

RECOVERY OF WIOA TUITION AND TRAINING REFUNDS

EXECUTIVE SUMMARY

This policy provides the guidance and establishes the procedures regarding the recovery of *Workforce Innovation and Opportunity Act (WIOA)* tuition and training refunds. This policy applies to all Local Workforce Development Areas (Local Area), and is effective immediately.

This policy contains some state-imposed requirements. All state-imposed requirements are indicated by ***bold, italic*** type.

This Directive finalizes Workforce Services Draft Directive *Recovery of WIOA Tuition and Training Refunds (WSDD-204)*, issued for comment on October 8, 2019. The Workforce Development Community submitted one comment during the draft comment period. A summary of comments, including all changes, is provided as Attachment 1.

This policy supersedes Workforce Services Directive *Recovery of WIA Tuition and Training Refunds (WIAD04-04)*, dated August 18, 2004. Retain this Directive until further notice.

REFERENCES

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- *One-Stop Comprehensive Financial Management Technical Assistance Guide (TAG)*, Department of Labor (DOL), July 2002, Section II-6-10, WIA Individual Training Accounts
 - WIOA Sections 134(c)(3)(F)(i) – (iv), and 185(c)(3)
 - Title 2 *Code of Federal Regulations (CFR)* Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
 - Title 2 CFR Part 2900, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Department of Labor Exceptions)
 - Title 20 CFR, WIOA Final Rule, Sections 680.230, 680.300, and Section 683.410(a)(1)

BACKGROUND

The WIOA Final Rule, Title 20 CFR 683.410(a)(1) states it is the responsibility of the recipient and each subrecipient to conduct regular oversight and monitoring of its WIOA activities and those of its subrecipients and contractors in order to determine whether expenditures have

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

been made against the cost categories and within the cost limitations specified in WIOA and the regulations. A previous DOL audit found that some subrecipients do not have a process or procedure in place for the recovery of unused WIOA training monies and/or tuition refunds.

POLICY AND PROCEDURES

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

- ***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.***

In addition, the subrecipient's policy/procedure must (1) establish general policy, (2) specify the circumstances in which the Local Area will require a refund for over-invoiced training, and (3) must clearly define the recovery process the subrecipient will use for over-invoicing or for services not provided.

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 Section II-6-10 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 include the following:

- 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 immediately notify the subrecipient if a WIOA participant drops out of a training program during the time period when tuition can be refunded.

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

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

Please bring this Directive to the attention of all Local Area staff.

INQUIRIES

If you have any questions, contact your [Regional Advisor](#).

/s/ JAIME L. GUTIERREZ, Chief
Central Office Workforce Services Division

Attachments are available on the internet:

[Summary of Comments \(PDF\)](#)