GRANTEE ROLES AND RESPONSIBILITIES
At the most basic level LIHEAP grantees cannot delegate:

- Drawing Down Funds
- Reporting to ACF (household report, etc.)
- Signing the Assurances
- Submitting the Model Plan
Many activities can be delegated, provided the delegation of these activities do not create inequities in how clients are treated.

Delegation of activities does not absolve the grantee of responsibility to develop the processes for defining, implementing, administering and monitoring the activities.
Grantees should not delegate the following:

- Monitoring of sub-grantees
- Development of statewide policies and procedures for LIHEAP administration
- Model plan development
- Tracking of funds to ensure timely obligation
- Processing refunds from utility vendors
Grantees that delegate some of their operations to a CAA association should still maintain monitoring at the state level.

Grantees may hire outside entities to perform monitoring, but those entities should not oversee or be related to the sub-grantees they are monitoring.
Grantees must set standards for how the program will be run to ensure consistency of service across the state/tribe service area.

These include:
- Eligibility guidelines
- Income definitions
- Benefits levels
- Other policies that could affect equitable distribution of services

Within reason, grantees can give sub-grantees flexibility in implementing policies depending on the needs of their communities.
Grantees should develop the model plan, in consultation with sub-grantees and other interested parties where appropriate.

It is not appropriate to have a CAA association or other entity develop the grantee’s model plan and send it to the grantee for signature.
Grantees must track obligation of funds and their sub-grantees’ billing against obligated/contracted funds to ensure all funds are obligated timely and that contracted funds are fully expended within the contract period.

Grantees must track LIHEAP administrative expenses at both the grantee and sub-grantee level, even if those expenses are paid for by other funding sources in order to ensure compliance with the 10% administrative cost cap.
If total LIHEAP administrative expenses exceed 10% of the LIHEAP grant, any excess CANNOT be paid for with other federal funds.

It is not enough to only track the LIHEAP funds budgeted for administrative costs for the grantee and sub-grantees.

Grantees must ensure that if it costs their sub-grantees more to administer LIHEAP than their LIHEAP budget allows, that they are not using other federal funds to make up the difference.
Grantees must track refunds received from utility vendors, even if those payments were made initially by sub-grantees.

Refunds or abandoned deposits are considered de-obligated funds. The grantee must determine whether they may be re-obligated or must be returned to HHS, based on the grantee’s carryover limit and the federal fiscal year the benefits were first applied to the client’s account.
MORE ON VENDOR REFUNDS

- A LIHEAP benefit retains its federal characteristics forever. The funds are always considered federal funds.

- When sending back refunds, vendors must be required to identify the client to whom the refund belongs and when they first received the payment.

- The grantee must then determine which federal fiscal year funded that specific payment.
If the original payment came from the current fiscal year, the funds can be re-obligated by the grantee for LIHEAP purposes.

If the original payment came from the previous fiscal year, the funds may be re-obligated by the grantee only if the grantee has not already carried over the maximum 10% of funds from the prior year.

If the carryover maximum has already been met or the original benefit was paid earlier than the prior federal fiscal year, the funds must be returned to HHS.
All of the decisions just described CANNOT be made by sub-grantees on an individual basis. They must be the sole responsibility of the grantee.
Josh Cover, Program Analyst

Office of Community Services
Administration for Children and Families

202-205-4714
Joshua.Cover@acf.hhs.gov