

Work Opportunity Tax Credit

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 the Work Opportunity Tax Credit (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 which 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, to enhance a SWA's ability to successfully administer WOTC, SWAs should use the funds to conduct the following activities below, if necessary:

- Establish and maintain a memorandum of understanding (MOU) or other similar agreements with partner agencies in the American Job Center network (also known as the One-Stop Career Center system) and coordinating efforts to promote WOTC to employers and job seekers and other Workforce Innovation and Opportunity Act partners.
- Establish and maintain a memorandum of understanding (MOU) or other similar 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.
- Establish and maintain a memorandum of understanding (MOU) or other similar agreements with local workforce areas, State Vocational Rehabilitation Agencies, Veterans Administration and related groups, Employment Networks and other state and local agencies, and organizations for the purposes of 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 Guidance on the Handling and Protection of Personally Identifiable Information (PII) (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.