


State of Alaska

Department of Labor and Workforce Development

Division: Business Partnerships	Policy No.: 440.00 <i>Final</i>
Subject: Workforce Investment Act (WIA) Tuition and Training Refunds Policy	Pages: 3
References: US DOL, ETA, One-Stop Comprehensive Financial Management Technical Assistance Guide (TAG); WIA Section 185(c)(3); Title 20 Code of Federal Regulations (CFR) Section 667.410(a)(1); Title 20 CFR 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	Effective Date: July 1, 2005
	Revised:
Approved:  Corine Geldhof, Acting Director	October 31, 2005 Date

1) Applicability

State of Alaska, Department of Labor and Workforce Development (AK DOLWD) workforce development professionals, and Workforce Investment Act (WIA) grant recipients of the following programs:

- a) Adult Program
- b) Dislocated Worker Program
- c) Youth Program
- d) National Emergency Grant (NEG) – (Excluding Planning)

2) Purpose

The purpose of this policy is to define the procedures Workforce Investment Act (WIA) grant recipients must utilize to recover WIA training refunds for early participant dropouts. This policy will assist recovery of unused WIA funds thereby increasing the funds available to serve other WIA participants.

3) Background

The WIA Final Rule, Title 20 CFR 667.410(a)(1) states it is the responsibility of the State’s Workforce Investment Board (WIB) and WIA grant recipients to conduct regular oversight and monitoring of their WIA activities and those of sub-recipients in order to determine if expenditures have been made against the correct cost categories and within the cost limitations specified in WIA, regulations, grant agreements and policies. The U.S. Department of Labor, Employment and Training Agency (ETA) One-Stop Comprehensive Financial Management Technical Assistance Guide (TAG) stipulates 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. Accordingly, WIA grant recipients must have procedures in place to recover WIA tuition and training funds, including Individual Training Accounts (ITAs), for participants who drop out of training early enough to receive a refund as these are advance payments for which no benefit has been realized and, as such, are not allowable, nor allocable to the WIA program.

4) Definitions

- a) *Allocable* is a cost that benefits more than one grant or funding source should be charged to those funding sources in amounts that are proportionate to the amount of benefit each funding source receives.
- b) *Allowable* is a cost that meets all of the requirements of a funding source and is not made in violation of any federal or state law, regulation, policy or other requirement.
- c) *Eligible provider*, used with respect to training services, is a provider identified in accordance with WIA Section 122(e)(3).
- d) *Expenditures* are the charges incurred for the purchase of goods or services.
- e) *Grant* is an award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, to an eligible grantee.
- f) *Grant recipient* is any entity receiving WIA financial assistance through a grant under one of the Division's job training programs and includes Reimbursable Services Agreements (RSA) with other state agencies.
- g) *Individual Training Accounts (ITA)* is the method used that allows WIA Title I participants to purchase training services from eligible providers they select in consultation with the case manager.
- h) *Participant* is an individual who has been determined to be eligible to participate in and who is receiving services (except follow-up services) under a WIA program. Participation shall be deemed to commence on the first day, following determination of eligibility, on which the individual began receiving subsidized employment, training, or other services.
- i) *Sub-recipient*. A non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program but does not include an individual who is a beneficiary of such a program. A sub-recipient may also be a recipient of other federal awards directly from a federal awarding agency.
- j) *Unallowable costs* are charges for goods, services or activities that are in violation of one or more federal or state laws, regulations, policies or other requirements. Unallowable costs may not be charged to any WIA funds from DBP.

5) Policy

- a) All WIA funded grant recipients and sub-recipients must ensure written procedures are in place to recover unused WIA training funds. These procedures should include but not be limited to:
 - i) Who the responsible party is for acknowledging/determining a refund is due for early termination of a participant's training.
 - ii) How often the participant is tracked to determine if the participant is still receiving training and to ensure prompt return of any unused training funds.

- iii) Who is responsible for the collection process of any outstanding training and/or tuition refund.
- b) WIA grant recipients should obtain the designated eligible provider's standard policy regarding the amount of tuition that must be paid in advance to enroll or accept a participant. WIA grant recipients should negotiate any advanced payments with the eligible provider in order to minimize expenses prior to the start of training.
- c) WIA grant recipients must also verify the refund policy of the eligible provider for early termination of the participant from the training program. Items to research are:
 - i) Percentage of the advance payment to be returned upon non-completion of courses.
 - ii) Turnaround time of refund.
 - iii) Time spent in training before a refund will no longer be honored.
 - iv) Requirement for the training provider to notify the grant recipient of early participant dropout.
- d) It is mandatory to have these agreements in writing with the eligible provider to ensure prompt return of any unused WIA funds for early participant dropout. WIA grant recipients should check monthly with eligible providers to ensure participants are still in the training program. If not able to check monthly, WIA grant recipients must check at least quarterly. If services are no longer being rendered within the refund time-line agreed upon by the eligible provider, 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 unallowable costs.