

# Weatherization Billing Allowables

Updated 9.8.2025

## Introduction

Based on the feedback from the FY25 Subgrantee “Allowable List” Survey released to subgrantees in March of 2025, the Weatherization Assistance Program with the NC Department of Environmental Quality has compiled a comprehensive list of allowable costs and their designated categorization for the billing reimbursement of funds related to the Weatherization of NC homes. This list is intended to be a comprehensive, easy-to-use, reference for subgrantees as they compile costs for the Project Expense Summary and 286 documents submitted monthly to the Weatherization program.

These guidelines are pulled from multiple official state documentation, with their listed sources for further clarification on any points. Any additional information may be provided as follows:

- Technical weatherization questions - contact the field staff (Darryl Williams, Jo Peacock or Ernie Hodgson).
- WAP subgrantee reimbursement package reviews - contact a billing reviewer (Shatondra Asor-Sallaah or Averiel Hossley). If a subgrantee calls, have them contact the reviewer they typically work with.
- WAP subgrantee payment status questions - contact Jayda Bryant.
- Higher level issues that cannot be addressed by the team above - contact Melanie Stolp (annual WAP) or Pablo Torres (5 year BIL/IIJA WAP).

## Exception or Modification to Expense Categorization

To request an exception or modification to your monthly billing review expense categorization, send a justification on your organization's letterhead, to your Weatherization Bill Reviewer. To be considered, your justification must include 1) how your organization will maintain the contracted Average Cost Per Unit (ACPU) found in your contract; 2) How your request complies with 2 CFR 200; and 3) How your request complies with this Weatherization Billing Allowables List. If your justification does not address all these points, it will not be considered or approved. If your request requires a budget amendment, you will need to complete and submit the Budget Change Amendment Form along with your request to your Bill Reviewer. Your Bill Reviewer and the State Energy Office Business Office will review your request.

## 1.) Program Operations (directly related to weatherizing homes):

- **Direct Labor:** Wages and benefits (fringe) for staff directly involved in weatherization activities (e.g., energy auditors, installers, crew supervisors, program manager, etc.). 10 CFR 440.18(d)(2) and 2 CFR 200.430.
  - Justification: Essential for service delivery.
- **Weatherization Materials:** Items incorporated into the homes (insulation, weather stripping, windows, doors, HVAC components, lighting, etc.). 10 CFR 440.18(d)(1) (Materials); 2 CFR 200.404 (Reasonable costs).
  - Justification: Directly used to improve energy efficiency.
- **Contractor Costs:** Payments to contractors for weatherization work performed. 10 CFR 440.18(d)(2) and 10 CFR 440.19 (Labor); 2 CFR 200.318 (Procurement);
  - Justification: Directly related to service delivery.
- **Travel (Weatherization-related):** Travel expenses for staff directly involved in weatherization activities (e.g., travel to client homes, travel to purchase or deliver materials for clients). 10 CFR 440.18(d)(1) and 10 CFR 440.18(d)(3) (Transportation); 2 CFR 200.474 (Transportation) and 2 CFR 200.475 (Travel).
  - Justification: Necessary for service delivery.
- **Training and Education:** technical training for staff on weatherization, including techniques and technologies (energy auditing, installation, inspection, etc.). Refer to Section 4 Training and Education Costs for additional guidance. 2 CFR 200.473 (Training)
  - Justification: Development and updating of skills necessary to carry out weatherization activities.
- **Client Outreach and Education:** Costs associated with recruiting eligible clients, providing energy education, and explaining the program. This includes advertising specifically for the program. 2 CFR 200.421(b)(4) (Advertising and Public Relations).
  - Justification: Essential for program participation.
- **Energy Audits and Assessments:** Costs for conducting energy audits, developing work scopes, and assessing building conditions. 10 CFR 440.21; 2 CFR 200.404 (Reasonable costs).
  - Justification: Required step in the weatherization process.
- **Installation and Repair:** Costs for installing weatherization measures and repairing existing building components as part of the weatherization work. 10 CFR 440.18(d)(2) (Labor) and 10 CFR 440.18(d)(9) (Incidental Repairs); 2 CFR 200.404 (Reasonable costs).
  - Justification: Core program activity.

- **Pre- and Post-Installation Inspection and Monitoring:** Costs for inspecting completed work and monitoring the effectiveness of weatherization measures. 10 CFR 440.18(d)(2) (Labor); 2 CFR 200.404 (Reasonable costs).
  - Justification: Essential for quality control and evaluation.
- **Tools and Equipment (program related):** Purchase, maintenance, and repair of tools and equipment – vehicles included – used on-site for weatherization work. 10 CFR 440.18(d)(4-6) (Tools and Equipment including Vehicles); 2 CFR 200.439 (Equipment).
  - Justification: Necessary for installations.
- **Insurance (program related):** Liability insurance specific to weatherization projects 10 CFR 440.18(d)(10) (Insurance), insurance for vehicles used exclusively for transporting weatherization materials or crews 10 CFR 440.18(d)(4) (Vehicle Insurance); 2 CFR 200.447 (Insurance).
  - Justification: Directly related to project activities.
- **Storage Facility and Associated Utilities (program related):** Rent and utilities for storage facilities and/or warehouses supporting WAP (e.g., electricity for lights, testing tools, gas for heating the building, etc.). 10 CFR 440.18(d)(8) (Storage); 2 CFR 200.403; 2 CFR 200.405; 2CFR 200.420.
  - Justification: Directly related to storage of materials for conducting program operations.
- **Office Rent, Utilities, and Maintenance (program related):** Costs for office space, including rent and utilities, which directly relate to weatherization, could be expensed against Program Operations, commensurate with the percentage of total square footage relating to weatherization (as opposed to administrative functions – see next section). 10 CFR 440.18(d)(13) (Allowable administrative expenses); 2 CFR 200.465 (Rental costs of real property and equipment); 2 CFR 200.471 (Telecommunications); 2 CFR 200.403; 2 CFR 200.405; 2CFR 200.420.
  - Justification: Directly related to program activities.
- **Water for Crews Working on Homes (program operations):** Water provided to weatherization crews working on client homes. 2 CFR 200.404 (Reasonable costs).
  - Justification: Providing drinking water to crews working in the field is a necessary expense for direct labor costs. It ensures the well-being and productivity of the workers directly performing weatherization activities. It's considered a reasonable and necessary cost to support the labor required for the project.
- **Advertising for Direct Service Positions (program operations):** If you're advertising for positions directly involved in weatherization work (energy auditors, installers, crew supervisors), these costs are generally considered Program Operations. 2 CFR 200.421(b)(1)

- Justification: These positions are essential for carrying out the core mission of the program. The advertising is directly supporting the delivery of services.
- **Waste Disposal at Client Worksite / Storage Facility** (program operations): Costs for disposing of construction debris, hazardous waste, and other materials generated directly from weatherization projects at client homes are Program Operations. 10 CFR 440.18(d)(15) (Health and Safety Hazards); 2 CFR 200.404 (Reasonable costs)
  - Justification: These are direct costs of the weatherization work, often required by regulations, and essential for project completion.

## 2.) Administration (supporting the overall program functioning):

- **Administrative Salaries and Benefits:** Wages and benefits for staff working on administrative functions or tasks. 2 CFR 200.430 (Compensation – personal services).
  - Justification: Essential for program functioning, not direct service.
- **Office Supplies:** General office supplies (paper, pens, printer ink, printing, copies, clothing/shirts for staff that only work in office [excluding crew members], janitorial, Microsoft 365, fire extinguishers, etc.). 2 CFR 200.453 (Materials and Supplies); 2 CFR 200.404 (Reasonable costs).
  - Justification: Necessary for administrative functions. For example, pens/paper are an indirect cost that supports the administrative infrastructure of the program. They are not directly used in the weatherization of homes, which is the core function of Program Operations. Therefore, they are classified as Administrative.
- **Office Rent, Utilities, and Maintenance.** Costs for office space, including rent and utilities, which directly relate to the physical space where administrative functions are performed (not related to weatherization), could be expensed against Administration, commensurate with the percentage of total square footage relating to administrative functions. 10 CFR 440.18(d)(13) (Allowable administrative expenses); 2 CFR 200.471 (Telecommunications), 2 CFR 200.465 (Rental costs of real property and equipment); 2 CFR 200.403; 2 CFR 200.405; 2 CFR 200.420.
  - Justification: The office is where administrative staff conduct their duties (management, reporting, finance, etc.), and these costs (rent, utilities, and maintenance) are necessary to support those specific administrative activities, not the field work.
- **Communication:** Costs for general communication (phone, internet, postage, office security/alarms, etc.). 2 CFR 200.471 (Telecommunications and Video Surveillance).
  - Justification: Supports administrative activities.

- **Accounting and Financial Management:** Costs for third-party accounting services, financial audits, and program budgeting. 10 CFR 440.18(d)(12) (Financial Audits); 2 CFR 200.302 (Financial Management); 2 CFR 200.501 (Audits).
  - Justification: Essential for program oversight.
- **Legal Services:** Costs for legal advice related to program administration. 2 CFR 200.435 (Legal services).
  - Justification: Supports the organization, not specific projects.
- **Business Insurance (Administrative):** General liability insurance, property insurance for the office, Directors and Officers (D&O) Insurance, etc. 2 CFR 200.447 (Insurance).
  - Justification: Covers the organization, not projects.
- **Travel (Administrative):** Travel expenses for administrative staff (e.g., attending meetings, etc.). 2 CFR 200.475 (Travel).
  - Justification: Supports program management, not service delivery.
- **Training (Administrative):** Training for staff on general administrative procedures (e.g., accounting software, grant management, professional development for non-state and/or federal required trainings). Refer to Section 4 Training and Education Costs for additional guidance. 2 CFR 200.473 (Training and education).
  - Justification: Enhances program management, not weatherization skills.
- **Equipment (Administrative):** Purchase, maintenance, and repair of office equipment or office goods (computers, printers, IT services, servers, desks, chairs, floor mats, etc.). 2 CFR 200.453 (Materials and supplies, including computing devices); 2 CFR 200.439 (Equipment).
  - Justification: Supports administrative tasks.
- **Advertising (Administrative):** Advertising for general organizational brochures, annual reports (broader than just the program). 2 CFR 200.421 (Advertising and public relations); 2 CFR 200.404 (Reasonable costs).
  - Justification: Supports the organization, not the program specifically.
- **Advertising for Administrative Positions:** If you're advertising for positions focused on administrative tasks (program managers, grant writers, finance staff), these costs are considered Administration. These positions support the overall functioning of the program, but they're not directly involved in weatherizing homes. 2 CFR 200.421 (Advertising and public relations).
  - Justification: Supports the organization, not the program specifically.
- **Office Building Waste Disposal (Administrative):** Costs for disposing of general office trash, recyclables, and other waste generated from the administrative office space are Administration. 2 CFR 200.404 (Reasonable costs)

- Justification: This is a standard cost of operating an office and supports administrative functions, not direct weatherization activities.
- Pre-Employment Background Checks (Administrative): Costs for background checks on potential staff. 2 CFR 200.404 (Reasonable costs)
  - Justification: While good practice, these background checks are related to general staffing and personnel management, not the direct provision of weatherization services. They protect the organization, not directly the clients in their homes.

### 3.) Hybrid Situations

Based on the agreed upon guidance within the signed grant agreement, reimbursements for a position with a mix of duties may differ. For example, a "Program Coordinator" might do some administrative work unrelated to the Weatherization Program, and some Weatherization field supervision. In these cases, based on the guidance in the aforementioned grant agreement, you'll need to allocate the costs based on the primary focus of the position or charge reimbursement based on a percentage allocation between Program Operations and Administration. If materials are being used (Office Supplies, Phone Bills, etc.) primarily for field work, client meetings, and similar programmatic operations, these reimbursements should be allocated within the guidelines of your grant agreement.

If the primary focus is direct service delivery, it leans toward Program Operations. If the primary focus is administrative oversight, it leans toward Administration, and percentages should be allocated and charged to their respective programs in the Project Expense Summary

#### Hybrid Examples

Various charges such as cell phone bills, office space, office supplies and employee salaries could be classified as Administrative and Program Operations, depending on how they are used and documented. Allocation percentages should be outlined and approved within your grant agreement.

### 4.) Training & Technical Assistance (T&TA)

Training and education costs, also understood as professional development costs, are allowable for employee development purposes. 2 CFR §200.473. How or whether these costs are allocated to Program Operations, Administration, T&TA, or other budget category varies by Program. Costs that benefit the overall operation of the organization might be considered Administrative, while those directly benefiting the Federal award could be classified as Program Operation costs. 2 CFR §200.412.

## DOE Annual Weatherization Program

Training courses to support program delivery are offered through Everblue to all NC weatherization agencies at no cost. Weatherization agencies are encouraged to take advantage of Everblue's offerings. However, agencies have the flexibility to choose training offerings by other providers, at the additional cost, including conferences or workshops. While the weatherization agencies will not incur Everblue registration fees, agencies are responsible for costs related to traveling to the training location (in the case of in-person trainings), including lodging, meals, and transportation. Subgrantees may use T&TA funds to pay for lodging, meals, and transportation for subcontractors to attend WAP-related training. Training expenses are only allowable for subcontractors that have been approved by DEQ Procurement and have a fully executed agreement uploaded to ShareFile by the WAP Subgrantee. For further guidance on contractors please refer to page 6 of the [NCWAP Training Plan](#). Courses that are required for Subgrantees to renew/maintain trade licenses are not allowable.

## Bipartisan Infrastructure Law (BIL)/Infrastructure Investment and Jobs Act (IIJA) 5-year Weatherization Program

Unlike the annual weatherization program, weatherization agencies under the BIL/IIJA Weatherization Program do not have a Training & Technical Assistance budget category. The BIL/IIJA weatherization program has a subcontract with Everblue to support training delivery and workforce development for the benefit of weatherization agencies (refer to section 1.06 of the [BIL State Plan](#)).

All training offerings through Everblue are at no cost for all NC weatherization agencies to participate in. When taking advantage of training offerings through Everblue, weatherization agencies will not incur Everblue course registration fees. However, agencies are responsible for costs related to traveling to the training location (in the case of in-person trainings), including mileage, lodging, and meals reimbursement. Weatherization agencies are encouraged to take advantage of Everblue's offerings. However, agencies have the flexibility to choose training offerings by other providers, at the additional cost, including conferences or workshops.

Training costs for technical weatherization personnel should be expensed against the Program Operations budget category. Costs for training that is entirely dedicated to health and safety should be expensed against the Health and Safety budget category. In the event technical staff attend a training that combines weatherization and health and safety topics/courses, then it can be split across categories or allocated to either Program Operations or Health and Safety. Training

costs for administrative personnel should be expensed against the subgrantee administration budget category.

Subcontractors of BIL/IIJA weatherization agencies may enroll in Everblue-provided trainings at no cost. BIL/IIJA weatherization agencies may pay for lodging, meals, and transportation for subcontractors to attend weatherization training. Training expenses are only allowable for subcontractors that have a fully executed Subcontractor Agreement with Subgrantees. Courses that are required for subcontractors to renew/maintain trade licenses are not allowable. Additional guidance can be found starting on page 6 of the [BIL Training Plan](#).

## LIHEAP

According to [LIHEAP guidance](#), T&TA costs can be allowable, but they must be reasonable, allocable, and necessary to the program. Typically, T&TA is not charged to Program Operations but instead to Administrative Costs, unless:

- Training directly supports weatherization, such as training field staff whose roles directly contribute to the execution of weatherization measures.
- Activity benefits clients directly and is essential to the provision of energy assistance.

## HAARP

T&TA may be allowable if it:

- Supports implementation of the program,
- Enhances program delivery, or
- Supports subrecipients in carrying out program goals.

However, like LIHEAP, if T&TA is focused on internal operations or compliance, it would likely be considered Administrative.

## Treatment of Training and Education Costs as Direct vs. Indirect Costs

- **Classification of Costs:** There is no universal rule for classifying certain costs as direct or indirect costs. A cost may be direct for some specific service or function but indirect for the Federal award or other final cost objective. Therefore, each cost incurred for the same purpose in like circumstances must be treated consistently either as a direct or an indirect cost to avoid possible double-charging of Federal awards. 2 CFR §200.412
- **Allocable Costs:** Costs must be allocated to a Federal award if they can be reasonably assigned based on the benefits received. Training costs that benefit a specific Federal award may be charged directly to that award. If training costs benefit multiple projects or activities, they must be allocated appropriately, potentially as indirect costs. 2 CFR §200.405. For

example, if the training benefits multiple awards or activities, the cost must be allocated appropriately in accordance with §200.405 (Allocable Costs) and §200.412 (Classification of Costs), potentially requiring proration or classification as an indirect cost. For subgrantees this could be cost sharing across LIHEAP, HARRP and/or other programs benefiting from the training.

## 5.) Vehicles

Vehicles are to be purchased with DOE funds for the intention of DOE usage, though other programs are able to pay back DOE if the vehicle is used for non-DOE purposes. Confirmed in 6/30/25 email from Sasha Tidwell, DOE Program Officer.