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.