Policy Letter #26

TO: **All Staff**

FROM: **Samantha Wullenwaber, Director**

SUBJECT: **Needs Related Payment Policy**

PURPOSE

The purpose of this policy is to establish guidelines and procedures regarding the administration of Needs-Related Payments (NRP) for eligible participants enrolled in Workforce Innovation and Opportunity Act (WIOA) programs administered by the Mid-Carolina Workforce Development Board (Mid-Carolina WDB). Needs-Related Payments are designed to provide financial assistance that enables eligible participants to participate in approved training activities.

BACKGROUND

NRP are a form of supportive service authorized under the WIOA to assist participants who are unemployed and enrolled in training programs but lack sufficient financial resources to support their participation.

According to 20 CFR 680.940, the eligibility requirements for Adults to receive NRP include:

1. The individual must be unemployed;
2. The individual must not qualify for, or must have ceased qualifying for, unemployment compensation; and
3. The individual must be enrolled in a training program.

According to 20 CFR 680.950, the eligibility requirements for Dislocated Workers to receive NRP include:

1. The individual must be unemployed, and:
    - Have ceased to qualify for unemployment compensation or Trade Readjustment Allowances (TRA) under the Trade Adjustment Assistance (TAA) program; and
    - Be enrolled in a program of training by the end of the thirteenth (13th) week after the most recent layoff, or, if later, by the end of the eighth (8th) week after the worker is informed that a short-term layoff will exceed six months;

OR

2. The individual must be unemployed and did not qualify for unemployment compensation or TAA benefits.

NRP are not considered wages, and participants receiving these payments are not employees of the agency providing the payments. Additionally, NRP are not unemployment insurance benefits and are generally not considered taxable income by the Internal Revenue Service (IRS).

ACTION

Authorization of NRP

1. The level of NRP shall be administered in accordance with 20 CFR 680.970 and the provisions outlined in this policy.
2. WIOA Service Providers must comply with this policy and utilize all required forms when processing NRP requests.
3. All requests for NRP must receive prior approval from the Mid-Carolina WDB Director.

Eligibility Requirements

Adult Participants

Adult participants may receive NRP when they demonstrate documented financial need and meet the eligibility requirements outlined in 20 CFR 680.940.

The maximum NRP for an Adult participant shall not exceed $125 per week. Payments will be pro-rated if the participant is not attending training five days per week.

Dislocated Worker Participants

Dislocated Workers may receive NRP if they meet the eligibility requirements outlined in 20 CFR 680.950, including the requirement to enroll in training within the applicable timeframes following layoff.

The weekly NRP for Dislocated Workers shall be $125 per week or the participant's weekly unemployment insurance benefit amount, whichever is less. Payments will be pro-rated if the participant is not attending training five days per week.

Participant Restrictions

Participants receiving NRP must not be:

- Employed;
- Enrolled in internships, college work-study, work experience, or on-the-job training;
- Receiving out-of-area job search or relocation allowances; or
- Receiving unemployment insurance or TRA.

NRP are considered training stipends or allowances and are not an entitlement. Payments are based on documented need and are subject to program funding limitations.

Participants may receive NRP for up to thirteen (13) weeks, provided that satisfactory training attendance and progress are maintained.

NRP Procedures

To receive NRP, the following procedures must be followed:

1. Income Verification
    - Family income must be calculated using the Personal Resource Worksheet based on income from the previous full calendar month.
    - If the previous month's income does not accurately reflect the participant's financial situation, justification must be documented on the worksheet.

- The worksheet must be signed and dated by both the participant and WIOA Service Provider staff.

2. Training Verification
   WIOA Service Providers must complete the Training Support Analysis Form verifying that the participant:
   - Is enrolled in full-time vocational skills training that does not provide wages;
   - Is making satisfactory progress in training; and
   - Has exhausted all available financial resources, including unemployment insurance.
3. **Participant Request Form**
   Participants must complete the Request for NRP Form prior to receiving assistance.
4. **Financial Literacy Requirement**
   Participants must agree to participate in a financial literacy program, such as Money Smart or Consumer Credit Counseling, in order to develop a realistic personal budget before receiving NRP.
5. **Payment Duration**
   NRP may be authorized for up to thirteen (13) weeks. Participants may reapply after this period if continued financial need is documented.
6. **Training Breaks and Holidays**
   Approved participants may continue receiving payments during scheduled institutional holidays and breaks, provided these periods are listed on the institution's published calendar. This does not include breaks between academic semesters.
7. **Attendance Monitoring**
   Payments will be reduced for unscheduled absences based on a pro-rated weekly attendance calculation.
8. **Verification Documentation**
   WIOA Service Providers must maintain documentation verifying participation, including:
   - Training registration documents
   - Weekly timesheets
   - Training schedules
   - Academic progress reports

Fraud Prevention and Recovery Procedures

To prevent misuse of program funds:

1. WIOA Service Providers must conduct cross-checks with unemployment insurance systems to ensure participants are not receiving UI, TRA, and NRP simultaneously.
2. Training participation must be verified prior to authorizing payments.
3. If fraud is identified, all WIOA funds obtained from the date of fraud may be subject to collection and recovery, and may result in disallowed program costs.

Documentation Requirements

Participant case files must include:

1. Completed Request for NRP and Verification of Training Form
2. Completed Training Support Analysis Form
3. Completed NRP Personal Resource Worksheet
4. Copy of the Mid-Carolina WDB NRP Policy

5. Weekly timesheets, training schedules, and progress reports verifying participation and academic progress

REFERENCES
None

ATTACHMENTS
Attachment A: Request for Needs-Related Payments and Verification of Training Form
Attachment B: Training Support Analysis Form
Attachment C: Needs-Related Payments Personal Resource Worksheet

CREATION DATE
December 2024

REVISION DATES
March 2026