

**Work Opportunity Tax Credit Program (WOTC)  
Uniform State Plan Narrative (Statement of Work)**

**Instructions.**

State workforce agencies (SWAs) are to use Fiscal Year 2011 or Fiscal Year 2012 funds announced herein for:

1. Determining eligibility of individuals as members of targeted groups, on a timely basis, and performing a “quality review” by a second staff person for each determination within 48 hours of receipt of the IRS Form 8850 and ETA Form 9061 or 9062.
2. Issuing 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) and the most currently updated version of the Addendum to the Handbook.
3. Developing working agreements with partner agencies in the One-Stop Delivery System and coordinating efforts to promote WOTC to employers and job seekers and other Workforce Investment Act (WIA) partners.
4. Establishing and implementing 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. Establishing and maintaining appropriate forms review, record keeping, and reporting capability related to the orderly management of WOTC certification requests.
6. Establishing and maintaining an orderly system for regularly verifying the eligibility of a random sample of individuals certified under the WOTC Program and initiating effective corrective action when appropriate as indicated by results of the audit activities.
7. Negotiating formal cooperative agreements with local WIA 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, and/or augmenting WOTC outreach activities.
8. Negotiating formal agreements with appropriate Federal and state agencies, including the Departments of Health and Human Services, Agriculture, Housing and Urban Development, the Social Security Administration, and others to expedite verification of information provided to the SWA by participating target group members.

9. Training state and participating agency staff and providing monitoring and technical assistance to these agencies, as appropriate, for conducting target group preliminary eligibility determinations and issuing Conditional Certifications.
10. Cooperating with employment and training organizations already working with the private sector, such as veteran organizations, employer committees, and local WIA Boards to inform employers about the tax benefits to be derived from participation and the eligibility requirements under the WOTC Program.

**Grant Agreement Conditions.**

By entering into this agreement, the SWA agrees to the following conditions:

1. Provisions of the Internal Revenue Code of 1986, Section 51, as amended, must be adhered to in conducting the program. By law, the SWAs are designated as the ONLY agencies that can issue a Certification. The SWAs can enter into cooperative agreements with certain participating agencies and together provide other WOTC-related program services (e.g., issuing Conditional Certifications, outreach activities).
2. The most current edition of the ETA Handbook 408 for the WOTC and its August 2009 Addendum shall guide conditions and standards of performance for administration and operation of the program. The state must maintain a verification and quality control process in accordance with guidance in this Handbook.
3. Funding use will be reviewed against the quarterly spending plan and when expenditures are substantially below plan, the Employment and Training Administration may de-obligate funds for redistribution.