

Further Guidance on Work Verification Plans

The guidance provided in this document is the result of our initial review of State and Territorial TANF interim Work Verification Plans (hereafter simply referred to as “plans”). In the course of our review, we identified a number of deficiencies or issues that arose in most of the plans. In many instances, we found that the plans lacked critical details about a plan component, such as the services or programs the State would like to include under the work activities. Without this detail, we cannot judge whether we can approve a plan.

We think that the most effective and efficient approach is to issue this additional guidance to all States. It highlights areas where we found critical information to be missing in many plans, identifies the types of plan elements we will not approve under the interim final rule, and provides illustrative examples of plan components that we drew in large part from the interim plans States submitted. It does not represent an exhaustive list of issues for each individual plan. Rather, it is intended to provide general feedback on the initial plans of all States. We will provide specific comments on the plans after States and Territories revise them based on this guidance.

We have organized this document in a way we think will facilitate a State’s ability to modify its plan, following the general outline we used in our initial guidance. For each plan section from the original Work Verification Plan Guide (e.g., Countable Work Activities), we point out problem areas we found in many of the plans. The guidance focuses predominantly on the countable work activities section because we have identified more issues that were consistent concerns across most or many plans.

This guidance is based on the policies and definitions set forth in the interim final rule. The final rule may change policies or program requirements but until its publication, States must adhere to the regulations in effect.

I. Countable Work Activities

This section consists of three pieces for each of the 12 work activities: the activity definition from the interim final rule; guidance on the issues or problems we found in our review; and an example illustrating work activity descriptions we would approve.

- We include the definition for convenience and each is as written in the interim final rule.
- The guidance piece reiterates points from our original Work Verification Plan Guide and also includes additional guidance based on our review.
- The example restates and responds to all the plan requirements from the original Work Verification Plan Guide for each activity. **Required plan elements from the original Guide appear in italicized text and examples of responses to each appear immediately after in normal, indented text.** For ease of reading, each full example (with required plan element descriptions and responses) appears within a box.

We caution States that these examples are merely illustrations and not requirements. Some include specific percentages, dollar amounts, program requirements, lists of services, or occupations. We include these to illustrate how we expect States to describe

their programs, what elements they should be sure they do not omit, and the type of description we would find acceptable but not to endorse some policy choices over others.

General Guidance that Applies to Across Work Activities

With the exception of the unsubsidized employment category, restating or rephrasing the Federal definition is not sufficient. Plans must describe the services or programs that the State proposes to count under each definition.

Stating that the work activity “includes, but is not limited to” certain services or programs is not sufficient. For each work activity, the plan must fully list and describe all of the categories of activities that the State counts under that work component.

The plan should not list activities that are not countable under the new work activity definitions, even if a State provides such activities and chooses not to count them. Including such activities makes it more difficult for us to determine whether the overall plan is consistent with the Work Verification Plan requirements. In addition, each work activity must fully conform to the definition in the TANF regulations.

All activities that count toward the work participation rate must be supervised. For paid activities, it is understood that the employer provides that supervision. Otherwise, the plan must make clear how the State meets the requirement for supervision for that activity.

Unsubsidized Employment

Definition:

Unsubsidized employment means full- or part-time employment in the public or private sector that is not subsidized by TANF or any other public program.

Guidance:

As described in the Work Verification Plan Guide:

- The determination of whether employment is subsidized, or not, depends on whether the employer, rather than the recipient, receives a subsidy.
- Recipients whose employers claim a tax credit for hiring economically disadvantaged workers are considered to be in unsubsidized employment.

In addition, based on a review of State Work Verification Plans, we note:

- If the State includes apprenticeships, internships, or other similar activities under this work activity, the description must specify that each is a paid activity. Only hours that are paid by an employer can count.
- Programs like “work study,” which involve paid employment provided by an educational institution, should be included under subsidized public sector employment or subsidized

private sector employment if the recipient's earnings are subsidized by an educational institution.

- For self-employment, self declaration of hours, even for a limited period of time, will not meet the reporting requirements required for the Work Verification Plan.

Unsubsidized Employment Example:

Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

Unsubsidized employment includes all paid employment that is not subsidized by TANF or any other public program, including self employment.

Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

We base countable hours of participation on employer reports, pay stubs, or other employer-issued documentation substantiating the number of hours worked. This includes hours for which the individual is paid, but does not work, including paid leave and paid holidays.

Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

We obtain employer reports, pay stubs, or other employer-issued documentation from work-eligible individuals or employers. They serve as the documentation and verification of hours worked and are retained in the participant's case file.

For self-employment, describe how the State counts and verifies the hours of participation. A State may not count more hours toward the participation rate for a self-employed individual than the individual's self-employment income (gross income less business expenses) divided by the Federal minimum wage. The State may also describe an alternative methodology to count and verify hours a client is engaged in self-employment.

The number of hours of self-employment counted toward participation is determined by calculating the individual's gross earned income, less business expenses, divided by the Federal minimum wage. Reports of gross income and business expenses will be those used by the TANF agency to determine the work-eligible individual's TANF cash assistance grant for the family.

If a State intends to project forward hours of participation based on current, documented, actual hours, explain how it will make this projection.

We project forward the hours of participation in unsubsidized employment for six months. The initial projection is based on at least two consecutive weeks of wage statements/pay stubs, if those are representative of continuing circumstances. We average the reported hours

of employment for these weeks; this serves as the basis of the projection of average weekly hours for six months unless the State becomes aware of a change in circumstances that requires a recalculation. If the wage statements/pay stubs available are not representative of continuing circumstances, we use actual hours and do not project hours forward.

Subsidized Private and Subsidized Public Sector Employment

Definitions:

Subsidized private sector employment means employment in the private sector for which the employer receives a subsidy from TANF or other public funds to offset some or all of the wages and costs of employing a recipient.

Subsidized public sector employment means employment in the public sector for which the employer receives a subsidy from TANF or other public funds to offset some or all of the wages and costs of employing a recipient.

Guidance:

As described in the Work Verification Plan Guide:

- Subsidized employment is distinguished from work experience, because the participant is paid wages and receives the same benefits as an employee with no subsidy who performs similar work.
- Subsidized employment does not include “on-the-job training” programs, where employers are subsidized to offset the costs of training.
- The preamble outlines three subsidized employment models:
 1. Work supplementation where TANF funds that would otherwise be paid as assistance are paid to the employer;
 2. A third-party contractor, like a temporary staffing agency, serves as employer of record and is paid a fee to cover salary, expenses and success in placing employees; and
 3. Supported work for individuals with disabilities in an integrated setting.

The State may also describe other “subsidized employment” models.

In addition, based on a review of State Work Verification Plans, we note:

- Some States combined subsidized private sector employment and subsidized public sector employment into one category, while others described them separately. Either approach is acceptable, but hours of participation in these activities must be reported separately on the TANF and SSP-MOE Data Reports for the work participation rates.
- Hours of participation in supportive activities, such as substance abuse treatment, mental health treatment or rehabilitation activities, or various other barrier-removal or educational activities, can only count toward the participation rates if the individual is paid for these hours as part of the subsidized employment activity.

Subsidized Employment Example:

Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

Subsidized public sector or private sector employment includes paid employment for which an employer receives a subsidy from TANF or other public funds to offset the cost of some or all of the wages and costs of employing a participant. Our subsidized employment consists of a supported work program for individuals who have disabilities.

The Supported Work Program reimburses employers for 50 percent of wages for six months of subsidized employment. Individuals are placed in non-profit organizations for up to 35 hours per weeks and are paid the higher of the Federal or State minimum wage. Case managers work with clients to ensure proper case management and supportive services. Up to 15 hours of required work can consist of participation in educational activities (Adult Basic Education or English as a Second Language) or necessary barrier-removal activities (substance abuse treatment or mental health treatment). Participants are paid their regular hourly wage while participating in these educational program activities. After four months, the employer must declare whether the participant will be retained as a regular employee. If not, the employer is required to permit the trial employee eight paid hours per week to perform job search. The program offers subsidized employment opportunities to clients who have not successfully moved from welfare-to-work through job preparation and placement activities.

Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

We base countable hours of participation on employer reports, pay stubs, or other employer-issued documentation substantiating the number of hours worked. This includes hours for which the individual is paid, but does not work, including paid leave and paid holidays.

Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

We obtain employer reports, pay stubs, or other employer-issued documentation from work-eligible individuals or employers. They serve as the documentation and verification of hours worked and are retained in the participant's case file. The TANF Agency monitors and reviews every case file that participating employers submit for payment to determine if sufficient documentation exists to substantiate reported time and attendance data and to warrant a payment. This auditing process ensures that the agency only pays for and reports actual and allowable hours of participation.

If a State intends to project forward hours of participation based on current, documented, actual hours, explain how it will make this projection

We project forward the hours of participation in unsubsidized employment for six months. The initial projection is based on at least two consecutive weeks of wage statements/pay stubs, if those are representative of continuing circumstances. We average the reported hours of employment for these weeks; this serves as the basis of the projection of average weekly hours for six months unless the State becomes aware of a change in circumstances that requires a recalculation. If the wage statements/pay stubs available are not representative of continuing circumstances, we use actual hours and do not project hours are forward.

Work Experience

Definition:

Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available is a work activity, performed in return for welfare, that provides an individual with an opportunity to acquire the general skills, training, knowledge, and work habits necessary to obtain employment. The purpose of work experience is to improve the employability of those who cannot find unsubsidized employment. This activity is supervised by an employer, work site sponsor, or other responsible party on an ongoing basis no less frequently than daily.

Guidance:

As described in the Work Verification Plan Guide:

- An individual that is considered an “employee” under the Fair Labor Standards Act (FLSA) must be compensated at the applicable minimum wage. In addition, the FLSA’s overtime pay (for over 40 hours in a work week), child labor, and recordkeeping requirements also apply. Questions about the applicability the FLSA should be directed to the Department of Labor.
- TANF assistance provided to work experience participants is not considered wages for Social Security, Federal income tax, or Earned Income Tax Credit purposes.
- A State may consider a participant to be an “employee” for purposes of workers’ compensation.

In addition, based on a review of State Work Verification Plans, we note:

- Work experience participants are not considered to be in “paid” employment.
- It is the responsibility of the Department of Labor to determine whether or not the FLSA applies to a particular work experience activity. Any questions regarding the FLSA should be directed to the Wage and Hour Division of the U.S. Department of Labor at 1-866-4-USWAGE, TTY 1-877-889-5627 or the following web site:
<http://www.dol.gov/esa/whd/flsa/index.htm>.

- Hours of participation in supportive activities (such as substance abuse treatment, mental health treatment or rehabilitation activities), various training or educational activities (such as vocational educational training, Adult Basic Education, and English as a Second Language), or other job search and job readiness activities cannot count under this activity.

Work Experience Example:

Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

The purpose of work experience is to improve the employability of those who cannot find unsubsidized employment. Placements are designed to prepare participants to obtain unsubsidized employment by helping them develop a current work history, establish employment references, and develop and improve marketable skills. Prior to placement, potential work experience providers are evaluated to match the participant with a position that is related to the participant's employment goals and the needs of the work site sponsor. All work experience providers must sign an agreement with the TANF agency. This agreement advises the provider that it must maintain records and prepare reports regarding the progress of each participant, as prescribed by the TANF Agency, including written verification of attendance. This must include information regarding: the start and end dates of the activity; the weekly scheduled and actual hours; and the skills the participant will acquire. The worksite supervisor agrees to call the TANF case manager when concerns arise and provide daily supervision to the participant. Work experience placements occur at any bona fide business, including private for-profit and non-profit organizations, as well as public agencies.

Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

Work experience providers and program participants report actual hours of participation on time sheets and activity logs that report hours of participation for every day of every week in each month.

A participant engaged in a work experience activity is subject to the Fair Labor Standards Act (FLSA). The participant cannot be required to participate in this activity for more hours than the monthly TANF cash assistance amount plus the monthly food stamp amount divided by the minimum wage. Participants who participate for the maximum hours allowed under the minimum wage requirements of FLSA are considered to have satisfied the weekly number of core activity hours. The State has received approval to operate a mini-Simplified Food Stamp Program for TANF recipients, which permits it to combine the value of TANF and food stamp benefits in the determination of maximum hours. All work experience participants are considered employees under the FLSA.

Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

The work experience provider and the participant sign the time sheet or activity log attesting to the truthfulness of the information provided. This documentation is submitted to the TANF agency by either the participant or the work experience provider no less frequently than once every two weeks. The written verification serves as supporting documentation that the hours of participation were actually performed for the hours claimed in the work experience activity. The TANF case manager monitors the written verification and records the actual participation hours for participation rate purposes. This information is retained in the case file notes.

Describe the methods of daily supervision for each unpaid work activity.

Participants are assigned a work experience provider and receive daily supervision. The requirement for daily supervision is part of a formal agreement between the TANF agency and a work experience provider. The work experience provider agrees to notify the TANF agency immediately if the individual does not perform satisfactorily and/or fails to arrive at the work site at the agreed upon time. In addition, the work experience provider agrees to notify the TANF case manager at any point if barriers to employment, such as problems with child care or the need for accommodations, become apparent. The TANF case manager will work closely with the individual and the work experience provider to ensure that the placement is beneficial to the individual and that all required work hours are performed satisfactorily.

On-the-Job Training (OJT)

Definition:

On-the-job training (OJT) means training in the public or private sector that is given to a paid employee while he or she is engaged in productive work and that provides knowledge and skills essential to the full and adequate performance of the job.

Guidance:

As described in the Work Verification Plan Guide:

- States may subsidize the employer to offset training costs.
- Supported employment may count as OJT, if it includes significant on-site training in the skills and knowledge essential to job performance.

In addition, based on a review of State Work Verification Plans, we note:

- Unpaid training activities cannot count under this activity.

- Supportive services such as substance abuse treatment, mental health treatment, rehabilitation activities and various educational activities cannot count under OJT, even if the client is being paid by an employer to attend those services.

OJT Example:

Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

On-the-Job-Training (OJT) is paid employment provided by a public or private employer through a contractual arrangement in which the employer provides training and skills essential to perform the job and the TANF agency reimburses the employer for the added costs associated with training. The payments to an employer are limited to no more than 50 percent of the wages paid to the participant. OJT is distinguished from subsidized employment by the inclusion of a training plan. The training plan is a formal and written program of the structured job training that provides a participant with instruction in work skills, general employment competencies, and occupationally specific skills that will enable the participant to work toward self-sufficiency.

TANF case managers assess and determine if the participant lacks adequate work experience and/or occupational training and needs training to meet an employer's minimum hiring requirements, or possesses special needs. This activity may include internships, practicums, professional certification, and clinical training required by an academic or training institution for licensure, when the client is paid by an employer to attend them, and when they otherwise meet the definition of OJT.

Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

We base countable hours of participation on employer reports, pay stubs, or other employer-issued documentation substantiating the number of hours worked. This includes hours for which the individual is paid, but does not work, including paid leave and paid holidays.

Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

We obtain employer reports, pay stubs, or other employer-issued documentation from work-eligible individuals or employers. They serve as the documentation and verification of hours worked and are retained in the participant's case file. The TANF Agency monitors and reviews every case file that employers submit for payment to determine if sufficient documentation exists to substantiate reported time and attendance data and to warrant a payment. This auditing process ensures that the agency only pays for and reports actual and allowable hours of participation.

Describe the nature of training provided by employers that distinguishes this from subsidized employment.

OJT incorporates training that is occupation-specific. OJT is distinguished from subsidized employment by the inclusion of a training plan. The training plan is a formal and written program of the structured job training that provides a participant with instruction in work skills, general employment competencies, and occupationally specific skills that will enable the participant to work toward self-sufficiency.

If a State intends to project forward hours of participation based on current, documented, actual hours, explain how it will make this projection.

We project forward the hours of participation in OJT for six months. The initial projection is based on at least two consecutive weeks of wage statements/pay stubs, if those are representative of continuing circumstances. We average the reported hours of employment for these weeks; this serves as the basis of the projection of average weekly hours for six months unless the State becomes aware of a change in circumstances that requires a recalculation. If the wage statements/pay stubs available are not representative of continuing circumstances, we use actual hours and do not project hours forward.

Job Search and Job Readiness Assistance

Definition:

Job search and job readiness assistance is the act of seeking or obtaining employment, preparation to seek or obtain employment, including life skills training, and substance abuse treatment, mental health treatment, or rehabilitation activities for those who are otherwise employable. Such treatment or therapy is determined to be necessary and certified by a qualified medical or mental health professional. These determinations are made by an alcohol and/or substance abuse professional credentialed by the State. A qualified medical or mental health professional is an individual who is licensed, certified, and currently registered to practice in the State, and who is not currently suspended from providing health care or diagnostic services by any government regulating agency. Additionally, physicians are board certified or board eligible. Job search and job readiness assistance activities are supervised by the TANF agency or other responsible party on an ongoing basis no less frequently than daily.

Guidance:

As described in the Work Verification Plan Guide:

- “Job search” includes looking for suitable job openings, making contact with potential employers, applying for vacancies, and interviewing for jobs.
- Job readiness assistance comprises two activities:

1. Preparing an individual to obtain employment, such as preparing a resume or job application, interviewing skills, instruction in work place expectations, and life skills training; and
 2. Substance abuse treatment, mental health treatment, or rehabilitation activities for those who are otherwise employable.
- A State may only count an individual’s actual hours of participation in treatment or rehabilitation activities.
 - If a portion of the treatment or rehabilitation activities meets a common-sense definition of another work activity, then the hours associated with the work may count under the appropriate allowable work category.
 - For purposes of the six-week limitation (no more than four consecutive weeks), a week consists of seven consecutive days.
 - If substance abuse treatment, mental health treatment, or rehabilitation activities are assigned a qualified medical or mental health professional must certify that such treatment is necessary.

In addition, based on a review of State Work Verification Plans, we note:

- Some plans reported a variety of activities that do not appear to meet the definition of this work activity. These included time spent in or arranging for transportation or child care, removal of tattoos, payment of tickets, expungement of criminal records, driver’s education, GED classes, applying for government benefits, and other similar activities that do not have a direct connection to finding or preparing for employment.
- Job search and job readiness assistance is bound by statutory limitations on how long participation can count. This includes the six-week per fiscal year limitation (12 weeks if specified circumstances are met) and no more than four consecutive weeks. These durational limits cannot be converted to days or ignored if the number of hours in this activity does not exceed some minimum threshold. Nor can they be extended or waived based on the particular circumstances of any individual. Reporting any hours of participation in a week as job search and job readiness assistance triggers the start of one week against the various durational limits. The Work Verification Plan must include a description of how the State ensures that it observes these limits.
- A State must report actual hours; it cannot use a job application or interview as a proxy for a standard set of hours of participation.

Job Search and Job Readiness Assistance Example:

Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

Job search and job readiness assistance consists of activities designed to help an individual find employment or improve an individual’s employment prospects, including:

- Structured job search, including searching for job openings, applying with potential employers and interviewing for positions.

- Workshops to build skills in job search competencies, such as interviewing skills, instruction in work place expectations, job clubs, and resume writing.
- Life skills training, including basic life skills that help participants to succeed in the workforce. Activities consist of: balancing life and work; budgeting; household management; interpersonal skills; decision making skills; and time management.
- Detoxification services with medical care and physician supervision. A State licensed health care provider must complete a “Certification of Necessary Treatment” form that describes the nature of treatment or therapy and includes a certification that such treatment or therapy is necessary for the person to be able to work.
- Mental health services, including medical or mental health treatment, therapy, counseling, and other services to address mental or emotional disorders that can interfere with an individual’s ability to work or look for work. These services are provided by qualified State licensed medical/mental health professionals who determine the necessity and modality of treatment.

Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

For job search, each participant must maintain a daily log of all employment contacts. This log must contain information on potential employers visited in person, by internet or by phone, and a daily record of the time spent engaging in such activities. The participant must submit a log of the daily contacts at least bi-weekly. The log is reviewed by a TANF case manager and, if approved, filed in the individual’s case record. The log provides the date and time of contact, the type of contact, the position that was of interest, and the name of the employer and contact information. The TANF case manager or other agency official ensures the accuracy of the reported information by conducting random reviews and follow-up with employers. The verification review will include contact with the employers to verify the documented information, confirmation of completed job interviews, and other related measures. When the logs are incomplete or verification does not validate the activity, we will not report the hours for the work participation rate.

For job readiness activities, the service provider maintains attendance records and must submit these to the TANF agency at least bi-weekly. The TANF case manager reviews the reported information and files it in the individual’s case record.

Countable hours for individuals participating in substance abuse or mental health treatment activities are based on a treatment plan signed by a qualified medical or mental health professional. Authorized treatment providers provide, at least bi-weekly, a time sheet or other document specifying the actual hours of attendance. All time sheets and other related documents are filed in the individual’s case record.

Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

Actual hours of job search and job readiness assistance participation must be verified and documented daily. This documentation is based on an agency-approved time sheet that is signed by both the participant and a representative of the TANF agency or the appropriate activity supervisor, contractor, or medical service provider. This documentation is submitted to the TANF agency by either the participant or responsible third-party no less frequently than once every two weeks. These time sheets are retained in the participant's case file.

Describe the methods of daily supervision for each unpaid work activity.

For job search activities, the TANF case manager provides daily supervision, including daily responsibility for oversight of an individual's participation, although this does not necessarily mean that there will be daily contact with the participant. Daily supervision of a job search participant may include access to a case manager or other employment services provider worker for the participant to report on progress or seek additional guidance as needed before the next regularly scheduled contact. *In person* contact between the case manager or other employment services provider and the participant must be no less frequent than weekly.

For job readiness activities, the instructor or staff person leading a class, workshop or job club, or other program activity maintains a log of daily attendance by participants and provides instruction and guidance to participants and provides daily supervision.

The service (treatment) provider performs daily supervision for individuals participating in substance abuse or mental health treatment programs. TANF case managers will maintain contact with the service provider while the participant is in treatment, as appropriate.

If the State intends to count substance abuse treatment, mental health treatment and rehabilitation activities, describe the criteria to determine whether recipients are "otherwise employable" and establish the necessity of treatment or therapy. Describe the certification requirements for qualified medical or mental health professionals used in this process.

When determined necessary, we will count substance abuse treatment and mental health treatment. A qualified medical or mental health professional must provide a statement indicating whether the participant is otherwise employable, or the TANF case manager must determine that there is no other known impediment to employment. In addition, TANF case managers complete an employability assessment in conjunction with the professional statement, using their experience and observation of the participant, past participation in employment activities.

A qualified medical or mental health professional is defined as a State licensed provider of medical or mental health services. The medical or mental health provider is required to

complete and sign a Report Form indicating the type, duration, and frequency of treatment.

Describe how the State ensures that no more than six total weeks (four consecutive weeks) of job search and job readiness assistance are reported in a fiscal year (or a total of 12 weeks in States that meet the definition of a “needy State” for the Contingency Fund).

The time limitations on this work activity are observed by use of a computer code and logic in the programs that accumulate records of job search and job readiness assistance activities. The code resets the continuous weeks counter to 0 at the beginning of each fiscal year. The code discards any records of participation in these categories for the 5th consecutive week (if there is one). It also discards any records of participation in the 7th or greater week in a fiscal year (or in the 13th or greater week during periods of time in which the State qualifies for counting extended periods of job search and job readiness assistance due to high unemployment or because it qualifies as a “needy State”).

Community Service Programs

Definition:

Community service programs are structured programs and embedded activities in which TANF recipients perform work for the direct benefit of the community under the auspices of public or nonprofit organizations. Community service programs must be limited to projects that serve a useful community purpose in fields such as health, social service, environmental protection, education, urban and rural redevelopment, welfare, recreation, public facilities, public safety, and child care. Community service programs are designed to improve the employability of recipients not otherwise able to obtain employment, and must be supervised on an ongoing basis no less frequently than daily. The State takes into account, to the extent possible, the prior training, experience, and skills of a recipient in making appropriate community service assignments.

Guidance:

As described in the Work Verification Plan Guide:

- Family- and self-improvement activities that do not provide a direct benefit to the community may not count as community service, including substance abuse treatment, mental health and family violence counseling, life skills and parenting classes, job readiness instruction and caring for a disabled household family member.
- Community service programs may not include activities that meet the definition of another allowable TANF work activity.
- Programs must include structured activities that both provide a community service and also improve the employability of participants.
- Excluded activities include unstructured and unsupervised activities such as helping a neighbor or friend, and foster parenting.
- A participant that is considered an “employee” is subject to the Fair Labor Standards Act (FLSA) requirements.

In addition, based on a review of State Work Verification Plans, we note:

- Some States listed activities that do not appear to meet the definition of a community service program by including activities like caring for a disabled family or household member, education, Job Corps, and various job search and job readiness assistance activities. These generally cannot count under this definition because they do not directly benefit the community or are inherently difficult to supervise.
- If there are any “embedded” training activities” under this definition, the Work Verification Plan must specify the duration of those activities and how they are an integral part of the community service.
- It is the responsibility of the Department of Labor to determine whether or not the FLSA applies to a particular community service program activity. Any questions regarding the FLSA should be directed to the Wage and Hour Division of the U.S. Department of Labor at 1-866-4-USWAGE, TTY 1-877-889-5627 or the following web site: <http://www.dol.gov/esa/whd/flsa/index.htm>.

Community Service Programs Example:

Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

Community service is an activity for participants who cannot otherwise obtain employment and need to increase their employability by improving interpersonal skills, job retention skills, stress management, and job problem solving, and by learning to attain a balance between job and personal responsibilities.

Community service placements are designed to provide a direct benefit to the community and occur at: Head Start agencies; libraries; area schools; soup kitchens; food pantries; senior citizen centers; nursing homes; hospitals; and homeless shelters.

Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

Community service providers and program participants report actual hours of participation on time sheets and activity logs that report hours of participation for every day of every week in each month.

A participant engaged in a community service program is subject to the Fair Labor Standards Act (FLSA). The participant cannot be required to participate in this activity for more hours than the monthly TANF cash assistance amount plus the monthly food stamp amount divided by the minimum wage. Participants who participate for the maximum hours allowed under the minimum wage requirements of FLSA are considered to have satisfied the weekly number of core activity hours. The State has received approval to operate a mini-Simplified Food Stamp Program for TANF recipients, which permits it to combine the value of TANF

and food stamp benefits in the determination of maximum hours.

Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

The community service provider and the participant sign the time sheet or activity log attesting to the truthfulness of the information provided. This documentation is submitted to the TANF agency by either the participant or the community service provider no less frequently than once every two weeks. The written verification serves as supporting documentation that the hours of participation were actually performed for the hours claimed in the community service activity. The TANF case manager monitors the written verification and records the actual participation hours for participation rate purposes. This information is retained in the case file notes.

Describe the methods of daily supervision for each unpaid work activity.

Organizations providing community service opportunities must provide a structured work setting with daily supervision, evidenced by documentation such as daily timesheets or activity logs. Self initiated community service positions are governed by the same documentation requirements.

Participants are assigned a community service provider and receive daily supervision. The requirement for daily supervision is part of a formal agreement between the TANF agency and the community service provider. The community service provider agrees to notify the TANF agency immediately if the individual does not perform satisfactorily and/or fails to arrive at the work site at the agreed upon time. In addition, the community service provider agrees to notify the TANF case manager at any point if barriers to employment, such as problems with child care or the need for accommodations, become apparent. The TANF case manager will work closely with the individual and the work experience provider to ensure that the placement is beneficial to the individual and that all required work hours are performed satisfactorily.

Describe how the types of community service positions that create an employer/employee relationship and are subject to the FLSA minimum wage requirements will be determined.

All community service program participants are considered employees under the FLSA.

If the State permits self-initiated community service positions, describe how it determines that the position provides a direct community service and improves the recipient's employability.

Self-initiated community service positions are permitted with established public or non-profit organizations that provide a direct community service. The individual must show, subject to approval from the TANF case manager, that these volunteer opportunities improve a recipient's employability by providing a chance to perform work, to learn new work skills or habits and to increase self-esteem by contributing to the community.

Vocational Educational Training

Definition:

Vocational educational training (not to exceed 12 months with respect to any individual) is organized educational programs that are directly related to the preparation of individuals for employment in current or emerging occupations requiring training other than a baccalaureate or advanced degree. Vocational educational training is supervised on an ongoing basis no less frequently than daily.

Guidance:

As described in the Work Verification Plan Guide:

- Unsupervised homework time may not count; however structured and monitored study sessions which can be documented may count.
- Vocational education must be provided by education or training organizations, such as vocational-technical schools, community colleges, postsecondary institutions and proprietary schools, etc.

In addition, based on a review of State Work Verification Plans, we note:

- Basic and remedial education and English as a Second Language (ESL) can only count as part of vocational educational training if they are used as “embedded activities.” If these activities are included as part of this activity, the Work Verification Plan must describe why they are considered to be an integral part of the activity.
- Vocational education training is limited to 12 months per lifetime with respect to any individual. This monthly limit cannot be converted to weeks, days, or some other time period. In addition, it cannot be extended or waived based on the particular circumstances of any individual. Reporting any hours of participation in a month as vocational educational training counts as one month against the 12-month limit.
- If a vocational education training program includes a distance learning component, it must describe how the State ensures the supervision and monitoring are provided.
- Vocational educational programs cannot include education directed at receiving a baccalaureate or advanced degree.

Vocational Educational Training Example:

Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

Vocational educational training consists of organized educational programs directly related to the preparation of individuals for employment in current or emerging occupations that require training other than a baccalaureate or advanced degree. Vocational educational training programs should be limited to activities providing knowledge and skills to perform a

specific trade, occupation, or other particular vocation.

Vocational educational training programs are provided by employment and training contractors contracted by the State and may also include vocational-technical schools, and degree or certificate programs at secondary and post secondary educational institutions.

Countable vocational educational training placements consist of:

Associate in Science Degrees in the following categories: Business Administration; Culinary Management; Dental Hygiene; Drafting and Design; Early Childhood Management; Electronics Technology; Interior Design; Legal Assisting; Medical Laboratory Technician; Registered Nurse; Radiography, and Respiratory Care.

Vocational Certificates in the following categories: Automotive Service Technician; Barbering; Brick Masonry; Carpentry; Child Care Center Operator; Corrections Officer; Cosmetology; Credit Union Service Marketing; Dental Assisting; Electricity; Facials Specialty; Heating and Air Conditioning; Massage Therapy; Medical Secretary; Nails Specialty; Network Support Services; Office Systems Specialist; Paramedic; Plumbing; Practical Nursing; Teller Training; Travel Agency Operations; and Webmaster and Web Development.

Other organized educational programs that are directly related to the preparation of individuals for employment in current or emerging occupations requiring training other than a baccalaureate or advanced degree may be added when the Work Verification Plan is updated.

Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

Vocational educational training providers and program participants report actual hours of participation on time sheets and activity logs that report hours of participation for every day of every week in each month. Actual hours spent in class as well as time spent performing clinical requirements, lab work or other ancillary activities required for approved vocational educational training programs are considered to be a part of the primary activity for which it is required and is countable. Time spent in supervised study halls is countable, but unsupervised homework time is not.

Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

Contractors and educational providers are responsible for daily supervision of assigned clients and must submit documentation of total hours of participation in their program on a bi-weekly basis to the TANF agency. A daily attendance record is used to reflect actual hours of attendance; this form is signed by the client and the contractor or class instructor. Client attendance records are maintained by the TANF agency. The TANF caseworker

provides overall supervision and monitoring of client progress and compliance during the monthly case management visit.

Describe the methods of daily supervision for each unpaid work activity.

Faculty, instructors, instructional aides, lab supervisors, study hall supervisors, and supervisors of work-based learning activities provide daily supervision.

Describe how the State ensures participation in vocational educational training does not count beyond the statutory limitations limiting participation to 12 months lifetime per individual.

The 12-month limit on vocational educational training is strictly monitored using a counter in the automated data processing system. Once the counter reaches 12 months, the activity no longer counts toward the Federal participation rates.

Describe how the State will ensure that basic and remedial education and English as a Second Language (ESL), if such activities are counted, are of limited duration and a necessary or regular part of the vocational educational training.

Basic and remedial education and ESL can only count if the vocational educational provider submits a statement indicating that a participant in an otherwise approved vocational educational and training activity requires such instruction to participate in the program and that such instruction accounts for no more than five hours per week.

Job Skills Training Directly Related to Employment

Definition:

Job skills training directly related to employment is training or education for job skills required by an employer to provide an individual with the ability to obtain employment or to advance or adapt to the changing demands of the workplace. It includes both customized and general training to prepare an individual for employment, including literacy and language instruction, if necessary to enable the participant to perform a specific job or engage in a specific job training program. Job skills training directly related to employment must be supervised on an ongoing basis no less frequently than daily.

Guidance:

As described in the Work Verification Plan Guide:

- May include both customized and general training to prepare an individual for employment, including literacy and language instruction.
- Barrier removal activities, such as substance abuse counseling and treatment, may not be included.
- Unsupervised homework time may not count.

In addition, based on a review of State Work Verification Plans, we note:

- Post secondary education that leads to a bachelor's or advanced degree may count as job skills training, if it is directly related to employment.

Job Skills Training Example:

Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

Job skills training is training or education for job skills required by an employer to provide an individual with the ability to obtain employment or to advance or adapt to the changing demands of the workplace to include vocational education and courses explicitly required for program entry.

This activity includes four-year bachelor degree programs at any State certified college or university. It also includes all services and programs described in the vocational educational training activity described above.

Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

Job skills training providers and program participants report actual hours of participation on time sheets and activity logs that report hours of participation for every day of every week in each month. Actual hours spent in class as well as time spent performing clinical requirements, lab work or other ancillary activities required for approved vocational educational training programs are considered to be a part of the primary activity for which it is required and is countable. Time spent in supervised study halls is countable, but unsupervised homework time is not.

Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

Contractors and training providers are responsible for daily supervision of assigned clients and must submit documentation of total hours of participation in their program on a bi-weekly basis to the TANF agency. A daily attendance record is used to reflect actual hours of attendance; this form is signed by the client and the contractor or training provider. Attendance records are maintained by the contractors/training providers as well as the TANF agency. The contractor or training provider must notify the TANF agency of client progress and compliance via telephone, meetings, or written communication. The TANF caseworker provides overall supervision and monitoring of client progress and compliance during the monthly case management visit.

Describe the methods of daily supervision for each unpaid work activity.

The work site supervisor or training instructor provides supervision and appropriate documentation on a daily basis.

Education Directly Related to Employment

Definition:

Education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency is education related to a specific occupation, job, or job offer. It includes adult basic education and ESL, and where required as a prerequisite for employment, education leading to a GED or high school equivalency diploma in any educational program approved by the State Department of Education. Education directly related to employment must be supervised on an ongoing basis no less frequently than daily.

Guidance:

As described in the Work Verification Plan Guide:

- May include both customized and general training to prepare an individual for employment, including literacy and language instruction.
- Barrier removal activities, such as substance abuse counseling and treatment, may not be included.
- Unsupervised homework time may not count.

In addition, based on a review of State Work Verification Plans, we note:

- This is the preferred work activity for counting ABE, GED, ESL, and similar educational programs for adult clients

Education Directly Related to Employment Example:

Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

Adult clients who have not received a high school diploma or GED and need further education to obtain a specific occupation, job, or job offer are placed in this program. It consists of the following activities:

Adult Basic Education (ABE); English-as-a-Second-Language (ESL); literacy skills; classes to prepare for General Equivalency Diploma (GED); testing to acquire GED certification; and supervised homework and study activities.

Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

Education providers and program participants report actual hours of participation on time sheets and activity logs that report hours of participation for every day of every week in each month. We count actual hours spent in class as well as time spent in supervised study halls, but not unsupervised homework time.

Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

The method of verification of actual hours will be dependent upon the activity and the student composition of the class. For instructional activities comprised entirely of TANF students, class attendance sheets will be used to verify attendance. For activities which include non-TANF students, individual timesheets will be signed by the faculty member, supervisor, or other appropriate individual as well as the student or documented in electronic tracking systems, as appropriate. Attendance records will be documented every two weeks and maintained in the college's or provider's students' files, as well as with the TANF file.

Describe the methods of daily supervision for each unpaid work activity.

Faculty, instructors, instructional aides, lab supervisors, study hall supervisors, and supervisors of work-based learning activities provide daily supervision for the hours of education.

Describe the State's criteria for "good and satisfactory progress" and when and how it is documented.

Good or satisfactory progress is defined as a passing grade, or its equivalent, according to the standards set by the educational institution. It is documented in the participant's case file at the end of every grading period by means of a report from the educational institution.

Satisfactory Attendance at Secondary School

Definition:

Satisfactory school attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate means regular attendance, in accordance with the requirements of the secondary school or course of study, at a secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate.

Guidance:

As described in the Work Verification Plan Guide:

- May include adult basic education and ESL, and where required as a prerequisite for employment education leading to a GED or high school equivalency diploma.
- Participants should make “good or satisfactory progress” such as performance, attendance, and completion timeframes under the standards of the institution or program.
- Unsupervised homework time may not count.

In addition, based on a review of State Work Verification Plans, we note:

- This is the preferred category for counting GED and similar educational programs for minor parents. Plans that include ESL, career training, alternative school, tutoring, dropout prevention, teen pregnancy or parenting programs must specify how they are an integral part of attaining GED or attending secondary school.

Satisfactory Attendance at Secondary School Example:

Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

Regular attendance, in accordance with the requirements of the secondary school or course of study, at a secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate.

Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

Education providers and program participants report actual hours of participation on time sheets and activity logs that report hours of participation for every day of every week in each month. We count actual hours spent in class as well as time spent in supervised study halls, but not unsupervised homework time.

Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

The method of verification of actual hours will be dependent upon the activity and the student composition of the class. For instructional activities comprised entirely of TANF students, class attendance sheets will be used to verify attendance. For activities which include non-TANF students, individual timesheets will be signed by the faculty member, supervisor, or other appropriate individual as well as the student or documented in electronic tracking systems, as appropriate. Attendance records will be documented every two weeks

and maintained in the college's or provider's students' files, as well as with the TANF file.

Describe the methods of daily supervision for each unpaid work activity.

Faculty, instructors, instructional aides, lab supervisors, study hall supervisors, and supervisors of work-based learning activities provide daily supervision for the hours of education.

Describe the State's criteria for "good and satisfactory progress" and when and how it is documented.

Good or satisfactory progress is defined as a passing grade, or its equivalent, according to the standards set by the educational institution. It is documented in the participant's case file at the end of every grading period by means of a report from the educational institution.

Providing Child Care Services for Community Service Program Participants

Definition:

Providing child care services to an individual who is participating in a community service program means providing child care to enable another TANF recipient to participate in a community service program.

Guidance:

As described in the Work Verification Plan Guide:

- Does not include providing child care to enable a TANF recipient to participate in any of the other 11 allowable work activities.

In addition, based on a review of State Work Verification Plans, we note:

- In a two-parent family, one parent cannot count as participating by providing child care for his or her own child while the other parent participates in community service because the activity neither involves supervision nor helps the parent providing child care prepare for employment.

Providing Child Care Services Example:

Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

This is a structured program in which individuals provide child care for recipients in approved TANF community service program activities. It is used on a very limited basis for individuals who cannot be placed in other employment activities.

Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

Program participants report actual hours of participation on time sheets and activity logs that report hours of participation for every day of every week in each month.

Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

The program administrator and the participant (child care provider) sign the time sheet or activity log attesting to the truthfulness of the information provided. This documentation is submitted to the TANF agency no less frequently than once every two weeks. The written verification serves as supporting documentation that the hours of participation were actually performed for the hours claimed in the community service activity. The TANF case manager monitors the written verification and records the actual participation hours for participation rate purposes. This information is retained in the case file notes.

Describe the methods of daily supervision for each unpaid work activity.

Service providers providing child care to community service participants using TANF child care providers must provide a structured work setting with daily supervision, evidenced by documentation such as daily timesheets or activity logs.

II. Hours Engaged in Work

This section includes two topics: excused absences and FLSA deeming. Each topic section consists of three pieces: a summary of the policy in the interim final rule; a summary of the Work Verification Plan guidance; and guidance on issues or problems we found in our review.

Excused Absences

Interim final rule summary: In conjunction with the actual hours policy, the interim final rule also introduced to the regulations the concept of giving States credit for excused absences for a TANF participant in unpaid activities. Under the interim final rule, a State can define and count reasonable short-term, excused absences for hours missed due to holidays and a maximum of 10 additional days of excused absences in any 12-month period, no more than two of which may occur in a month. To count an excused absence as actual hours of participation, the individual must have been scheduled to participate in a countable work activity for the period of the absence that the State reports as participation.

Work Verification Plan requirement: Describe the State's excused absence policies for unpaid work activities. This includes its policies for holidays as well as the ten additional excused

absences that the State may count in a 12-month period. If the policies vary by work activity, the State should describe how they vary and for which activities.

Guidance: Based on a review of State Work Verification Plans, we note:

- The excused absence policy applies only to unpaid work activities.
- The 10-day excused absence policy cannot be converted to an hourly standard (e.g., 10 days cannot be converted to 80 hours). Any absence for any part of a day counts as one of the days available for excused absences.
- The 10-day excused absence policy cannot be extended for specific reasons, such as job interviews, meetings required by other governmental agencies (e.g., child welfare, child support, schools, courts, or other assistance programs), and illness, either of the participant or the participant's child.
- Plans must specify the holidays being excused; this list cannot include vague references to "religious holidays" or "holidays approved by an employer." The list must be specific and limited to a set number of days.
- Plans should also explain how States track excused absences in their systems.

FLSA Deeming

Interim final rule summary: The interim final rule allows States to "deem core hours" for TANF families with a work-eligible individual participating in work experience or community service who works the maximum number of hours permitted under the minimum wage provision of the Fair Labor Standards Act (FLSA), but still falls short of the 20-hour core activity requirement (or 30/50 hours for a two-parent family). This policy is limited to States that combine their TANF and food stamp benefit amounts when calculating maximum hours. A State can achieve this by adopting the mini-Simplified Food Stamp Program (mini-SFSP), an option that simply permits States to count the value of food stamps in determining maximum hours.

Work Verification Plan requirement: If the State wishes to use the "deeming" provision permitted at §§ 261.31 and 261.32 for work experience or community service programs, describe how the State determines the work hours requirement, including how the monthly TANF grant and food stamp allotment are combined and divided by the appropriate minimum wage to meet the "core" participation requirement. Include a statement certifying that the State has adopted a "mini" Simplified Food Stamp Program in order to count the value of food stamp benefits. The Food and Nutrition Service has indicated that a TANF work experience or community service program can serve as the Food Stamp Workfare Program, which would otherwise be required before a State could combine the food stamp allotment to calculate the hours required.

If State policies or procedures differ for work experience and community service programs on FLSA deeming, the State should make those differences clear.

Guidance: Based on a review of State Work Verification Plans, we note:

- The "deeming" policy is limited to core hours and cannot be extended to other programs or categories of individuals, such as those with a disability.

- There are many factors that may affect whether the FLSA applies to a work experience or community service program. Although the Department of Labor has issued general guidance, it is the responsibility of the Department of Labor to determine whether or not the FLSA applies to a particular work experience or community service program activity. Any questions regarding the FLSA should be directed to the Wage and Hour Division of the U.S. Department of Labor at 1-866-4-USWAGE, TTY 1-877-889-5627 or the following web site: <http://www.dol.gov/esa/whd/flsa/index.htm>.
- The plan should detail the method of tracking, recording, and calculating required hours when FLSA deeming is used.

III. Work-Eligible Individual

This section consists of three pieces: a summary of the policy in the interim final rule; a summary of the Work Verification Plan Guide; and additional guidance on issues or problems we found in our review.

Interim final rule summary: In the interim final rule, we use the term “work-eligible individual” to describe anyone whose participation in work activities can contribute to the calculation of the work participation rate. The term “work-eligible individual” means an adult (or minor child head-of-household) receiving assistance under TANF or a separate State program or a **non-recipient parent** living with a child receiving such assistance (usually a child-only case) unless the parent is:

- A minor parent and not the head-of-household or spouse of the head-of-household;
- An alien who is ineligible to receive assistance due to his or her immigration status; or
- At State option, on a case-by-case basis, a recipient of Supplemental Security Income (SSI) benefits.

The term also excludes:

- A parent providing care for a disabled family member living in the home who does not attend school on a full-time basis, provided that the need for such care is supported by medical documentation; and
- An individual in a family receiving MOE-funded assistance under an approved Tribal TANF program, unless the State includes the Tribal family in calculating work participation rates.

Work Verification Plan requirement: The State must describe:

- Procedures for identifying all work-eligible individuals;
- How the State ensures that, for each work-eligible individual, it: accurately inputs data into the automated data processing system; properly tracks the hours; and accurately reports countable hours to HHS that do not include participation in an activity that does not meet a Federal definition.

Guidance: Based on a review of State Work Verification Plans, we note:

- The plan should provide sufficient detail on the process by which the State identifies and verifies work-eligible individuals.

- The definition of work-eligible individuals cannot exclude drug felons, fleeing felons, applicants for SSI, or any other category of individuals not specified in the interim final rule.
- The exclusion for caring for a disabled family member is limited to disabled family members who are living in the home and can only be applied when the disabled family member does not attend school full-time.
- The plan must describe in detail its procedure for ensuring that the coding is accurate for each work participation status and for the type of family for inclusion in the rates.
- The plan must state how the State ensures that all system edit checks or inconsistencies get corrected and retransmitted to HHS.

IV. Internal Controls

This section provides guidance on issues or problems we found in our review of internal controls. We do not repeat the Work Verification Plan Guide for this section, but refer readers to it for more detail.

Guidance: Based on a review of State Work Verification Plans, we note that the discussion of internal controls should include a description of the processes and methods used to:

- Identify and report all hours of employment. (National Directory of New Hires employment matches are conducted monthly at the federal level or with Child Support at the state level or through multiple interstate agreements for bordering states).
- Manage performance that is regular, consistent, and interactive.
- Ensure policies are implemented, procedures are followed, and that reviews are conducted to ensure integrity (training, written standard policies, file reviews, contractor amendments for documentation).
- Validate the reported work participation data. States must provide description of sampling methods, sample size and confidence/precision estimates where samples are used.
- How internal edits/alert processes specifically relate to the work participation data.

The State must describe any internal control procedures as part of its Work Verification Plan in sufficient detail for us to judge whether they meet the requirements. Stating the controls or procedures will change as a result of future legislative action or anticipated State policy changes is not sufficient.

If the State is phasing in procedures or internal controls, it should describe the phase-in. All procedures must be in place by September 30, 2007.

V. Verification of Other Data Used in Calculating the Work Participation Rates

This section provides guidance on issues or problems we found in our review of verification issues. We do not repeat the Work Verification Plan Guide for this section, but refer readers to it for more detail.

Guidance: Based on a review of State Work Verification Plans, we note that for each data element, plans must describe the State's data validation procedures to ensure "complete and accurate" data reporting. They must also describe any procedures employed to eliminate data inconsistencies between two or more data elements for each element.

Simply referring to the name of the program or system used to verify data, or to a separate report or set of regulations that governs data validation, is not sufficient.

VI. Submittal Procedures

Revised Plans should be submitted by February 28, 2007. Revisions should not be submitted separately. All revisions should be incorporated into the original, and the new, complete document should be submitted. There is no need to highlight or comment on any revisions.