

CITY OF LOS ANGELES

CALIFORNIA

COMMUNITY DEVELOPMENT
DEPARTMENT

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MAYOR

Date: OCT 14 2004

To: All WIA WorkSource Center Executive Directors and
Program Directors

From: Manny Chavez, Acting Director
Workforce Development Division

Subject: **DIRECTIVE NUMBER: 05-05**
PROCEDURES FOR THE RECOVERY OF WIA TUITION AND
TRAINING REFUNDS

The purpose of this Directive is to advise WorkSource Centers of the City's procedures for the recovery of WIA Tuition and Training Refunds. In order to comply with the State's Directive No. WIAD04-04 dated August 18, 2004, the following procedures are immediately effective. This supplements the Revised ITA Policy and New ITA Procedures issued on September 12, 2002.

Background

The WIA final rule, Title 20 CFR 667.410(a)(1) states that it is the responsibility of each sub-recipient to conduct regular oversight and monitoring of its WIA activities and those of its contractors to determine expenditures made against the cost categories and within the cost limitations specified in WIA and the regulations. A recent Department of Labor audit found that the City of Los Angeles does not have a process in place for the recovery of unearned WIA training monies and/or tuition refunds.

Policy

All sub-recipients of WIA funds must produce and maintain a written policy/procedure to ensure the recovery of unused WIA training monies.

Accordingly, it is the policy of the City that WorkSource Centers shall, in the event that any City WIA participant drops out prior to completion of training, demand a refund of tuition paid on behalf of such participant. Such refunds shall be made in accordance with the Individual Training Agreement, a copy of which is attached, and the School's refund policy as contained in its catalog.



Procedures

1. WorkSource Centers shall, at a minimum, monitor the progress of all their participants who are enrolled in training on a monthly basis.
2. Current policy states that the first 50% of the tuition should be paid to the training provider upon completion of one-calendar month of training. If a participant fails to complete 50% of the agreed upon course hours, the WorkSource Center shall demand refund of the tuition on a prorated basis.
3. If tuition is paid in full and it is later discovered through monitoring that the participant did not complete training, the WorkSource Center shall demand refund of the tuition on a prorated basis.
4. Refunds should be received by the WorkSource Center within 15 days following the participant's dropout date.
5. Upon receipt of the refund, the WorkSource Center should advise the Community Development Department's Financial Management Division and the Workforce Development Division regarding the receipt of refunds stating the participant's name, the training provider's name, date of receipt and the amount of tuition recovered.
6. The WorkSource Center should reduce its invoice for the following month by the amount of tuition refund received during the month and/or return such refund to the City in the event that the amount received exceeds the total expenditure.

If you have any questions, or need any further information, please contact your assigned Program Monitor.

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