

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION Trade Adjustment Assistance
	CORRESPONDENCE SYMBOL OTAA
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ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 18-20

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS
STATE WORKFORCE ADMINISTRATORS
STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS
STATE LABOR COMMISSIONERS
TRADE ADJUSTMENT ASSISTANCE (TAA) LEADS
COMPREHENSIVE AMERICAN JOB CENTER MANAGERS
AFFILIATE AMERICAN JOB CENTER MANAGERS

FROM: SUZAN G. LEVINE 
Principal Deputy Assistant Secretary

SUBJECT: Trade Adjustment Assistance (TAA) Financial Reporting Alignment and Clarifications

1. **Purpose.** This Training and Employment Guidance Letter (TEGL) provides guidance on the alignment of reporting requirements in the Participant Individual Record Layout (PIRL) and the ETA-9130, while further providing information on how to document specific scenarios within the submitted data.
2. **Action Requested.** States must inform all appropriate staff of the contents of these instructions as soon as the guidance is distributed.
3. **Summary and Background.**
 - a. **Summary** – This document provides clarification on reporting requirements for the following items:
 - i. General Reporting Alignment between the ETA-9130 and the PIRL
 - ii. Accrual Accounting Requirements on the ETA-9130 and the PIRL
 - iii. Alignment of Expenditure Subcomponents on the ETA-9130(M)
 - iv. Expenditures Reporting Requirements in the PIRL
 1. Basic Requirements
 2. Reporting Adjustments
 3. Reporting Retroactive Payments
 4. Expenditures for Co-Enrolled Participants and other Non-TAA Funds
 5. Expenditures for Agent/Liable Participants
 - v. Improper/Overpayments in the PIRL

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- b. **Background** – While numerous technical assistance materials have provided clarification on these reporting requirements, clear guidance that comprehensively addresses these reporting requirements have been lacking. As TAA Data Integrity (TAADI) has put focus on the alignment of these reporting elements, the need for clear and comprehensive documentation of the requirement has become apparent. Alignment between the PIRL and ETA-9130 is essential to ensuring we have reliable measures of TAA expenditures and TAA participant costs. This data is important to developing cost projections, funding estimates, and program policy. In combination, these two sources allow us to better understand broad expenditure strategies as well as detailed information on how services are provided for specific groups. However, it is only if these two sources align that we can construct a consistent understanding. SWAs also need to have consistent guidance on how to address specific situations such as retroactive payments and overpayments.

4. General Reporting Alignment between the ETA-9130 and the PIRL

State Workforce Agencies (SWAs) are required to report accrued expenditures both in the ETA-9130 and on the PIRL. The Department is able to utilize the ETA-9130 to track aggregate expenditures including ones not specific to participations such as case management and administration and the PIRL to assess how individual participant expenditures manifest for different participant populations. In the majority of situations, SWA’s reporting between the two collections should align such that the quarterly change in all active grants is equal to the quarterly expenditure amounts for the PIRL as articulated in TAADI TEGE No. 01-19. The Department recognizes some specific scenarios such as corrections to prior quarter reporting, retroactive payments, recovered overpayments, and agent/liable expenditures not aligning with responsibilities outlined in 20 CFR 618.824 may cause misalignment between these two collections, but those situations should only affect a very small portion of total expenditures.

5. Accrual Reporting Requirement

State Workforce Agencies (SWAs) are required to submit quarterly reports on the ETA-9130 with information on expenditures for the three TAA grant types received: (1) training and other activities (TaOA), (2) Trade Readjustment Allowance (TRA), and (3) Alternative Trade Adjustment Assistance or Reemployment Trade Adjustment Assistance (collectively herein referred to as RTAA). Attachment I contains additional information on the types and number of grants utilized by the TAA Program. SWAs are required to report expenditures on the ETA-9130 based on accrual accounting as defined in 2 CFR 200.34(c), consistent with 2 CFR 2900.14, 20 CFR 618.860, and the form instructions including, but not limited to, Federal Share of Expenditures (line 10e) and Total Administrative Expenditures (line 10f).

Further, SWAs are required to report expenditure subcomponents on the ETA-9130(M) based on accrual accounting as defined in 2 CFR 200.34(c), consistent with 2 CFR 2900.14, 20 CFR 618.860, and the form instructions including, but not limited to, Case Management Expenditures (line 11b), Job Search and Relocation Expenditures (line 11c), and Training Expenditures (line 11d).

SWAs are required to report expenditures in the PIRL according to accrual accounting consistent with 20 CFR 618.860. This requirement applies to all expenditure reporting elements in the PIRL as detailed in Attachment II including training expenditures, job search expenditures, relocation expenditures, TRA expenditures (by type), RTAA expenditures, and overpayments.

SWAs are not required to convert accounting systems to use accruals, but SWAs must report accrual information through best estimates based on an analysis of the documentation on hand as indicated in 2 CFR 2900.14.

6. Alignment of Expenditure Subcomponents on the ETA-9130(M)

TAA TaOA grant expenditures exclusively include the expenditures of four subcomponents:

1. Total Administrative Expenditures (line 10f),
2. Case Management Expenditures (line 11b),
3. Job Search and Relocation Expenditures (line 11c), and
4. Training Expenditures (line 11d).

When SWAs report their TaOA expenditures on the ETA-9130(M), these four subcomponents should add to the amount reported in Total Federal Share of Expenditures (line 10e). If the subcomponents do not add to the Total Federal Share of Expenditures, states should examine which expenditures are under- or over-reported and subsequently correct the ETA-9130(M) information.

7. Expenditure Reporting Requirements in the PIRL

SWAs must report TAA quarterly and cumulative expenditures in the PIRL for training expenditures, job search expenditures, relocation expenditures, TRA expenditures (by type), RTAA expenditures, and overpayments as detailed in Attachment II. The below requirements apply to expenditure reporting irrelevantly of the benefit or service category of the expenditure.

Basic Requirements

As discussed in Section 4, all expenditures must be reported using accrual accounting. For each of the types, SWAs must report a quarterly and cumulative expenditure amount. Quarterly amounts indicate amounts that accrued in the quarter reported, and cumulative amounts indicate the total accrued expenditure for that participation by the end of the quarter. At the time of exit, the cumulative expenditures should represent the total expended for that participation, but may be subject to adjustments and retroactive payment changes. Because new accruals could only occur when new benefits or services are provided, quarterly accruals should never occur after a participant exits unless a new participation was started.

Reporting Adjustments

The two types of adjustments that may occur to PIRL expenditure amounts are corrections to previously reported values due to estimation errors or incorrect reporting and actual changes to accrual amounts in the quarter.

- For corrections to prior reporting amounts, there is no quarterly accrual, but SWAs must correct the cumulative expenditure amount.
- For accruals and negative accrual adjustments based on actions within the quarter, SWAs must adjust the quarterly expenditure element as well as the cumulative.

For this reason, SWAs may report negative quarterly accruals in the PIRL during participation. Once participation has ended, negative accruals do not occur except in some retroactive payment and overpayment situations as detailed below.

Reporting Retroactive Payments

A retroactive payment occurs when a benefit is initially denied, but through an appeal or similar process, the denial is overturned and the expenditure occurs. If the participant has not yet exited, SWAs must report the expenditure normally. If a participant has exited, SWAs should update the resulting cumulative amount but not the quarterly amount since it was a benefit that would have occurred during participation absent the denial.

Expenditures for Co-Enrolled Participants and other Non-TAA Funds

Co-enrolled participants may receive training funded from multiple programs. Training expenditures reported in the PIRL should only represent expenditures allocated to a TAA TaOA grant. SWAs must report all training provided from any program, such as training type and date entered training, but non-TAA funded trainings would report \$0 in expenditures. Other expenditures reported in the PIRL are specific to TAA-only benefits and services so all expenditures will be TAA-funded.

While non-TAA funds are not reported in the PIRL, non-TAA funds should be reported on the ETA-9130(M). Expenditures on TAA participants not funded by the TaOA grant, but could have been (such as certain WIOA training expenditures) should be reported as Other Federal Funds Expended (line 11a). Further, TAA participant expenditures funded by the SWA rather than the TaOA grant should be reported in the Recipient Shares of Expenditures (line 10k).

Expenditures for Agent/Liable Participants

While SWAs typically act in both agent and liable capacities as defined in 20 CFR 618.110, there are some circumstances where an SWA acts only as agent State or liable State. SWAs are required to submit a complete participation record in PIRL if they fulfill either agent or liable role, unless DOL grants specific reporting flexibilities for particular data elements.

For PIRL expenditure reporting, the liable state is required to report all expenditure fields irrelevantly of the state in which the expenditure occurred. Agent states are required to report expenditure fields for training, job search, and relocation expenditures, but the reporting of TRA and A/RTAA expenditures is optional.

8. Improper / Overpayments Reporting in the PIRL

An improper payment occurs when a payment was made either improperly or in the incorrect amount as described in 2 CFR 200.53, and overpayments are improper payments where the incorrect amount exceeds the correct amount. The recovery or waiver of overpayments must

comply with 20 CFR 618.832. The Department relies on detailed overpayment information to meet requirements and determine overpayment rates for particular participant groups. SWAs are required to report overpayment information on training, TRA, and RTAA expenditures. SWAs must report the overpayment amount for these benefits and services as the cumulative amount of all overpayments throughout participation irrelevantly of whether that overpayment was recovered.

Overpayment information such as the overpayment flag and waiver information is determined based on whether it occurred any point during the participation. As such, once an overpayment occurs, that overpayment flag (not collected for training) and amount should be reported in all subsequent reporting quarters in which that record is present. Similarly, the overpayment waiver indicates that whether some or all of the overpayment was waived from recapture. Once a waiver is issued, that waiver information should be reported in all subsequent reporting quarters in which that record is present.

When an overpayment is recovered, overpayments should follow the reporting adjustments guidance above and make the corresponding updates to the expenditure reporting elements. Like retroactive payments, overpayment recaptures occurring after participation must adjust the cumulative amounts, but does not change the quarterly accrual amount as it is correcting expenditure information reported in a prior quarter.

9. Inquiries. Please direct inquiries to the appropriate Regional Office.

10. References.

- Chapter 2 of Title II of the Trade Act of 1974, as amended (Pub. L. 93-618) (Trade Act);
- 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Rule;
- 2 CFR Part 618, Trade Adjustment Assistance Under the Trade Act of 1974, As Amended;
- 2 CFR Part 2900, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Rule;
- TEGL No. 20-19, *Revised ETA-9130 Financial Report, Instructions, and Additional Guidance*;
- TEGL No. 01-19, *Trade Adjustment Assistance Data Integrity (TAADI)*;
- OMB Control Number 1205-0521, WIOA DOL-only Participant Individual Record Layout;
- OMB Control Number 1205-0461, Employment and Training Administration – Financial Report Form ETA-9130

11. Attachment(s).

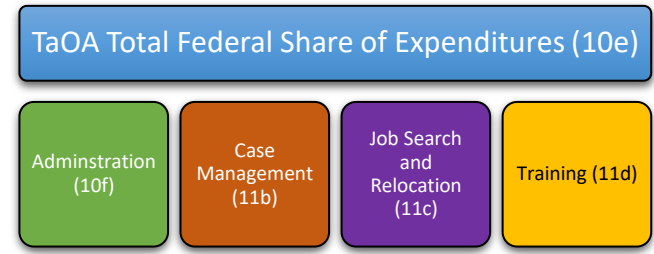
- Appendix I: Key Features of TAA ETA-9130 Reporting
- Appendix II: PIRL Elements
- Appendix III: Accrual Accounting Explanation

ATTACHMENT I – Key Features of TAA ETA-9130 Reporting

The TAA program operates through three types of grants: (1) Training and Other Activities (TaOA), (2) Trade Readjustment Allowances (TRA), and (3) Reemployment Trade Adjustment Assistance (RTAA).

- TaOA funds may be spent in the year funding is provided or the subsequent two years, which means that up to three TaOA grants may be active for a State at any given time.
- TRA and RTAA funds are one-year funds that align with the fiscal year.

For TaOA expenditures, funds for administration and case management are not trackable at the participant level and so are reported on the ETA-9130(M), but not on the PIRL. Further, the expenditures for Job Search and Relocation benefits are tracked separately on the PIRL, but combined (added together) for reporting on the ETA-9130(M). Furthermore, the sum of each subcomponent should equal the total expenditures reported on line 10e (i.e. $10e = 10f + 11b + 11c + 11d$).



For TRA expenditures, all TRA expenditures are combined on the ETA-9130(I) for reporting of Total Federal Share of Expenditures (10e). However, the PIRL tracks each type of TRA separately to better articulate TRA utilization. TRA and RTAA use the same form, but as separate grants they have separate submissions.

RTAA expenditures are tracked both on the ETA-9130(I) and the PIRL with a single set of elements. RTAA grants are used for expenditures both for participants receiving Alternative Trade Adjustment Allowance (ATAA) under old versions of the program and RTAA under the current version of the program.

ETA-9130					PIRL Expenditure Elements	
Grant Type	Possible # of Active Grants	Form	Expenditure Type	Line	Quarterly	Cumulative
TaOA	3	ETA-9130(M)	Administration	10f	N/A	N/A
			Case Management	11b	N/A	N/A
			Job Search	11c (sum)	PIRL 1506	PIRL 1507
			Relocation		PIRL 1509	PIRL 1510
			Training	11d	PIRL 1324	PIRL 1325
TRA	1	ETA-9130(I)	Basic TRA	10e (sum)	PIRL 1514	PIRL 1515
			Additional TRA		PIRL 1519	PIRL 1520
			Remedial/Prerequisite TRA		PIRL 1524	PIRL 1525
			Completion		PIRL 1529	PIRL 1530
A/RTAA	1	ETA-9130(I)	RTAA	10e	PIRL 1536	PIRL 1538

ATTACHMENT II – PIRL Elements

The PIRL tracks expenditures for eight types of benefits and services with a quarterly and cumulative expenditure element, which must report accrued expenditures. Overpayment information is not collected for Job Search and Relocation, and there is no flag element for training overpayments. TRA overpayments are combined across all types of TRA. All expenditure information is required for States that act in both an agent and liable role and States that are liable only. Agent States are not required to report on TRA and RTAA expenditures, but may if they choose.

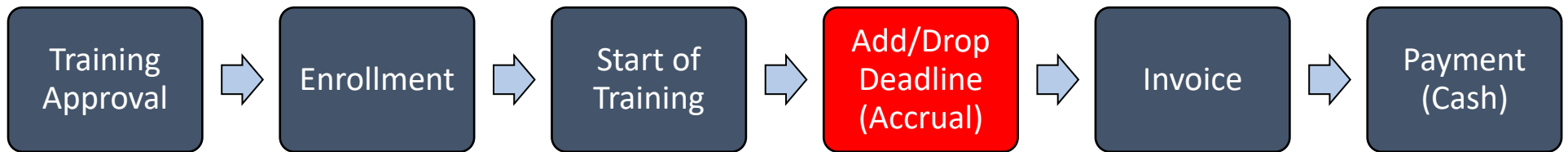
		PIRL Element Type						
Benefit or Service		Quarterly Expenditure Element	Cumulative Expenditure Element	Overpayment Flag Element	Overpayment Amount Element	Overpayment Waiver Element	Reporting Required for Liable States?	Reporting Required for Agent States?
Training		Current Quarter Training Expenditures (PIRL 1324)	Total Training Expenditures (PIRL 1325)	Not Collected	Training Costs - Amount of Overpayment (PIRL 1326)	Training Costs - Overpayment Waiver (PIRL 1327)	Yes	Yes
Job Search		Job Search Allowance Current Quarter - Costs (PIRL 1506)	Job Search Allowance - Total Costs (PIRL 1507)	Not Collected	Not Collected	Not Collected	Yes	Yes
Relocation		Relocation Allowance Current Quarter Costs (PIRL 1509)	Relocation Allowance -Total Cost (PIRL 1510)	Not Collected	Not Collected	Not Collected	Yes	Yes
TRA	Basic	Amount Paid Current Quarter-TRA Basic (PIRL 1514)	Total Amount Paid – Basic TRA (PIRL 1515)	TRA Overpayment (PIRL 1531)	Amount of TRA Overpayment (PIRL 1532)	TRA Overpayment Waiver (PIRL 1533)	Yes	Optional
	Additional	Amount Paid This Quarter - Additional TRA (PIRL 1519)	Total Amount Paid - Additional TRA (PIRL 1520)				Yes	Optional
	Remedial/ Prerequisite	Amount Paid This Quarter - Remedial/Prerequisite TRA (PIRL 1524)	Total Amount Paid - Remedial/Prerequisite TRA (PIRL 1525)				Yes	Optional
	Completion	Amount Paid Current Quarter - TRA Completion (PIRL 1529)	Total Amount Paid - Completion TRA (PIRL 1530)				Yes	Optional
RTAA		Current Quarter A/RTAA Payments (PIRL 1536)	Total Amount Paid - A/RTAA (PIRL 1538)	A/RTAA Overpayment (PIRL 1541)	Amount of A/RTAA Overpayment (PIRL 1542)	A/RTAA Overpayment Waiver (PIRL 1543)	Yes	Optional

ATTACHMENT III – Accrual Accounting Explanation

There is often confusion about how to translate the definition of accrual accounting into the normal financial flow in our programs. The following explains how the accounting should occur based on typical TAA scenarios we see in SWAs, but it may differ depending on the specific financial and contractual processes implemented. The definition for accruals is contained at 2 CFR 200.34(c); the explanations below are based on parts ii and iii.

Training Reporting on Accruals

The most typical flow in the TAA Program for training begins with a training approval, then enrollment, the start of training, an “add/drop deadline” after which expenditures are still required if there is a withdrawal from training, an invoice, and a payment. See the diagram below.



There may be a substantial delay in the invoicing or payment for a training service received, but the date on which the amount accrues is the add/drop deadline. After this date, the amount is owed for the training irrelevantly of whether it was invoiced or paid. Reporting expenditures based on cash accounting or on invoice accounting is incorrect.

TRA and RTAA Expenditures

Expenditures for TRA and RTAA benefits generally follow a three-step process: (1) apply for benefit, (2) approval of benefit, (3) payment of benefit.



In most circumstances, the benefit process occurs within a few days because all processes are internal to the SWA and not reliant on other parties. Once a benefit is approved, the SWA has determined that the amount is owed and, thus, the accrual has occurred. Reporting expenditures based on application or payment is incorrect. Job Search and Relocation expenditures are typically similar in process to TRA and RTAA with the accrual occurring when expenditures are approved by the SWA.