



POLICY MANUAL

No. WDB 8

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EFFECTIVE DATE: MAY 11, 2022

POLICY: RECOVERY OF WIOA TUITION AND TRAINING FUNDS

APPROVED

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INTRODUCTION

Workforce Innovation and Opportunity Act (WIOA) is designed to increase participant access to training services. Training services are provided to equip individuals to enter the workforce and retain employment.

BACKGROUND

WIOA, 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 been made against the cost categories and within the cost limitations specified in WIOA and the regulations. A previous Department of Labor (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.

REFERENCES

- Title 20 CFR Part 200 and Part 2900
- Title 20 CFR Part 680.230, 680.300 and 683.410(a)(1)
- WIOA Sections 134(c)(3)(F)(i) – (iv), and 185(c)(3)
- Technical Assistance Guide (TAG), Department of Labor (DOL), July 2002, Section II-6-10, WIA Individual Training Accounts

POLICY

All participants enrolled in training must be covered by the training institution's tuition refund policy. In the absence of a refund policy established by the training institution, the service provider or subrecipient must negotiate a reasonable refund policy with the training site.

Service providers and/or subrecipients shall:

- Be responsible for acknowledging/determining a refund is due for early termination of a participant's training.
- Maintain, at minimum, monthly tracking to determine the participant is still receiving training and to ensure prompt return of any unused training monies.
- Be responsible for the collection process of any outstanding training and/or tuition refund.

Prior to participants entering training, the service provider and/or subrecipient shall ensure the refund policy must:

1. Establish general policy
2. Specify the circumstances in which require a refund for over-invoiced training, and
3. Must clearly define the recovery process used 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 Technical Assistance Guide 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 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.

These agreements must be 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.