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# Recovery of WIOA Tuition and Training Refunds

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## PURPOSE

This policy provides guidance and establishes procedures for recovering Workforce Innovation and Opportunity Act (WIOA) tuition and training refunds, including non-WIOA programs and special projects. This policy applies to the Pacific Gateway Workforce Innovation Network (Pacific Gateway) staff, subrecipients, and training providers.

## 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 to determine whether expenditures have 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 to recover unused WIOA training monies and/or tuition refunds.

## POLICY AND PROCEDURES

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, Pacific Gateway or subrecipient must negotiate a reasonable refund policy with the training site.

Pacific Gateway and 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 whether the participant is still receiving training and to ensure the prompt return of any unused training monies.
- Be responsible for the collection process of any outstanding training and/or tuition refund.

In addition, prior to participants entering training, the service Pacific Gateway or the subrecipient shall ensure that 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.

Pacific Gateway or subrecipients shall 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." Pacific Gateway or subrecipients shall negotiate any advanced payments with the training provider to minimize out-of-pocket expenses prior to the start of training.

Pacific Gateway or subrecipients must also verify the training provider's refund policy for early termination of the participant from the training program. Prior to participants entering training, Pacific Gateway or subrecipients shall ensure the refund policy includes 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 period when tuition can be refunded.

It is required to have an Educational Agreement with the training provider to ensure the prompt return of any unused WIOA funds for the early dropout of a participant

The Training Coordinator shall check with training providers each month to ensure clients are still in the training program. If services are no longer being rendered within the refund timeline agreed upon in the training provider's contract, then a refund for the portion of services not received must be recovered. The refund policy shall be reviewed and established prior to issuing any training agreements.

In addition, the training provider is required to report early terminations of participants' training to the Training Coordinator. All refunds of unearned training funds must be returned promptly to Pacific Gateway from the training provider. Unless otherwise indicated by the training provider refund policy, refunds are based on a proration of services provided, which is calculated by the percentage of training hours completed. Each hour of training equates to a dollar amount. Invoices for short-term training under 90 days will be paid in full upon the participant's satisfactory completion of training.

Failure to recover these costs will result in an audit finding and disallowed costs.

## **REFERENCES**

- 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)

## **INQUIRIES**

For questions or assistance related to this policy, please contact the Pacific Gateway Workforce Development Board staff at 562-570-3748.

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