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## Local Commissioners Memorandum

### Section 1

<b>Transmittal:</b>	08-LCM-09
<b>To:</b>	Local District Commissioners
<b>Issuing Division/Office:</b>	Office of Budget, Finance and Data Management
<b>Date:</b>	September 15, 2008
<b>Subject:</b>	Home Energy Assistance Program (HEAP) Office of the State Comptroller (OSC) Payment Process
<b>Contact Person(s):</b>	Regions 1-4: James Carroll 1-800-343-8859, ext. 4-7549 or 518-474-7549 <a href="mailto:James.Carroll@otda.state.ny.us">James.Carroll@otda.state.ny.us</a> Region 5: Michael Borenstein 631-854-9704 <a href="mailto:Michael.Borenstein@otda.state.ny.us">Michael.Borenstein@otda.state.ny.us</a>
<b>Attachments:</b>	Attachment 1: HEAP OSC Check Inquiry
<b>Attachment Available On – Line:</b>	Yes

### Section 2

#### I. Purpose

The purpose of this Local Commissioners Memorandum (LCM) is to provide all local social service districts, other than New York City, with accounting information related to the Home Energy Assistance Program (HEAP) Office of the State Comptroller (OSC) process that started in fall 2007. Districts are reminded that existing HEAP program and fiscal guidelines are still in effect, as contained in the manuals listed in Section III of this release.

#### II. Background

The NYS Home Energy Assistance Program (HEAP) is a federally-funded program that assists low-income New Yorkers in meeting their home energy needs. The HEAP program provides: Regular Benefits, Emergency Benefits, Furnace Repair/Replacement, and Weatherization components.

The HEAP OSC Payment Process is a collaborative effort between the Office of Temporary and Disability Assistance (OTDA) and the Office of the State Comptroller (OSC). The goal is to make the issuance of HEAP vendor payments a state function rather than a local district operation (with the exception of New York City). This payment process allows for timely and regular payments to vendors which may assist in lowering fuel and utility costs.

OSC offers the direct deposit ACH (Automated Clearing House) option to ACH-enrolled vendors which results in a quicker transfer of funds. Those vendors that do not enroll in ACH will receive OSC payment by paper check.

### **III. Program Implications**

#### Authorizations / Payments / Refunds / Reporting

Local districts have an annual option at the beginning of each HEAP season to choose either a 6 calendar day or a 13 calendar day HEAP OSC voucher review period. The review period starts on the Monday morning when HEAP OSC generated vouchers are sent to the local district's Benefit Issuance Control System (BICS) queue. Holidays are included in counting the days for review in both timeframes. The 6 calendar day review period includes the first Monday through close of business Saturday. The 13 calendar day review period includes Monday through Sunday and the following Monday through close of business Saturday.

Local districts should continue to complete HEAP eligibility determinations and HEAP vendor payment authorizations according to established program and fiscal guidelines. The local district is also responsible for the review and necessary adjustments of the state produced local district HEAP voucher files supporting HEAP OSC payments. HEAP OSC payments are issued directly by the state through the HEAP OSC Payment Process. Local district HEAP payments, including two-party checks, Electronic Benefit Transfer (EBT) benefits, and direct checks to recipients, continue to be local district responsibility.

HEAP OSC payments and returned OSC checks will not be claimed by the local district and will appear on a secondary informational composite roll produced via Benefit Issuance Control System (BICS) Production Request (BPR) 42 - Request for Composites. Refer to HEAP OSC payment process instructions appearing in the Indirect Payment Processing System (IPPS) Manual, Appendix H. OTDA notifies districts of uncashed HEAP OSC checks that are returned to the State and HEAP OSC stop payment checks.

Vendors continue to identify HEAP refunds for LDSS issued checks and OSC issued checks and send refunds directly to the local district. Both local district related HEAP and HEAP OSC refunds will be processed using CAMS cash receipts as instructed in the Cash Management System (CAMS) Procedural Manual.

Local district issued HEAP payments are included on the local district LDSS-3551 RF-8 Monthly Statement of Expenditures and Claims for the Home Energy Assistance Program (HEAP) composite roll and claim. The following refunds are reported on the monthly RF-8:

- Local district HEAP refunds

- OSC HEAP refunds returned to the district

Refer to Fiscal Reference Manual (FRM) Volume 2, Chapter 3 for further claiming instructions.

It is the district's responsibility to assist vendors in their attempt to identify payments for individual recipients and to assist in the resolution of missing HEAP OSC payment issues. Districts should not advise vendors to contact OTDA or OSC directly about these issues. We recognize the issues that have resulted from the limitation of the remittance information and are working on solutions to provide sufficient identifying information to vendors.

When a vendor reports that a check has not been received, the district should first make all attempts to verify that the check is missing. In many cases, the check was sent to an incorrect address and was returned to either OSC or OTDA. After verifying that a check is missing, the district then completes a "HEAP OSC Check Inquiry" form (Attachment 1).

E-mail the completed "HEAP OSC Check Inquiry" to: [Esther.Matos@otda.state.ny.us](mailto:Esther.Matos@otda.state.ny.us).

OTDA will be responsible for tracking any missing checks. If the check was returned due to an incorrect address, the check will be re-sent if a correct address can be verified. In these cases, we will notify the district that the address must be corrected in BICS. If a district fails to correct the address, subsequent checks will continue to be mailed to the incorrect address and will be returned. To prevent this, we ask that Districts make all efforts to correct the address as soon as Districts are notified that there is a problem.

When a check is voided by OTDA, we will notify the district of this action by e-mail. In accordance with HEAP policy, efforts must be made to reissue the benefit on behalf of the recipient(s). Payments that have been issued through OSC cannot be voided in WMS (Welfare Management System). Use WMS payment code J2 (HEAP Reissue Benefit) when reissuing these benefits.

If districts need additional assistance in understanding the HEAP OSC process to help with vendor inquiries or have other questions, please contact your HEAP Bureau liaison at (518) 473-0332. Finance staff should contact:

- Regions 1-4: James Carroll [James.Carroll@otda.state.ny.us](mailto:James.Carroll@otda.state.ny.us) at (518) 474-7549
- Region 5: Michael Borenstein [Michael.Borenstein@otda.state.ny.us](mailto:Michael.Borenstein@otda.state.ny.us) at (631) 854-9704

Districts must maintain established procedures for HEAP authorizations, payments, and refunds that appear as FRM fiscal requirements, HEAP program requirements, and in the local district HEAP vendor agreements. For further information, refer to the following web sites and the HEAP vendor agreements.

### References

FRM Volume 1 <http://otda.state.nyenet/bfdm/finance/docs/Vol01.pdf>  
FRM Volume 2 <http://otda.state.nyenet/bfdm/finance/docs/Vol02.pdf>

HEAP Manual <http://otda.state.nyenet/dta/Manuals/HEAPManual.pdf>  
IPPS Manual [http://otda.state.nyenet/bfdm/finance/docs/IPPS\\_Manual.pdf](http://otda.state.nyenet/bfdm/finance/docs/IPPS_Manual.pdf)  
CAMS Manual [http://otda.state.nyenet/bfdm/finance/docs/CAMS\\_Manual.pdf](http://otda.state.nyenet/bfdm/finance/docs/CAMS_Manual.pdf)

Although local districts are no longer issuing all HEAP payments, they continue to authorize payments and verify payment vouchers. Therefore, local district authorized HEAP federal expenditures, including those paid by the OSC, should be reported on the Schedule of Expenditures of Federal Awards. Inclusion of the OSC issued HEAP expenditures on this schedule will have an effect on the determination of major programs for purposes of the single audit because the threshold required by the Office of Management and Budget (OMB) Circular A-133 is dependent upon the total amount of Federal awards expended.

**Issued By**

**Name:** Michael Normile  
**Title:** Director  
**Division/Office:** Office of Budget, Finance and Data Management



## HEAP OSC Check Inquiry

1. Vendors should contact the local DSS
2. The local DSS will complete the HEAP Check Inquiry form
3. Local DSS will send the HEAP OSC Check Inquiry form to NYS-OTDA

Please forward the attached form to the HEAP Bureau  
**Attention: HEAP OSC Check Inquiry Processing.**

Email: [Esther.Matos@otda.state.ny.us](mailto:Esther.Matos@otda.state.ny.us)  
 Fax: (518) 474-9347

HEAP OSC Check Inquiry	
<b>District</b>	
Name	
Contact Person	
Phone	
Email Address	
<b>Check 1</b>	
Check	
Number	
Amount	
Date	
Vendor	
Name	
District ID	
Federal ID	
<b>Check 2</b>	
Check	
Number	
Amount	
Date	
Vendor	
Name	
District ID	
Federal ID	