

**THE MISSISSIPPI PARTNERSHIP
RECAPTURE/REALLOCATION of TRAINING FUNDS POLICY**

I. Scope and Purpose

This policy sets forth the criteria and rules for the recapture and reallocation of training funds (Individual Training Accounts, On-the-Job Training, and/or Customized Training) allocated to adult and dislocated worker service providers through the Workforce Innovation and Opportunity Act. This policy is established to ensure that providers properly report expenditures and obligations. It also allows for the proper distribution of excess unspent and/or unobligated funds.

II. Recapture/Reallocation of Training Funds

At the end of the 2nd quarter of the program year if 50% of training funds are not expended/obligated, the service provider must submit a letter to the fiscal agent within 30 days with an explanation of why 50% of the training funds are not expended/obligated. After review of the explanation, if the provider does not provide sufficient reasoning for failure to expend/obligate 50% of training funds and/or cannot provide documentation that the provider can spend the training funds, the fiscal agent may recapture up to 50% of available training funds and reallocate the funds to service providers who document a need for additional training funds.

At the end of the 3rd quarter of the program year if 75% of training funds are not expended/obligated, the service provider must submit a letter to the fiscal agent within 30 days with an explanation of why 75% of the training funds are not expended/obligated. After review of the explanation, if the provider does not provide sufficient reasoning for failure to expend/obligate 75% of training funds and/or cannot provide documentation that the provider can spend the training funds, the fiscal agent may recapture up to 75% of available training funds and reallocate the funds to service providers who document a need for additional training funds.

At any time during the program year a provider may voluntarily deobligate training funds if the provider will not be able to spend the training funds. If this occurs, the fiscal agent may transfer the funds to training providers who document a need for additional training funds.

III. Effective Date

This policy shall be effective July 1, 2015.