



ADMINISTRATION FOR  
**CHILDREN & FAMILIES**

330 C Street, S.W., Washington, DC 20201 | [www.acf.hhs.gov](http://www.acf.hhs.gov)

### **SUPPLEMENTAL TERMS and CONDITIONS**

The **General Terms and Conditions** apply to all mandatory grant programs. These Supplemental Terms and Conditions are additional requirements applicable to the program named below.

By acceptance of awards for this program, the grantee agrees to comply with the requirements included in both the General and Supplemental Terms and Conditions for this program.

#### **Office of Community Services (OCS)**

#### **LOW INCOME HOUSEHOLD WATER ASSISTANCE PROGRAM (LIHWAP)**

Assistance Listing No. 93.568(B) (with modifications based on P.L. 116-260)

#### **APPLICABLE LEGISLATION, STATUTE, REGULATIONS**

1. The administration of this program is authorized under Section 533 Title V of Division H of the Consolidated Appropriations Act, 2021, Public Law No: 116-260. Consistent with legislative instructions, program requirements use existing processes, procedures, and policies currently in place to provide assistance to low-income households. In particular, OCS has closely modeled the Low Income Household Water Assistance Program's (LIHWAP) terms and conditions on assurances and requirements outlined in the Low Income Household Energy Assistance Act, 42 U.S.C. 8621 *et seq.*
2. The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards is located under [45 CFR Part 75](#). In accordance with 45 CFR 75.101 applicability, this program must comply with 45 CFR Part 75 in its entirety. No exceptions have been identified.
3. Additional applicable regulations and requirements can be found in the [General Terms and Conditions for Mandatory: Formula, Block and Entitlement Grants](#).

#### **COST SHARING OR MATCHING (NON-FEDERAL SHARE) OF PROGRAM FUNDING**

4. The federal financial participation rate (FFP) is 100 percent for this program. The federal award provides funds for 100 percent of allowable, legitimate program costs.
5. There is no non-federal cost share/matching required for this program. Program funds for this program are awarded with a 100 percent FFP rate for program costs.

#### **FINANCIAL REPORTING AND REQUIREMENTS**

6. The OMB approved Financial Reporting form for this program is the SF-425 Federal Financial Report [SF-425 Federal Financial Report](#). Grantees must track and report on LIHWAP funds separately from appropriated LIHEAP funds.

- a. This report is submitted annually and must be submitted no later than December 30, which is 90 days following the end of each federal fiscal year (FFY).
  - b. A first interim report is due 90 days following the end of FFY 2021.
  - c. A second interim report interim report is due 90 days following the end of FFY 2022.
  - d. A final report (cumulative, covering the entire project period) is due 3 months following the end of FFY 2023.
7. **Project Period.** The project period for this award is synonymous with the obligation period, as follows: from the date of the award through the end of FFY 2023 (September 30, 2023). Any federal funds not obligated by the end of the obligation period will be recouped by this Department.
8. **Liquidation Deadline.** All obligated federal funds awarded under this grant must be liquidated no later than 3 months after the end of the project period (i.e., December 31, 2023). Any funds from this award not liquidated by this date will be recouped by this Department.
9. The following are the grant/fiscal requirements based on modifications of existing LIHEAP policies and requirements:
- a. The grantees may use up to 15 percent of grant funds for planning and administering the funds under this award. The grantee will pay from non-federal sources the remaining costs of planning and administering the program under this award and will not use federal funds for such remaining cost. Administrative costs of the owners or operators of public water systems or treatment works that may be charged to this award, if any, are subject to this limitation and must be included together with the grantee's costs of planning and administration when calculating compliance.
  - b. The grantee will ensure that fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for federal funds paid to the state under this award, including procedures for monitoring the assistance provided under this award, and provide that the grantee will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "[Single Audit Act](#)").
  - c. The grantee may expend funds for immediate expenses necessary for planning and administering the use of funds upon receipt of the award. However, prior to the expenditure of grant funds for any payments to owners or operators of public water systems or treatment works on behalf of low-income households, the grantee must submit an implementation plan for OCS review and acceptance in a format provided by OCS that will (a) include the eligibility requirements to be used by the state for each type of assistance to be provided under this grant, (2) describe the benefit levels to be used by the state, territory, or tribe for LIHWAP assistance, (3) describe any steps that will be taken to target assistance to households with high home water burdens, and (4) provide a plan of administration including a plan of oversight and monitoring of any subrecipient organizations comparable to the processes and procedures for comparable grant programs. Not later than May 30, 2021, OCS will make available a Model State and Tribal Implementation Plan format to be used in developing and submitting the implementation plan for review.

## **PROGRAM REPORTING AND REQUIREMENTS**

10. Grantees must track and report on LIHWAP program activities under this award separately from LIHEAP. The grantee must report annually on the following data elements, using an OMB-approved reporting format to be provided by OCS:
- a. the amount, cost, and type of water assistance provided for households eligible for assistance under this award;
  - b. the type of water assistance used by various income groups;

- c. the number and income levels of households assisted by this award;
  - d. the number of households that received such assistance and include one or more individuals who are 60 years or older, include a household member with a disability, or include young children (ages 5 and younger);
  - e. the impact of each grantee's LIHWAP program on recipient and eligible households (e.g., amount of assistance to each household, and whether assistance restored water service or prevented shutoff); and
  - f. administrative information regarding local providers (if applicable), agreements with water utilities, recommendations, accomplishments, unmet needs and lessons learned.
11. The following are the program requirements, consistent with instructions in [P.L. 116-260, Section 533](#) and consistent with existing program requirements for Low-Income Home Energy Assistance Program (LIHEAP) and other closely related programs:
- a. Federal funds awarded under this grant shall be used as part of an overall emergency effort to prevent, prepare for, and respond to the coronavirus, with the public health focus of ensuring that low-income households have access to safe and clean drinking water and wastewater services.
  - b. Funds will be used to provide assistance to low-income households—particularly those with the lowest incomes—that pay a high proportion of household income for drinking water and wastewater services. Assistance to households will be accomplished by providing funds to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged to such households for such services. Grantees may use LIHWAP funding to cover arrearages arising at any time, including prior to this award.
  - c. Grantees shall, in carrying out programs funded with this grant, as appropriate and to the extent practicable, use existing processes, procedures, policies, and systems in place to provide assistance to low-income households, including by using existing programs and program announcements, application and approval processes.
    - i. Grant resources may be used to make payments only with respect to households in which one or more individuals are receiving the following:
      1. assistance under the State program funded under part A of title IV of the Social Security Act;
      2. supplemental security income payments under title XVI of the Social Security Act;
      3. food stamps under the Food Stamp Act of 1977;
      4. payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or
      5. payments under the Low Income Home Energy Assistance Program (LIHEAP);  
**or**
    - ii. households with incomes that do not exceed the greater of the following:
      1. an amount equal to 150 percent of the poverty level for such state; or
      2. an amount equal to 60 percent of the state median income;
      3. except that a state, territory, or tribe may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for the state; but, the state, territory, or tribe may give priority to those households with the highest home water costs or needs in relation to household income.
  - d. The grantee will establish criteria and procedures for determining income eligibility comparable to established procedures and requirements for LIHEAP. The grantee will conduct outreach activities designed to ensure that eligible households, especially those with the lowest incomes,

that pay a high proportion of household income for drinking water and wastewater services, are made aware of the assistance available under this title and any similar assistance available under the Community Services Block Grant program or through other emergency relief such as the [Pandemic Emergency Assistance Fund](#) and the U.S. Department of Treasury's [Emergency Rental Assistance Program](#).

- e. The grantee will coordinate its activities under this title with similar and related programs administered by the Federal Government and such state, territory, or tribe, particularly low-income utility support programs such as LIHEAP, the Community Services Block Grant (CSBG), Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), the Social Service Block Grant, and the [Emergency Rental Assistance Program](#).
- f. The grantee will provide, in a timely manner, that the highest level of assistance will be furnished to those households that have the lowest incomes and the highest water costs or needs in relation to income, taking into account family size, except that the state, territory, or tribe may not differentiate in implementing this section between the households described in condition 11(c)(i) and 11(c)(ii) (above).
- g. The grantee will establish policies, procedures, and benefit levels on behalf of households that prioritize continuity of water services, including prevention of disconnection and restoration water services to households for which water services were previously disconnected.
- h. The grantee will provide funds to owners or operators of public water systems or treatment works ("owners or operators") to reduce arrearages of and rates charged to eligible households for such services. For all payments to owners or operators on behalf of individual households, the grantee must establish procedures to:
  - i. notify, or require the owner or operator to notify, each participating household of the amount of assistance paid on its behalf;
  - ii. ensure that the owner or operator will charge the eligible household, in the normal billing process, the difference between the actual amount due and the amount of the payment made by the LIHWAP grant;
  - iii. ensure that any agreement the grantee enters into with an owner or operator under this paragraph will contain provisions to ensure that no household receiving assistance under this grant will be treated adversely because of such assistance under applicable provisions of state, territorial or tribal law or public regulatory requirements;
  - iv. ensure that the provision of payments to the owner or operator remains at the option of the grantee, in consultation with local subgrantees; and
  - v. ensure that the owner or operator provides written reconciliation and confirmation on a regular basis that benefits have been credited appropriately to households and their services have been restored on a timely basis or disconnection status has been removed if applicable.
- i. The amount of any home water assistance benefits provided under this program for the benefit of an eligible household shall not be considered income or resources of such household (or any member thereof) for any purpose under any State, Territorial, or Tribal law, including any law relating to taxation, public assistance, or welfare programs.
- j. The grantee will not exclude income-eligible households (described above in condition 11(c)(ii)) from receiving home water assistance benefits.
- k. The grantee will establish procedures to treat owners and renters equitably under the program assistance provided with these grant resources.

- l. The grantee will provide for timely and meaningful public participation in the development of a state, territory or tribe's LIHWAP implementation plan, such as publication and acceptance of comments via the grantee's website.
- m. The grantee will provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under a LIHWAP plan are denied or are not acted upon with reasonable promptness. Administrative hearing opportunities will be comparable to and may utilize existing processes, procedures, and systems currently in place for the state, territory, or tribe's Low Income Home Energy Assistance grant.
- n. The grantee will be responsible for planning and prioritizing funds for households in communities throughout the state with the exception of households within tribal jurisdictions for which OCS has reserved a portion of LIHWAP funds. If the governing organization of any eligible tribal government or organization located within the state declines or is not able to successfully apply for available LIHWAP funds, the state grantee will then be responsible for including eligible households within the tribe's jurisdiction in its outreach and service coverage.
- o. LIHWAP grant funds may not be used by the grantee, or by any other person with which the grantee makes arrangements to carry out the purposes of this grant, for the purchase or improvement of land or the purchase, construction, or permanent improvement of any building or other facility.
- p. The grantee will permit and cooperate with federal investigations undertaken in accordance with the following procedures:
  - i. OCS shall, after adequate notice and an opportunity for a hearing conducted within the affected state, territory, or tribe, withhold funds from any grantee that does not utilize its allotment substantially in accordance with the terms and conditions.
  - ii. OCS shall review and respond in writing in no more than 60 days to matters raised in complaints of a substantial or serious nature that a grantee (or any person with which the grantee makes arrangements to carry out the purposes of the grant) has failed to use funds in accordance with these terms and conditions. Any violation of any one of the terms and conditions that constitutes a disregard of such assurance shall be considered a serious complaint.
  - iii. If OCS determines that there is a pattern of complaints from any state, territory, or tribe during the grant period, OCS shall conduct an investigation of the use of funds received under this award by the grantee in order to ensure compliance with terms and conditions.
  - iv. The HHS Office of the Inspector General (OIG) may conduct an investigation of the use of funds received under this title by a state, territory, or tribe in order to ensure compliance with the provisions of this title.
  - v. In the event of an investigation conducted by OCS, OIG, or another federal entity designated by OCS, the grantee shall make appropriate books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request thereof.
  - vi. In conducting any investigation under the procedures described above, OCS will not request any information not readily available to such state, territory, or tribe, or require that any information be compiled, collected, or transmitted in any new form not already available.

## **REAL PROPERTY REPORTING**

12. Real Property Reports (SF-429s). The SF-429 Real Property forms are not applicable to this program. Purchase, construction, and major renovation are not an allowable activity or expenditure under this grant.

**EFFECTIVE PERIOD**

13. These program-specific Supplemental Terms and Conditions are effective on the date shown at the bottom of the pages of this document and will remain in effect until updated. They will be updated and reissued only as needed whenever a new program-specific statute, regulation, or other requirement is enacted or whenever any of the applicable existing federal statutes, regulations, policies, procedures, or restrictions are amended, revised, altered, or repealed.