

Department of Energy
Washington, DC 20585



WEATHERIZATION PROGRAM NOTICE 24-4
ISSUED DATE: May 10, 2024

EXECUTIVE SUMMARY: This notice provides key improvements of the Department of Energy's (DOE) monitoring policy and procedures for the Weatherization Assistance Program (WAP), which include:

- Refinement of the federal monitoring activities (onsite, desktop, and ad hoc monitoring).
- Federal monitoring process and procedures.
- Updated monitoring definitions and terminology.
- Updated monitoring tools.

SUBJECT: Weatherization Assistance Program Monitoring Procedures

APPLICABLE TO: Annual Formula Grants, Bipartisan Infrastructure Law (BIL) Grants, Sustainable Energy Resources for Consumers (SERC) Grants, Community Scale Pilot Program (CSPP) Grants

INTENDED AUDIENCE: WAP Grantees and Subgrantees

PURPOSE: To issue updated monitoring policy and procedures for WAP annual formula and Bipartisan Infrastructure Law (BIL) grants and any corresponding SERC and CSPP grant projects.

SUPERSEDES: Weatherization Program Notice (WPN) 24-4 supersedes WPN 20-4, Weatherization Assistance Program Monitoring Procedures.

RELATED GUIDANCE: [WPN 22-4 Quality Work Plan Requirement Update](#), [WPN BIL-4 Department of Energy Monitoring of Bipartisan Infrastructure Law in the Weatherization Assistance Program](#), [WPN 23-9: Weatherization Assistance Program Enhancement & Innovation Monitoring](#), [WAP Memorandum 122: Announce the Availability of the Sustainable Energy Resources for Consumers \(SERC\) Technology Inspection Checklists](#)

SCOPE: The provisions of this program notice apply to all WAP Grantees applying for financial DOE WAP formula or BIL grants.

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

WAP regulation [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 the tools and resources necessary to offer the highest quality of work and services to those served by the Program. It is critically important that WAP funds be used cost-effectively and in accordance with Weatherization Program Notices (WPN), rules, and regulations. **Monitoring ensures the integrity of the public purpose of the Program.**

Through the monitoring process, DOE aims to maintain the highest level of performance using the following goals:

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

GUIDANCE: Procedures outlined in this notice apply to all programs/grants listed within the Purpose. [10 CFR 440.23](#) deems monitoring a necessary element to oversee the Program at every level of implementation – Federal (DOE), State, Territory or Tribe (Grantee), and Local (Subgrantee). The following sections describe the monitoring expectations for each level, by entity.

DOE MONITORING OF GRANTEES

Per [10 CFR 440.23\(b\)](#) DOE shall “monitor and evaluate the operation of projects carried out by CAA's receiving financial assistance under this part through onsite inspections, or through other means, in order to ensure the effective provision of weatherization assistance for the dwelling units of low-income persons.”

DOE monitoring activities assist Grantees to:

- Continue meeting Program requirements.
- Identify any monitoring action items or deficiencies.
- Resolve outstanding findings, concerns, or recommendations.
- Identify T&TA needs.
- Document and share best practices with the WAP network.

DOE performs monitoring of Grantees through:

- Onsite Comprehensive Monitoring (both Programmatic and Technical)
- Onsite Programmatic Monitoring
- Onsite Technical Monitoring
- Desktop Monitoring (virtual)
- Ad Hoc Monitoring (virtual)

Depending on a specific Grantee and/or Subgrantee's situation or need, DOE may conduct additional monitoring activities as needed.

DOE WAP staff continually refine monitoring processes and prepare information to assist Grantees to meet their oversight responsibilities. This includes Grantee development of consistent monitoring standards in their approved Grantee Plans, compliance with federal regulations, and alignment with DOE's Weatherization Program Notices (WPN).

Onsite Monitoring

WAP Programmatic and Technical Project Officers (PO) will monitor Grantee policies and procedures, financial management systems, management, and monitoring of the Subgrantee network against the requirements of the Program and their approved annual and/or BIL Grantee Plan.

Once a Grantee is selected for onsite monitoring, POs will coordinate with the Grantee to identify dates and Subgrantees to participate in the visit. To prepare for the onsite monitoring, POs will request via the Performance and Accountability for Grants in Energy (PAGE) specific Grantee and Subgrantee materials from the *Pre-Review Materials List* (see attached programmatic and technical monitoring checklists). This request typically occurs three (3) months prior to the scheduled visit. **Timely submission of requested materials is essential for monitoring preparation.**

During an onsite monitoring, a Programmatic PO will review the Grantee's financial management, program administration and management, program materials and systems. The goal is to assess compliance with federal regulations, the Grantee's own policies and procedures, and the strengths of overall internal controls.

During monitoring, a Technical PO will accompany state monitors and/or Quality Control Inspectors (QCI) to conduct site visits to assess the Grantee's monitoring of their Subgrantees' weatherization operations. The goal of site visits is to review a diverse selection of in-process and completed weatherized units, including all housing types (single family, multifamily and manufactured housing), fuel sources, and variables such as energy audits, priority lists, lead safe practices, SERC-funded measures, etc.

DOE's monitoring entails a systematic approach to review key program areas through utilization of monitoring checklists and onsite observations. The attached programmatic and technical monitoring checklist tools (including SERC grant and project review questions) help document observations, best practices, and deficiencies.

Programmatic Monitoring Checklist

- Grantee Review
- Financial/Administrative/Weatherization Readiness Funds (WRF)
- Procurement
- Policy Advisory Council (PAC)
- Eligibility
- Rental
- Equipment/Inventory/Materials
- Grantee Monitoring
- Training & Technical Assistance
- Feedback and Reporting
- Client Complaint Resolution Process
- Programmatic Grantee Monitoring of Subgrantees Review Checklist
 - Program Overview
 - Financial/Administration/WRF
 - Risk Assessment performed by Grantee
 - Equipment/Inventory/Materials
 - Eligibility
 - Client Complaint Resolution Process

SERC Programmatic Monitoring Checklist

- Financial
- Policy Advisory Council (PAC)
- Eligibility
- SERC Grantee Monitoring of Subgrantees Review Checklist
 - Program Overview
 - Financial/Administration
 - Inventory

Technical Monitoring Checklist

- Grantee Review
- Energy Audits
- Field Work
- Health & Safety
- Grantee Monitoring
- Training & Technical Assistance
- Feedback and Reporting
- Technical Subgrantee Questions
 - Program Overview
 - Energy Audits & Priority Lists
 - Qualifications & Training
 - Weatherization of Units
 - Health & Safety
 - Quality Management Assurance

SERC Technical Monitoring Checklist

- Field Work
- SERC Grantee Monitoring of Subgrantees Review Checklist
 - Energy Audits
 - Quality Management Assurance
 - Qualifications & Training
 - Weatherization of Units

Financial Monitoring

- Financial Management/Accounting Systems and Operations
- Audits
- Payroll/Personnel
- Vehicles and Equipment
 - File review of recent purchases
- Procurement
- Sub-awards/Subgrantee Monitoring
- Invoicing
- Records Retention

A ***monitoring assessment report*** will be issued to the Grantee within 30 calendar days of the completion of the visit, through PAGE or email, if needed. A monitoring assessment report includes:

- An overview of the onsite monitoring visit.
- Monitoring trends.

- Areas of strength and essential program improvements.
- Identified action items (categorized as either findings, concerns or recommendations).
- T&TA recommendations.
- Follow-up actions required by the Grantee, including (if needed) the development of a Corrective Action Plan (CAP) supported by a schedule and/or due dates.

Grantees are encouraged to share the monitoring assessment report with the Subgrantees who participated in the monitoring activity.

Desktop & Ad Hoc Monitoring

POs have regular communications with Grantees and conduct desktop and ad hoc monitoring as follows:

Desktop Monitoring

- Occurs quarterly and annually.
 - Annual desktop monitoring will follow the same basic process as an onsite monitoring visit. PO will schedule online meetings with the Grantee, request program materials and examples, and utilize the monitoring checklists to review and document each program area that is monitored. A *monitoring assessment report* will be issued through PAGE to identify observations and any monitoring trends, strengths/best practices, essential program improvements, any T&TA recommendations and any identified action items.
- Requires reviews of the Federal Financial Reports (FFR) and Quarterly Performance Reports (QPR), which Grantees are required to submit into PAGE on the 30th of the month following the end of each quarter.
- Includes review of the *Historic Preservation* and *Annual T&TA, Monitoring and Leveraging Reports* submitted in PAGE.
- Verifies the Grantee compliance with program requirements and identifies any deficiencies that can result in DOE issuing a monitoring assessment with specific action items and as needed, may require the Grantee to submit a CAP within 30 calendar days.

Ad Hoc Monitoring

- Completes an in-depth analysis of a key program component or process (e.g., policies and procedures, energy audit modeling, procurement, or training).
- May include the use of the monitoring checklist tools to document the analysis results.
- Initiates when a specific trend or deficiency is identified through desktop and/or onsite monitoring.
- Includes additional ongoing desktop or onsite monitoring driven by Grantee performance or concerns surrounding possible fraud, waste, or abuse.
- Results in DOE providing technical assistance and/or issuing a monitoring assessment report identifying specific improvements to resolve the deficiency. If needed, the

assessment can include specific action items that may require the Grantee to submit a CAP within 30 calendar days.

The PO will use reference materials as part of the desktop and ad hoc monitoring including but not limited to the current approved Grantee Plan, PAGE quarterly and annual reports, correspondence, policies and procedures, procurement documentation, and Grantee monitoring and quality control data.

DOE WAP Monitoring Assessment and Action Item Definitions

A *monitoring assessment* is a narrative report issued from PAGE that provides an overview of the monitoring activity, monitoring trends, areas of strength and essential program improvements, reviews action items, identifies T&TA recommendations, and identifies any corresponding action item(s) that need to be addressed.

DOE uses three types of *action items* during monitoring to clarify deficiencies and opportunities for improvement: *finding, concern, and 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 next) that remain unaddressed and cause non-compliance with a statutory and regulatory program requirement.

A Concern is:

- Inconsistencies between the Grantee's current approved plan (including required attachments) and actual implementation ([440.12](#)). As a reminder, approved Grantee 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 WAP program guidance specifically designed to ensure compliance with statutory and regulatory requirements.
- Identified non-compliance or omissions within the Grantee's approved Grantee Plan or associated 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.

Findings and concerns require Grantees to develop a step-by-step CAP to address identified deficiencies. The CAP must address the underlying cause(s) and how the Grantee will resolve the finding(s) or concern(s) within a proposed timeline. Within 30 calendar days of receiving a

Monitoring Assessment, Grantees must submit a CAP via the Grantee Response to the specific finding(s) or concern(s) in PAGE, which must be approved by DOE. The [WAP Resource Hub](#) provides additional Monitoring resources and templates on CAP development.

A Recommendation is:

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

GRANTEE MONITORING OF SUBGRANTEES

In accordance with 10 CFR 440.12(b)(6) and [10 CFR 440.23](#), the Grantee must perform annual Programmatic, Technical and Financial monitoring to ensure the oversight of program implementation and quality of work performed by all Subgrantees. Grantees are required to submit annual monitoring plan and activities following the specific requirements within **Section V.8.3 Monitoring Activities of the Application Instructions** that cover:

- Grantee monitoring policies and procedures.
- Identified administrative and technical monitoring staff.
- Percentage of Administration and/or T&TA funds allocated for monitoring activities.
- Annual Subgrantee monitoring schedule.

Grantees are responsible for executing the activities identified in their DOE-approved monitoring plan annually for both annual and BIL WAP awards including SERC, if applicable. BIL award monitoring shall happen no later than one year following the submittal of a BIL unit from each Subgrantee. Grantees may combine annual and BIL monitoring activities but must ensure each grant is monitored in accordance with the appropriate funding requirements (e.g. 5-10% of units funded under each award receives a technical monitoring visit, BIL funded units comply with Davis Bacon Act (DBA) and/or Build America Buy America (BABA) requirements, etc.) and in accordance with the grant's approved monitoring plan. If monitoring is combined for annual and BIL funds, Grantees must ensure documentation clearly represents that both grants were monitored.

This responsibility includes ensuring funds are expended in accordance with all applicable laws and regulations (Federal and State), such as those outlined in applicable Office of Management and Budget (OMB) circulars; OMB Financial Assistance Rule 2 CFR 200; Weatherization Program Notices (WPN) and Memorandums, and other procedures issued by DOE.

A. Subgrantee Visits. Grantees must complete annual monitoring visits of their Subgrantee network, including but not limited to Programmatic, Technical and Financial monitoring. DOE

recommends Grantees utilize the DOE monitoring checklist topic areas within their monitoring approach to ensure applicable topic areas are consistently reviewed across the program. Please note the following when conducting Subgrantee Programmatic, Financial, and Technical, monitoring visits:

- Grantees may conduct Programmatic and Financial as desktop monitoring.
- Technical Monitoring of Subgrantees must be performed onsite. Any variation from this requirement must be presented to the DOE Technical PO for approval prior to the monitoring taking place.

Within **30 calendar days** after a monitoring visit, Grantees must provide a written report for their Subgrantee 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 T&TA needs.
- Subgrantee noncompliance or repeated unresolved findings (based on a minimum of 2 consecutive monitoring of a Subgrantee), must be reported immediately to the **Grantee's PO team**.

Final Inspections and Grantee Monitoring/Quality Assurance Review Policies: As outlined within the Grantee Monitoring (Section 2: Inspections) in [WPN 22-4 Quality Work Plan Requirement Update](#), Grantees have two options to approach their quality assurance procedures to determine the percentage of units to monitor, ensuring adequate Grantee oversight.

1. **DOE Prescribed Monitoring/QCI Policy.** This option provides Grantees two options, based on a Subgrantee's final inspection staffing plan.
 - **Independent QCI:** When a Subgrantee's designated QCI performs **only** the final quality control inspection on unit, Grantees must perform annual monitoring reviews of at least **5 percent of completed units weatherized with DOE funds**. Grantees must develop a quality assurance plan ensuring individuals functioning as a QCI is able to consistently perform their final inspection duties in accordance with [WPN 22-4](#).
 - **Dual Energy Auditor/QCI:** When the same Subgrantee certified individual **performs the energy audit, creates the work order, and performs the final quality control inspection**, Grantees must perform annual monitoring reviews of **at least 10 percent of completed units weatherized** with DOE funds.

When Grantees are performing monitoring of Subgrantees, the requirement is to follow the DOE prescribed final inspection procedure as described in [WPN 22-4](#), Section 2, Inspections.

This section specifically identifies Grantee monitoring of a Subgrantee dwelling unit **shall not** be completed by the same QCI certified individual that conducted the Subgrantee energy audit or final inspection, of the same dwelling unit.

2. **Grantee-developed Monitoring Policy.** If a Grantee contracts with third-party individuals or organizations to complete their Subgrantee monitoring, then the Grantee may need to develop a monitoring policy that identifies the following information:
 - Description of the relationship between the certified individual performing final inspections and installed work - i.e., are they independent, did they audit the home, did they work on the crew, etc.
 - Process for ensuring monitoring is performed impartially and in a complete manner. This must include review of the energy modeling inputs and outputs as described in Section 2, Final Inspection of WPN 22-4.
 - Grantee process for reviewing the success of the monitoring policies and resolving any issues affecting the quality and impartiality of the inspection process.

The Grantee must also develop a quality assurance plan ensuring the individual functioning as both the auditor and QCI can consistently perform both tasks.

Grantees are strongly encouraged to review “in progress” units. While “in progress” visits are not included in the percentage of completed units, it allows Grantees the opportunity to assess:

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

After a monitoring review is complete, Grantees must inform their Subgrantees (often through exit briefings) of their observations and identify any action items from the visit. If any identified health and safety issues are found during a visit that present imminent danger to the people of the home, then Grantees must instruct Subgrantees to immediately address and resolve the issue.

Sensitive or significant noncompliance findings, such as waste, fraud, or abuse, must be reported to the Grantee’s DOE PO team immediately.

By the close of the Program Year, Grantees are also required to complete reviews of Subgrantees’ latest financial audit.

B. Tracking and Analysis. Results of Grantee's annual monitoring of its Subgrantees (including financial reviews) must be tracked by the Grantee through final resolution. The tracking records developed by the Grantee must, at minimum, include findings, concerns, recommendations, best practices, CAP and resolutions, deliverables, and T&TA provided.

Annually, Grantees are required to summarize each of its Subgrantees' financial reviews, program monitoring reports, and outstanding issues, and develop a **Subgrantee monitoring analysis overview**. This overview must identify each Subgrantee's needs, strengths, and weaknesses. The analysis results must be considered during annual planning and be made available to the PO to review during any DOE monitoring activity.

C. Reporting. A narrative monitoring report, including successes, trends, any significant problems must be reported to DOE within the *Annual T&TA, Monitoring, and Leveraging Report*. The report should only contain official annual monitoring visits (not routine day-to-day activities). The annual report is due **90 calendar days after the end of the reporting period**. Minimally, the monitoring report must include the following:

- Subgrantees monitored.
 - Number of unit completions by Subgrantee.
 - Number of Grantee monitored units by Subgrantee.
- Major findings (waste, fraud, and abuse) and resolutions.
- Trends with respect to Findings, Concerns, or other issues.
- Identified T&TA needs – See [WAP T&TA Planning and Reporting Template](#). Use of the template is voluntary, but the information requested therein is mandatory.
 - Programmatic/Administrative
 - Technical
 - Financial
- Subgrantees considered high risk and a plan for resolution.
- Subgrantees considered high risk for other programs, or program management (e.g., LIHEAP; financial issues, etc.).
- 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, the report will be rejected and must be updated accordingly. Failure to submit the required information within the allocated timeframe may result in a monitoring action item being assigned or 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, U.S. 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, **90 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 staff continuously examine the performance of the Program. Funding decisions at the Congressional and DOE levels are often based on performance measured through monitoring and oversight protocols. All monitoring responsibilities at the Federal, Grantee, and Subgrantee levels must be fulfilled to properly document the compliance by all parties involved in delivering the WAP. DOE appreciates the many contributions that continue to make Weatherization Work!

David Gipson
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Attachments

WAP Programmatic Monitoring Tool (includes SERC programmatic monitoring checklists)

WAP Technical Monitoring Tool (includes SERC technical monitoring checklists)