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## LOCAL INSTRUCTION NUMBER 21-03

**To:** Local Workforce Development Area

**Subject:** WIOA Obligation and Expenditure Requirements

**Issuance Date:** February 22, 2022

**Effective Date:** February 22, 2022

**Purpose:** To provide Local Workforce Development Areas (LWDAs) guidance related to obligation and expenditure of WIOA funds and to transmit the Voluntary Reallocation Request Form.

**References:**

- Workforce Innovation and Opportunity Act, Public Law 113-128, §§ 128(c), 133(c)
- 20 CFR § 683.140
- Training and Employment Guidance Letter (TEGL) 28-10

**Background:** Obligation and expenditure requirements are intended to promote the effective use of WIOA funds by setting minimum acceptable levels of fund obligation and setting maximum time limits for fund expenditure.

**Policy:** Each LWDA must obligate at least 80 percent of the program portion of its current PY/FY allocation for each of the three fund streams - Youth, Adult, and Dislocated Worker - by June 30th of each program year. If more than 20 percent of the program funds remain unobligated as of June 30th, these excess program funds will be recaptured by the State and reallocated to those local areas that are meeting the obligation requirement. LWDAs are responsible for keeping accurate records to document obligations. Obligations as reported on the fourth quarter (June 30th) Financial Status Report will be used to determine whether the area met the 80 percent obligation requirement.

LWDAs have only two years to expend formula funds. Compliance must be separately determined for each funding stream. Funds not expended in the two-year period must be returned to the State and will be available for expenditure during the third and final year of

availability. At the discretion of the State Workforce Development Board (SWDB), such funds will be used for statewide projects and/or reallocated to those local areas which fully expended their allocation of funds for the same program year within the two-year period.

### **Voluntary Reallocation**

A local workforce area may decide to voluntarily return a portion of its Youth, Adult and/or Dislocated Worker funds should the LWDA find that 1) the funds available to the area will not be expended within the allowable two-year time period and 2) the funds are needed by another local area and can be expended in the time remaining. In such an instance, both the giving and receiving local areas must jointly submit a Voluntary Reallocation Request Form (attached) to Workforce Support staff at [WorkforceSupport@dew.sc.gov](mailto:WorkforceSupport@dew.sc.gov). Approval of the Local Workforce Development Board and the Signatory Official of both local areas is required to initiate such a request. The request must be submitted by May 31<sup>st</sup> of each program year. Voluntary reallocation must occur in whole dollars, consisting of 90 percent program funds and 10 percent administration funds. LWDA's voluntarily reallocating and receiving funds must ensure state and federal fiscal requirements are met for the program year.

**Action:** Please ensure that all appropriate staff receive and understand this policy.

**Inquiries:** Questions may be directed to Policies and Procedures at [nlawing@catawbacog.org](mailto:nlawing@catawbacog.org)



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Nicole Lawing, WIOA Administrator

Attachment:  
WIOA Voluntary Reallocation Request Form

## Workforce Innovation and Opportunity Act

### Voluntary Reallocation Request Form

Program Year Funds: Choose PY	Local Area: Choose LWDA
Funding Stream: Choose Funding	Percentage of Funds to be Reallocated: Enter %

<b>Grant Award/Allocation:</b>	(Program)	\$Amount	(Admin)	\$Amount	(Total)	\$Amount
<b>Reallocation Amount:</b>	(Program)	\$Amount	(Admin)	\$Amount	(Total)	\$Amount
<b>Grant Award Balance:</b>	(Program)	\$Amount	(Admin)	Amount \$	(Total)	\$Amount

The Choose LWDA Local Workforce Development Area is hereby requesting the amount of \$Amount be reallocated to Choose LWDA.

Click or tap here to enter text  
**Signatory Official (Type or print)**

Click or tap here to enter text  
**LWDB Chairperson (Type or print)**

\_\_\_\_\_  
**Signatory Authorized Signature**

\_\_\_\_\_  
**LWDB Chair Signature**

Click or tap to enter a date  
**Date**

Click or tap to enter a date  
**Date**

The Choose LWDA Local Workforce Development Area agrees to accept the reallocated funds.

Click or tap here to enter text  
**Signatory Official (Type or print)**

Click or tap here to enter text  
**LWDB Chair (Type or print)**

\_\_\_\_\_  
**Signatory Authorized Signature**

\_\_\_\_\_  
**LWDB Chair Signature**

Click or tap to enter a date  
**Date**

Click or tap to enter a date  
**Date**