

<b>EMPLOYMENT AND TRAINING ADMINISTRATION</b> <b>ADVISORY SYSTEM</b> <b>U.S. DEPARTMENT OF LABOR</b> <b>Washington, D.C. 20210</b>	<b>CLASSIFICATION</b> WOTC
	<b>CORRESPONDENCE SYMBOL</b> OWI
	<b>DATE</b> November 16, 2020

**ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 6-20**

**TO:** STATE WORKFORCE DEVELOPMENT AGENCIES  
STATE WORKFORCE ADMINISTRATORS  
WORK OPPORTUNITY TAX CREDIT COORDINATORS

**FROM:** JOHN PALLASCH /s/  
Assistant Secretary

**SUBJECT:** Work Opportunity Tax Credit (WOTC) Initial Funding Allotments for Fiscal Year 2021

1. **Purpose.** To convey the WOTC Fiscal Year (FY) 2021 initial funding allotments and application requirements for State Workforce Agencies (SWA) based on funding appropriated through a continuing resolution (CR) through December 11, 2020.
2. **Action Requested.** Grantees must meet the application requirements detailed in section 4 within 30 calendar days from the date of this Training and Employment Guidance Letter (TEGL) issuance.
3. **Summary and Background.**
  - a. Summary – On October 1, 2020, the Continuing Appropriations Act, 2021 (Public Law 116-159) was signed into law and provides a continuing resolution (CR), which allows uninterrupted administration of WOTC through December 11, 2020. Through this CR, the congressional allotment is for \$3,647,090. Once Congress authorizes final appropriations for FY 2021, ETA will publish a change to this TEGL to announce the full year allotments and state balances. With this TEGL, the Employment and Training Administration (ETA) requests that SWAs submit applications for funding.
  - b. Background – The WOTC is authorized until December 31, 2020 (Section 143 of Division Q of P.L.116-94 -- Further Consolidated Appropriation Act, 2020). The U.S. Departments of Labor and Treasury jointly administer WOTC. The Department of Treasury, through the Internal Revenue Service (IRS), administers all tax-related provisions and requirements of the Federal tax credit. The Department of Labor, through the ETA, awards grants to states for administration of WOTC.

<b>RESCISSIONS</b> None	<b>EXPIRATION DATE</b> Continuing
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4. **Details.** States must enter the state amount (provided in Attachment I) on their SF-424 Form - Application for Federal Assistance (OMB Control No. 4040-0004) as their request for FY 2021 funding.

After allocating \$20,000 to the Virgin Islands, ETA distributes the remaining funds to the SWAs by administrative formula with a \$66,000 minimum allotment and a 95 percent stop-loss/120 percent stop-gain from the previous year allotment share percentage. The administrative formula is calculated as follows:

- a. 50 percent is based on each state's relative share of total WOTC certifications issued from October 1, 2019 through September 30, 2020;
- b. 30 percent is based on each state's relative share of the Civilian Labor Force averages for the 12-month period from October 1, 2019 through September 30, 2020; and
- c. 20 percent is based on each state's relative share of adult recipients of Temporary Assistance for Needy Families averages from October 1, 2018 through September 30, 2019.

**Application Requirements for FY 2021 Funding.** ETA requires grantees to submit an **electronically signed copy of a SF-424 Form through Grants.gov for the [fill in Funding Opportunity Number] at: <https://www.grants.gov/>, within 30 calendar days from the date of this TEGL's issuance.** The official, electronically signed SF-424 Form must reflect the remaining balance to state amount listed in Attachment I for the requested estimated funding total in item #18 and the Catalog of Federal Domestic Assistance Number, 17.271 for item #11.

Each applicant must have a Dun and Bradstreet Data Universal Numbering System (DUNS) Number available and must be registered with the System for Award Management (SAM) at: <https://www.sam.gov> before submitting an application. Please note: Effective June 2017, you can no longer access SAM using Internet Explorer (IE) Versions older than IE11. You either need to upgrade to an Internet Explorer version of IE11 or higher, or access SAM with another supported browser type (Chrome, Firefox, Safari, etc.).

To submit the required documents, applicants must follow the "Apply for Grants" link on Grants.gov and download the links for the grant application package. For this grant opportunity, applicants should not follow the "Find Grants" link, as this is not a competitive funding opportunity. If applicants encounter a problem with Grants.gov and do not find an answer in any of the other resources, call 1-800-518-4726 or 1-606-545-5035 to speak to a Customer Support Representative or email: [support@grants.gov](mailto:support@grants.gov).

**General Administration.** SWAs are responsible for using the FY 2021, CR funding allotments to conduct the WOTC activities outlined in Attachment II. Statement of Work through December 11, 2020.

## **Reporting Requirements.**

- a) **Quarterly Financial Report** – SWAs must report expenditures quarterly using ETA Form 9130. Financial reports are due no later than 45 days following the end of each quarter. Timely submission of these reports is important to ensure proper accounting of funds.
  - b) **Quarterly Performance Report** – SWAs must use the web-based Enterprise Business Support System (EBSS) Tax Credit Reporting System to report quarterly activities and outcomes using ETA Form 9058. Performance reports are due no later than 45 days following the end of each quarter. Timely submission of these reports is important for administration purposes.
5. **Inquiries.** Please direct all questions to the appropriate Regional WOTC Coordinator listed on the WOTC website at:  
<https://www.doleta.gov/business/incentives/opptax/contact/regional-offices.cfm>.
6. **References.**
- Section 51 of the Internal Revenue Code (Code) of 1986, as amended; and
  - P.L. 116-159 -- Continuing Appropriations Act, 2021.
7. **Attachment(s).**
- Attachment I: Work Opportunity Tax Credit Fiscal Year 2021 State Allotments
  - Attachment II: Work Opportunity Tax Credit Statement of Work