



Memorandum

Date: March 27, 1992

To: Directors of Income Security

From: Gerry Schmidt
Annette Enns
Directors of Field Operations
Social Allowances Program

Telephone:

Subject: **Utility/Fuel Payment**

This directive clarifies the policy and procedures for the payment of utilities for social allowances recipients.

Schedule A (Section 5) of the Social Allowances Regulations, item 3 (Manual B1 11 14) provides for the costs of: utilities and fuel, including water, light, fuel and rentals or installment payments on essential appliances (furnace, hot water tank, etc.) when these items are not included in the rent.

I. UTILITY/FUEL PAYMENT POLICY

1. Recipient is responsible for payment of utility/fuel bills

The recipient is expected to pay the utility bill after the bill has been received and prior to the due date. If possible, the recipient should be encouraged to continue paying his/her own bills, however, the Department may administer these bills upon request from the client or when the client has demonstrated an inability to manage his/her own affairs when it is in the best interests of the recipient.

2. Reconcile utility payment at Annual Review

Staff are to reconcile the actual amount and payment method for utilities and fuel at least once a year (i.e., at the time of the Annual Review).

3. Date used for utility payment (upon application, during enrollment)

Due date: Upon application for social allowances, utility bills are considered a need up to the due date indicated on the bill.

Service date: When enrolled, the service date will be used for payment of utility bills.

4. Arrears are not considered a need

After the due date, utility companies consider any unpaid amount as being in arrears. The bill may identify the unpaid amount as "arrears", "previous balance" or "previous net bill."

Directors are to use their discretion for payment of utility arrears. When arrears are paid to protect the service for the recipient, the amount is to be collected as an intentional overpayment.

II UTILITY PAYMENT PROCEDURES

1. Case Enrollment

- A. Utility billings for services with a due date prior to the case effective date may be authorized for payment, at the discretion of the District Director, but are subject to recovery as an intentional overpayment.

Example:

Case Effective Date	Service Dates	Due Date
June 1	April 20 to May 20	May 30

Rationale: In this case, the Program does not provide funds for pre-enrollment debt other than as an overpayment.

- B. Utility billings for services prior to the case effective date but having a due date after the case effective date are to be processed as a non-continuous need in situations where the Department will be administering payment on behalf of the recipient.

Example:

Case Effective Date	Service Dates	Due Date
June 1	April 20 to May 20	June 2

Rationale: In this case, the Program provides funding to meet current need. There is no overpayment as the billing is not in arrears.

2, On-going Cases

The service-to-date on the recipient's billing must be entered for any bills paid by the District Office. The actual service dates must be captured in SAMIN in order to prevent duplicate payments for utility services.

3. Deferred Billing

Utility bills paid by the Department on behalf of the recipient should be changed to direct billing as soon as is reasonably possible. In some cases it may be appropriate to continue paying the bills from the District Office.

Directors are advised to use their discretion regarding payment for GA cases which require more flexibility in payment methods.

When paying, the following guidelines should be used:

- A. Enrollment:

- B. Recipient Moves Within District Office Area or Within City of Wpg.:

- 1) Cancel service at the old address
- 2) Commence service at the old address

C. Recipient Moves to Another

District Office:

If the bill has no arrears and the client's housing arrangements appear stable, staff may implement the direct payment method if the client requests that payment be made on their behalf or the client has demonstrated an inability to manage their own affairs.

When the recipient moves to new accommodation, the direct utility payment method may be maintained provided that the service is still required and the same utility company supplies the service.

The Financial Worker/Support Staff from the transferring office must forward the appropriate form letters (UTL1 and UTL2) to the utility company advising them to:

All forms of assistance must be cancelled prior to the case transfer (Policy CO 51 04) with the exception of relocation within the City of Winnipeg (i.e., case transfers between Winnipeg District Offices and the same utility company provides the service).

The Financial Worker/Support Staff in the transferring office must forward the appropriate form letter to the utility company to cancel service at the old address.

D. Recipient: Moves From all Inclusive Rental Accommodation:

If the recipient moves from an all inclusive rental accommodation to one in which he/she is required to pay utility costs, the direct method of payment may be implemented if the housing situation appears to be stable, and the client does not wish to pay his/her own bills.

E. Advance Billings (rural utility companies):

In situations where a rural utility company requires payment for services in advance, the bill may be paid by direct payment method.

NOTE: If arrears or a read fee appear on any bills, Central Accounting will return the bill to the District Office for appropriate action.

4. Equalized Payment Program (EPP)/Fixed Monthly Charge:

- A. When a case is changed to the direct method of payment, the EPP contract must be terminated. Central Accounting will pay only actual service.
- B. The EPP contract should usually be cancelled when paying the bill by district office. However, it may be appropriate to continue the EPP contract when a case is enrolled for a short time only (e.g., GA cases).

5. Cases with Earned and Unearned Income

In general, direct billing should be used with discretion for clients who have income. Care must be taken to ensure that overpayments do not result when the earnings decrease the utility amounts payable.

A. Direct Payment:

In most cases direct payment should not be used for clients who have income because the income may be high enough in some months to make the client ineligible for utility payment.

If a recipient has a small amount of income which does not vary much from month to month, direct billing may be used for payment of utility bills.

B. District Office Payment:

When district office payment is used for recipients who have income, staff must ensure that the client's income has not decreased the utility amount before paying the utility bills. If the utility amount is decreased, the worker must calculate what portion of the bill, if any, can be paid. The recipient should be advised of his/her responsibility to pay part or all of the utility bill.

C. Use of Composite Purchase Vouchers for District Office Payments:

Composite vouchers may only be used if Financial Workers have confirmed that the following conditions are met:

1. The case is active for the service month indicated on the bill,
2. The recipient's income has not decreased the utility amount.

Any bill that does not meet these conditions cannot be processed by Central Accounts and must be resolved by the District Office.

6. Read Fee

The charge for the read service will not be accepted by Central Accounting. When these situations occur, the billing is to be forwarded to the District Office for appropriate action. Payment for the read fee may be met subject to overpayment recovery and to District Director approval. Hard copy documentation is required.

In exceptional circumstances, the recipient may present justification for not providing the required information to the utility company. In these situations, the District Director may approve the read fee without creating an overpayment. Hardcopy documentation is required.

For all direct billing cases, District Office staff should make recipients aware of their responsibility to obtain the read sheet from Manitoba Hydro and to provide their meter readings to Manitoba Hydro by the date required.

Manitoba Hydro will send read sheets for 12 months to the customer upon the request of the customer or District Office staff.

Financial Workers may add the following message to Utility Company Notification Letter (UTL1):

Please send sheets for 12 months to the customer at the home address listed above, if this is a self-read customer.

7. Rentals/Contracts

A. Sentinel Light:

The cost of a sentinel light will be allowed as a budgetary need. Billings including this item may be processed by direct payments as part of the hydro costs for the accommodation.

Hot Water Tanks:

The rental cost of a hot water heater will be allowed as a budgetary need. Billings including this item may be processed by direct payment as part of the hydro costs for the accommodation.

B. Home Insulation Program (Manitoba Hydro):

Loans obtained through the former Home Insulation Program by social allowances applicants or recipients may be repaid as part of the monthly utility allowance (Policy F1 21 01). Loan payments are exempt from all social allowances repair and lien provisions.

8. Case Closure

The Financial Worker is responsible to send the system letter to the utility company advising them of the date of file closure.

Utility/fuel bills for service to the date of file closure are to be paid.

In situations where recipients are paying their own utility bills, service up to the date of file closure may be paid upon request from the recipient and submission of a final bill for the service period.

Original signed by Gerry Schmidt

Director of Field Operations

cc: Distribution List