

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WOTC
	CORRESPONDENCE SYMBOL OWI
	DATE November 15, 2021

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 3-21

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE ADMINISTRATORS
WORK OPPORTUNITY TAX CREDIT COORDINATORS

FROM: ANGELA HANKS /s/
Acting Assistant Secretary

SUBJECT: Work Opportunity Tax Credit (WOTC) Initial Funding Allotments for
Fiscal Year 2022

1. **Purpose.** To convey the WOTC Fiscal Year (FY) 2022 initial funding allotments and application requirements for State Workforce Agencies (SWA) based on funding appropriated through a continuing resolution (CR) through December 3, 2021.
2. **Action Requested.** Grantees must meet the application requirements detailed in section 4 within 30 calendar days from the date of this Training and Employment Guidance Letter (TEGL) issuance.
3. **Summary and Background.**
 - a. Summary – On September 30, 2021, the Extending Government Funding and Delivering Emergency Assistance Act, 2022 (Public Law 117-43) was signed into law, providing a continuing resolution (CR), which allows for the uninterrupted administration of the WOTC through December 3, 2021. The allotment for WOTC under this CR is \$3,240,420. Once Congress authorizes final appropriations for FY 2022, the Employment and Training Administration (ETA) will publish a change to this TEGL to announce the full year allotments and state balances. If applicable, ETA will also announce any additional funding appropriated to reduce processing backlogs and assist states in adopting or modernizing information technology for processing of certification requests. ETA requests that SWAs submit applications for funding as allotted in Attachment I to this TEGL.
 - b. Background – The WOTC is set forth under section 51 of the Internal Revenue Code of 1986 (Code) and is effective until December 31, 2025 under Section 113 of Division EE, Title 3 -- Further Consolidated Appropriations Act, 2021 (P.L. 116-260). The U.S. Department of the Treasury, through the Internal Revenue Service (IRS), administers all tax-related provisions and requirements of the Federal tax credit. The U.S. Department of Labor, through the ETA, awards grants to states for administration of WOTC.

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4. **Details.** States must enter the state allotment amount (provided in Attachment I) on their SF-424 Form, *Application for Federal Assistance* (OMB Control No. 4040-0004), as their request for FY 2022 funding.

After allocating \$20,000 to the Virgin Islands, ETA distributes the remaining funds to the SWAs by administrative formula with a \$66,000 minimum allotment and a 95 percent stop-loss/120 percent stop-gain from the previous year allotment-share percentage. The administrative formula is calculated as follows:

- a. 50 percent is based on each state's relative share of total WOTC certifications issued from October 1, 2020 through September 30, 2021;
- b. 30 percent is based on each state's relative share of the Civilian Labor Force averages for the 12-month period from October 1, 2020 through September 30, 2021; and
- c. 20 percent is based on each state's relative share of adult recipients of Temporary Assistance for Needy Families averages from October 1, 2019 through September 30, 2020.

Application Requirements for FY 2022 Funding. ETA requires grantees to submit an electronically signed copy of the SF-424 Form through Grants.gov for funding opportunity number ETA-WOTC-TEGL-03-21-2022 at <https://www.grants.gov>, within 30 calendar days from the issuance date of this TEGL. The official, electronically signed SF-424 Form must reflect the state amount listed in Attachment I for the requested estimated funding total in item #18, and the Catalog of Federal Domestic Assistance Number 17.271 for item #11.

Each applicant must have a Dun and Bradstreet Data Universal Numbering System (DUNS) number available and it must be registered with the System for Award Management (SAM) at <https://www.sam.gov>, before submitting an application. To submit the required documents, applicants must follow the "Apply for Grants" link on Grants.gov and download the links for the grant application package. For this grant opportunity, applicants should not follow the "Find Grants" link, as this is not a competitive funding opportunity. If applicants encounter a problem with Grants.gov and do not find an answer in any of the other resources, they should call 1-800-518-4726 or 1-606-545-5035 to speak to a Customer Support Representative or send an email to support@grants.gov. Please note: Effective June 2017, applicants can no longer access SAM using Internet Explorer (IE) web browser versions older than IE11.

General Administration. SWAs are responsible for using the FY 2022 CR funding allotment to conduct WOTC activities outlined in Attachment II, *WOTC Statement of Work*, through December 3, 2021.

Reporting Requirements.

- a) **Quarterly Financial Report** – SWAs must report fiscal expenditures quarterly using ETA Form 9130. Financial reports are due no later than 45 days following the end of

each quarter. Timely submission of these reports is important to ensure proper accounting of funds.

- b) **Quarterly Performance Report** – SWAs must use the web-based Enterprise Business Support System (EBSS) Tax Credit Reporting System to report quarterly activities and outcomes using ETA Form 9058. Performance reports are due no later than 45 days following the end of each quarter. Timely submission of these reports is important for administration purposes.

5. **Inquiries.** Please direct inquiries to the appropriate Regional WOTC Coordinator listed on the WOTC website at <https://www.dol.gov/agencies/eta/wotc/contact/regional-offices>.

6. **References.**

- Section 51 of the Internal Revenue Code of 1986 as amended; and
- P.L. 117-43 -- Extending Government Funding and Delivering Emergency Assistance Act of 2022.

7. **Attachment(s).**

- Attachment I: Work Opportunity Tax Credit Fiscal Year 2022 Initial State Allotments
- Attachment II: Work Opportunity Tax Credit Statement of Work