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**EXECUTIVE DIRECTOR**

**DATE:** October 10, 2024

**TO:** South Bay Workforce Investment Board (SBWIB), South Bay Workforce Investment Board, Inc. (SBWIB, Inc.), South Bay One-Stop Business & Career Centers, Youth Programs, Special Projects, Subrecipients, Contractors, and Partners

**SUBJECT: DIRECTIVE NO. 24-03**  
**RECOVERY OF WIOA TUITION AND TRAINING REFUNDS**

**PURPOSE**

This policy provides the guidance and establishes the procedures regarding the recovery of Workforce Innovation and Opportunity Act (WIOA) tuition and training refunds in accordance with WIOA Final Rule, Title 20 CFR 683.410 (a)(1).

**SCOPE**

This directive applies to all South Bay Workforce Investment Board, South Bay Workforce Investment Board, Inc., South Bay One-Stop Business Career Centers, Youth Programs, Special Projects, Subrecipients, Contractors and Partners.

**EFFECTIVE DATE**

The directive is effective immediately.

**STATE-IMPOSED REQUIREMENTS**

Directives that contain additional state-imposed requirements are indicated by **bold, italic type**.

**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)
- WSD19-10 Recovery of WIOA Tuition and Training Refunds, dated February 20, 2020
- SBWIB, Inc. Training Agreements (Compensation and Training Requirements)

## **POLICY AND PROCEDURES**

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 in place for the recovery of unused WIOA training monies and/or tuition refunds.

All participants who are 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.

### ***SBWIB / SBWIB, Inc. shall ensure its service providers and or subrecipients:***

- ***Be responsible for acknowledging/determining a refund is due for early termination of a participant's training (e.g. drop).***
- Assigned case managers are responsible for monitoring the progress of their participants. They will receive monthly participant rosters from the training provider to verify enrollments, completions, and terminations.
- ***Assigned case managers will maintain, at minimum, monthly tracking to determine the participant is still receiving training and to ensure prompt return of any unused training monies.***
- Assigned case managers are responsible for monthly participant tracking to confirm that participants are still receiving services including ***responsibility for the collection process of any outstanding training and/or tuition refund.***
- The SBWIB/SBWIB, Inc. Fiscal Department is responsible for the collection of any outstanding training or tuition refunds that are due.

### ***In addition, prior to participants entering training, the service provider or subrecipient shall ensure that the refund policy include:***

1. General Policy
  - a. The SBWIB/SBWIB, Inc. will issue a contract agreement to training providers (schools) and other approved organizations that will be providing WIOA-sponsored training to participants of the South Bay service delivery area. The agreement will detail the payment terms and completion requirements. The standard agreement will state that payment shall be made to the training provider upon verification that the participant has completed five days of classroom training.
  - b. The SBWIB/SBWIB, Inc. will obtain and verify the refund policy of training providers for early termination policies to ensure the refund policy includes:
    - Percentage of the advanced payment to be returned upon non-completion of course(s).
    - Turnaround time of refund.
    - Period of time spent in training before a refund will no longer be honored.

- o Requirements for the training provider to immediately notify the SBWIB/SBWIB, Inc. (case manager) if a WIOA participant drops out of a training program during the period when tuition can be refunded using a pro rata basis.
  - c. The SBWIB/SBWIB, Inc. will 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." SBWIB/SBWIB, Inc. and service providers shall negotiate any advanced payments with the training provider to minimize out of pocket expense prior to the start of training.
  - d. Each month the assigned case managers shall check with training providers 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 agreement, then a refund for the portion of services not received must be recovered. The refund policy will be reviewed and established prior to issuing any training agreements. Failure to recover these costs will result in an audit finding and disallowed costs.
2. Special Circumstances (requiring a refund for over-invoiced training)
- a. SBWIB/SBWIB, Inc. expressly reserves the right to demand the repayment of funds disbursed under the agreement which was not expended in accordance with the terms of the agreement.
  - b. If SBWIB/SBWIB, Inc. determines that a refund is required for over-invoicing that has been paid for or for services that have not been provided the case manager or other designee will immediately alert the SBIWB/SBWIB, Inc. Fiscal Department who will then contact the training provider to begin the collection process of any refunds that are due.

**ACTION**

Notify all affected staff, South Bay One-Stop Business Career Centers, Youth Programs, Special Projects, Subrecipients, Contractors and Partners of the policies or procedures that comply with this policy. SBWIB/SBWIB, Inc. will monitor for compliance accordingly.

**FILING INSTRUCTIONS**

Retain this directive until further notice.

**INQUIRIES**

If you have any questions regarding this directive, please contact the Compliance Manager at (310) 970-7736.



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Jan Vogel  
Executive Director

*The SBWIB is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.*