an average, [See 415-25-05-15](#)) and applied to bills from prior eligible months.

Back bills and reimbursements may NOT be paid for ANY month in which income eligibility did not exist.

### **Benefit Computation 415-30**

12. 415-30-01 – Eligible Months - Computation. **Clarify** policy regarding monthly income eligibility.

#### **415-30-01 – Eligible Months - Computation**

Benefits (LIHEAP Share Percentage) will generally be computed based on the household's annualized income that is calculated at time of application and applied from the month of application forward to May 31.

If the household has income-eligibility (**monthly countable income minus allowable expenses**) for months prior to the month of application, the ongoing LIHEAP Share Percentage and the household's co-payment percentage that have been established will be applied to bills from eligible prior months.

The months the fuel dealer is authorized to bill LIHEAP on behalf of his customer may be adjusted to include prior months of eligibility.

**NOTE: A household will not be eligible for months prior to the month of application if the household has NO ongoing eligibility.**

13. 415-30-10 - Household Poverty Level Percentages Table. **Update** income eligibility limits for FY2023.

### **Household Poverty Level Percentages Table 415-30-10**

The household poverty level percentage to be applied to each household's annual adjusted gross income will be calculated by the computer according to the level of their income and the number of persons in the household at the time of application. Therefore, it is essential to have accurate data in these two fields.

The Poverty Level Percentage Table used by the system:

	<b>Household Share 1%</b>	<b>Household Share 2%</b>	<b>Household Share 3%</b>	
<b># of Persons</b>	<b>0-20% of Median Income</b>	<b>21-40% of Median Income</b>	<b>41-60% of Median Income</b>	
			<b>Annual Eligibility Limit</b>	<b>Monthly Eligibility Limit</b>
1	0 - 11,136	11,137 - 22,271	22,272 - 33,407	2,783
2	0 - 14,562	14,563 - 29,124	29,125 - 43,686	3,640
3	0 - 17,988	17,989 - 35,977	35,978 - 53,965	4,497
4	0 - 21,415	21,416 - 42,830	42,831 - 64,245	5,353
5	0 - 24,841	24,842 - 49,683	49,684 - 74,524	6,210
6	0 - 28,268	28,269 - 56,535	56,536 - 84,803	7,066
7	0 - 28,910	28,911 - 57,820	57,821 - 86,730	7,227
8	0 - 29,553	29,554 - 59,105	59,106 - 88,658	7,388
9	0 - 30,195	30,196 - 60,390	60,391 - 90,585	7,548
10	0 - 30,837	30,838 - 61,675	61,676 - 92,512	7,709
11	0 - 31,480	31,481 - 62,960	62,961 - 94,440	7,870
12	0 - 32,122	32,123 - 64,245	64,246 - 96,367	8,030

14. 415-30-10-01 - Monthly and Annual Eligibility Limits (Adjusted Gross Income). **Update** eligibility limits for FY2023.

**Monthly and Annual Eligibility Limits (Adjusted Gross Income)  
415-30-10-01**

NUMBER OF PERSONS	MONTHLY ELIGIBILITY LIMIT	ANNUAL ELIGIBILITY LIMIT
1	2,783	\$33,407
2	3,640	\$43,686
3	4,497	\$53,965
4	5,353	\$64,245
5	6,210	\$74,524
6	7,066	\$84,803
7	7,227	\$86,730
8	7,388	\$88,658
9	7,548	\$90,585
10	7,709	\$92,512
11	7,870	\$94,440
12	8,030	\$96,367

15. 415-30-20-10-15 – Reimbursement for Paid Bills. **Clarify** policy regarding payment of heating bills for months prior to application month.

**Reimbursements for Paid Bills 415-30-20-10-15**

If the household is requesting a reimbursement for bills paid prior to the month of application, and the household has been determined income eligible (monthly countable income minus allowable expenses) during the months those bills were incurred, ~~the authorization period will NOT be adjusted retroactively, but will begin with the month of application. The reimbursement will be paid with the "Miscellaneous or~~

~~Emergency Payment" screen. payment can be issued to either the client or vendor, as appropriate, using the following options:~~

- ~~• If the household provides proof of paid bills, reimburse the client, authorize the vendor starting with a date after the last date you paid.~~
- ~~• If the household does not provide proof of paid bills, start the vendor authorization when the household was eligible. The vendor can now bill for paid bills, if authorized. Once the vendor has been authorized to bill, you would no longer issue reimbursements~~

~~**NOTE:** The above options also apply to clients on **auto-pay** with their fuel vendor~~

~~This prevents a supplier from billing again for a delivery already reimbursed to a client by LIHEAP duplicate payments.~~

## **Payment Procedures 415-35**

16. 415-35 – Payment Procedures. **Clarify** policy with example of third-party payee.

### **Payment Procedures 415-35**

The applicant's responsibility for the energy bill must be established before any payments can be made by LIHEAP, especially if the bill is not in the applicant's name. The vendor and LIHEAP need to agree that it is appropriate to have other than the head of the household's name on the bill. Once responsibility is established there are several options to make the payment:

1. The vendor can bill LIHEAP directly if the company is able to assure proper credit to the LIHEAP household even if the bill is in another name ([415-35-10](#));

2. The county can generate the payment to the vendor if the vendor can assure proper crediting and if the household agrees that sending the check to the vendor will not cause problems with old bills ([415-35-20-15-05.3](#));
3. The county can generate a reimbursement to the household if the family pays the bill first ([415-35-20-20-05](#));
4. The county can generate the payment to a third party under certain conditions ([415-35-40](#)); **Example: Landlord**
5. The county can generate a payment to the household even if the family hasn't paid the bill, as long as the county has a means of assuring that the payment will get to the party who provided the energy services ([415-35-20-20-20](#)).

**Options #4 and 5 should be used only as a last resort.**

17. 415-35-40 – Third Party Payments. **Clarify** third party payments to landlord and remove reference to Legacy LIHEAP system.

**Third Party Payments 415-35-40**

In unusual circumstances, the State LIHEAP Administrator may authorize third party payments. This is to be used only when other payment methods are inadequate and may include but are not limited to:

1. A landlord refuses to have the tenant's name on the vendor's account. ([Landlord must be enrolled as a vendor and must verify that they have paid the bill in full](#));
- ~~2. A relative or other person has paid an eligible bill on behalf of a LIHEAP recipient and cannot be reimbursed by normal payment procedures; or~~

2. Other circumstances as deemed appropriate by the State LIHEAP Administrator.

Third party payments are entered ~~on-line by using Option F "Miscellaneous or Emergency" screen as manual payments and require the payee to be enrolled as a LIHEAP vendor. A vendor association is required in order to issue a third-party manual payment in the system.~~

~~The third party payments require a special vendor ID number with a prefix code of "05" which must be assigned by the State Office.~~

### **Changes 415-40**

18. 415-40-40 – Change in Primary Individual (PI). (**Name Change**). **Clarify** relationship between Head of Household and Primary Individual (PI).

#### **Change in ~~Head of Household~~ Primary Individual (PI) 415-40-40**

Occasionally, due to death or divorce, a family may acquire a different ~~head of household than what is already entered on the computer~~ Primary Individual (PI). Depending upon the circumstances it may be necessary to make adjustments ~~to the computer file in the eligibility determination system.~~

1. Head of Household PI Dies

~~a) If the remaining family members do not plan to change the name on the supplier's account, it is not necessary to create a new computer file until the next fiscal year. The existing file should be adjusted to reflect change in number of persons, income and benefits.~~

~~b) If the family wants to change the name on the supplier's account, the case for the original head of household should be closed, a new application taken, and a new case set up on the computer using the social security number of the new head of household. Benefits will be calculated using only the income of the new household and authorized from the month of application to the end of the season.~~

~~The case must be updated appropriately in the eligibility determination system to reflect a change to the PI and household size, update income and recalculate benefits. Once the PI has been updated, go to the LIHEAP screen, enter through to create a new billing number for the new PI.~~

## 2. Head of Household PI Leaves

~~If the original PI continues to be eligible for LIHEAP, the existing case must be updated appropriately in the eligibility determination system, and benefits changed to reflect any change in circumstances (such as change of residence and/or income).~~

~~If the original PI does not require LIHEAP, close the case after making appropriate changes in the eligibility determination system.~~

If there is the potential of two households requiring LIHEAP, as in a divorce situation, it will be necessary to take a new application for the new ~~head of household and proceed as described in 1 b above~~ PI. A new billing number will be established for the new PI.

~~If the original head of household continues to be eligible for LIHEAP also, the household characteristics must be corrected appropriately on his computer file, and benefits changed to reflect any change in living circumstances (such as change of residence) and/or income.~~

~~If the original head of household does not require LIHEAP, close his case after making appropriate changes in household characteristics on the computer file.~~

Case closing effective dates should be timed to ensure the supplier can collect payments due ~~him~~, without overlapping months of authorization for the two households.

### **Cooling Assistance Program 415-60**

19. 415-60 – Cooling Assistance Program. **Clarify** cooling program policy and remove references to Legacy LIHEAP system.

#### **Cooling Assistance Program 415-60**

The North Dakota State LIHEAP does not routinely include a cooling program. However, the State reserves the option to implement a temporary cooling program contingent upon available funding, or in the event of unusual cooling needs due to weather aberrations, or an emergency disaster declaration, ~~contingent upon available funding.~~

A LIHEAP-eligible household may qualify for a cooling device (an air conditioner or a fan, as the need dictates), if a member of the household has a documented medical need. The household need not be responsible for paying heating costs so tenants in subsidized housing and their heat is included in their rent may qualify. Documentation of a household member's medical need for a cooling

device **will not be** required if there is an elderly person (age 60 or over) in the household. Documentation of medical need **will continue** to be required when there are no elderly persons in the household.

~~Clients who did not apply for LIHEAP services during the heating season may apply for a cooling device. The county worker processes a LIHEAP Heating Assistance application to determine income eligibility. If there is not a LIHEAP case open, it may be because the client lives in subsidized housing, the case was denied for lack of vulnerability or the household never applied during the regular heating season.~~

If a complete application is received on or before May 31, the household may be eligible for other benefits as well. If the application is taken after May 31, the household will not be eligible for other benefits.

~~Current clients who have received heating assistance during the heating season are referred to Community Action Agencies by providing a copy of their approval letter.~~

If a household requests cooling assistance May – September and they received LIHEAP during the regular heating season, the client can take their approval notice to Community Action, or you can generate a cooling referral notice to Community Action for a cooling device.

If the household requests cooling assistance after May 31 and they did not receive LIHEAP during the regular season because they had been denied during the year, live in subsidized housing and heat was included in their rent, or never applied in the heating season, they may apply for a cooling device. If they are determined income eligible, send a cooling referral notice to Community Action.

~~Those who have not been on heating assistance but are income~~

~~eligible will have a free form letter sent to the Community Action Agency. The free form letter, sent by the County Social Service Board, will state that they are income eligible and are, therefore, eligible for a cooling device but are not eligible for heating assistance benefits.~~

The LIHEAP application form has a release of information to permit sharing of information between the Community Action Agencies and LIHEAP. Community Action Agencies are responsible for obtaining verification of medical need.

~~If a household comes in before May 31 and they were eligible for Heating Assistance, code the case as status 01. For those who were on Heating Assistance during the year you only need to send a copy of the approval letter from the current heating season to show their eligibility.~~

~~When a household applies after May 31 and they have not been on LIHEAP during the regular season because they had been denied during the year, live in subsidized housing or never applied in the heating season, you code the case as status 13 in the system. Only the first page of the application screen on the system needs to be completed to determine eligibility for cooling device.~~

If you have questions, please contact Policy and System Support.