The auditor should not consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor can consider the Supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current. The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

I. PROGRAM OBJECTIVES

The Crisis Intervention Program (CIP) is designed to assist low-income households in a heating or cooling related crisis situation.
II. PROGRAM PROCEDURES

The Crisis Intervention Program (CIP) is a part of the Low Income Home Energy Assistance Program (LIHEAP) block grant and is administered statewide.

Households apply for benefits at their local Department of Social Services agency or another non-profit agency if the local department of social services has a contract in place for the non-profit to take and process CIP applications. Please see Section 400 of the Energy Manual for more details. CIP policy requirements and forms are located in the Energy Programs Manual which is maintained in each local county department of social services. The Energy Manual is also available via the Internet, entitled “Energy Programs Manual”, and can be found at http://info.dhhs.state.nc.us/olm/manuals/dss/ei-40/man/. Client’s statement can be accepted for all eligibility factors unless questionable.

Counties receive a separate funding authorization for administration of the LIEAP and Crisis Intervention Program (CIP). Up to 10 percent of these funds may be used for State and local planning and administration. The current State plan limits administrative funding to 10%. Administrative costs have been clarified as follows: “Any expenditure for governmental functions normally associated with administration of a public assistance program must be included in determining administrative costs subject to the statutory limitation on administrative costs, regardless of whether the expenditure is incurred by the State, a subrecipient, a grantee, or a contractor of the State.” (45 CFR 96.88)

Funds are allocated based on the average number of Food and Nutrition Services households and poverty levels for each county. Counties submit a DSS-1571 for reimbursement of expenditures on a monthly basis. All funding is 100 percent federal dollars with no state matching requirements. CIP sub-recipients are monitored by the DSS Economic and Family Services staff and DSS Budget Office in accordance to the NC Division of Social Services Monitoring Plan, found at: http://ncdhhs.gov/dss/Monitoring/index.htm

Payments may be made directly to or on behalf of an eligible low-income household to an energy supplier to assist in meeting the cost of home energy. No funds may be used for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility (42 USC 8628).

This program is excluded from coverage under OMB Circular Nos. A-102 and A-110.

III. COMPLIANCE REQUIREMENTS

CROSSCUTTING REQUIREMENTS:

The compliance requirements in the Division of Social Services “Crosscutting Requirements” in Section D (Supplement #DSS-0) are applicable to this grant.

A. ACTIVITIES ALLOWED OR UNALLOWED

Funds are used to help pay for energy needs, including but not limited to paying an electric or natural gas bill, purchase of heating oil or wood, or other fuel type. Provision of in-kind services or temporary shelter and minor home repairs is also allowed.
No funds may be used for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility (42 USC 8628). Low-cost residential weatherization and energy related home repairs include but are not limited to repair and replacement of insulation, home heating or cooling appliances, and necessary wiring for appliances to function properly. New construction is not allowable.

B. ALLOWABLE COSTS/COST PRINCIPLES

All grantees that expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are required to comply with the cost principles described in the N. C. Administrative Code at 09 NCAC 03M .0201.

C. CASH MANAGEMENT

Subrecipients receive funding under this program on a reimbursement rather than an advance basis. Therefore, no audit testing is necessary with respect to the federal cash management requirements of Part III of the Circular A-133 Compliance Supplement.

E. ELIGIBILITY

In North Carolina, to be eligible for the Crisis Intervention Program, a household must:

- Have monthly countable net income at or below 150% of the federal poverty level.
- Be in a heating or cooling related crisis situation. A household is in a crisis situation if it is experiencing or is in danger of experiencing a life threatening or health related emergency situation and timely and appropriate assistance is not available from any other source.
- Household members must include a U. S. Citizen or eligible alien. See Energy Manual Section 175, United States Citizenship for more details.
- The maximum allowable assistance payment amount is $600 per household per State Fiscal Year (July through June), Payments may vary based upon the severity of the crisis and the services needed, and the automated system tracks the cumulative funding authorized for each applicant household for the State Fiscal year. More detailed information on eligibility for the Crisis Intervention Program can be found in Section 400 of the Energy Manual and Administrative letters. County departments of social services must maintain this manual in their local office. The Energy Manual is also on-line and can be found at http://info.dhhs.state.nc.us/olm/manuals/dss/ei-40/man/.

G. MATCHING, LEVEL OF EFFORT, EARMARKING

Matching – Not applicable

Level of Effort – Not applicable

Earmarking – The 10% cap on administrative funding is tracked and monitored by the State Division of Social Services. This requirement has not been passed to the local county departments of social services; therefore, additional testing is not required.

H. PERIOD OF AVAILABILITY OF FEDERAL FUNDS

CIP funds are available beginning July 1st through June 30th or until funds are exhausted, whichever comes first.
I. PROCUREMENT AND SUSPENSION AND DEBARMENT

The N. C. Department of Health and Human Services (DHHS) and all of its divisions/offices have developed a standard set of rules and regulations that are intended to meet all requirements in conducting day to day purchasing activities. These rules and regulations are set forth in the “DHHS Purchase and Contract Manual, Part I”. Additionally, the following State authorizations apply and are cited by reference in the DHHS Purchase and Contract Manual: (1) N. C. General 143, Article 3 and 3C, (2) the N. C. Administrative Code, Title 1, Chapter 5, and (3) the State Purchasing Manual. Unless an exception is made in the contract or program agreement with DHHS, all governmental subrecipients are required to follow the same guidelines as does DHHS when making procurements for goods and services. All local government subrecipients are required to comply with N. C. General Statute 143, Article 8 with respect to procurement activities.

All grantees that expend federal funds (received either directly from a federal agency or passed through the N. C. Department of Health and Human Services) are required to conform with federal agency codifications of the grants management common rule accessible on the Internet at http://www.whitehouse.gov/omb/.

All grantees that expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are required to comply with the procurement standards described in the North Carolina General Statutes and the North Carolina Administrative Code, which are identified in the State of North Carolina Agency Purchasing Manual accessible on the Internet at http://www.doa.state.nc.us/PandC/agpurman.htm#P6_65.

Nongovernmental subrecipients shall maintain written Procurement policies that are followed in procuring the goods and services required to administer the program.

The listing of most debarred and suspended parties can be viewed at the following website: https://www.epls.gov/.

L. REPORTING

This program is required to report financial data on OMB form SF-425, ACF-284 annually. Additionally, program data is reported on form OMB control # 0970-0060 on an annual basis.

M. SUBRECIPIENT MONITORING

LIEAP subrecipients are monitored by the DSS Economic and Family Services staff and DSS Budget Office in accordance to the N. C. Division of Social Services Monitoring Plan, found at: http://ncdhhs.gov/dss/Monitoring/index.htm

N. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

Record Maintenance – The Energy Programs automated system is used to record each application. It contains an eligibility worksheet that displays income, deductions, income limits, income eligibility, and funding availability. Once the application is approved or denied, an automated notice, DSS-8107 is produced when the worker clicks on the appropriate button. A case record must be maintained on each household to hold a copy of the Rights and Responsibilities page with the applicant’s signature, and any other documents used to determine eligibility. The printed approval/denial notice is optional as this form is maintained in the automated system. Hard copy information may be filed in the Work First (TANF), Food and Nutrition Services, Medicaid or a separate LIEAP/CIP record.

Audit Objective
CRISIS INTERVENTION PROGRAM

Ensure that case information is adequately maintained.

**Suggested Audit Procedure**

Review the Crisis Intervention Program automated data and any hard copy file information to ensure the presence of adequate documentation to determine eligibility of the household.