



TWS 06-02

July 11, 2006

To: Contractor Management

From: Rodney Bradshaw  
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Subject: Process for Authorizing, Obligating and Paying Financial Aid Over \$200

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## **PURPOSE**

To distribute the process for authorizing, obligating and paying financial aid over \$200

## **BACKGROUND**

In December, 2005, the Financial Aid Payment Office began paying financial aid to The WorkSource customers and vendors who provide services to our customers. Career offices use the Financial Aid Communication System (FACS) to tell the Payment Office who to pay, when to pay, how much to pay, and which funding source to charge for each customer's approved financial aid.

## **CURRENT SITUATION**

We have observed since December that career offices have charged a disproportionate amount of financial aid to Workforce Investment Act—Adult funds. In addition, we have noted that career office staff have been making financial aid commitments to customers before receiving assurance from the Payment Office that funds are available.

To correct these problems, we are publishing the following required franchise process for authorizing, obligating and paying financial aid of more than \$200.

Career office and Payment Office staff are required to use this process beginning immediately. All prior commitments made to The WorkSource customers will be honored.

## **PROCESS FOR AUTHORIZING, OBLIGATING & PAYING FINANCIAL AID**

### ➤ Authorizing Financial Aid

1. When a customer expresses interest in The WorkSource financial aid, a staff member will explain briefly how The WorkSource approves financial aid. The customer must be made aware of the following:
  - a. The WorkSource financial aid is used to help our customers get a job, keep a job or get a better job. Each customer requesting financial aid must have both an employment and financial need for The WorkSource financial aid.
  - b. The WorkSource scholarship funds are used to support education that leads to employment in jobs that pay well and are expected to need workers in the future. (The High Skill, High Growth Occupations Eligible for The WorkSource Scholarship Assistance is found on The WorkSource web site at <http://theworksource.org/staff/scholarshipletters.html>) The customer's employment goal must be directly related to work in one of the occupations on the list in order to use The WorkSource money in a scholarship.
  - c. The WorkSource staff will help a customer access other funds or resources to pay for school if The WorkSource does not fund training in the customer's preferred occupation for training.
  - d. The customer must complete The WorkSource Financial Aid Application and be eligible for one of our funding sources
  - e. The WorkSource Financial Aid Payment office must certify that funds are available to support the customers requested financial aid
  - e. The WorkSource staff must tell a customer the approximate time from application to approval.
  - f. Child care financial aid may be paid from Child Care Development Funds which pay child care for low income parents. There is often a wait list for these funds. The process in this issuance does not alter the means of requesting low income child care financial aid from the Child Care Development Fund.
  - g. Scholarships and support services, including some child care, may be paid by most other WorkSource fund streams. When child care financial aid is part of a larger The WorkSource financial aid package it must be included in the request made to The Financial Aid Payment Office for the customer's financial aid funding.

**Career office staff must never make a commitment of financial aid to a customer until the Financial Aid Payment Office notifies the career office**

**that funds for the customer are available.**

2. The customer must agree to fulfill her obligation to The WorkSource when applying for financial aid as well as while she is receiving The WorkSource financial aid.

For example, she must provide requested documents to establish eligibility and keep her appointments with The WorkSource staff members. She must agree to keep her Personal Service Representative informed about her progress in school, her attendance in class and her job search status.

3. The Financial Aid Payment Office will keep career office staff informed about the availability of The WorkSource funds for our customers. The Payment Office will send weekly updates on the status of financial aid in each of our funding streams.
4. Customers will be told right away whether The WorkSource is likely to have funds available to support the customers financial aid request. We help customers locate other financial aid when it is unlikely The WorkSource can fund the customer's request.
5. When a customer is approved by an office to receive The WorkSource financial aid, that office's designated approval contact sends a FACS issue to the Financial Aid Payment Office asking if funds are available. The "Budget Authorization Request Form" is attached to the FACS quick pick titled "Budget Authorization". The form can be found on The WorkSource web site at <http://theworksource.org/staff/otherfinancialaid.html>
6. The Budget Authorization issue in FACS is a request for approval of the customer's total financial aid package. It includes all financial aid The WorkSource expects to commit to the customer to fulfill her employment goal. The request states the services to be paid by The WorkSource, an approximate amount to be paid in each year, and which fund sources are available for the customer.
7. The Payment Office will not approve a request unless all information on the form is complete. You must list all funding sources available to the customer on the form and in TWIST.
8. The Financial Aid Payment Office will respond to the FACS issue by the end of the next working day confirming that funds for the financial aid are available or stating that the funds are not available. Career office staff will close the issue in FACS when the office receives the Payment Office's response and will note the issue number in the customer's TWIST counselor record.
9. Career office staff will notify the customer the same day the office receives the response if possible, but no later than the next day, whether her financial aid is approved. Career office staff will assure that the customer knows the next step in working with The WorkSource. [Often the customer's next step will be coming to the career office for a voucher. The voucher may, in some cases, be sent directly to the school by email.]

10. At the time a customer receives a voucher, remind her of her responsibilities to The WorkSource such as reporting school attendance and grades.
11. On the same day the customer receives the voucher, career office staff sends an electronic copy by FACS to the Payment Office. It is attached to a new FACS issue. This communication notifies the Payment Office to expect an invoice from the vendor(s).
12. The Payment Office informs the career office when it has all necessary information so that the career office can close the issue in FACS.

➤ Recording Financial Aid

1. The Financial Aid Payment Office will record the entire commitment for each customer's financial aid under the fund source it chooses from those the career office listed on the "Budget Authorization Request Form"
2. The Financial Aid Payment Office will match the voucher to the invoice when the vendor bills for services.
3. The customer's TWIST record will show the services requiring financial aid under every fund source available to the customer. The TWIST fund sources must match the fund sources listed on the Budget Authorization Request Form sent to the Payment Office.

*For example, Jane Doe wants to complete the LVN training she started 2 years ago. She was laid off her job, has exhausted her UI, has signed an addendum stating she is unlikely to return to her old industry or occupation, and is now receiving TANF and cooperating with The WorkSource. She needs help with tuition and books, transportation expenses and child care.*

Her TWIST record will show training services, ITA expenses and support services under the fund sources for Choices, WIA – Adult and WIA – Dislocated Worker. The Budget Authorization Request Form will list these same three fund sources. It will also show that her child care expenses are paid with CCDF funds. Her transportation expenses will be paid weekly when she receives bus tokens at the office.

Desk Aids for fund source eligibility are included with this Issuance and can be found on The WorkSource web site at <http://theworksource.org>

- The WorkSource Financial Aid Eligibility Checklist and
- The WorkSource Dislocated Worker Fund Source - Approved Eligibility Documents

4. The customer's TWIST counselor notes will show the FACS issue number assigned to the request for financial aid for the customer (The Budget Authorization Request).

➤ Continuing or Changing Financial Aid Commitment

1. A customer who receives continuing payments of The WorkSource financial aid over \$200—that is payments which continue over a period of time—must continue to be eligible for the funding source to which a payment is charged.
2. Career office staff are responsible for checking to see that a customer is or remains eligible for continuing payments from the original fund. If a customer becomes ineligible for one fund, career office staff are responsible for researching, documenting and determining eligibility for any other fund.

*For example, office staff determine Carmen Jones eligible for financial aid from Workforce Investment Act-Dislocated Worker and Food Stamp Employment & Training funds. When it is time to renew her scholarship, Ms. Jones is no longer eligible for Food Stamp financial aid. Career office staff are responsible for determining which sources will fund her financial aid and for notifying the Payment Office using the Budget Authorization Request Form.*

3. It is not necessary to submit a new Budget Authorization Request Form for ongoing expenses, such a transportation tokens, that are reported on the cash substitute spreadsheet under the appropriate fund source.
4. Career office staff submit a new voucher each time a payment is due to a new school cycle.
5. Submit a new Budget Authorization Request Form if information has changed. Changes may include:
  - a. Eligible fund sources
  - b. Amount of commitment
  - c. Time of commitment
  - d. Other changes which affect availability of money

When submitting a new Budget Authorization Request Form mark “Changing Current Commitment” at the top of the form and complete the entire form with correct information.

6. Changes must be approved as initial requests are approved prior to making a commitment to the customer.

## **ACTION REQUIRED**

1. Please make sure that all staff at every level are aware of the information provided here.
2. Make sure that management, Financial Aid Specialists, Personal Service Representatives and Accounts Payable Specialists are aware of their responsibilities in this process.
3. Make sure that staff are using the process accurately.

## QUESTIONS

For questions contact Ginger Rogers [ginger.rogers@theworksource.org](mailto:ginger.rogers@theworksource.org) 713.993.2409 or Betty Drake [betty.drake@theworksource.org](mailto:betty.drake@theworksource.org). or submit a question through The WorkSource web site at <http://theworksource.org/staff/webqa.html>

### Attachments

High Skill, High Growth Occupations Eligible for The WorkSource Scholarship Assistance

Budget Authorization Request Form

The WorkSource Financial Aid Eligibility Checklist

The WorkSource Dislocated Worker Fund Source approved eligibility documents