

**Work Opportunity Tax Credit and
Welfare-to-Work Tax Credit
Plan Narrative (Statement of Work)**

State Workforce Agencies (SWAs) certify that they will use Fiscal Year 2005 funds announced herein to:

1. Determine eligibility of individuals as members of target groups, on a timely basis, and perform a “quality review” by a second staff person for each determination within 48 hours of receipt;
2. 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 in the ETA Handbook No. 408, Third Edition, November 2002 (Handbook);
3. Develop working agreements with partner agencies in the One-Stop Service Delivery System and coordinate efforts to promote the WOTC and the WtWTC to employers and job seekers and other Workforce Investment Act (WIA) partners;
4. Establish and implement an Appeals’ Resolution and Policy Clarification System in accordance with the guidelines provided in the Handbook (Chapter VIII, Section F, pp VIII-5-8);
5. Establish and maintain appropriate forms review, record keeping, and reporting capability related to the orderly management of WOTC and WtWTC certification requests;
6. Establish and maintain an orderly system for regularly verifying the eligibility of a random sample of individuals certified under the WOTC and WtWTC and initiate effective corrective action when appropriate as indicated by results of such activities;
7. Negotiate formal cooperative agreements with local WIA areas, State Vocational Rehabilitation Agencies, and other state and local agencies and organizations for the purposes of issuing Conditional Certifications where appropriate, and/or augmenting WOTC and WtWTC outreach activities;
8. Negotiate formal cooperative agreements with appropriate state agencies, including the Departments of Health and Human Services, Agriculture and Housing and Urban Development to expedite verification of information provided to the SWA by participating target group members;
9. 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; and

10. Cooperate with employment and training organizations already working with the private sector such as: veteran organizations, employer committees, and WIA Boards to inform employers about the tax benefits to be derived from participation and the eligibility requirements under the WOTC and the WtWTC.

In addition to the above Plan Narrative (Statement of Work), the SWA agrees to administer the program in accordance with the:

1. provisions of the Internal Revenue Code Section 51 and 51A, as amended; and
2. policy and guidance in the November 2002, Third Edition of ETA Handbook 408. The state shall maintain a verification and quality control process in accordance with guidance in the Handbook.