

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 realize the following responsibilities:

1. The SWA must adhere to Employment and Training Administration (ETA) guidance, and 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).
2. Designate a state coordinator, who oversees the administration of WOTC, for each state grant.
3. Determine eligibility of individuals as members of targeted groups, on a timely basis, and 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 ETA.
4. Establish and implement 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 existing backlogs based on current policies and procedures, and notify your regional coordinator prior to implementation.
6. Establish and maintain appropriate forms' quality review process, record keeping, and reporting capability related to the orderly management of WOTC certification requests.
7. 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.

Additionally, SWAs may also use the funds to realize the following items below:

- Develop working agreements, such as Memorandums of Understanding (MOU) or other formal agreements, with partner agencies in the American Job Center network (also known as the One-Stop Career Center system) and coordinate efforts to promote WOTC to employers, job seekers and other Workforce Innovation and Opportunity Act (WIOA) partners.
- Develop working agreements such as MOUs or other formal 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.
- Develop working agreements such as MOUs or other formal agreements with state or local partnering agencies (i.e. state Vocational Rehabilitation Agencies, Veterans Administration and related organizations, Employment Networks, and other local workforce areas), for the purposes of expediting verification of targeted group eligibility information submitted in the certification request, and issuing Conditional Certifications, where appropriate.

- 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.

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](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=7872) (https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=7872) 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.
- Fulfill performance and financial reporting requirements under grant agreement.