

(c) *Prevention of waste, fraud, and abuse.* Grantees must establish appropriate systems and procedures to prevent, detect, and correct waste, fraud, and abuse in activities funded under the low-income home energy assistance program. The systems and procedures are to address possible waste, fraud, and abuse by clients, vendors, and administering agencies.

(d) *End of transfer authority.* Beginning with funds appropriated for FY 1994, grantees may not transfer any funds pursuant to section 2604(f) of Public Law 97-35 (42 U.S.C. 8623(f)) that are payable to them under the LIHEAP program to the block grant programs specified in section 2604(f).

[57 FR 1978, Jan. 16, 1992, as amended at 64 FR 55858, Oct. 15, 1999]

§ 96.85 Income eligibility.

(a) *Application of poverty income guidelines and State median income estimates.* In implementing the income eligibility standards in section 2605(b)(2) of Public Law 97-35 (42 U.S.C. 8624(b)(2)), grantees using the Federal government's official poverty income guidelines and State median income estimates for households as a basis for determining eligibility for assistance shall, by October 1 of each year, or by the beginning of the State fiscal year, whichever is later, adjust their income eligibility criteria so that they are in accord with the most recently published update of the guidelines or estimates. Grantees may adjust their income eligibility criteria to accord with the most recently published revision to the poverty income guidelines or State median income estimates for households at any time between the publication of the revision and the following October 1, or the beginning of the State fiscal year, whichever is later.

(b) *Adjustment of annual median income for household size.* In order to determine the State median income for households that have other than four individuals, grantees shall adjust the State median income figures (published annually by the Secretary), by the following percentages:

- (1) One-person household, 52 percent;
- (2) Two-person household, 68 percent;
- (3) Three-person household, 84 percent;

(4) Four-person household, 100 percent;

(5) Five-person household, 116 percent;

(6) Six-person household, 132 percent; and

(7) For each additional household member above six persons, add three percentage points to the percentage adjustment for a six-person household.

[53 FR 6827, Mar. 3, 1988, as amended at 64 FR 55858, Oct. 15, 1999]

§ 96.86 Exemption from requirement for additional outreach and intake services.

The requirement in section 2605(b)(15) of Public Law 97-35 (42 U.S.C. 8624(b)(15)), as amended by section 704(a)(4) of the Augustus F. Hawkins Human Services Reauthorization Act of 1990 (Pub. L. 101-501)—concerning additional outreach and intake services—does not apply to:

(a) Indian tribes and tribal organizations; and

(b) Territories whose annual LIHEAP allotments under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)) are \$200,000 or less.

[57 FR 1978, Jan. 16, 1992]

§ 96.87 Leveraging incentive program.

(a) *Scope and eligible grantees.* (1) This section concerns the leveraging incentive program authorized by section 2607A of Public Law 97-35 (42 U.S.C. 8626a).

(2)(i) The only entities eligible to receive leveraging incentive funds from the Department are States (including the District of Columbia), Indian tribes, tribal organizations, and territories that received direct Federal LIHEAP funding under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)) in both the base period for which leveraged resources are reported, and the award period for which leveraging incentive funds are sought; and tribes and tribal organizations described in paragraphs (a)(2)(ii) and (a)(2)(iii) of this section.

(ii) Indian tribes that received LIHEAP services under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)) through a directly-funded tribal organization in the base period for which