



LIHEAP Grantee Rules on Obligations and Expenditures – Scenarios

Scenario 1

Grantee ABC received \$1 million in LIHEAP funds in FY12. They budgeted their funding as follows:

Administrative Costs	\$100,000	Assurance 16	\$50,000
Weatherization	\$150,000	Heating	\$450,000
Cooling	\$100,000	Crisis	\$100,000
Total Budgeted			\$950,000
Remaining Amount			\$50,000

On September 29, 2011, Grantee ABC executed contracts with local agencies for the period of October 1, 2011 through September 30, 2012 to perform the following services:

Local Agency A Received:

Administrative Costs	\$20,000	Assurance 16	\$20,000
Weatherization	\$50,000	Heating	\$150,000
Cooling	\$34,000	Crisis	\$30,000

The contract award amount was \$304,000, and as of September 30, 2012, Local Agency A had obligated and expended \$304,000.

Local Agency B Received:

Administrative Costs	\$20,000	Assurance 16	\$20,000
Weatherization	\$50,000	Heating	\$150,000
Cooling	\$33,000	Crisis	\$30,000

The contract award amount was \$303,000, and as of September 30, 2012, Local Agency B had obligated and expended \$303,000.

Local Agency C Received:

Administrative Costs	\$20,000	Assurance 16	\$10,000
Weatherization	\$50,000	Heating	\$150,000
Cooling	\$33,000	Crisis	\$40,000

The contract award amount was \$303,000, and as of September 30, 2012, Local Agency C had obligated and expended \$290,000. They returned the unobligated balance to the grantee.



Scenario 1 Questions

1. Does Grantee ABC have any unobligated amounts as of September 30, 2012?
2. If yes, what is that amount?
3. Is this amount appropriate to carry over into FY13?
4. Why?



Scenario 2

Tribal Grantee ABC received \$700,000 in LIHEAP funds in FY14. They obligated their funding as follows:

Administrative Costs	\$70,000	Assurance 16	\$35,000
Weatherization	\$105,000	Heating	\$275,000
Cooling	\$70,000	Crisis	\$80,000
Total Obligated			\$635,000
Total Unobligated			\$65,000

Tribal Grantee ABC's vendors cut refund checks on the following dates; however, they held all checks until September 29, 2014, as agreed in the contract:

Vendor #1		Vendor #2		Vendor #3	
12/10/2013	\$182	12/02/2013	\$200	04/02/2014	\$600
03/06/2014	\$126	02/28/2014	\$193	05/14/2014	\$285
04/20/2014	\$85	04/29/2014	\$284	05/28/2014	\$273
06/19/2014	\$200	05/02/2014	\$185	07/23/2014	\$190
09/28/2014	\$104	09/14/2014	\$90	09/25/2014	\$24

Scenario 2 Questions

1. Does Tribal Grantee ABC have any unobligated amounts as of September 30, 2014?
2. If yes, what is that amount?
3. Is this amount appropriate to carry over into FY15?
4. Why?



Scenario 3

Grantee ABC received \$1 million in LIHEAP funds in FY14. They budgeted their funding as follows:

Administrative Costs	\$100,000	Assurance 16	\$50,000
Weatherization	\$150,000	Heating	\$450,000
Cooling	\$100,000	Crisis	\$100,000
Total Budgeted			\$950,000
Remaining Amount			\$50,000

On September 29, 2011, Grantee ABC executed contracts with local agencies for the period of October 1, 2013 through September 30, 2014 to perform the following services:

Local Agency A Received:

Administrative Costs	\$20,000	Assurance 16	\$20,000
Weatherization	\$50,000	Heating	\$150,000
Cooling	\$34,000	Crisis	\$30,000

The contract award amount was \$304,000, and as of September 30, 2014, Local Agency A had the remaining unobligated balance: \$8,000 for Weatherization; \$3,000 for Cooling; and \$12,000 for Heating.

Local Agency B Received:

Administrative Costs	\$20,000	Assurance 16	\$20,000
Weatherization	\$50,000	Heating	\$150,000
Cooling	\$33,000	Crisis	\$30,000

The contract award amount was \$303,000, and as of September 30, 2014, Local Agency B had obligated and expended \$303,000.

Local Agency C Received:

Administrative Costs	\$20,000	Assurance 16	\$10,000
Weatherization	\$50,000	Heating	\$150,000
Cooling	\$33,000	Crisis	\$40,000

The contract award amount was \$303,000, and as of September 30, 2014, Local Agency C had the remaining unobligated balance: \$10,000 for Weatherization; \$2,000 for Cooling; and \$15,000 for Heating.

Note: Grantee ABC's state rule requires that all funding be 100% obligated in the first year in which the funding is received.



Scenario 3 Questions

1. Does Grantee ABC have any unobligated amounts as of September 30, 2014?
2. If yes, what is that amount?
3. Is this amount appropriate to carry over into FY15?
4. Why?



Scenario 4

Tribal Grantee CDE received \$900,000 in LIHEAP funds in FY14. They budgeted their funding as follows:

Administrative Costs	\$90,000	Assurance 16	\$45,000
Weatherization	\$135,000	Heating	\$280,000
Cooling	\$160,000	Crisis	\$100,000
Total Obligated			\$810,000
Total Unobligated			\$90,000

On September 1, 2014, Tribal Grantee CDE realized that due to a change in the climate, they had only obligated \$170,000 for heating. In an effort to meet the 90% obligation rule, Tribal Grantee CDE sent benefit checks to the following electric vendors:

- **Vendor #1** – Received benefit checks totaling \$37,000
- **Vendor #2** – Received benefit checks totaling \$45,000
- **Vendor #3** – Received benefit checks totaling \$28,000

Note: The checks sent to the vendors on September 3, 2014, were not based on obligations made during the application process.

Scenario 4 Questions

1. Does Tribal Grantee CDE have any unobligated amounts as of September 30, 2014?
2. Is this practice appropriate?
3. What is the amount they can carry over into FY15?



Scenario 5

Grantee XYZ received \$1.2 million in LIHEAP funds in FY14. They budgeted their funding as follows:

Administrative Costs	\$120,000	Assurance 16	\$60,000
Weatherization	\$300,000	Heating	\$0
Cooling	\$450,000	Crisis	\$200,000
Total Budgeted			\$1,130,000
Remaining Amount			\$70,000

On September 29, 2013, Grantee XYZ executed contracts with local agencies for the period of October 1, 2013 through September 30, 2015 to perform the following services:

Local Agency A Received:

Administrative Costs	\$30,000	Assurance 16	\$20,000
Weatherization	\$150,000	Heating	\$0
Cooling	\$150,000	Crisis	\$50,000

At the end of the contract period, Local Agency A had obligated and expended all but \$30,000 of its Cooling costs. They returned the unobligated balance to Grantee XYZ.

Local Agency B Received:

Administrative Costs	\$30,000	Assurance 16	\$20,000
Weatherization	\$150,000	Heating	\$0
Cooling	\$150,000	Crisis	\$50,000

At the end of the contract period, Local Agency B had obligated and expended all of its award amount.

Local Agency C Received:

Administrative Costs	\$30,000	Assurance 16	\$20,000
Weatherization	\$0	Heating	\$0
Cooling	\$150,000	Crisis	\$100,000

At the end of the contract period, Local Agency C had obligated and expended all but \$10,000. They returned the unobligated balance to Grantee XYZ.

In addition, Grantee XYZ's vendors refunded the following checks:

Vendor #1		Vendor #2		Vendor #3	
12/10/2013	\$182	12/02/2013	\$200	04/02/2014	\$600
03/06/2014	\$126	02/28/2014	\$193	05/14/2014	\$285
04/20/2014	\$85	04/29/2014	\$284	05/28/2015	\$273
06/19/2014	\$205	05/02/2015	\$185	07/23/2015	\$190
09/28/2015	\$104	09/14/2015	\$90	09/25/2015	\$24



Scenario 5 Questions

1. Does Grantee XYZ have any unobligated amounts as of September 30, 2014?

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2. At the end of the contract period (September 30, 2015), Local Agency A returned \$30,000 and Local Agency C returned \$10,000 to Grantee XYZ. Can Grantee XYZ re-obligate those funds?

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3. Why or why not?

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