

# ***Commonwealth of Virginia Weatherization Assistance Program***

**Operations Manual**



**VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT**

*Partners for Better Communities*

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Division of Community Development and Housing

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# Chapter 1: Introduction

## 1.1 DHCD Mission

The Virginia Department of Housing and Community Development (DHCD) partners with state, federal, local and nonprofit housing and community and economic development initiatives. DHCD programs strive to maintain the vibrancy of communities throughout the Commonwealth and include providing universal broadband access, investing in economic development initiatives, promulgating statewide building and fire regulations, preserving the affordability and efficiency of Virginia's homes and buildings, addressing homelessness, reducing eviction rates across the state and fostering innovative solutions to create affordable housing.

## 1.2 Program Background

The Weatherization Assistance Program (WAP) began in 1976 to combat high energy bills for America's most vulnerable citizens. Low-income households carry a larger burden for energy costs, typically spending 13.9% of total annual income versus 3.0% for other households (2020 ORNL study<sup>1</sup>). Often, they must cut back on health care, medicine, groceries, and childcare to pay energy bills. Weatherization helps alleviate this heavy energy burden through cost-effective building shell improvements such as insulation and air sealing; heating, ventilation, and air conditioning systems; lighting; and appliances.

The U.S. Department of Energy (DOE) grants WAP funding to Virginia DHCD, which then contracts with local agencies to deliver weatherization services to eligible residents in every part of the Commonwealth. Qualification for the WAP Program is income-based and gives priority to the elderly, people with disabilities, and families with children.

In administering WAP, DHCD aims to reduce monthly energy costs for low-income households and consequently increase the longevity of weatherized properties. The program improves health and safety by addressing specific energy-related hazards.

## 1.3 Weatherization Funding Sources

### 1.3.1 DOE Annual Formula Grant

DOE Annual Funds are administered each year typically within a three-year grant cycle. The allocations are calculated at a federal level and assigned to each Grantee. Each year, the Commonwealth receives an allocation of WAP funding from DOE. The formula for state allocations is based on three factors:

1. Low-income population
2. Climatic conditions

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<sup>1</sup> Rose, E., & Hawkins, B. (2020). Background Data and Statistics on Low-Income Energy Use and Burden for the Weatherization Assistance Program: Update for Fiscal Year 2020. Oak Ridge National Laboratory.

### 3. Residential energy expenditures by low-income households

#### 1.3.2 Low Income Home Energy Assistance Program (LIHEAP)

The U.S. Department of Health and Human Services (HHS) allocates an annual block grant to the Virginia Department of Social Services (DSS) known as LIHEAP. This program assists households with low incomes in meeting their immediate home energy needs. LIHEAP benefits are further targeted to low-income households that have a high home energy burden (percentage of income that goes to heating and cooling bills) and/or have members who are elderly, disabled, and/or young children. Of the block grant to DSS, DHCD receives 15% of the LIHEAP funds for weatherization.

#### 1.3.3 Additional Weatherization Funding

##### *Infrastructure Investment and Jobs Act (IIJA)*

The Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL), was passed in late 2021. This legislation invested \$3.5 billion in WAP, of which Virginia received a \$65.6 million allocation in 2022. IIJA funds cannot be braided with WAP formula grant funds and must be expended within 7 years of allocation.

##### *Weatherization Readiness Funds (WRF)*

In 2022, Congress authorized a set-aside of WAP funding to address the necessary repairs in dwellings deferred from receiving weatherization services or at risk of deferral. This program, known as WRF, is specifically targeted to reduce the frequency of deferred homes that require services outside the scope of weatherization before the weatherization services can commence. WRF resources may only be used on necessary repairs, cleanup, and remediation needs of the physical dwelling itself that, if left uncorrected, has led, or would lead to a deferral under DHCD's deferral policy; and if corrected, will lead to a DOE completion. A DOE completion is considered a completed weatherized project using annual formula or IIJA funds.

# Chapter 2: Eligibility

## 2.1 Client Eligibility

Eligibility for assistance under WAP is determined according to Household Income, measured as total income<sup>2</sup> by household size. Household Income must be calculated, documented, and verified according to DOE Definition of Income, most recently published as [WPN 25-3](#). Subgrantees should refer to WPN 24-3 for exceptions to income calculations and additional definitions.

To receive WAP services, Household Income must be at or below 200 percent Federal Poverty Level (FPL) or 60 percent of State Median Income (SMI), whichever is greater. [Current income limits](#) are posted on DHCD website's weatherization page. Low-income is defined in [10 CFR 440.3](#).

As stated in 10 CFR 440.16(b), weatherization requires priority to be given to the elderly, persons with disabilities, families with children, households with high energy burden, and households with high energy use. DHCD requests that subgrantees adopt a Standard Operating Procedure (SOP) for WAP priority ranking applicable to all funding sources. DHCD will request subgrantees upload their SOP into the Grant Management Plan (GMP) that documents their approach and fulfillment in a way that follows the regulation and can be monitored.

Weatherization services, including QCI and final invoice, must be completed within a 12-month period from initial client income certification. All clients are required to be income recertified and re-audited should the 12-month period be exceeded.

### 2.1.1 Client Intake

Subgrantees must ensure that they conduct and maintain a client intake process that is well planned, consistently administered, and updated regularly to include annual changes in established income ceilings, program disclaimers, and timely and important revisions to the implementation guidelines. The process may include:

1. An application
2. an interview
3. eligibility determination
4. verification of reported income (Hard copy or electronic copies of documents required).

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<sup>2</sup> Total income is the combined income of all household occupants over the age of 18 at the time of application

### *Client Applications*

WAP subgrantees must develop an application to be completed by prospective clients. Applicants must provide sufficient documentation to verify income eligibility. At a minimum, an application for WAP funding shall include:

1. Name of the applicant;
2. Physical address, mailing address, and directions to the to the property to be assisted;
3. Name and mailing address of the property owner, if different from the occupant;
4. Occupant's Contact Information to include: Telephone number, cell phone number, work telephone number, e-mail address (if applicable), or some other reliable means of communication;
5. Property Owner's Contact Information to include: Telephone number, cell phone number, work telephone number, e-mail address (if applicable), or some other reliable means of communication;
6. Names and ages of all occupants of the property to be assisted;
7. Income of all occupants 18-years of age and older;
8. Age and condition of the of the property;
9. Documentation of ownership;
10. Landlord agreement, if applicable; and
11. Signatures authorizing verification of income, authorization to disclose their information within the Subgrantee or with related agencies to complete their eligibility review.

An application for weatherization assistance must be signed by the applicant verifying accuracy of applicant information. The property owner must provide a signature authorizing weatherization work for a property. If the applicant is the owner, only one signature is required. If the applicant is a tenant, both the signature of the tenant and property owner are required.

### *Documentation on Income Eligibility*

Proof of income eligibility is a required component of any application developed by a WAP subgrantee. Acceptable proof of income via cash receipts may include:

1. Money, wages and salaries before any deductions.
2. 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).
3. 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.
4. Private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments.

5. Dividends and/or interest.
6. Net rental income and net royalties.
7. Periodic receipts from estates or trusts.
8. Net gambling or lottery winnings

Subgrantees must identify proof of income eligibility in the client file.

1. **Supporting Documentation:** For purposes of review and audit, each client file must contain an application from the client that contains the required demographics and income for the entire family living in the residence. Do not count, or enter, earned income or unemployment compensation for minors under the age of 18 (or full-time high school students) at the time of the application. The client file must also contain evidence provided by the Subgrantee that the client is eligible to receive Weatherization Assistance Program (WAP) services. This evidence may include, but is not limited to, a memorandum from a third-party certification office stipulating the income levels of the family or source documentation for each income source listed on the application. These documents can be stored electronically or retained in hard copy for each client.
2. **Eligibility Determined by Outside Agency/Program:** If income eligibility is determined by an outside agency or program, i.e. Low-Income Home Energy Assistance Program (LIHEAP), the U.S. Department of Housing and Urban Development (HUD), or the U.S. Department of Agriculture (USDA) any document used to determine eligibility, such as a copy of LIHEAP, HUD or USDA eligibility will suffice as evidence of client eligibility. This document and any related documents must be retained in the client file.
3. **Self-Certification:** After all other avenues of documenting income eligibility are exhausted, self-certification is allowable. However, evidence of the various attempts at proving eligibility must be contained in the client file, including a notarized statement signed by the potential applicant indicating that the applicant has no other proof of income.

For exclusions and other information regarding Income Eligibility, please review [WPN 25-3](#).

#### *Documentation of Ownership*

Documentation of Ownership is a required component of any application developed by a WAP subgrantee. Acceptable proof of ownership may include:

- Deed
- Mortgage statement or mortgage payment receipt
- Real estate tax bill or receipt
- School tax bill or receipt
- Written statement from local tax assessor's office, county or tribal clerk, or deeds commissioner
- Documentation from Tax assessor website

- Manufactured home title/bill of sale
- Documentation of Land Grants, Life Tenancy or Life Lease

### 2.1.2 Documenting Client Eligibility

Client eligibility is determined based upon information provided by the client during their intake process. Acceptable forms of documentation may include:

#### *Self-Certification of Income*

After all avenues of documenting income eligibility are exhausted, self-certification is allowed but evidence of the various attempts at proving eligibility must be contained in the client file, including a notarized statement signed by the potential applicant (and all household members over the age of 18) indicating that he/she has no other proof of income.

#### *Recertification of Income*

Subgrantees must recertify income if more than 12 months have elapsed from the date of initial certification. If the client's income status has changed during the 12-month time period, the client's eligibility status must be revised.

### 2.1.3 Ineligible Clients

Applicants who meet the income requirements may be ineligible for assistance based upon a range of additional factors including, but not limited to, the following:

1. A household member has health conditions that prohibit the installation of insulation or other necessary weatherization material
2. A household member is uncooperative, threatening, or abusive to the crew, subcontractors, inspectors, auditors, etc.
3. Illegal activities are occurring in the house or on the premises.

Non-U.S. citizens are subject to the Immigrant Eligibility Restrictions Under Current Law in the U.S. Department of Health and Human Services [guidelines](#). Non-citizens who fail to meet one or more of these criteria are not eligible to receive weatherization services.

## 2.2 Building Eligibility

An eligible property is one that has not received weatherization assistance for fifteen years or over and is occupied by an income eligible household. Eligible property types may be single family, multifamily, or manufactured housing residences. These include both owner-occupied and rental units.

Eligible multifamily properties are those in which 66% or more units (for buildings of 5+ units) or 50% or more units (for buildings of 2-4 units) are occupied by income-eligible households.

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.

## 2.3 Categorical Eligibility

In order to reduce the burden on both the intake agencies and households trying to obtain WAP services, DOE has expanded income eligibility to categorically include properties deemed eligible by and receiving assistance from certain programs administered by other federal agencies. The following sections describe the provisions for granting WAP program eligibility to applicants who have already met the eligibility requirements of another Subgrantee's identified program. The categorical eligibility criteria below apply to all three WAP funding sources.

**Subgrantees are responsible for consulting the most recent lists of eligible properties.** Active DOE Weatherization Program Notices and Memorandums can be located on their [resource page](#).

DOE guidance regarding extended categorical income eligibility does not apply to Low-Income Housing Tax Credit (LIHTC) properties. WAP providers should follow standard procedures for verifying individual resident incomes for LIHTC properties.

For additional information regarding client eligibility for select USDA programs, please review [WPN 25-4](#).

### 2.3.1 U.S. Department of Housing and Urban Development (HUD) Programs

[DOE WPN 22-5](#) extended categorical income eligibility to HUD means-tested programs. Examples of HUD program include, but are not limited to:

- Community Development Block Grants (CDBG)
- HOME Investment Partnerships Program (HOME)
- Lead Hazard Control & Healthy Homes Program (OLHCHH)
- Housing Choice Voucher (Section 8 Vouchers)
- Project Based Vouchers

#### *Eligible Multifamily Properties*

To aid in certifying categorical eligibility for multifamily properties, DOE and HUD have published [WAP Memorandum 109](#), which includes several spreadsheets listing HUD's public and assisted housing multifamily properties which are categorically or potentially income eligible. These lists are as follows:

1. **Eligible HUD Multifamily Buildings:** A list of multifamily buildings operated by Public Housing Authorities (PHAs) which are categorically eligible for WAP services.

These are buildings in which 66% or more units (for buildings of 5+ units) or 50% or more units (for buildings of 2-4 units) are HUD assisted, and they are categorically eligible regardless of occupancy rate.

- 2. Potentially Eligible HUD Multifamily Buildings:** A list of HUD-operated and managed multifamily buildings which *may* be eligible for WAP services.

These properties may need further verification either due to a low rate of HUD-assisted units or discrepancies in the existing databases.

For buildings included in the above list, the Subgrantee must verify that the minimum number of units are eligible for weatherization through mechanisms including, but not limited to applicant documentation, inter-Subgrantee lists of recipients, shared system databases, etc.

The method of verification of eligibility must be included in the client file.

- 3. Multifamily HUD-Assisted Buildings:** A list of privately-owned multifamily buildings containing HUD assisted units may be eligible for WAP services.

As the number of assisted units can change with occupancy, the Subgrantee will determine the percentage of income eligible residences in buildings on this list by either:

- Contacting the building owner/manager to obtain such Section 8 Housing Choice Voucher records (from HUD's Tenant Based Rental Assistance Program [TBRA]), or
- Individually verifying which residents hold such vouchers.

### *Single-Family Properties*

HUD has also provided DOE with lists of single-family buildings and duplexes which are HUD-managed and are categorically eligible for weatherization. To date, these lists have not been made available.

### 2.3.2 U.S. Department of Agriculture (USDA) Programs

[DOE WPN 25-4](#) extended categorical income eligibility to USDA means-tested low-income programs of 80% AMI or below. Subgrantees may certify that applicants have met the income requirements of USDA means-tested programs and are eligible for weatherization services through programs including, but not limited to:

- Section 521 Rental Assistance
- Section 502 Direct Home Purchase Program
- Section 533 Housing Preservation Grant Program
- Section 504 Home Repair Program

DOE has published the [USDA Eligible Building List](#), which identifies multi-family properties that meet the required minimum number of units to be eligible for WAP-assistance.

Single-family properties receiving benefits from the applicable USDA programs are also categorically eligible for WAP assistance; however, USDA has not provided a list of these buildings.

## 2.4 Ineligible Properties

Properties occupied by ineligible households are not eligible for weatherization. Other properties that may be ineligible for weatherization include, but are not limited to:

1. The building structure is not safe or structurally sound
2. The sewage system has failed and requires correction prior to installation of weatherization measures
3. Other sanitary factors are present that prohibit the timely and efficient installation of weatherization measures
4. Completion of weatherization work would endanger the client or providers
5. The property (house) has been condemned or slated for demolition
6. The presence of actionable levels of lead-based paint that cannot be mitigated by lead-safe weatherization
7. The presence of severe moisture problems that cause mold that cannot be corrected by installation of weatherization measures
8. Property is planned for relocation or sale
9. Planned property rehabilitation that will degrade installed weatherization measures
10. If the job costs would cause the Subgrantee to exceed the maximum average job cost or to exceed maximums established in local policy.

### 2.4.1 Re-weatherization

Section 1011(h) of the Energy Act of 2020 amended 42 U.S. Code § 6865(c)(2) and removed the re-weatherization date, September 30, 1994, and create a “rolling” option. Dwelling units weatherized (including dwelling units partially weatherized) under this part, or under other Federal programs (in this paragraph referred to as ‘previous weatherization’), may not receive further financial assistance for weatherization under this part until the date that is 15 years after the date such previous weatherization was completed.

This paragraph does not preclude dwelling units that have received previous weatherization from receiving assistance and services (including the provision of information and education to assist with energy management and evaluation of the effectiveness of installed weatherization materials) other than weatherization under this part or under other Federal programs, or from receiving non-Federal assistance for weatherization. The inclusion of “other Federal programs” includes all Federal funds including LIHEAP, HUD, or USDA “weatherization” activities.

Subgrantees check addresses and dates of previous service to ensure that units have not previously received assistance within the 15-year time frame. DHCD currently uses a web-based software system in which subgrantees enter client information, building information, and dates of service that acts as a cross reference against duplication.

#### 2.4.2 New Construction

Under no circumstances shall weatherization funds be used on newly constructed unit. A new construction unit is any unit under construction that is not occupied. Once a unit is completed and occupied by a resident it is no longer considered new construction.

## Chapter 3: Subgrantee

DHCD administers weatherization through subgrantees selected through a competitive application process to serve specific service territories covering the entire state. DHCD issues grants to the WAP subgrantee network to implement weatherization services from all weatherization funding sources identified in Section 3.1.

### 3.1 Criteria for Selection of Subgrantees

As defined in [10 CFR 440.15](#), subgrantees must be a Community Action Agency (CAA), a nonprofit, or other public entity. In addition, they must have:

- Possession of all State-required licenses for work being conducted (for example contractor license, RBEA license);
- Experience in performance and application of weatherization activities or housing renovation;
- Capacity, Subgrantee or subcontracted (personnel and equipment) to weatherize homes and provide timely and effective services;
- Proof of status as a Community Action Subgrantee, non-profit or public entity;
- No unresolved financial audit findings as determined by DHCD in the WAP or by other funding agencies;
- Fully disclosed any material, current or pending litigation, administrative proceedings or investigations that could impact the reputation or financial viability of the firm;
- “Good standing” status as of the date application submittal. In order to be in good standing, Applicant must not have a “suspended,” “debarred” or HUD’s Limited Denial of Participation status conferred upon it by DHCD and/or other funding sources.

Subgrantees may enter into subcontract for all or part of the scope of the Weatherization agreement with prior DHCD authorization. The subgrantee remains responsible for all contractual terms regardless of subcontracts.

Subgrantees may not contract the services of licensed contractors or sub-contractors whose business or corporate license has expired; that are debarred, suspended, or proposed for debarment; or whose license, business, or corporation has had a civil judgment rendered against them within the last three years for the following:

- commission of fraud;
- violation of federal or state anti-trust statutes;
- embezzlement, theft, forgery, bribery;
- falsification of records or making false statements;
- receiving stolen property;
- charges or charges pending for any of the prior listed offenses; and,

- public contract terminated for cause or default.

DHCD accepts applications for Weatherization periodically. Applications must be submitted to CAMS (Centralized Application and Management System). DHCD will make public announcements of new applications rounds and will hold “How to Apply Workshops” for interested parties.

DHCD requires that all Subgrantees adhere to all federal, state and local laws, rules and regulations regarding any hiring and retention of personnel. Legislated benefits accrued by the provider’s employees are to be appropriately and legally administered. Failure of the Subgrantee to comply with these requirements may result in the suspension and possible termination of the WAP agreement. All program personnel are bound by the Codes of Conduct as stated in the Virginia Administrative Code.

DHCD must be notified within seven (7) business days of employee staffing changes, if and when the positions of the Subgrantee head, the Chief Financial Officer, the WAP financial person, the program manager, the database manager and any of the inspectors or auditors are altered.

## 3.2 Service Area

Weatherization is administered statewide. Subgrantee service areas are determined at application. A subgrantee service area may include one or more localities. Weatherization funding, both Department of Energy and LIHEAP are formula based on locality; therefore, service area is the basis for subgrantee award amounts.

### 3.2.1 Cross-Service Area Weatherization

In some instances of multifamily weatherization, a subgrantee may contract with another subgrantee outside of their territory, or delegate the project to another subgrantee entirely, to perform the weatherization services required. In the case of delegation, host subgrantees should provide documentation to the servicing subgrantee with a memorandum of understanding that specifies the project location, the general scope, and other shared expectations associated with performing the weatherization services for the multifamily project.

## 3.3 Type of Assistance and Grant Term

The Weatherization program is issued as grants to both the subgrantees and clients.

The DOE WAP has a 12-month funding cycle and operates according to the fiscal cycle of the Commonwealth of Virginia (July 1 – June 30). The LIHEAP Weatherization Component has a 12-month funding cycle and operates according to the federal fiscal year (October 1 – September 30).

Based on State Plan approval by DOE, Subgrantees will receive their contracts by July 1. LIHEAP contracts are released by October 1 based on award of funds from the U.S. Department of Health and Human Services to the Virginia Department of Social Services (DSS) and subsequent award from DSS to DHCD.

Subsequent WAP and LIHEAP contracts are issued based on performance and formula awards by DHCD.

### 3.4 Ethical Standards/Code of Conduct

[Sections 2.2-3103 through Sections 2.23-3115](#) of the Virginia Code outline the code of conduct that must be upheld by DHCD and by incorporation into this document requires the Subgrantees to adhere to these codes.

### 3.5 Subgrantee Termination

DHCD may terminate a Subgrantee for failure to comply with the terms and conditions of their WAP contract if DHCD determines that the termination would be in the best interest of the Program. Reasons for termination may include, but are not limited to, work performance that fails to substantially conform to the requirements of the contract documents; refusal to proceed with the work; disregard for laws, rules, ordinances, or regulations of the public authority having jurisdiction; misuse of dedicated account funds; failure to pay vendors; failure to notify DHCD of fraud or the allegation of fraud, embezzlement, misappropriation or abuse of funds; disregard for competitive bidding; and conflict of interest as defined in the WAP agreement. Termination is undertaken in accordance with [10 CFR Part 440.15](#).

If a DHCD representative uncovers significant problem areas with the work or actions of a Subgrantee, the DHCD representative must document such problem areas and provide a report to the DHCD Program Manager, and the Associate Director of Housing. If the problems can be resolved immediately at the local level, the DHCD representative will transmit a copy of the report to the Subgrantee Weatherization Director and Executive Director. There will be no further action if the problems are corrected within the timeframe established by DHCD or if a corrective plan acceptable to DHCD is submitted and implemented.

When the problems are of such nature or magnitude that they cannot be resolved immediately at the local level or they are not resolved within the timeframe established by DHCD, the DHCD Program Administrator will prepare a memorandum with the following information:

- A presentation of all relevant facts including any history relevant to the problem;
- A summary of the issue;
- A list of possible positions that DHCD may take on the issue;
- The implications of the various above-mentioned positions; and

- A recommendation to the DHCD Program Manager on actions to be taken.

Copies of all correspondence and relevant documentation will be provided with this memorandum and submitted to the DHCD Program Manager and the Associate Director. The DHCD Program Administrator will review the position paper with DHCD Program Manager and the Associate Director and recommend that the Senior Deputy Director of the Community and Housing Division issue a “Subgrantee Warning Notice” to the Subgrantee Board Chairperson, Weatherization Director and Executive Director. The Subgrantee Warning Notice will cite specific section(s) of the WAP contract where compliance is in question, with a requirement that the Subgrantee provide a written plan within 15 calendar days for curing any alleged non-compliance.

If no response is received within 15 calendar days, the plan for resolving the alleged non-compliance is unacceptable to DHCD, or if subsequently the plan is not followed, a written “Notice of Default and Intention to Terminate” the contract may be transmitted to the Subgrantee Board Chairperson, Weatherization Director, and Executive Director. The Notice will specify the effective date of termination at least five (5) calendar days prior to such action. Failure by the Subgrantee to respond to the Notice of Default and Intention to Terminate within five (5) calendar days will result in the issuance of a “Notice of Termination” of the WAP contract.

In the case of Agreement violations by the Subgrantee, DHCD may request in writing that all or some of the grant funds be returned even if the Subgrantee has expended the funds. The Subgrantee agrees to return such funds as requested by DHCD with fifteen (15) days of receipt of the written request.

After the Notice of Termination of the contract is issued, a public hearing will be scheduled with required notice to identify a new Subgrantee to provide service to the affected area in accordance with [10 CFR Part 440.14\(a\)](#).

### 3.6 Conflict of Interest Policy

Each subgrantee must maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts ([2 CFR 200.112](#)). No subgrantee employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his/her immediate family, his/her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the subgrantee shall neither solicit nor accept gratuities, favors, or anything of monetary value from subcontractors or parties to sub-agreements (e.g., agreements governing procurement of materials). The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the subgrantee.

DHCD recognizes that all eligible homeowners or landlords should have access to WAP services regardless of any potential conflict of interest. For example, this could include, but not limited to, residences owned and maintained by DHCD subgrantees or subgrantees' employees or family members. For these cases, the subgrantee must self-report the potential conflict of interest to DHCD, present a conflict-of-interest mitigation plan, and have it approved by DHCD before submitting an application. This includes clearly demonstrating the prospective client's place on the subgrantee's WAP ranking system was properly followed. Potential mitigation measures include utilizing contractors instead of crews, presenting a complete funding plan, obtaining multiple bids in addition to clearly following subgrantee procurement policies, or having another subgrantee service the WAP client entirely.

### 3.7 Subgrantee Appeals

When a Subgrantee disputes a decision or has exhausted efforts to resolve an outstanding issue with DHCD, the Subgrantee may appeal for an administrative review. The opportunity for such administrative review is offered at the sole discretion of DHCD, and is not available as a matter of right, or as a substitute for the customary program decision-making process.

The purposes of the administrative review process are to: (a) assist the parties involved in a dispute to present their respective positions; (b) ensure that all disputed decisions are examined; and (c) provide the basis for administrative determination and resulting actions by DHCD.

To request an administrative review, a Subgrantee must submit a written request for an administrative review to:

Associate Director of Energy Efficiency  
Virginia Department of Housing and Community Development  
Main Street Centre, 600 East Main Street, Suite 300, Richmond, VA 23219.

The application for an administrative review must include the following:

- brief statement of the matters asserted;
- brief description of each subject dispute;
- reference to any particular statutes, laws, or rules involved; and,
- brief description of the remedy sought.

Upon receipt of the request, the Associate Director of Energy Efficiency will request review by another Associate Director of the Community Development or Administration Divisions. The reviewer will conduct an impartial examination of the record and will issue a report on the findings of the record. This report will be non-binding; however, it will contain a recommended decision and will be forwarded to the Senior Deputy Director of Community

Development and Housing. Upon review of the report, the Senior Deputy Director of Community Development and Housing will issue a final decision within 30 days of the date the review administrator's report is received.

## 3.8 Reporting

Subgrantees must report information through the Hancock Energy Software. DHCD creates the reports based on information entered by Subgrantees in Hancock throughout the project.

DOE requires quarterly reports on the amount of WAP funds expended and the demographic information for the households assisted. Each completed unit that receives any DHCD contracted funds shall be reported as a job completion for the funding source. Any weatherized unit must be Quality Control Inspected by the Subgrantee to be considered a job completion.

A single job completion may have multiple funding sources, and all reporting criteria must be completed as required by the funding source. Accurate and up-to-date Subgrantee operating procedures, financial management, and administration information, as well as client, project, technical, and expense reports must be maintained in the local Subgrantee's files. DHCD may request any project, financial, budget, and staffing information, as well as any additional information DHCD deems necessary. Subgrantee agencies shall submit the requested data in a reasonable amount of time (7- 10 days) or within the specified deadline as requested by DHCD.

### 3.8.1 Hancock Energy Software

DHCD receives and tracks basic information on the client application process and each job through the Hancock Energy Software (HES) data collection and reporting database. Subgrantees must have the capacity and resources to collect and manage WAP data electronically, using the current internet-based HES data collection and reporting database. In addition, Subgrantees must be capable of transferring and receiving WAP data, spreadsheets, photos, and text documents electronically, as well as connecting to the internet.

Hancock Energy Software is a third-party vendor that is currently contracted to provide a web-based weatherization reporting system for all Subgrantees throughout the state.

DHCD will make every effort to incorporate necessary changes into the Hancock system as the funding programs evolve. DHCD makes two key annual data updates in Hancock effective July 1 of every year:

- Average annual fuel costs for electricity, natural gas, propane, and fuel oil, based on most recent quarterly U.S. Energy Information Administration data.
- Measure cost data based on an annual subgrantee survey issued in November and averaged across respondents and measure observations.

There may be additional documentation required for certain types of funds or programs to report various activities in the future. Although new information is required, there may be no database fields for gathering the data due to development timelines. Separate forms will be developed and provided for additional information and/or reports. If DHCD notifies Subgrantees of additional requirements the Subgrantee shall provide the required information accurately and on schedule as notified by DHCD.

### *Database Administration and Access*

The System Administrator is David Caldwell

Email: David.caldwell@dhcd.virginia.gov

General WAP email: [WAP@dhcd.virginia.gov](mailto:WAP@dhcd.virginia.gov)

Hancock Help desk: (866) 358-5212

Email: support@hancocksoftware.com

### *Hancock WAP Online*

DHCD will request user authorization updates regularly to keep access to the Hancock system secure. A Weatherization Program Manager is required to notify the DHCD system administrator by email of any personnel changes that require an update, deactivation or editing capabilities of new or existing personnel in the Hancock system.

If users are having username or password issues, users should email the DHCD system administrator for a reset.

For new users or to upgrade access levels - A Subgrantee weatherization program manager or higher is required to authorize personnel that can access the system.

Contact the DHCD System Administrator with the information needed listed below:

1. Name
2. Email
3. Phone number
4. Hancock Access level
5. Hancock Weatherization role

Access Levels include one universal access level and three restricted levels with editing allowed within the designation areas only:

- The Subgrantee Manager level can view and edit all areas.
- Client Intake (restricted)
- Inventory and Job (restricted)
- Subgrantee Fiscal (restricted)

Weatherization Roles - The weatherization role is used to populate pick lists and allow access to certain specific areas in the system:

- Auditor – Name will show in the pick list for your Subgrantee’s energy auditors
- Furnace Tech – Name will show in the pick list for your Subgrantee’s furnace techs.
- Inspector QCI – Name will show in the pick list for your Subgrantee’s inspection screen.

Additional items requiring DHCD notification:

- Marking users as inactive who no longer require access to the system (should be done immediately).
- Adding or deleting utility and other service vendors.
- Requesting additions or edits to the master measures list.
- Adding or deleting cities, towns and counties in the Subgrantee coverage area.

### 3.8.2 Program, Financial, Job & Activity Reporting

#### *Invoice and Report Schedules*

Invoices for both DOE and LIHEAP funds are submitted to DHCD through the HES database. It is recommended that Subgrantees submit invoices on a monthly basis. Invoices are due to DHCD on or before the 15th of every month. Reports are not required if there are no complete jobs or expenditures to report, however, Subgrantees should not go more than one month without submitting a report. DHCD requires that the local agencies attach a detailed General Ledger and expense summary report for the invoice time period to each invoice submitted. Reimbursements are paid by DHCD once the required documents are reviewed and approved.

A delay in issuing a payment could result from any issues in question by DHCD. Examples include, but are not limited to, inaccurate, incomplete, or untimely reports, in addition to ineligible expenses being listed on the financial documentation.

The additional demographic, household income, and living unit data is summarized in reports in HES. All applications and job data shall be complete, accurate, and correctly entered into HES. The Hancock System will perform some aggregations, calculations, and filtering of data to produce the required data for reports within the system.

The key information sought, in addition to the financial expenditure for the reporting period, is the applicant and data on completed units:

- Number of units assisted, single-family (owned /rented), small multi-family (4 – 24 units), large multi family (25+ units) or manufactured homes (owned or rented)
- Number of units occupied, by elderly, disabled, Native Americans or families with children, which are divided into subgroups 0 – 2 years; 3 – 5 years; and 6 – 17 years old

- Total people in each household served, including the subgroups of target populations listed above and any additional non-target people
- Number of units that have been re-weatherized
- Household income data
- Primary fuel used
- Annual fuel consumption data
- Leveraged units (funds not included in DOE or LIHEAP budgets)
- High residential energy burden
- High residential energy user
- Restoration of home energy service (inoperable heating or cooling replaced or repaired)
- Prevention of loss of home energy service (replaced or repaired – other than energy efficiency reasons)

DHCD compiles and issues quarterly reports from original applicant information, job data, and local Subgrantee financial information entered into the HES by the Subgrantees. Local agencies are responsible for complete, accurate, and timely data entry in the HES for their programs.

#### *LIHEAP Household Report*

DHCD compiles and issues this report to the Department of Social Services (DSS). The required data is captured through local Subgrantee reports submitted through HES. The LIHEAP/ DOE Weatherization Client Application (paper version distributed to applicants) contains information if the applicant has received a benefit from DSS in the current program year for the following programs: Cooling Assistance, Fuel Assistance, or Crisis.

DSS Case #: If the DSS case # is known, it should be included in the Client Intake menu under Documents.

LIHEAP has Children subsets in the HES “Client Information– Household Demographic” section. These fields are required. LIHEAP reports children in two subsets of the DOE child categories:

- 6 - 18 years (DOE only)
- 3 years through 5 years (LIHEAP and DOE)
- 2 years or under, (LIHEAP and DOE)

Denied Clients: LIHEAP classifies denied as any client that is income eligible but is denied for any reason. This category also includes eligible clients on the existing waiting list but not served by the end of the program year.

#### *Other Conditionally Eligible classifications for DOE funding only*

See the Multifamily section concerning two unique unit categories which may be completed under special conditions:

- Vacant units
- Unqualified but eligible units

#### *Social Security Numbers*

Do not record Social Security numbers in the Hancock System. This could be a potential security issue and DHCD advises not to record these numbers in the system.

# Chapter 4: Weatherization & Program Management

## 4.1 Weatherization Implementation

Weatherization is the installation of materials or measures that are intended to reduce the cost of energy for low-income families while improving the health and safety of their homes. Measures will be installed in accordance with [DOE WPN 22-4](#), the [VA-aligned SWS Field Guide](#) and [the current State Plan](#).

The Virginia Weatherization Assistance Program approaches the unit as a whole, using advanced diagnostic tools and techniques to determine the measures that will deliver optimum efficiency for the most reasonable cost.

In Virginia, the program weatherizes the following dwellings:

- Single family units - To include site built and manufactured dwellings.
- Row houses and townhomes - may be treated as single-family dwelling if they have independent mechanical systems and are attached only by vertical walls that contain a continuous pressure boundary (I.e. fire-rated assembly) from the foundation to the highest point of conditioned space.
- 2-4 Unit Buildings – These buildings are treated as single-family residences from the perspective of the energy audit procedures, though they are reported as multifamily units to DOE.
- Low-Rise Multifamily – Formerly known as “Small Multifamily”, this housing category consists of buildings containing 5 or more dwellings units per building, no more than 3 stories above grade, with each individual unit containing its own mechanical system (**no central mechanical systems**).
- Large Multifamily Housing – This housing category consists of buildings containing 5 or more dwellings units that are 4 or more stories above grade, or that contain 5 or more units with centralized\shared mechanical systems.
- Homeless & Domestic Violence Shelters

Subgrantees should be familiar with the additional steps required to weatherize multifamily buildings, including various measures and safety concerns specific to multifamily family buildings as well as an owner agreement to a two-year period of affordability. DHCD highly encourages subgrantees to reach out for assistance before taking on multifamily projects containing 2-4 units and row houses, even though subgrantees are not required to seek DHCD approval to weatherize these buildings.

Large multifamily must go through DOE’s case by case review and may require additional audit software and/or information.

## 4.2 Subgrantee & Contractor Expectations

Subgrantee and contractor staff must behave in a professional manner at all times, as they function as WAP representatives. Subgrantee and contractor staff must use all required Protective Personal Equipment (PPE) and comply with Federal, State or Local codes or Program Policies, including, but not limited to OSHA and EPA guidelines.

### 4.2.1 Prohibited Activities

Subgrantees are prohibited from engaging in any of the following activities during any part of the weatherization implementation process.

- Drinking, using illegal drugs, or the inappropriate use of prescription drugs while on the job or in interactions with the client.
- Harassment, including but not limited to, physical, verbal or sexual.
- Engaging in any discussion of work, or the performance of work, with the client either at no cost or at cost of the client outside of the scope of work with the client.
- Violence against self, other staff, or the client.
- Presence of weapons or firearms at the job site.
- All other illegal and/or unprofessional activities not specified above.

### 4.2.2 Average Cost Per Unit Compliance

The Average Cost Per Unit (ACPU) is an expenditure calculation concerning financial assistance for labor, weatherization materials, and matters related to weatherization. For DOE formula grants, the ACPU expenditure for financial assistance cannot exceed \$6,500 as adjusted (see, [10 CFR 440.18\(a\) and \(c\)](#)).

The adjusted annual average for the program year is determined by using the percentage increase in the Consumer Price Index (CPI) (all items, United States city average) for Calendar Year 2023 or 3%, whichever is less. DOE set the adjusted average expenditure limit for PY 2025 to \$8,547.

Additional information about ACPU is located in [DOE WPN 24-7](#). The paragraphs below detail the ACPU for each funding source.

#### *IIJA (BIL)*

For expenditure limits and renewable energy measures, IIJA funded grants currently follow a 7-year average of annual ACPU limits from Program Years (PY) 2022-2029. DOE will track expenditures, production, and the ACPU throughout the life of the grant, but the ACPU for the award will be evaluated based on the final average ACPU.

#### *LIHEAP*

LIHEAP has a different structure for the ACPU. Virginia Weatherization follows DOE rules with some exceptions. One exception is the ACPU. Per the LIHEAP State Plan, DHCD does not require strict adherence to the ACPU. We encourage subgrantees to stay as close to the DOE ACPU as possible and high ACPU's may require monitoring and technical assistance

## WRF

The WRF ACPU for all Program Years currently is \$15,000.00.

### *Enforcement of the ACPU*

The ACPU level is monitored/enforced on the network level, but DHCD does evaluate the individual Subgrantee levels. Periodically, when DHCD identifies an elevated ACPU for a given subgrantee, DHCD will reach out to the subgrantee to discuss strategies to reduce it.

### 4.2.3 Savings to Investment Ratio Compliance

Each weatherization measure(s) (Individual measure) and package of weatherization measures (Overall Job) installed with DOE WAP funding must be proven cost-effective prior in installation.

The Subgrantee must ensure that weatherization funding is spent on energy efficiency measures which will result in a Savings to Investment Ratio (SIR) of one to one (1:1) or more. This ratio is the number that results from dividing the energy cost savings of a measure over its expected lifetime, by the total cost of the materials and the installation of the measure.

- DOE WAP funds must stop at cost effective/breakeven point (1.0 SIR). Other non WAP funds can cover the remaining balance(s) of the measure(s)/job. Sub grantees must follow the rules of each funding source they are applying to a measure/job. Subgrantees are also reminded that DHCD does not keep up with the regulation and guidelines of nonfederal funding sources such as the utility programs.
- Air sealing or air infiltration is the only measure that can have an SIR of less than 1.0 and still be funded DOE WAP funds.

The Subgrantee shall follow the generated list of measures from the currently approved energy audit software, starting with the highest SIR, and continue to install measures until they have reached the ACPU threshold. Subgrantees are encouraged to install as many  $\geq 1$  SIR measures as possible when conducting weatherization efforts, but the obligation to maintain reasonable job costs still exists for each Subgrantee.

Subgrantees may not stop at a measure simply because they do not want to perform it or do not know how to install the measure.

If measures with an  $SIR \geq 1$  are removed from the measure list due to cost, the energy audit must be re-run to ensure the remaining measures will still meet the SIR threshold of  $\geq 1$ . Audits showing the revised scope of work shall be maintained in the client's file.

Major measures are high priority measures that cannot be skipped if cost justified by the energy audit. These measures are as follows:

- Air sealing
- Duct sealing (Outside of the thermal boundary)
- Duct Insulation (Outside of the thermal boundary)
- Attic Insulation
- Wall insulation
- Floor Insulation

If major measures do not receive an SIR equal to or greater than 1.0 and are removed from the energy audit. Subgrantees must save a copy of the Energy Savings report and Data Input report before removing the measure. If these are not saved there are no records indicating the subgrantee attempted to install a “Major Measure”.

#### 4.2.4 Production Goals

A completed weatherized home counting toward subgrantee production goals is specified as follows:

- a. Weatherization services begin with the audit.
- b. Weatherization is considered completed when the client is marked “complete” in Hancock.
- c. All clients must be income recertified every 12 months until they are marked complete in Hancock.
- d. The recertification process is the same as the initial certification process.

Please follow the guidance in [2.1.2 Documenting Client Eligibility](#) for both certification and recertification.

Multifamily production is an important part of Virginia’s residential building stock. Each subgrantee may count up to 30% of its target production per grant agreement from all MF low-rise buildings using DOE-approved auditing methods. To exceed that amount, subgrantees must demonstrate efforts to fulfill adequate regional coverage, WAP client prioritization, and receive written approval from DHCD to exceed 30% on a case-by-case basis.

### 4.3 Energy Audit

It is the responsibility of the Subgrantee, under contract with the State, to install the most cost-effective weatherization measures in a unit based on a detailed analysis of the unit’s needs attained through a quality Energy Audit, using approved software. A calculation to determine the measure’s SIR will be used to justify the installation of measures.

- Single family, manufactured housing, and multifamily units with 2-4 units will be modeled with Hancock’s Home Energy Auditing Tool (HEAT).
- Low-rise multifamily (3 stories or less, with units that are individually heated/cooled) will be modeled with HEAT (for non-DOE funded projects only), or DOE-approved

Priority list. Modeled low-rise complexes must be approved by the DOE Project Officer when using IIJA or DOE formula funding.

- Large multifamily buildings (4 stories or more, where buildings are centrally heated/cooled) will be considered on a case-by-case basis and approval must be granted by a DOE Project Officer.

The DHCD Weatherization program recognizes that it is impossible to address all situations that may arise in the field when a dwelling is being estimated, audited, or when work is being performed. As always, professional results depend on thorough investigations of existing conditions, proper use of technical tools, the auditors and crew's knowledge of weatherization standards and good judgment on the work site. Local Weatherization Subgrantees are encouraged to contact DHCD's Technical Monitor/Quality Control Inspection staff with any questions or for clarifications regarding work quality or policy. It is important to note that required customer documentation (including utility bill copies or signed utility release forms) should be collected prior to the commencement of the energy audit.

#### 4.3.1 Energy Audit Procedures

VA DHCD follows BPI 1200 standards. Subgrantees must verify the labor and material cost for each measure. If the cost of a measure(s) has increased, then the audit must be recalculated to verify the SIR calculations are still accurate.

Additional Information is located:

- [ANSI-BPI-1100-T-2023 Home Energy Auditing Standard 2023-06-06.pdf](#)
- [ANSI BPI-1200-S-2017 Standard Practice for Basic Analysis of Buildings 2023-05-19.pdf](#)

#### 4.3.2 Use of the Standard Work Specifications (SWS) and the Virginia SWS Field Guide

Local Weatherization Subgrantees are responsible for completing all weatherization work in compliance with National Renewable Energy Laboratory's (NREL) Standardized Work Specifications and the Virginia Program Operations Manual. DHCD has successfully integrated NREL's Standard Work Specifications Tool into the Virginia SWS Field guide. [The VA-Aligned Standard Work Specification Field Guide can be found here.](#)

DHCD's technical standards for weatherization comply with national weatherization standards. Subgrantees are required to follow the priorities established in the Standards and based upon the home audit/estimation which includes several diagnostic tests using specialized equipment. These documents are required to be referenced for guidelines, application and standards. These standards apply to both direct hire crews and private

contractors. Quality Control inspections will be conducted using these materials as a guide.

## 4.4 Final Inspections

Quality Control Inspections (QCI) must be conducted within 30 days of weatherization completion. QCIs are sometimes referred to by DHCD and DOE as Final Inspections. Subgrantees may request an extension from DHCD with properly documented reasons of why a delay is needed. These requests will be reviewed by DHCD on a case-by-case basis.

- [DOE WPN 22-4 Quality Work Plan Requirement Update](#)
- [ANSI-BPI-1100-T-2023 Home Energy Auditing Standard 2023-06-06.pdf](#)
- [ANSI BPI-1200-S-2017 Standard Practice for Basic Analysis of Buildings 2023-05-19.pdf](#)

## 4.5 Subgrantee Engagement

DHCD requests and highly encourages subgrantees to engage with numerous stakeholder processes throughout the grant cycle. These opportunities are offered to subgrantees for timely feedback and critical input on program implementation processes. These opportunities include, but are not limited to, the following:

- Monthly network meetings
- VACAP Weatherization Peer Exchange (ongoing)
- Weatherization Interchange Conference (August)
- VACAP Weatherization Symposium (February)
- Annual Operations Manual Review (November)
- Annual Measure Cost Survey (November/December)
- Annual Plan Reviews (January to April)

## 4.6 Weatherization Resources and Standard Practices

This section provides several Weatherization resources.

- [VA-Aligned SWS Field Guide](#) - The Virginia Weatherization Field Guide presents procedures to analyze and retrofit existing buildings for energy efficiency, health, and safety under the Department of Energy's Weatherization Assistance Program.
- [DOE Weatherization Program Notices & Memorandums](#) – DOE's website that provides regulatory and programmatic guidance.
- [DHCD Information Notices](#) - DHCD provides the Virginia WAP network with program updates via Information Notices (IN). These are sent out as changes are made to the program. Changes can be either federally driven or State specific.

- **DHCD's State Plan** – Submitted annually to DOE. Contains information on Virginia's DHCD WAP plan, including budgetary, subgrantee, and technical information.

# Chapter 5: Complaints & Dispute Resolution

## 5.1 Complaints & Dispute Resolution

Any individual receiving assistance must receive written notification of subgrantee's grievance policy. Grievance policies must be board-approved and provide specific procedures to be followed for any disputed decision affecting this assistance. Project participants contacting DHCD directly will be referred back to the subgrantee's grievance policy. The subgrantee must be prepared to provide documentation of the grievance record for all project participant grievances. DHCD will review and approve all grievance policies.

Subgrantees may terminate assistance to a project participant who violates program requirements and resume assistance to a project participant whose assistance was previously terminated. Termination must include a formal process that recognizes the rights of individuals receiving assistance to the due process of law. This process must include at least two levels. The initial level of the process should be held by the subgrantee organization wherein the grievance is reviewed or heard by an individual other than the person (or subordinate of that person) who made or approved the termination decision. Should the client or household disagree with the decision made by the initial reviewer, a second level must be available for an appeal. This two-level process, at a minimum, must consist of: (1) Written notice to the project participant containing a clear statement of the reasons for termination; (2) Prompt written notice of the final decision to the project participant; and (3) Written policy for continuing assistance to surviving family members, in the event of a death of a head of household, that establishes a reasonable grace period of continued assistance to surviving family members, not to exceed one year, measured from the date of death of the participant.

Subgrantees have the responsibility to resolve all client complaints, including applicant denials, project deferrals, and work quality issues. Agencies shall establish a clear, objective, and prompt dispute resolution process. If the internal procedures fail to remedy a complaint, the resolution process must include mediation and arbitration.

Clients must be informed at time of application of their right to file a grievance. Agencies will also be responsive to requests for information regarding the dispute resolution process. Clients may withdraw a grievance at any time with the understanding that they may re-enter the process at the point they withdrew if a complaint is not resolved.

The following model is an example of a resolution process. The model can be modified to meet a Subgrantee's structure and approach. Remember to carefully consider on a case-by-case basis client grievance that cannot be easily or quickly resolved.

1. A grievance must be filed in writing for a subgrantee to take action, except when a client complaint can be resolved quickly.

2. Local agencies' process must include the following client rights:
  - a. Have a representative speak on behalf of the client – including an interpreter if needed.
  - b. Review and obtain copies of the client's file.
  - c. Present oral and written statements.
  
3. The client will be informed of a decision to the resolution process within 10 working days of complaint receipt. Subgrantees must:
  - a. Document each step of a grievance proceeding, including communication with the client.
  - b. If a grievance is slated for mediation or arbitration DHCD will serve as the mediator. The Subgrantee will need to document this process and inform DHCD.
  - c. Inform DHCD of final resolution due to mediation or arbitration.
  - d. Make all compliant and grievance documentation, including all resolutions, formal and informal, available to DHCD for review upon request.
  - e. If the client wishes to appeal any decision resolution, these will be sent to DHCD to resolve.
  
4. DHCD role and responsibilities:
  - a. Approve subgrantee's dispute resolution process.
  - b. Monitor subgrantee's use of approved process.
  - c. Be available for technical assistance and consultation.
  - d. Process any appeals.
  - e. Review complaints that DHCD receives and determine if client has gone through all steps of approved dispute resolution process. If not, refer client back to subgrantee to complete approved process.

DHCD recommends coordinating with a local dispute resolution center and professional arbitration services when crafting a dispute resolution process. The subgrantee must make every attempt to resolve the grievance/complaint prior to referring the client to DHCD. If the service provider fails to obtain resolution, they may contact DHCD for additional assistance. DHCD will get involved only after being assured by the subgrantee that all means to resolve the grievance/complaint have been exhausted.

## Chapter 6: Record Keeping

All subgrantees are expected to maintain documentation of all program implementation activities in a clear, consistent, and orderly manner. Records provide a historical representation of the thoroughness and appropriateness of service delivery and conformance to applicable rules and regulations.

Files and records must be retained for three years after the closure of the DOE or LIHEAP grant to the State Grantee. The Local Administrator shall maintain such records. Records shall be readily accessible to DHCD, appropriate state and federal agencies, and the general public during the course of the grant and shall remain intact and accessible for three years thereafter. The exception is if any litigation claim or audit is started before the expiration of the three-year period, the records shall be retained until such action is resolved.

For property and equipment, the retention period starts upon disposition of the property/equipment.

Records consist of two main types: administrative and client. Administrative records include all documents related to program implementation, including financial records that are not directly related to individual client names and client property addresses.

Administrative records and files are associated with the following general areas:

- Contracts, amendments
- Financial Management
- Procurement and Advertising
- Fair Housing
- Personnel/Sub-contractor Training and Certification
- Vehicle, Equipment, and Materials Inventories or ledgers.

Financial records, supporting documents, statistical records, client records, or any other pertinent information must be kept for three years. A record keeping system is more complete if these records can be easily cross-referenced or accessed. A cross-referencing process can be created by using date, job ID number, address of service delivery, invoice number, etc.

### 6.1 Client Record Keeping

While each Subgrantee has its own client intake process and forms, all Subgrantees are expected to maintain the same basic client information. Since the Hancock database provides the best means to maintain large volumes of client records from many different program years for several years, the forms used to obtain the client information can and may vary from Subgrantee to Subgrantee. However, copies of the information used to obtain the information must be retained because these documents contain client signatures that indicate their authorization to collect their personal information and to perform construction work on their property.

The intake interview obtains information that qualifies or disqualifies a client for inclusion in the Weatherization Assistance Program. Specific demographical information about the client is required for reporting to DHCD and the federal government. This information must be maintained in the client records. This includes:

- Owner Name
- Occupant Name
- Vulnerability Determination (elderly, disabled, or children present)
- Number of residents in the household
- Income
- Property Information

In addition to the above, each Subgrantee is required to maintain an individual client file for each job completed that must include the following color photos (digital memory card or printed):

- Before & After color photos of all weatherization measures completed to include incidental repairs and health and safety measures
- Before & After color photos of any re-work issues found during the final inspection and then corrected prior to submittal of the job as a completion
- In-progress photos of any lead-safe work practices including containment and signage that were completed on the job.

Photos must be made available to DHCD upon request. When submitting photos, please ensure photos submitted are oriented correctly and not sideways or upside down. Faxed or black and white photos are not acceptable.

**Note:** Providers must remember that **personal information is private information**. In addition to the requirement to maintain records all efforts must be made to ensure the privacy and dignity of the client. Client files must not contain social security numbers.

Client records must include service delivery information. Service delivery information includes, but is not limited to, the following:

- Inspector/Estimator Report
- Work write-up or work description
- Crew/Sub-contractor identification
- Weatherization Measures Installed
- Audit Reports
- Job Completion Date
- Job Final Inspection Date
- Materials/and equipment installed
- Quality Control Inspection form

**Note:** The job completion and final inspection dates are critical to determine matters related to re-weatherization. This documentation can also assist in protecting the providing Subgrantee from liability issues or claims of fraud.

## 6.2 Financial Records

Financial records occur in two major categories: “Revenue” (income) and “Costs” (expenditures). Each major category can be broken down into smaller parts as follows:

### Revenue

- Grant Funds
- Program Income earned through grant supported activities
- Rental fees
- Earned Interest
- Other earnings

### Costs

Costs are the actual money spent by the Subgrantee to fulfill the services required. Costs are either “Allowable” or “Not Allowed.” Allowable costs are the direct and indirect expenses that support the weatherization program and can be properly invoiced. Allowable Costs are defined in [2 CFR 200.403](#) and [10 CFR 440.18](#).

## Chapter 7: Health & Safety

Workers' and clients' health and safety (H&S) are priorities for WAP. WAP follows federal and state regulations to ensure health and safety compliance. Fifteen percent (15%) of all Subgrantee WAP contract funds are reserved specifically for H&S activities. There is also an average per unit expenditure limit of 15% of the average cost per unit. Subgrantees may request reimbursement for H&S activities directly from this line item. Unused H&S funds may be converted to the Program Operations (support) budget category. Expenditures for H&S related activities listed on the H&S line item are not calculated into the average cost per unit for completed projects.

This chapter outlines H&S fundamentals, worker, and client H&S.

### 7.1 Health and Safety Fundamentals

Health and safety actions are defined by [10 CFR 440.18\(d\)\(15\)](#) as actions necessary to maintain the physical well-being of both the occupants and/or weatherization workers. Actions must be taken to effectively and safely complete weatherization work or the actions are necessary as a result of weatherization work. All actions taken must be in accordance with [DHCD's State Plan](#).

The Weatherization Grantee Health and Safety Plan, a supporting document within the WAP program, details the policies surrounding incidental repairs; deferrals, health and safety category definitions, and required actions to mitigate health and safety hazards. When weatherizing a home, WAP crews must follow protocols outlined in the [Appendix A-Forms and Templates](#) Additional guidance regarding Health and Safety is referenced in [10 CFR 440 Rule](#) and [WPN 22-7](#).

#### 7.1.1 Required Client Forms

DOE requires DHCD to maintain signed copies of the H&S Plan implementation in each client file. Subgrantees are required to have the following documents on file:

**1. Occupant Pre-Existing or Potential Health Conditional Screen** – Provides occupants an opportunity to self-report known or suspected health concerns as part of initial application for weatherization, which must minimally contain:

- Any known risks associated with measures and materials being installed
- Subgrantee point of contact information for occupants
- Date of screening

**2. Hazard Identification Notification** – Provides documentation that the occupant and landlord (if applicable) have been informed of any potential hazards identified during the energy audit or intake process. Must minimally contain the following:

- Date(s) of the energy audit/assessment and when the occupant(s) (and landlord, if applicable) was informed of a potential H&S issue
- A clear description of the problem, including any testing results

- A statement indicating if, or when weatherization could continue

**3. Randon Informed Consent Form** – Provides documentation that the occupant and landlord (if applicable) have been informed of any potential hazards associated with radon in weatherized dwellings. The form must minimally contain the following:

- An explanation on the potential small risk of increasing radon levels when building tightness is improved. This is based on the results of the Buildings Assessment of Radon Reduction Interventions with Energy retrofits Expansion Study (The BEX Study)
- A list of precautionary measures WAP will install based on EPA’s Healthy Indoor Environment Protocols.
- Benefits of Weatherization including energy savings, energy cost savings, improved home comfort, and increased safety.
- Confirmation that EPA’s A Citizen’s Guide to Radon was received and radon related risks were discussed with the client.

### 7.1.2 Health Inspection

A Health and Safety inspection must be completed as part of the Energy Audit. These inspections include, but are not limited to, the following:

- Air Conditioning and Heating Systems
- Asbestos Containing Materials (ACM)
- Biologicals and Unsanitary conditions
- Building Structure and its ability to accept WAP measures
- Code compliance
- Combustion gases
- Electrical safety
- Formaldehyde, VOCs, flammable liquids, and air pollutants
- Fuel leaks
- Gas ovens, stovetops, and ranges
- Hazardous materials
- Lead-based paint
- Mold and moisture
- Pests
- Smoke and Carbon Monoxide alarms and fire extinguishers
- Occupant concerns and conditions
- Ventilation and Indoor Air Quality
- Window and door replacement

Clients must be informed in writing of hazards that are identified during the audit and installation. The document must be signed by the client.

### 7.1.3 Ineligible H&S Measures and Conditions

Health and Safety measures should not exceed reasonable costs. Discretion must be applied when considering the degree to which these measures are installed. All discrepancies must be documented thoroughly in the client file.

Health and Safety funds may not be used for the following:

- Replacement of appliances unless explicitly listed in this chapter
- Asbestos abatement
- Lead abatement
- Major mold and moisture remediation
- Bacteria and virus remediation
- Building rehabilitation
- Correction of preexisting code compliance issues (State and local codes must be followed while performing weatherization work)
- Window and door replacement

While H&S conditions are not a reason for deferral from the program if they are eligible for mitigation as described in [Appendix A – Forms and Templates/ Health & Safety](#), conditions that would require ineligible H&S measures or introduce unacceptable H&S conditions would necessitate a deferral. Deferral from the program may be necessary in the following related situations:

- The client has known health conditions that prohibit the installation of weatherization materials.
- The client is uncooperative, abusive or threatening.
- The illegal presence or use of controlled substances in the home exists during the weatherization process.
- There are unsecured pets or wildlife that may pose a danger to workers.
- The client refuses measures or declines services.
- The building structure or components are in such a state of disrepair that failure is imminent, and the conditions cannot be resolved cost-effectively.
- The house has sewage or other sanitary problems that would further endanger the client and installers if weatherization work is performed.
- The house has been condemned.
- Moisture problems that are beyond the scope of this guidance.
- Any condition which may endanger the weatherization workers is beyond the scope of this guidance.

See [Chapter 8: Deferrals](#) for additional information on deferrals.

## 7.2 Worker Health & Safety

This section discussed worker H&S and communications.

### 7.2.1 Crew/Contractor Safety

Workers must follow OSHA standards and Safety Data Sheets (SDS) and take precautions to ensure the health and safety of themselves and other workers. SDS must be posted wherever workers may be exposed to hazardous materials. OSHA 10-hour (or equivalent) training is required for all workers. OSHA 30 (or equivalent) is required for crew leaders. This will be verified during the annual technical monitoring visits and/or during desk monitoring. Training records will be verified annually during technical monitoring and quarterly, via updates from Energy Solutions Training Center. Workers must be trained in proper use of equipment and tools and must maintain any necessary or required licenses and/or certifications. Subgrantees are required to ensure that all workers are trained and that their training is documented in personnel files. Training costs may be reimbursed through the T/TA budget line item. Detailed information on training requirements is found in [DHCD Information Notice 02-2024](#).

### 7.2.2 Hazard Communication Plan (HCP)

Virginia complies with OSHA's Hazard Communication Standards by requiring all crew members that work on client homes to take mandatory OSHA training courses. Crew members are required to learn the appropriate handling and safe use of hazardous chemicals in the workplace and in the homes of the Weatherization client. Training is provided to inform workers on how to read product labels for hazardous chemicals and the use of safety data sheets.

## 7.3 Client Education & Safety

Client education is necessary for a weatherized home to continue its functionality. When necessary, weatherization providers will provide documentation of health and safety hazards that may impact an occupant. If deferral is necessary, the weatherization provider will provide documentation outlining conditions that must be met for weatherization to commence. Additional information is covered in the [Appendix A – Forms and Templates](#).

## Chapter 8: Deferrals

This section addresses home deferrals from WAP. Homes are deferred based on disrepair, health, and/or safety conditions that prevent installation of key weatherization measures.

Deferral from the program may also be necessary in the following situations:

- The client has known health conditions that prohibit the installation of weatherization materials.
- The client is uncooperative, abusive or threatening.
- The illegal presence or use of controlled substances in the home exists during the weatherization process.
- There are unsecured pets or wildlife that may pose a danger to workers.
- The client refuses measures or declines services.
- The building structure or components are in such a state of disrepair that failure is imminent, and the conditions cannot be resolved cost-effectively.
- The house has sewage or other sanitary problems that would further endanger the client and installers if weatherization work is performed.
- The house has been condemned.
- Moisture problems that are beyond the scope of this guidance.
- Any condition which may endanger the weatherization workers and is beyond the scope of this guidance.

### 8.1 Subgrantee Deferral Policy

Subgrantees are required to develop a deferral policy. The client must be notified in writing regarding the deferral. The deferral policy should include reason(s) for deferral; specifics on how clients are notified of deferral; appeal procedure; and a template for tracking deferrals.

The Subgrantee is also required to develop a referral policy based on the resources available in their service area. The client must be notified in writing regarding the referral. This document must include the reason for referral and contact information of the client receiving the referral and appropriate and specific referral program contact information for their community. This information should be tracked alongside deferrals. As the Grantee, the DHCD WAP program should not be listed as one of the designated agencies for referral from the weatherization program.

### 8.2 Deferral Repairs

Homes can be made weatherization ready if the reason for deferral can be reasonably remedied or addressed through repairs. Subgrantees can fund such repairs from non-federal sources using fund-braiding approaches or stacking federal funds using WRF resources.

Note that some health and safety conditions are identified by WAP as mandatory for repair and are not considered deferrals for the purposes of this chapter. An example of such a

condition is a non-functioning heating system, for which the client cannot be deferred and must be replaced or repaired through WAP Health and Safety funding; additional information is located in [10.4.6 Health & Safety](#).

Additionally, homes which are repaired to make them ready to receive weatherization services should be audited after repairs are made. Conducting the energy audit after the repair ensures that the energy savings and the SIR are computed according to DOE requirements. Moreover, conducting the energy audit after the deferral repair measures helps ensure deferral repair funding is not inappropriately mixed with funding for weatherization repair measures.

### 8.3 Weatherization Readiness Funds

U.S. DOE [WPN 23-4](#) outlines that WRF funding was created to address structural and health and safety issues not covered in Virginia's DOE-approved WAP State Plan (Section V.7) of homes at risk for deferral.

- Subgrantees should use WRF to prevent a potential weatherization project from deferral or to move a deferred project into a weatherization-ready state for production by mitigating repair measures typically outside the scope of WAP.
- Measures funded by WRF must be installed preferably before or in conjunction with WAP-funded weatherization services.
- WRF can be leveraged with other funding sources outside of WAP funding sources.
- Application of WRF funding can be made with any DOE- or IJJA-funded weatherization job across the grant cycle.
- Repairs under WRF must result in a DOE- or IJJA-funded completion.

Prioritization will be given to previously deferred units and units with elderly, disabled, or families with children.

WRF measures must be installed in a reasonable amount of time and does not exempt the subgrantee from recertifying beyond the 12-month income eligibility period.

WRF is created as a separate fund in Hancock for all Subgrantees. Allowable measures are in Hancock for reporting purposes. When selecting a WRF measure the measure comment must contain clarifying comments explaining why these repairs are required to eliminate the deferral in order to weatherize the home.

WRF financial, administrative, and technical monitoring will be conducted in conjunction with formula fund and WAP/IJJA monitoring. Additional monitoring may start with a desktop review prior to payment.

## 8.4 Repair Eligibility

### 8.4.1 Eligible Repairs

WRF funding may be used for the following repairs before, or concurrent to, the commencement of weatherization services.

- Roof repair (>100 sq. Feet) and replacement
- Wall repair (interior and exterior)
- Ceiling repair
- Floor repair
- Exterior drainage repair
- Plumbing repairs
- Electrical repairs
- Remediation beyond typical scope of WAP including:
  - Lead paint remediation
  - Asbestos remediation (confirmed or suspected, including vermiculite)
  - Mold and moisture remediation

Deferral repair measures other than what is listed above may be installed with WRF funds but may be subjected to further National Environmental Policy Act (NEPA) review.

### 8.4.2 Ineligible Repairs

The following repairs are not eligible uses of WRF funds. DHCD reserves the right to determine the eligibility of repairs not listed. The list is not exhaustive and is subject to change:

- Gut rehabilitation or major structural repairs (e.g. unsafe foundation, collapsed floor/roof)
- Replacement of entire plumbing or electrical systems, or major structural repairs
- Replacement of windows or doors
- Repairs covered by homeowner's or flood insurance
- Repairs needed due to willful damage or negligence on the part of the owner/occupant
- Cosmetic improvements (e.g. interior or exterior painting)
- Repairs to detached garages, barns, sheds, or storage buildings
- Any work not related to addressing cause(s) of the deferral from WAP or qualifying as a difficult to fund H&S measure.

## Chapter 9: Monitoring Policy & Procedure

DHCD will monitor each Subgrantee annually to ensure that the program is being implemented as required by DOE, and in accordance with the guidelines set forth in this manual. Monitoring is a process that allows DHCD an opportunity to visit Subgrantee facilities and examine and evaluate each Subgrantee to assess their proficiency at program implementation. DOE guidance regarding WAP monitoring policy can be found in [WPN-24-4](#).

Monitoring visits will fall into one of two categories: Technical or Programmatic Monitoring. This section details the compliance monitoring process and categories, and documentation needed to report compliance.

### 9.1 Compliance Monitoring Process

Monitoring visits will occur at least once each contract period (12-months). The number of visits and the time required for a visit is dependent upon the amount of funding. The Subgrantee is required to furnish calibrated tools and equipment. It will follow a standard 4-step process which is:

1. Notification and Scheduling
2. Review
3. Exit Interview
4. Compliance Reporting

#### 9.1.1 Notification & Scheduling

The date and time will be negotiated with the Subgrantee weatherization manager for the technical monitoring visits. For the Financial and Administrative visits, the Subgrantee Weatherization Manager, Executive Director, and Financial Director will be notified.

#### 9.1.2 Review

During a Technical Monitoring On-Site visit, DHCD may review “in process” units, which provide DHCD the opportunity to assess:

- Quality and Compliance
- Appropriate and allowable materials
- Appropriate and accurate energy audits
- Comprehensive final inspections
- Safe work practices, such as lead safe weatherization protocols and OSHA compliance

Programmatic monitors will conduct a desk review of all required documents (See [Programmatic Monitoring Section](#)) submitted into CAMS. Once on-site, monitors will also review client files and any requested supporting financial documentation. After an on-site review is complete, DHCD will inform subgrantees of their observations, typically during the Exit Interview.

### 9.1.3 Exit Interview

Programmatic Monitoring visits will conclude with an Exit Interview with the Executive Director, Financial Director and the Weatherization Manager. The monitor will summarize the results, provide a verbal report of the outcome of the review, specify whether there were any findings of non-compliance, and any other concerns. Additionally, the monitor may make recommendations for staff training, education and/or overall areas of program improvement. It is also an opportunity for the Subgrantee staff to immediately address the findings and/or provide additional pertinent information that may impact the final report.

### 9.1.4 Compliance Report

A Monitoring report will be completed and submitted to the Subgrantee's Executive Director within thirty (30) days after the visit, and a copy will be forwarded to the Weatherization Manager. In cases of non-compliance, agencies will have thirty days to correct findings and notify DHCD of the corrections.

As laid out in [WPN 24-4](#), within thirty (30) calendar days after a monitoring visit, DHCD must provide a written report to the Subgrantee's Executive Director as well as a copy forwarded to the Weatherization Manager, which describes:

- Current monitoring overview and observations.
- Commendations or best practices.
- Monitoring action items (findings, concerns, or recommendations) and any corrective actions, if applicable.
- Identified Training and Technical Assistance needs.

Upon completion of the monitoring assessment, DHCD may identify monitoring action items to clarify deficiencies and opportunities for improvement. DCHD monitoring action items include:

- **Finding** – Identified non-compliance with a program requirement.
- **Concern** – Inconsistencies between the DHCD's approved plan and sub-grantee's implementation. Concerns can also be findings that, at present, may not be out of compliance but do not reflect the safeguards outlined in WAP program guidance designed to ensure compliance with statutory and regulatory requirements.
- **Recommendation** – Identified actions/changes to a subgrantee's approach to ensure compliance. Recommendations aim to optimize policies and procedures.

In cases of non-compliance, agencies will have thirty (30) days to respond to their monitoring report and either correct findings and/or propose a corrective action plan to be approved by DHCD.

## 9.2 Monitoring Categories

DHCD monitors six categories:

1. **Program Management** – all programmatic administrative files directly related to the WAP must be present and available for review. This includes copies of contracts, contract amendments, public notice records, materials and equipment inventories, internal policies, insurance coverage, etc.
2. **Financial Management** – appropriate documentation will include accurate and complete reports of all WAP funds received and expended, with special emphasis on procurement records and vendor payments. Financial Management review may occur separately from the general administrative reviews and property inspections.
3. **Client Files** – all client files must contain the following. Please see the Technical Monitoring and Financial and Administrative Monitoring sections below for additional required documentation:
  - a. A signed application
  - b. Hard copy documentation of income verification and ownership Proof of income and/or zero income for each household member age 18 or over. **Notarized** zero income declarations must be provided for each member of the household age 18 or over declaring no income.
  - c. Hard copy documentation of home ownership. Proof of homeownership by homeowner, including Landlord if applicable.
  - d. Re-verified application after twelve months, if applicable
  - e. Owner agreement
  - f. Lead pamphlet sign-off Written evidence the client has received a copy of [EPA's "Renovate Right" pamphlet](#).
  - g. Lead Test Results, if applicable Documentation showing usage of an EPA approved Lead Paint Testing Kit, or Written Certification of Assumption of Lead Paint presence in the home completed by a Certified Renovator, when applicable.
  - h. Documentation to prove Lead Safe Work Practices were performed, when applicable.
  - i. Radon Hazards Acknowledgement Form Written evidence the client has received the radon hazards pamphlet
  - j. Occupant Health Screening Form Written evidence the client has received the Occupant Health Screening Form
  - k. Energy audit
  - l. Copy of the audit
  - m. Materials inventory check-out or invoice
  - n. Contractor invoice, if applicable
  - o. Signed Quality Control Inspection form
  - p. Client response
  - q. Hancock Job Report

4. **Projects in Process** – the technical monitor will observe at least one energy audit and weatherization jobs (each) in progress by the Subgrantee’s crew or subcontractors. Additional energy audits and crew sites may be visited at the discretion of the monitor.
5. **Completed Projects** – The technical monitor will perform field monitoring visits based on the QCI strategy in place by the Subgrantee. The Subgrantees are asked to declare a 5% or 10% monitoring threshold depending on the availability of independent QCI’s. Chapter 4: Weatherization & Program Management details the corrective action procedure for inadequate quality control inspections
  - **A 10% Subgrantee**-The Subgrantee may utilize the same employee for both the initial audit and for the final inspection process. This individual will need to be QCI-certified to perform these duties. The 10% monitoring requirement will be applied to all Subgrantees in this category when they announce their intention.
  - **A 5% Subgrantee** -The Subgrantee will ensure that the initial auditor and the person conducting the final QCI inspection will remain independent of each other on 100% of jobs. A Subgrantee operating at this capacity will remain at the standard 5% monitoring requirement. At any point, if the Subgrantee fails to comply with the independent nature of the QCI intent, they will be moved to the 10% category and monitored as such.
6. **Inventory** – storage areas will be inspected to make sure that stock is safely and properly stored to protect personnel and inventory. The warehousing process and inventory records will be reviewed.

### 9.3 Programmatic Monitoring

Monitoring of WAP Subgrantees may cover the following areas of program management:

- Program Overview
- Financial/Administration
- Eligibility
- Client Complaint Resolution Process
- Financial Management/Accounting Systems and Operations
- Single Audits
- Payroll/Personnel
- Vehicles and Equipment - Inventory/Materials
- Procurement
- Invoicing
- Records Retention
- Client Intake
- Client File Management

For additional questions regarding Programmatic Monitoring, please contact DHCD.

## 9.4 Technical Monitoring

DHCD must perform technical monitoring of subgrantees onsite. The list below refers to the areas subject to technical monitoring.

- Program Overview (Client File Review, Work Orders, etc.)
- Equipment/Inventory/Materials
- Eligibility
- Rental Units
- Client Feedback
- Energy Audits
- Field Work
- Health & Safety
- Quality Assurance
- Training & Technical Assistance
- Qualifications & Training
- Weatherization of Unit
- Final Inspections

# Chapter 10: Financial Management & Administration

Subgrantees must have the capacity to financially manage all grant funds. This includes the ability to fully track the receipt and disbursement of all grant funds, and the ability to implement and maintain standard, accurate, financial management practices that meet the definition of Generally Accepted Accounting Practices (GAAP), as well as [2 CFR 200](#).

## 10.1 Grant Agreement

Grant funds are made available to the Subgrantee through a grant agreement (binding agreement). Execution of the grant agreement signifies a commitment on the part of the Subgrantee to ensure that all program requirements are properly implemented. The agreement may only be executed by an authorized representative of the Commonwealth of Virginia and the assigned authorized signer of the Subgrantee organization. It specifies the terms and conditions of the agreement, such as the following:

- The total amount of funds available;
- The length or term of the grant agreement;
- The services to be rendered;
- The name and title of any supporting documents or manuals which are incorporated and included into the grant agreement document by reference; and
- Production goals based on weatherized homes completed, as specified in [4.4 Final Inspections](#)
- Quality Control Inspections (QCI) must be conducted within 30 days of weatherization completion. QCIs are sometimes referred to by DHCD and DOE as Final Inspections. Subgrantees may request an extension from DHCD with properly documented reasons of why a delay is needed. These requests will be reviewed by DHCD on a case-by-case basis.
- DOE [WPN 22-4 Quality Work Plan Requirement Update](#)
- [ANSI-BPI-1100-T-2023 Home Energy Auditing Standard 2023-06-06.pdf](#)
- [ANSI BPI-1200-S-2017 Standard Practice for Basic Analysis of Buildings 2023-05-19.pdf](#)

Grant agreements are for one year, and may be amended to increase, decrease, or re-allocate funding, or to extend the period of performance. Subgrantees who exhibit a lack of capacity or any failure to perform the agreement as specified may be subject to termination in accordance with administrative review requirements set forth in [10 CFR 440.30](#) and/or become ineligible for renewal.

## 10.2 Available Funds

The weatherization program is a federal, formula-based grant program. The amount of funds available for each Subgrantee is determined by a formula that represents a portion of the

total amount of funding available to the Commonwealth. The formula utilizes low-income population census data and square mileage of the coverage area.

### 10.3 Financial Management Systems

Subgrantees must have and maintain an accurate and effective financial management system that can consistently safeguard the receipt and disbursement of weatherization funds. A WAP financial management system must include the following components or their equivalents:

1. Budget
2. Accounting
3. Internal Control
4. Cost Allocation Plan
5. Property Management
6. Procurement Policy
7. Audit Schedules
8. Recordkeeping
9. Reporting

### 10.4 Budget Categories

Funds must be expended only for allowable activities. The program budget categories are:

1. Subgrantee Administration
2. Program Operations
3. Health & Safety
4. Subgrantee Training and Technical Assistance
5. Weatherization Readiness Fund
6. Liability Insurance
7. Financial Audits
8. Intake/Eligibility
9. Final Inspection
10. Energy Audits

The subsections below detail each program budget category. For budget categories four through ten, check your grant agreement to see if it is applicable.

The Budget Adjustment, Increase and Reduction Request form must be submitted for any budget adjustments, increases, or decreases and addressed to the WAP personnel listed on the form. DHCD must maintain network-wide allowable percentages and caps for certain budget categories. DHCD will only be able to approve requests that stay within those allowable limits. For reductions submitted to DHCD, a proportionate amount of administrative funds must be returned. A link to the form can be found in Appendix A.

### 10.4.1 Subgrantee Administration

The organization shall define its administrative costs consistent with the generally accepted accounting practices and procedures within the organization. Administrative funds are tracked at the Grantee level to ensure that the network stays within the percentage approved within the State Plan.

The [Consolidated Appropriations Act of 2021 \(Pub.L. 116-260\)](#) amended [10 CFR 440.18\(e\)](#) to require that “Not more than 15 percent of any grant made to a State may be used by the Grantee and Subgrantees for administrative purposes. Through this Act, no more than 7.5 percent may be used by the State, and not less than 7.5 percent of the total new funds awarded, must be made available to Subgrantees.

Consistent with DOE guidance, DHCD may allow subgrantees who receives less than \$350,000 of new DOE appropriated funds, to use up to an additional 5% of their subawards for administration. The additional funding can be approved only to implement the administrative requirements of the Program.

DCHD encourages subgrantees to use flexibility where appropriate.

Subgrantee Administration are considered unique to each organization. The organization must define its Administrative costs, consistent with the generally accepted accounting practices and procedures within the organization.

WAP legislation and regulations do not define the Administrative cost categories. Any expenditure, allowed by the Office of Management and Budget (OMB) cost principles, or by a Grantee or Subgrantee may be charged as Administrative cost. However, certain costs in this Program that are excluded from other categories can only be administrative.

The following funds may be charged as Administrative Costs:

- Indirect Costs to the program
- Allocation Plan – Time not directed to program

### 10.4.2 Subgrantee Training & Technical Assistance

DOE specifically allocates a portion of DHCD’s annual appropriation for Training and Technical Assistance (T&TA) activities. Per [10 CFR 440.23\(e\)](#), the total funds for national, state, and local T&TA cannot exceed 20% of the congressional appropriation. The amount awarded and available to the Subgrantees can be located in the State Plan and within the grant agreements between DHCD and the Subgrantees.

Reimbursement is available for costs to train weatherization staff and contractors to acquire, develop, or enhance the skills necessary to administer the program. Staff includes Subgrantee administrators who are responsible for the program administration or coordinators, program coordinators, financial staff, estimators, inspectors, crew leaders, and crew workers. Contractors are any independent licensed individuals or businesses that provide weatherization services. T&TA funds may also be used for training costs of private contractors participating in the Program at the Subgrantee level when it is provided

for in the contractual agreement between the Subgrantee and the private contractor and allowed in the Grantee's approved State Plan. Allowable expenditures:

- Costs incurred in the training and technical assistance for any Subgrantee
- Providing information concerning conservation practices to occupants of eligible dwelling units (client education),
- Evaluation of Program outcomes,
- Participation, travel, logistics of training activities and events
- For Contractors, expenses must not exceed the GSA rate for travel, mileage, and per diem food costs

T&TA funds shall **not** be used to purchase vehicles or equipment for Subgrantees to perform Weatherization services. The cost of these vehicles or equipment to support the Program must be charged to the Vehicle/Equipment or Program Operations categories. For Virginia, we currently do not utilize the optional Vehicle/Equipment budget category.

### 10.4.3 Program Operations

Per [10 CFR 440.18](#), costs incurred for Program Operations are generally defined as the direct costs necessary to implement weatherization of an eligible dwelling unit but not included in the material costs. While some of these categories could be charged as allowable Administrative or T&TA costs – depending on the nature of the expense – they are almost always part of the average cost per dwelling unit (ACPU) calculation. Many of these costs cannot be directly related to a specific dwelling unit. For example, vehicle and equipment maintenance or purchases of tools and equipment. These costs are amortized over the number of dwelling units completed during the contract period. For example, the cost of a blower door (\$4,500) could be amortized over the 150 homes completed during a contract period, resulting in a \$30 increase in the ACPU for the homes completed in that time frame. Subgrantees are encouraged to contact DHCD if there are questions or concerns.

Program Operation costs may include, but are not limited to, the following:

- Materials listed in [Appendix A to Part 440](#) or DOE-approved energy audit protocol\*.
- Materials purchased for incidental repair measures as defined in [10 CFR 440.3](#)\*.
- Transportation of weatherization materials, tools, equipment, and work crews to a storage site and to the site of weatherization work\*\*.
- Maintenance, operation, and insurance of vehicles used to transport weatherization materials\*\*.
- Maintenance of tools and equipment\*\*.
- Purchase or annual lease of tools, equipment, and vehicles\*\*.
- Building permits fees from local governments.\*\*\*
- Employment of personnel directly related to the operation of the Program.\*\*\*

- This category is defined for general consistency purposes such as weatherization coordinators' salary and fringe benefits expenditures for actual supervision of labor, client intake, recordkeeping, etc.
- Storage of weatherization materials, tools, equipment, and weatherization vehicles.
- Space rental. As with vehicles and equipment, neither Grantees nor Subgrantees may pre-pay leases that exceed the end of the grant period.
- Utility costs at storage facility only (e.g., heat, lights, and water).
- Retrofitting storage facility.

**\*NOTE:** While health and safety costs are allowable under the Program Operations category, DOE recommends Grantees include a separate Health and Safety category in the budget.

**\*\*NOTE:** All vehicle purchases must receive prior DOE approval; any equipment \$10,000 or more must also receive prior DOE approval. Neither Grantees nor Subgrantees may prepay leases that exceed the end of the grant period. Employment of personnel directly related to the operation of the Program. This category is defined for general consistency purposes such as weatherization coordinators' salary and fringe benefits spent in actual supervision of labor, client intake, and recordkeeping. Additionally, storage of weatherization materials, tools, equipment, and weatherization vehicles, space rental. Finally, retrofitting a storage facility and utility costs at storage only, i.e., heat, lights, and water is considered an allowable expense under the program operations.

**\*\*\*NOTE:** Weatherization is a non-construction program; therefore, no construction of buildings or Application Instructions 19 acquisition of real estate can be charged to this grant. Improvements to a property that are not in direct relation to carrying out weatherization-specific tasks are not allowable under this grant (e.g., paving a parking lot of the storage area is not considered allowable; however, retrofitting a storage facility with appropriate shelving to accommodate supplies is allowable).

- Labor category expenditures are limited to those defined in [10 CFR 440.19](#).
  - Payments to employ labor or engage contractors, including:
    - Payments to subcontractors
    - Salaries and fringe benefits to crew leaders and crew members
    - Salaries and fringe benefits of crew leaders.
  - Labor expenditures also include auditors/assessors, QCIs, field supervisors who are not installing materials, and warehouse personnel, such as inventory clerks, who are engaged in handling materials. Please note, auditor/assessor and QCI staff costs can be moved to the Optional Budget Categories of Energy Audit and Final Inspection
  - Because T&TA funds are limited, Subgrantees may charge the cost of training to the T&TA category and the employee's time for participation in the event

under the labor category. Costs associated with training contractors that work within WAP may also be charged to T&TA.

#### 10.4.4 Weatherization Readiness Fund

The WRF is developed by DHCD and can be found here: [DHCD's Weatherization Readiness Fund Plan](#). More information can be located on Weatherization Readiness Funds (WRF) in [Chapter 8: Deferrals](#).

##### **Allowable Measures:**

- Roof repair (<100 sq ft) and replacement
- Wall repair (interior and exterior)
- Ceiling repair
- Floor repair
- Foundation and subspace repair
- Exterior drainage repair (e.g., landscaping and gutters)
- Plumbing repairs
- Electrical repairs
- Remediation beyond typical scope of WAP including:
  - Lead paint remediation
  - Asbestos remediation (confirmed or suspected, including vermiculite)
- Mold and moisture remediation

Measures other than what is listed above may be installed with WRF funds but may be subjected to further NEPA review.

#### 10.4.5 Liability Insurance

Subgrantees must be covered by liability insurance. Liability insurance refers to the general contractor, or other policies that provide protection in case of personal injury or property damage resulting from the weatherization services. Liability insurance can be charged to the Liability line item in the budget, which was created to ensure that such costs would not have to be charged to the Administrative cost category.

#### 10.4.6 Health & Safety

DHCD intends to use federal funds to mitigate energy-related health and safety hazards, in accordance with [10 CFR 440.16\(h\)](#) and [440.18\(d\)\(15\)](#). Health and Safety includes materials and labor, but not training related to implementing health and safety measures. Refer to [WPN 22-7](#) for allowable costs associated with health and safety.

Subgrantees can allocate up to 15% of the ACPU to Health and Safety purposes.

Additional information can be found in [Chapter 7: Health & Safety](#)

### 10.4.7 Financial Audits

Program financial audits are required by [10 CFR 440.23\(d\)](#) and [2 CFR 200.501](#) and are allowable as either an Administrative expense or as a separate Budget Category in the State Plan. Virginia uses the optional budget category, in order to provide relief to the Subgrantees' administration budget category. If weatherization is one of several programs within a Subgrantee being audited, only the fair-share proportion of the overall financial audit costs should be charged to the DOE award.

### 10.4.8 Intake/Eligibly

As of PY 2025, DHCD is including the Intake/Eligibility budget category for subgrantees, to remove the costs from the ACPU calculation. Only Salaries, Fringe Benefits, and Travel (mileage, lodging, and per diem) associated with the staff performing these duties can be included.

All other direct costs necessary to implement weatherization of an eligible dwelling unit must continue to be budgeted and expensed as Program Operations.

### 10.4.9 Final Inspection

As of PY 2025, DHCD is including the Final Inspection budget category for subgrantees, to remove the costs from the ACPU calculation. Subgrantee final inspections of each completed Weatherization job must be performed by a certified QCI. Only Salaries, Fringe Benefits, and Travel (mileage, lodging, and per diem) associated with the staff performing these duties can be included.

All other direct costs necessary to implement weatherization of an eligible dwelling unit must continue to be budgeted and expensed as Program Operations.

### 10.4.10 Energy Audits

As of PY 2025, DHCD is including the Energy Audits budget category for subgrantees, to remove the costs from the ACPU calculation. Only Salaries, Fringe Benefits, and Travel (mileage, lodging, and per diem) associated with the staff performing these duties can be included.

All other direct costs necessary to implement weatherization of an eligible dwelling unit must continue to be budgeted and expensed as Program Operations.

## 10.5 Audits, Financial Statements, & Reports

### 10.5.1 DHCD Audit Policy Compliance

Subgrantees that receive funding during a program year and/or have projects in progress are required to submit financial statements to DHCD. Per the grant agreements, signed by subgrantees:

Section 4.14 AUDIT:

(a) Statement on DHCD's audit policy (i) The subgrantee agrees to adhere to DHCD's then-

current audit policy, as may be amended by DHCD in its sole and absolute discretion, which can be found in DHCD's Centralized Application and Management System (CAMS), which policy is incorporated herein by reference:

<https://www.dhcd.virginia.gov/sites/default/files/Docx/audit-policy/dhcd-audit-policy.pdf>

Please contact DHCD if there are any questions.

## 10.6 Advance Pay Policy

Subgrantees may request advanced payments for DOE Formula funds WAP production. Advances are limited to the lesser of 15% of the grant period allocation or the subgrantee's anticipated cash needs for the first two months of the budget period. Subgrantees receiving advances must minimize the time elapsing between the transfer of the funds and expenditure of funds received, in accordance with [2 CFR 200.305](#) and Commonwealth of Virginia policy.<sup>3</sup>

To receive advanced payments, subgrantees must satisfy the following conditions:

- Do not exceed the ACPU for that fund and program year;
- Demonstrate quarterly production goals are met for one quarter prior to advance payment. Program production with respect to completed weatherized homes is defined in [4.4 Final Inspections](#)

Quality Control Inspections (QCI) must be conducted within 30 days of weatherization completion. QCIs are sometimes referred to by DHCD and DOE as Final Inspections. Subgrantees may request an extension from DHCD with properly documented reasons of why a delay is needed. These requests will be reviewed by DHCD on a case-by-case basis.

- DOE WPN 22-4 Quality Work Plan Requirement Update
- ANSI-BPI-1100-T-2023\_Home\_Energy\_Auditing\_Standard\_2023-06-06.pdf
- ANSI BPI-1200-S-2017 Standard Practice for Basic Analysis of Buildings 2023-05-19.pdf

## 4.5 Subgrantee Engagement

DHCD requests and highly encourages subgrantees to engage with numerous stakeholder processes throughout the grant cycle. These opportunities are offered to subgrantees for timely feedback and critical input on program implementation processes. These opportunities include, but are not limited to, the following:

- Monthly network meetings
- VACAP Weatherization Peer Exchange (ongoing)
- Weatherization Interchange Conference (August)
- VACAP Weatherization Symposium (February)
- Annual Operations Manual Review (November)

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<sup>3</sup> [https://www.doa.virginia.gov/reference/CAPP/CAPP\\_Topics\\_Cardinal/20605.pdf](https://www.doa.virginia.gov/reference/CAPP/CAPP_Topics_Cardinal/20605.pdf), page 18.

- Annual Measure Cost Survey (November/December)
- Annual Plan Reviews (January to April)
- 4.6 Weatherization Resources which includes all approved invoices.
- Return all unused advanced payments if production goals are not met for two consecutive quarters.
- Provide documentation of how advanced payments were utilized for eligible expenses with each invoice.
- Establish an interest-bearing bank account exclusively for the purpose of managing the advance payment. All earned interest is considered program income as defined in [10.9 Program Income](#).
- The subgrantee must maintain both written procedures that minimize the time elapsing between transfer of fund and disbursement by the recipient/subrecipient AND financial management systems that meet the standards for fund control and accountability.
- The recipient/subrecipient must make timely payments to contractors in accordance with the contract provisions.

No advances will be provided within 90 days of the end of a grant period.

## 10.7 Accounting Standards

In addition to establishing a system of accounting sufficient to accurately record and report transactions, adequate source documentation must be maintained as support for these transactions. Source documentation includes but is not limited to the following:

- Purchase Requisitions
- Purchase Orders
- Contracts
- Contract Invoices
- Bank Statements
- Cancelled Checks
- Drawdowns
- Payment Vouchers
- Employee Time Sheets
- Travel Advance Requests
- Travel Reimbursement Vouchers
- Vendor Invoices
- Journal Voucher Entries
- Cash Receipts
- General Ledgers

All source documents must be coded by a reference number so that a clear link exists between the fiscal records and these documents. Coding could include the check number

used to make the payment, the journal entry in which transaction was recorded or the page number from the cash receipt journal. Purchase order numbers and payment voucher numbers may also be used to provide the necessary audit link.

Supporting documents can be copies or originals but must be sufficient in detail to support the transaction and to justify it as an allowable grant expense.

The grantee must maintain proof of cancellation (e.g. copy of check's backside, bank statement, or photocopy of check's cancellation) for all payments. While these are not required in the project participant files, they must be readily available for monitoring purposes.

## 10.8 Ineligible Activities

Only those activities specifically intended to provide energy efficiency improvements may be completed with program funds. Rehabilitation, lead abatement and/or interim controls, and mold remediation are specifically prohibited. WAP funds may not be expended to complete this type of work.

## 10.9 Program Income

Any program income earned must be used to complete additional units. Property owner contributions (landlords) and leveraged resources (utility or state funds) are not considered program income. Leveraged resources that are used in DOE Weatherization Program may be treated as appropriated funds, in which case they could be added to the total appropriated funds to determine overall administrative costs. DOE defines program income as any funds earned by the grantee and/or subgrantee(s) from non-Federal sources during the course of performing DOE Weatherization work. The income generated must be used to complete additional dwelling units in conformance with DOE rules, regulations, and guidance.

## 10.10 Weatherization Invoice Submissions

Subgrantees must submit invoices into the Hancock Software. Only one funding source per invoice.

DHCD requests for invoices to be submitted by the 15<sup>th</sup> of each month (except for the final invoice which should follow the date listed in the grant agreement). Invoices should be submitted monthly but can be submitted bi-weekly if needed for cash flow reasons. At least one QCI approved and completed job must be attached to each invoice submission.

The financial supporting documentation must match the Hancock invoice request. This includes the overall total amount and budget category amounts. This is important to accurately report information to the federal funding source and to stay within program limitations/network percentages. Direct job labor should be included in the job costs. When removed it impacts the SIR calculation in Hancock.

Follow [Information Notice 01-2019](#) for reporting additional funding sources in Hancock. This is required for accurate completion counts and to generate reports requested on the national level. If all funds will not be able to be spent by the end of the grant, please notify DHCD as soon as possible.

There are three invoice statuses in Hancock:

- **Open** -In progress invoice not yet sent to DHCD for review.
- **Submitted** - Sent to DHCD for review and payment.
- **Approved** - Programmatic approval received

### 10.10.1 Supporting Documentation Requirements

At a minimum, the items below are required.

- Accounting Software amounts must match the Hancock invoice
- Items that must be shown are the grant/program name, date of expenses, vendor name, description and amount.
- Labor costs should be listed and broken down by employee. (An overall total of the salaries charged to the program with the individual percentages charged to the program per employee, will not be sufficient.)
- Date range of expenses requested must be within the grant agreement dates

### 10.10.2 Additional invoicing requirements for the Weatherization Readiness Funds

WRF expenses can be invoiced in Hancock prior to the DOE formula funds being submitted but still must result in a DOE completion from the same program year. A DOE completion is considered either an annual formula DOE job or IIJA job. WRF invoices can only cover the Program Operations materials and labor costs for eligible WRF activities, as stated in [WPN 24-9](#). WRF expenses should be submitted in a separate invoice form the DOE formula fund expenses. This is for reporting purposes and to ensure the WRF job results in a DOE completion. WRF invoices should be submitted in Hancock the same way that all other DOE and LIHEAP invoices are submitted. A job must be attached, and financial supporting documentation must be uploaded with the invoice that matches the Hancock invoice requests. WRF invoices must be dated on or before DOE or IIJA invoices.

# Chapter 11: Vehicles & Equipment Management

## 11.1 Procurement Procedures

Subgrantees must follow fair and open procedures for the purchase of goods and services with federal funds, in addition to all applicable federal and state procurement laws and regulations. Fair and open purchase procedures require that advertisement be placed in local papers when goods and services are to be procured, or that documented telephone or written price quotes are obtained before a purchase is completed. One annual advertisement about the intent to purchase materials or procure services can suffice for adequate notice. Additional notice may be required if procurement occurs outside the scope of any completed advertisement.

Federal regulations related to procurement are found in [2 CFR 200.317-327](#).

Depending on the type and size of the purchase of goods and/or services, there are different procurement standards that need to be followed. Below is a brief description of procurement methods.

### 11.1.2 Procurement by Small Sealed Bids (Formal Advertising)

Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest is price.

### 11.1.3 Procurement by Competitive Proposals

The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids.

### 11.1.4 Procurement by Noncompetitive Proposals

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used when one or more of the following circumstances apply:

1. The item is available only from a single source;
2. The public exigency or emergency for the requirement with not permit a delay resulting from competitive solicitation;
3. The Federal awarding Subgrantee or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
4. After solicitation of a number of sources, competition is determined inadequate. (If only one bid is received, then the Subgrantee must follow sole source procurement requirements.)

5. Subgrantees must have a local procurement policy that establishes the benchmark for the procurement types they utilize currently or may use in the future. Other procurement guidelines are as follows:
  - a. When appropriate, an analysis should be made of lease and purchase alternatives to determine which would be the most economical and practical.
  - b. Procedures must be in place to ensure that duplicated materials or services are not purchased or contracted.
  - c. Maintain records (accounting and accountability documentation) that detail the significant history of procurement.
  - d. The bid process must be open and available to all qualified bidders.
  - e. There must be a clear and accurate description of the goods, materials, or services required (with technical information available if requested).
  - f. Formal Advertising required when Sealed Bids required.
  - g. Grantees and Subgrantees are encouraged to use federal excess and surplus property whenever possible.
  - h. Grantees and Subgrantees are required to give preference to minority firms, women's business enterprises, and labor surplus firms.

Note: Subgrantees are allowed to combine all or part of their procurement process in order to take advantage of price breaks given for bulk purchases or to reduce costs in the process. However, if this is done, a contract or procurement agreement must clearly specify "which Subgrantee" receives "what benefit" from the procurement, and the agreement must specify the cost each individual Subgrantee must pay. If either provider defaults in this process it would financially damage both agencies.

This information can be submitted via e-mail, fax, or mailed letter, but must be submitted in writing to DHCD. Furthermore, approval of purchases for vehicles and equipment in excess of what is stated in the 2 CFR 200 must be obtained prior to the purchase

Procurement records for large purchases (or subcontracting services) must be kept and contain the following information:

- Solicitation Document
- Documentation of Advertisement
- Attendees and Minutes of Bidders Conference
- Bids/Proposals/Quotations Received
- Documentation the Requirements Satisfied
- Evaluation Panel Members
- Evaluation Work Papers
- Notice to Successful Vendor(s)/Contractor(s)
- Why and how the specific contractor was selected
- The basis for the cost of the materials or services procured

Procuring agencies must have a legal and binding contract with the supplier. This contract must have administrative, contractual, or legal remedies in case of any breach by the supplier. This contract must contain suitable terms for the termination of the contract and basis for settlement in recourse if needed.

## 11.2 Vehicle and Equipment Purchase

Vehicles and equipment may be bought using WAP funding. Prior to the purchase of any vehicle or equipment over \$10,000.00 Subgrantee agencies must receive written authorization from DOE through DHCD for purchases funded with DOE funds and DHCD written authorization for purchases funded with LIHEAP funds.

Agencies must plan ahead and evaluate the need for vehicle purchases well in advance so that purchases are not delayed. The following information is REQUIRED on the PURCHASE form in order for the requests to be approved:

1. Subgrantee Name.
2. Use Location: Where the vehicle/equipment will be used; how it will be used.
3. Purpose: Full-time use for Weatherization Assistance Program Activities? If not, please describe how the cost will be allocated.
4. Identify funding source(s) that will be used for purchase (DOE/BIL/LIHEAP).
5. Provide the budget category that will be used for the purchase (Program Operations).
6. Will this be an Expansion or Replacement Purchase? If this is a replacement, address the trade-in in your explanation, please indicate the amount of any non-DOE WAP cost sharing, especially if part-time usage is proposed.
7. Describe the procurement process for this purchase. Please include a brief explanation for the vehicle specifications chosen.
8. Provide three bids from three separate vendors. If three separate vendors cannot be found/provided, please provide a short explanation.
9. Provide copies of the bid specifications (vehicle description with options requested).
10. Statement of lowest responsive bid. If the lowest bid is not chosen, please provide a detailed justification.
11. Provide a lease vs. purchase analysis for the chosen bid. (Vehicle)
12. Compliance with Grantee, Subgrantee and [2 CFR 200](#) procurement procedures.

**Note:** When seeking bids, please provide bids from multiple make/manufacturers. Having three bids from the same make/maker may delay the request. If you cannot provide multiple make/manufacturers, make sure to provide an explanation along with the request.

The approval of the request is with the understanding that State and Federal procurement guidelines are adhered to and met. Once you have proceeded with your procurement procedure you must send proof of purchase documents within 45 days of the purchase. The approval is valid for 90 days from the date of the approval letter. DO NOT purchase a different vehicle/equipment other than the one that has received approval. If the purchase is not made you must notify DHCD in writing.

**Note:** DHCD must be listed as the lien holder on the title for all vehicles.

If any of the above required information is missing from the forms, it will be sent back to be completed, which may cause delays in the purchase/disposal process.

An adequate inventory labeling and management system must be in place for all vehicles and equipment whose purchase price is greater than or equal to \$10,000.

Please forward the original title to DHCD and retain a Department of Motor Vehicles copy for your records. When sending the title to DHCD, please use the following address:

Virginia Department of Housing and Community Development  
600 East Main Street  
Richmond, VA 23219  
Attn: Weatherization

All vehicles and equipment must be documented and listed on a fixed asset ledger. Small tools and all materials must be listed on an inventory record. Refer to [2 CFR 200.313](#) for more detailed requirements to follow.

Vehicles and equipment must be maintained to ensure operating efficiency and to preserve the life expectancy. Proper care for a vehicle requires that service(s) and/or repairs done to that vehicle be appropriately documented and will be reviewed during program monitoring.

All Subgrantees must maintain comprehensive insurance on all vehicles. Additionally, vehicle operators must be licensed within the State of Virginia, and must be operated in a safe, legal, and proper fashion. If a program vehicle is involved in an accident, copies of the accident report and all insurance filings must be maintained in the program administrative files.

When purchased, vehicles are for the explicit use of weatherization program staff to conduct weatherization related travel. This travel includes, but is not limited to, client intake visits, project estimation and inspection, and meeting and conference attendance. *Weatherization vehicles are not intended for generalized office use, may not be used for staff travel to and from home and the vehicles may not be parked at the home of any Subgrantee personnel over night for more than one night.*

### 11.3 Vehicle/Equipment Transfers between Subgrantees

Vehicle/equipment ownership may be transferred between Subgrantees if permission for this transfer is obtained from DHCD. If the vehicle changes hands, the vehicle's new owner operator is responsible for updating the registration. When a vehicle is subjected to a location change for any reason, proper licensing and insurance maintenance require that its registration be changed accordingly.

In addition to submitting the disposal/transfer request, DHCD/DOE requires an agreement of transfer letter signed by both parties involved in the transfer. The Transfer Agreement Template is located in [Appendix A – Forms and Templates](#).

DHCD will maintain a general inventory list of grant funded vehicles in use by providers. Equipment and inventory ledgers will be reviewed during monitoring visits. The list of vehicles will be updated on a regular basis.

Subgrantees are advised to take pictures of the vehicle for their insurance purposes. These pictures should be updated regularly. They provide documentation of visual condition and can be used as part of explaining any physical changes that may occur to the vehicle.

### 11.4 Equipment, Tools, and Vehicles Inventory

The Building Performance Institute, Inc. (BPI) 1200 standard highlights the specification requirements of diagnostic equipment such as the combustion analyzer, personal CO monitor etc. For calibration of equipment see equipment warranty and standards. Standards, bulletins and other technical publications are adopted by BPI in accordance with the American National Standards Institute (ANSI) patent policy. It is the responsibility of the user of this standard to establish appropriate safety and health practices and to determine the applicability of regulatory limitations before its use. See the provided link for detailed information: [ANSI BPI-1200-S-2017 Standard Practice for Basic Analysis of Buildings 2023-05-19.pdf](#)

Equipment must be routinely serviced and/or calibrated as required. All services and/or calibrations must be documented and these records available for verification.

Subgrantees are required to maintain a record or inventory of all equipment, tools and vehicles purchased with grant funds, and to submit this inventory to DHCD during each compliance monitoring visit. Records are required for all vehicles, and special notations are required for any equipment that is amortized or receiving debt service from grant funds.

Per [2 CFR 200.313\(d\)\(1\)](#) these records must include Property Record information:

- Item name/description
- A serial number or other identification number
- The source of funding for the property (including the FAIN)

- Who holds title
- The acquisition date
- Cost of the property
- Percentage of Federal participation in the project costs for the Federal award under which the property was acquired
- The location
- Use and condition of the property
- Any ultimate disposition data including the date of disposal and sale price of the property

A physical inventory of the equipment must be taken and the results reconciled with the property records at least every two years.

A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.

Adequate maintenance procedures must be developed to keep the property in good condition.

If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

## 11.5 Inventory and Warehousing

Providers are encouraged to purchase materials in bulk quantities to capture significant savings if the provider has the financial capability to do so.

As materials must be purchased with a Subgrantee operating account that is then expensed to the WAP once those materials have been installed, all paperwork received, and a final inspection completed on the unit. Once this process is complete then the Subgrantee can invoice those expenses for reimbursement.

All materials must be stored properly in a secure environment.

Any warehousing must have an individual(s) responsible for the process. This individual(s) must have direct input to the procurement process.

Subgrantees must have a reconciliation process to account for the purchase and usage of warehoused items. A system must be in place that allows materials used to be billed & tracked back to the individual jobs.

A replacement schedule for materials usage should be established. A schedule for this purpose is designed by “checking in” materials as they are received and “checking out” materials as they are loaded on the trucks or used. In effect, a balance sheet is created to be used in figuring the actual amount of materials on hand. This balance sheet can be used as a tool for judging future materials usage and thereby increase efficiency in the provider’s

procurement process and job scheduling. It will provide data necessary to better and more accurately estimate costs for jobs.

## 11.6 Vehicle and Equipment and Disposal

Vehicles or equipment purchased with DOE or LIHEAP funds which have no more useful life may be sold or discarded (junked) in accordance with the mandates listed in [2 CFR 200.313](#). DOE and DHCD requires that vehicles and equipment must be offered to the weatherization network before being sold or discarded otherwise. Written permission must be received from DOE and DHCD (for LIHEAP funded purchases) prior to the offer.

Items may be sold on the open market to any purchaser only after all Subgrantees have had an opportunity to make an offer to purchase or have declined. To receive written permission, Subgrantees must send the Vehicle and Equipment Disposal form to DHCD with all appropriate vehicle information and request a vehicle transaction. DHCD will secure the necessary written permission from DOE for vehicles and equipment with a fair market value over \$10,000.00. Subgrantees will then receive a follow-up notice that the transfer, disposal, etc. has been authorized.

The following information is REQUIRED on the DISPOSAL form in order for the requests to be approved:

1. Subgrantee Name.
2. Subgrantee Contact Name and Email - This is the person who will be contacted regarding the request.
3. Reason for Disposal - Will this be a trade-in, junked/disposal, or will the vehicle be sold?

In the table provided on the [Disposal Form](#) we also require the following information:

- a. Trade-In/Disposal Item: Please include a detailed description including the year, make, model and VIN#.
- b. Detailed description of the Trade-In/Disposal process.
- c. The current condition and value of the Trade-In/Disposal. Please utilize a reputable source for trade-in value information (Ex: Kelly Blue Book), and provide documentation supporting the valuation process.
- d. What was the initial cost of the vehicle/equipment, and what funding source was used for purchase?

Funds received from the sale of a vehicle or equipment must be used to complete the replacement purchase of other vehicles or equipment or for other program support related activities. Subgrantees may not depreciate the value of the vehicles for the business benefit of their agencies.

## Chapter 12: Federal Requirements

This section outlines the federal requirements for the Weatherization Assistance Program.

### 12.1 Davis-Bacon Act Requirements

The Department of Energy (DOE) Weatherization Assistance Program (WAP) has coordinated with multiple entities to provide resources, including material developed by the Department of Labor (DOL), to WAP Grantees and Subgrantees related to the Davis-Bacon Act (DBA) as applicable to Infrastructure Investment and Jobs Act (IIJA) WAP funds.

For WAP purposes, the requirements of Public Law 117-58 section 41101 shall apply only to work performed on multifamily buildings with 5 or more units using IIJA funding. WAP annual formula awards are NOT subject to DBA requirements.

For a Davis-Bacon Act decision-tree, which outlines the process for determining DBA requirements, please refer to: <https://www.energy.gov/scep/wap/articles/davis-bacon-act-decision-tree>

### 12.2 LCPtracker

LCPtracker is a requirement from DOE that DHCD and subgrantees must use to process projects that plan to use IIJA funding. The LCPtracker is software that supports DBA compliance for IIJA-funded projects, including construction, alteration or repair work. Subgrantees submit LCPtracker Admin Intake forms if planning to use IIJA funds on a multifamily building of 5 units or more within a calendar year. Through LCPtracker, certified payroll is uploaded and subject to a validation system that checks for DBA prevailing wage requirements by flagging mathematical errors or omission discrepancies for Administrator review on a report. Subgrantees subject to DBA requirements must ensure timely submission of weekly certified payrolls through LCPtracker.

Before beginning work in the system, and 14–21 days before construction commences, users must sign up for and complete all required virtual live training sessions for their LCPtracker role. For instructions and additional information about the LCPtracker, please visit <https://www.energy.gov/scep/wap/davis-bacon-act-applicable-bil-wap#instructions> for more information.

### 12.3 Build America Buy America

Effective May 14, 2022, Build America, Buy America requirements are required on DOE and DOE IIJA funded projects that are public housing or privately owned buildings that serve a public function. Most projects will not fall under this requirement. If agencies are unclear whether a project falls under this requirement may contact DHCD for assistance.

BABA requires that manufactured products used on the DOE or DOE IIJA funded project are produced in the United States—this means if the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are

mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation. Agencies must ensure BABA requirements flow down to all sub-awards, contracts, subcontracts, and purchase orders for articles, materials, and supplies that are consumed in, incorporated into, or affixed to a DOE or DOE IIJA funded public housing project or privately owned buildings that serve a public function. DOE has created a website which includes an overview of BABA as well as additional guidance on submitting a DOE Buy America Waiver at: <https://www.energy.gov/management/build-america-buy-america>.

## 12.4 National Historic Preservation (Act of 1966)

In 2010, DOE developed a Prototype Programmatic Agreement (Prototype PA) for National Historic Preservation Act (NEPA) Section 106 Reviews. The Prototype PA provides a streamlined Section 106 process for projects funded under DOE's Office of Weatherization and Intergovernmental Programs (OWIP) and provides DOE Weatherization Assistance Program (WAP) Grantees expending funds and State Historic Preservation Officers (SHPO) with a tailored method for complying with Section 106 of the National Historic Preservation Act.

Compliance with the [National Historic Preservation Act \(NHPA\)](#), 16 U.S.C. 470 et seq., prior to the expenditure of federal funds, is required with all awards. DHCD has a DOE executed Programmatic Agreement (PA). Additionally, PAs identify certain activities that would not have the potential to cause effects on an historic property and exempt those activities from further State Historic Preservation Office (SHPO) review. NOTE: some activities have restrictions and additional requirements that must be met. PAs allows DHC to consult directly with their SHPO, if needed. All DOE WAP executed PAs are available at: <https://www.energy.gov/scep/historic-preservation-executed-programmatic-agreements>. To fulfill the requirements of Section 106, DHCD must adhere to the requirements outlined in their PA (36 CFR Part 800).

## 12.5 National Environmental Policy Act Review

DOE must comply with NEPA prior to authorizing the use of federal funds. DOE must also consider the effects on historic properties, pursuant to Section 106 of the National Historic Preservation Act (NHPA), as well as other regulations. To streamline these required reviews, DOE conducts each review under the umbrella of its NEPA review.

DHCD and the DOE have a Programmatic Agreement (PA) until 2030. If the projects and activities used by DHCD and WAP Subgrantee align with the PA, the activities will meet the requirements of the NEPA review. Activities not listed in Virginia's approved PA agreement are subject to additional NEPA review by DOE. For activities requiring additional review, DCHD will assist subgrantees in the completion and submission of an Environmental Questionnaire (EQ-1) to DOE for approval.

## 12.6 Radon & Lead Safe

### 12.6.1 Lead Safe

All subgrantees must comply with EPA's [Lead Renovation, Repair and Painting Program](#) rules when working in pre-1978 housing unless tests confirm the work area to be lead free. Subcontractors must have relevant certifications, such as the Certified Renovator's certification.

### 12.6.2 Radon

DHCD follows DOE guidance provided in [WPN 22-7](#) to test and deal with radon when applicable. When applicable, exposed dirt floors must be covered within the pressure/thermal boundary with a sealed soil gas retarder; cover sump wells/pits with an airtight cover; and implement ventilation as required by [ASHRAE 62.2-2016](#).

For additional information about Lead and Radon safety and requirements, please see [Appendix A – Forms and Templates](#).

Required forms are referenced in the client files section of [Chapter 9: Monitoring Policy and Procedure](#).

# Chapter 13: Other Requirements

## 13.1 Fair housing and Civil Rights Laws

DHCD must comply with all applicable state and federal fair housing and civil rights requirements (see 24 CFR 5.105(a)). This includes the Virginia Values Act (effective July 1, 2020) which expands the list of protected classes under the Virginia Fair Housing Act. As expanded, the Virginia Fair Housing Act prohibits discrimination based on race, color, religion, national origin, sex, elderliness (age 55 and older), familial status, source of funds, sexual orientation, gender identity, military status, or disability (collectively the “Protected Classes”). (2) If DHCD: (a) Has been charged with an ongoing systemic violation of the Fair Housing Act; or (b) Is a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging an ongoing pattern or practice of discrimination; or (c) Has received a letter of findings identifying ongoing systemic noncompliance under Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, or section 109 of the Housing and Community Development Act of 1974, and the charge, lawsuit, or letter of findings referenced in subparagraphs (a), (b), or (c) above has not been resolved before the application deadline, then DHCD is ineligible to apply for funds.

## 13.2 Confidentiality Policy

All grantees shall ensure the confidentiality of the name of any individual assisted and any other information regarding individuals receiving assistance. DHCD’s confidentiality policy should, at a minimum, address:

- How staff will gather, record, and store confidential information;
- The consent process for the release of confidential information;
- Protocols for responding to breaches of confidentiality;
- Standards contained in relevant state and federal laws, including HIPAA compliance (if applicable) and HIV confidentiality statutes; and,
- Privacy standards related to data collection and use of participant information for program reporting.

## 13.3 System for Award Management (SAM)

The System for Award Management (SAM) combines federal procurement systems and the Catalog of Federal Domestic Assistance into one system to include the CCR. As with CCR, SAM collects, validates, stores, and disseminates data. Since 2003, indirect recipients of federal funds have been required to register with CCR and as of 2012, CCR merged with SAM. All grantees and sub grantees receiving federal grant awards or contract must be registered with SAM. For further information on registering and renewing annual registrations, go to <https://www.sam.gov>.

### 13.4 Unique Entity ID (UEI)

All Subgrantees are required to register with a UEI in the System for Award Management (SAM).

## Appendix A – Forms and Templates

### Health and Safety Plan

<https://www.dhcd.virginia.gov/sites/default/files/DocX/weatherization/operations-manual/health-and-safety-plan.pdf>

### Lease vs Purchase Example

<https://www.dhcd.virginia.gov/sites/default/files/DocX/weatherization/operations-manual/lease-vs-purchase-example.pdf>

### Occupant Pre-Existing or Potential Health Conditions form

<https://www.dhcd.virginia.gov/sites/default/files/DocX/weatherization/operations-manual/occupant-pre-existing-or-potential-health-conditions.pdf>

### Radon Disclosure form

<https://www.dhcd.virginia.gov/sites/default/files/DocX/weatherization/operations-manual/radon-disclosure-form.pdf>

### Transfer Agreement Template

<https://www.dhcd.virginia.gov/sites/default/files/DocX/weatherization/operations-manual/transfer-agreement-template.pdf>

### Vehicle and Equipment Disposal form

<https://www.dhcd.virginia.gov/sites/default/files/DocX/weatherization/operations-manual/vehicle-and-equipment-disposal-form.pdf>

### Vehicle and Equipment Purchase Request

form <https://www.dhcd.virginia.gov/sites/default/files/DocX/weatherization/operations-manual/wap-vehicle-and-equipment-purchase-request.pdf>

### Virginia WAP Budget Adjustment form

<https://www.dhcd.virginia.gov/sites/default/files/DocX/weatherization/operations-manual/va-wap-budget-adjustment-form.pdf>

## Appendix B – Questions and Comments with Responses from Subgrantee Engagement and Comment Period (March 23, 2026 to April 17, 2026)

Comments included the mention of conflicting information regarding subgrantee T/TA funds used to supplement subcontractor training. A sentence saying T/TA funds could not be used for subcontractor training was removed.

Spelling errors were corrected.