

Work Opportunity Tax Credit (WOTC)

Statement of Work

State Workforce Development Agencies, also known as State Workforce Agencies (SWA), are to use Fiscal Year 2020 funds to realize the following responsibilities:

1. Designate a state coordinator, who oversees the administration of WOTC, for each state grant.
2. Determine eligibility of individuals as members of targeted groups, on a timely basis, and performing a “quality review” by a second staff person for each determination within 48 hours of receipt.
3. Issue employer certifications, denials, or notices of invalidation for tax credits on a timely basis and in accordance with the policies and procedures set forth by the Employment and Training Administration (ETA).
4. Develop a backlog reduction plan which includes an estimated timeline to reduce and eliminate existing backlogs based on current policies and procedures, and notify your regional coordinator prior to implementation.
5. Develop working agreements with partner agencies in the American Job Center network (also known as the One-Stop Career Center system) and coordinating efforts to promote WOTC to employers and job seekers and other Workforce Innovation and Opportunity Act (WIOA) partners.
6. Develop working agreements with other SWAs for the timely and orderly processing of “out of state” Certification Requests (i.e., applications) requiring SWAs to provide available documentation and records for WOTC potentially eligible applicants/new hires relocating and working in another state.
7. Establish and implement an appeals resolution process in accordance with the guidelines provided by ETA.
8. Establish and maintain appropriate forms’ review, record keeping, and reporting capability related to the orderly management of WOTC certification requests.
9. Establish and maintain an orderly system for regularly verifying the eligibility of a random sample of individuals certified under WOTC and initiating effective corrective action when appropriate as indicated by results of such activities.
10. Negotiate formal cooperative agreements with local workforce areas, State Vocational Rehabilitation Agencies, Veterans Administration and related groups, Employment Networks and other state and local agencies, and organizations for the purposes of issuing Conditional Certifications where appropriate.

11. Negotiate formal cooperative agreements with appropriate state agencies to expedite verification of information provided to the SWA by participating target group members.
12. Train state and participating agency staff and provide monitoring and technical assistance to these agencies, as appropriate, for conducting target group preliminary eligibility determinations and issuing Conditional Certifications.
13. Cooperate with employment and training organizations already working with the private sector such as: veteran organizations, employer committees, and workforce development boards to inform employers about the tax benefits to be derived from participation and the eligibility requirements under WOTC.
14. Assure that all data exchanges conducted through or during the course of performance of this grant will be conducted in a manner consistent with applicable Federal law and TEGL NO. 39-11 (issued June 28, 2012). All such activity conducted by ETA and/or recipient/s will be performed in a manner consistent with applicable state and Federal laws.

Other Grant Agreement Conditions

By entering into this agreement, the SWA agrees to the following conditions:

- The SWA must adhere to provisions of the Internal Revenue Code of 1986, Section 51, as amended, in administering WOTC. Law designates the SWAs as the only agencies that can issue a Certification (26 USC sec. 51(d)(12)). The SWAs can enter into cooperative agreements with certain participating agencies and together provide other WOTC related services (e.g., outreach activities).
- ETA will review funding use against the quarterly spending plan. When expenditures are substantially below plan, ETA may de-obligate funds for redistribution.