# Board VR Requirements Chapter 2: Wage Services for VR Participants in Paid Work Experience

**Revisions will take effect on September 19, 2018.**

## Introduction

TWC will execute a fee-for-service contract with Boards to purchase wage payment services for VR Participants in paid work experience. The paid work experience placements will be for VR Participants who are students with disabilities and for whom paid work experience is an identified service on their Individualized Plan for Employment (IPE). The paid work experience described in this chapter is a stand-alone service that is separate from the Summer Earn and Learn program.

## 2.1 Overview of Wage Services for VR Participants in Paid Work Experience

Wage Services for VR Participants in Paid Work Experience (Paid Work Experience Services) establishes a mechanism by which the Local Workforce Development Boards (Boards) can partner with the Texas Workforce Commission Vocational Rehabilitation Division (TWC-VR) to pay wages and associated taxes and fees (wage services) for participants in paid work experience.

This service will be offered in each local workforce development area (LWDA) in which the Board has a TWC-VR contract for Paid Work Experience Services. Paid Work Experience Services will be available throughout the year and will be authorized by VR counselors on an individual VR Participant basis.

## 2.2 Objective of Paid Work Experience Services

Work-based learning is defined as the participation in work activities in a real work setting that are designed to help individuals with disabilities gain soft and hard skills for work, learn about, and experience actual work in possible fields of interest, and provide these individuals with the opportunity to have hands-on exposure to jobs. Paid work experience is an effective strategy for providing work-based learning opportunities to individuals with disabilities, and particularly for students with disabilities.

The objective of the Paid Work Experience Services is to increase work-based learning opportunities for VR Participants who are students with disabilities through Texas' integrated workforce system.

## 2.3 Scope of Paid Work Experience Services

Through Paid Work Experience Services, Boards pay the wages of VR Participants for time worked on a job site, thereby enabling Participants to receive wages as they develop work skills that improve their career preparation and increase their employability.

VR Participants are placed at the job site by TWC-VR, and TWC-VR is responsible for monitoring each worksite and providing case management. Paid work experience assignments will not exceed 12 weeks per Participant per worksite assignment. Paid work experience assignments will not exceed 20 hours per week per Participant. A VR Participant may participate in more than one paid work experience assignment, where the VR counselor determines that additional assignments will assist the Participant with career exploration and development of work readiness skills.

### 2.3.1 VR Responsibility

TWC-VR staff are responsible for developing paid work experience opportunities and worksites in both the public or private sector for paid work experience placements. TWC-VR staff may directly develop these paid work experience opportunities. TWC-VR will comply with the Board’s exclusions and exceptions to the type of worksites or businesses. TWC-VR staff may work in collaboration with Board or contractor staff to identify worksites based on the Boards' expertise in the local labor market and established relationships with area employers.

TWC-VR regional management will participate in an orientation and coordination meeting with the Board and/or, as applicable, the Board’s contractor, prior to initiating Work Experience Services under this Chapter.

As necessary based on the significance of a Participant's impediments to employment and associated support needs, TWC-VR may also purchase Work Experience Services from a TWC-VR contracted Employment Services Provider (ESP). For additional information about Work Experience Services delivered through ESPs, refer to [Chapter 14 of the Vocational Rehabilitation Standards for Providers Manual](https://twc.texas.gov/standards-manual/vr-sfp-chapter-14) which is posted on TWC's internet site at this link: [http://www.texasworkforce.org/standards-manual/vr-sfp-chapter-14](https://twc.texas.gov/standards-manual/vr-sfp-chapter-14). ESPs develop worksite placements as appropriate for the individual Participant and monitor the Participant's progress. ESPs do not provide wage payment services.

TWC-VR staff or ESPs will conduct a worksite orientation with the designated worksite supervisor or contact person. The orientation will include:

* an overview of worksite and Participant responsibilities;
* the hourly rate the Participant will be paid as specified by the Board in Section 2.3.2 of this chapter;
* the maximum number of hours that the Participant may work per week (up to 20);
* the start and end date for the work experience placement (not to exceed 12 weeks), and
* the worksite supervisor's or contact person's responsibility to ensure a complete and accurate timesheet or payroll record is timely provided to the Board or the Board's contractor.

Local TWC-VR staff will issue a Service Authorization to the Board or designated Board contractor, authorizing Board payment of wages for a VR Participant. With the Service Authorization, TWC-VR staff will provide information about the Participant, worksite, designated worksite supervisor or contact person, maximum number of hours per week and the end date for the Paid Work Experience Services.

TWC-VR staff or, as applicable, ESPs, are responsible for worksite monitoring and for addressing any needs or concerns shared by the worksite supervisor or contact person regarding the Participant's performance at the worksite. TWC-VR staff will notify Board staff or designated Board contractor staff within forty-eight (48) hours regarding worksite incidents involving injury, property damage, or behavioral situations that result in termination of the student’s placement at the worksite.

### 2.3.2 Board Responsibility

Wages must be paid in a timely manner and include other costs associated with payroll, including Federal income tax withholding, Federal Insurance Contributions Act (FICA) expenses, workers' compensation insurance, and any fees associated with payroll processing.

Boards must set an hourly wage rate for the paid work experience component that is consistent with or based on the hourly wage the Board uses for paid work experience under the WIOA Title I formula youth program.

Boards must notify TWC-VR of the hourly wage rate that will be paid to VR Participants in paid work experience within thirty (30) days of contract execution. Boards must include in their notification to TWC-VR a description and breakdown of the other costs associated with payroll as described in Section 2.5.1 of this chapter.

If Boards contract with another entity to perform all or part of the Paid Work Experience Services deliverables, Boards must also notify TWC-VR of the name and contact information of the contractor.

Boards must notify TWC-VR of any exceptions or exclusions to the type of worksites or businesses that may serve as a worksite under this chapter.

Boards must notify TWC-VR thirty (30) days in advance of changes in the Board’s contractor, hourly wage rate, other payroll costs, or exceptions or exclusions to the type of worksites or businesses. If such changes are made, the hourly wage rate for a VR Participant must not be reduced during the Participant's paid work experience assignment.

Boards must conduct an orientation meeting with TWC-VR regional management within thirty (30) days of contract execution and prior to initiating Paid Work Experience Services under this chapter. This requirement is established by the September 2018 revisions to this chapter, which are effective on September 19, 2018. For contracts in effect prior to the September 2018 revisions, the meeting must occur within thirty (30) days of the effective date of the chapter revisions.

The orientation meeting must include the Board’s contractor(s), if such contractors will perform functions under this chapter. The purpose of the meeting is to:

* identify points of contact for the Board, Board contractors, and TWC-VR;
* review the Board’s hourly rate and associated payroll costs;
* review the Board’s exceptions and exclusions to the types of businesses or worksites, if applicable; and
* establish procedures to facilitate local coordination and referral, including information and documentation necessary to set up a customer to receive wages. The Board must document the procedures and provide a copy to TWC-VR.

### 2.3.3 Paid Work Experience Eligibility

TWC-VR staff is responsible for determining eligibility for participation in Paid Work Experience Services.

Boards may refer potential VR Participants to TWC-VR and should provide appropriate referral documentation when so doing.

TWC-VR counselors are solely responsible for determining VR program eligibility.

Students who are potentially eligible may participate in Paid Work Experience. The VR counselor is responsible for obtaining documentation and verifying that the individual meets the student with a disability definition.

## 2.4 Documentation and Recordkeeping

Boards will maintain records of the Participants, wages paid, and associated fees for Paid Work Experience Services to include documenting wages and associated fees for each Participant and invoicing. These records do not constitute a separate VR Participant case file and are considered supplemental information needed by the Board and its subcontractors, if any, for administrative, operational and invoicing purposes.

All records including Personally Identifiable Information must be maintained in a safe and confidential manner. Boards shall retain these records in accordance with the Board's records retention schedule.

### 2.4.1 Electronic Data Storage

Confidential data must be encrypted using current Federal Information Processing Standards (FIPS) validated cryptographic modules. The minimum encryption level is:

* Advanced Encryption Standard (AES) with 256-bit encryption.
* Only approved public algorithms such as AES, RSA public key cryptography, and SHA-256 or better are allowed for hashing. Do not use weak algorithms such as MD5 or SHA1.
* Confidential data in motion or transferred must meet or exceed 256-bit Transport Layer Security (SSL/TLS). At a minimum, TLS v1.1 should be used.

## 2.5 Allowable Costs

A Board may bill for Paid Work Experience Services not to exceed the Board's costs to provide services under a contract for Paid Work Experience Services with TWC and as described in the information submitted by the Board in Section 2.3.2 of this chapter. TWC is not obligated to pay unauthorized expenses or to pay more than the fees as outlined in this chapter.

Boards must not provide Paid Work Experience Services to a VR Participant beyond the end date specified on the most recent TWC-VR Service Authorization.

### 2.5.1 Payment

Payment will be made to Boards for wages paid for actual time worked at the worksite and other costs associated with payroll.

Board costs must be provided to TWC-VR as required in Section 2.3.2 of the chapter and may include:

* Hourly wage paid to the Participant, which includes Federal income tax withholding and Federal Insurance Contributions Act (FICA, also referred to as Social Security) expenses;
* Federal Unemployment Tax Act (FUTA) and State Unemployment Tax Authority (SUTA);
* Workers compensation insurance;
* Board contractor's set-up and payroll processing fee; and
* Board invoice processing fee.

### 2.5.2 Invoicing for Payment

TWC will pay, in accordance with the Texas Prompt Payment Act, upon receipt of complete, timely submitted invoices for wages and associated costs as specified in Section 2.3.2 of this chapter and paid to VR Participants consistent with the Service Authorization issued by the TWC-VR staff.

Local TWC-VR staff will issue a Service Authorization to initiate Paid Work Experience Services. The Service Authorization will include:

* the start and end date for the Participant's paid work experience assignment;
* the number of hours the Participant is approved to work each week;
* the unit cost, as provided by the Board in Section 2.3.2 of this chapter; and
* the one-time set-up fee, if applicable.

Local TWC-VR staff will include a Work Experience Worksite Agreement with the Service Authorization. The Worksite Agreement will be used by TWC-VR staff or, as applicable, the ESP. The Worksite Agreement will provide information as necessary for the Board to establish Paid Work Experience Services for the Participant, including:

* the Participant's name;
* the Participant's VR Case ID number;
* the name and physical address of the public or private entity serving as the worksite;
* the designated worksite supervisor or contact person that will be responsible for signing or certifying the Participant's timesheets;
* contact information for the designated worksite supervisor or contact person;
* the work experience start and end date; and
* the Participant's projected work experience schedule.

TWC-VR staff will also provide additional documentation or information as agreed and documented in the local coordination and referral procedures established by the Board and TWC-VR as described in Section 2.3.2 of this chapter.

Boards, either directly or through a subcontractor, will then set up wage payment services for the Participant. Boards will pay the Participant's wages for each period upon receipt of a completed timesheet or payroll record from the designated worksite supervisor or contact person that verifies the hours worked by the Participant. The timesheet or payroll record must be signed or certified by both the designated worksite supervisor or contact person and the Participant.

To receive payment from TWC-VR, Boards will submit a complete invoice for payment, along with supporting documentation as described in Section 2.5.4 of this chapter, to the TWC-VR Office shown in the "Remit to" address printed on the Service Authorization. Boards may invoice TWC-VR weekly, bi-weekly or monthly based on the Board or Board contractor's payroll cycle or other billing cycle. TWC will make payment by direct deposit to each Board's account.

### 2.5.3 Invoices

Invoices for Paid Work Experience and supporting documentation must be submitted to the TWC-VR office address listed on the Service Authorization and the invoice must comply with:

* the applicable contract;
* the Board VR Requirements Manual, Chapter 2; and
* Service Authorization terms and conditions.

### 2.5.4 Elements of an Invoice

Board invoices must include, at a minimum:

* the Board's complete name and remittance address including city, state, and ZIP code;
* the Board's 14-digit Texas vendor identification number;
* a contact name and telephone number, or email address, or fax number;
* the Service Authorization number;
* the contract number;
* the VR office address as listed in the Remit To section of the Service Authorization;
* the VR customer case identification number (Case ID);
* the service description, including the dates of service;
* the quantity (number of hours) and unit cost (hourly wage, workers compensation as applicable, and associated fees) being billed;
* the one-time set up cost per Participant, as applicable; and
* any other information required under the contract and this chapter.

The service end date for Paid Work Experience Services is either

* the date on which the Board payroll cycle ended; or
* the date on which the VR Participant completed the Paid Work Experience Services assignment.

### 2.5.5 Paid Work Experience Services Cost Calculations

| **Cost** | **Description** | **Supporting Documentation** |
| --- | --- | --- |
| Unit Cost for Participant Wages | The Unit Cost for Participant Wages = the {hourly wage rate paid to the Participant} plus {required taxes and insurance} plus {processing and invoice fees].  Boards will be paid the Unit Cost multiplied by the number of hours worked in the billing period, whether weekly, bi-weekly or monthly. | The Unit Cost for Participant Wages will be identified by the Board and submitted as required by Section 2.3.2 of this chapter. TWC-VR will retain this information and provide it to each VR Region.  Participant timesheet or payroll record reflecting actual hours worked by the Participant and signed or certified by the worksite supervisor or contact person and Participant. |
| Per Participant Set-up Cost | The Per Participant Set-up Cost is a one-time fee, if applicable, as billed by the Board or Board contractor to set-up wage services for a VR Participant, following receipt of a Service Authorization. | The one-time set-up fee, if any, will be identified by the Board and submitted as required by Section 2.3.2 of this chapter. TWC-VR will retain this information and provide it to each VR Region. |

### 2.5.6 Incomplete or Inaccurate Invoices

Per state Comptroller requirements, incomplete or inaccurate invoices are not eligible for payment authorization and will be returned for completion or correction.

## 2.6 Working Capital Advance

A Board may request a working capital advance from TWC. If a Board requires an advance payment to ensure that funds are available to support the contracted services, such advance must be authorized by TWC. This option recognizes the following:

* the needed services' specialized nature;
* that although Boards can offer the specialized expertise needed, Boards have limited or no unrestricted funds with which to provide the needed services; and
* state policies permit advance payment in limited instances, such as when advance payment is required by a vendor offering specialized services.

Boards that require a working capital advance may request up to $5,000.

To request the working capital advance, Boards must submit the Advance for Wage Services for Paid Work Experience invoice to [payables.cder@twc.state.tx.us](mailto:payables.cder@twc.state.tx.us) following execution of the contract. TWC will determine whether to authorize the advance payment allowance and will notify the Board of authorization.

If an advance payment is authorized, TWC will make payment by direct deposit to the Board.

Boards must repay the working capital advance at the end of the contract period by submitting the [TWC Cash Remittance Form](https://twc.texas.gov/files/partners/cash-remittance-report-twc.doc) (available at [http://www.texasworkforce.org/files/partners/cash-remittance-report-twc.doc](https://twc.texas.gov/files/partners/cash-remittance-report-twc.doc)), along with repayment of the working capital advance, to the address specified on the form within thirty (30) calendar days after the end of the state fiscal year.

Boards must specify "6" in the Reason Coding column of the TWC Cash Remittance Form, and under the form's Reason Coding descriptions, Boards must type "Remittance of Wage Services Advance" in the explanation field for Reason Code 6.