

Department of Community Colleges and Workforce Development	Number: 589-10.1
	Revised Date: 08/14/08
	Page 1 of 3
SUBJECT: Workforce Investment Act Title IB Within State Workforce Investment Act (WIA) Allocations – Recapture and Reallocation of Local Area Funds	Approved: 

Purpose: To transmit State policy and procedures regarding the reallocation and recapture of local area allocations for youth, adult and dislocated worker activities.

References: Sections 127(c) of the WIA
Sections 128(b) and (c) of the WIA
Section 132 (c) of the WIA
Sections 133(b) and (c) of the WIA
Section 189(g) of the WIA
20 CFR 667.107
20 CFR 667.150
20 CFR 667.160
OAR 151-020-0020, Allocations to Subrecipients

Definitions: Eligible subrecipient: a subrecipient that has obligated as least 80 percent of its formula allocation for adults, dislocated workers and youth as determined separately for each funding stream for the program year prior to the program year for which the determination to reallocate funds is made. The eligibility to receive a reallocation must be separately determined for each funding stream.

Excess unobligated funds: funds in excess of 20% that have not been obligated at the end of the program year in which the funds were allocated.

Obligations: the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a funding period that will require payment by the recipient or subrecipient during the same or a future period. Individual training accounts (ITAs) used for the payment of training costs should be treated the same way as similar commitments of the subrecipient's non-WIA funds, whether obligations or otherwise.

Policy: Subrecipients must ensure that at least 80 percent of its program year's allocations for each of the youth, adult and dislocated worker funding streams, less any amount reserved for the costs of administration, are obligated by the end of the subject program year. Subrecipients that have not obligated 80% of the funds for each the Title I-B funding streams will be required to submit a report detailing the reasons for the excess unobligated funds and outlining a corrective action plan for the future. This report will be required at the end of each program year for subrecipients that have excess unobligated funds at that time.

If a subrecipient's unobligated balances for the youth, adult or dislocated workers formula allocations exceed 20% at the end of any PY/FY CCWD, in consultation with the respective subrecipient, will conduct a thorough analysis to determine the need for possible fund recapture and reallocation.

SUBJECT: Workforce Investment Act Title IB Within State Workforce Investment Act (WIA) Allocations – Recapture and Reallotment of Local Area Funds	Number: 589-10.1
	Page 2 of 3

After the above analysis has been completed, any unobligated funds determined to be available for recapture and reobligation, will be distributed on a formula basis to eligible subrecipients. Only program funds are subject to reallocation. No subrecipient administrative funds will be recaptured or reallocated.

At the end of the second year of a program year's allocation period, CCWD is required to recapture any unexpended youth, adult and dislocated worker funds. This includes both unspent program and administrative funds. In accordance with 20 CFR 667.107, funds recaptured at that time may be used by CCWD for the following purposes:

1. Used for Statewide projects; or
2. Distributed to other subrecipients that have fully expended their allocation of funds for the same program year within the two-year period.

CCWD will review subrecipients' PY/FY expenditures on a quarterly basis. If it appears that a subrecipient will not expend a program year's allocation within the allowable two-year expenditure period, CCWD will require an expenditure projection report to be submitted by the subrecipient.

The disposition of unexpended recaptured funds will be dependent upon the total amount of funds recaptured from each funding stream and recommendations developed by CCWD with local input.

Procedures:

Responsibility

Action

Subrecipient

1. Review obligations on a quarterly basis to assure that at least 80% of a program year's funds for the adult, dislocated worker and youth funds will be obligated by the end of the subject program year.
2. Submit the amount of unobligated funds for each funding stream on a quarterly basis on the quarterly Financial Status Reports.
3. Prepare obligation projection report for a funding stream if the percent of a program year's unobligated funds for that funding stream exceeds the percent of time remaining to obligate the funds. The obligation report will be required when requested by the CCWD.

If, at the end of the program year, unobligated funds exceed 20% for any funding stream for that program year, submits a report detailing the reasons for the unobligated funds and outlining the corrective actions to obligate the funds and to prevent excess unobligated funds in the future.

4. Review expenditures on a quarterly basis for each funding stream to assure that 100% of a program year's allocation will be expended by the end of the second year of the allowable two-year expenditure period for the allocation.

SUBJECT: Workforce Investment Act Title IB Within State Workforce Investment Act (WIA) Allocations – Recapture and Reallotment of Local Area Funds	Number: 589-10.1
	Page 3 of 3

5. Prepare expenditure projection report when it appears that funds for adult, dislocated worker and/or youth funding streams will not be expended within the allowable time period.

CCWD

1. If, at the end of the program year, unobligated funds exceed 20% for any funding stream for that program year, submits a report detailing the reasons for the unobligated funds and outlining the corrective actions to obligate the funds and to prevent excess unobligated funds in the future.
2. Review obligations at the end of each program year and determines if an obligation report is required from the subrecipient to explain excess unobligated funds and if a corrective action report is required.
3. Analyze the reasons for excessive unobligated funds at the end of the program year (ending June 30) and determines if funds will be recaptured and reallocated to eligible subrecipients.
4. Recapture and redistribute to eligible subrecipients unobligated funds determined to be available for reobligation.
5. Recapture subrecipient program year funds remaining unexpended at the end of the allowable two-year expenditure period.
6. Determine the disposition of recaptured unexpended funds. If any of the recaptured funds are determined to be redistributed to subrecipients, the redistribution will be made only to subrecipients that have fully expended the funds available for that funding stream for that program year.

If recaptured funds are to be used for Statewide projects, CCWD will develop the projects with local input and notify the subrecipients of how the funds will be used.