

Work Opportunity Tax Credit (WOTC)

Statement of Work

State Workforce Development Agencies, also known as State Workforce Agencies (SWA), must use funds for the Fiscal Year to conduct the following mandatory activities:

1. Adhere to Employment and Training Administration (ETA) guidance, and provisions of the Internal Revenue Code of 1986, Section 51, as amended, in administering the Work Opportunity Tax Credit (WOTC) certification process. Law designates the SWA as the only agency that can issue a Certification (26 U.S.C § 51(d)(12)). (That statute refers to SWAs as State employment security agencies, established in accordance with 29 U.S.C. § 49 et seq.).
2. Designate a State Coordinator who oversees the WOTC administration for each state grant and attends monthly technical assistance grantee calls hosted by ETA's National and Regional Offices.
3. Determine eligibility of individuals as members of targeted groups, on a timely basis, and issue determinations (certifications, denials, or notices of invalidation for invalid certifications that were previously issued) on a timely and consistent basis, and in accordance with the national guidelines, policies and procedures set forth by ETA.
4. Establish and implement a standard operating procedures (SOP) or operating manual for consistent administration of the WOTC program which includes an appeals resolution process in accordance with the guidelines provided by ETA.
5. Develop a backlog reduction plan that includes an estimated timeline to eliminate the state's existing backlog, based on current policies and procedures, and efforts to modernize information technology for processing certification requests. SWAs must notify their ETA Regional Coordinator of backlog reduction work plans prior to plan implementation.
6. Establish and maintain appropriate quality review processes, record keeping procedures, and reporting capability related to the orderly management of WOTC certification requests in accordance with the policies and procedures set forth by ETA.
7. Establish and maintain an orderly system for regularly verifying the eligibility of a random sample of individuals certified under WOTC on a quarterly basis, and initiating effective corrective action when appropriate, as indicated by results of such quality control activities.

Other Grant Agreement Conditions

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

- SWAs must 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 on June 28, 2012. All such activity conducted by ETA and/or recipients will be performed in a manner consistent with applicable state and Federal laws.
- SWAs must fulfill performance and financial reporting requirements under the grant agreement.