



Department of Energy
Washington, DC 20585

WEATHERIZATION PROGRAM NOTICE 20-4
ISSUED DATE: January 22, 2020

SUBJECT: WEATHERIZATION ASSISTANCE PROGRAM MONITORING PROCEDURES

INTENDED AUDIENCE: Weatherization Grantee Program Managers, Weatherization Grantee Monitors, Weatherization Subgrantee Program Managers/Coordinators and Weatherization Subgrantee Monitors

PURPOSE: To issue updated monitoring policy and procedures for the Weatherization Assistance Program (WAP or Program).

This Weatherization Program Notice (WPN) describes the revisions to current WAP monitoring procedures and provides additional information and resources for Grantees to strengthen and enhance their weatherization monitoring plans.

SCOPE: The provisions of this WPN apply to all WAP Grantees applying for financial assistance under the Department of Energy's (DOE) WAP. This Notice supersedes WPN 16-4.

LEGAL AUTHORITY: Title IV, Energy Conservation and Production Act, as amended, authorizes the DOE to administer the WAP (42 U.S.C. 6861 *et. seq.*). All grant awards made under this Program shall comply with all applicable law including, but not limited to, the WAP statutory authority (42 U.S.C 6861*et. seq.*), and 10 CFR Parts 440 and 2 CFR Part 200.

The WAP regulation, in [10 CFR 440.23\(a\)](#) - Oversight, Training and Technical Assistance, prescribes that DOE "*shall monitor and evaluate the operation of projects carried out by [Community Action Agencies] CAA's receiving financial assistance under this part through on-site inspections, or through other means, in order to ensure the effective provision of weatherization assistance for the dwelling units of low-income persons.*" [Section 440.23\(b\)](#) states that "*DOE shall also carry out periodic evaluations of a program and weatherization projects that are **not** carried out by a CAA and that are receiving financial assistance under this part.*"

BACKGROUND: DOE strives to provide the WAP Network with tools and resources necessary to offer the highest quality of work and services to the low-income families served by the Program. It remains critically important that WAP funds be used cost-effectively and in accordance within existing Program Notices, rules and regulations. **Monitoring ensures the public purpose of the Program.**

DOE aims to maintain the highest levels of performance through a monitoring process that has the following goals:

- Ensure proper and timely use of funds and realization of expected benefits,
- Provide transparency and accountability,
- Provide quality control, and;
- Provide training and technical assistance (T&TA).

PROCESS: [10 CFR 440.23](#), deems monitoring a necessary element to properly oversee the Program at all levels of implementation – Federal (DOE), State or Tribe (Grantee), and Local (Subgrantee). This Program Notice outlines the expectation for monitoring at all levels.

The Program announced in September 2019 a pilot to improve service to WAP Grantees. DOE will transition from a single WAP Project Officer (PO) serving one Grantee to a “team” approach, with each Grantee assigned a Programmatic PO and a Technical PO. As a result, both POs will complete ad-hoc, quarterly desktop and onsite monitoring in their respective areas. DOE’s goal is to provide comprehensive monitoring and provide improved technical assistance to WAP Grantees.

The following sections describe the monitoring process, by entity.

DOE Monitoring of Grantees

Per [10 CFR 440.23\(b\)](#), DOE shall “*also carry out periodic evaluations of a program and weatherization projects that are not carried out by a CAA and that are receiving financial assistance under this part.*” DOE focuses their monitoring activities to assist Grantees to:

- Continue to meet the Program requirements,
- Identify any new monitoring assessments or deficiencies,
- Resolve any outstanding findings, concerns, or recommendations,
- Identify T&TA needs, and;
- Document best practices for distribution to the Network.

DOE performs comprehensive monitoring that includes:

- Onsite Monitoring
- Desktop and Ad Hoc Monitoring

Depending on the specific Grantee and/or Subgrantee situation or need, additional onsite visits may be conducted by DOE.

DOE WAP staff continually refines the current monitoring processes and prepares information to assist Grantees and Subgrantees in meeting their oversight responsibilities. This includes the development of consistent monitoring standards in approved state plans and full compliance with Federal regulations and aligned with WPNs.

DOE Monitoring of Grantees - Onsite Monitoring

The onsite monitoring process has been updated to reflect the current changes within the WAP PO assignment structure.

The PO team will monitor the Grantee's performance against their approved monitoring process of its Subgrantees against the minimum requirements of the Program and/or the Grantee's current, approved WAP Application (Plan). Grantees can expect their PO team review any or all components in the Grantee Programmatic and Management, Technical and corresponding Subgrantee checklists during a monitoring visit, dependent on the current priorities.

During an onsite monitoring visit, the PO team will review the Grantee's program, administration, management and technical activities. In addition, the PO team will conduct onsite visits to selected Subgrantees to assess how the Grantee monitors their Subgrantee's weatherization operations. The Subgrantees will be selected in coordination with the Grantee, and the visit will include reviewing a sample of in-process and completed units diverse in housing type (single family, multifamily and manufactured housing), fuel sources and other variables such as energy audits vs. priority list, lead safe practices, etc.).

An additional component of the DOE onsite monitoring includes a Quality Management Assurance (QMA), which is a technical review of weatherized units. The QMA reviews are detailed in scope and may be conducted by a representative of DOE. At the time of the QMA review, technical assistance may be provided to the Grantee, Subgrantees and/or their contractors.

A monitoring overview email with specifics within the Performance and Accountability for Grants in Energy (PAGE) system will be issued to the Grantee within 30 calendar days of the completion of the visit. The monitoring overview will include:

- Completed monitoring checklists or subsets of the checklist(s), as appropriate;
- Identified T&TA needs; and
- A schedule and/or due dates for any Corrective Action Plan (CAP) or follow-up actions required by the Grantee.

A CAP is a step by step plan to address an identified deficiency. The CAP must identify the underlying reason(s) and how it will address the issues to resolve the finding(s). Development of a CAP ensures a plan and process to correct and ensure the deficiencies do not reoccur. Grantees can use the related notices and/or memos as tools to help correct deficiencies within their submitted CAP.

Grantees are required to submit a CAP to address any identified findings and concerns through any monitoring activity within 30 calendar days after the monitoring report is received. Additional resources on CAP development can be located within the Monitoring section of the [WAP Program Manager's Toolkit](#).

The onsite monitoring checklists and analysis will undergo periodic reviews and be updated when needed to either incorporate new program requirements or remove out-of-date information.

DOE Monitoring of Grantees - Desktop & Ad Hoc Monitoring

The PO teams will have regular communications with Grantees and conduct desktop and ad hoc monitoring.

Desktop Monitoring

- Required quarterly reviews driven by Grantee Financial and Production reports submitted on the 30th of the month following the end of the quarter.
- Verifies the Grantee is in compliance with program requirements or identifies needed corrective actions to become compliant.
- If deficiencies are identified, **monitoring assessments** can be issued and may require CAPs within 30 days of issuance.

Ad Hoc Monitoring

- Entails continuous review throughout the year, including the Application Plan approval, energy audit/priority list and field guide approvals, etc.
- Additional ongoing desktop or onsite monitoring driven by Grantee performance or concerns surrounding possible fraud, waste or abuse.
- Monitoring Assessments can be issued and may require CAPs.

As part of both desktop and ad hoc monitoring, the PO team will use reference materials (PAGE, production reports, conversations, correspondence, policies and procedures, fiscal reports, and Quality Assurance (QA) contractor data) to assist in this activity.

DOE WAP Monitoring Assessment Definitions

To address Network feedback via the American Consumer Satisfaction Index (ACSI) survey, DOE updated the monitoring assessment definitions to clarify the differences in what program deficiencies equate to a finding, concern or recommendation.

A Finding is:

- Identified non-compliance with a statutory and regulatory program requirement and must include the citation for the requirement.
- Repeated or previously identified concerns (as defined on the next page) that remain unaddressed and cause non-compliance with a statutory and regulatory program requirement.

To resolve a finding, the PO will issue an action item with a deadline and a response from the Grantee acknowledging understanding of the finding(s) and action items/deadlines required. **A CAP shall be developed by the Grantee and submitted to DOE for approval. The CAP must identify the underlying reason(s) and how it will address the issues to resolve the finding(s). Grantees will use the corresponding notices and/or memos as tools to help correct deficiencies.**

A Concern is:

- Inconsistencies between the Grantee's current approved plan (including required attachments) and actual implementation ([440.12](#)). As a reminder, approved state plans and attachments are subject to review during the DOE monitoring process.
- Identified Grantee practices that, at present, may not be out of compliance with statutory or regulatory program requirements but do not reflect the safeguards/processes outlined in Program issued Notices specifically designed to ensure compliance with statutory and regulatory requirements;
- Identified non-compliance or omissions prescribed within the Grantee's annual Plan, policies and procedures that were the basis of the Grant award.
- Repeated program recommendations (defined below) that remain unaddressed and can lead to potential non-compliance.

To resolve a concern, the PO will issue an action item with a deadline and a response from the Grantee acknowledging understanding of the concern(s) and action items/deadlines required. **A CAP will be developed by the Grantee and submitted to DOE for approval. The CAP must identify milestones to address the underlining issues and resolve the concern.**

A Recommendation is:

- Identified actions/changes to the Grantee's approach to ensure compliance with Program (statutory, regulatory, and Grantee) requirements;
- Suggested actions for consideration to improve merits of the Program, optimize policies and procedures and/or incorporate a best practice; and
- Identify options for available T&TA.

DOE's Monitoring Approach

DOE's comprehensive monitoring of the Grantee must include the following areas and details. Each section is described in more detail in the attached monitoring instruments.

A. Approach.

- **Programmatic and Management Monitoring**
 - Subgrantee Review
 - Financial/Administrative
 - Policy Advisory Council (PAC)
 - Eligibility
 - Rental
 - Financial and other audits
 - Equipment/Inventory/Materials
 - Grantee Monitoring
 - Feedback and Reporting
 - Staff or entity performing the programmatic or fiscal monitoring
 - How monitoring results are handled and required follow-up procedures.

- **Technical Monitoring**
 - Energy Audits
 - Field Work
 - Health & Safety
 - Training & Technical Assistance
 - Equipment/Inventory/Materials
 - Staff or entity performing the monitoring

- **Subgrantee Monitoring (includes both Programmatic & Management and Technical)**
 - Program Overview (Client File Review, Work Orders, etc.)
 - Financial/Administration
 - Inventory
 - Energy Audits
 - Qualifications & Training
 - Weatherization of Units
 - Health & Safety
 - Quality Management Assurance
 - Staff or entity performing the monitoring
 - How monitoring results are handled and required follow-up procedures

- **Financial Monitoring**
 - Financial Management/Accounting Systems and Operations
 - Audits
 - Payroll/Personnel
 - Vehicles and Equipment
 - Procurement
 - Sub-awards/Subgrantee Monitoring
 - Invoicing
 - Records Retention
 - Staff or entity performing the monitoring
 - How monitoring results are handled and required follow-up procedures

The monitoring plan section (Section V.8.3) within the annual WAP Application Plan is required to include the following areas:

- Types of monitoring (Programmatic & Management and Technical) and a plan outlining skills/training/credentials required of those individuals assigned to monitor the WAP.
- Details on how the Grantee monitors are funded – is this supported through Grantee Administration or T&TA? If T&TA, what percentage of funds is directed toward Grantee monitoring effort?
- Language related to how the Grantee ensures the Subgrantee final inspections are performed by Quality Control Inspector (QCI) ([WPN 15-4, Section 3](#)).

- Details on how Grantee monitoring is effective in ensuring work performed (audits, installations, inspections) and are being performed by individuals properly trained.
- An outline of the Grantee's monitoring schedule, detailing frequency and timing for the current year. DOE suggests using the [WAP Monitoring Planning & Reporting Template](#) to submit your monitoring schedule.
 - Administrative/Programmatic (annually)
 - Technical monitoring (at least annually)
- Clear language on how the Grantee addresses areas where corrective actions are needed.
- The process a Grantee follows to discipline and/or remove a Subgrantee from the Program.

Grantee Monitoring of Subgrantees

In accordance with [10 CFR 440.23](#), the Grantee has the responsibility to perform monitoring and oversight of the program implementation and work performed by its Subgrantees. Grantees must include a description of its monitoring plan and other required processes (e.g. monitoring schedule, number of units to be monitored, etc.) within their Grantee Application Plan in Section V.8.3 of the Master File to ensure its Subgrantees' quality of work, policies and procedures and adequate financial management controls are sufficient to meet DOE and Grantee requirements.

The Grantee is responsible for executing the activities identified in the Application Plan approved by DOE. This responsibility includes ensuring that grant funds are expended in accordance with all applicable laws and regulations (Federal and State), such as those contained in [10 CFR 440](#); applicable OMB circulars; OMB Financial Assistance Rule 2 CFR 200; Weatherization Program Notices, and other procedures that DOE may issue.

- A. Visit.** At a minimum, the Grantee must follow the identified monitoring areas under the Approach section (consistent with addressing the areas DOE reviews during federal monitoring activities) and ensure applicable areas are reviewed within its monitoring process. After the monitoring review is completed, the Grantee must inform the Subgrantee, usually through an exit briefing, on the observations and monitoring assessments (findings, concerns, recommendations, etc.) generated by the monitoring visit. If any Health and Safety issues are found during a visit that present imminent danger to the people in the home, the Grantee must instruct its Subgrantee to immediately resolve the issues. **Sensitive or significant noncompliance findings, such as waste, fraud, or abuse must be reported to the DOE Grantee PO team immediately.**

Within 30 calendar days after each visit, the Grantee must prepare a written report for its Subgrantee that describes the current monitoring assessment (identify any findings, concerns, recommendations, commendations, and best practices) and any corrective actions, if applicable. Subgrantee noncompliance or repeated unresolved findings (based on a minimum of 2 consecutive monitoring visits at a Subgrantee) must be reported immediately to the **Grantee PO team**.

B. Inspections: Per [WPN 15-4, Section 3](#), Grantees are required to follow a DOE prescribed QCI procedure to determine the percentage of units to monitor, ensuring adequate Grantee oversight of the Program being administered. DOE allows Grantees to do one of the following or develop their own quality control inspection policy that must be approved by DOE.

Independent QCI: When the Subgrantee's QCI performs only the final quality control inspection, the Grantee must perform reviews of at least 5 percent of each Subgrantee's completed weatherized units (with DOE funds) using an independent QCI. The Grantee must also develop a quality assurance plan that ensures that the individual who is functioning as the QCI is able to consistently perform their final inspection duties in accordance with [WPN 15-4](#).

Independent Energy Auditor/QCI. When the Energy Auditor performs the energy audit, creates the work order, and performs the final quality control inspection, the Grantee must perform reviews of at least 10 percent of all completed units. The final percentage of inspections will be defined by the Grantee and justification provided to DOE supporting the final number. The Grantee must also develop a quality assurance plan that ensures that the individual who is functioning as both the auditor and the quality control inspector is able to consistently perform both tasks.

Grantees are strongly encouraged to review "in progress" units. While these "in progress" visits do not count towards the required percentage of completed units, it affords the Grantee the opportunity to assess:

- Quality and compliance;
- Appropriate and allowable materials;
- Appropriateness and accuracy of energy audits (no missed opportunities or unallowable measures);
- Comprehensive final inspections;
- Safe work practices, such as lead safe weatherization protocols and OSHA compliance; and
- Other factors that are relevant to onsite work.

If significant deficiencies are discovered, such as health and safety violations, poor quality installation of materials, or major measures missed, then the Grantee must require the Subgrantee to take appropriate corrective action to resolve the outstanding issues in a timely manner. The Grantee must also increase both the frequency and percentage of units monitored (per [WPN 15-4](#)) of the Subgrantee until it can be verified that all deficiencies are resolved.

Once deficiencies are corrected and procedures are established to prevent reoccurrence, the Grantee may resume its required sampling percentage per [WPN 15-4](#) of the Subgrantee's work in subsequent monitoring visits.

By the close of the program year, the Grantee is also required to have completed a review of its latest financial audit. Failure to comply with this requirement is sufficient cause to require special conditions to the grant under [2 CFR 200.207](#).

Direct Service Grantees

In instances where the Grantee also serves as the Subgrantee (e.g., Native American tribes, US Territories), the following adjustments apply to the Grantee approach:

- 1) **Programmatic & Management Monitoring:** programmatic, administrative, financial) shall be performed by Grantee Staff or Contractors not involved in day-to-day WAP operations to ensure the same staff are not functioning in the implementation and oversight of the same project.
- 2) **Technical Monitoring:** Since Subgrantees must inspect 100 percent of all production and confirm the quality and completeness of work before reporting the completed unit to the Grantee for reimbursement, per [WPN 15-4, Section 3](#), the Grantee is required to either follow a DOE prescribed QCI policy (see page 4) or develop its own quality control inspection policy that must be approved by DOE. **The additional 10 percent monitoring (quality assurance) must be performed by Grantee staff or contractor not associated with the daily operation of the Program.**

If a Direct Service Grantee's Application Plan does not include the items above, its Plan must be updated accordingly. Failure to submit the required reports within the allocated timeframe will result in a hold being placed on grant funds.

- C. Tracking and Analysis.** Results of Grantee's monitoring of its Subgrantees, including, financial reviews, must be tracked by the Grantee to final resolution. The Program requires the tracking record developed by the Grantee to include, but not be limited to: findings, concerns, recommendations, commendations, and best practices, deliverables, T&TA provided, and resolutions.

Annually, the Grantee is required to summarize each of its Subgrantees' financial reviews, program monitoring reports, and any outstanding issues and develop a **Subgrantee monitoring analysis overview** that identifies each Subgrantee's needs, strengths, and weaknesses. The results of this monitoring analysis must be considered during annual planning and be available in the Grantee Office for review during DOE onsite monitoring visits.

- D. Reporting.** A narrative report including successes and significant problems must be reported to DOE in the *Annual T&TA, Monitoring, and Leveraging Report*. Only those official visits that would normally be reported to DOE, not routine day-to-day activities, are required. The annual report is due annually, 30 calendar days after the end of the reporting period. At a minimum, the monitoring report must include the following items:

- Subgrantees monitored;
- Any major findings (waste, fraud, and abuse) and resolutions;
- Trends with respect to findings, concerns or other issues;
- Identified T&TA needs – can use the [*WAP T&TA Planning and Reporting Template*](#). Use of the template is voluntary but the information requested there in is mandatory;
 - Programmatic/Administrative;
 - Technical;
 - Financial;
- Subgrantees that are considered high risk and plan on how to resolve; and
 - Subgrantees considered high risk for other programs or program management (e.g. LIHEAP; financial issues, etc.); and
- Outcome activities involving T&TA and monitoring training.

If a Grantee's *Annual T&TA, Monitoring, and Leveraging Report* does not include the items above, its report will be rejected and must be updated accordingly. Failure to submit the required information within the allocated timeframe may result in a hold being placed on the Grantee's grant funds.

Direct Service Grantees – Annual T&TA, Monitoring & Leveraging Report

In instances where the Grantee also serves as the Subgrantee (e.g., Native American tribes, US Territories), the following adjustments apply to the Grantee's reporting requirements:

- A narrative report including successes and significant problems must be reported to DOE in the *Annual T&TA, Monitoring, and Leveraging Report*.
- Only those official visits that would normally be reported to DOE, not routine day-to-day activities, are required.
- The annual report is due annually, 30 calendar days after the end of the reporting period.

Monitoring: Overview of the completed units and any missed opportunities, installation concerns or training needs.

Training & Technical Assistance: The Grantee must identify the training and/or technical assistance required by staff to complete their job tasks.

CONCLUSION: DOE and the Weatherization staff continually examine the performance of the Program and funding decisions at the Congressional and DOE levels are often based on Grantee and Subgrantee performance measured through monitoring and oversight protocols. All monitoring responsibilities at the Federal, Grantee and Subgrantee levels must be fulfilled in order to properly document the compliance by all parties involved in delivering the WAP. DOE appreciates the many contributions that continue to make Weatherization Work!



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Attachment

WAP Onsite Monitoring - Programmatic & Technical Checklists