STATE OF NORTH DAKOTA
WEATHERIZATION ASSISTANCE PROGRAM

DOE Policy and Procedures Manual
2016

North Dakota Department of Commerce
Division of Community Services

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STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)
WEATHERIZATION ASSISTANCE PROGRAM

POLICY AND PROCEDURES MANUAL

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INTRODUCTION

The Weatherization Policy and Procedures Manual has been compiled as a primary reference for local weatherization program managers.

It contains program-related information from a wide array of sources including OMB circulars, DOE rules, special topic manuals and guidance and opinions issued over the years in letters and memoranda. The need for a reference to state and federal rules has become increasingly apparent. The Weatherization Program now receives funds from the Department of Energy.

The Weatherization Program has changed substantially, both technically and administratively, since its inception over two decades ago. Weatherization will continue to evolve in response to changes in funding, weatherization technology, program rules and administrative personnel. The Policy and Procedures Manual will be used to implement and document these changes as they occur. The Policy and Procedures Manual is organized to easily accommodate changes. Existing policy statements may be revised or deleted and new statements added by simply removing old pages and inserting new ones. The heading of each policy statement clearly identifies its subject, effective date, and place in the sequential order of policy statements and, where applicable, indicates if a pre-existing policy has been superseded. In this sense, the Weatherization Policy and Procedures Manual will never be complete. In preparing this addition, some topics were almost certainly overlooked. The manual will become more complete and comprehensive with use, as omissions are identified, and new issues are addressed with new policy or guidance.

WEATHERIZATION PROCEDURES MANUAL

DIRECTIONS FOR USE

The objective of the Weatherization Procedures Manual is to provide a centralized resource of information regarding operating policies, procedures and regulations. This manual is primarily focused upon the needs of the Community Action Agency (CAA) Weatherization Coordinator, but should be made available to all CAA staff.

The information provided in this manual serves to delineate state policies and procedures, as well as provide an easy reference to federal regulations. The format of the manual is specifically designed to allow for revision, deletion and addition of sections when necessary. These actions will be addressed under written guidance from the DCS office, with replacement sections provided when necessary.

The sections of the manual are compiled into eight parts (100-800). When information or guidance is desired on a particular topic, first review the titles of the eight parts to determine which part would include the desired topic. Then review the Table of Contents to locate the section title that most closely relates to the desired topic.

If during your use of this manual, a topic appears to have been omitted, please contact the DCS office. If an omission has actually occurred, or if a topic is not adequately clarified, the DCS staff will take the necessary steps to revise the manual.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Allocation Formula **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 100.10 **PROGRAM:** DOE

DISCUSSION: Weatherization funds will be allocated among Community Action Agencies (CAAs) on the basis of a formula which considers 1) the distribution of the low income population; 2) the relative size of areas served and; 3) the minimum funding required for efficient program operations.

The distribution formula provides a base funding level to each CAA of $100,000 minimum plus an additional base amount should the State's DOE allocation exceeds $2,272,142. This additional amount is determined by calculating the percentage the allocation is in excess of $2,272,142 and multiplying it by $100,000.

In addition to the base amount, each CAA is awarded an amount determined by multiplying $2 by the number of square miles within each CAA's service area.

In calculating the distribution percentages the following adjustments are made in an attempt to achieve equity:

1. The low income population percentage used in the distribution formula does not include the Native American low income population as each of the Native American reservations receive specific allocations under each of the weatherization programs (DOE).

2. The amount of Training and Technical Assistance funds are distributed based upon the number of full time Weatherization employees and not by the distribution formula.

3. The square mileage allocation for Region I is added to Region VIII's allocation because weatherization services in Region I are provided by Region VIII.

The following are the low income percentages according to the 2010 census which will be used by the Weatherization Program:

Region	% Allocation
II	14.139
III	9.738
IV	10.808
V	19.808
VI	8.675
VII	18.939
VIII	9.518

CAA allocations may be revised, at the discretion of the Division of Community Services (DCS).

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Tribal Allocations **DATE:** August, 2013
POLICY/GUIDANCE NUMBER: 100.20 **PROGRAM:** DOE

DISCUSSION: Eight and thirty nine hundredths percent (8.39%) of all DOE Weatherization Assistance Program funds will be allocated for the provision of Weatherization services for tribal jurisdictions within the State of North Dakota. Minimum WAP funding levels for tribal weatherization services will be based upon the percentage of the States low income population residing within the reservation boundaries. The tribal allocations will be awarded to and administered by the Subgrantee in which the greatest portion of the reservation resides. The Subgrantee will be responsible for the provision of weatherization services which at a minimum equal the tribal allocation.

Each CAA administering a Tribal Weatherization Grant will be allowed to expend unused tribal grant balance for non-tribal weatherization provided they can document a substantial effort to solicit and serve tribal applicants and can document that demand for services on the reservation has been met. Subgrantees may, at any time, expend more than the tribal allocation within the reservation boundaries without any additional approval by DCS. All unexpended funds will be returned to the State for reauthorization by the DCS as part of the overall carryover reauthorization CAA.

Distribution of Tribal Weatherization allocation (8.39%) to subgrantees will be:

Percent of Subgrantees	Tribal Jurisdiction	Tribal WAP
Community Action (Region II)	Ft. Berthold	21.17%
Dakota Prairie CAA (Region III)	Spirit Lake	16.21%
	Turtle Mountain	34.61%
Community Action (Region VII)	Standing Rock	28.02%

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Annual Work Plan and Budget **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 100.30 **PROGRAM:** DOE

DISCUSSION: Weatherization Program Financial Assistance Awards will be developed based upon the Weatherization work plan submitted to the Division of Community Services (DCS) by each Community Action Agency (CAA). The work plan will consist of four parts:

1. A monthly production and expenditures schedule.

2. A training and technical assistance plan which outline the planned training for the upcoming year.

3. A budget that details costs for the administration of the program, cost of production (to include materials, labor and program support), the cost of cost of liability insurance, the cost of an annual financial audit and training and technical assistance costs.

4. A detailed narrative prepared in accordance with the Budget Narrative Guidelines continued within this section.

The work plan and budget must be submitted within 30 days of the date of the notification of grant award.

The approved work plan and budget will be attached to the DCS Financial Assistance Award, and will serve as the basis for performance evaluation under the Award.

The appropriate work plan and budget forms are attached.

SECTION 100.30

Budget Narrative Guidelines
For Use in Preparation of DOE WAP Budgets

I. Contractual

A. Budget line items under this category such as audit, insurance, etc. must be pro-rated according to an acceptable accounting methodology. The methodology used to prorate the cost to weatherization, the total cost of that line item and the resulting percentage to be charged to weatherization must be provided as part of the narrative.

B. Contracted Service -- Budget narrative must describe the service for which the agency will be contracting, provide justification for the proposed contracted service, and provide the cost of the contracted service in the previous year.

II. Travel

A. In-State Travel

All in-state travel planned for the upcoming program year must be listed and justified. A detailed description must be provided as to how the amount budgeted was derived.

B. Out-of-State Travel

All planned out-of-state travel which will take place during the next program year must be listed and justified. Justification should include: who will be traveling, a copy of the current or previous year's workshop or conference agenda (if available), and the expected benefit to the weatherization program. Out-of-state travel approved as part of the budget will not require further approval by the DCS, unless noted in the financial assistance award.

III. Space

A. Warehouse Space

The square footage of each warehouse used by the weatherization program and the cost of that space must be provided in the narrative. If the warehouse is multipurpose in use, the cost of space must be prorated between users (programs) on a square footage basis. Subgrantees owning their own warehouse space may not charge the program rent which exceed the average cost that warehouse space could be obtained locally. Documentation substantiating this cost must be provided as part of the budget narrative.

B. Office Space

The cost of space (to include rent, utilities, and maintenance) utilized by the weatherization program must be prorated on a square footage basis. The total square footage available, the amount use by the weatherization program and the resulting pro-rata percentage must be provided as part of the narrative. The calculation of the cost of space must include the methodology used for determining the cost of space used by support staff.

IV. Supplies

A. Office Supplies

The cost of general office supplies used by the weatherization program must be justified. If the amount is a prorated share of the total office supplies, then the methodology used to determine the weatherization share must be provided.

B. Weatherization Supplies

Only the cost of disposable weatherization supplies, such as saw blades, drill bits, and other supplies which cannot be charged directly to a unit, should be listed under this category. The budget narrative should include a description of how the estimated cost of weatherization supplies was derived.

V. Equipment

A. Office Equipment

All office equipment to be purchased or leased with a purchase/lease price of under $5000.00 may be grouped under the line item of general office equipment and need only be identified by name in the budget narrative. All office equipment with a purchase/lease price of $5000.00 or more must be listed separately, to include an estimate of the purchase/lease cost and the justification for purchase/lease of the equipment. The cost of office equipment that is utilized for purposes other that Weatherization must be prorated using an acceptable accounting methodology.

B. Weatherization Tools/Equipment

All non-disposable tools/equipment to be purchased or leased with a purchase/lease price of under $5000.00 may be grouped under the line item of general weatherization tools/equipment and need only be identified by name in the budget narrative. The planned purchase of non-disposable tools/equipment having a purchase/lease cost of $5000.00 or more must be listed separately, to include an estimate of the purchase/lease cost and a justification for the purchase/lease of the tool/equipment. The cost of equipment/tools to be purchased and shared by programs other than Weatherization must be prorated between the user program regardless of the initial purchase/lease cost and the methodology used in prorating the cost must be listed in the budget narrative.

C. Equipment/Tool Operation, Maintenance and Repair

The cost of equipment/tool non-labor operation (i.e., gas, oil, other fluids), maintenance and repair should be listed under this line item. The operation, maintenance and repair costs for equipment/tools shared between programs must be prorated between those programs. The methodology used to calculate the prorated weatherization share of the cost must be included in the budget narrative.

VI. Other

A. All other line item costs not specifically identified above are to be listed separately under the other category. Specifically the "other costs" are to include but are not limited to:

- Telephone
- Postage
- Advertising
- Subscriptions
- Board Costs
- Memberships
- Software Training
- Insurance

Where the cost of a specific line item is not a direct cost to the weatherization program, the cost must be prorated and the methodology shown in the narrative.

All software purchases planned as part of the Weatherization Program must be identified by name and justified in the budget narrative.

All training costs must be identified individually and justified.

All membership costs must be identified individually and justified showing a benefit to the weatherization program.

Insurance costs should be broken down by type and where appropriate the methodology for prorating the cost to weatherization shown.

Under no circumstances will subgrantees be allowed to include a miscellaneous line item in their budget. This is viewed as a contingency which is an unallowable cost under federal regulations.

NOTE: The methodology for prorating costs to the weatherization program needs only to be listed one time if the methodology remains consistent between line items.

BUDGET SUMMARY

Agency Name: _____

Address: _____

Budget Prepared By: _____

Financial Award # _____

Grant Period: _____

Programs	**Weatherization**								**Furnace Program**			**Total**
Catagories	**Administration**	**Training & Technical Assistance**	**Program Support**	**Program Office Labor**	**Program Field Labor**	**Health & Safety Program Support**	**Health & Safety Office Labor**	**Health & Safety Field Labor**	**Program Support**	**Program Office Labor**	**Program Field Labor**	
A. Personnel	$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
B. Fringe	$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
C. Contractual	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
D. Travel	$ -	$ -	$ -	$ -		$ -			$ -			$ -
E. Space	$ -	$ -	$ -	$ -		$ -			$ -			$ -
F. Supplies	$ -	$ -	$ -	$ -		$ -			$ -			$ -
G. Equipment	$ -	$ -	$ -	$ -		$ -			$ -			$ -
H. Liability Insurance	$ -		$ -	$ -					$ -			$ -
I. Financial Audit			$ -	$ -					$ -			$ -
J. Other	$ -	$ -	$ -	$ -		$ -			$ -			$ -
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Notes:

Materials-Weatherization	
Materials-Health & Safety	
Materials-Client Education	
Materials-Furnace	
Tribal Wx. Prog. Materials	
Total Award	**$0.00**

NORTH DAKOTA WEATHERIZATION BUDGET SUPPORT SHEET

Agency Name:

Address:

City:

Phone #:

Financial Award#

Grant Period:

				WEATHERIZATION						**FURNACE**		***TOTAL***
CATAGORIES	ADMIN.	Training & Technical Assistance	Program Support	Program Office Labor	Program Field Labor	Health & Safety Program Support	Health & Safety OfficeLabor	Health & Safety Field Labor	Program Support	Program Office Labor	Program Field Labor	
A. Salary												
a. Admin.												$ -
b. Wx.												$ -
												$ -
Subtotal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
B. Fringe												
a. Admin.												$ -
b. Wx.												$ -
												$ -
Subtotal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
C. Contractual												
a. Fiscal Audit												$ -
b. Cont. Labor												$ -
c. Other Contractual												$ -
Subtotal	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
D. Travel												
a. In-State												$ -
Admin. Staff												$ -
Production												$ -
Training												$ -
Other (Provide Details)												$ -
b. Out-of-State												
Admin. Staff												$ -
Support												$ -
Training												$ -
Subtotal	$ -	$ -	$ -	$ -		$ -			$ -	$ -		$ -
E. Space												
a. Office												$ -
b. Warehouse												$ -
C. Utilities												$ -
d. Maintenance												$ -
Subtotal	$ -	$ -	$ -	$ -		$ -			$ -	$ -		$ -

F. Supplies												
a. Wx.												$ -
												$ -
b. Office												$ -
												$ -
Subtotal	$ -	$ -	$ -	$ -		$ -			$ -	$ -		$ -
G. Equipment												
a. Vehicles												$ -
b.Wx. Equipment (<$5,000)												$ -
c. Small Tools												$ -
c. Maint./ Rep												$ -
d. General Office												$ -
												$ -
												$ -
												$ -
Subtotal	$ -	$ -	$ -	$ -		$ -			$ -	$ -		$ -
H. Other												
a. Postage												$ -
b. Telephone												$ -
c. Board												$ -
d. General Insurance												$ -
e. Crew Liability Ins.												$ -
f. Adv./ Subs.												$ -
g. Gas & Oil												$ -
												$ -
												$ -
												$ -
												$ -
												$ -
Subtotal	$ -	$ -	$ -	$ -		$ -			$ -	$ -		$ -
TOTAL	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

REQUEST FOR AMENDMENT

NORTH DAKOTA DIVISION OF COMMUNITY SERVICES

SFN 52191 (4/01)

DIVISION OF COMMUNITY SERVICES
REQUEST FOR AMENDMENT

1. Grantee Name & Address	2. Instrument Number	3. Request Number
	4. Approved Grant Period	5. Date of Request

6. Type of Amendment

A. 9 Extension of Time

B. 9 Budget Revisions

C. 9 Scope of Work

D. 9 Special Conditions

7. Explanation for Request (Attach Additional Page if Necessary)

8. Budget Revision

Line Item/Activity	Approved Budget	Dollar Change (+/-)	Revised Budget
TOTAL			

If Time Extension - Revised Date is _____

9. Authorized Signature

Signature	Agency
Title	Date

10. Action Taken ***(DCS USE ONLY)***

Approved 9 Disapproved 9

Name	Title
Signature	Date

REQUEST FOR AMENDMENT DIRECTIONS

Block 1: Enter the official grantee name and mailing address.

Block 2: Enter the DCS Instrument Number assigned on the Financial Award.

Block 3: Indicate the appropriate request number.

Block 4: Enter the approved Budget/Project Period from the Financial Award.

Block 5: Enter date of the preparation of the Request for Amendment.

Block 6: Place a mark in the appropriate space to reflect the type of amendment being requested.

Block 7: Provide a detailed explanation of the amendment, to include the reason and the results. Attach additional pages if necessary.

Block 8: To be completed if the request if a change in the approved budget or number of homes to be weatherized or if a time extension is being requested.

Block 9: All requested information should be provided.

Block 10: For DCS use only.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Work Plan and Budget Amendments **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 100.40 **PROGRAM:** DOE

DISCUSSION: Community Action Agencies (CAAs) may request changes in weatherization work plans or budgets. Requests for amendment shall be submitted in writing on the attached "Request for Amendment Form."

The CAA may transfer up to five percent (5%) of the funds authorized for a budget category, between line items within the budget category, without the prior approval of DCS. Cumulative transfers between line items in a budget category that will exceed five percent must receive prior written approval by DCS.

Weatherization budget categories are defined as 1) administration, 2) production, 3) financial audit 4) liability insurance, 5) health and safety and 6) training and technical assistance.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Demonstration Projects **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 100.50 **PROGRAM:** DOE

DISCUSSION: Community Action Agencies (CAAs) may demonstrate alternative weatherization measures and client education projects as part of the DOE T&TA Weatherization grant with the prior approval of the Division of Community Services (DCS). Authorization to operate a pilot project may be requested as part of the CAA's weatherization plan and budget, or may be submitted as a request for amendment to the DOE Award.

Demonstration projects must serve only clients eligible for Weatherization services. The alternative weatherization measures must subject to quantitative measurement of energy savings or energy cost savings.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Deobligation, Suspension & Termination of Award

DATE: August, 2013

POLICY/GUIDANCE NUMBER: 100.60

PROGRAM: DOE

DISCUSSION: Weatherization funding to a Community Action Agency (CAA) may be deobligated, suspended or terminated by mutual consent or by documentation of a specific cause and written notification of the CAA.

A CAA may request deobligation portion of its weatherization award prior to the expiration date specified in its Award if the CAA is unlikely to completely obligate the Award upon deobligation the DCS may reallocate the deobligated amount to another CAA. CAA production goals will be adjusted to reflect the deobligation.

DCS may also suspend or terminate an Award in the event of fraud or repeated failure to comply with fiscal and programmatic requirements.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Grievance Procedures **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 100.70 **PROGRAM:** DOE

DISCUSSION: A Community Action Agency (CAA) may appeal any decision or action made by Division of Community Services (DCS) staff, when cause for such an appeal can be presented. Such grievances shall follow the procedures set forth in this section.

When appealing the decision or action of a DCS staff member, such appeals are to be presented, in writing, to the DCS Director. The DCS Director will review the information presented, and if cause for review is evident, the DCS Director will review and respond in writing within thirty (30) days of receipt of the appeal. If no cause is shown, the CAA will be notified within ten (10) days.

When appealing a decision or action of the DCS Director, the appeal is to be presented to the Commissioner of the Department of Commerce. The same format and timetable set forth in the previous paragraph will be followed.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Financial Management Systems **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 200.10 **PROGRAM:** DOE

DISCUSSION: Community Action Agencies (CAA's), as grantees of the state, operate a financial management system which meets or exceeds the minimum requirements set forth in 2 CFR Part 200 Uniform Guidance (OMB Super-Circular) as applicable to the specific CAA. The Division of Community Services (DCS) reserves the right to establish additional requirements, in line with federal and state regulations, when specific situations merit such requirements.

The CAA must provide written fiscal procedures and any revisions as adopted for review by DCS. The CAA must have an audit conducted annually by an auditor who satisfies GAO licensing requirements. The DCS or its contractor will monitor the CAA's financial management systems annually.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Cash Requests **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 200.20 **PROGRAM:** DOE

DISCUSSION: Community Action Agencies (CAA's) may request the advance of funds on a bi-monthly basis. The advance shall be an amount sufficient to cover costs to be incurred during the ensuing 15 day period.

Cash requests shall be submitted on the "Cash Request Form". A sample has been provided from the DCS (see next page) and is completed by the CAA Fiscal Officer. The cash request must be signed by the CAA Executive Director or their authorized representative. The signed original is sent to the DCS in accordance with the "Cash Request Due Dates" schedule which is provided to the CAA Fiscal Officer prior to January 1 of each year. Also a cash request supporting documentation form along with any other necessary support information is required to be submitted with the cash request. Sample attached.

DIVISION OF COMMUNITY SERVICES
CASH REQUEST FORM

Grantee	Prepared by
	Request Number
Phone Number	Date

Grant Program	CSBG	ECSHG	DOE WX		
Grant Number					
Grant Period					
Final Request (Y/N)					
CASH STATUS REPORT					TOTAL
1. Funds Received to Date					
2. Gross Disbursements to Date					
3. Less: Program Income					
4. Net Disbursements to Date					
5. Balance of Cash on Hand					
FUND STATUS REPORT					
6. Grant Amount					
7. Funds Received to Date					
8. Funds Requested, Not Received					
9. Amount of This Request					
10. Total Funds Requested					
11. Funds Available for Request					

I certify that to the best of my knowledge and belief, that data on this form are correct and that all disbursements were made in accordance with grant conditions.

Certification by Agency Official	Approved for Division of Community Services
Title of Authorized Official	By DCS Authorized Signature Date
Signature of Authorized Official Date	

SECTION 200.20
REQUEST FOR FUNDS
DIVISION OF COMMUNITY SERVICES (DCS)

Read Instructions on reverse side of this form

SFN 4625 (01/93)

Grantee		Request Number	Amount Requested
		Is this a Final Request? Yes No	
		Instrument Number	Date
Vendor Number		Grant Period to	
Prepared By	Phone Number	Cash advances to a Grantee shall be limited to the minimum amount needed.	

CASH STATUS REPORT	A	B
1. Funds Received To Date		
2. Total Gross Disbursements To Date		
3. Less: Program Income		
4. Net Disbursements to Date (Line 2 Less Line 3)		
5. Balance of Cash on Hand (Line 1 Less Line 4)		
FUND STATUS REPORT	A	B
6. Grant Amount		
7. Funds Received to Date		
8. Fund Requested, But Not Yet Received		
9. Amount of This Request		
10.Total Funds Requested to Date (Add Lines 7, 8, & 9)		
11. Funds Available for Request (Line 6 Less Line 10)		

Remarks:

CERTIFICATION OF LOCAL OFFICIAL

I certify that to the best of my knowledge and belief, the data on this form are correct and that all disbursements were made in accordance with grant conditions.

Title and Name of Authorized Official	Signature of Authorized Official	Date
This Section For DCS Use Only	Approved For Division of Community Services By Authorized Signature Date	

INSTRUCTIONS FOR COMPLETING REQUEST FOR FUNDS

GRANTEE **-** Same as "RECIPIENT" as shown on Financial Award.

REQUEST NUMBER **-** Begins with number one (1) and follows in numerical sequence for each request submitted to DCS.

AMOUNT REQUESTED **-** Dollar amount of this request. Total to be the same as line 9.

PREPARED BY **-** Name and telephone number of the individual preparing this request.

INSTRUMENT NUMBER **-** Include the Instrument Number as assigned by DCS on the Financial Award.

DATE **-** Date Request for Funds is prepared.

GRANT PERIOD **-** Include the grant period as specified on the Financial Award or as stated in subsequent approved amendments.

CASH STATUS REPORT

1. Include cumulative funds received from DCS at the date of request.
2. Include cumulative cash expenditures to date.
3. Report cumulative program income received to date of request.
4. Line 2 less Line 3. (Program income is applied as a reduction in expenditures for cash status reporting to ensure that program income is expended prior to grant funds).
5. Line 1 less Line 4. (Cash received less cash expended equals cash on hand).

FUND STATUS REPORT

6. Include the total grant amount as authorized on the Financial Award or any subsequent approved amendments to the grant.
7. Include cumulative funds received to date. (Same as Line 1, above).
8. Funds previously requested from DCS, but have not been received by grantee. (In transit).
9. Amount of this request. Must be the same as stated above.
10. Add Lines 7, 8 and 9, for total funds requested to date.
11. Line 6 less Line 10 for remaining funds to be drawn.

REMARKS: Open for clarification comments.

CERTIFICATION OF LOCAL OFFICIAL: Must be signed by official authorized to certify this request.

MAIL COMPLETED FORM TO:

Department of Commerce
Division of Community Services
1600 East Century Avenue, Suite 2
P.O. Box 2057
Bismarck, ND 58502-2057
Telephone (701) 328-5300
Fax (701) 328-5320

Cash Request Supporting Documentation

	CSBG 2013	DOE 2011	LIHEAP EF 2011	LIHEAP WX 2011-12	LIHEAP EF 2012	Totals
Grant Number						
Request period						
Total Revenue to Date						0.00
Total Expenditures to Date						0.00
Balance	0.00	0.00	0.00	0.00	0.00	0.00
Anticipated Payroll Needs						
						0.00
						0.00
						0.00
						0.00
						0.00
						0.00
Estimated Accounts Payable Expenses						
						0.00
						0.00
						0.00
						0.00
						0.00
Estimated Accounts Payable Transfers						
						0.00
						0.00
Total Balance of Anticipated Payables	0.00	0.00	$0.00	0.00	0.00	0.00
Total Amount Available to Request	0.00	0.00	0.00	0.00	0.00	0.00

I certify that, to the best of my knowledge, any cash advance request represents our true cash needs.

NOTES:

_____ **Date**_____

Signature

Instructions for filling out attachment:

Line 2	**Fill in type of Grant & Yr**
Line 3	**Fill in Grant Number on Line 3**
Lines 5 & 6	**Under Request Period, indicate the time period the requested funds will cover (ie period 2/16/2013 to 3/2/13)**
Line 7	**Amount of Revenue to Date**
Line 8	**Amount of Expenditures to date**
Line 9	**Balance should automatically calculate**
Lines 12-17	**Under Anticipated Payroll Needs, indicate the payroll time periods that you agency will need to cover**
Lines 19-23	**Under Estimated Accounts Payable Expenses, indicate the types of expenses/pos that your agency may need to cover**
Lines 25-26	**List amounts of any types of transfers of funds that may need to be made**
Line 27	**Amounts should calculate**

Line 29 **This is the amount which should be listed on your cash request form. The numbers should not be rounded up or down in your cash request form. If this number is a negative, this means your agency has enough cash on hand and should not request any funds.**

NOTES: ***Indicate any comments that may be affecting the nature of your request***

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Cash on Hand **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 200.30 **PROGRAM:** DOE

DISCUSSION: It is the policy of the Division of Community Services (DCS) to permit each Community Action Agency (CAA) to retain $5,000 in weatherization funds on hand. The cash on hand limit applies to the combined amount of unobligated DOE funds in the possession of the CAA after current obligations have been liquidated.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Allocation of Indirect Costs **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 200.40 **PROGRAM:** DOE

2 CFR Part 200 Uniform Guidance (OMB Super-Circular) establishes principles for determining costs applicable to grants, contracts, and other agreements with private non-profits organizations and requires Agencies responsible for administering programs that involve awards to non-profit organizations to implement it's provisions. As a general rule, there are basic considerations to keep in mind when charging expenses to federal grants and contracts. All expenditures must abide by the following principles.

See 2 CFR Part 200 Uniform Guidance (OMB Super-Circular) section 200.402 to 200.406, section 200.413 to 200.414

SAMPLE
COST ALLOCATION PLAN

Purpose / General Statements

The purpose of this cost allocation plan is to summarize, in writing, the methods and procedures that this organization will use to allocate costs to various programs, grants, contracts and agreements.

2 CFR Part 200 Uniform Guidance (OMB Super-Circular) establishes the principles for determining costs of grants, contracts and other agreements with the Federal Government. XYZ Organization's Cost Allocation Plan is based on the Direct Allocation method. The Direct Allocation Method treats all costs as direct costs except general administration and general expenses.

Direct costs are those that can be identified specifically with a particular final cost objective. Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective.

Only costs that are allowable, in accordance with the cost principles, will be allocated to benefiting programs by XYZ Organization.

General Approach

The general approach of *XYZ Organization* in allocating costs to particular grants and contracts is as follows:

A. All allowable direct costs are charged directly to programs, grants, activity, etc.

B. Allowable direct costs that can be identified to more than one program are prorated individually as direct costs using a base most appropriate to the particular cost being prorated.

C. All other allowable general and administrative costs (costs that benefit all programs and cannot be identified to a specific program) are allocated to programs, grants, etc. using a base that results in an equitable distribution.

ALLOCATION OF COSTS

The following information summarizes the procedures that will be used by *XYZ Organization* beginning *Month/Day/Year:*

A. Compensation for Personal Services - Documented with timesheets showing time distribution for all employees and allocated based on time spent on each program or grant. Salaries and wages are charged directly to the program for which work has been done. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program's salaries to the total of such salaries (see Example 1). Costs that benefit all programs will be allocated based on the ratio of each program's salaries to total salaries (see example 2).

1. Fringe benefits (FICA, UC, and Worker's Compensation) are allocated in the same manner as salaries and wages. Health insurance, dental insurance, life & disability and other fringe benefits are also allocated in the same manner as salaries and wages.

2. Vacation, holiday, and sick pay are allocated in the same manner as salaries and wages.

B. Travel Costs - Allocated based on purpose of travel. All travel costs (local and out-of-town) are charged directly to the program for which the travel was

incurred. Travel costs that benefit more than one program will be allocated to those programs based on the ratio of each program's salaries to the total of such salaries (see Example 1). Travel costs that benefit all programs will be allocated based on the ratio of each program's salaries to total salaries (see Example 2).

C. Professional Services Costs (such as consultants, accounting and auditing services) - Allocated to the program benefiting from the service. All professional service costs are charged directly to the program for which the service was incurred. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program's expenses to the total of such expenses (see Example 3). Costs that benefit all programs will be allocated based on the ratio of each program's expenses to total expenses (see Example 4).

D. Office Expense and Supplies (including office supplies and postage) - Allocated based on usage. Expenses used for a specific program will be charged directly to that program. Postage expenses are charged directly to programs to the extent possible. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program's expenses to the total of such expenses (see Example 3). Costs that benefit all programs will be allocated based on the ratio of each program's expenses to total expenses (see Example 4).

E. Equipment - *XYZ Organization* depreciates equipment when the initial acquisition cost exceeds $x,xxx. Items below $x,xxx are reflected in the supplies category and expensed in the current year. Unless allowed by the awarding agency, equipment purchases are recovered through depreciation. Depreciation costs for allowable equipment used solely by one program are charged directly to the program using the equipment. If more than one program uses the equipment, then an allocation of the depreciation costs will be based on the ratio of each program's expenses to the total of such expenses (see example 3). Costs that benefit all programs will be allocated based on the ratio of each program's expenses to total expenses (see example 4).

F. Printing (including supplies, maintenance and repair) - Expenses are charged directly to programs that benefit from the service. Expenses that benefit more than one program are allocated based the ratio of the costs to total expenses. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program's expenses to the total of such expenses (see example 3). Costs that benefit all programs will be allocated based on the ratio of each program's expenses to total expenses (see example 4).

G. Insurance - Insurance needed for a particular program is charged directly to the program requiring the coverage. Other insurance coverage that benefits all programs is allocated based on the ratio of each program's expenses to total expenses (see example 4).

H. Telephone/Communications - Long distance and local calls are charged to programs if readily identifiable. Other telephone or communications expenses that benefit more than one program will be allocated to those programs based on the ratio of each program's expenses to the total of such expenses (see example 3).

Costs that benefit all programs will be allocated based on the ratio of each program's expenses to total expenses (see example 4).

I. Facilities Expenses - Allocated based upon usable square footage. The ratio of total square footage used by all personnel to total square footage is calculated. Facilities costs related to general and administrative activities are allocated to program based on the ratio of program square footage to total square footage (see example 5).

J. Training/Conferences/Seminars – Allocated to the program benefiting from the training, conferences or seminars. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program's salaries to the total of such salaries (see Example 1). Costs that benefit all programs will be allocated based on the ratio of each program's salaries to total salaries (see Example 2).

K. Other Costs (including dues, licenses, fees, etc.) - Other joint costs will be allocated on a basis determined to be appropriate to the particular costs. *(Grantee should describe methodology for applicable costs).*

L. Unallowable Costs – Costs that are unallowable in accordance with 2 CFR Part 200 Uniform Guidance (OMB Super-Circular), including alcoholic beverages, bad debts, advertising (other than help-wanted ads), contributions, entertainment, fines and penalties. Lobbying and fundraising costs are unallowable, however, are treated as direct costs and allocated their share of general and administrative expenses.

Examples of Allocation Methodology

Example 1

Expense Amount = $5,000

Costs that benefit two or more specific programs, but not all programs, are allocated to those programs based on the ratio of each program's personnel costs (salaries & applicable benefits) to the total of such personnel costs, as follows:

Grant	Personnel Costs	%	Amount Allocated
A	$ 20,000	20%	$1,000
C	$ 30,000	30%	$1,500
E	$ 50,000	50%	$2,500
Total	$100,000	100%	$5,000

Example 2

Expense Amount = $10,000

Costs that benefit **all** programs are allocated based on a ratio of each program's personnel costs (salaries & applicable benefits) to total personnel costs as follows:

Grant	Personnel Costs	%	Amount Allocated
A	$ 20,000	13%	$1,300

B	$ 10,000	7%	$ 700
C	$ 30,000	20%	$2,000
D	$ 40,000	27%	$2,700
E	$ 50,000	33%	$3,300
Total	$150,000	100%	$10,000

Example 3

Expense Amount = $4,000

Costs that benefit two or more specific programs, but not all programs, are allocated to those programs based on the ratio of each program's expenses (direct costs other than salaries & benefits) to the total of such expenses, as follows:

Grant	Program Expenses	%	Amount Allocated
A	$ 120,000	30%	$1,200
C	$ 130,000	33%	$1,320
E	$ 150,000	37%	$1,480
Total	$ 400,000	100%	$4,000

Example 4

Expense Amount = $8,000

Costs that benefit **all** programs will be allocated based on a ratio of each program's salaries to total salaries as follows:

Grant	Program Expenses	%	Amount Allocated
A	$ 120,000	18%	$1,440
B	$ 110,000	17%	$1,360
C	$ 130,000	20%	$1,600
D	$ 140,000	22%	$1,760
E	$ 150,000	23%	$1,840
Total	$650,000	100%	$8,000

Example 5

Facilities Expense Amount = $10,000

Facilities costs are allocated based on square footage. Square footage for each program and general and administrative activity is considered in the analysis. General and administrative facilities costs are further allocated to each program based on the square footage of each grant program to the total square footage of all grant programs.

The calculation is as follows:

Grant	Square Footage	%	Amount Allocated	G&A Allocated	Total Amount Allocated
A	300	30%	$ 3,000	$ 340	$ 3,340
B	100	10%	$ 1,000	$ 110	$ 1,110
C	200	20%	$ 2,000	$ 220	$ 2,220
D	200	20%	$ 2,000	$ 220	$ 2,220
E	100	10%	$ 1,000	$ 110	$ 1,110
G&A	100	10%	$ 1,000	0	0
Total	1,000	100%	$10,000	$1,000	$10,000

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Capital Equipment Inventory Records **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 200.50 **PROGRAM:** DOE

DISCUSSION: The Subgrantees are required to protect and account for all assets obtained with Weatherization Contract funds. The property management and inventory control procedures must be in writing and meet all Federal and State regulations.

Property Management

The Executive Director of the Subgrantee Agency must designate an individual responsible for purchasing and maintaining records on all property, equipment, and non-expendable supplies purchased with weatherization program funds received from the State of North Dakota. 2 CFR Part 200 Uniform Guidance (OMB Super-Circular) procurement regulations (listed under subpart D) must be followed in all property management.

Property management procedures must be in writing and will be monitored for compliance. A record of all property with a purchase price of $5000 or more or with usage period exceeding two years must be accurately maintained and shall include the following:

(a) A full description of the property.

(b) Manufacturer's serial number, model number or the identification number.

(c) Source of funds used to purchase the property including contract number.

(d) Whether title invests with the agency, State or Federal Government.

(e) Acquisition date and cost, including all taxes, freight charges, etc.

(f) Percentage of Federal participation, the cost to the program for which the property was purchased.

(g) Location, use and condition of the property and the date information was recorded.

(h) Disposition data, including date of disposal, method of disposal, and sales price if sold. If the Federal Government is compensated for the sale, the method used for determining the current fair market value is required.

When purchasing individual items which represent component parts of a larger article, the acquisition cost criteria are to be applied to the sum of the individual items.

A physical inventory must be taken and documented of all property purchased with Weatherization Program funds at least annually. A control system must be implemented to insure adequate safeguards to prevent loss, damage or theft of property. Adequate recovery insurance must be maintained on the property.

Letters authorizing purchase or disposition of capital equipment, or addressing other aspects of property management are to be retained by the CAA with the capital inventory records. If there are changes to the capital equipment inventory records, the changes shall be reported to the DCS.

If the property is considered for disposal by sale, authorization must first be obtained from the DCS. Proper sales procedures shall be established which provide for fair and open competition to result in the highest return.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Records Retention and Access Requirements

DATE: August, 2013

POLICY/GUIDANCE NUMBER: 200.60

PROGRAM: DOE

DISCUSSION: The Community Action Agency (CAA) shall retain complete documentation and records of all expenditures incurred under the DOE Weatherization grant for a period of at least three years after the close-out of the funding contract. These records are to be retained and made accessible for the purposes of review and audit by the State, its authorized representative, the federal departments of Energy and Health and Human Services, the Comptroller General of the United States and any other authorized federal representative.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Audit Requirements **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 200.70 **PROGRAM:** DOE

DISCUSSION: The Community Action Agency (CAA) shall be responsible for arranging an annual independent audit that complies with 2 CFR Part 200 Uniform Guidance (Subpart F).

A copy of the completed audit shall be submitted to the Division of Community Services (DCS), within thirty days of its completion. The audit should be accompanied by a letter in which the CAA addresses any findings and questioned costs identified in the audit and explains the steps that will be taken to rectify any such deficiencies in fiscal procedures.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Close-out Procedures **DATE:** June, 2015

POLICY/GUIDANCE NUMBER: 200.80 **PROGRAM:** DOE

DISCUSSION: The Division of Community Services (DCS) considers a grant as formally "closed-out" upon the completion of the following actions:

- All necessary final reports have been submitted to the DCS by the Community Action Agency (CAA);
- Program and fiscal reports are reviewed by DCS staff for accuracy and as a preliminary basis for assessing whether expenditures reported are allowable ;
- Any and all weatherization grant funds in the possession of the CAA which have not been expended are returned to the DCS;
- Documentation of remaining inventory, by type, quantity and value, is submitted to the DCS and;
- A fiscal and compliance audit covering the grant period is prepared, submitted to the State, reviewed by the State, and, any questions or issues raised are resolved.
- No grant shall be allowed to be closed out with a variance of more than 0.5%. The sub-grantee will be responsible for finding the cause of the variance.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Allowable Costs - General **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 300.10 **PROGRAM:** DOE

DISCUSSION: 10 CFR 440.18, define allowable costs under the weatherization program.

Allowable costs include:

(1) The cost of purchase and delivery of weatherization materials.
(2) Labor costs, in accordance with §§440.19;
(3) Transportation of weatherization materials, tools, equipment, and work crews to a storage site and to the site of weatherization work;
(4) Maintenance, operation, and insurance of vehicles used to transport weatherization materials;
(5) Maintenance of tools and equipment;
(6) The cost of purchasing vehicles, except that any purchase of vehicles must be referred to the ND Dept of Commerce for prior approval in every instance.
(7) Employment of on-site supervisory personnel;
(8) Storage of weatherization materials, tools, and equipment;
(9) The cost of incidental repairs if such repairs are necessary to make the installation of weatherization materials effective;
(10) The cost of liability insurance for weatherization projects for personal injury and for property damage;
(11) The cost of carrying out low-cost/no-cost weatherization activities in accordance with §§440.20;
(12) The cost of weatherization program financial audits as required by §§440.23(d);
(13) Allowable administrative expenses as listed in 300.30 of the Weatherization Policy and Procedures manual.
(14) Funds used for leveraging activities in accordance with §§440.14(b)(9)(xiv); and
(15) The cost of eliminating health and safety hazards elimination of which is necessary before, or because of, installation of weatherization materials.

The Community Action Agencies (CAA's) financial management system must be capable of documenting reasonableness, the method of allocation and appropriateness. Expenditures must also be based upon acceptable procurement procedures and demonstrate a cost-effective approach in order to be classified as allowable. Expenditures not meeting this criterion may be subject to disallowance.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Weatherization Production Costs **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 300.20 **PROGRAM:** DOE

DISCUSSION: The Weatherization Production Costs are considered those costs that are incurred in the delivery of weatherization services and can be classified into three general categories, support costs, labor costs and material costs. Each of these categories consists of cost subcategories which are defined below.

Support Costs:

Direct Support Costs

Direct Support Costs are considered those costs which can be specifically identified with the delivery of weatherization services

1. Transportation of the weatherization materials, tools, equipment and crews to a work site from the warehouse or office site. Travel costs incurred by auditors and inspectors while completing while completing their job functions fall into this category.

2. The cost of fuel for generators.

3. Tyvek suits, mask filters, etc.

Indirect Support Costs

1. Personnel costs associated indirectly with the completion of a unit may charge to program support. Examples of these costs are; time spent by administrative employees taking inventory, time spent by a receptionist helping clients apply for assistance. Time spent by personnel not indirectly supporting the program must be charged to administration.

   Weatherization Coordinators' time not spent directly supervising crews on the job, auditing, inspecting, or delivering goods and materials to crews may be charged to the program support category or administration <u>depending upon the actual job functions</u> being carried out. Time sheets must reflect the hours spent on non-production activities.

2. Maintenance, operation, and insurance of the vehicles used for tasks listed under (a).

3. Purchase or lease of tools and/or equipment and vehicles.

4. Warehouse costs related to the storage of weatherization materials, tools and equipment to include associated cost such as fire and theft insurance and utilities. The square foot rental costs of warehouse space must be at or below the cost of similar commercially available space in that general area.

Labor Costs:

1. Payment of salaries to employ labor, to include benefits, for the purpose auditing, inspecting, transporting and/or installing weatherization materials, making eligible repairs on weatherization units and replacing heating systems.

2. Payments made to contractors to install materials, repair or replace heating systems, or for contract labor to provide electrical, plumbing, or glazing services.

Weatherization Material Costs:

1. The cost for materials listed in 10 CFR Part 440 Appendix A- "Standards for Weatherization Materials" are to be classified as material costs.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Allowable Costs: Administration **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 300.30 **PROGRAM:** DOE

DISCUSSION: The following information serves to clarify the definition of Administration Costs as they pertain to the North Dakota Weatherization Program.

The Weatherization Assistance Program legislation and regulations do not define allowable administrative costs however, certain expenditures incurred by a grantee or subgrantee in carrying out this program by exclusion from other categories must be defined as administrative costs. Therefore, for the purposes of the North Dakota Weatherization Program a broad definition of what can be considered an administrative cost will be adopted in order to allow subgrantees the most flexibility in their budgeting process.

Administrative costs can be classified as both direct and indirect.

Examples include:

- Accounting, budgeting, financial and cash management functions;
- Procurement and purchasing functions;
- Personnel management functions;
- Payroll functions;
- General legal services;
- Travel costs incurred for official business in carrying out administrative activities or the overall management of the WAP program
- Telephone costs, including long distance charges, incurred by the weatherization program;
- Salary and fringe benefits for administrative and support staff. Portions of administrative personnel costs could properly be charged to program support if these duties are directly related to the installation of materials on eligible houses. For example, accounting clerks who spend a portion of their time on inventory control or

Weatherization Coordinators who do energy audits or make final inspections would allocation part of their salaries to program support. Salaries of other administrative personnel necessary for the management of the Weatherization Assistance Program (directors, secretaries, accountants, clerks, receptionists, etc) would be charged entirely to administration. A reasonable portion of the Weatherization Coordinator's time may be charged to administration to cover their administrative activities.

- Salaries and fringe benefits of secretaries, fiscal personnel, and other administrative staff;

- Equipment /supplies purchased for use in administering the program. e.g., computer equipment, copier, desks, bookcase, file cabinets etc.

- Those administrative costs not covered under other defined categories; for example, space, copying, general office insurance, postage and supplies.

- Building/space rented or leased – must be reasonable and may e required to be competitive with other similar space or commercially available properties depending on property ownership. The allocation of costs for office space must be consistent with the allocation of other program costs. Rented space for warehousing of weatherization materials is not to be included in this category.

- In general all costs incurred that are associated with the provision of advice and/or assistance to clients for the purpose of completing an application to include outreach **prior** to its submission and acceptance must be considered administrative costs. Once an application has been approved, costs incurred in the provision of weatherization services may be classified as a program support or a production cost. However, certain program costs, by their nature may only be classified as administrative costs.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Training & Technical Assistance **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 300.40 **PROGRAM:** DOE

DISCUSSION: A cost category is permitted under the Department of Energy's Weatherization grant to cover training and technical assistance (T&TA) costs. T&TA costs must be included in the Agency's annual budget and approved by the DCS prior to their expenditure. Activities not included in the budget must be submitted to and approved by DCS independently prior to their payment with T&TA funds.

Training and technical assistance costs may include the following

- Registration, transportation, lodging, per diem and salaries for staff while attending conferences, workshops, quarterly meetings or any other approved training activity.

- The cost of trainers, their lodging and per diem.

The time employees spend in training activities, including the travel time, are to be charged to Training also, to assure that the time not utilized for production activities is not charged to the Labor category. Time Sheets must distinguish between production time and the actual hours production staff spent in training activities.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Employee Travel Cost Reimbursement **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 300.50 **PROGRAM:** DOE

DISCUSSION: Employee travel expense reimbursements for Community Action Agency (CAA) weatherization personnel may not exceed **state approved rates** for meals, mileage, and lodging.

The attached Office of Management and Budget (OMB) Policies and excerpt from the North Dakota Century Code (NDCC) shall be followed in determining the type and amount of reimbursement allowed.

CAA's may establish their own policies to govern employee travel reimbursement which exceed the state approved rates however the amount in excess of the state approved rates must be paid from a source other than Weatherization Assistance Funds.

Reimbursement for Meals and Lodging

Chapter 44-08-04 provides that reimbursement is allowed only for overnight travel and other travel while away from the normal place of employment for four hours or more. See reimbursable meals section for exceptions.

Meal	Meal Allowance Timeframes	In-State	Out-of-State
Breakfast	Travel must begin before 7:01 am.	$7.00	20% of GSA daily rate
Lunch	Travel must begin before 11:01 am and extend past 1:00 pm.	$10.50	30% of GSA daily rate
Dinner	Travel must begin before 5:01 pm and extend past 7:00 pm.	$17.50	50% of GSA daily rate

If an employee is claiming reimbursement for meals for travel when no overnight stay is involved, the meal reimbursement is taxable. When completing the Travel Expense Voucher, taxable meals must be noted accordingly. The employee will receive the full meal reimbursement and the taxes will be withheld through the payroll system during the next payroll cycle.

For out-of-state travel, a list of Federal IRS reimbursement allowances for meals for various cities across the country can be found at the GSA website for current per diem rates.

In-State Lodging:

In state lodging may be paid up to a maximum of the present State Rate plus any additional applicable state and local taxes on lodging. If the room rate is more than the present State Rate, the individual may only be reimbursed for the additional taxes based on the present State Rate, and the additional taxes must be pro-rated. For example ; if the room is $65.00 and taxes are $5.00, the individual will be reimbursed $50.00 plus (50 / 650 X 5) = $3.84.

Exceptions exist for lodging in the western part of the state (i.e., Dickinson/Beulah, Minot, and Williston). To view the rate exceptions, refer to the OMB Fiscal & Administrative Policies (Policy 505 – Reimbursement for Meals and Lodging) at the following link: http://www.nd.gov/fiscal/docs/fiscaladmin2013.pdf.

Also, if the employee is in a city where they do not offer the state rate (i.e., Medora) or if the city is hosting a major function (i.e., Minot during the Norsk Hostfest) and does not offer the state rate at that time, then the employee will need to check for the best rate, document an explanation, claim the lowest rate available, and attach it to their expense voucher.

Out-of-State Lodging:
Actual lodging expense.

Employees are strongly encouraged to request the government rate when making hotel reservations.

The head of any department, institution, or agency may set a rate for out-of-state travel which is less than that set forth by statute.

NOTE: Before any allowance for such mileage or travel expenses will be made, the official, deputy, assistant, clerk, or other employee will file with the agency, an itemized statement showing mileage traveled, the purpose thereof, and such other information and documentation as may be prescribed by the IRS, or an agency. Statements such as "to attend a meeting" etc., should not be accepted as sufficient documentation for purpose of travel.

If an employee is not claiming reimbursement for lodging, please indicate such on the Travel Expense Voucher.

If an employee is claiming reimbursement for meals for travel when no overnight stay is involved, the meal reimbursement is taxable. When completing the Travel Expense Voucher, taxable meals must be noted accordingly. The employee will receive the full meal reimbursement and the taxes will be withheld through the payroll system during the next payroll cycle.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Written Procurement Procedures Requirement

DATE: August, 2013

POLICY/GUIDANCE NUMBER: 400.10

PROGRAM: DOE

DISCUSSION: Federal grants management rules require Community Action Agencies (CAA's) to have a written procurement procedure on file. This document must explain the procedures for purchasing all goods and services, and express compliance with 2 CFR 200 Uniform Guidance (Subpart D). Each agency must submit their procurement policies to the DCS for approval upon development and in advance of implementing any proposal changes to the procedure.

The CAA is responsible for retaining all documentation necessary to verify compliance with the applicable procurement regulations. These documents must be available for review by DCS staff.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Overview of Procurement Procedures **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 400.20 **PROGRAM:** DOE

DISCUSSION: The individual Community Action Agency (CAA) is ultimately responsible for selecting procurement procedures most appropriate to the type of planned transaction.

The attached Overview of Procurement Procedures provides guidance towards fulfilling the intent of state and federal procurement regulations.

Section 400.20

PROCUREMENT PROCEDURES: OVERVIEW

A. Introduction

Procurement of materials and services represents the greatest potential for runaway program costs for many WAP projects. Therefore it is essential that Subgrantee develop and follow sound procurement policies when making purchases with Weatherization funds. The development of sound procurement procedures involves addressing several fundamental principles:

- The underlying principle of good procurement is **maximum open and free competition**. If at all possible, all procurement regardless of dollar value, should involve competition.

- The second principle is the equal treatment of all prospective sellers of the goods or services to be purchased.

- The third principle involves the relationship between the purchasing organization and the contractor. This buyer-seller relationship involves an "arms-length" arrangement under which the rights of both parties are stated clearly in the contract.

- The fourth principle involves the right of both parties to a contract remedy when one party in the contract believes it is being required to do more than its contractual obligation indicates.

2 CFR 200 Uniform Guidance and the North Dakota Office of Management and Budget Level 1 Procurement Manual establish the minimum procurement requirements for Weatherization subgrantees. They are as follows:

1. Code of Conduct

The recipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent shall participate in the selection or in the award or administration of a contract supported by federal funds if a real or apparent conflict or interest would be involved.

2. Competition

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. Procedures cannot restrict or eliminate competition. Restrictive actions would include:

(a) Unreasonable requirements

(b) Noncompetitive practices between firms

(c) Conflict of interest

(d) Brand name specification or,

(e) Unnecessary experience or bonding requirements

Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the recipient, price, quality and other factors considered.

3. Cost and Price Analysis

Some form of price or cost analysis must be made in connection with every procurement action including contract modifications. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indices, together with discounts.

Cost analysis is the review and evaluation of each element of cost to determine if it is reasonable, allowable and how the cost will be allocated. A cost analysis must be performed when the vendor is required to submit the elements of their estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurement. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.

The method and degree of either analysis is dependent on the particular procurement situation, but as a starting point, subgrantees must make independent estimates before receiving bids or proposals.

4. Documentation

Regardless of the specific procurement procedure employed, subgrantees must be able to supply written documentation provides the basis for verifying that the procedures are in compliance with all aspects of 2 CFR 200 Uniform Guidance, including the assurance of open and free competition. Since the burden of proof that proper procedures have been followed rests with the local agency, it is essential that thorough and accurate documentation be maintained.

The following components comprise the basics of thorough documentation (specific situations may require additional documentation depending upon the circumstances):

a. Description of the procurement method or methods employed (as part of the agency's financial operating procedures);

b. A detailed description of how the bid or proposals will be evaluated, (this information needs to accompany the bid/proposal specifications so that all prospective bidders are notified up front);

c. Justification for lack of competition when competitive bids or offers are not obtained; and

d. The basis for the award, cost or price.

5. Procurement Procedures

In addition to the code of conduct, competition, cost/price analysis and documentation requirements, all subgrantees must establish written procurement procedures that, as a minimum, provide for the following:

a. The procurement action must follow a procedure to avoid purchasing unnecessary or duplicate items

b. There must be a contract administration system

c. Subgrantees are encouraged to enter into State and local intergovernmental agreements for purchasing common goods and services

d. Subgrantees are encouraged to use Federal excess and surplus property

e. Procedures to ensure awards are only to responsible contractors who are not debarred

f. Records that detail the history of procurement

g. Subgrantees must settle all contractual and administrative issues arising out of procurement

h. There must be written selection procedures; and

i. Procurement policies should state that the agency has the right to reject any and all bids or proposals.

B. **Selecting the Proper Procurement Method**

Procurement methods are generally divided into five categories: small purchases, competitive small purchases, competitive sealed bid (formal advertising), competitive negotiation, or noncompetitive negotiation. The dollar values, complexity of the procurement action, and/or benefits to the grantee are the determining factors in the type of procurement method used.

Small purchase procedures are reserved for those purchases which are $2,500 and below. Subgrantees must use adequate procedures to ensure commodities and services are obtained at a fair and reasonable price, which may include the solicitation of only one oral or written informal bid or proposal. Rotate vendors solicited on an equitable basis. (Ref. N.D.A.C. 4-12-08-02). Subgrantees may base "fair and reasonable" price on information including previous purchases, market research, a published price list, or by simply soliciting more than one vendor. Remember, "When in doubt, bid it out."

Competitive small purchase procedures are for those procurements between $2,501 and under $25,000. This is the simplest method and requires that a subgrantee solicit no less than three vendors, insofar as practical, to submit oral or written informal bids or proposals. If subgrantees do not solicit a minimum of three vendors, written justification must be provided.

Competitive sealed bids (formal advertising) require a public solicitation in which bids for purchase over $25,000. Bids are submitted by vendors based on specifications or purchase descriptions supplied by the subgrantee. This method of procurement usually leads to a firm fixed-price contract for a specified period of time with the selection based principally on price.

The competitive negotiation method uses a publicized Request for Proposal for subgrantee procurement that is not appropriate for formal advertising. Negotiations with more than one vendor are conducted and a firm-price or cost-reimbursable contract is awarded to the responsible vendor whose proposal will be most advantageous to the grantee.

The last method of procurement, noncompetitive negotiation, is used when the previous alternatives are not feasible. This method is used when: the item is available from only one source; an emergency procurement is required; the State authorizes the noncompetitive negotiation; and/or competition is found to be inadequate after an initial solicitation.

1. Formal Procurement - Bids vs. Proposals

In order to determine which procurement method to use, subgrantees must make the distinction between bids and proposals. When selection from among all offers received can be made principally on the basis of price and a list of specifications or a purchase description is feasible, then an agency can implement a request for bids. Non-profit agencies are allowed to follow their own procurement policies and procedures as long as they adhere to the general requirements set forth in OMB Circular A-110,. Conversely, when other factors along with price need to be considered (such as the bidder's level of training and experience and quality of work), then a "request for proposal" needs to be employed.

2. Competitive Sealed Bids

Generally, the use of competitive bidding is most applicable to the procurement of materials from vendors (or possibly in contracting out work on a per unit basis where price is still the principle selection factor and a complete specification of the work desired is feasible). This does not mean that other factors, such as delivery time, location of vendor or availability of stock in bulk, are not to be considered. These (and other) factors, when applicable, need to be included in the request for bids to notify bidders that such factors will in fact be considered in the selection process. Yet, price still remains the principle factor and complete specifications are feasible; thus, competitive bidding is appropriate in these situations. In competitive sealed bids (formal advertising), sealed bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded for a specific period of time to the responsible bidder whose bid, in conformance with the specifications, is lowest in price and most advantageous to the bidder.

a. in order for formal advertising to be feasible, appropriate conditions must be present, including, as a minimum the following:

- a complete, adequate and realistic specification or purchase description is available;

- two or more responsible suppliers are willing and able to compete effectively for the grantee's business; and

- the procurement lends itself to a firm-fixed-price contract, and selection of the successful bidder can appropriately be made principally on the basis of price.

b. If formal advertising is used for procurement under a grant the following requirements shall apply:

- A sufficient time prior to the date set for opening of bids, bids shall be solicited from an adequate number of known suppliers. In addition, the invitation shall be publicly advertised;

- The invitation for bids, including specifications and pertinent attachments, shall clearly define the items or services needed in order for the bidders to properly respond to the invitation;

- A firm fixed price contract award shall be made by written notice to that bidder whose bid, complies with the invitation for bids and the bid specifications, is lowest and in the best interest of the bidder; and

- When using formal bidding procedures, the bidder should retain the right to reject any or all bids when there are sound documented business reasons in the best interest of the program.

3. Competitive Negotiation

When procuring services, normally several factors in addition to price need to be considered and complete specifications are not feasible, proposals need to be requested and "competitive negotiation" employed. An example of such would be the procurement of general labor services addressing the entire array of weatherization and related repair tasks encountered during the program year. In such a situation, complete specifications of the work requested are not feasible, due to the work situations which may possibly be encountered.

Competitive negotiation insures the required free and open competition, while acknowledging that negotiations may be necessary to assess the numerous factors involved in the selection process. In competitive negotiation, specific evaluation factors need to be set forth by the procuring party against which all proposals will be evaluated. Within this context, the procuring party negotiates with each vendor in an attempt to make each proposal meet the specifications set forth in the request. For instance, the specifications may state the following:

a. 10 units per month (minimum) completion rate;

b. Each work order to be completed in 20 days;

c. That each laborer have staff with at least 2 years carpentry experience, and that field supervisory staff have formalized training; and

d. That payment requests be submitted per unit and within 5 days of completion of a unit.

Under this system, proposals are not evaluated relative to each other, but are evaluated against a pre-established set of specifications. Upon initial review of proposals, one or more proposals may present highly competitive prices, but have laborers with less than the specified level of experience. In this situation, negotiation with the vendor(s) is undertaken to determine if the vendor(s) can upgrade the level of experience of their laborers, and negotiate the impact on other factors such as prices and completion rates. Specifically, the proposer may have to hire a more experienced crew to meet the experience specification, thus increasing costs, or only use those existing laborers with adequate experience, thus possibly reducing the proposed completion rate. The exact level and type of involvement of less experienced laborers can be negotiated; less experienced laborers might be limited to certain installation tasks and/or be required to work under direct supervision. Certain proposal evaluation factors are often recognized as relatively more important, compared to the other factors. For instance, the level of experience or formal training of laborers may be of greater importance to the procuring party than the completion rate. To include adequate flexibility in the evaluation process, it is recommended that the relative importance or "weight" of each of the evaluation factors be stated in the Request for Proposals (RFP). It is important to recognize the limits upon procurement decisions that result from information set forth in the RFP. It is important to clarify all decision making flexibility at the onset of the procurement process, since the procuring party must make all decisions based upon the procedures and factors set forth in the RFP.

After the evaluation process is completed and the most advantageous proposal is selected, the most advantageous proposal may not have the capacity to handle the agency's complete workload. In such a situation, multiple contractors are necessary to meet the agency's needs. (NOTE: If the use of multiple contractors is anticipated before initiating the procurement, this should be set forth in the RFP.) Under such circumstances, the vendor submitting the overall best proposal must be guaranteed whatever workload he/she can handle, to maintain the element of incentive necessary for insuring competition. (This guarantee must also be specified in the RFP.) When using multiple contractors, negotiation and evaluation are then employed to determine the next best proposal. This process is continued until adequate labor has been secured to meet the agency's needs.

In some situations it may be preferable to have the subcontractor(s) provide their own materials, versus allocation from an agency inventory or from a vendor selected by the agency through competitive bidding. (Any agency proposing such a system needs to thoroughly assess the cost control and cost effectiveness elements before implementing this approach.) When using such a system, the RFP needs to include a section requesting separate and distinct materials cost information. Materials price quotations must be as detailed as possible, requesting prices in the same manner as used in requesting bids from vendors. Prices for materials must be separate from the labor prices. This allows for evaluation of these factors separately and provides greater overall cost control. Also note that the relative importance of material and labor prices needs to be set forth in the evaluation factors. The relative weight of these two factors to each other should be based upon the anticipated relative predominance of these two cost categories within the total cost of serving units.

C. **Bid & Proposal Specifications**

Detailed specifications are vital to the procurement process, in terms of soliciting bids or proposals that are readily comparable and meet the needs of the agency. Generally, the bid specifications (1) provide a detailed description of the goods and services desired; (2) set forth the minimum requirements for evaluating bids or proposals; and (3) set forth the "significant evaluation factors.

Specifications can, however, inadvertently result in the restriction or elimination of competition. For example, when purchasing materials, adequate detail consists of a generic description and the minimum standards (such as detailed in Appendix A of 10 CFR 440). When the specifications omit feasible options (such as specifying vinyl thus omitting aluminum) a justifiable basis for such restrictive detail must be recorded as part of the procurement records. Otherwise, such detail constitutes an unjustified restriction of open and free competition.

Whenever practicable, descriptions of technical requirements shall be stated in terms of functions to be performed or performance required, including the range of acceptable characteristics or of the minimum acceptable standards. Although not preferred, "brand name or equal" descriptions may be used as a means to define the performance or their salient requirements of procurement. Subgrantees should be extremely cautious when using a description of this type so that competition is not restricted.

Due to the potential number of variables influencing labor services proposals, labor specifications need to provide sufficient detail so that the prices within the proposals can be readily compared. For example, if specifications request only a rate per hour, per home, or in proportion to the value of materials installed, such costs do not provide adequate detail, and thus do not allow for complete analysis. Specifically, prices based on these factors do not provide adequate information for determining cost effective-ness, due to the significant information omitted. Instead, labor proposals need to request price information with maximum detail, such as the cost of labor per each specific unit and type of material to be installed. It is suggested that an hourly rate quote be requested to cover only those items that cannot be specified in detail, such as various weatherization-related carpentry repairs. Yet, when hourly rates are requested, the specifications must clarify that the agency determines the number of hours authorized for payment per service to be provided prior to work being initiated. Also, to the maximum extent feasible, the specifications should provide examples of hourly rate work to be performed, or at least a general description (such as: general carpentry and home repair activities related to the installation of energy conservation materials, such as repairs to prime windows, door jambs, hanging new doors, etc.). NOTE: A "Statement of Work" is a valuable element of the RFP due to the inability to fully detail the desired services in the specifications. The Statement of Work should at a minimum provide a general description of the types of services requested and address the general operating system within which the subcontractor will work.

The function of specifications in competitive bidding may not be the same as in competitive negotiation. Bid specifications completely define the desired goods or services, while competitive negotiation specifications cannot.

D. **Award Criteria**

As a general rule, specifications need to delineate the criteria which will be used in determining if a bid or proposal is acceptable, i.e., responsive to the specifications. An example such criteria, which may be used when procuring labor services from a subcontractor are listed below:

- Liability insurance (amounts, limitations, etc.);
- Bonding (as applicable);
- Willingness to work within agency's payment time schedule and system; and
- Possession of certain minimum qualifications and experience among all laborers involved.

These and other factors constitute the initial screening process, and need to be defined as such in the specifications. All bids and proposals received are then first reviewed based on these criteria, to select those which are responsive. Unresponsive proposals should not necessarily be fully rejected. Negotiation with these proposers may lead to revisions that make the proposal responsive, as discussed in the section on competitive negotiation procurement. (NOTE: This is not an option when using a "sealed bid" procurement method.)

1. Proposal Evaluation Factors

Once all bids and proposals received have gone through an initial screening, the formal evaluation as set forth in the bid or proposal specifications is implemented. It is critical that the significant evaluation factors and their relative importance be explicitly defined in the initial request. Otherwise, the bidders not selected may have grounds for challenging the selection process.

The principle objective in delineating and prioritizing evaluation factors is to retain necessary and justifiable control over the selection process and insure that the specific needs of the agency are met. For instance, in the procurement of labor services, the following are examples of factors to consider in evaluating proposals (which would be incorporated in the proposal specifications):

a. Qualifications/level of experience of subcontractor (all pertinent laborers to be involved);

b. Quality of work (represented by viewing past work, when feasible);

c. Completion rate proposed;

d. Service area proposed (if less than agency's entire service area);

e. Small, women-owned, and/or minority business reference, as allowed in A-102/A-110; and

f. Labor prices (possibly prioritized by the relative frequency that each specific service will be required; this allows for comparison of cost effectiveness of proposals containing numerous labor price quotes and with no single proposal presenting the lowest price in each category).

2. Evaluation of Competitive Bids

Bid specifications included in a competitive bid request for materials procurement must also contain evaluation factors, yet not necessarily to the degree included in the proposal specifications used for competitive negotiation. This is based on the fact that competitive bids are primarily evaluated based on the price(s) submitted, with other factors usually used to evaluate bids when price alone cannot distinguish the best bid.

NOTE: When requesting bids on several material items in one request, documentation of projected quantities needed during the year should be on file, thus allowing for relative weighing of the bid prices received on each item). Listed below are some of the more common evaluation factors used by subgrantees in awarding material bids.

a. Delivery time;

b. Location of vendor (or willingness to provide materials to a desired location, and a quotation on the delivery cost);

c. Quantity of desired materials that vendor is willing to stock; and

d. Preferential service.

Based on the specific situation, the local agency may desire to prioritize the evaluation factors. A numerical weighing of the factors is not recommended since it is difficult to quantify preferences and may result in possible excessive constraints on the selection process. Instead, relative weights (such as stating that level of experience is twice as important as rate of completion), or a general order of priority, provides the necessary basis for making selection decisions without restricting the needed flexibility.

In summary, please recognize that this information is by no means inclusive of the entire regulations addressing procurement. Agencies need to become familiar with A-102 and A-110 as the source for guidance on procurement methods and procedures.

One Final Note: When any procurement method results in only one bid or proposal being submitted, the procurement are then classified as "sole source". In such situations where the purchase will exceed $5,000 for non-profits, <u>prior</u> approval is required. All documentation of such procurement, including the specifications, a copy of all bid/proposals received,

documentation of how the request was publicized to assure adequate response, and justification of any restrictions set forth in the specifications, must be forwarded to the State for review. Sole source purchasing without prior approval will result in disallowed costs.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Procurement Procedures-Prior Approval Requirements

DATE: August, 2013

POLICY/GUIDANCE NUMBER: 400.30

PROGRAM: DOE

DISCUSSION: The Community Action Agency (CAA) must submit a request for approval and receive approval prior to executing the following types of purchases:

1. **Sole Source procurement:** Sole source procurement procedures may be used when only one responsive bid or proposal is received through a competitive request process and if aggregate costs will exceed $25,000. In such situations, the CAA must submit a copy of the bid or proposal, including evaluation criteria, information on the method of notification to the public of the competitive request, the response received and justification for any restrictive language in the request, if applicable.

2. **Capital Equipment procurement:** Purchases of capital equipment, where the value of specific items (or total composite, if items are to be used as a set), will exceed $5000.00 must be approved by the DCS. Request for such approval must be made in writing to the DCS, preferably as part of the budget submission. The request submitted must include specifications for the capital equipment/vehicle, maximum dollar value, and justification of need. Approval of the agency work plan and budget shall constitute approval of equipment purchases specifically cited in the budget.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Subcontracting Checklist **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 400.40 **PROGRAM:** DOE

DISCUSSION: Community Action Agencies (CAAs) are authorized to subcontract for the provision of weatherization materials and/or services. The estimation of work to be performed and final inspection of work performed may not be subcontracted. CAA's may not subcontract with any party or business listed on the SAM System For Award Management.

Subcontracts may not extend more than 60 days beyond the termination date of the weatherization contract through which funds are provided. No subcontract shall extend longer than twelve (12) months; (subcontracting should coincide with the CAA's annual request for bids and/or proposals).

The following list outlines elements required in the subcontracting document.

SUBCONTRACT CHECK LIST

1. Effective date of Contract
2. Names of contracting parties
3. Statement of work
4. Required licenses
5. Required insurance - bodily injury and property damage, product liability
6. Performance bond requirement
7. Proof of workmen's compensation
8. Inspection of work and acceptance before payment
9. Compliance with all local laws and regulations
10. Compliance with all DOE regulations
11. Billing procedures
12. Termination Clause - for cause and for convenience
13. Indemnification Clause - Manner and basis for settlement

14. Access to records by grantee, Subgrantee and Federal Government; Retention of Records for 4 years

15. Remedies for breach of contract

16. Equal Employment Opportunity Clause

17. Clause citing Copeland "Anti-Kickback" Act

18. Clause citing the provisions of the Contract Work Hours and Safety Standards Act

19. Clause specifying the Federal Cost principles applicable to a contractor under a cost-reimbursement contract

20. Mandatory Standards and policies relating to energy efficiency

21. Waiver of Lien by Subcontractor

22. Availability of funds from State. Termination dates of each program are required per State Contract.

23. Reference to attachments as part of contract

24. Signatures and date of signing

Refer to State Contract for detailed requirements for subcontracts.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Waiver of Lien **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 400.50 **PROGRAM:** DOE

DISCUSSION: Every weatherization contract between CAA and a subcontractor for the performance of weatherization and related services must contain a "lien waiver". Specifically, each contract must contain a provision whereby the contractor agrees to waive the right of placing a lien upon the unit served as recourse for nonpayment, or for any other reason.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Eligibility Criteria **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 500.10 **PROGRAM:** DOE

DISCUSSION: The State of North Dakota will allow the use of eligibility criteria for either the LIHEAP and DOE weatherization programs in determining the income eligibility of a client.

Prior to the expenditure of any contract funds, the subgrantees will assure that no dwelling unit may be weatherized without documentation that the dwelling unit is an eligible dwelling unit under the following conditions:

The dwelling unit is occupied by a family unit whose income is at or below 60 percent (or the present percentage used by LIHEAP) of the State median income level as determined in accordance with criteria established by the Low Income Home Energy Assistance Program (LIHEAP).

The dwelling unit is occupied by a family unit whose income is at or below 200 percent of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget.

The dwelling unit contains a member who has received cash assistance payments under Title IV and XVI of the Social Security Act (SSI) or applicable State or local law during the twelve months preceding the determination of eligibility.

Cash assistance payments under Title IV of the Social Security Act includes Aid to Families with Dependent Children (AFDC-WELFARE), Children Needing Protection, Foster Care, Court Appointed Guardians, etc. and Work Incentive payments for AFDC family members or payments under the North Dakota Old Age Pension during the 12 month period preceding the determination of eligibility for weatherization assistance.

The unit has not been designated for acquisition or clearance by a Federal, State, or local program within 12 months for the date the weatherization of the unit is to be completed.

After a client has been certified as eligible, their income eligibility will remain valid for one year from the date of certification. After one year, if an Energy Audit has not been completed on the unit, the client's income must be recertified in accordance with the procedures for a new applicant. The application must indicate the date of recertification and the name of the agency representative viewing the documentation.

SECTION 500.10 (continued)

LIHEAP referrals will be valid for use in either weatherization program, from the date the referral is received by the CAA to 30 days after the end of the LIHEAP fiscal year in which the referral was received.

The CAA should update LIHEAP client applications by substituting new referrals for any of the same clients as current year referrals are received. If the applicant for weatherization services is a renting, the income of the renter determines the unit's eligibility. Once the renter has been found eligible, it will be necessary to obtain the signature of the Landlord Agreement, before the unit is considered for the weatherization service.

The average gross income of all household members for the twelve month period prior to the month of application is considered when determining eligibility. Any and all income received by any member of the household must be considered. Persons living within the household who may not be related to any family member are considered household members. Income received by these persons is added to the household income whether or not the individual is contributing to household expenses.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Client Prioritization **DATE:** March 2015

POLICY/GUIDANCE NUMBER: 500.12 **PROGRAM:** DOE

DISCUSSION: 10 CFR Part 440.16 (b) states that "priority is given to identifying and providing weatherization assistance to:

(1) Elderly persons;

(2) Persons with disabilities;

(3) Families with children;

(4) High residential energy users; and

(5) Households with a high energy burden.

In an effort to insure consistency in the provision of weatherization services throughout the state, the following prioritization system must be used when determining the scheduling for crew assignments.

Each eligible client is to be assigned a priority rating immediately following the receipt of the application. Numbers are to be totaled on the outside of the client file.

Estimated or Actual Annual Cost of Fuel	# Assigned
$ 0 - 200	0
$ 201 - 400	1
$ 401 - 600	2
$ 601 - 800	3
$ 801 - 1,000	4
$1,001 -1,200	5
$1,201 -1,400	6
$1,401 -1,600	7
$1,601 -1,800	8
$1,801 - over	9

In addition to the prioritization by the estimated cost of heating fuel (as stated above) , the North Dakota Weatherization Assistance Program will further rank the different priority groups by

percentage above the poverty level and the clients status as to their age and/or infirmity. Points will be assigned as follows:

Income	# Assigned
125% of poverty and below	6
126% to 150% of poverty	4
151% to 175% of poverty	2
176% to 200% of poverty	0

Age and/or Infirmity (Status)	# Assigned
None of the Below present in the home	1
One or more children five to eighteen years old	2
One or more children five years or younger	3
One or more residents either elderly or infirm	4
One or more of the residents both elderly and infirm	5

After determining the numbers according to the ranking criteria above, the numbers will be placed in the following order.

_____	_____	_____
Cost of Fuel	Income	Status

Therefore, each applicant will have a three digit priority number based on status, income, and cost of fuel. The higher the applicant's priority number, the higher the priority status of the applicant.

Subgrantees will also be given the discretion to weatherize a lower priority job when located in the same area as a higher priority job in order to save travel time.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Reweatherization **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 500.15 **PROGRAM:** DOE

DISCUSSION: 10 CFR 440.18 allows the use of DOE weatherization funds to reweatherize units which were partially weatherized with DOE funds, during the period prior to September 30, 1994. 440.18 also permits reweatherization in the event that previously applied weatherization materials are damaged by fire, flood or act of God and the needed weatherization materials are not covered by insurance or FEMA.

To qualify a unit for reweatherization, the occupant must reapply and be determined eligible for assistance. A new energy audit must be completed to determine which measures and materials should be installed on the basis of current standards. None of the measures addressed during the initial weatherization may be addressed during the reweatherization**.**

Applications for reweatherization must be assigned a lower priority than applications for units that have not previously been served.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Income Guidelines **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 500.20 **PROGRAM:** DOE

Income guidelines shall be used as referenced in the ND State Weatherization Plan for the Program Year in question.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Definition of Income **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 500.30 **PROGRAM:** DOE

DEFINITION OF INCOME

Refers to total annual cash receipts before taxes from all sources, with the exceptions noted below. Income data for a part of a year may be annualized in order to determine eligibility--for example, by multiplying by four the amount of income received during the most recent three months. The method of calculation is to be determined by the Grantee. Grantees should have a consistent policy covering its subgrantees on re-certification of applicants whose eligibility may have changed due to the length of time that may have expired awaiting weatherization services.

INCOME INCLUDES money, wages and salaries before any deductions; net receipts from non-farm or farm self-employment(receipts from a person's own business or from an owned or rented farm after deductions for business or farm expenses). **INCOME ALSO INCLUDES** regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, worker's compensation, veteran's payments, training stipends, alimony, and military family allotments; private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments; dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

INCOME EXCLUDES capital gains; any assets drawn down as withdrawals from a bank, the sale of property, a house, or a car; one-time payments from a welfare agency to a family or person who is in temporary financial difficulty; tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments, or compensation for injury. **INCOME ALSO EXCLUDES** non-cash benefits, such as the employer-paid or union-paid portion of health insurance or other employee fringe benefits, food or housing received in lieu of wages, the value of food and fuel produced and consumed on farms, the imputed value of rent from owner-occupied non-farm or farm housing, and such Federal non-cash benefit programs as Medicare, Medicaid, Food Stamps, school lunches, and housing assistance. Note: **CHILD SUPPORT PAYMENTS AND COLLEGE SCHOLARSHIPS ARE EXCLUDED.**

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Documentation of Eligibility **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 500.40 **PROGRAM:** DOE

DISCUSSION: One of the following items is required to document the eligibility of a client for weatherization assistance:

1. A LIHEAP referral from the DCS or the County Social Services Office for the current program year identifying the client and the client's current address.

2. Verification documentation generally available from the client consists of: pay stubs, Employee W-2 forms, income tax returns (State or Federal), self-employment IRS form 1040, Schedule C or F.

3. Other sources which may be used for income verification are: employer statements of at least three months wage records, statements from employers, state income tax records.

4. Social Security Benefit verification include: Social Security benefit checks, SSA/SSI Award Letters, correspondence from Social Security regarding benefits, requests from the agency for information from local SSA offices.

5. Pension and other benefits verification generally available from applicants: unemployment compensation award or determination letter, pension award notice, Veterans Administration Award letter, income tax records, railroad retirement award letter.

6. Other income must generally be obtained from clients and include: rental agreements or leases, receipts from services provided, statements from Dept. of Labor for unemployment benefits, statements from insurance carriers for Workmen Compensation Claims.

7. Documentation is required, to the most reasonable extent possible, for applicants who report zero incomes. A signed statement by the applicant is acceptable, provided information has been obtained regarding basic living costs including food, shelter, utilities, medical expenses, etc, for the months of zero income reported.

A Community Action Agency (CAA) authorized representative's signature on the application for weatherization assistance certifies that the agency representative has verified the client's eligibility.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Confidentiality **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 500.50 **PROGRAM:** DOE

DISCUSSION: Any and all information regarding clients must be kept confidential. All application and eligibility-determination information is to be protected against indiscriminate access by CAA staff, and is not to be made available for public review. Accessibility to client information is to be limited to pertinent CAA staff, the CAA's auditor, and Division of Community Services staff or their authorized representatives.

Subcontractors are to be provided only the minimum amount of information required regarding the client necessary for provision of the contracted service.

Breach of confidentiality by the CAA may be grounds for suspension and/or termination of funding.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Client Files **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 500.60 **PROGRAM:** DOE

DISCUSSION: It is the policy of the Division of Community Services (DCS) that each Community Action Agency (CAA) shall maintain a client file for every household receiving weatherization services. A client file must contain, at a minimum, the following:

- A completed application
- Documentation of eligibility
- Computerized energy audit printout which must be signed and dated by the energy auditor.
- Documentation which substantiates the dates of the eligibility determination, audit, start and end of work and the date of the final inspection
- Pre and post blower door test results and all appropriate pressure diagnostics tests.
- A work order which clearly details the weatherization work to be completed
- All appropriate tests on ND States Heating System, Clean, Tune and Inspection Form must be completed and filled out in its entirety by a qualified technician
- Documentation of all subcontracted for weatherization services to include:
    - How the subcontractor was procured
- Documentation of how the cost of any weatherization services procured from a subcontractor was allocated between materials and program support. The actual cost of materials or equipment installed by the contractor may be charged as materials expenditures. Contracted labor or any cost charges beyond the value of materials installed must be charged to program support/labor budget category under the contractual line item.
- The contractors invoice must itemize material and labor charges.
- For rental property, a rental agreement signed by the landlord, tenant and authorized CAA representative. The agreement should contain all the provisions required by Section 700.20.

Historic Preservation documentation

Lead Safe and RRP documentation

- Energy consumption data for one year prior to weatherization

- Quality Assurance form which must be signed and dated by the certified Quality Control Inspector and the client

- Furnace test inspection forms

- Documentation of all materials applied, whether these materials were taken from inventory or purchased specifically for the unit. Documentation should consist of a warehouse slip or purchase orders, specifically indicating the type and amount of material applied; the cost per unit and the total cost of materials applied. Warehouse or purchase orders must account for any unused materials returned to the warehouse or vendor.

- Documentation of existing health and safety problems; to include pictures and a narrative. Documentation for the following is waived:
  CO and Smoke alarms
  Dryer vents and ducting
  Exhaust fan vent kits

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Weatherization "Deferral of Services" Policy **DATE:** June 2015

POLICY/GUIDANCE NUMBER: 500.70 **PROGRAM:** DOE

DISCUSSION: Each subgrantee must have a "deferral of services" policy which will protect the health and safety of crew members and contractors**.** Occasionally, there are situations in which an agency should not or may choose not to weatherize an otherwise eligible unit. In those instances subgrantee's must at a minimum follow the procedures below.

Procedure

If an agency can not or chooses not to weatherize a dwelling unit it must notify the client and owner/authorized agent in writing and include the following items:

1. The nature and extent of the problem(s) and how the problem(s) relate to the determination to not weatherize the unit;

2. Any corrective action required before weatherization services can be initiated;

3. A time limit for correcting problems so that weatherization services may be rescheduled or re-prioritized;

4. The right of appeal;

5. All correspondence justifying the decision to "defer services" must be kept in the client file.

The following is a list of some of the more common conditions and situations an agency may encounter while delivering weatherization services in which a deferral of services policy may need to be utilized. This list is not intended to be all inclusive of those instances in which an agency may choose not to weatherize a unit. In all instances the client must be notified in writing outlining the reasons the agency is withholding weatherization services and describing the corrective actions which must be taken to allow program services to proceed.

Withholding of Weatherization Services

An Agency may not weatherize a unit under the following conditions:

- A dwelling unit is vacant.

- A dwelling unit is for sale.

- A dwelling unit is scheduled for demolition.

- A dwelling unit is found to have serious structural problems that would make weatherization impossible or impractical. (i.e., rehabilitation required).

- A dwelling unit is deemed by the auditor to pose a threat to the health or safety of the crew or subcontractor.

- A mobile home is improperly installed (i.e., inadequate supports).

- A dwelling unit is uninhabitable (i.e., such as a burned out apartment).

- The client is uncooperative with the weatherization agency, either in demanding that certain work be done and refusing higher priority work which is needed, or by being abusive to the work crew or subcontractor, or by being unreasonable in allowing access to the unit, every attempt should be made to explain the program and the benefits of the work. If this fails, work should be suspended and the State Weatherization Office consulted.

- Obvious discrepancies are found between the information supplied by the client on the application and observed conditions at the time of weatherization. The agency must resolve these discrepancies before weatherization work can continue.

- If, at any time prior to the beginning or work (materials installed in a unit), the agency determines that the client is no longer eligible or agency personal believe that circumstances may have changed, the unit shall not be weatherized until updated information can be obtained from the client.

- Partial weatherization of a dwelling is not allowable. All measures identified in the audit as being cost effective must be able to be done. This also includes General Heat Waste and Health and Safety measures.

Deferring Weatherization Services

An Agency may choose to defer weatherization services to an eligible unit under the following circumstances:

- There are rats, bats, roaches, reptiles, insects, animals or other vermin that are inappropriately or not properly contained on the premises.

- There is health or safety hazards that must be corrected before weatherization services may begin (e.g, including the existence of animal feces and/or other excrement).

- There are illegal drugs or illegal activities occurring on the premises.

- The client or owner is physically or verbally abusive.

- The dwelling unit or parts thereof are being remodeled and weatherization work is not coordinated with a housing rehabilitation program.

- The eligible household moves from the dwelling unit where weatherization activities and services are in progress. The agency must determine whether to complete the dwelling unit and the circumstances must be documented in the client file.

- There are unusual situations, which in the judgment or the auditor, must be corrected before proceeding with weatherization.

At the time of the audit a Health and Safety assessment will be performed. If the cost of the needed Health and Safety measures needed on the home exceeds the allowed cost per unit , the unit may be deferred. If a Health and Safety issues prevents a measure from being completed, the unit must be deferred.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Weatherization Computerized Energy Audit **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 600.10 **PROGRAM:** DOE

DISCUSSION: North Dakota's weatherization program emphasizes cost effectiveness in selecting measures to reduce general heat waste, conductive heat loss and mechanical systems inefficiencies. Each weatherization measure to be installed should have a savings to investment ratio (SIR) as quoted in that year's State Plan.

General heat waste and air infiltration are addressed in every weatherized dwelling and need not have an associated SIR. Blower door tests will also be conducted on each weatherized home, unless weather conditions, such as extreme cold or high wind preclude safe and accurate testing. The blower door tests will be conducted by weatherization crews using the "North Dakota's Standard Blower Door Procedures." (See Appendix H) Air sealing measures will be applied until the air flow at 50 Pascals meets the Minimum Ventilation Requirement (MVR) as determined by the audit or to a point where the reduction of CFM is no longer cost effective. No air sealing measures will be applied if initial readings are below the Building Tightness Limit at 50 Pascals.

In April of 2012, the WXEOR audit program was combined with the state's WxPro reporting system and will now be referred to as the WxPro audit.

Conductive, electric baseload, and mechanical measures are prioritized using the "WxPro" computerized audit package. The WxPro audit is an integrated estimation program which prioritizes weatherization materials to be installed on either site built or mobile homes based on the calculated cost effectiveness (discounted SIR > 1) of those materials when installed on that specific unit. The State of North Dakota has recieved approval of the WxPro Audit Program from the DOE Support Office.

The equation utilized to calculate the savings to investment ratio for a measure is:

(1 x ((1-discount rate) #years)) x ((HDD x 16 x (Unit Price x Esc. Rate)) (BTUs x AFUE) x (Area x Delta U) x Buffer

Where:

Discount Rate = 3% per year

years = Number of years for measure to payback

2DD = Heating degree days for specific Region of the State

16 = Correction factor to allow for internal heat gain from occupants, solar, etc.

Unit Price = Cost per unit of heating fuel

Esc. Rate = Fuel cost escalation rate as provided in National Audit (NEAT).

BTUs = 100% efficient BTU content of fuel

AFUE = Annual fuel utilization efficiency

Area = Net area affected by measure in square feet

Delta U = (1/Pre R-Value)-(1/Post R-Value)

Buffer = Buffer correction factor to account for differences in exposure as provided by ASHRAE

The equation yields a dollar amount saved during the first year after each measure is installed. The first year savings is then discounted at a rate of 3% per year over the life of the measure to yield the total savings to be realized for that measure. The amount saved is further adjusted through the application of a fuel escalation cost factor applied over the life of the measure to account future price increases in the cost of the heating fuel use by that particular unit.

Once the adjusted savings is calculated, the savings to investment ratio is then generated by dividing the adjusted savings by the cost of materials and labor to install the measure. WxPro figures labor on a square foot installed cost and adds this to the material cost for purposes of this calculation). Each subgrantee is allowed the flexibility to input their own agency costs for materials and labor and heating degree days so that the calculations are customized to their specific agency.

After the savings to investment ratio is calculated for each measure they are then ranked in order by WxPro (highest SIR to lowest SIR). The Weatherization crews will install measures based on their ranking (prioritization) and may only deviate from the ranking with prior approval of the State Weatherization Program Manager.

The WxPro program also accounts for the interaction of mechanical and conductive weatherization measures and is able to produce a SIR on a heating system replacement or retrofit. The SIR for mechanical measures can be calculated with or without conductive heat loss

measures installed and estimate future heating costs when historical fuel usage data is supplied. A sample of the audit/work order is supplied in Appendix I.

In addition to the calculation of the SIR, the WxPro program also generates the number of BTUs saved per heating degree day for use in future evaluations of the Weatherization Program.

The equation utilized to calculate the savings to investment ratio for a refrigerator replacement is:

(((((KWH Per Year of existing model * (1 + ((Average Ambient Temperature – Present Ambient Temperature) * 0.025))) - (KWH Per Year of new model * (1 + ((Average Ambient Temperature - 70) * 0.025)))) * (Cost Per KWH*Esc.Rate)) * (Lifetime*Discount Rate)) / Total Cost

The equation utilized to calculate the savings to investment ratio for lighting replacement is:

(((Existing Watts- Replacement Watts)*Qty of Bulbs* Hrs on per day*365/1000*(Cost per KWH*Esc.Rate)))*(Lifetime*Discount Rate)/Total Cost

The replacement of furnaces in conventional homes will be permitted based upon a determination that 1) the existing furnace will not last at least five years, 2) that the existing system cannot be retrofitted for $500 or less, and 3) the SIR for the replacement system and associated costs is one or greater. The documentation to support furnace replacement must include fuel consumption records for the prior year, existing furnace efficiency test results (if the system is operable) and an analysis of the potential savings and payback associated with the replacement.

North Dakota law requires landlords to maintain operable heating equipment in rental housing. However, the state has not set standards for the operating efficiency of furnaces in rental housing. DOE weatherization funds cannot be used to repair or replace inoperable furnaces in rental housing. Weatherization funds may, however, be used to upgrade the efficiency of heating systems in rental property by retrofitting existing equipment, or through the replacement of heating equipment. The agency will pay no more than $100 for repair costs.

Energy Audit Requirements

Field Audit

1. A field audit of each unit must be conducted and documented in the unit file.
2. The field audit must include:
   a. A health, safety, and hazards assessment of the unit as well as the combustion appliances;
   b. A cost-effective analysis using the approved energy audit system;
   c. An air leakage/ventilation assessment;
   d. A ductwork assessment;
   e. An insulation assessment; and
   f. A general heat waste assessment.
   g. Photo documentation of all window, storm window, and door replacements.
3. The prescriptive installation of weatherization materials or repairs without appropriate justification from an approved energy audit is not allowed.
4. The thermal boundary of each dwelling must be determined during the field audit. This includes the identification of each part of the thermal shell or envelope.
5. All building cavities that define the thermal boundary between the conditioned space and unconditioned must be inspected and measured for existing insulation R-values, structural integrity, and the need for repairs.
6. The field audit must identify the most appropriate methods for:
   a. Reducing air leakage and convective bypasses, and
   b. Increasing the insulating value of thermal boundary surfaces, when appropriate.

Computerized Energy Audit

1. Each client file must have an accurate work order generated by the State approved computerized audit.
   a. Consult the State Wx Program manager for current SIR range values.
2. If the estimator is aware of more than one method of installing an energy conserving measure, he must be able to justify, in writing in the client file, the selection of a method that does not have the highest SIR of the possible methods.

3. If repairs must be done in order to protect the integrity of an eligible measure, the repair costs must be included with that measure's cost when the associated SIR calculated.
   a. Electrical (knob-and-tube wiring):
      i. Knob and tube wiring replacement must be charged to Health and Safety. If the agencies Health and Safety expenditures exceed 20 percent of their average cost per unit they must contact the State for further guidance.

4. Values and methods used for the State approved computerized audit will be periodically updated by either the subgrantee or statewide WAP committees as follows:
   a. Labor and material cost estimations used for the approved audit must be updated at least once each year and procedures used to derive these estimated costs must be documented by the subgrantee.
      i. Labor costs shall include fringe benefits as defined by the subgrantees accounting system.
      ii. Insulation cost estimates must be based on at least the manufacturers recommended minimum installation density.
   b. A technical committee made up of representatives from all the State subgrantees will determine and update each year:
      i. The typical service life of each energy-saving measure. The service life values must be discounted for use in the calculation of SIR in accordance with Department of Energy guidelines.
      ii. A consistent method determining the cost of fuels to be used in the approved audit software.
      iii. Maximum insulation levels.

Life of Measures to be used by North Dakota's Weatherization Program

Measure	Life of Measure
Cellulose Insulation	20 Yrs
Fiberglass Batt Insulation	20 Yrs
Fiberglass Blow-in Insulation	20 Yrs
Foundation Panel Insulation	20 Yrs
ThermoSkirt Insulation	15 Yrs
InsulPink or Interior Dow Insulation	20 Yrs
Steel Doors	15 Yrs
Mobile Home Doors	10 Yrs
Heating System	20 Yrs
Rim Joist Insulation	20 Yrs.
Mobile Home Windows	15 Yrs
Prime Window Units	20 Yrs
Storm Windows	15 Yrs
Lighting Measures	5 Yrs
General Heat Waste or Health & Safety	No Lifetime (SIR not required)

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Maximum Expenditures for Materials **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 600.20 **PROGRAM:** DOE

DISCUSSION: When providing weatherization services under a DCS Weatherization grant, average expenditures per unit may not exceed the average stated in the State Plan and current contract. Materials expenditures under any one program, including furnace replacement, are limited to $8,000 per unit, without prior approval by the DCS**.**

Materials expenditures under DOE weatherization are restricted to approved weatherization materials, as defined in 10 CFR 440, Appendix A, and repair materials necessary for protecting and enhancing the effectiveness of energy conservation measures. In addition to the materials standards listed in Appendix A, Expenditures for materials must comply with the service priorities established by the State approved computerized audit or they will be disallowed.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Request for Waiver of Materials Limit **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 600.30 **PROGRAM:** DOE

Weatherization Program Manager
Division of Community Services
1600 East Century Avenue
PO Box 2057
Bismarck, ND 58503

RE:Waiver Request to Exceed $8,000 Material Limit

Dear (Program Manager):

We request approval to exceed the limit(s) indicated above for the following client:

Client Name		Job Number
Program		House Sample Type
Our audit indicates the following expenditures are needed in order to effectively weatherize this unit		
Cost Per Priority Measure		Comments
1.	8.	
2.	9.	
3.	10.	
4.	11.	
5.	12.	
6.	13.	
7.	14.	
If you have any questions regarding this matter, please contact _____. Sincerely, (Name) (Title)		
Signature of Approval DCS		Date

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Definition of Repairs **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 600.40 **PROGRAM:** DOE

DISCUSSION: In accordance with the Department of Energy Weatherization Assistance Program regulations as published in 10 CFR Part 440.18 "the cost of incidental repairs if such repairs are necessary to make the installation of weatherization material effective" is an allowable program cost. Material and labor costs for repairs must be charged to health and safety. Repairs can be made from other funding sources or from client contributions also.

For the purpose of clarification the following will be classified as repair items:

1. Roof repair

Roof repair may be done only if it results in the protection of weatherization materials, to include previously installed materials in addition to the materials installed by the agency.

2. Plumbing

Plumbing problem may be repaired only if they limit the weatherization project or reduce the effectiveness of the weatherization measures.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Heating System Replacement/ Repair Standards

DATE: July 2014

POLICY/GUIDANCE NUMBER: 600.45

PROGRAM: DOE

DISCUSSION:

<u>Heating System Repair/Retrofits</u>

When repairing a furnace the following guidelines must be followed:

1. The cost effective repair of a heating system is always the first option before its' replacement. Heating systems, other than boiler systems, which cost over $500.00 to repair are not considered cost effective to repair and may be replaced with a new system. Where a Subgrantee has reason to believe that furnace repairs exceeding $500 will be cost effective, they should proceed with the repair and document their rational for the repair.

2. Subgrantees utilizing a contractor to perform repairs must be able to document that the repairs are necessary and the costs associated with the repairs are reasonable for the materials and services provided.

3. Emergency Repairs: Following notification by the auditor that a heating system is either not functional or is posing a threat to the health and/or safety of the client the Community Action Agencies will take the following steps to address the problem.

   a. The CAA Weatherization or a qualified furnace technician will be contacted and instructed to visit the unit and diagnose the problem. The heating system will be repaired at that time if possible.

   b. If the heating system can be repaired but it cannot be done immediately, the furnace technician will evaluate the client's situation for the purpose of determining if:

      (1) The client can safely remain in the home by supplying an alternative source of heat (portable electric space heaters) or needs to be relocated for a short time.

(2) If the technician believes the client cannot safely remain in the home, they will be advised to make arrangements to stay with family or friends until the unit can be occupied again.

(3) If the client cannot make arrangements to stay in another location until the problem is solved, the subgrantee may use furnace repair and replacement funds to provide temporary shelter until other arrangements can be made.

Documentation supporting the needed repairs must be kept in the client file.

Furnace Repairs

Gas and Oil Heating Systems

Furnaces shall be cleaned and tuned as part of the Weatherization process when needed. Furnace repairs may be completed when called for by Furnace Technician based on his inspection and furnace testing results. Clear, detailed instructions shall be provided to a heating system serviceman if one is called. All duct work which in unconditioned spaces must be sealed and insulated. Duct work in conditioned space with an excessive amount of air leakage must be sealed where possible. Follow the requirements in the ND Standard Work Specifications and Field Guide.

Electric Heating Systems

Faulty thermostats on electric furnaces, causing energy to be wasted, shall be repaired or replaced. Improperly functioning or damaged sequencers or one with broken elements shall be replaced. Fan motors drawing improper amperage shall be repaired or replaced and all duct work possible is to be sealed and wrapped. Improperly functioning baseboard heaters may be addressed.

Except for the adjustment of fan speed, electric furnaces and electric baseboard heaters cannot be tuned up in the general sense and, therefore, only fan speed adjustment will be allowed as a cost to homes with this type of heat. Subgrantees are encouraged to clean the furnace fan and replace furnace filters when necessary.

An existing efficiency of 100 percent shall be used when the electrical furnace is functioning properly. When repairing an electrical furnace, the estimated efficiency for calculations purposes shall not be shown as less than 95 percent. When replacing an electrical furnace, the estimated efficiency for calculations purposes shall not be shown as less than 90 percent, except when:

1. The actual fuel consumption is higher than what the estimated heating units are, on the computerized heat loss program.

Heating System Replacement

The replacement of an existing heating system may be done only upon meeting one or more of the following requirements:

If the heating system cannot be repaired or the heating system has been declared unsafe or inoperable by the Subgrantee and/or a licensed heating contractor or by the utility company servicing the client; the client will be notified of the situation and the cost share requirements of the replacement program. The furnace technician will follow the same procedure as listed under furnace repair (3 b) to determine what immediate action should be taken. Once the immediate circumstance has been stabilized, the CAA will immediately begin seeking bids on the replacement furnace.

In any instance, when replacing a heating system or water heating system the Subgrantee must:

a. Where possible, obtain at least two written price quotes for the heating system or water heating system to be replaced. Each quote is to contain, at a minimum the information required on the State furnace bid form (attached). Subgrantees unable to get two bids must document their efforts to solicit bids to the file. In cases of extreme emergency, the requirement for two bids will be waived.

b. Seal and insulate all ductwork in unconditioned space.

c. Not change the fuel type of the furnace unless they can document that it will be substantially more cost effective for the client

d. Size the new furnace to fit the home.

At no time will a Subgrantee be allowed to use DOE funding to install a heating system as part of new construction, install a heating system where the client has knowingly purchased a home that doesn't not have a heating system, or install a heating system where the client purchases a home in which they know that the existing system does not function properly.

Wood and Coal Stoves and Coal Furnaces

DOE funds may be used to replace wood and coal stoves and coal furnaces only upon documenting that the existing unit poses a threat to the health and safety of the client. As part of the replacement each Subgrantee must insure that the following criteria are followed:

1. Ensure wood stove installations; maintenance and inspection are performed by qualified personnel.

2. Ensure that only wood stoves which are certified and labeled by the National Fire Protection Association under 86M-1986 and 211-1984, the International Conference of Building Officials, or other equivalent listing organization may be purchased with LIHEAP funds and that electrical parts are certified and labeled by Underwriters Laboratory.

3. Ensure that only a wood stove certified and labeled for mobile homes may be installed in a mobile home.

   Ensure that before a wood stove is installed or replaced, that the local code officials have been notified, all applicable permits are obtained and that all work receives approval from subsequent inspection by the proper authorities.

SPACE HEATER POLICY: Separate guidance is provided for vented space heaters and unvented space heaters.

Vented Space Heaters: Vented gas- and liquid-fueled space heaters should be treated the same as furnaces in terms of repair and replacement, as well as combustion appliance safety testing. This policy applies to vented natural gas-fired space heaters, vented propane-fired space heaters, and oil-fired space heaters (which are always vented).

Unvented Space Heaters: Separate guidance applies to electric space heaters and unvented gas- and liquid-fueled space heaters.

Electric Space Heaters – DOE will not permit any DOE-funded weatherization work other than incidental repairs on electric space heaters. DOE will not preclude the use of other funding sources for the replacement or major repair of electric space heaters, but the Department does not encourage it because of:

- Lower output ratings (size);
- Risk of fire hazards; and,
- Inadequate electrical systems in older homes frequently cannot safely carry the power required to operate an electric heater.

Work on such systems may make local agencies liable for inadequate electric wiring and damages that may result.

Unvented Gas- and Liquid-Fueled Space Heaters – DOE will not permit any DOE-funded weatherization work where the completed dwelling unit is heated with an unvented gas- and/or liquid-fueled space heater as the primary heat source. This policy applies to unvented natural gas-fired space heaters, unvented propane-fired space heaters, and unvented kerosene space heaters. This policy is consistent with the IRC and the IFGC.

DOE strongly encourages removal of all unvented gas- and liquid-fueled space heaters and replacement with vented, code-compliant heating systems as a prerequisite to weatherization. However, DOE will allow unvented gas- or liquid-fueled space heaters to remain as secondary heat sources in single-family houses provided they comply with the ND State Building Code.

DOE is allowing this flexibility primarily to provide low-income clients an emergency back-up source of heat in the event of electrical power outages. Therefore, preference should be given to code-compliant units that do not require electricity.

Specifically, any unvented gas- and liquid-fueled space heaters that remain in a completed single-family house after weatherization:

- Shall not have an input rating in excess of 40,000 Btu/hour;
- Shall not be located in, or obtain combustion air from sleeping rooms, bathrooms, toilet rooms, or storage closets, unless:
    - Where approved by the authority having jurisdiction, one listed wall-mounted space heater in a bathroom:
        - Has an input rating that does not exceed 6,000 Btu/hour;
        - Is equipped with an oxygen-depletion sensing safety shut-off system; and
        - The bathroom meets required volume criteria to provide adequate combustion air;
    - Where approved by the authority having jurisdiction, one listed wall-mounted space heater in a bedroom:
        - Has an input rating that does not exceed 10,000 Btu/hour;
        - Is equipped with an oxygen-depletion sensing safety shut-off system; and
        - The bedroom meets required volume criteria to provide adequate combustion air.
- Shall require the enforcement of minimum ventilation guidelines as determined by the greater of:
    - 15 cubic feet per minute (CFM) per person,
    - 15 CFM per bedroom plus one [(# of bedrooms + 1) x 15 CFM], or
    - .35 air changes per hour.

  The above minimum ventilation guidelines are natural ventilation rates, not with the house depressurized to -50 Pascal with a blower door.

DOE funds may only be used to replace the primary heating source. DOE funds may not be used to replace unvented space heaters to be left in the weatherized dwelling unit as secondary heating sources. For example, a home has several older gas- or liquid-fueled, unvented space heaters that do not comply with the International Residential Code because they do not have oxygen-depletion sensing safety shut-off systems. The Weatherization Program can replace the primary unvented space heater with a vented unit, but cannot expend DOE funds to replace one of the existing secondary space heaters with a code-compliant unvented unit with an oxygen-depletion sensing safety shut-off system. DOE will not preclude the use of other funding sources to replace secondary space heaters with code-compliant units.

The Manufactured Home Construction and Safety Standards require all fuel-burning, heat-producing appliances in mobile homes, except ranges and ovens, to be vented to outside. Further, all fuel-burning appliances in mobile homes, except ranges, ovens, illuminating appliances, clothes dryers, solid fuel-burning fireplaces and solid fuel-burning fireplace stoves, must be installed to provide for the complete separation of the combustion system from the interior atmosphere of the manufactured home (i.e., to draw their combustion air from outside).

Cost Effectiveness: Current regulations governing weatherization activities require that measures installed in a dwelling unit be selected on the basis of cost effectiveness, with the most cost effective installed first. Unvented space heaters have very high efficiency ratings because they discharge their exhaust gases directly into the space being heated rather than outside, allowing the energy embodied in the hot exhaust gases to be released into the heated space. Vented space heaters exhaust combustion products and considerable amounts of energy out of the residence, and, therefore, are far less energy efficient.

The replacement of an unvented space heater with a vented one may not be cost-justified through energy savings. However, DOE strongly encourages States to combine other weatherization measures and health and safety considerations with vented space heaters as replacements for unvented space heaters. In such instances, the heat energy demanded by the structure can be lowered by energy-saving, cost-effective weatherization measures so that total energy costs are less or the same, while the indoor air quality is greatly improved through the use of a vented space heater paid for with health and safety funds.

Smoke and Carbon Monoxide Detectors: Any space heater replacement or repair procedure should include inspection to ensure that working smoke and carbon monoxide detectors are installed on the same floor as the space heater. In instances where smoke and carbon monoxide detectors are not present or are not operating properly, new detectors may be purchased and installed with DOE funds. The purchase and installation cost of the smoke and carbon monoxide detectors must be charged to the health and safety category.

Client Education: Client education, including information on the proper operation of the heating equipment and installed smoke or carbon monoxide detectors, should be provided. Of critical importance is strong client education regarding the dangers of carbon monoxide and excessive moisture levels, particularly if any unvented space heaters are left in the dwelling as a secondary heat source, or emergency back-up.

Other Heath and Safety Consideration: Electrical wiring and chimneys should be checked to ensure they are in good condition and that no obvious building code violations are evident. Masonry chimneys used by vented space heaters should be properly lined in compliance with the IFGC. Safety inspection related to the space heater should include, but not be limited to, a check for adequate floor protection and code-compliant clearances to walls and other combustible materials. Even though many vented space heaters are manufactured with spill switches, it is still a requirement that a worst-case depressurization draft test be performed on all vented units.

Compliance with Local Code, Permitting, and Inspection Requirements: Installation of space heaters requires knowledge of appropriate industry standards and adherence to all aspects of the applicable building code(s) in the municipality where installation is taking place. Building permits should be secured, where required, (this is a program operations cost) for all space heater work and final inspection by competent professionals should take place before any heater is put into operation. States are reminded that even licensed heating contractors may not be aware of the stringent requirements of the Weatherization Program, so their work should be reviewed by Program staff.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Materials Standards **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 600.50 **PROGRAM:** DOE

DISCUSSION: All materials installed in units served under the DOE Weatherization program shall meet or exceed the quality standards set forth in Appendix A of 10 CFR 440. The Community Action Agency (CAA) is responsible for assuring compliance with these quality standards; the CAA is liable for the removal and replacement of inferior quality materials installed by the CAA or its subcontractor at no additional cost to the grant program.

In addition to the insulation materials contained in Appendix A, recycled polystyrene beads are considered an eligible weatherization material for use by Subgrantees as a blow-in insulation material under a 1991 waiver provided by the DOE Denver Support Office.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Final Inspection/Monitoring by State **DATE:** April, 2015

POLICY/GUIDANCE NUMBER: 600.60 **PROGRAM:** DOE

Weatherized units may be reported to the Division of Community Services (DCS) as complete only after the Community Action Agency (CAA) has performed the final inspection process. This final inspection process must certify that all weatherization measures prescribed by the audit were installed, audit input was correct, all mechanical and diagnostic tests as prescribed by the State Program Policy and Procedures Manual and ND Field Manual were performed and that all work has been completed in a workmanlike manner. If the work is not satisfactory, a return to the work site and corrective measures are required before the unit can be considered complete. The file should have documentation of the problems and corrective measures taken.

This final inspection must meet the following requirements:

1. Qualifying final inspection process and personnel:

a. All weatherized units must be inspected by a certified Quality Control Inspector before being reported as complete. Documentation must be kept at the agency of the certified Quality Control Inspectors used by that agency. This documentation will include a copy of the QCI identification card issued by the Building Performance Institute.

b. The Quality Control Inspector may do the initial audit and assesment and the final inspection. The Quality Control Inspector may not work on the job and do the final inspection.

c. The Quality Control Inspector must document the materials installed and confirm that they were installed in a professional manner in accordance with the North Dakota Standard Work Specifications and Field Guide. These final inspections must insure that all the measures for this home were addressed during the audit process and no tasks were overlooked. The final inspection form must be signed and dated by both the client and the Quality Control Inspector inspecting the job on behalf of the sub-grantee.

d. The Sub-grantee will designate in the budget and production plan submittal how they will meet the QCI requirement. This will determine how the state will monitor the sub-grantee as far as how many units will have to be monitored.

Monitoring By State

General Procedure

Periodically the DCS WAP Administrator or a representative will conduct monitoring visits to subgrantees for the purpose of determining that all materials and services reported on the Building Work Order (BWO) have been installed or completed. The persons doing the monitoring must be certified as a Quality Control Inspector. The effectiveness, safety, workmanship, overall appearance, and compliance with the ND Standard Work Specifications and Field Guide will be evaluated during the monitoring visit. Dwelling units inspected will be selected from a list of clients that will allow a comprehensive of a sample. Inspection visits may focus on problem areas identified in previous inspection reports to ensure that problems have been corrected. Recommended actions may be issued to sub-grantee based on observations during these visits and such guidance will be noted on a report provided to the sub-grantee. If a measure or repair installed under WAP is not in compliance with the ND Standard Work Specifications and Field Guide , the expenditures for that measure will not be allowed. Deficiencies noted during State monitoring that result in Major Findings or repeated Minor Findings may be considered as justification for requiring that the sub-grantee re-inspect dwellings. The State will monitor a minimum of 5% of jobs done by the sub-grantee. In the case of a sub-grantee that uses a Quality Control Inspector who also does the initial audit and assessment the State will monitor a minimum of 10% of the jobs done by the sub-grantee. The State will continue to work with sub-grantees who do not have a certified QCI in their agency to get someone on their staff certified. Sub-grantees that do not have a certified QCI at their agency will be required to use a contractor who is a certified QCI to fulfill the requirement.

Appeals Process for Inspection Reports

A subgrantee representative may appeal the findings of the monitoring inspection report to the WAP Program Administrator. This appeal should be sent in writing within ten working days of receipt of the inspection report.
A subgrantee that does not agree with the initial outcome of the inspection report appeal, may submit a subsequent appeal to the Director of the Division of Community Services.

High-Risk Status

The occurrence of a substantial number of, or repeated, Major Findings may result in a decision by the WAP Administrator that a subgrantee be placed on high-risk status.
If a subgrantee is placed on high-risk status, it is likely that special conditions will be placed upon the subgrantee financial assistance award until compliance with WAP Standards is met.

DCS WAP Evaluation System

Major Findings

Any of the following criteria generally constitutes a Major Finding:
The health and safety of clients, subgrantee staff, and subgrantee subcontractors, or the integrity of the building structure is threatened by work completed with WAP funds.
A health or safety problem is created by, exacerbated by, or not corrected by the delivery of WAP services.
The omission of a required measure or technique with major energy savings potential, as determined by approved audit software or a required procedure that addresses health and safety concerns.
Poor quality of work that significantly affects the performance of measures or repairs.
Expenditure of WAP funds on measures that are not approved under WAP or required for health or safety reasons.
Major expenditure of funds on measures that do not yield an acceptable Savings-to-Investment Ratio as defined in these standards.
Any action or lack of action that may result in a liability that threatens DCS financial assistance award funds.
An Inspection Visit Report that contains Major Findings:
Requires an immediate response from the subgrantee receiving the finding.
Requires corrective action be taken.
May result in disallowed costs.
May result in an increased inspection/monitoring rate.
May result in the requirement of additional training for the subgrantee personnel.
May result in the recommendation for High Risk Status for the subgrantee receiving the major finding(s).
Continued findings of this type may result in termination of DCS Weatherization Financial Assistance Award to the subgrantee.

Minor Findings

All other areas of noncompliance with these Standards not considered a Major Finding shall be considered as a Minor Finding.
Minor Findings:
Do not require a response unless specifically stated on an inspection visit report.
May require corrective action be taken if similar findings relating to major energy savings measures, documentation requirements, or health and safety measures are found to be repeated.
May be reclassified as a Major Finding if repeated, that is, if similar findings are found on more than two consecutive inspection visits.
May result in the requirement of additional training for the subgrantee personnel.

Major or Minor Findings may result in action taken against the certification of the Quality Control Inpector who signed off on the job.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Reporting Re-weatherization **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 600.70 **PROGRAM:** DOE

DISCUSSION: Reweatherized units are those units that have been weatherized prior to September 30, 1994. Community Action Agencies may only re-weatherize units which will realize a substantial energy savings because of a change or advancement in the technology for delivering Weatherization services. Re-weatherized units are to be reported to Division of Community Services (DCS) as completions; however they must reported separately on the monthly report.

Re-weatherized units will be counted in determining the average cost of materials and the average cost per unit weatherized under the terms of the Financial Award. These units will also count towards annual production goals.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Equal Service Provision **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 700.10 **PROGRAM:** DOE

DISCUSSION: Except for the State's Weatherization Prioritization Policy, the Community Action Agency (CAA) shall provide Weatherization services in a manner which treats clients in rental living situations equally with clients who are homeowners. Any CAA failing to treat rental and home owning clients equally is in violation of regulations and may be subject to punitive action to include probation, suspension or termination of funding.

An exception to this policy will be made in the case where North Dakota law stipulates certain landlord responsibilities (i.e. safe and adequate heating system, smoke alarms, etc.)

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Landlord Obligations **DATE:** April, 2015

POLICY/GUIDANCE NUMBER: 700.20 **PROGRAM:** DOE

2. Under North Dakota law, landlords have the following obligations to the renter and rental units:

a. Comply with the requirements of building and housing codes relating to health and safety.

b. Arrange for or make all repairs and do whatever is necessary to put and keep the premises in a fit and habitable condition. The tenant must give the landlord reasonable notice and a reasonable amount of time in which to make repairs. (The definition of reasonable very often depends on the needed repair).

c. Keep all common areas in a clean and safe condition.

d. Maintain in good, safe working order and condition all electrical, plumbing, sanitary, heating, ventilating, air-conditioning systems, other facilities, and appliances, including elevators, supplied or required to be supplied by the landlord.

e. Provide and maintain appropriate receptacles and conveniences for the removal of ashes, garbage, rubbish, and other waste incidental to the occupancy of the dwelling unit and arrange for their removal.

Subgrantees must assure that a landlord has met his/her obligation under North Dakota law before weatherizing rental property which they own.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Undue Enhancement **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 700.30 **PROGRAM:** DOE

Undue or Excessive Enhancement of Rental Property

Subgrantees are directed to avoid undue or excessive enhancement or rental property value as a result of weatherization. One specific application of this policy is to limit expenditures for furnace or boiler repair in rental property. As stated above, landlords are responsible for maintaining safe, operable heating systems in rental units. Therefore, when repairing heating systems which are inoperable or create a health and/or safety hazard when operated agencies are limited to a maximum expenditure of $100. Weatherization funds may, however, be used to upgrade the efficiency of heating systems in rental property by retrofitting existing equipment. The agency will pay no more than $100 for repair costs.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Rental Agreement **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 700.40 **PROGRAM:** DOE

North Dakota Weatherization Assistance Program Rental Agreement

Before a rental unit can be weatherized, the landlord and the eligible tenant must agree to and sign the North Dakota Weatherization Assistance Program Rental Agreement (Attachment A) for each unit to be weatherized.

At the time the agreement is executed, subgrantees must inform the eligible tenant that in the event the landlord violates the weatherization agreement, they should notify the subgrantees office so the appropriate action can be taken against the landlord.

NORTH DAKOTA
WEATHERIZATION ASSISTANCE PROGRAM RENTAL AGREEMENT

This ***AGREEMENT*** is made on _____ (month), _____ (day), _____ (year) between:

_____ (hereinafter ***LANDLORD***)
_____ (hereinafter ***TENANT***)
_____ (hereinafter ***AGENCY***)

The parties listed above in this Rental Property Agreement ("THE ***AGREEMENT***") for good and valuable consideration agree that the weatherization improvements are subject to the following conditions.

1. The ***LANDLORD*** and ***TENANT*** consent and agree that weatherization improvements/services shall be done by the ***AGENCY*** to the property located at_____. (hereinafter PREMISES).

2. The ***LANDLORD*** and ***TENANT*** will permit employees of the Agency or its representatives to enter upon the PREMISES as required to perform weatherization work and the inspection of the weatherization work upon its completion.

3. The ***AGENCY*** agrees to provide weatherization services/improvements, subject to material limitations defined by federal regulations (10 CFR 440), North Dakota Weatherization Program requirements and limitations, and the professional discretion of the Community Action Weatherization Coordinator, to the property of the ***LANDLORD*** that is occupied by the ***TENANT***.

4. In consideration of the weatherization services/improvements provided by the ***AGENCY***, the ***LANDLORD*** agrees to the following:

a. Financial Participation

The landlord agrees to participate financially in the completion of weatherization services by: _____
_____
_____

b. Other Agreements

The terms of this Agreement will be incorporated into any other Agreement between the ***LANDLORD*** and ***TENANT***, and if there is any conflict between this Agreement and the provisions of such other Agreement, the provisions of this Agreement shall govern.

c. Rent Increases

By entering into this Agreement, the ***LANDLORD*** and his or her heirs or assigns agrees not to increase the rent for the PREMISES above the current monthly rent ($_____) because of the weatherization work for a period of twelve (12) months from the date of the completion of weatherization improvements.

d. Repairs

The ***LANDLORD*** agrees to make the repairs/improvements to the PREMISES, specified on Attachment A before weatherization improvements/services are provided by the ***AGENCY***.

e. Termination of Tenancy

The ***LANDLORD*** agrees that for the term of this Agreement there shall be no termination of ***TENANT***'s tenancy except for one of the following reasons:

1) The ***TENANT*** fails to pay rent to which the ***LANDLORD*** is legally entitled.

2) The ***TENANT*** is causing substantial damage to the PREMISES, causing or permitting a nuisance to exist, or is interfering with the safety or comfort of the occupants of the same or adjoining PREMISES.

3) The ***TENANT*** has been convicted of using the PREMISES to commit a felony.

4) The ***TENANT*** has violated a covenant of tenancy or lease.

5) The ***TENANT*** has refused the ***LANDLORD*** reasonable access to make inspection or repairs.

5. The ***LANDLORD*** agrees to make a reasonable effort to lease the unit to a low income person(s) (as defined by 10 CFR 440.22 (a)(1)) in the event that the ***TENANT*** terminates tenancy prior to the expiration of this Agreement.

6. The ***LANDLORD*** agrees that in the event of the sale of the PREMISES prior to the expiration date of this Agreement, the ***LANDLORD*** will comply with one of the following conditions:

a. Reimburse the ***AGENCY*** for the cost of weatherization materials installed by the ***AGENCY*** as of the date of sale.

b. Transfer the ***LANDLORD*** obligations under this Agreement to the purchaser of the PREMISES as part of the sale.

7. Failure on the part of the ***LANDLORD*** to follow the terms of this agreement will result in the cost of weatherization materials installed to be reimbursed by the ***LANDLORD*** to the ***AGENCY***. Should the breach result from an increase in the rental rate, the ***TENANT*** shall be entitled to recover all monetary amounts in excess of the rental amount contained in this agreement.

8. This Agreement shall begin on _____(month), _____ (day), _____ (year) and expire twelve months from the date the weatherization improvements/services are completed. (The completion date is defined as the date on which the final inspection was completed by the ***AGENCY.*** That date will be recorded in the weatherization file, and the ***AGENCY*** will inform all parties to this agreement of the completion date).

LANDLORD	DATE	ADDRESS
TENANT	DATE	ADDRESS
AUTHORIZED AGENT OF AGENCY	DATE	ADDRESS

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Multi-Family Rental Housing **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 700.50 **PROGRAM:** DOE

Multi-family Rental Housing

Multi-family rental units are eligible for weatherization assistance based upon the following eligibility criteria and options:

Type of Rental Property Where Eligible Household Resides	Local Agency Options
1. Single Family Structure	Services may be provided to the entire structure at an average cost not to exceed the maximum average dollar amount allowed by DOE per unit in materials.
2. Duplex	The duplex as a whole can be addressed providing that one unit is eligible.
3. Triplex/Four-plex	There are two options: a. If one unit is eligible the eligible unit alone may be addressed. This would count as one completed unit. b. If there are two eligible units in the triplex or four-plex you must address the entire structure utilizing not more than the product of the number of eligible units X the average allowed per unit. All three units count as completed units for the triplex. All four units may count as completed units if weatherization materials are installed in all units.

Type of Rental Property Where Eligible Household Resides	Local Agency Options
4. Multi-family rental property is a five plex or larger	There are two options: a. Only each eligible unit may be addressed individually if the multi-family structure contains less than 66% eligible households. No "common" areas can be addressed. Only eligible households count as completed units. b. If 66% or more units contain eligible households, agencies may take option a. or they can address the entire structure as a whole, utilizing no more than the product of the number of eligible units X the average allowed per unit. If option b. is selected, the actual number of units counted may not exceed 1 unit per each 400 sq. ft of living space (no common areas).

The North Dakota Weatherization staff has made it a policy to require that each multifamily project that is to be weatherized have at least one major task performed.
Once we determine there is a major task needed on a project, and the project is deemed eligible, the following steps are taken.
A state weatherization staff member, accompanied by the local Community Action auditor, visits the property for data collection.
The following areas are inspected:
A Health and Safety Assessment is done.
Attic insulation levels
Wall insulation levels
Basement and/or crawl space insulation levels
Refrigerator make and model
Existing light bulb wattage
Heating systems
Cooling systems
Hot water distribution system
Primary and storm window condition
Primary door condition
Air infiltration points and chase ways
Integrity of roof and building envelope
Any other area(s) that affect the building's thermal performance
The utility bills from the previous year are collected.
The local Community Action runs the tasks through the WxPro audit to get a cost for the task.
This gives us a local cost that is used for the TREAT energy audit.
The state staff member models the building using the TREAT energy audit software with all of the data collected from the site and inputs the utility bills.
All tasks or improvements are run through TREAT to get the Savings to Investment Ratio (SIR) for each task.

All improvement SIRs must meet the levels as set forth in the ND Standard Work Specifications and Field Guide and State Policies and Procedures before they can be performed.

The eligible improvements, as recommended by TREAT, are sent to the local Community Action agency for the weatherization process.

All the improvements must be installed in accordance with the ND Standard Work Specifications and Field Guide.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Non-Conventional Housing **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 700.30 **PROGRAM:** DOE

DISCUSSION: In the process of providing Weatherization assistance, various non-conventional housing situations may be encountered. Please seek written authorization from DCS before proceeding with the weatherization of any non-conventional dwelling.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

WEATHERIZATION ASSISTANCE PROGRAM

SUBJECT: Energy Data Collection **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 800.10 **PROGRAM:** DOE

DISCUSSION: The CAA's will be responsible for obtaining prior energy consumption data for all gas or electrically-heated homes at the time of application for weatherization. The following households shall be excluded from data collection requirement:

1. Households that have occupied the dwelling for less than one (1) full year;

2. Households which intend to relocate within the following year.

3 Households supplementing the primary heating system with wood, coal, kerosene radiant heaters, or electric space heaters.

The data collected from the utility should consist of one full year's monthly energy billings with the monthly billing periods clearly indicated. The data must indicate energy consumption for each billing period in kilowatt hours and/or MCF.

Energy consumption data shall be retained in the client file.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

Subject: Employer and Subgrantee Responsibilities **Date:** August, 2013

POLICY/GUIDANCE NUMBER: 900.01 **PROGRAM:** DOE

It shall be the responsibility of the employer to initiate and maintain such programs as may be necessary to comply with this part.

The employer shall provide training in the area of health and safety which will allow weatherization personnel to identify existing and potential threats to either the client's or crew's health and/or safety. Upon the identification of a threat to the client's health and/or safety the client will be informed in writing as to the available options for dealing with this threat.

The employer shall provide for frequent and regular inspections of the job sites, materials, and equipment to be made by competent persons designated by the employers.

The employer shall tag all machines, tools, materials, or equipment identified as being unsafe, make them inoperable by locking the controls, or physically remove them.

The employer shall permit only those employees qualified by training or experience to operate equipment and machinery.

The employer shall require its employees and its representatives to take all reasonable precautions against performing work on homes that will subject clients to health and safety risks. At the time of initial client contact, the weatherization worker will make a cursory evaluation of the individual health of the home's occupants. In cases where a person's health is fragile and/or the crew work activities constitute a health or safety hazard, the occupants will be asked to leave during the work activities.

The DCS will allow technical waivers for non-performance of audits, installations, and/or inspections, or any portion of these functions, if such action will expose workers to conditions regarded as unsafe or unhealthy as determined by OSHA Construction Industry Standards.

Expenditure of weatherization funds for materials, protective clothing, respirators, medical exams, proper tools and equipment, and other items or activities related to the health and safety of clients and workers are allowable health and safety costs under the North Dakota WAP.

When in doubt, subgrantees should seek consultation services from an OSHA subsidized professional safety consultant (See: OSHA Publication # 3047, Consultation Service for the Employer) for identifying hazards and developing a worker health and safety program.

Subgrantees must have a Subgrantee Health and Safety Policy in place to protect worker health and safety. This program should contain the following:

MSDS on the job site and available to medical personnel.

Employees should know where to go for treatment.

A written procedure for reporting medical emergencies.

A written procedure for reporting non-emergency accidents.

Provision for prompt medical attention for serious injuries.

Prompt transportation or a system for contacting an ambulance, in the case of a serious emergency.

Telephone numbers of physicians, hospitals, or ambulances should be conspicuously posted.

A First Aid program should be in place. It should include the following:

First aid training provided to every member of each crew.

CPR training provided to at least one member of each crew.

One complete First aid kit per vehicle.

One eye-wash station with at least one refill per vehicle.

Subgrantees must establish a Personal Protective Equipment Program. This program must include the following:

Respiratory Protection Procedures that provide employees with the following:

The proper personal respiratory protection equipment.

Respirator fit testing, by a trained person.

Training to employees on respirator use.

Medical examination of pulmonary capacity with a frequency recommended by appropriate OSHA standards.

Eye protection should be made available when appropriate.

Gloves and protective coveralls should be made available when needed to protect worker health or safety.

That hearing/ear protection is provided to individuals working around high decibel equipment or in high dust environments.

Uniforms or washing machines and dryers at the weatherization shop.

Agencies should have in place a Tool Safety Program designed to protect employees from work place hazards. This program should ensure the following:

Tools are safe and adequate for the job.

Ground-fault protection is provided for power tools.

Employees are trained in the safe and proper operation of tools and equipment used in their work.

Safety guards are in place on all tools that come equipped with such devices.

Ladders and scaffolding are adequate for use, have the proper weight rating, and are constructed of non-conductive material.

It is preferred that the agencies have a Fire Protection Program. This program should include the following:

Fire extinguishers are provided and are:

Located in the subgrantee offices and warehouse.

Located in each vehicle.

Inspected regularly.

Training on fire extinguisher use.

Fire emergency procedures.

It is preferred that the agencies have a Job Hazards Identification Program. This program should include the following:

Investigation for job specific safety hazards.

Hazard Communication Procedures that include the following:

Written policies for dealing with job hazards.

All hazardous materials containers labeled with:

Hazardous chemical contents.

Hazard warning appropriate for employee protection.

Legible and prominent labels on all containers.

Means of Communication for non-Routine Tasks and unlabeled chemicals.

A means for the exchange of information between subgrantees and sub-contractors regarding hazardous materials.

A catalog of Material Safety Data Sheets (MSDS) for all hazardous material should be made available to all employees, kept on file at the subgrantee offices, and on all jobs sites. The MSDS catalog should contain the following:

Specific identity of chemical and common name.

Physical and chemical characteristics.

Known acute and chronic health effects and related heath effects.

Precautionary measures.

Exposure limits.

Identification of carcinogens.

First aid procedures.

Hazardous Material Communication Policy implementation. Such implementation should include the following:

Information on where hazardous materials are located and where they are used.

Employee Information and Training on Hazardous Materials.

Training conducted at the time of initial assignment or whenever a new hazard is introduced to the work environment.

How to read and interpret labels and MSDS.

How to obtain and use hazard information, such as:

The hazards of the chemical.

Protective measures.

A Hazardous Chemicals List should be made available to employees.

Subgrantees should have written hazard evaluation procedures.

Subgrantees should have written materials on workplace hazards.

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

SUBJECT: 10 CFR 440 **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 1000.10 **PROGRAM:** DOE

TITLE 10--ENERGY

CHAPTER II--DEPARTMENT OF ENERGY

PART 440--WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS
Effective Date: 9/3/2013

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AUTHORITY: 42 U.S.C. 6861 *et seq.;* 42 U.S.C. 7101 *et seq.*

SOURCE: 49 FR 3629, Jan. 27, 1984, unless otherwise noted.

§ 440.1 Purpose and scope.

This part implements a weatherization assistance program to increase the energy efficiency of dwellings owned or occupied by low-income persons or to provide such persons renewable

energy systems or technologies, reduce their total residential expenditures, and improve their health and safety, especially low-income persons who are particularly vulnerable such as the elderly, persons with disabilities, families with children, high residential energy users, and households with high energy burden.

[65 FR 77217, Dec. 8, 2000, as amended at 71 FR 35778, June 22, 2006]

§ 440.2 Administration of grants.

Grant awards under this part shall comply with applicable law including, without limitation, the requirements of:

(a) Executive Order 12372 entitled “Intergovernmental Review of Federal Programs”, 48 FR 3130, and the DOE Regulation implementing this Executive Order entitled “Intergovernmental Review of Department of Energy Programs and Activities” (10 CFR part 1005);

(b) Office of Management and Budget Circular A-97, entitled “Rules and Regulations Permitting Federal Agencies to Provide Specialized or Technical Services to State and Local Units of Government under Title III of the Inter-Governmental Coordination Act of 1968;”

(c) Unless in conflict with provisions of this part, the DOE Financial Assistance Rule (10 CFR part 600); and

(d) Such other procedures applicable to this part as DOE may from time to time prescribe for the administration of financial assistance.

(e)(1) States, Tribes and their subawardees, including, but not limited to subrecipients, subgrantees, contractors and subcontractors that participate in the program established under this Part are required to treat all requests for information concerning applicants and recipients of WAP funds in a manner consistent with the Federal Government's treatment of information requested under the Freedom of Information Act (FOIA), 5 U.S.C. 552, including the privacy protections contained in Exemption (b)(6) of the FOIA, 5 U.S.C. 552(b)(6). Under 5 U.S.C. 552(b)(6), information relating to an individual's eligibility application or the individual's participation in the program, such as name, address, or income information, are generally exempt from disclosure.

(2) A balancing test must be used in applying Exemption (b)(6) in order to determine:

(i) Whether a significant privacy interest would be invaded;

(ii) Whether the release of the information would further the public interest by shedding light on the operations or activities of the Government; and

(iii) Whether in balancing the privacy interests against the public interest, disclosure would constitute a clearly unwarranted invasion of privacy.

(3) A request for personal information including but not limited to the names, addresses, or income information of WAP applicants or recipients would require the State or other service provider to balance a clearly defined public interest in obtaining this information against the individuals' legitimate expectation of privacy.

(4) Given a legitimate, articulated public interest in the disclosure, States and other service providers may release information regarding recipients in the aggregate that does not identify specific individuals. However, a State or service provider must apply an FOIA Exemption (b)(6) balancing test to any request for information that can not be satisfied by such less-intrusive methods.

[49 FR 3629, Jan. 27, 1984, as amended at 75 FR 11422, Mar. 11, 2010; 77 FR 11737, Feb. 28, 2012]

§ 440.3 Definitions.

As used in this part:

Act means the Energy Conservation in Existing Buildings Act of 1976, as amended, 42 U.S.C. 6851 *et seq.*

Assistant Secretary means the Assistant Secretary for Conservation and Renewable Energy or official to whom the Assistant Secretary's functions may be redelegated by the Secretary.

Base Allocation means the fixed amount of funds for each State as set forth in § 440.10(b)(1).

Base temperature means the temperature used to compute heating and cooling degree days. The average daily outdoor temperature is subtracted from the base temperature to compute heating degree days, and the base temperature is subtracted from the average daily outdoor temperature to compute cooling degree days.

Biomass means any organic matter that is available on a renewable or recurring basis, including agricultural crops and trees, wood and wood wastes and residues, plants (including aquatic plants), grasses, residues, fibers, and animal wastes, municipal wastes, and other waste materials.

CAA means a Community Action Agency.

Capital-Intensive furnace or cooling efficiency modifications means those major heating and cooling modifications which require a substantial amount of funds, including replacement and major repairs, but excluding such items as tune-ups, minor repairs, and filters.

Children means dependents not exceeding 19 years or a lesser age set forth in the State plan.

Community Action Agency means a private corporation or public agency established pursuant to the Economic Opportunity Act of 1964, Pub. L. 88-452, which is authorized to administer funds

received from Federal, State, local, or private funding entities to assess, design, operate, finance, and oversee antipoverty programs.

Cooling Degree Days means a population-weighted annual average of the climatological cooling degree days for each weather station within a State, as determined by DOE.

Deputy Assistant Secretary means the Deputy Assistant Secretary for Technical and Financial Assistance or any official to whom the Deputy Assistant Secretary's functions may be redelegated by the Assistant Secretary.

DOE means the Department of Energy.

Dwelling Unit means a house, including a stationary mobile home, an apartment, a group of rooms, or a single room occupied as separate living quarters.

Elderly Person means a person who is 60 years of age or older.

Electric base-load measures means measures which address the energy efficiency and energy usage of lighting and appliances.

Family Unit means all persons living together in a dwelling unit.

Formula Allocation means the amount of funds for each State as calculated based on the formula in § 440.10(b)(3).

Formula Share means the percentage of the total formula allocation provided to each State as calculated in § 440.10 (b)(3).

Governor means the chief executive officer of a State, including the Mayor of the District of Columbia.

Grantee means the State or other entity named in the Notification of Grant Award as the recipient.

Heating Degree Days means a population-weighted seasonal average of the climatological heating degree days for each weather station within a State, as determined by DOE.

High residential energy user means a low-income household whose residential energy expenditures exceed the median level of residential expenditures for all low-income households in the State.

Household with a high energy burden means a low-income household whose residential energy burden (residential expenditures divided by the annual income of that household) exceeds the median level of energy burden for all low-income households in the State.

Incidental Repairs means those repairs necessary for the effective performance or preservation of weatherization materials. Such repairs include, but are not limited to, framing or repairing

windows and doors which could not otherwise be caulked or weather-stripped and providing protective materials, such as paint, used to seal materials installed under this program.

Indian Tribe means any tribe, band, nation, or other organized group or community of Native Americans, including any Alaskan native village, or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, Pub. L. 92-203, 85 Stat. 688, which (1) is recognized as eligible for the special programs and services provided by the United States to Native Americans because of their status as Native Americans, or (2) is located on, or in proximity to, a Federal or State reservation or rancheria.

Local Applicant means a CAA or other public or non profit entity unit of general purpose local government.

Low income means that income in relation to family size which:

(1) At or below 200 percent of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget, except that the Secretary may establish a higher level if the Secretary, after consulting with the Secretary of Agriculture and the Secretary of Health and Human Services, determines that such a higher level is necessary to carry out the purposes of this part and is consistent with the eligibility criteria established for the weatherization program under Section 222(a)(12) of the Economic Opportunity Act of 1964;

(2) Is the basis on which cash assistance payments have been paid during the preceding twelve month-period under Titles IV and XVI of the Social Security Act or applicable State or local law; or

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

Native American means a person who is a member of an Indian tribe.

Non-Federal leveraged resources means those benefits identified by State or local agencies to supplement the Federal grant activities and that are made available to or used in conjunction with the DOE Weatherization Assistance Program for the purposes of the Act for use in eligible low-income dwelling units.

Persons with Disabilities means any individual (1) who is a handicapped individual as defined in section 7(6) of the Rehabilitation Act of 1973, (2) who is under a disability as defined in section 1614(a)(3)(A) or 223(d)(1) of the Social Security Act or in section 102(7) of the Developmental Disabilities Services and Facilities Construction Act, or (3) who is receiving benefits under chapter 11 or 15 of title 38, U.S.C.

Program Allocation means the base allocation plus formula allocation for each State.

Relevant Reporting Period means the Federal fiscal year beginning on October 1 and running through September 30 of the following calendar year.

Renewable energy system means a system which when installed in connection with a dwelling—

(1) Transmits or uses solar energy, energy derived from geothermal deposits, energy derived from biomass (or any other form of renewable energy which DOE subsequently specifies through an amendment of this part) for the purpose of heating or cooling such dwelling or providing hot water or electricity for use within such dwelling; or wind energy for nonbusiness residential purposes; and

(2) Which meets the performance and quality standards prescribed in § 440.21 (c) of this part.

Rental Dwelling Unit means a dwelling unit occupied by a person who pays rent for the use of the dwelling unit.

Residential Energy Expenditures means the average annual cost of purchased residential energy, including the cost of renewable energy resources.

Secretary means the Secretary of the Department of Energy.

Separate Living Quarters means living quarters in which the occupants do not live and eat with any other persons in the structure and which have either direct access from the outside of the building or through a common hall or complete kitchen facilities for the exclusive use of the occupants. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements, and includes shelters for homeless persons.

Shelter means a dwelling unit or units whose principal purpose is to house on a temporary basis individuals who may or may not be related to one another and who are not living in nursing homes, prisons, or similar institutional care facilities.

Single-Family Dwelling Unit means a structure containing no more than one dwelling unit.

Skirting means material used to border the bottom of a dwelling unit to prevent infiltration.

State means each of the States, the District of Columbia, American Samoa, Guam, Commonwealth of the Northern Mariana Islands, Commonwealth of Puerto Rico, and the Virgin Islands.

Subgrantee means an entity managing a weatherization project which receives a grant of funds awarded under this part from a grantee.

Support Office Director means the Director of the DOE Field Support Office with the responsibility for grant administration or any official to whom that function may be redelegated by the Assistant Secretary.

Total Program Allocations means the annual appropriation less funds reserved for training and technical assistance.

Tribal Organization means the recognized governing body of any Indian tribe or any legally established organization of Native Americans which is controlled, sanctioned, or chartered by such governing body.

Unit of General Purpose Local Government means any city, county, town, parish, village, or other general purpose political subdivision of a State.

Vestibule means an enclosure built around a primary entry to a dwelling unit.

Weatherization Materials mean:

(1) Caulking and weatherstripping of doors and windows;

(2) Furnace efficiency modifications including, but not limited to—

(i) Replacement burners, furnaces, or boilers or any combination thereof;

(ii) Devices for minimizing energy loss through heating system, chimney, or venting devices; and

(iii) Electrical or mechanical furnace ignition systems which replace standing gas pilot lights;

(3) Cooling efficiency modifications including, but not limited to—

(i) Replacement air conditioners;

(ii) Ventilation equipment;

(iii) Screening and window films; and

(iv) Shading devices.

Weatherization Project means a project conducted in a single geographical area which undertakes to weatherize dwelling units that are energy inefficient.

[49 FR 3629, Jan. 27, 1984, as amended at 50 FR 712, Jan. 4, 1985; 50 FR 49917, Dec. 5, 1985; 55 FR 41325, Oct. 10, 1990; 58 FR 12525, Mar. 4, 1993; 60 FR 29480, June 5, 1995; 65 FR 77217, Dec. 8, 2000; 71 FR 35778, June 22, 2006; 74 FR 12539, Mar. 25, 2009]

§ 440.10 Allocation of funds.

(a) DOE shall allocate financial assistance for each State from sums appropriated for any fiscal year, upon annual application.

(b) Based on total program allocations at or above the amount of $209,724,761, DOE shall determine the program allocation for each State from available funds as follows:

(1) Allocate to each State a “Base Allocation” as listed in Table 1.

Base Allocation Table

State	Base allocation
Alabama	$1,636,000
Alaska	1,425,000
Arizona	760,000
Arkansas	1,417,000
California	4,404,000
Colorado	4,574,000
Connecticut	1,887,000
Delaware	409,000
District of Columbia	487,000
Florida	761,000
Georgia	1,844,000
Hawaii	120,000
Idaho	1,618,000
Illinois	10,717,000
Indiana	5,156,000
Iowa	4,032,000
Kansas	1,925,000
Kentucky	3,615,000
Louisiana	912,000
Maine	2,493,000
Maryland	1,963,000
Massachusetts	5,111,000
Michigan	12,346,000
Minnesota	8,342,000
Mississippi	1,094,000
Missouri	4,615,000
Montana	2,123,000
Nebraska	2,013,000
Nevada	586,000
New Hampshire	1,193,000

New Jersey	3,775,000
New Mexico	1,519,000
New York	15,302,000
North Carolina	2,853,000
North Dakota	2,105,000
Ohio	10,665,000
Oklahoma	1,846,000
Oregon	2,320,000
Pennsylvania	11,457,000
Rhode Island	878,000
South Carolina	1,130,000
South Dakota	1,561,000
Tennessee	3,218,000
Texas	2,999,000
Utah	1,692,000
Vermont	1,014,000
Virginia	2,970,000
Washington	3,775,000
West Virginia	2,573,000
Wisconsin	7,061,000
Wyoming	967,000
American Samoa	120,000
Guam	120,000
Puerto Rico	120,000
Northern Mariana Islands	120,000
Virgin Islands	120,000
Total	171,858,000

(2) Subtract 171,258,000 from total program allocations.

(3) Calculate each State's formula share as follows:

(i) Divide the number of “Low Income” households in each State by the number of “Low Income” households in the United States and multiply by 100.

(ii) Divide the number of “Heating Degree Days” for each State by the median “Heating Degree Days” for all States.

(iii) Divide the number of “Cooling Degree Days” for each State by the median “Cooling Degree Days” for all States, then multiply by 0.1.

(iv) Calculate the sum of the two numbers from paragraph (b)(3)(ii) and (iii) of this section.

(v) Divide the residential energy expenditures for each State by the number of households in the State.

(vi) Divide the sum of the residential energy expenditures for the States in each Census division by the sum of the households for the States in that division.

(vii) Divide the quotient from paragraph (b)(3)(v) of this section by the quotient from paragraph (b)(3)(vi) of this section.

(viii) Multiply the quotient from paragraph (b)(3)(vii) of this section for each State by the residential energy expenditures per low-income household for its respective Census division.

(ix) Divide the product from paragraph (b)(3)(viii) of this section for each State by the median of the products of all States.

(x) Multiply the results for paragraph (b)(3)(i), (iv) and (ix) of this section for each State.

(xi) Divide the product in paragraph (b)(3)(x) of this section for each State by the sum of the products in paragraph (b)(3)(x) of this section for all States.

(4) Calculate each State's program allocation as follows:

(i) Multiply the remaining funds calculated in paragraph (b)(2) of this section by the formula share calculated in paragraph (b)(3)(xi) of this section,

(ii) Add the base allocation from paragraph (b)(1) of this section to the product of paragraph (b)(4)(i) of this section.

Subgrantees must assure that a landlord has met his/her obligation under North Dakota law before weatherizing rental property which they own.

(c) Should total program allocations for any fiscal year fall below $209,724,761, then each State's program allocation shall be reduced from its allocated amount under a total program allocation of $209,724,761 by the same percentage as total program allocations for the fiscal year fall below $209,724,761.

(d) All data sources used in the development of the formula are publicly available. The relevant data is available from the Bureau of the Census, the Department of Energy's Energy Information Administration and the National Oceanic and Atmospheric Administration.

(e) Should updates to the data used in the formula become available in any fiscal year, these changes would be implemented in the formula in the following program year.

(f) DOE may reduce the program allocation for a State by the amount DOE determines cannot be reasonably expended by a grantee to weatherize dwelling units during the budget period for which financial assistance is to be awarded. In reaching this determination, DOE will consider

the amount of unexpended financial assistance currently available to a grantee under this part and the number of dwelling units which remains to be weatherized with the unexpended financial assistance.

(g) DOE may increase the program allocation of a State by the amount DOE determines the grantee can expend to weatherize additional dwelling units during the budget period for which financial assistance is to be awarded.

(h) The Support Office Director shall notify each State of the program allocation for which that State is eligible to apply.

[60 FR 29480, June 5, 1995, as amended at 74 FR 12539, Mar. 25, 2009]

§ 440.11 Native Americans.

(a) Notwithstanding any other provision of this part, the Support Office Director may determine, after taking into account the amount of funds made available to a State to carry out the purposes of this part, that:

(1) The low-income members of an Indian tribe are not receiving benefits under this part equivalent to the assistance provided to other low-income persons in the State under this part and

(2) The low-income members of such tribe would be better served by means of a grant made directly to provide such assistance.

(b) In any State for which the Support Office Director shall have made the determination referred to in paragraph (a) of this section, the Support Office Director shall reserve from the sums that would otherwise be allocated to the State under this part not less than 100 percent, or more than 150 percent, of an amount which bears the same ratio to the State's allocation for the fiscal year involved as the population of all low-income Native Americans for whom a determination under paragraph (a) of this section has been made bears to the population of all low-income persons in the State.

(c) The Support Office Director shall make the determination prescribed in paragraph (a) of this section in the event a State:

(1) Does not apply within the sixty-day time period prescribed in § 440.12(a);

(2) Recommends that direct grants be made for low-income members of an Indian tribe as provided in § 440.12(b)(5);

(3) Files an application which DOE determines, in accordance with the procedures in § 440.30, not to make adequate provision for the low-income members of an Indian tribe residing in the State; or

(4) Has received grant funds and DOE determines, in accordance with the procedures in § 440.30, that the State has failed to implement the procedures required by § 440.16(6).

(d) Any sums reserved by the Support Office Director pursuant to paragraph (b) of this section shall be granted to the tribal organization serving the individuals for whom the determination has been made, or where there is no tribal organization, to such other entity as the Support Office Director determines is able to provide adequate weatherization assistance pursuant to this part. Where the Support Office Director intends to make a grant to an organization to perform services benefiting more than one Indian tribe, the approval of each Indian tribe shall be a prerequisite for the issuance of a notice of grant award.

(e) Within 30 days after the Support Office Director has reserved funds pursuant to paragraph (b) of this section, the Support Office Director shall give written notice to the tribal organization or other qualified entity of the amount of funds reserved and its eligibility to apply therefor.

(f) Such tribal organization or other qualified entity shall thereafter be treated as a unit of general purpose local government eligible to apply for funds hereunder, pursuant to the provisions of § 440.13.

[49 FR 3629, Jan. 27, 1984, as amended at 58 FR 12529, Mar. 4, 1993]

§ 440.12 State application.

(a) To be eligible for financial assistance under this part, a State shall submit an application to DOE in conformity with the requirements of this part not later than 60 days after the date of notice to apply is received from the Support Office Director. After receipt of an application for financial assistance or for approval of an amendment to a State plan, the Support Office Director may request the State to submit within a reasonable period of time any revisions necessary to make the application complete or to bring the application into compliance with the requirements of this part. The Support Office Director shall attempt to resolve any dispute over the application informally and to seek voluntary compliance. If a State fails to submit timely appropriate revisions to complete the application, the Support Office Director may reject the application as incomplete in a written decision, including a statement of reasons, which shall be subject to administrative review under § 440.30 of this part.

(b) Each application shall include:

(1) The name and address of the State agency or office responsible for administering the program;

(2) A copy of the final State plan prepared after notice and a public hearing in accordance with § 440.14(a), except that an application by a local applicant need not include a copy of the final State plan;

(3) The budget for total funds applied for under the Act, which shall include a justification and explanation of any amounts requested for expenditure pursuant to § 440.18(d) for State administration;

(4) The total number of dwelling units proposed to be weatherized with grant funds during the budget period for which assistance is to be awarded—

(i) With financial assistance previously obligated under this part, and

(ii) With the program allocation to the State;

(5) A recommendation that a tribal organization be treated as a local applicant eligible to submit an application pursuant to § 440.13(b), if such a recommendation is to be made;

(6) A monitoring plan which shall indicate the method used by the State to insure the quality of work and adequate financial management control at the subgrantee level;

(7) A training and technical assistance plan which shall indicate how funds for training and technical assistance will be used; and

(8) Any further information which the Secretary finds necessary to determine whether an application meets the requirements of this part.

(c) On or before 60 days from the date that a timely filed application is complete, the Support Office Director shall decide whether DOE shall approve the application. The Support Office Director may—

(1) Approve the application in whole or in part to the extent that the application conforms to the requirements of this part;

(2) Approve the application in whole or in part subject to special conditions designed to ensure compliance with the requirements of this part; or

(3) Disapprove the application if it does not conform to the requirements of this part.

(Approved by the Office of Management and Budget under control number 1904-0047)

[49 FR 3629, Jan. 27, 1984, as amended at 50 FR 712, Jan. 4, 1985; 55 FR 41325, Oct. 10, 1990; 58 FR 12529, Mar. 4, 1993; 60 FR 29481, June 5, 1995]

§ 440.13 Local applications.

(a) The Support Office Director shall give written notice to all local applicants throughout a State of their eligibility to apply for financial assistance under this part in the event:

(1) A State, within which a local applicant is situated, fails to submit an application within 60 days after notice in accordance with § 440.12(a) or

(2) The Support Office Director finally disapproves the application of a State, and, under § 440.30, either no appeal is filed or the Support Office Director's decision is affirmed.

(b) To be eligible for financial assistance, a local applicant shall submit an application pursuant to § 440.12(b) to the Support Office Director within 30 days after receiving the notice referred to in paragraph (a) of this section.

(c) In the event one or more local applicants submits an application for financial assistance to carry out projects in the same geographical area, the Support Office Director shall hold a public hearing with the same procedures that apply under section § 440.14(a).

(d) Based on the information provided by a local applicant and developed in any hearing held under paragraph (c) of this section, the Support Office Director shall determine in writing whether to award a grant to carry out one or more weatherization projects.

(e) If there is an adverse decision in whole or in part under paragraph (d) of this section, that decision is subject to administrative review under § 440.30 of this part.

(f) If, after a State application has been finally disapproved by DOE and the Support Office Director approves local applications under this section, the Support Office Director may reject a new State application in whole or in part as disruptive and untimely without prejudice to submission of an application for the next program year.

(Approved by the Office of Management and Budget under control number 1904-0047)

[49 FR 3629, Jan. 27, 1984, as amended at 58 FR 12525, 12529, Mar. 4, 1993]

§ 440.14 State plans.

(a) Before submitting to DOE an application, a State must provide at least 10 days notice of a hearing to inform prospective subgrantees, and must conduct one or more public hearings to receive comments on a proposed State plan. The notice for the hearing must specify that copies of the plan are available and state how the public may obtain them. The State must prepare a transcript of the hearings and accept written submission of views and data for the record.

(b) The proposed State plan must:

(1) Identify and describe proposed weatherization projects, including a statement of proposed subgrantees and the amount of funding each will receive;

(2) Address the other items contained in paragraph (c) of this section; and

(3) Be made available throughout the State prior to the hearing.

(c) After the hearing, the State must prepare a final State plan that identifies and describes:

(1) The production schedule for the State indicating projected expenditures and the number of dwelling units, including previously weatherized units which are expected to be weatherized annually during the program year;

(2) The climatic conditions within the State;

(3) The type of weatherization work to be done;

(4) An estimate of the amount of energy to be conserved;

(5) Each area to be served by a weatherization project within the State, and must include for each area:

(i) The tentative allocation;

(ii) The number of dwelling units expected to be weatherized during the program year; and

(iii) Sources of labor.

(6) How the State plan is to be implemented, including:

(i) An analysis of the existence and effectiveness of any weatherization project being carried out by a subgrantee;

(ii) An explanation of the method used to select each area served by a weatherization project;

(iii) The extent to which priority will be given to the weatherization of single-family or other high energy-consuming dwelling units;

(iv) The amount of non-Federal resources to be applied to the program;

(v) The amount of Federal resources, other than DOE weatherization grant funds, to be applied to the program;

(vi) The amount of weatherization grant funds allocated to the State under this part;

(vii) The expected average cost per dwelling to be weatherized, taking into account the total number of dwellings to be weatherized and the total amount of funds, Federal and non-Federal, expected to be applied to the program;

(viii) The average amount of the DOE funds specified in § 440.18(c)(1) through (9) to be applied to any dwelling unit;

(ix) [Reserved]

(x) The procedures used by the State for providing additional administrative funds to qualified subgrantees as specified in § 440.18(d);

(xi) Procedures for determining the most cost-effective measures in a dwelling unit;

(xii) The definition of “low-income” which the State has chosen for determining eligibility for use statewide in accordance with § 440.22(a);

(xiii) The definition of “children” which the State has chosen consistent with § 440.3; and

(xiv) The amount of Federal funds and how they will be used to increase the amount of weatherization assistance that the State obtains from non-Federal sources, including private sources, and the expected leveraging effect to be accomplished.

[65 FR 77217, Dec. 8, 2000, as amended at 66 FR 58366, Nov. 21, 2001]

§ 440.15 Subgrantees.

(a) The grantee shall ensure that:

(1) Each subgrantee is a CAA or other public or nonprofit entity;

(2) Each subgrantee is selected on the basis of public comment received during a public hearing conducted pursuant to § 440.14(a) and other appropriate findings regarding:

(i) The subgrantee's experience and performance in weatherization or housing renovation activities;

(ii) The subgrantee's experience in assisting low-income persons in the area to be served; and

(iii) The subgrantee's capacity to undertake a timely and effective weatherization program.

(3) In selecting a subgrantee, preference is given to any CAA or other public or nonprofit entity which has, or is currently administering, an effective program under this part or under title II of the Economic Opportunity Act of 1964, with program effectiveness evaluated by consideration of factors including, but not necessarily limited to, the following:

(i) The extent to which the past or current program achieved or is achieving weatherization goals in a timely fashion;

(ii) The quality of work performed by the subgrantee;

(iii) The number, qualifications, and experience of the staff members of the subgrantee; and

(iv) The ability of the subgrantee to secure volunteers, training participants, public service employment workers, and other Federal or State training programs.

(b) The grantee shall ensure that the funds received under this part will be allocated to the entities selected in accordance with paragraph (a) of this section, such that funds will be allocated to areas on the basis of the relative need for a weatherization project by low-income persons.

(c) If DOE finds that a subgrantee selected to undertake weatherization activities under this part has failed to comply substantially with the provisions of the Act or this part and should be replaced, such finding shall be treated as a finding under § 440.30(i) for purposes of § 440.30.

(d) Any new or additional subgrantee shall be selected at a hearing in accordance with § 440.14(a) and upon the basis of the criteria in paragraph (a) of this section.

(e) A State may terminate financial assistance under a subgrant agreement for a grant period only in accordance with established State procedures that provide to the subgrantee appropriate notice of the State's reasons for termination and afford the subgrantee an adequate opportunity to be heard.

[49 FR 3629, Jan. 27, 1984, as amended at 55 FR 41326, Oct. 10, 1990; 58 FR 12526, Mar. 4, 1993; 65 FR 77218, Dec. 8, 2000]

§ 440.16 Minimum program requirements.

Prior to the expenditure of any grant funds each grantee shall develop, publish, and implement procedures to ensure that:

(a) No dwelling unit may be weatherized without documentation that the dwelling unit is an eligible dwelling unit as provided in § 440.22;

(b) Priority is given to identifying and providing weatherization assistance to:

(1) Elderly persons;

(2) Persons with disabilities;

(3) Families with children;

(4) High residential energy users; and

(5) Households with a high energy burden.

(c) Financial assistance provided under this part will be used to supplement, and not supplant, State or local funds, and, to the maximum extent practicable as determined by DOE, to increase the amounts of these funds that would be made available in the absence of Federal funds provided under this part;

(d) To the maximum extent practicable, the grantee will secure the services of volunteers when such personnel are generally available, training participants and public service employment

workers, other Federal or State training program workers, to work under the supervision of qualified supervisors and foremen;

(e) To the maximum extent practicable, the use of weatherization assistance shall be coordinated with other Federal, State, local, or privately funded programs in order to improve energy efficiency and to conserve energy;

(f) The low-income members of an Indian tribe shall receive benefits equivalent to the assistance provided to other low-income persons within a State unless the grantee has made the recommendation provided in § 440.12(b)(5);

(g) No dwelling unit may be reported to DOE as completed until all weatherization materials have been installed and the subgrantee, or its authorized representative, has performed a final inspection(s) including any mechanical work performed and certified that the work has been completed in a workmanlike manner and in accordance with the priority determined by the audit procedures required by § 440.21; and

(h) Subgrantees limit expenditure of funds under this part for installation of materials (other than weatherization materials) to abate energy-related health and safety hazards, to a list of types of such hazards, permissible abatement materials and their costs which is submitted, and updated as necessary at the same time as an annual application under § 440.12 of this part and which DOE shall approve if—

(1) Elimination of such hazards are necessary before, or as a result of, installation of weatherization materials; and

(2) The grantee sets forth a limitation on the percent of average dwelling unit costs which may be used to abate such hazards which is reasonable in light of the primary energy conservation purpose of this part;

(i) The benefits of weatherization to occupants of rental units are protected in accordance with § 440.22(b)(3) of this part.

(Approved by the Office of Management and Budget under control number 1904-0047)

[49 FR 3629, Jan. 27, 1984, as amended at 58 FR 12526, Mar. 4, 1993; 65 FR 77218, Dec. 8, 2000]

§ 440.17 Policy Advisory Council.

(a) Prior to the expenditure of any grant funds, a State policy advisory council, or a State commission or council which serves the same functions as a State policy advisory council, must be established by a State or by the Regional Office Director if a State does not participate in the Program which:

(1) Has special qualifications and sensitivity with respect to solving the problems of low-income persons, including the weatherization and energy conservation problems of these persons;

(2) Is broadly representative of organizations and agencies, including consumer groups that represent low-income persons, particularly elderly and handicapped low-income persons and low-income Native Americans, in the State or geographical area in question; and

(3) Has responsibility for advising the appropriate official or agency administering the allocation of financial assistance in the State or area with respect to the development and implementation of a weatherization assistance program.

(b) Any person employed in any State Weatherization Program may also be a member of an existing commission or council, but must abstain from reviewing and approving activities associated with the DOE Weatherization Assistance Program.

(c) States which opt to utilize an existing commission or council must certify to DOE, as a part of the annual application, of the council's or commission's independence in reviewing and approving activities associated with the DOE Weatherization Assistance Program.

[49 FR 3629, Jan. 27, 1984, as amended at 58 FR 12529, Mar. 4, 1993; 65 FR 77218, Dec. 8, 2000]

§ 440.18 Allowable expenditures.

(a) Except as adjusted, the expenditure of financial assistance provided under this part for labor, weatherization materials, and related matters included in paragraphs (c)(1) through (9) of this section shall not exceed an average of $6,500 per dwelling unit weatherized in the State, except as adjusted in paragraph (c) of this section.

(b) The expenditure of financial assistance provided under this part for labor, weatherization materials, and related matters for a renewable energy system, shall not exceed an average of $3,000 per dwelling unit.

(c) The $6,500 average will be adjusted annually by DOE beginning in calendar year 2010 and the $3,000 average for renewable energy systems will be adjusted annually by DOE beginning in calendar year 2007, by increasing the limitations by an amount equal to:

(1) The limitation amount for the previous year, multiplied by

(2) The lesser of:

(i) The percentage increase in the Consumer Price Index (all items, United States city average) for the most recent calendar year completed before the beginning of the year for which the determination is being made, or

(ii) Three percent.

(3) For the purposes of determining the average cost per dwelling limitation, costs for the purchase of vehicles or other certain types of equipment as defined in 10 CFR part 600 may be amortized over the useful life of the vehicle or equipment.

(d) Allowable expenditures under this part include only:

(1) The cost of purchase and delivery of weatherization materials;

(2) Labor costs, in accordance with § 440.19;

(3) Transportation of weatherization materials, tools, equipment, and work crews to a storage site and to the site of weatherization work;

(4) Maintenance, operation, and insurance of vehicles used to transport weatherization materials;

(5) Maintenance of tools and equipment;

(6) The cost of purchasing vehicles, except that any purchase of vehicles must be referred to DOE for prior approval in every instance.

(7) Employment of on-site supervisory personnel;

(8) Storage of weatherization materials, tools, and equipment;

(9) The cost of incidental repairs if such repairs are necessary to make the installation of weatherization materials effective;

(10) The cost of liability insurance for weatherization projects for personal injury and for property damage;

(11) The cost of carrying out low-cost/no-cost weatherization activities in accordance with § 440.20;

(12) The cost of weatherization program financial audits as required by § 440.23(d);

(13) Allowable administrative expenses under paragraph (d) of this section; and

(14) Funds used for leveraging activities in accordance with § 440.14(b)(9)(xiv); and

(15) The cost of eliminating health and safety hazards elimination of which is necessary before, or because of, installation of weatherization materials.

(e) Not more than 10 percent of any grant made to a State may be used by the grantee and subgrantees for administrative purposes in carrying out duties under this part, except that not more than 5 percent may be used by the State for such purposes, and not less than 5 percent must be made available to subgrantees by States. A State may provide in its annual plan for recipients of grants of less than $350,000 to use up to an additional 5 percent of such grants for

administration if the State has determined that such recipient requires such additional amount to implement effectively the administrative requirements established by DOE pursuant to this part.

(f) No grant funds awarded under this part shall be used for any of the following purposes:

(1) To weatherize a dwelling unit which is designated for acquisition or clearance by a Federal, State, or local program within 12 months from the date weatherization of the dwelling unit would be scheduled to be completed; or

(2) To install or otherwise provide weatherization materials for a dwelling unit weatherized previously with grant funds under this part, except:

(i) As provided under § 440.20;

(ii) If such dwelling unit has been damaged by fire, flood, or act of God and repair of the damage to weatherization materials is not paid for by insurance; or

(iii) That dwelling units partially weatherized under this part or under other Federal programs during the period September 30, 1975, through September 30, 1993, may receive further financial assistance for weatherization under this part. While DOE will continue to require these homes to be reported separately, States may count these homes as completions for the purposes of compliance with the per-home expenditure limit in § 440.18. Each dwelling unit must receive a new energy audit which takes into account any previous energy conservation improvements to the dwelling.

[58 FR 12526, Mar. 4, 1993, as amended at 65 FR 77218, Dec. 8, 2000; 66 FR 58366, Nov. 21, 2001; 71 FR 35778, June 22, 2006; 74 FR 12540, Mar. 25, 2009]

§ 440.19 Labor.

Payments for labor costs under § 440.18(c)(2) must consist of:

(a) Payments permitted by the Department of Labor to supplement wages paid to training participants, public service employment workers, or other Federal or State training programs; and

(b) Payments to employ labor or to engage a contractor (particularly a nonprofit organization or a business owned by disadvantaged individuals which performs weatherization services), provided a grantee has determined an adequate number of volunteers, training participants, public service employment workers, or other Federal or State training programs are not available to weatherize dwelling units for a subgrantee under the supervision of qualified supervisors.

[65 FR 77218, Dec. 8, 2000]

§ 440.20 Low-cost/no-cost weatherization activities.

(a) An eligible dwelling unit may be weatherized without regard to the limitations contained in § 440.18 (e)(2) or § 440.21(b) from funds designated by the grantee for carrying out low-cost/no-cost weatherization activities provided:

(1) Inexpensive weatherization materials are used, such as water flow controllers, furnace or cooling filters, or items which are primarily directed toward reducing infiltration, including weatherstripping, caulking, glass patching, and insulation for plugging and

(2) No labor paid with funds provided under this part is used to install weatherization materials referred to in paragraph (a)(1) of this section.

(b) A maximum of 10 percent of the amount allocated to a subgrantee, not to exceed $50 in materials costs per dwelling unit, may be expended to carry out low-cost/no-cost weatherization activities, unless the Support Office Director approves a higher expenditure per dwelling unit.

[49 FR 3629, Jan. 27, 1984, as amended at 50 FR 713, Jan. 4, 1985; 58 FR 12529, Mar. 4, 1993]

§ 440.21 Weatherization materials standards and energy audit procedures.

(a) Paragraph (b) of this section describes the required standards for weatherization materials. Paragraph (c)(1) of this section describes the performance and quality standards for renewable energy systems. Paragraph (c)(2) of this section specifies the procedures and criteria that are used for considering a petition from a manufacturer requesting the Secretary to certify an item as a renewable energy system. Paragraphs (d) and (e) of this section describe the cost-effectiveness tests that weatherization materials must pass before they may be installed in an eligible dwelling unit. Paragraph (f) of this section lists the other energy audit requirements that do not pertain to cost-effectiveness tests of weatherization materials. Paragraphs (g) and (h) of this section describe the use of priority lists and presumptively cost-effective general heat waste reduction materials as part of a State's energy audit procedures. Paragraph (i) of this section explains that a State's energy audit procedures and priority lists must be re-approved by DOE every five years.

(b) Only weatherization materials which are listed in appendix A to this part and which meet or exceed standards prescribed in appendix A to this part may be purchased with funds provided under this part. However, DOE may approve an unlisted material upon application from any State.

(c)(1) A system or technology shall not be considered by DOE to be a renewable energy system under this part unless:

(i) It will result in a reduction in oil or natural gas consumption;

(ii) It will not result in an increased use of any item which is known to be, or reasonably expected to be, environmentally hazardous or a threat to public health or safety;

(iii) Available Federal subsidies do not make such a specification unnecessary or inappropriate (in light of the most advantageous allocation of economic resources); and

(iv) If a combustion rated system, it has a thermal efficiency rating of at least 75 percent; or, in the case of a solar system, it has a thermal efficiency rating of at least 15 percent.

(2) Any manufacturer may submit a petition to DOE requesting the Secretary to certify an item as a renewable energy system.

(i) Petitions should be submitted to: Weatherization Assistance Program, Office of Energy Efficiency and Renewable, Mail Stop EE-2K, 1000 Independence Avenue, SW., Washington, DC 20585.

(ii) A petition for certification of an item as a renewable energy system must be accompanied by information demonstrating that the item meets the criteria in paragraph (c)(1) of this section.

(iii) DOE may publish a document in the FEDERAL REGISTER that invites public comment on a petition.

(iv) DOE shall notify the petitioner of the Secretary's action on the request within one year after the filing of a complete petition, and shall publish notice of approvals and denials in the FEDERAL REGISTER .

(d) Except for materials to eliminate health and safety hazards allowable under § 440.18(c)(15), each individual weatherization material and package of weatherization materials installed in an eligible dwelling unit must be cost-effective. These materials must result in energy cost savings over the lifetime of the measure(s), discounted to present value, that equal or exceed the cost of materials, installation, and on-site supervisory personnel as defined by the Department. States have the option of requiring additional related costs to be included in the determination of cost-effectiveness. The cost of incidental repairs must be included in the cost of the package of measures installed in a dwelling.

(e) The energy audit procedures must assign priorities among individual weatherization materials in descending order of their cost-effectiveness according to paragraph (d) of this section after:

(1) Adjusting for interaction between architectural and mechanical weatherization materials by using generally accepted engineering methods to decrease the estimated fuel cost savings for a lower priority weatherization material in light of fuel cost savings for a related higher priority weatherization material; and

(2) Eliminating any weatherization materials that are no longer cost-effective, as adjusted under paragraph (e)(1) of this section.

(f) The energy audit procedures also must—

(1) Compute the cost of fuel saved per year by taking into account the climatic data of the area where the dwelling unit is located, where the base temperature that determines the number of heating or cooling degree days (if used) reasonably approximates conditions when operation of

heating and cooling equipment is required to maintain comfort, and must otherwise use reasonable energy estimating methods and assumptions;

(2) Determine existing energy use and energy requirements of the dwelling unit from actual energy bills or by generally accepted engineering calculations;

(3) Address significant heating and cooling needs;

(4) Make provision for the use of advanced diagnostic and assessment techniques which DOE has determined are consistent with sound engineering practices;

(5) Identify health and safety hazards to be abated with DOE funds in compliance with the State's DOE-approved health and safety procedures under § 440.16(h);

(6) Treat the dwelling unit as a whole system by examining its heating and cooling system, its air exchange system, and its occupants' living habits and needs, and making necessary adjustments to the priority of weatherization materials with adequate documentation of the reasons for such an adjustment; and

(7) Be specifically approved by DOE for use on each major dwelling type that represents a significant portion of the State's weatherization program in light of the varying energy audit requirements of different dwelling types including single-family dwellings, multi-family buildings, and mobile homes.

(g) For similar dwelling units without unusual energy-consuming characteristics, energy audits may be accomplished by using a priority list developed by conducting, in compliance with paragraphs (b) through (f) of this section, site-specific energy audits of a representative subset of these dwelling units. For DOE approval, States must describe how the priority list was developed, how the subset of similar homes was determined, and circumstances that will require site-specific audits rather than the use of the priority lists. States also must provide the input data and list of weatherization measures recommended by the energy audit software or manual methods for several dwelling units from the subset of similar units.

(h) States may use, as a part of an energy audit, general heat waste reduction weatherization materials that DOE has determined to be generally cost-effective. States may request approval to use general heat waste materials not listed in DOE policy guidance by providing documentation of their cost-effectiveness and a description of the circumstances under which such materials will be used.

(i) States must resubmit their energy audit procedures (and priority lists, if applicable, under certain conditions) to DOE for approval every five years. States must also resubmit to DOE, for approval every five years, their list of general heat waste materials in addition to those approved by DOE in policy guidance, if applicable. Policy guidance will describe the information States must submit to DOE and the circumstances that reduce or increase documentation requirements.

[65 FR 77218, Dec. 8, 2000, as amended at 71 FR 35778, June 22, 2006]

§ 440.22 Eligible dwelling units.

(a) A dwelling unit shall be eligible for weatherization assistance under this part if it is occupied by a family unit:

(1) Whose income is at or below 200 percent of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget,

(2) Which contains a member who has received cash assistance payments under Title IV or XVI of the Social Security Act or applicable State or local law at any time during the 12-month period preceding the determination of eligibility for weatherization assistance; or

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

(b) A subgrantee may weatherize a building containing rental dwelling units using financial assistance for dwelling units eligible for weatherization assistance under paragraph (a) of this section, where:

(1) The subgrantee has obtained the written permission of the owner or his agent;

(2) Not less than 66 percent (50 percent for duplexes and four-unit buildings, and certain eligible types of large multi-family buildings) of the dwelling units in the building:

(i) Are eligible dwelling units, or

(ii) Will become eligible dwelling units within 180 days under a Federal, State, or local government program for rehabilitating the building or making similar improvements to the building; and

(3) The grantee has established procedures for dwellings which consist of a rental unit or rental units to ensure that:

(i) The benefits of weatherization assistance in connection with such rental units, including units where the tenants pay for their energy through their rent, will accrue primarily to the low-income tenants residing in such units;

(ii) For a reasonable period of time after weatherization work has been completed on a dwelling containing a unit occupied by an eligible household, the tenants in that unit (including households paying for their energy through their rent) will not be subjected to rent increases unless those increases are demonstrably related to matters other than the weatherization work performed;

(iii) The enforcement of paragraph (b)(3)(ii) of this section is provided through procedures established by the State by which tenants may file complaints, and owners, in response to such

complaints, shall demonstrate that the rent increase concerned is related to matters other than the weatherization work performed; and

(iv) No undue or excessive enhancement shall occur to the value of the dwelling units.

(4)(i) A building containing rental dwelling units meets the requirements of paragraph (b)(2), and paragraphs (b)(3)(ii) and (b)(3)(iv), of this section if it is included on the most recent list posted by DOE of Assisted Housing and Public Housing buildings identified by the U.S. Department of Housing and Urban Development as meeting those requirements.

(ii) A building containing rental dwelling units meets the requirements of paragraph (b)(2), and paragraph (b)(3)(iv), of this section if it is included on the most recent list posted by DOE of Assisted Housing and Public Housing buildings identified by the U.S. Department of Housing and Urban Development as meeting those requirements.

(iii) A building containing rental dwelling units meets the requirement of paragraph (b)(2) of this section if it is included on the most recent list posted by DOE of Low Income Housing Tax Credit buildings identified by the U.S. Department of Housing and Urban Development as meeting that requirement and of Rural Housing Service Multifamily Housing buildings identified by the U.S. Department of Agriculture as meeting that requirement.

(iv) For buildings identified under paragraphs (b)(4)(i), (ii) and (iii) of this section, States will continue to be responsible for ensuring compliance with the remaining requirements of this section, and States shall establish requirements and procedures to ensure such compliance in accordance with this section.

(c) In order to secure the Federal investment made under this part and address the issues of eviction from and sale of property receiving weatherization materials under this part, States may seek landlord agreement to placement of a lien or to other contractual restrictions;

(d) As a condition of having assistance provided under this part with respect to multifamily buildings, a State may require financial participation, when feasible, from the owners of such buildings. Such financial participation shall not be reported as program income, nor will it be treated as if it were appropriated funds. The funds contributed by the landlord shall be expended in accordance with the agreement between the landlord and the weatherization agency.

(e) In devising procedures under paragraph (b)(3)(iii) of this section, States should consider requiring use of alternative dispute resolution procedures including arbitration.

(f) A State may weatherize shelters. For the purpose of determining how many dwelling units exist in a shelter, a grantee may count each 800 square feet of the shelter as a dwelling unit or it may count each floor of the shelter as a dwelling unit.

[58 FR 12528, Mar. 4, 1993, as amended at 65 FR 77219, Dec. 8, 2000; 74 FR 12540, Mar. 25, 2009; 75 FR 3856, Jan. 25, 2010]

§ 440.23 Oversight, training, and technical assistance.

(a) The Secretary and the appropriate Support Office Director, in coordination with the Secretary of Health and Human Services, shall monitor and evaluate the operation of projects carried out by CAA's receiving financial assistance under this part through on-site inspections, or through other means, in order to ensure the effective provision of weatherization assistance for the dwelling units of low-income persons.

(b) DOE shall also carry out periodic evaluations of a program and weatherization projects that are not carried out by a CAA and that are receiving financial assistance under this part.

(c) The Secretary and the appropriate Support Office Director, the Comptroller General of the United States, and for a weatherization project carried out by a CAA, the Secretary of Health and Human Services or any of their duly authorized representatives, shall have access to any books, documents, papers, information, and records of any weatherization project receiving financial assistance under the Act for the purpose of audit and examination.

(d) Each grantee shall ensure that audits by or on behalf of subgrantees are conducted with reasonable frequency, on a continuing basis, or at scheduled intervals, usually annually, but not less frequently than every two years, in accordance with 10 CFR part 600, and OMB Circular 110, Attachment F, as applicable.

(e) The Secretary may reserve from the funds appropriated for any fiscal year an amount not to exceed 20 percent to provide, directly or indirectly, training and technical assistance to any grantee or subgrantee. Such training and technical assistance may include providing information concerning conservation practices to occupants of eligible dwelling units.

[49 FR 3629, Jan. 27, 1984, as amended at 58 FR 12529, Mar. 4, 1993; 74 FR 12540, Mar. 25, 2009]

§ 440.24 Recordkeeping.

Each grantee or subgrantee receiving Federal financial assistance under this part shall keep such records as DOE shall require, including records which fully disclose the amount and disposition by each grantee and subgrantee of the funds received, the total cost of a weatherization project or the total expenditure to implement the State plan for which assistance was given or used, the source and amount of funds for such project or program not supplied by DOE, the average costs incurred in weatherization of individual dwelling units, the average size of the dwelling being weatherized, the average income of households receiving assistance under this part, and such other records as DOE deems necessary for an effective audit and performance evaluation. Such recordkeeping shall be in accordance with the DOE Financial Assistance Rule, 10 CFR part 600, and any further requirements of this part.

[58 FR 12529, Mar. 4, 1993]

§ 440.25 Reports.

DOE may require any recipient of financial assistance under this part to provide, in such form as may be prescribed, such reports or answers in writing to specific questions, surveys, or questionnaires as DOE determines to be necessary to carry out its responsibilities or the responsibilities of the Secretary of Health and Human Services under this part.

(Approved by the Office of Management and Budget under control number 1901-0127)

§§ 440.26-440.29 [Reserved]

§ 440.30 Administrative review.

(a) An applicant shall have 20 days from the date of receipt of a decision under § 440.12 or § 440.13 to file a notice requesting administrative review. If an applicant does not timely file such a notice, the decision under § 440.12 or § 440.13 shall become final for DOE.

(b) A notice requesting administrative review shall be filed with the Support Office Director and shall be accompanied by a written statement containing supporting arguments and requesting, if desired, the opportunity for a public hearing.

(c) A notice or any other document shall be deemed filed under this section upon receipt.

(d) On or before 15 days from receipt of a notice requesting administrative review which is timely filed, the Support Office Director shall forward to the Deputy Assistant Secretary, the notice requesting administrative review, the decision under § 440.12 or § 440.13 as to which administrative review is sought, a draft recommended final decision for the concurrence of the Deputy Assistant Secretary, and any other relevant material.

(e) If the applicant requests a public hearing, the Deputy Assistant Secretary, within 15 days, shall give actual notice to the State and FEDERAL REGISTER notice of the date, place, time, and procedures which shall apply to the public hearing. Any public hearing under this section shall be informal and legislative in nature.

(f) On or before 45 days from receipt of documents under paragraph (d) of this section or the conclusion of the public hearing, whichever is later, the Deputy Assistant Secretary shall concur in, concur in as modified, or issue a substitute for the recommended decision of the Support Office Director.

(g) On or before 15 days from the date of receipt of the determination under paragraph (f) of this section, the Governor may file an application, with a supporting statement of reasons, for discretionary review by the Assistant Secretary. On or before 15 days from filing, the Assistant Secretary shall send a notice to the Governor stating whether the Deputy Assistant Secretary's determination will be reviewed. If the Assistant Secretary grants review, a decision shall be issued no later than 60 days from the date review is granted. The Assistant Secretary may not

issue a notice or decision under this paragraph without the concurrence of the DOE Office of General Counsel.

(h) A decision under paragraph (f) of this section shall be final for DOE if there is no review under paragraph (g) of this section. If there is review under paragraph (g) of this section, the decision thereunder shall be final for DOE, and no appeal shall lie elsewhere in DOE.

(i) Prior to the effective date of the termination of eligibility for further participation in the program because of failure to comply substantially with the requirements of the Act or of this part, a grantee shall have the right to written notice of the basis for the enforcement action and the opportunity for a public hearing notwithstanding any provisions to contrary of 10 CFR 600.26, 600.28(b), 600.29, 600.121(c), and 600.443. A notice under this paragraph shall be mailed by the Support Office Director by registered mail, return-receipt requested, to the State, local grantee, and other interested parties. To obtain a public hearing, the grantee must request an evidentiary hearing, with prior FEDERAL REGISTER notice, in the election letter submitted under Rule 2 of 10 CFR 1024.4 and the request shall be granted notwithstanding any provisions of Rule 2 to the contrary.

[55 FR 41326, Oct. 10, 1990, as amended at 58 FR 12529, Mar. 4, 1993]

Appendix A to Part 440—Standards for Weatherization Materials

The following Government standards are produced by the Consumer Product Safety Commission and are published in title 16, Code of Federal Regulations:

Thermal Insulating Materials for Building Elements Including Walls, Floors, Ceilings, Attics, and Roofs Insulation—organic fiber—conformance to Interim Safety Standard in 16 CFR part 1209;

Fire Safety Requirements for Thermal Insulating Materials According to Insulation Use—Attic Floor—insulation materials intended for exposed use in attic floors shall be capable of meeting the same flammability requirements given for cellulose insulation in 16 CFR part 1209;

Enclosed spaces—insulation materials intended for use within enclosed stud or joist spaces shall be capable of meeting the smoldering combustion requirements in 16 CFR part 1209.

The following standards which are not otherwise set forth in part 440 are incorporated by reference and made a part of part 440. The following standards have been approved for incorporation by reference by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. These materials are incorporated as they exist on April 5, 1993 and a notice of any change in these materials will be published in the FEDERAL REGISTER. The standards incorporated by reference are available for inspection at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: *http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.*

The standards incorporated by reference in part 440 can be obtained from the following sources:

Air Conditioning and Refrigeration Institute, 1501 Wilson Blvd., Arlington, VA 22209; (703) 524-8800.

American Gas Association, 1515 Wilson Blvd., Arlington, VA 22209; (703) 841-8400.

American National Standards Institute, Inc., 1430 Broadway, New York, NY 10018; (212) 642-4900.

American Society of Mechanical Engineers, United Engineering Center, 345 East 47th Street, New York, NY 10017; (212) 705-7800.

American Society for Testing and Materials, 1916 Race Street, Philadelphia, PA 19103; (215) 299-5400.

American Architectural Manufacturers Association, 1540 East Dundee Road, Palatine, IL 60067; (708) 202-1350.

Federal Specifications, General Services Administration, Specifications Section, Room 6654, 7th and D Streets, SW, Washington, DC 20407; (202) 708-5082.

Gas Appliance Manufacturers Association, 1901 Moore St., Arlington, VA 22209; (703) 525-9565.

National Electrical Manufacturers Association, 2101 L Street, NW, Suite 300, Washington, DC 20037; (202) 457-8400.

National Fire Protection Association, Batterymarch Park, P.O. Box 9101, Quincy, MA 02269; (617) 770-3000.

National Standards Association, 1200 Quince Orchard Blvd., Gaithersburg, MD 20878; (301) 590-2300. (NSA is a local contact for materials from ASTM).

National Wood Window and Door Association, 1400 East Touhy Avenue, Des Plaines, IL 60018; (708) 299-5200.

Sheet Metal and Air Conditioning Contractors Association, P.O. Box 221230, Chantilly, VA 22022-1230; (703) 803-2980.

Steel Door Institute, 712 Lakewood Center North, 14600 Detroit Avenue, Cleveland, OH 44107; (216) 899-0100.

Steel Window Institute, 1230 Keith Building, Cleveland, OH 44115; (216) 241-7333.

Tubular Exchanger Manufacturers Association, 25 North Broadway, Tarrytown, NY 10591; (914) 332-0040.

Underwriters Laboratories, Inc., P.O. Box 75530, Chicago, IL 60675-5330; (708) 272-8800.

More information regarding the standards in this reference can be obtained from the following sources:

Environmental Protection Agency, 401 M Street, NW, Washington, DC 20006; (202) 554-1080.

National Institute of Standards and Technology, U.S. Department of Commerce, Gaithersburg, MD 20899, (301) 975-2000

Weatherization Assistance Programs Division, Conservation and Renewable Energy, Mail Stop 5G-023, Forrestal Bldg, 1000 Independence Ave, SW, Washington, DC 20585; (202) 586-2207.

Thermal Insulating Materials for Building Elements Including Walls, Floors, Ceilings, Attics, and Roofs

[Standards for conformance]

Insulation—mineral fiber:	
Blanket insulation	ASTM [1]C665-88.
Roof insulation board	ASTM C726-88.
Loose-fill insulation	ASTM C764-88.
Insulation—mineral cellular:	
Vermiculite loose-fill insulation	ASTM C516-80 (1990).
Perlite loose-fill insulation	ASTM C549-81 (1986).
Cellular glass insulation block	ASTM C552-88.
Perlite insulation board	ASTM C728-89a.
Insulation—organic fiber:	
Cellulosic fiber insulating board	ASTM C208-72 (1982).
Cellulose loose-fill insulation	ASTM C739-88.
Insulation-organic cellular:	
Preformed block-type polystyrene insulation	ASTM C578-87a.
Rigid preformed polyurethane insulation board	ASTM C591-85.
Polyurethane or polyisocyanurate insulation board faced with aluminum foil on both sides	FS [2]HH-I-1972/1 (1981).
Polyurethane or polyisocyanurate insulation board faced with felt on both sides	FS HH-I-1972/2 (1981). And Amendment 1, October 3, 1985.
Insulation—composite boards:	
Mineral fiber and rigid cellular polyurethane composite roof insulation board	ASTM C726-88.
Perlite board and rigid cellular polyurethane composite roof insulation	ASTM C984-83.

Gypsum board and polyurethane or polisocyanurate composite board	FS HH-I-1972/4 (1981).
Materials used as a patch to reduce infiltration through the building envelope	Commercially available.

[1]ASTM indicates American Society for Testing and Materials.

[2]FS indicates Federal Specifications.

Thermal Insulating Materials for Pipes, Ducts, and Equipment Such as Boilers and Furnaces

[Standards for conformance]

Insulation—mineral fiber:	
Preformed pipe insulation	ASTM [1]C547-77.
Blanket and felt insulation (industrial type)	ASTM C553-70 (1977).
Blanket insulation and blanket type pipe insulation (metal-mesh covered) (industrial type)	ASTM C592-80.
Block and board insulation	ASTM C612-83.
Spray applied fibrous insulation for elevated temperature	ASTM C720-89.
High-temperature fiber blanket insulation	ASTM C892-89.
Duct work insulation	Selected and applied according to ASTM C971-82.
Insulation—mineral cellular:	
Diatomaceous earth block and pipe insulation	ASTM C517-71 (1979)
Calcium silicate block and pipe insulation	ASTM C533-85 (1990).
Cellular glass insulation	ASTM C552-88.
Expanded perlite block and pipe insulation	ASTM C610-85.
Insulation—Organic Cellular:	
Preformed flexible elastomeric cellular insulation in sheet and tubular form	ASTM C534-88.
Unfaced preformed rigid cellular polyurethane insulation	ASTM C591-85.
Insulation skirting	Commercially available.

[1] ASTM indicates American Society for Testing and Materials.

Fire Safety Requirements for Insulating Materials According to Insulation Use

[Standards for conformance]

Attic floor	Insulation materials intended for exposed use in attic floors shall be capable of meeting the same smoldering combustion requirements given for cellulose insulation in ASTM [1]C739-88.
Enclosed space	Insulation materials intended for use within enclosed stud or joist spaces shall be capable of meeting the smoldering combustion requirements in ASTM C739-88.
Exposed interior walls and ceilings	Insulation materials, including those with combustible facings, which remain exposed and serve as wall or ceiling interior finish, shall have a flame spread classification not to exceed 150 (per ASTM E84-89a).
Exterior envelope walls and roofs	Exterior envelope walls and roofs containing thermal insulations shall meet applicable local government building code requirements for the complete wall or roof assembly.
Pipes, ducts, and equipment	Insulation materials intended for use on pipes, ducts and equipment shall be capable of meeting a flame spread classification not to exceed 150 (per ASTM E84-89a).

[1]ASTM indicates American Society for Testing and Materials.

Storm Windows

[Standards for conformance]

Storm windows:	
Aluminum insulating storm windows	ANSI/AAMA [1]1002.10-83.
Aluminum frame storm windows	ANSI/AAMA 1002.10-83.
Wood frame storm windows	ANSI/NWWDA [2]I.S. 2-87. (Section 3)
Rigid vinyl frame storm windows	ASTM [3]D4099-89.
Frameless plastic glazing storm	Required minimum thickness windows is 6 mil (.006 inches).
Movable insulation systems for windows	Commercially available.

[1] ANSI/AAMA indicates American National Standards Institute/American Architectural Manufacturers Association.

[2] ANSI/NWWDA indicates American National Standards Institute/National Wood Window & Door Association.

[3] ASTM indicates American Society for Testing and Materials.

Storm Doors

[Standards for conformance]

Storm doors—Aluminum:	
Storm Doors	ANSI/AAMA [1]1102.7-89.
Sliding glass storm doors	ANSI/AAMA 1002.10-83.
Wood storm doors	ANSI/NWWDA [2]I.S. 6-86.
Rigid vinyl storm doors	ASTM [3]D3678-88.
Vestibules:	
Materials to construct vestibules	Commercially available.
Replacement windows:	
Aluminum frame windows	ANSI/AAMA 101-88.
Steel frame windows	Steel Window Institute recommended specifications for steel windows, 1990.
Wood frame windows	ANSI/NWWDA I.S. 2-87.
Rigid vinyl frame windows	ASTM D4099-89.

[1] ANSI/AAMA indicates American National Standards Institute/American Architectural Manufacturers Association.

[2] ANSI/NWWDA indicates American National Standards Institute/National Wood Window & Door Association.

[3] ASTM indicates American Society for Testing and Materials.

Replacement Doors

[Standards for conformance]

Replacement doors—Hinged doors:	
Steel doors	ANSI/SDI [1]100-1985.
Wood doors:	
Flush doors	ANSI/NWWDA [2]I.S. 1-87. (exterior door provisions)
Pine, fir, hemlock and spruce doors	ANSI/NWWDA I.S. 6-86.
Sliding patio doors:	
Aluminum doors	ANSI/AAMA [3]101-88.
Wood doors	NWWDA I.S. 3-83.

[1] ANSI/SDI indicates American National Standards Institute/Steel Door Institute.

[2] ANSI/NWWDA indicates American National Standards Institute/National Wood Window & Door Association.

[3] ANSI/AAMA indicates American National Standards Institute/American Architectural Manufacturers Association.

Caulks and sealants:

[Standards for conformance]

Caulks and sealants:	
Putty	FS [1]TT-P-00791B, October 16, 1969 and Amendment 2, March 23, 1971.
Glazing compounds for metal sash	ASTM [2]C669-75 (1989).
Oil and resin base caulks	ASTM C570-72 (1989).
Acrylic (solvent types) sealants	FS TT-S-00230C, February 2, 1970 and Amendment 2, October 9, 1970.
Butyl rubber sealants	FS TT-S-001657, October 8, 1970.
Chlorosulfonated polyethylene sealants	FS TT-S-00230C, February 2, 1970 and Amendment 2, October 9, 1970.
Latex sealing compounds	ASTM C834-76 (1986).
Elastomeric joint sealants (normally considered to include polysulfide, polyurethane, and silicone)	ASTM C920-87.
Preformed gaskets and sealing materials	ASTM C509-84.

[1] FS indicates Federal Specifications.

[2] ASTM indicates American Society for Testing and Materials.

Weatherstripping

[Standards for conformance]

Weatherstripping	Commercially available.
Vapor retarders	Selected according to the provisions cited in ASTM [1]C755-85 (1990). Permeance not greater than 1 perm when determined according to the desiccant method de- scribed in ASTM E96-90.
Items to improve attic ventilation	Commercially available.
Clock thermostats	NEMA [2]DC 3-1989.

[1] ASTM indicates American Society for Testing and Materials.

[2] NEMA indicates National Electrical Manufacturers Association.

Heat Exchangers

[Standards for conformance]

Heat exchangers, water-to-water and steam-to-water	ASME [1]Boiler and Pressure Vessel Code, 1992, Sections II, V, VIII, IX, and X, as applicable to pressure vessels. Standards of Tubular Exchanger Manufacturers Association, Seventh Edition, 1988.
Heat exchangers with gas-fired appliances [2]	Conformance to AGA [3]Requirements for Heat Reclaimer Devices for Use with Gas-Fired Appliances No. 1-80, June 1, 1980. AGA Laboratories Certification Seal.
Heat pump water heating heat recovery systems	Electrical components to be listed by UL. [4]

[1] ASME indicates American Society of Mechanical Engineers.

[2] The heat reclaimer is for installation in a section of the vent connector from appliances equipped with draft hoods or appliances equipped with powered burners or induced draft and not equipped with a draft hood.

[3] AGA indicates American Gas Association.

[4] UL indicates Underwriters Laboratories.

Boiler/Furnace Control Systems

[Standards for conformance]

Automatic set back thermostats	Listed by UL. [1]Conformance to NEMA [2]DC 3-1989.
Line voltage or low voltage room thermostats	NEMA DC 3-1989.
Automatic gas ignition systems	ANSI [3]Z21.21-1987 and Z21.21a-1989. AGA [4]Laboratories Certification Seal.
Energy management systems	Listed by UL.
Hydronic boiler controls	Listed by UL.
Other burner controls	Listed by UL.

[1] UL indicates Underwriters Laboratories.

[2] NEMA indicates National Electrical Manufacturers Association.

[3] ANSI indicates American National Standards Institute.

[4] AGA indicates American Gas Association.

Water Heater Modifications

[Standards for conformance]

Insulate tank and distribution piping	(See insulation section of this appendix).
Install heat traps on inlet and outlet piping	Applicable local plumbing code.
Install/replace water heater heating elements	Listed by UL. [1]
Electric, freeze-prevention tape for pipes	Listed by UL.
Reduce thermostat settings	State or local recommendations.
Install stack damper, gas-fueled	ANS1 [2]Z21.66-1988, including Exhibits A&B, and ANSI Z223.1-1988.
Install stack damper, oil-fueled	UL 17, November 28, 1988, and NFPA [3]31-1987.
Install water flow modifiers	Commercially available.

[1] UL indicates Underwriters Laboratories.

[2] ANSI indicates American National Standards Institute.

[3] NFPA indicates National Fire Prevention Association.

Waste Heat Recovery Devices

[Standards for conformance]

Desuperheater/water heaters	ARI [1]470-1987.
Condensing heat exchangers	Commercially available components and in new heating furnace systems to manufacturers' specifications.
Condensing heat exchangers	Commercially available (Commercial, multi-story building, with teflon-lined tubes institutional) to manufacturers' specifications.
Energy recovery equipment	Energy Recovery Equipment and Systems Air-to-Air (1978) Sheet Metal and Air-Conditioning Contractors National Association (SMACNA). [2]

[1] ARI indicates Air Conditioning and Refrigeration Institute.

[2] SMACNA denotes Sheet Metal and Air Conditioning Contractors' National Association.

Boiler Repair and Modifications/Efficiency Improvements

[Standards for conformance]

Install gas conversion burners	ANSI [1]Z21.8-1984, (for gas or oil-fired systems) ANSI Z21.17-1984, ANSI Z21.17a-1990, and ANSI Z223.1-1988. AGA [2]Laboratories Certification seal.
Replace oil burner	UL [3]296, February 28, 1989 Revision and NFPA [4]31-1987.
Install burners (oil/gas)	ANSI Z223.1-1988 for gas equipment and NFPA 31-1987 for oil equipment.
Re-adjust boiler water temperature or install automatic boiler temperature reset control	ASME [5]CSD-1-1988, ASME CSD-1a-1989, ANSI Z223.1-1988, and NFPA 31-1987.
Replace/modify boilers	ASME Boiler and Pressure Vessel Code, 1992, Sections II, IV, V, VI, VIII, IX, and X. Boilers must be Institute of Boilers and Radiation Manufacturers (IBR) equipment.
Clean heat exchanger, adjust burner air shutter(s), check smoke no. on oil-fueled equipment. Check operation of pump(s) and replacement filters	Per manufacturers' instructions.
Repair combustion chambers	Refractory linings may be required for conversions.
Replace heat exchangers, tubes	Protection from flame contact with conversion burners by refractory shield.
Install/replace thermostatic radiator valves	Commercially available. One pipe steam systems require air vents on each radiator; see manufacturers' requirements.
Install boiler duty cycle control system	Commercially available. NFPA 70, National Electrical Code (NEC) 1993 and local electrical codes provisions for wiring.

[1] ANSI indicates American National Standards Institute.

[2] AGA indicates American Gas Association.

[3] UL indicates Underwriters Laboratories.

[4] NFPA indicates National Fire Prevention Association.

[5] ANSI/ASME indicates American National Standards Institute/American Society of Mechanical Engineers.

Heating and Cooling System Repairs and Tune-ups/Efficiency Improvements

[Standards for conformance]

Install duct insulation	FS [1]HH-I-558C, January 7, 1992 (see insulation sections of this appendix).
Reduce input of burner; derate gas-fueled equipment	Local utility company and procedures if applicable for gas-fueled furnaces and ANSI [2]Z223.1-1988 (NFPA [3]54-1988) including appendix H.
Repair/replace oil-fired equipment	NFPA 31-1987.
Replace combustion chamber in oil-fired furnaces or boilers	NFPA 31-1987.
Clean heat exchanger and adjust burner: adjust air shutter and check $CO_2$and stack temperature. Clean or replace air filter on forced air furnace	ANSI Z223.1-1988 (NFPA 54-1988) including appendix H.
Install vent dampers for gas-fueled heating systems	Applicable sections of ANSI Z223.1-1988 (NFPA 54-1988) including appendices H, I, J, and K. ANSI Z21.66-1988 and exhibits A & B for electrically operated dampers.
Install vent dampers for oil-fueled heating systems	Applicable sections of NFPA 31-1987 for installation and in conformance with UL [4]17, November 28, 1988.
Reduce excess combustion air:	
A: Reduce vent connector size of gas-fueled appliances	ANSI Z223.1-1988 (NFPA 54-1988) part 9 and appendices G & H.
B: Adjust barometric draft regulator for oil fuels	NFPA 31-1987 and per manufacturers' (furnace or boiler) instructions.
Replace constant burning pilot with electric ignition device on gas-fueled furnaces or boilers	ANSI Z21.71-1981, Z21.71a-1985, and Z21.71b-1989.
Readjust fan switch on forced air gas or oil-fueled furnaces	Applicable sections and appendix H of ANSI Z223.1-1988 (NFPA 54-1988) for gas furnaces and NFPA 31-1987 for oil furnaces.
Replace burners	See power burners (oil/gas).
Install/replace duct furnaces (gas)	ANSI Z223.1-1988 (NFPA 54-1988).
Install/replace heat pumps	Listed by UL.
Replace air diffusers, intakes, registers, and grilles	Commercially available.
Install/replace warm air heating metal ducts	Commercially available.
Filter alarm units	Commercially available.

[1] FS indicates Federal Specifications.

[2] ANSI indicates American National Standards Institute.

[3] NFPA indicates National Fire Prevention Association.

[4] UL indicates Underwriters Laboratories.

Replacement Furnaces, Boilers, and Wood Stoves

[Standards for conformance]

Chimneys, fireplaces, vents and solid fuel burning appliances	NFPA [1]211-1988.
Gas-fired furnaces	ANS1 [2]Z21.47-1987, Z21.47a-1988, and Z21.47b-1989. ANSI Z223.1-1988 (NFPA 54-1988).
Oil-fired furnaces	UL [3]727, August 27, 1991 Revision and NFPA 31-1987.
Liquified petroleum gas storage	NFPA 58-1989.
Ventilation fans:	
Including electric attic, ceiling, and whole house fans	UL 507, August 23, 1990 Revision.

[1] NFPA indicates National Fire Prevention Association.

[2] ANSI indicates American National Standards Institute.

[3] UL indicates Underwriters Laboratories.

Air Conditioners and Cooling Equipment

[Standards for conformance]

Air conditioners:	
Central air conditioners	ARI [1]210/240-1989.
Room size units	ANSI/AHAM [2]RAC-1-1982.
Other cooling equipment:	
Including evaporative coolers, heat pumps and other equipment	UL [3]1995, November 30, 1990. [4]

[1] ARI indicates Air Conditioning and Refrigeration Institute.

[2] AHAM/ANSI indicates American Home Appliance Manufacturers/American National Standards Institute.

[3] UL indicates Underwriters Laboratories.

[4] This standard is a general standard covering many different types of heating and cooling equipment.

Screens, Window Films, and Reflective Materials

[Standards for conformance]

Insect screens	Commercially available.
Window films	Commercially available.
Shade screens:	
Fiberglass shade screens	Commercially available.
Polyester shade screens	Commercially available.
Rigid awnings:	
Wood rigid awnings	Commercially available.
Metal rigid awnings	Commercially available.
Louver systems:	
Wood louver systems	Commercially available.
Metal louver systems	Commercially available.
Industrial-grade white paint used as a heat-reflective measure on awnings, window louvers, doors, and exterior duct work (exposed)	Commercially available.

[58 FR 12529, Mar. 4, 1993, as amended at 69 FR 18803, Apr. 9, 2004

STATE OF NORTH DAKOTA
DIVISION OF COMMUNITY SERVICES (DCS)

SUBJECT: Forms **DATE:** August, 2013

POLICY/GUIDANCE NUMBER: 1000.20 **PROGRAM:** DOE

DISCUSSION: For current weatherization forms go to www.ndwap.com.