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**Workforce Investment Act  
State Compliance Policies**

**Section 3.12**

**WIA Tuition and Training Refunds**

**March 2005**

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**I. Introduction:**

The WIA Final Rule, Title 20 CFR §667.410(a)(1) states it is the responsibility of the recipient and each sub-recipient to conduct regular oversight and monitoring of its WIA activities and those of its sub-recipients and contractors in order to determine expenditures have been made against the cost categories and within the cost limitations specified in WIA and the corresponding regulations.

**II. Recovery of WIA Tuition and Training Refunds:**

- A. The Local Workforce Investment Boards (LWIBs) must ensure that each of their service providers are aware of their role and responsibility for recovery of WIA tuition and training refunds.
- B. When a client drops a class or is dropped from a class, the sub-recipient must verify with the training provider if the sub-recipient is eligible for a refund based on the refund policy of the training provider.
- C. The sub-recipient must have timely communication between the case and financial staff concerning clients that have dropped classes. They must ensure the prompt return of any refund due.
- D. Failure to recover these costs will result in an audit finding and disallowed costs which must be reimbursed to the State using non-federal funds.

**III. Advance Payments:**

- A. The LWIBs must ensure their sub-recipients obtain the designated training provider's standard policy regarding the amount of tuition that must be paid in advance to enroll or accept a client.
- B. The Department of Labor, One-Stop Comprehensive Financial Management Technical Assistance Guide, 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."
- C. Service providers should negotiate any advanced payments with the training provider in order to minimize out of pocket expense prior to the start of training.