



LOS ANGELES COUNTY
WIA ADULT AND DISLOCATED WORKER
DIRECTIVE

NUMBER **D-DWA-04-025** SUBJECT: **RECOVERY OF WIA TUITION AND TRAINING REFUNDS**

DATE: **August 30, 2004** EFFECTIVE DATE: **October 15, 2004** ISSUE DATE: **December 14, 2005** PAGE 1 of 2

TO: ALL WORKSOURCE CENTER AND SPECIAL NEEDS CONTRACTORS

This Directive finalizes the draft directive released on August 30, 2004 for public comments.

References:

- One-Stop Comprehensive Financial Management Technical Assistance Guide (TAG) Department of Labor, July 2002, Chapters 11-6-9, WIA Individual Training Accounts
- EDD Directive WIAD04-4, 8/18/2004, RECOVERY OF WIA TUITION AND TRAINING REFUNDS
- WIA Section 185(c)(3)
- Title 20 Code of Federal Regulations (CFR) WIA Final Rule, Section 667.410(a)(1)
- Title 20 CFR Part 663, Subpart D
- Title 29 CFR Part 97.37
- Office of Management and Budget (OMB) Circulars A-87, Cost Principles for State, Local and Indian Tribal Governments
- WIA Information Bulletin WIAB03-94, Recovery of WIA Tuition and Training Refunds (June 23, 2004)

Purpose:

The purpose of this directive is to inform all WIA contractors of the requirement to have policy and procedure in place to recover Workforce Investment Act training and/or tuition refunds.

Background:

WIA Final Rule, Title 20 CFR 667.410(a)(1) states *it is the responsibility of the recipient and each subrecipient to conduct regular oversight and monitoring of its WIA activities and those of its subrecipients and contractors in order to determine expenditures have been made against the cost categories and within the cost limitations specified in WIA and the regulations.* A recent Department of Labor audit found that some subrecipients do not have a process or procedure in place for the recovery of unused WIA training monies and/or tuition refunds.

Policy and Procedure:

The state requires all subrecipients of WIA funding to produce and maintain written policy and procedure at the local level to ensure the recovery of unused WIA training funds. Review of contractor's policy and procedure will take place during routine monitoring visits. Absence of this policy and procedure will result in a finding and corrective action will be required. The policy and procedure should include, but not be limited to:

DIRECTIVE NUMBER D-DWA-04-025

- Who the responsible party is for acknowledging/determining a refund is due for early termination of a participant's training.
- How often the participant is tracked to determine the participant is still receiving training and to ensure prompt return on any unused training monies.
- Who is responsible for the collection process of any outstanding training and/or tuition refund.

Procedure:

Each contractor should obtain the designated training provider's standard policy regarding tuition to be paid in advance to enroll or accept a participant. DOL TAG, July 2002, Chapters 11-6-9 states that, *"unless specifically required as a condition of attendance, as in a tuition payment required before beginning a formal training course, payment should not be made in advance of the receipt of services."* Contractors should negotiate any advanced payments with the training provider in order to minimize out of pocket expense prior to the start of training. The contractor must also verify the refund policy of the training provider for early termination of the participant from the training program. Items to research are:

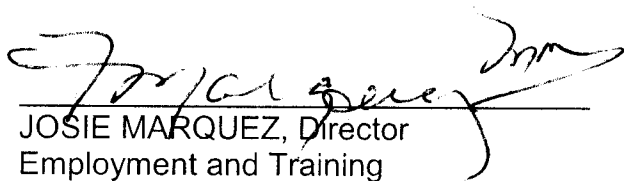
- Percentage of the advanced payment to be returned upon non-completion of courses
- Turnaround time of refund
- Time spent in training before a refund will no longer be honored
- Requirement for the training provider to notify the contractor of early participant dropout

It is recommended that the contractor maintain a file regarding payment and refund policy for each training provider in the form of a contract to ensure prompt return of any unused WIA funds for early participant dropout.

Policy:

Each month contractor staff should check participant attendance enrolled in training. At a minimum, contractor staff is required to check participant attendance enrolled in training on a quarterly basis. If services are no longer being rendered within the refund time line, agreed upon by contractor and training provider, a refund for the portion of services not received must be recovered. Failure to recover these costs will result in an audit finding and disallowed costs. To maintain your line item budget, all refunds from training providers must be re-obligated toward tuition costs or returned to the County.

If you require further information regarding this directive, please contact Sandra Miller, (213) 738-3839, email smiller@co.la.ca.us or Kathy Newton, (213) 738-3857, email knewton@co.la.ca.us.



JOSIE MARQUEZ, Director
Employment and Training

MM:SM:KN

DIRECTIVE
WORKFORCE INVESTMENT ACT

Number: WIAD04-4

Date: August 18, 2004
69:116:lh:8533

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: RECOVERY OF WIA TUITION AND TRAINING REFUNDS

EXECUTIVE SUMMARY:

Purpose:

The purpose of this directive is to inform the Local Workforce Investment Areas and other subgrantees, hereafter referred to as subrecipients, of the requirement to have policies and procedures in place to recover Workforce Investment Act (WIA) training and/or tuition refunds.

Scope:

This directive applies to all subrecipients of WIA funds.

Effective Date:

This directive is effective on date of issue.

REFERENCES:

- One-Stop Comprehensive Financial Management Technical Assistance Guide (TAG), Department of Labor, July 2002, Chapters II-6-9, WIA Individual Training Accounts (ITA)
- WIA Section 185(c)(3)
- Title 20 Code of Federal Regulations (CFR), WIA Final Rule, Section 667.410(a)(1)
- Title 20 CFR Part 663, Subpart D
- Title 29 CFR Part 97.37
- Office of Management and Budget Circulars (OMB) A-87, Cost Principles for State, Local and Indian Tribal Governments
- WIA Information Bulletin WIAB03-94, Recovery of WIA Tuition and Training Refunds (June 23, 2004)

STATE-IMPOSED REQUIREMENTS:

This directive contains some State-imposed requirements. These requirements are indicated by ***bold, italic*** type.

FILING INSTRUCTIONS:

This directive finalizes WIA Draft Directive WIADD-78, issued for comment on July 27, 2004. Retain this directive until further notice.

BACKGROUND:

The WIA Final Rule, Title 20 CFR 667.410(a)(1) states it is the responsibility of the recipient and each subrecipient to conduct regular oversight and monitoring of its WIA activities and those of its subrecipients and contractors in order to determine expenditures have been made against the cost categories and within the cost limitations specified in WIA and the regulations. A recent Department of Labor audit found that some subrecipients do not have a process or procedure in place for the recovery of unused WIA training monies and/or tuition refunds.

POLICY AND PROCEDURES:

All subrecipients of WIA funds must produce and maintain a written policy/procedure at the local level to ensure the recovery of unused WIA training monies. The policy/procedure should include but not be limited to:

- ***Who the responsible party is for acknowledging/determining a refund is due for early termination of a participant's training.***
- ***How often the participant is tracked to determine the participant is still receiving training and to ensure prompt return of any unused training monies.***
- ***Who is responsible for the collection process of any outstanding training and/or tuition refund.***

Procedure:

Subrecipients should obtain the designated training provider's standard policy regarding the amount of tuition that must be paid in advance to enroll or accept a participant. The TAG Chapter II-6-9 states that "unless specifically required as a condition of attendance, as in a tuition payment required before beginning a formal training course, payment should not be made in advance of the receipt of services." Subrecipients should negotiate any advanced payments with the training provider in order to minimize out of pocket expense prior to the start of training.

The subrecipient must also verify the refund policy of the training provider for early termination of the participant from the training program. Items to research are:

- Percentage of the advanced payment to be returned upon non-completion of courses
- Turnaround time of refund
- Time spent in training before a refund will no longer be honored
- Requirement for the training provider to notify the subrecipient of early participant dropout

It is recommended to have these agreements in the form of a contract with the training provider to ensure prompt return of any unused WIA funds for early participant dropout.

Each month subrecipients should check with training providers to ensure clients are still in the training program. If not able to check monthly, the subrecipient must check at least quarterly. If services are no longer being rendered within the refund time line agreed upon in the training provider's contract, then a refund for the portion of services not received must be recovered. Failure to recover these costs will result in an audit finding and disallowed costs.

ACTION:

Bring this directive to the attention of all appropriate staff and subrecipients.

INQUIRIES:

If you require further information regarding this directive, please contact your Regional Advisor or Program Manager at (916) 653-6347.

/S/ BOB HERMSMEIER
Chief
Workforce Investment Division

DIRECTIVE NUMBER D-DWA-04-025

- Who the responsible party is for acknowledging/determining a refund is due for early termination of a participant's training.
- How often the participant is tracked to determine the participant is still receiving training and to ensure prompt return on any unused training monies.
- Who is responsible for the collection process of any outstanding training and/or tuition refund.

Procedure:

Each contractor should obtain the designated training provider's standard policy regarding tuition to be paid in advance to enroll or accept a participant. DOL TAG, July 2002, Chapters 11-6-9 states that, "*unless specifically required as a condition of attendance, as in a tuition payment required before beginning a formal training course, payment should not be made in advance of the receipt of services.*" Contractors should negotiate any advanced payments with the training provider in order to minimize out of pocket expense prior to the start of training. The contractor must also verify the refund policy of the training provider for early termination of the participant from the training program. Items to research are:

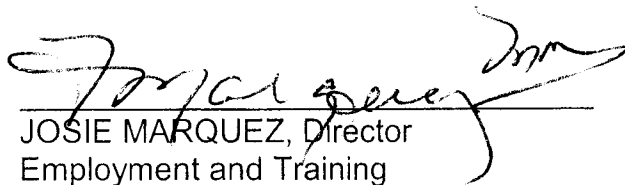
- Percentage of the advanced payment to be returned upon non-completion of courses
- Turnaround time of refund
- Time spent in training before a refund will no longer be honored
- Requirement for the training provider to notify the contractor of early participant dropout

It is recommended that the contractor maintain a file regarding payment and refund policy for each training provider in the form of a contract to ensure prompt return of any unused WIA funds for early participant dropout.

Policy:

Each month contractor staff should check participant attendance enrolled in training. At a minimum, contractor staff is required to check participant attendance enrolled in training on a quarterly basis. If services are no longer being rendered within the refund time line, agreed upon by contractor and training provider, a refund for the portion of services not received must be recovered. Failure to recover these costs will result in an audit finding and disallowed costs. To maintain your line item budget, all refunds from training providers must be re-obligated toward tuition costs or returned to the County.

If you require further information regarding this directive, please contact Saundra Miller, (213) 738-3839, email smiller@co.la.ca.us or Kathy Newton, (213) 738-3857, email knewton@co.la.ca.us.


JOSIE MARQUEZ, Director
Employment and Training

MM:SM:KN