



Mendocino County Workforce Investment Board
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POLICY 25

RECOVERY OF WIA TUITION AND TRAINING REFUNDS

PURPOSE

To inform subrecipients of the Mendocino County Workforce Investment Board (WIB) of the requirement to have policies and procedures in place to recover Workforce Investment Act (WIA) training and/or tuition funds.

BACKGROUND

According to the WIA Final Rule, Title 20 CFR 667.410(a)(1), it is the responsibility of the WIB 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.

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 Sections 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, Subject: Recovery of WIA Tuition and Training Refunds (June 23, 2004)
- WIA Directive WIAD04-4, Subject: Recovery of WIA Tuition and Training Refunds, August 18, 2004

POLICY

- A. All subrecipients of WIA funds must produce and maintain a written policy/procedure to ensure the recovery of unused WIA training monies.
- B. The subrecipient is the responsible party for acknowledging/determining a refund for early termination of a participant's training.
- C. Participants will be tracked regularly to determine if the participant is still receiving training and to ensure prompt return of any unused training monies.
- D. The subrecipient is responsible for the collection process of any outstanding training and/or tuition fund.

PROCEDURES

- A. The subrecipient 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."
- B. Subrecipients should negotiate any advance payments with the training provider in order to minimize out of pocket expense prior to the start of training.
- C. The subrecipient must verify the refund policy of the training provider for early termination of the participant from the training program. Items to research are:
 - 1. Percentage of the advance payment to be returned upon non-completion of courses.
 - 2. Turnaround time of refund.
 - 3. Time spent in training before a refund will no longer be honored.
 - 4. Requirement for the training provider to notify the subrecipient of early participant dropout.
- D. 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.
- E. Subrecipients will check with training providers on a monthly basis to ensure clients are still in the training program. If monthly checks are not possible, the subrecipient must quarterly at a minimum.
- F. 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.

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