

OPERATIONAL GUIDANCE FOR NATIONAL DISLOCATED WORKER GRANTS

EXECUTIVE SUMMARY

This policy provides the guidance and establishes the procedures, requirements, and priorities of the Disaster Recovery (DR) and Employment Recovery (ER) National Dislocated Worker Grants (NDWGs). This policy applies to all Project Operators (POs), subawardees, subrecipients, contractors, and partners of the NDWGs, and is effective immediately.

This policy contains some state-imposed requirements. All state-imposed requirements are indicated by ***bold, italic*** type.

This Directive finalizes Workforce Services Draft Directive *Operational Guidance for National Dislocated Worker Grants* (WSD23-01), issued for comment on April 26, 2023. The Workforce Development Community submitted no comments during the draft comment period.

This policy supersedes Workforce Services Directive *Disaster National Dislocated Worker Grant Guidance* (WSD18-08), dated October 15, 2018. Retain this Directive until further notice.

REFERENCES

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- *Workforce Innovation and Opportunity Act* (WIOA) (Public Law 113-128) Sections 3, 134, 166(c), 170, 183
 - Title 2 *Code of Federal Regulations* (CFR) Part 200: “Uniform Administrative Requirements, Cons Principles, and Audit Requirements for Federal Awards” (Uniform Guidance)
 - Title 2 CFR Part 2900: “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Department of Labor (DOL) Exceptions)”
 - Title 20 CFR Part 678: “Description of the One-Stop Delivery System Under Title I of the Workforce Innovation and Opportunity Act”
 - Title 20 CFR Part 687: “National Dislocated Worker Grants”

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

- Training and Employment Guidance Letter (TEGL) 16-21, *Updated National Dislocated Worker Grant Program Guidance* (June 16, 2022)
- Grants.gov
- [Workforce Services Directive](#) WSD17-08, *Procurement of Equipment and Related Services* (March 14, 2018)
- WSD 16-16, *Allowable Costs and Written Approval* (February 21, 2017)
- WSD 16-10, *Property -- Purchasing, Inventory, and Disposal* (November 10, 2016)
- Workforce Services Information Notice (WSIN) 22-11, *Federal Grant Funding Disclosure: Stevens Amendment* (September 29, 2022)

BACKGROUND

Under Section 170 of the WIOA, NDWGs are discretionary funds from the Secretary of Labor to assist areas impacted by significant job losses due to large, unexpected layoff events or a major disaster. The purpose of the NDWGs is to reemploy dislocated workers through earning and employability enhancements to help recovery efforts in the clean-up and recovery following a federally-declared disaster or a mass layoff event. The California Employment Development Department (EDD) administers two different types of NDWGs: Disaster Recovery (DR) and Employment Recovery (ER). Unique opportunities for NDWGs may also be released by the DOL to address specific disasters, public health emergencies, or other economic events, and will be accompanied by a corresponding TEGL.

POLICY AND PROCEDURES

Definitions

Conflict of Interest – A situation where an employee, officer, or agent of an organization, any member of an employee's, officer's, or agent's immediate family, or an organization which employs or is about to employ any such parties, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. (2 CFR 200.318(c)(1))

Equipment – Tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000.

Federal Project Officer (FPO) – An employee of the Employment Training Administration (ETA), an agency within the DOL. Acts as a liaison between the DOL Region Six, the National Office, and the EDD. Provides oversight of the NDWGs.

Grantee – The pass-through entity that provides program management and operation oversight activities. The EDD is the grantee for the NDWGs.

National Office – The DOL headquarters for the ETA that reviews and approves or denies NDWG applications and determines the NDWG funding awards.

Micro-Purchase Threshold – Fiscal threshold set by Federal Acquisition Regulation (FAR) (currently \$20,000 for most NDWG purposes per FAR Subpart 13.2). The threshold is periodically updated based on inflation, and the dollar value in effect at the time of purchase and reason for purchase is the proper threshold value.

Period of Performance (POP) – The project’s timeframe defined by the project start date or grant award effective date through the project end date.

Procurement – All stages of the process of acquiring property or services, beginning with the process for determining a need for property or services and ending with contract completion and closeout.

Project Operator (PO) – An entity responsible for overall management of project implementation in the project service area or a portion of the total service area at the local level. A PO may be a: Local Workforce Development Board/WIOA administrative entity; community-based organization; for-profit organization; or a funding-eligible Native American and Indian entity under WIOA 166(c) that will serve counties impacted by eligible layoffs and/or disasters. POs are subawardees and subrecipients of the EDD funded through subgrants.

Property – Real property or personal property.

Questioned Cost – Any cost or procurement that is questioned by an auditor, pass-through entity, or awarding agency representative. Purchases can be questioned due to possible violations of statutes or regulations, inadequate documentation, or possible unreasonable costs.

Subaward – An award provided by a pass-through entity to a subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Subrecipient – A non-federal entity that receives a subaward from a pass-through entity to carry out part of the federal program, but does not include an individual that is a beneficiary of such program (e.g., a grant participant is not a subrecipient). For NDWGs, POs are subrecipient of the EDD; POs may have their own subrecipients. A subrecipient may also be a recipient of other federal awards directly from the federal awarding agency.

Supplies – All tangible personal property other than equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life.

Supportive Services – Services such as transportation, childcare, dependent care, and housing that are necessary to enable an individual to participate in activities authorized under the WIOA Section 3(59).

DR NDWGs

DR NDWGs provide disaster-relief and humanitarian assistance employment, as well as employment and training services, as appropriate, to minimize the employment and economic impact of declared disasters and emergency situations, in disaster-declared areas as defined in Title 20 CFR Section 687.110(b). DR NDWG projects must include disaster-relief employment in response to the federally-declared disaster event. ETA, at its discretion, may choose to approve grants that offer only employment and training activities. These are rare exceptions where the circumstances and nature of the disaster do not allow for cleanup or humanitarian temporary employment opportunities authorized by WIOA Section 170 or are awarded due to an influx of individuals relocated from a disaster area, where the grant recipient is not responding to the declared disaster, because it is in another geographic area.

A federal declaration of emergency or disaster is required for all DR NDWGs, including the following:

1. Emergencies and major disasters, as defined under Section 102 of the Stafford Act (42 U.S.C. 5122(6)), declared by Federal Emergency Management Agency (FEMA) as eligible for Public Assistance.
2. Emergencies or disaster situations of national significance, natural or man-made, that could result in a potentially large loss of employment, as declared or otherwise recognized and issued in writing by the chief official of a Federal agency with jurisdiction over the Federal response to the disaster or emergency.
3. Relocation of a substantial number of individuals from a state, tribal area, or outlying area affected by a disaster or emergency to other states, tribal areas, or outlying areas outside the disaster or emergency area.

The DR NDWG is designed to address disaster/emergency impacted areas through disaster-relief employment through a Temporary Jobs (TJ) component and may provide employment and training activities through a Workforce Development (WD) component, detailed in Title 20 CFR Section 678.180(b). The TJ component provides funds for eligible participants to provide cleanup and recovery efforts including demolition, cleaning, repair, renovation, and reconstruction of damaged and destroyed structures, facilities and lands located within the

disaster area and in offshore areas related to the emergency or disaster, and humanitarian efforts. DR funds are available to pay the cost of the labor provided by the temporary workers. DR funds may not be used for the cost of materials such as food or blankets for disaster victims, or for lumber or concrete to repair damaged structures. The WD component may not apply to all DR NDWGs.

ER NDWGs

ER NDWGs are designed to address major economic dislocations through employment and training services, as defined below:

1. Mass layoffs/closures - Layoffs or plant closures affecting 50 or more workers from one employer.
2. Community Impact - Multiple small dislocations occurring over a period of up to 12 months that have significantly increased the number of unemployed individuals in a regional or local workforce development area (Local Area). Community Impact grants are typically awarded to serve rural areas where the employer base is predominantly smaller companies with fewer than 50 employees each, and where such layoffs may not meet the definition of “mass layoffs” noted above.
3. Higher-than-Average Demand for Services from Dislocated Service Members - A higher-than-average demand for employment and training activities from dislocated military service members and dislocated military spouses that exceeds state and local resources for providing such activities may qualify for ER NDWG funding. Such events have requirements in addition to those for other ER NDWGs; these requirements are detailed in TEGL 16-21.

Career services as described in WIOA section 134(c)(2), including but not limited to outreach, assessments, labor exchange, labor market information, and transitional jobs are allowable grant activities. Training services defined in WIOA section 134(c)(3) including but not limited to on-the-job training, customized training, and occupational skills training are allowable grant activities. Participants receiving career and training services are eligible to receive supportive services as detailed in WIOA section 134(d)(2).

Dislocated worker early intervention strategies that include Rapid Response services should be deployed as soon as there is knowledge of a mass layoff, when funds are available. An application for an ER NDWG must present a rationale for grant activities and enrollment goals with demographic information, assessments, and participant needs, including demonstrating that the need exceeds the capacity of formula funded dislocated worker services. Early intervention activities are important for gathering this information and identifying the needs and interests of affected workers. ER NDWGs should be submitted to DOL within 120 days of a qualifying layoff event so services can be delivered timely.

Additional NDWG Opportunities

The DOL may release NDWG funding opportunities beyond the funding associated with TEGL 16-21, which will be made available on Grants.gov. In those cases, the DOL will release a new TEGL to announce the funding opportunity, grant synopsis, and the application due date. These additional NDWG funding opportunities typically have a competitive award process.

The EDD's Workforce Services Branch may apply for NDWGs that have an accompanying TEGL. Other eligible applicants may have the opportunity to apply for competitive NDWGs independent of the EDD. Any grant requirements or conditions set in such special grants must be followed by entities that participate in those grants as either a grantee or subawardee.

Pre-Application DR NDWG Preparation

When a natural or man-made disaster occurs, potential POs including Local Areas and workforce system partners in the affected area have an opportunity to shape the scope of the EDD's disaster response. To prepare for a federal declaration, interested potential POs should monitor disaster damage estimates, including an estimate of the cost of clean-up and recovery activities; the number of local workers affected by the disaster; estimated budget needs to provide services; and collect pictures depicting and articles describing damage to the local community. Potential POs should identify partnerships and potential worksites for an eventual DR NDWG.

DR NDWG Emergency Application

Once a federal agency declares an emergency or disaster, as required under WIOA Section 170, the EDD Dislocation, Climate, and Special Populations Support Group (DSG) will contact prospective POs in the areas affected by the disaster to gauge interest in participating in a DR NDWG. Interested POs will be sent a concept paper template to complete describing the known damage and need. Concept papers will be due within five (5) calendar days of the disaster declaration to meet DOL requirements. The DSG will complete a DR NDWG emergency application within 15 calendar days from the federal declaration.

Dependent on the nature of the disaster, demonstrated need, and funding availability from other sources, there may be cause to forego the emergency application process, and submit a full application as the initial request. The EDD will work with potential POs in the affected areas to make this determination on a case-by-case basis.

DR Full Application

A DR full application is due to the DOL 60 days after the receipt of the Notice of Award (NOA) when a grant is awarded after an emergency application. ***The DSG will provide a comprehensive exhibits package, and any additional documents required by the DOL, to POs***

shortly after the NOA from DOL. Final versions of these documents are needed by the EDD no later than 30 days after the NOA is issued so the EDD has adequate time to prepare the application forms; drafts are requested no later than 14 days after the NOA is issued in case edits are needed. Each PO must fill out those additional documents and have them approved by the EDD before funding will be released to the PO.

When the EDD does not submit an emergency application for a grant, the full application will be the initial application for grant funding. When the DOL grants an award based on a full application, the response to any additional conditions or requirements for the award is due 30 days after receipt of the NOA. ***Each PO must fill out any documentation required by the NOA no later than 14 days after the NOA is issued so the EDD has adequate time to prepare the required forms. The PO documentation must be submitted to and approved by the EDD before funding will be released to the PO.***

ER Full Application

ER NDWGs are applied for using the full application only. When the DOL grants an award based on a full application, the response to any additional conditions or requirements for the award is due 30 days after receipt of the NOA. ***Each PO must fill out any documentation required by the NOA no later than 14 days after the NOA is issued so the EDD has adequate time to prepare the required forms. The PO documentation must be submitted to and approved by the EDD before funding will be released to the PO.***

DR and ER NDWG Project Start

A NOA approving a NDWG includes specific terms and conditions for the grant including project start and end dates, maximum funding awarded, if funding will be provided incrementally, and grant-specific requirements and limitations. Requirements and limitations may differ from other WIOA programs. All POs must comply with NOA terms and conditions.

The DSG will host at least one project launch webinar shortly after receiving the initial NOA, whether the NOA follows an emergency or a full application. Attendance at the project launch webinar is mandatory for the PO administrator(s). It is recommended to have both fiscal and program staff attend. The project launch webinar will provide an NDWG overview, define roles, responsibilities, expectations, and the project requirements.

POs must have a system in place at the start of the project to quickly address participant needs. Limitations, such as delays enrolling eligible participants for a prolonged amount of time due to staffing, is not an acceptable project design. Acceptable systems may include the PO hiring staff to operate the project.

Assessment of equipment needs should be completed at the beginning of the project. ***There are special requirements for purchasing equipment with NDWG funds, discussed in detail below.***

NDWG Roles and Responsibilities

POs are responsible for solidifying partnerships to carry out their subgrant agreement and serving NDWG participants to meet the project deliverables. Participant enrollments, activities, and services must be tracked with the appropriate activity codes in CalJOBSSM under the corresponding NDWG grant code, as detailed in [WSD19-06](#). DR NDWG participants engaging in TJs must be enrolled into activity code 227, Disaster Relief Employment/Temporary Job (NDWG only).

Compliance with the Stevens Amendment

All POs are required to comply with the disclosure requirements in the Stevens Amendment, language included with each federal DOL appropriations bill. Please refer to [WSIN22-11](#) for detailed guidance on how to comply with this requirement.

DR NDWG Worksite Requirements

POs must collect and retain the following for DR NDWG TJ worksites, and provide it to the EDD PM upon request:

- ***A completed worksite agreement with signatures from authorized representatives of the worksite owner/operator and the PO.***
- ***For disaster cleanup and recovery worksites only: before and after pictures demonstrating the damage caused by the disaster and the recovery work performed by participants.***

POs must collect and retain the following for DR NDWG TJ participants, and provide it to the EDD PM upon request:

- ***A completed employment agreement providing the details of the employment, including the worksite(s) where the participant will work, signed by the participant and PO.***
- ***Safety training documentation demonstrating that required training was provided, either through a case note (to include date, time, and location) or a certificate of completion.***
- ***A copy of the worker's compensation policy/policies in effect during the grant, including the policy coverage period and the insurance rate by worker industry.***
- ***Timesheets documenting hours worked by each participant. Corrections to timesheets must be initialed by the participant and PO representative. Whiteout should never be used for corrections.***

NDWG Participant Eligibility

Participant eligibility for DR and ER NDWGs differs due to the purpose and functions of each type of NDWG, as described below.

Individuals eligible to enroll in allowable activities and receive services provided through a DR NDWG must be one of the following, per Title 20 CFR Section 687.170(b):

1. Individuals temporarily or permanently laid off as a consequence of the emergency or disaster.
2. Dislocated workers as defined in WIOA Section 3(15), including displaced homemakers as defined in WIOA Section 3(16); see [TEGL 19-16](#) for more specific information on the flexibilities that WIOA provides to Governors with regard to establishing procedures for interpreting and applying the definition of dislocated worker to individuals.
3. Long-term unemployed individuals, as defined by the grant recipient.
4. Self-employed individuals who became unemployed or significantly underemployed as a result of the disaster or emergency.

Temporarily or Permanently Laid Off as a Consequence of the Disaster

For purposes of NDWGs only, the EDD adopts the definition of an individual “laid off as a consequence of the disaster” if they became unemployed because their work, living, or family conditions changed due to the disaster that prompted the DR NDWG. Individuals in this category remain eligible to participate in this grant even if they take substitute employment outside of their normal career field out of financial necessity.

Long-term Unemployed Worker

For purposes of NDWGs only, the EDD adopts the following definition for “long-term unemployed worker:”

A long-term unemployed worker is an individual who meets any of the following criteria:

1. ***(a) Is not currently employed, (b) has not been employed for the previous four weeks, (c) has actively looked for work during the previous four weeks, and (d) is currently available for work.***
2. ***(a) Is not currently employed, (b) has not been employed for the previous four weeks, (c) has or had a barrier to actively looking for work during the previous four weeks, and (d) is currently available for work or will be available for work once the barrier is addressed.***
3. ***(a) Is not currently employed, (b) was unemployed for at least 15 of the previous 26 weeks, (c) was employed for at least one day within the previous four weeks,***

- (d) exited the last employment for reasons other than being dismissed for misconduct, and (e) is currently available for work.***
- 4. *(a) Is not currently employed, (b) has no work history, and (c) is currently available for work.***

For “long-term unemployed worker” definition 2(c), example barriers to actively looking for work include but are not limited to incarceration, illness, temporary or permanent disability, homelessness, and discouragement from workforce participation; other barriers may apply to potential participants.

Significantly underemployed

For purposes of NDWGs only, the EDD adopts the following definition for “significantly underemployed” as it applies to potentially-eligible self-employed workers:

A significantly underemployed worker is an individual who meets any of the following criteria:

- 1. is highly skilled but is working in a low-paying job.***
- 2. is highly skilled but is working in a low-skill job.***
- 3. is working part-time but would prefer to work full-time and whose under-employment represents the loss of at least 25% of their pre-disaster income.***

As a reminder, “significant underemployment” ONLY applies to self-employed individuals whose income was impacted by the disaster, not to any other group.

Note – Enrollment in allowable activities is not restricted to individuals impacted by the qualifying event. Enrollment is only limited to participants meeting the eligibility criteria above.

For ER NDWGs, the following individuals are eligible to receive employment and training assistance:

- 1. Dislocated worker as defined in WIOA Section 3(15), including displaced homemakers as defined in WIOA Section 3(16).**
- 2. Civilian employee of the Department of Defense or the Department of Energy employed at a military installation that is being closed, or that will undergo realignment, within the next 24 months after the date of the determination of eligibility.**
- 3. Individual who is employed in a non-managerial position with a Department of Defense contractor, who is determined by the Secretary of Defense to be at risk of termination from employment as a result of reductions in defense expenditures, and whose employer is converting operations from defense to nondefense applications in order to prevent worker layoffs.**
- 4. Member of the Armed Forces who meets the following criteria:**
 - a. Was on active duty or full-time National Guard duty.**

- b. Is involuntarily separated (as defined in section 1141 of title 10, United States Code) from active duty or full-time National Guard duty, or is separated from active duty or full-time National Guard duty pursuant to a special separation benefits program under 10 U.S.C. 1174a, or the voluntary separation incentive program under section 1175 of that title.
- c. Is not entitled to retired or retained pay incident to the separation described in Subclause b above.
- d. applies for employment and training assistance within 180 days of that separation.

POs are responsible for developing written policies and procedures for determining and documenting participant eligibility. These policies should include protocols to enable eligibility verification, in particular for situations when disasters impact the availability of common documentation and eligibility can only be initially determined through self-attestation. POs must demonstrate that they have made a reasonable effort, during and after participation, to collect any additional documentation necessary to ensure that each participant is eligible.

Administrative Costs

Generally, NDWG POs may use up to 10% of their total award expended for administrative costs to operate the grant. WIOA Title I functions and activities that constitute administrative costs are identified at Title 20 CFR Section 683.215. Administrative costs include both direct and indirect costs. Each grant may have unique terms and conditions regarding allowable costs, though such specific terms and conditions of each grant supersede the general guidance in this Directive. The 10% administrative limit is a general rule; a different limit may apply for specific grants. ***The exhibits sent out by the PMs to the POs will have the grant-specific administrative cost limit, and that limit supersedes this general guidance for that grant.***

Program Costs

The following costs are representative of allowable program costs. Each grant may have unique terms and conditions regarding allowable costs; such specific terms and conditions of each grant supersede the general guidance in this Directive.

Participant wages

Disaster-relief employment participants must earn at least minimum wage for the location where work is performed in effect when the work is performed. Generally, participants must be compensated at the same rates, including periodic increases, shift differential, benefits, or overtime pay, as employees who are similarly situated in similar occupations by the same employer and who have similar training, experience, and skills. In cases where the worksite employer does not have other employees doing the same or similar work and with similar

training, experience, and skills, POs must ensure that the wages that they will pay to participants are as follows:

1. In line with the industry standard for that type of work in the area where the work is to be performed, supported by documentation.
2. At least the higher of the federal, state, or local minimum wage.

Participant fringe benefits

POs are required to provide TJ participants with certain fringe benefits. Fringe benefits should be paid in accordance with the benefits that the worksite employer offers its own employees working a similar length of time and doing the same type of work. ***At a minimum, these benefits include FICA taxes, Medicare taxes, and workers' compensation insurance premium payments. POs must document and budget for each fringe benefit separately, as required in the exhibit documents.***

Budgeted participant fringe benefit costs, including workers' compensation insurance, must be proportional to the budgeted participant wages. PO expenditures for fringe benefits must reflect the costs attributable to the grant supported by their proportionality to the actual participant wages paid. Fringe benefit costs, including insurance premiums, cannot be reimbursed to the PO before the costs are actually incurred by grant participants. Costs related to fringe benefits that are payable before the expense is attributable to a grant participant are the responsibility of the PO to pay with non-grant funds; the NDWG can reimburse such expenses as they become allocable to the grant.

If a PO incurs an insurance premium overpayment with grant funds, insurance refunds must be credited against the same insurance costs for the same NDWG in the year the refund is received, in accordance with Title 2 CFR Section 200.447. ***The PO must notify the EDD of the overpayment and report if the overpayment will be used to offset current-year insurance premiums or will be returned to the EDD. Insurance refunds that exceed the NDWG's current-year insurance premiums must be returned to the EDD, and the funds will be made available for future allowable grant expenditures by the PO. Insurance premium refunds may not be used for any non-grant purpose or to pay other grant expenses without first returning the funds to the EDD and re-drawing the funds for the new purpose.***

Supportive Services

Supportive services are allowable in both DR and ER NDWGs whenever necessary to enable individuals to participate in TJs or employment and training activities. Supportive services must comply with federal, state, and local supportive services policies.

Costs such as needs-related payments, stipends, subsistence allowances, or any monetary payment provided directly to participants for any service must receive prior approval from the DOL. ***POs must submit a detailed description to the assigned PM for review before submission to the DOL for approval.***

Case notes regarding supportive services should include a justification for the supportive service and how it relates to the employment, career, or training activities the participant is engaged in through the grant.

Procuring Equipment through Purchase or Lease

Prior to using NDWG funds to lease or purchase equipment, POs must utilize resources provided by FEMA. The FEMA has extensive experience obtaining and leasing heavy equipment in the aftermath of disasters, and provides such equipment for a limited time to permit clean-up and other allowable activities following a disaster.

POs must receive prior approval from the DOL through the EDD before purchasing any equipment. Requests with all necessary supporting documentation must be received by the EDD at least 90 days before the effective date of the requested purchase. Equipment purchases must be made in accordance with 2 CFR 200.313 or 2 CFR 200.439.

A NDWG award does not constitute approval for the purchase of equipment specified in a PO's budget or statement of work; the EDD accepting exhibits describing an equipment purchase does not constitute approval for the purchase of equipment specified in the budget or statement of work. ***The PO must submit a detailed description using the attached Equipment Purchase Form describing the equipment to be purchased to the PM for review. The EDD will submit the equipment request to the DOL for approval. Equipment purchase and lease requests should be submitted to the EDD as early as possible to avoid unnecessary delays in the grant.***

POs may not purchase equipment during the last 12 months of a grant, even if prior approval is received. Any prior approval awarded is automatically rescinded if an approved acquisition does not occur before the final 12 months of a grant's term.

POs must maintain accurate inventory records of all property purchased with federal funds. All property should have a unique identification mark to be used for inventory purposes. ***POs must retain all property records for a period of three years from the date of their last expenditure report submitted to the EDD.***

It is encouraged that all equipment purchase and lease requests are supplied to the EDD as early as possible to avoid unnecessary delays in the project.

Equipment Purchases

POs must receive prior approval for the purchase of any equipment. The award of an NDWG does not constitute approval for the purchase of equipment specified in application materials. ***Requests with all necessary supporting documentation must be received by the EDD at least 90 days prior to the effective date of the requested action. The EDD will submit the***

equipment request to the DOL for approval. Equipment purchases must be made in accordance with Title 2 CFR Section 200.313 or Title 2 CFR Section 200.439.

Leasing Considerations

The decision to lease or purchase equipment should be determined by considering the most economic option. Consideration for leasing may differ by property type and according to market conditions. The length of the contract period of the lease should also be taken into account. Leasing with an option to purchase is generally preferable to straight leasing. However, for real property, administrative requirements make leasing the only option, as the construction or purchase of real property is not allowed under the WIOA program except in certain limited circumstances, as outlined in [WSD16-10, Property – Purchasing, Inventory, and Disposal](#).

Reporting Requirements

Throughout the life of the NDWG, POs must report quantitative and qualitative performance data. ***Cumulative Monthly Narrative Reports are intended to share project progress including success stories, challenges, and best practices immediately after it occurs. POs must submit a cumulative Monthly Narrative Report to the assigned EDD PM due on the 20th of the following month. If the 20th lands on a non-workday, the report is due on the last business day prior. Cumulative Quarterly Reports are due on the 20th of the following month after the end of a quarter. The information and data provided in the cumulative quarterly reports is incorporated into the quarterly reports that EDD submits to the DOL. The quarterly report due dates are reflected in the table below:***

Quarter End Date	Cumulative Quarterly Report Due Date*
March 31	April 20
June 30	July 20
September 30	October 20
December 31	January 20

*If the 20th falls on a non-workday, the report is due on the last business day prior.

Case Notes

POs must document participant services through case notes with the corresponding activity code. Naming conventions for case notes should include the grant’s name and service provided. Case notes must be made available to the EDD or the DOL upon request.

Project Oversight, Monitoring, and Auditing

The EDD uses several methods to meet the oversight and monitoring requirements imposed upon pass-through entities by 2 CFR Section 200.332. PMs may perform site visits to provide

technical assistance, review performance, spot-check compliance with regulations, and/or to inspect worksites when applicable.

POs and subrecipients receiving funds under WIOA Title I must comply with the applicable uniform cost principles and administrative requirements for grants and agreements applicable for the type of entity receiving the funds, as published in the Office of Management and Budget's Uniform Guidance (UG). The EDD's Compliance Review Office performs periodic monitoring of POs in all NDWGs to ensure compliance with such principles and requirements prescribed through formal guidance, including but not limited to WIOA, UG, grant terms and conditions, and state and local policies. In turn, POs are required to monitor their subrecipients.

The DOL may monitor or audit the EDD during or after a NDWG; such a monitoring may include a review of some or all of the grant's POs. POs are required to actively assist the EDD with any federal reviews and provide any requested information promptly.

Required PO Policies

Each NDWG PO is required to have the following policies to meet state and federal monitoring requirements:

- Processes for determining participant eligibility.
- Use of self-attestation in the absence of available documentation, and efforts to be made to obtain proper supporting documentation during and after grant participation.
- Health and safety standards afforded to TJ participants are the same as working conditions of permanent employees.
- Supportive services for disaster recovery grants (employment recovery grant supportive services must align with supportive service for DW formula funds).

Incremental Funding

DOL typically funds NDWG awards on an incremental basis. NDWGs are commonly funded in three increments, each increment totaling one-third of the "up-to" award amount of the grant. Occasionally, the DOL may award funds in full or in larger-than-typical increments. The obligation of subsequent funding increments is based on a recipient's justification for the additional funds and continued demonstrated need, as evidenced by productive enrollments and expenditures. Subsequent increments are not guaranteed. EDD is eligible to request incremental funding from DOL when expenditures have reached approximately 70 percent of the total NDWG funds awarded to date.

For incremental funding requests, the EDD will begin preparing the required modification application to DOL when 50% of the grant funds awarded to date are expended. The intent of

the early preparation is to prevent breaks in services and unnecessary worksite shutdowns that may hinder project progress and negatively impact the grant participants. EDD will collect required information from POs to complete incremental funding requests. It is critical that all POs provide the required information to EDD timely in order to avoid breaks in services for all POs participating in the grant.

Additional Funding

Where the NDWG project's funding needs exceed the approved award amount, a request for additional funding may be necessary. ***EDD will collect required information from POs to complete additional funding requests.***

Project Closeout

POs must follow [WSD16-05](#) for project closeout. The End of Project Report is due to the EDD PM within 60 calendar days after end of the POP.

ACTION

Bring this Directive to the attention of all affected parties.

INQUIRIES

If you have any questions, contact the NDWG Support Unit at wsbndwg@edd.ca.gov.

/s/ JAVIER ROMERO, Deputy Director
Workforce Services Branch

Attachment:

[Procurement Request form \(DOCX\)](#)