	CLASSIFICATION
EMPLOYMENT AND TRAINING ADMINISTRATION	Financial Reporting
ADVISORY SYSTEM	**CORRESPONDENCE SYMBOL**
U.S. DEPARTMENT OF LABOR	OGM
Washington, D.C. 20210	**DATE**
	December 29, 2025

ADVISORY: **TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 06-25**

TO: STATE WORKFORCE AGENCIES
                STATE WORKFORCE ADMINISTRATORS
                STATE WORKFORCE LIASIONS
                STATE AND LOCAL WORKFORCE INVESTMENT BOARDS
                ALL DIRECT AWARD RECIPIENTS

FROM: LORI FRAZIER BEARDEN
                Acting Assistant Secretary

SUBJECT: Payment Management System Mandatory Payment Request Justification

1. **Purpose.** To provide Employment and Training Administration (ETA) grant and cooperative agreement recipients (recipients) with information regarding the Payment Management System's (PMS) mandatory payment request justification, ETA's review and approval of payment request justifications, as well as to provide examples of acceptable payment request justifications.

2. **Action Requested.** Please disseminate this guidance to all recipient staff responsible for submitting payment requests through PMS.

3. **Summary and Background.**

   a. Summary – This guidance outlines the requirement in PMS for recipients to complete a mandatory payment request justification field and provides examples of acceptable payment request justifications. It also covers ETA's review and approval of the payment request justifications.

   b. Background – The U.S. Department of Labor uses the U.S. Department of Health and Human Services' (HHS) PMS to disburse funds to its recipients. A recipient submits a payment request to PMS, which is approved or rejected by PMS staff based on the recipient's payment drawdown history, authorized award amount, and remaining award balances.

   As of March 17, 2025, all recipients are now required to submit a justification with each payment request submitted to PMS. HHS has created a new mandatory field on the PMS payment request screen that requires recipients to provide a brief justification for each payment request submitted for approval. This new field is part of the implementation of section 3 of Executive Order (E.O.) 14222, *Implementing the President's "Department of*

RESCISSIONS	EXPIRATION DATE
None	Continuing

Government Efficiency" Cost Efficiency Initiative, which requires that each agency "record every payment issued by the agency," along with "a brief, written justification for each payment submitted by the agency employee who approves the payment." The recipient justification provided in PMS will help inform ETA's own justification and approval or denial of the payment.

4. **PMS Mandatory Payment Request Justification and ETA Review and Approval.**

   a. *PMS Mandatory Payment Request Justification*

   On March 17, 2025, HHS introduced a mandatory field in the PMS payment request screen to capture a justification from the recipient explaining the purpose of the payment request.

      i. *Payment Request Justification Content and Length*

      The payment request justification must be detailed enough to allow ETA to be able to make an approval decision (as discussed further in section 4.b below). At a minimum, the recipient payment request justification must provide:

      - The ETA program for which the payment is being requested;
      - A list of budget item(s) or expense category(ies), along with an amount for each that sums up to the total payment request; and
      - A date range associated with the costs included in the payment request.

      If requesting payment for contractual services and operations costs, recipients must provide a breakdown as part of the payment request justification. In preparing their payment request justification, recipients should be mindful that the field to capture the payment request justification in PMS is limited to 1,000 characters. Please see Attachment I for examples of payment request justifications.

      ii. *Payment Request Justifications Should Not Contain Personally Identifiable Information (PII)*

      Recipients must refrain from including PII or other sensitive information in their PMS payment request justifications. Additional information regarding PII and other sensitive information can be found in Training and Employment Guidance Letter No. 39-11, *Guidance on the Handling and Protection of Personally Identifiable Information (PII)*. ETA staff will ensure that no PII or protected information is included in payment approvals. The Defend the Spend (DTS) system, discussed in more detail below, contains functionality that will allow ETA staff to remove any PII from the recipient payment request. Both the payment request justification provided by the recipient as well as the approval comment provided by ETA staff are posted at www.doge.gov/payments.

*iii.*   *Payment Requests Covering Multiple PMS Subaccounts*

If a payment request covers **multiple** PMS subaccounts, a justification is required for **each** of the PMS subaccounts, as shown below.

Payment Request - $25,000 (two sub-accounts)

The following list of subaccounts are associated with same account number. Enter the requested amount for each subaccount you want included in the request.				
Subaccount Number	**Unexpended Funds**	**Total Available Funds**	**Subaccount amount requested**	**Payment Justification**
BT12345XX1	$2,930,178.28	$2,930,178.28	20,000	These funds reimburse XYZ program expenditures for assisting dislocated workers in finding employment and support on-the-job and incumbent worker training. This covers performance tracking and subrecipient costs for job search ($5,000), career planning and training ($15,000) for January 6 through January 31, 2025.
DE56789E41	$670,142.46	$670,142.46	5,000	These funds reimburse project expenditures for the period of 12/15/24 to 12/31/24 as outlined in the grant agreement. This request covers reimbursements for project related travel ($2,650), supplies ($550), and indirect costs ($1,800) for the ABC program.
		Total Amount Requested	**$25,000**	

If a justification is needed or is insufficient for one subaccount, the entire payment request will be on hold until adequate justification is received for the subaccount in question. Therefore, recipients are strongly encouraged to submit separate payment requests and justifications for each individual PMS subaccount to avoid potential payment delays.

If a recipient leaves the required payment request justification field blank, PMS will not allow the request to move forward, and the following error message will display:

Error   ✕

Payment Justification is required.

OK
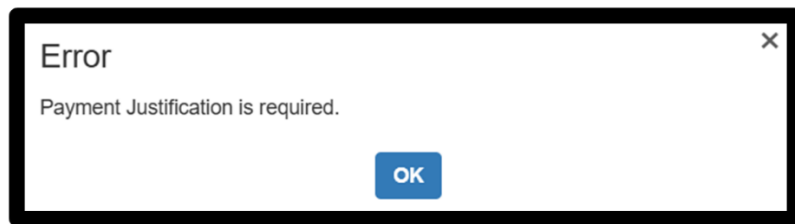
Once the payment request justification is inputted and submitted, the payment request justification is then transferred to the DTS system for ETA staff review.

b. ETA Review and Approval – Defend the Spend

In support of E.O. 14222, the Department of Government Efficiency launched an initiative called DTS that requires each agency to provide written justification and approval for each recipient payment request. The DTS system captures the recipient's payment request justification (*recipient justification*) submitted in PMS and provides functionality for ETA

staff to: (1) review and approve the recipient's payment request and provide the agency's written justification for approval (A*gency approval justification*), (2) request additional clarification from the recipient for the payment request justification, if needed, or (3) reject the payment request.

The DTS system interface with PMS pulls payment requests every 60 seconds into DTS for review by ETA staff. ETA staff must review and act on payment requests within three business days of receipt.

i.   *Payment Request Justification Clarification*

When clarification is required on a payment request justification (e.g., the justification does not contain the minimum required elements, the justification is unclear, etc.), a DTS system generated email notification will be sent to the recipient with specifics on what clarification and updates are needed.

Once the recipient responds to the clarification request via an updated payment request justification, it will re-enter the review and approval cycle. Recipients should respond to requests for clarification on payment request justifications as soon as possible and ensure that all the elements in the clarification request are addressed in the updated payment request justification, as the payment request will be in a hold status until the clarification request is responded to and accepted by ETA.

Recipients should save DTS in their email contacts to ensure DTS emails are not identified as spam and can be acted upon quickly. Recipients should work with their ETA representative if issues arise.

ii.   *Payment Requests Covering Multiple PMS Subaccounts*

As noted above, if a payment request covers multiple PMS subaccounts, a justification is required for **each** PMS subaccount. If a recipient submits a payment request with multiple PMS subaccounts and ETA staff request additional clarification for one of the subaccount's justifications, the entire payment request will be in a hold status until the clarification request is completed and accepted by ETA.

Thus, as mentioned above, recipients are strongly encouraged to submit separate payment requests and justifications for each individual PMS subaccount to avoid the potential of payment delays when the justification for one or more of the PMS subaccount(s) is sufficient while clarification is needed on the justification for another of the PMS subaccounts.

iii. Payment Release

Once reviewed and approved by ETA staff, the DTS system releases the payment. Typically, DTS has a daily 4:00 pm EST cut-off to send approved requests to the U.S. Department of the Treasury to release payments.

iv. Payment Request Rejections

In certain circumstances, it may be necessary for ETA staff to reject a recipient payment request outright (e.g., a recipient submits a duplicate payment request or a request for unallowable costs). When a payment request is rejected, the recipient will receive a DTS system generated email notification of the payment request rejection.

5. **Inquiries**. Please direct any inquiries as follows:

a. Questions on this Guidance – please contact your assigned Federal Project Officer (FPO) or the appropriate regional or national program office.

b. PMS Technical Assistance – please contact the PMS Helpdesk at: PMSSupport@psc.hhs.gov and copy your assigned FPO. Submit an online ticket at: https://gditshared.servicenowservices.com/hhs_pms.

6. **References**.
- Executive Order 14222, *Implementing the President's "Department of Government Efficiency" Cost Efficiency Initiative,* https://www.whitehouse.gov/presidential-actions/2025/02/implementing-the-presidents-department-of-government-efficiency-cost-efficiency-initiative/; and
- Training and Employment Guidance Letter No. 39-11, *Guidance on the Handling and Protection of Personally Identifiable Information (PII),* https://www.dol.gov/agencies/eta/advisories/training-and-employment-guidance-letter-no-39-11.

7. **Attachments**.

Attachment I – Payment Management System Mandatory Payment Request Justification Examples
Attachment II – Frequently Asked Questions

Payment Management System Mandatory Payment Request Justification Examples

A. FORMULA PROGRAMS

Example 1

These funds reimburse Dislocated Worker program expenditures for assisting dislocated workers in finding employment and support on-the-job and incumbent worker training. This covers personnel salary ($100,000), associated fringe benefit costs ($10,000), utilities ($500), indirect costs ($16,000), performance tracking and subrecipient costs for job search ($50,000), career planning and training ($500,000) for January 6 through January 31, 2025.

Example 2

These funds reimburse expenditures under the Work Opportunity Tax Credit program which is a federal tax credit available to employers who invest in American job seekers who consistently face barriers to employment. This request covers staff salary ($43,000), associated fringe benefit costs ($12,000), related operational expenditures ($2,300), and system supports ($1,200) for the review and approval of tax credit applications for employers hiring eligible individuals for the month of February 2025.

Example 3

These funds reimburse expenditures under the Reemployment Services and Eligibility Assessment program that assists individuals in finding employment quickly after dislocation by engaging unemployment compensation claimants. This covers personnel salaries ($450,000), associated fringe benefit costs ($125,000), related operational expenditures ($53,250), case management ($16,000), program evaluation ($300,000), individualized job planning, provision of labor market information, and referrals of individuals to additional resources (covered under personnel) for the week of April 7, 2025.

Example 4

These funds reimburse expenditures under the Unemployment State Administration program that provides funding to states for administering their unemployment insurance (UI) programs, including processing claims to provide UI benefits to eligible workers, to ensure that the UI system is functioning efficiently. This covers personnel salaries ($675,000), associated fringe benefit costs ($250,000), and related operational expenditures ($325,000), for the week of April 14, 2025.

B. DISCRETIONARY PROGRAMS

Example 1

These funds reimburse expenditures to expand and strengthen the Registered Apprenticeship system through support of public/private partnerships designed to serve a range of industries and individuals. This includes grant staff salaries ($87,650), associated fringe benefits ($13,246), program-related travel ($1,400), equipment acquisition ($23,000), supplies ($54), contractors and subrecipients ($56,500), and indirect costs ($16,000) from December 31, 2024 through January 10, 2025.

Example 2

These funds reimburse expenditures for the program's provision of pre-apprentice and educational services, occupational training, and other employment services for youth ages 16 to 24 while performing meaningful work and service to their communities. This includes staff salary ($135,000), associated fringe benefits ($45,000), program-related travel ($32), equipment acquisition ($32,000), supplies ($125), contractors and subrecipients ($32,250), other program-related expenses ($1,200), and indirect costs ($567) for the month of February 2025.

Example 3

These funds reimburse project expenditures for the period of December 15 to 31, 2024, as outlined in the grant agreement. This request covers reimbursements for project salaries ($18,790), associated fringe benefits ($5,400), project-related travel ($356), supplies ($69), contractors ($140,000), and indirect costs ($1,560).

C. FUNDING ADJUSTMENTS/REFUNDS (All Programs)

Example

The $68,543 being returned to the U.S. Department of Labor is due to (see example explanations below that could complete this justification)

- Disallowed costs from June 23, 2024 to July 15, 2024, due to audit/monitoring findings.
- The final negotiated indirect cost rate coming in lower than the provisional rate and all the budgeted funds were previously drawn down.
- Excess funds returned by a subrecipient.
- Adjustment to expenditures to a previous Program Year grant following first-in, first-out practice for full utilization of grant funds.

Frequently Asked Questions

Payment Request Justification

Is the justification simply restating the purpose of the grant?

No, the payment request justification must describe the exact reason for the payment request and must include the name of the Employment and Training Administration (ETA) program, the main budget item(s) or expense category(ies), along with an amount for each that sums up to the total payment request, and the date range associated with the costs included in the payment request.

If we use a blanket statement that is repetitious will that set off alarms? Or cause further investigation due to the justification not being unique?

The payment request justification must be specific to the payment amount. ETA would not expect the justification to be the same for all payment requests.

What format should be used to submit the justification?

The Payment Management System (PMS) payment request screen provides a mandatory field for the payment request justification. The payment request justification maximum length is 1,000 characters. Please see Attachment I of the Training and Employment Guidance Letter (TEGL) for payment request justification examples.

Is ETA requiring supporting documentation as an attachment to the payment request?

ETA currently does not require any supporting documents/attachments for payment request justifications.

Can we submit multiple requests in one day per sub-account?

Yes, a recipient can send multiple payment requests/justifications in one day per sub-account.

If we have a payment request with multiple sub-accounts, will questions on the payment justification for one sub-account delay the entire payment request?

Yes, if a recipient submits one payment request for multiple sub-accounts and clarification is needed on the justification for one of the sub-accounts, the entire payment request will be on hold until the clarification is submitted and approved. ETA strongly recommends sending separate payment requests per PMS sub-account to avoid potential delays.

Do the amounts in the justification for each category need to align with the amount being requested for drawdown?

Yes, the justification for each category in the payment request justification should add up to the total payment request.

What if we are submitting payment requests for many different expenses (such as payroll, supplies, consultants, etc.); how detailed do we have to be?

Recipients should be as detailed as possible when submitting payment request justifications to inform why the funds are being requested and to facilitate ETA's approval. Please see Attachment I of the TEGL for payment request justification examples.

Should the payment justification dates be based on actual expenditure dates or dates we paid our subrecipients?

Payment requests must be based on the actual expenditure dates. Please include the dates in the payment request justification.

Is there a limit on the time difference allowed between incurring the expenses and submitting a payment request?

No, but recipients must ensure the period for the expenses incurred is included in the justification. For example, "*to pay a subrecipient invoice for the period April 1, 2025 to May 30, 2025.*"

<u>Approvals and Timing</u>

Who is reviewing the payment justifications?

ETA staff are reviewing and approving the payment request justifications in the Defend the Spend (DTS) system.

Is the DTS system set up to send auto-replies for clarification or are messages sent after someone reviews the payment request?

If additional information is needed regarding the payment request justification, the ETA reviewer will issue a clarification request through the DTS system. A notification link will be sent to the recipient (payment requester) through the DTS system to respond to the clarification. Recipients should save DTS in their email contacts to ensure DTS emails are not identified as spam and can be acted upon quickly.

Once the recipient responds to the clarification request via an updated payment request justification, it will re-enter the review and approval cycle. Recipients should respond to requests for clarification on payment request justifications as soon as possible and ensure that all the elements in the clarification request are addressed in the updated payment request justification, as the payment request will be in a hold status until the clarification request is responded to and accepted by ETA.

What is the expected turnaround for ETA review and approval?

ETA staff have three business days to review and act on payment request justifications. Funds for payments approved by 4:00 pm EST will generally be available for drawdown that same day.

What happens if the DTS system displays "error 404, not found"?

Please reach out to your ETA contact or your Federal Project Officer.

Will the name of the organization, payment request and payment justification be posted online for the public to review?

Yes, the name of the organization, the payment amount, and the justifications from both the recipient and ETA will appear on the Department of Government Efficiency's (DOGE) official website, *www.doge.gov/payments*. Recipients must not include protected or non-sensitive personally identifiable information in payment request justifications.

Payment Management System

In PMS, you can only see about 50 characters in the input fields on the payment screen. Are there any planned development changes to expand the input fields on the payment request screen to see the full details of what you can type in?
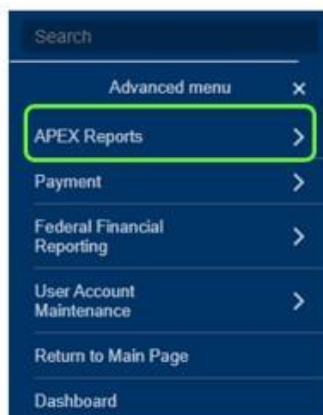
PMS does not have any plans to expand the justification comment box at this time.

Is it possible to get a list of payments previously submitted and processed for the entire Payee Account Number?

To see payment history, recipients can access the Apex Reports – Grantee Inquiry – Financial Transactions.