

Attachment III. Extended Disbursement Account

To keep PY 2019 and future program year funds for PFP contract strategies available past the normal period of performance (POP) for WIOA grants, states must complete the following actions.

If local areas within a state seek to use funding for PFP contract strategies, the state must notify ETA prior to December 31 of the expiration of the two-year POP availability, so that ETA can move PFP funds to a separate grant document to permit their availability until expended. Prior to December 31 of the expiration of the two-year POP, the state's authorizing official must submit a letter to its regional FPO notifying ETA of the amount that local areas intend to reserve for PFP contract strategies. The letter must identify the specific formula grant source of the PFP funding stream (WIOA title I Adult, Dislocated Worker, and/or Youth); the applicable program or fiscal year designation and the associated document number; and include the following information for *each* local area that seeks to reserve PFP funding:

- a) the name of the local area;
- b) the state's assurance that it has analyzed the proposed contract strategy and confirms that it is consistent with WIOA PFP provisions and state procurement policies or can be adjusted to do so before finalizing the contract;
- c) a WIOA title I Adult, Dislocated Worker, and/or Youth SF-424 Application for Federal Assistance for the total amount to be transferred for the PFP contract strategy or strategies; and
- d) state assurance that the amount the area intends to use for WIOA PFP contract strategies does not exceed 10 percent of its combined local allocations for the Adult and Dislocated Worker program, and its local allocation for the Youth program.

Bullets a and b above must be provided again whenever there is a need to reallocate PFP contract strategy funding that was previously reserved but not utilized for a payout.

ETA looks forward to reviewing requests for reserving WIOA funds for PFP contract strategies, and plans to review such requests promptly. For applicants that meet the above requirements, ETA will administratively move PFP funds from the original WIOA grant document to a PFP-specific grant document with the same Treasury account (but a different subaccount) and a separate Payment Management System account. The PFP grant document and PMS account effectively do not expire. These accounts have the following characteristics and conditions.

- The state will have only one PFP grant document with no POP end date: *not* a separate PFP grant document for each program year.
- ETA's transfer of funds from the original WIOA grant document to the PFP grant document will take approximately two months (during January and February of each year), during which time these funds cannot be drawn down. During the interval between the submission and the transfer, the state should coordinate with the formula-grant FPO to ensure that all required information is available to ETA to execute the action. ETA expects to complete the transfers by the end of February of each year.
- Following ETA's approval of a state's PFP account, ETA will issue the following two Notices of Award (NOAs).
 - NOA #1 will confirm ETA's approval of the removal of PFP funds from the applicable WIOA formula grant and specified program.

- NOA #2 will create and/or add new monies to the PFP grant document.
- Once a state receives NOA #2, the state cannot move PFP funds back to a WIOA grant document, but can only expend them on a PFP contract strategy or strategies.
- States must submit quarterly ETA 9130 financial reports for the PFP grant document funds, including separate tracking by – as relevant – local Adult, local Dislocated Worker, and local Youth funding streams. However, states will use the ETA 9130 basic financial reports instead of the applicable WIOA 9130 financial report.
- Once there is no unexpended balance remaining on a specific funding stream, the report for that stream can be marked as final. When a state wishes to close part or all of a PFP grant document, the state authorizing official must notify the FPO via a letter requesting this action, including the end date.